Organisation for Economic Co-operation and Development

GOV/PCSD(2022)2

**For Official Use** **English text only**

**8 December 2022**

**PUBLIC GOVERNANCE DIRECTORATE**

**Cancels & replaces the same document of 8 December 2022**

# Taking stock of progress in enhancing policy coherence for sustainable development in Romania:

# Opportunities and challenges in NAP implementation

This report has been prepared as part of the project *Capacity building in the field of public governance - a coordinated approach of the Centre of the Government of Romania*, funded by EEA-Norway grants. It represents an output under Component 1. "Delivering on the Sustainable Development Goals through robust coordination capacities in the Centre of Government in Romania". It corresponds to Output Area 5.1.6 of the 2021-2022 Programme of Work and Budget for Policy Coherence for Sustainable Development, OECD Public Governance Directorate.

A Cancel & Replace to the document posted on 8 December was issued to update the title of the document only.

Tatyana Teplova, Tatyana.teplova@oecd.org
Carina Lindberg, carina.lindberg@oecd.org

**JT03509613**

# Foreword

The COVID-19 crisis and the Russian aggression against Ukraine have had negative impacts on Romania's economy and society, requiring renewed efforts to advance on its national sustainable development objectives. At the same time, the resources made available through the European Union's Recovery and Resilience Facility provide opportunities for rebuilding better and in ways that favour long-term green solutions.

This Stocktaking Report highlights progress made in enhancing policy coherence for sustainable development in Romania since the OECD's 2020 'Scan of Romania's Institutional Mechanisms to deliver on the SDGs'. It identifies possible bottlenecks that could potentially hamper an effective implementation of Romania's new National Action Plan for Implementing its National Sustainable Development Strategy *Romania 2030* – as well as possible ways for overcoming these challenges. Romania's accession process to the OECD provides an opportunity to further strengthen its alignment with the OECD Council Recommendation on Policy Coherence for Sustainable Development.

The report represents a deliverable under the project "Capacity building in the field of public governance – a coordinated approach of the Centre of the Government of Romania", which is funded by the European Economic Area-Norway grants. It corresponds to Output Area 5.1.6 of the 2021-2022 Programme of Work and Budget for Policy Coherence for Sustainable Development, OECD Public Governance Directorate.

The analysis presented in this report is based on desk research, an online survey among Romania's Sustainable Development Hubs, and fact-finding interviews with officials and representatives from the following institutions and organisations: Department for Sustainable Development; Directorate for Coordinating Policies and Priorities, General Secretariat of the Government; Ministry of Labour and Social Protection; Ministry of Environment, Water and Forests; Ministry of Economy; Ministry of Culture; Ministry of Energy; Ministry of Research, Innovation and Digitalisation; Ministry of Regional Development and Public Administration; Directorate of Agricultural and Environmental Statistics, National Data Institute; and the Romanian Court of Accounts.

# Acknowledgements

The OECD would like to thank the Government of Romania for its engagement and commitment during the preparation of this Stocktaking Report. This scan is the result of close collaboration with the Department for Sustainable Development within the Prime Minister Office. In particular, the OECD would like to thank the State Counsellor for the SDGs, Laszló Borbély, and his team, Ileana Luminița Bălălău, Ștefania Elena Deak, Diana Achimescu, Cornel Bertea Hanganu, Cristian Iordache, Andra Elena Orloschi and Mihaela Marin.

During a fact-finding mission in May 2022, the OECD conducted interviews with officials from a number of line ministries and government departments, and held consultations with independent experts and representatives of civil society and business. The authors would like to express their appreciation to all of these stakeholders for their availability and insights.

This Stocktaking Report was prepared by the OECD Public Governance Directorate (GOV), under the leadership of Elsa Pilichowski, Director, and the guidance of Tatyana Teplova, Head of Division for Policy Coherence for the Sustainable Development Goals (PCSDG) in GOV and Ernesto Soria Morales, Head of the Policy Coherence for Sustainable Development (PCSD) Unit. Carina Lindberg, Policy Analyst (PCSD) and project coordinator, drafted the content, which benefited from a review by Simon Callewaert, Yola Thuerer and Nicol Scherie in GOV and Lorenz Gross and Aline Matta in the Centre for Entrepreneurship, SMEs, Regions and Cities (CFE). Maria Suciu, external consultant, provided valuable research support.

# Table of contents



## FIGURES

## TABLES

# Abbreviations and acronyms

| | |
|---|---|
| ANFP | National Agency for Public Officials |
| ARDA | Regional Association for Entrepreneurial Development (Oltenia) |
| CCDD | Research Center for Sustainable Development |
| CExDD | Center of Excellence for Public Administration in the Field of Sustainable Development |
| CRS | Romanian Code of Sustainability |
| GOR | Government of Romania |
| DCPP | Directorate for Coordination of Policy and Priorities |
| DSD | Department for Sustainable Development |
| GSG | General Secretariat of the Government |
| ISP | Institutional Strategic Plans |
| INS | National Statistics Institute |
| NAC | National Authority for Qualifications |
| NAP | National Action Plan |
| NHLF | National High Level Forum for Sustainable Development |
| NSD | Nuclei for Sustainable Development |
| NRRP | Romania's National Recovery and Resilience Plan |
| NSDI | National Sustainable Development Indicators |
| NSDS | National Strategy for Sustainable Development |

| | |
|---|---|
| PAL | Priority Action Lines |
| PCPD | Policy Coordination and Priorities Directorate |
| RIA | Regulatory Impact Assessments |
| RCA | Romanian Court of Accounts |
| SIPOCA | Code for projects developed under the Operational Program Administrative Capacity |
| SDGs | Sustainable Development Goals |
| NSDS 2030 | National Strategy for Sustainable Development of Romania 2030 |

# Executive summary

Romania has put in place an ambitious structure for implementing the Sustainable Development Goals (SDGs). Principles for policy coherence for sustainable development (PCSD) are guiding institutional and policy making processes. Most recently, through a participative and multi-sectoral process, a National Action Plan (NAP) for the Implementation of the National Strategy for Sustainable Development 2030 (NSDS) was developed and approved on 8 June through Government Decision 754/2022.

The NAP provides Romania's government with an integrated and multidimensional framework to help public policy makers at all levels concentrate resources for implementing the NSDS. The framework is the main instrument for co-ordinating the creation, consolidation, functioning and development of governance structures to implement the NSDS during 2021-2030.

Yet, challenges remain. Potential bottlenecks to the effective operationalisation of the NAP include:

- Limited use of governance tools for SDG implementation throughout the policy cycle.
- Large disparities in SDG implementation at local level and few mechanisms for vertical coherence.
- Limited correlation and monitoring of Romania's many sectoral policies to inform the implementation of the NSDS.

There are also a number of cross-cutting challenges, the three most frequently cited by government officials are limited human resources; limited technical expertise/capacity; and limited funding.

The COVID-19 pandemic and the Russian aggression against Ukraine have had negative impacts on Romania's economy and society, temporarily diverting attention away from long-term sustainability commitments. At the same time, the NSDS has been complemented by Romania's National Recovery and Resilience Plan (NRRP), bringing additional resources and acting as an enabler of change.

Three recently approved government decisions (GD), called for by NRRP Component 14 on Good Governance, pave the way for 1) embedding an SDG perspective in policy planning methodologies across the public administration (amendment of GD 870/2006 through GD 379/2022 regarding the approval of the Methodology of elaboration, implementation, monitoring, evaluation and updating of government strategies), 2) elaborating and executing budgetary programmes (GD 427/2022 for the approval of the Methodology of elaboration, monitoring, reporting and revision of institutional strategic plans), and 3) strengthening the system of regulatory impact assessments (GD 443/2022).

The NAP offers opportunities for operationalising both the NSDS and the NRRP. For Romania, to continue on a sustainable path that leaves no one behind, it will be important to systematise the involvement of the Department for Sustainable Development in the implementation of above-mentioned GDs, and to match this increased responsibility with adequate financial and human resources. With regard to sub-national SDG implementation and vertical coherence, the foreseen "one-stop shop to support the territorial approach of the SDG", needs to be put in place and accompanied by training for local and regional-level civil servants. Finally, Romania's new set of National Sustainable Development Indicators (NSDIs) provides an opportunity for improving data interoperability across ministries, for streamlining data collection in support of sustainable development, and for tracking policies' contribution to SDG implementation.

# 1 National context

Romania's commitment to sustainable development remains on track. Despite the impact of overlapping global crises including the COVID-19 pandemic, the Russian invasion of neighbouring Ukraine and rising energy and food prices, implementing the Sustainable Development Goals (SDGs) continues to remain an important commitment of the Romanian government.

Whilst the effects of the COVID-19 pandemic impacted Romania's economy, growth has returned to near pre-pandemic levels reaching 7.3% in 2021 (World Bank, 2021[1]). Romania's role in the European Union (EU) and the world has been highlighted amidst the conflict in Ukraine, particularly in its role as an energy supplier to Europe and key export partner to other European countries. Romania is currently at a crucial point in meeting its performance against the SDGs, with the opportunity to harness incoming EU Recovery and Stability funds to address policy objectives of regional development, reducing inequalities and supporting workers and communities to reskill and transition to high growth and sustainable industries.

Since the adoption of the National Sustainable Development Strategy (NSDS) in November 2018, an Action Plan has been elaborated to operationalise the NSDS with clear targets and measures for 2030. Following an extensive consultation process in 2021, the first version of the National Action Plan was released in March 2022 seeking public feedback. A final version of the NAP was adopted on 8 June 2022 through Government Decision 754/2022.

## 1.1. Romania in Europe

Romania's membership in the EU has triggered positive and profound socioeconomic transformations. In less than 20 years, Romania has reduced the gap in GDP per capita to the OECD average by half, from close to 70% to around 35%. The population at risk of poverty or social exclusion had fallen to 30% in 2020, from around 50% thirteen years before. On the horizon, Romania may soon become a Schengen country, following the positive review in the 2021 report from the Cooperation and Verification Mechanism, acknowledging Romania's efforts to uplift transparency, institutional integrity and corruption prevention. Becoming a Schengen country would in turn support further EU integration and encourage institutional governance initiatives (European Commission, 2021[2]).

Despite substantial improvements, Romania still lags behind most European countries in performance against the SDGs, ranking 29th out of 34 in the 2021 EU Sustainable Development Report (SDSN, 2021[3]). The SDGs reported as significant challenges for Romania include Access to High-Quality Education (SDG 4), Industry, Innovation and Infrastructure (SDG 9) and Sustainable Cities and Communities (SDG 11). Moreover, the COVID-19 pandemic, rising cost of living and supply chain challenges risk aggravating pre-existing inequalities in these areas.

Romania is making the most of EU funds to meet the SDGs. In September 2021, the European Commission (EC) endorsed Romania's National Recovery and Resilience plan (NRRP), allowing access to 29.2 billion euros of NextGeneration EU funds. Over 41% of the plan's proposed funding is towards green transition, with measures to phase out coal and lignite power production by 2032 (European Commission, 2021[4]). The green transition reforms also include those promoting sustainable transport and the decarbonisation of road transport, green taxation, improving the energy efficiency of private and public

buildings, incentives for zero-emission vehicles, and a modal shift to railways and water transport. Effective implementation of these plans will require strengthening administrative capacity while implementing the associated structural reforms.

### *Sustainable development in Romania's National Recovery and Resilience Plan*[1]

Romania's National Recovery and Resilience Plan (NRRP) represents a largely balanced response to the six pillars of the EU Recovery and Resilience facility: green transition; digital transformation; smart, sustainable and inclusive growth; social and territorial cohesion; health, and economic, social and institutional resilience; and policies for the next generation. It takes a holistic approach to achieve recovery and economic growth while enhancing socio-economic and institutional resilience.

The plan contains mutually reinforcing and coherent reforms and investments that contribute to effectively addressing the economic and social challenges outlined in the country-specific recommendations addressed to Romania by the Council in the European Semester in 2019 and in 2020. Notably, reforms and investments included in the plan are expected to contribute to the areas of sustainability of public finances and pension system, healthcare, public administration, business environment, education, corporate governance of state-owned enterprises, justice, and green and digital transition.

Romania has also provided evidence and assurances that the measures for the implementation of reforms and investment projects included in the plan are expected to not lead to significant harm to any of the six environmental objectives, namely climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. Where needed, Romania has proposed the implementation of mitigating measures to avoid significant harm, which should be ensured through relevant milestones.

Three reforms in particular merit mentioning for the purposes of this report.

First, **NRRP Component 14 on Good Governance and its Reform 1.1** on Enhancing the predictability and efficiency of decision-making processes by strengthening the capacity for policy coordination and impact analysis at the level of the government and coordinating ministries, as well as by strengthening the tools to increase the quality of public consultations at all levels of the administration.

The objective of this reform is to "improve the planning of government policies in the short and medium term (by developing institutional strategic planning mechanisms and linking them to budget programming), to strengthen the system of preliminary regulatory impact analysis (through procedural and institutional adjustments), to improve capacities of public policy planning and formulation (through new mechanisms for managing government strategies, training or exchange of experience, and by introducing the concept of innovative governance), and to strengthen coordination at the Government Centre of policies of a strong horizontal nature and involving a large number of stakeholders (such as the Green Compact)."

Second, also under **Component 14, Reform 2** on Strengthening the coordination at the centre of government through an integrated and coherent approach to climate change and sustainable development initiatives. This reform aims to (i) ensure efficiency and effectiveness of green measures and policies by operationalising a mechanism for coordinating and implementing the European Green Deal in Romania; and to (ii) reform public administration by promoting and coordinating a coherent public policy for sustainable development at all levels and in all sectors of the state with a focus on digital transformation and increasing the relevance/use of the scientific approach in public sustainable development policies.

[1] https://ec.europa.eu/info/publications/proposal-council-implementing-decision-approval-assessment-recovery-and-resilience-plan-romania-and-annex_ro

In this context, the activities to be conducted by the DSD will provide comprehensive support to the SDG agenda around three pillars. The first pillar aims at consolidating the governance capacity at the central level, by developing a centre of excellence in sustainable development. The second pillar refers to human resource development across central and local administration, to ensure that the relevant staff are equipped with the necessary skills to work as sustainable development experts. The third pillar is focused on strengthening the monitoring and implementation capacity at local level, by operationalising a One-stop-shop Romania 2030, a virtual resource centre that would support a local approach to sustainable development objectives.

Third, under Component 6 on Energy, Reform 3 on Green Budgeting aims to allow the monitoring of green budget expenditures and the assessment of the impact of fiscal policy on the environment and climate. As part of this reform, the Ministry of Finance will develop, finalise and apply a methodology for assessing the impact of individual budget lines on environmental objectives, in accordance with the EU taxonomy for sustainable activities and the Technical Guide "do no significant harm" (2021/C58 /01). The methodology will be adopted, published and applied and will allow the monitoring of ecological budgetary expenditures and the assessment of the impact of fiscal policy on the environment and climate, and will increase the capacity of local public authorities to implement ecological budgetary practices. The methodology for assessing the impact of individual budget lines on environmental objectives will be adopted, published and implemented by 30 September 2023

## 1.2. Romania in the world

The Russian invasion of Ukraine has shone a spotlight on Romania's place in the world. Ukrainian refugees are travelling to Romania with the two countries sharing a border, as well as having access to the Black Sea. Romania's strategic position as a NATO member and its status as one of the largest European countries by land mass and a population of over 18 million[2], has elevated the strategic importance and position of Romania in international affairs.

One particular policy area that has garnered attention is Romania's potential to become an important supplier of renewable energy. Romania has a geographical location which favours wind, solar and water energy, as well as mineral resources (United Nations, 2018[5]). Efforts are underway to integrate climate and development goals and initiate just transitions to renewable energy, ahead of the coal industry being phased out by 2032 in line with the objectives of Romania's NRRP. EU member states approved Romania to receive 1.95 billion euros in assistance from the Just Transition fund to reskill and support communities in this transition from coal and diversify local industries, with particular focus on the Jiu valley, Oltenia and Galați areas. To meet consumer expectations in the long run, the Romanian energy sector is working to become cleaner and more technologically advanced, whilst also ensuring workers and communities are appropriately trained and ready to support Romania's energy economy.

In terms of economic development and global rankings, Romania is on the precipice of becoming a high-income country. In 2019, the World Bank classified Romania as a high-income country for the first time, however, the COVID-19 pandemic crisis pulled the country back into the upper-middle-income group (World Bank, 2021[1]) (The World Bank, 2021). Whilst this certainly reflects Romania's strong economic progress to date, how this wealth is distributed between groups and regions remains an important challenge in supporting Romania's sustainable economic development.

According to the UN Sustainable Development Report 2022 (SDSN, 2022[6]), Romania ranks 30 out of 163 countries in the SDG Global Rank with the score of 77.7% of the SDG achievement. Specifically, Romania

[2] According to the provisional data announced after the most recent population census, 18,15 million people had been recorded on 31 July 2022.

is on track or maintaining SDG achievement on SDG 1 and SDG 6; and moderately improving on SDG 2, SDG 3, SDG 5, SDG 8, SDG 9, SDG 14, SDG 16 and SDG 17. Progress is stagnating for SDG 7, SDG 10, SDG 11, SDG 12, SDG 13 and SDG 15; and decreasing on SDG 4 (Figure 1.1).

### Figure 1.1. SDG Dashboard and trends

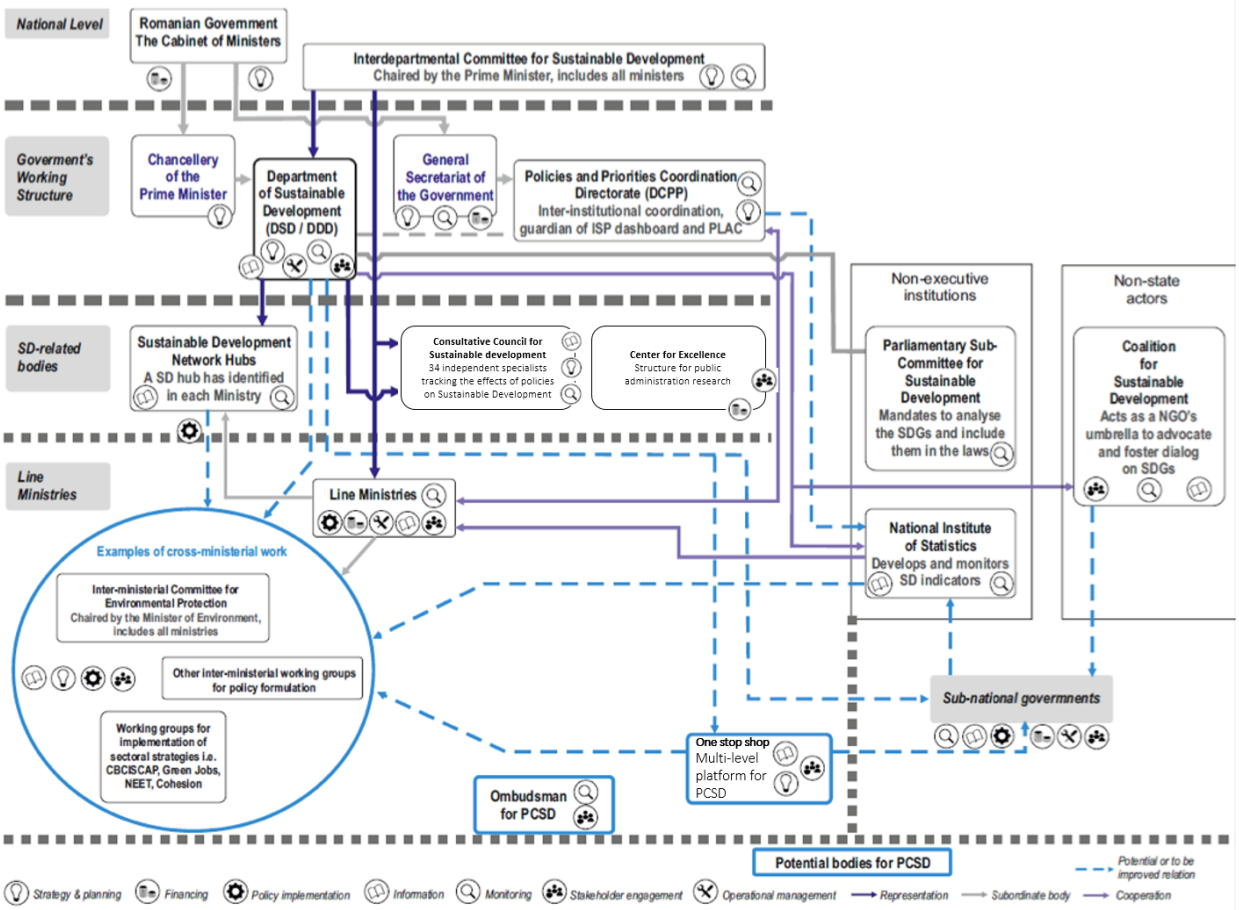

Source: Sachs et al. (2022): From Crisis to Sustainable Development: the SDGs as Roadmap to 2030 and Beyond. Sustainable Development Report 2022. Cambridge: Cambridge University Press.

## 1.3. Institutional framework for sustainable development in Romania

Romania's National Sustainable Development Strategy 2030 defines Romania's national framework for implementing the 2030 Agenda across the three dimensions of sustainable development: economic, social, and environmental. The NSDS has a strong citizen-centred focus aimed at fostering innovation, optimism and resilience within Romanian society. Overarching aims include ensuring long-term economic growth that benefits the country's citizens; creating a cohesive society able to benefit from improvements in education and health care systems; and increasing and harnessing environmental awareness and responsibility.

The institutional framework for sustainable development and PCSD spans multiple Romanian government agencies and coordination mechanisms (Figure 1.2).

## Figure 1.2. Institutional framework for sustainable development in Romania




Source: Elaborated in (OECD, 2020[7]) and updated in a presentation by the DSD at the NAP launch event on 23 June 2022.

Implementation is led and coordinated by the Department for Sustainable Development, established under the Prime Minister's office in May 2017, with specific actions allocated to different Romanian government authorities. In 2019, formal consultation and coordination mechanisms were established, including the Interdepartmental Committee for Sustainable Development, chaired by the Prime Minister with representation of members from across the government, and the Coalition for Sustainable Development with representatives from civil society and the private sector.

Another example of inter-agency collaboration includes work between the DSD and the National Institute of Statistics (NIS) to monitor Romania's progress on the SDGs and update its national sustainable development indicator set. Also notable is the creation of Sustainable Development Hubs in each ministry to promote and support sustainable development policies and expertise beyond central authorities and the Department of Sustainable Development.

Moreover, as mentioned above, Romania's NRRP calls for the establishment of a Centre of Excellence for Innovative Public Administration in the field of Sustainable Development (CExDD) and the development of an online platform One-stop-shop Romania 2030 to support local-level SDG implementation.

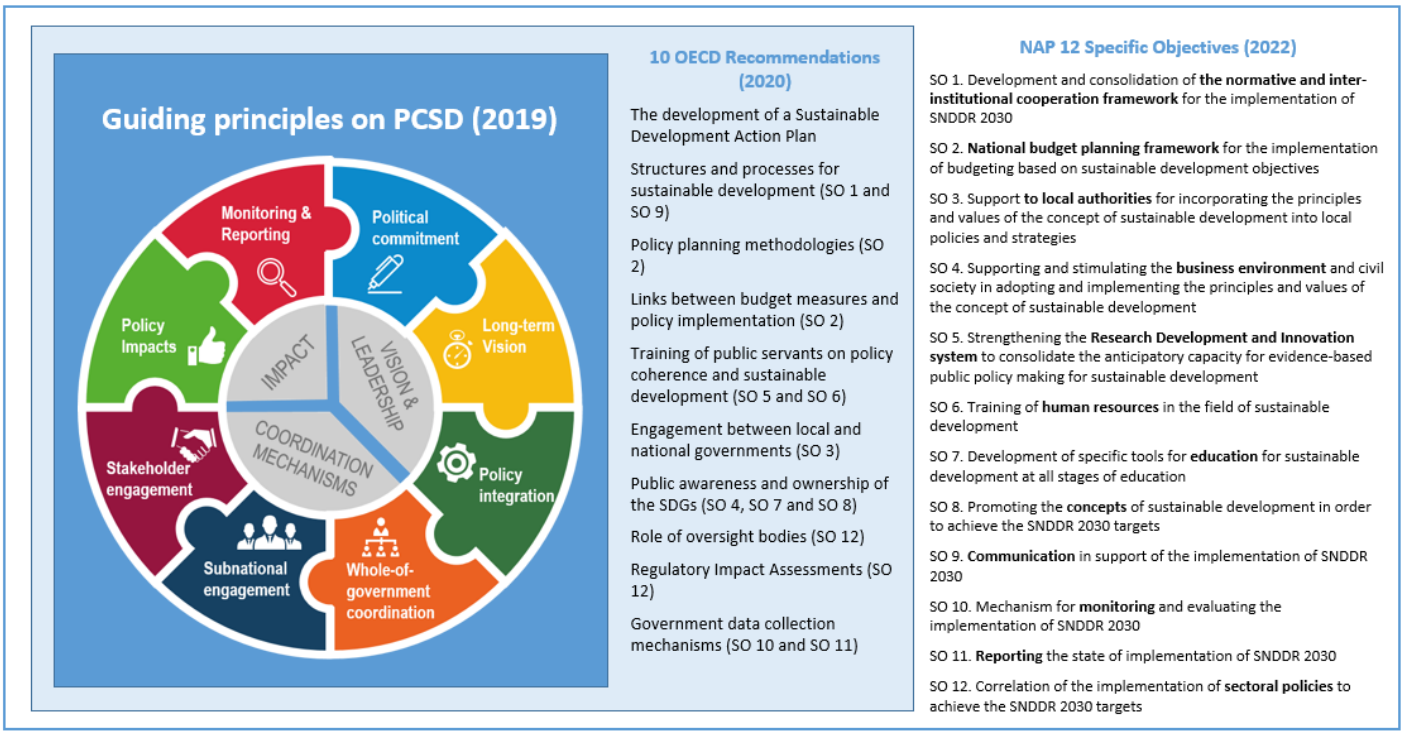
The OECD has supported Romania's work in forming its institutional framework for sustainable development. In 2020, the OECD published the 'Romania: Scan of Institutional Mechanisms to Support the SDGs', which complements the 2020 OECD report on 'Romania: Linking Policy Planning and Budgeting to Support the Implementation of the SDGs'.

# 2 Progress made in enhancing policy coherence for sustainable development

This chapter provides an overview of Romania's progress in implementing the ten recommendations made in the OECD report 'Romania: Scan of Institutional Mechanisms to Support the SDGs' (hereafter the '2020 Institutional Scan'), in line with the eight guiding principles and three pillars of the OECD Council Recommendation on Policy Coherence for Sustainable Development (hereafter the 'PCSD Recommendation').

The chapter outlines recent national developments and highlights if and how the recommendations are reinforced in the Specific Objectives (SOs) of Romania's new National Action (NAP) to implement its National Sustainable Development Strategy 2030 (NSDS). It provides the basis for identifying new or persisting bottlenecks in SDG implementation, as further elaborated on in Chapter 3.

## Figure 2.1. OECD PCSD principles guiding Romanian actions for sustainable development




Source: Author's own elaboration.

## 2.1. Commitment, vision and leadership

A strategic vision for implementing the 2030 Agenda underpinned by a clear political commitment and leadership to enhance policy coherence for sustainable development is critical for advancing the implementation of the 2030 Agenda. This section outlines Romania's progress made on implementing the recommendations that pertain primarily to Commitment, Vision and Leadership, including policy integration (PCSD Pillar 1). The recommendations are situated in the context of the NAP and references are made to the Specific Objectives and Actions that will contribute to their continued implementation (Table 2.1).

### Table 2.1. Recommendations and actions related to PCSD Pillar 1

| 2020 Recommendation | NAP Specific Objective and Action |
|---|---|
| Develop a Sustainable Development Action Plan | n.a. |
| Embed an SDGs perspective in policy planning methodologies across the public administration | SO 2 National budget planning framework for the implementation of budgeting based on sustainable development objectives |
| Improve links between budget measures and policy implementation | Action 2. Development of the national framework for planning and ODD budgeting reporting<br>Action 3. Implementation of the budget reporting framework for each SDG based on the identification of budget allocations and executions for each target NSDS2030 |

Source: Author's own elaboration.

### *Romania has launched a National Action Plan for Sustainable Development*

The Department for Sustainable Development (DSD) completed in January 2022 the elaboration of a comprehensive draft National Action Plan (NAP) for the implementation of Romania's National Sustainable Development Strategy 2030 (NSDS 2030). This involved, among other things, an analysis of the relevant strategic documents related to sustainable development, including the Institutional Strategic Plans (ISP) in the "Report on the evaluation of policies, plans and action strategies in relation to the objectives of NSDS"[3]. The NAP also underwent a public consultation process in 2021 with a broad range of stakeholders from civil society, academia and the private sector, and was adopted on 8 June 2022 through Government Decision 754/2022.

The NAP provides an integrated and multidimensional facilitation framework for public policy makers at all levels in order to concentrate resources for the implementation of the NSDSNSDS 2030. The NAP identifies four Priority Action Lines (PAL), 12 Specific Objectives and 22 Actions, making it the main instrument for the coordination of actions aiming at the creation, consolidation, functioning and development of specific governance structures directed towards the implementation of the NSDS 2030 during the decade 2021-2030 (Box 2.1).

#### Box 2.1. National Action Plan for the Implementation of the NSDS 2030

**PAL 1. Strengthen and expand the governance framework for sustainable development**

***Specific Objective 1. Development and consolidation of the normative and inter-institutional cooperation framework for the implementation of NSDS 2030***

*Action 1:* Regulating the Status of Nuclei for Sustainable Development (NDD)

[3] http://romania-durabila.gov.ro/wp-content/uploads/2021/08/Raport-de-evaluare-a-politicilor-planurilor-si-strategiilor-de-actiune-sectoriale-in-relatie-cu-obiectivele-Strategiei-Nationale-pentru-Dezvoltarea-Durabila-a-Romaniei-2030.pdf

***Specific Objective 2. National budget planning framework for the implementation of budgeting based on sustainable development objectives***

*Action 2.* Development of the national framework for planning and ODD budgeting reporting

*Action 3.* Implementation of the budget reporting framework for each SDG based on the identification of budget allocations and executions for each target NSDS2030

***Specific Objective 3. Support to local authorities for incorporating the principles and values of the concept of sustainable development into local policies and strategies***

*Action 4.* Develop communication and information tools to facilitate the integration of the SDGs into local policies and strategies

***Specific Objective 4. Supporting and stimulating the business environment and civil society in adopting and implementing the principles and values of the concept of sustainable development***

*Action 5.* Elaboration and operationalization of the Romanian Code of Sustainability (CRS)

*Action 6.* Communication and information campaigns to facilitate the integration of the SDGs into business and civil society

***Specific Objective 5. Strengthening the Research Development and Innovation system to consolidate the anticipatory capacity for evidence-based public policy making for sustainable development***

*Action 7.* Establishment of the Center of Excellence for Public Administration in the Field of Sustainable Development (CExDD)

**PAL 2. Supporting the implementation of NSDS 2030 through education and training programs for sustainable development**

***Specific Objective 6. Training of human resources in the field of sustainable development***

*Action 8.* Development of training programs for the acquisition of knowledge and competences in the field of sustainable development

*Action 9.* Training of "sustainable development experts" for public administration staff

***Specific Objective 7. Development of specific tools for education for sustainable development at all stages of education***

*Action 10.* Development of educational applications, tools and platforms for sustainable development education in pre-university education

*Action 11.* Development of tools for educational programs for sustainable development in university education, as well as adult education and learning

**PAL 3. Promoting the principles and values of the concept of sustainable development**

***Specific Objective 8. Promoting the concepts of sustainable development in order to achieve the NSDS 2030 targets***

*Action 12.* Implementation of the Program for communication and promotion of sustainable development concepts

*Action 13.* Carry out opinion barometers on the perception of awareness of the principles and values of the concept of sustainable development and the progress made in achieving the SDG

*Action 14.* Realization and promotion of the elements of visual identity regarding the sustainable development in Romania

***Specific Objective 9. Communication in support of the implementation of NSDS 2030***

*Action 15.* Organization of the National High Level Forum for Sustainable Development (NHLF)

*Action 16.* Organize conferences, forums, debates for sustainable development

**PAL 4. Monitoring and evaluating implementation of NSDS 2030**

***Specific Objective 10. Mechanism for monitoring and evaluating the implementation of NSDS 2030***

*Action 17.* Monitoring and evaluation of indicators for sustainable development 2030

***Specific Objective 11. Reporting the state of implementation of NSDS 2030***

*Action 18.* Realization, publication and promotion of the Dashboard with INDD on Romania's progress in achieving the 2030 targets

*Action 19.* Elaboration and presentation to the Romanian Parliament of the Annual Report on the state of implementation of NSDS 2030

*Action 20.* Voluntary National Report on the progress of the implementation of the 2030 Agenda at national level

***Specific Objective 12. Correlation of the implementation of sectoral policies to achieve the NSDS 2030 targets***

*Action 21.* Monitoring legislation and strategies related to the field of sustainable development

*Action 22.* Formulation of recommendations on specific actions in accordance with the NSDS 2030 targets for updating or developing strategic documents

Source: National Action Plan for the Implementation of the NSDS 2030.

### *Recent legislative changes enable the integration of the SDGs into policy planning…*

Recent changes in legislation in the context of Romania's National Recovery and Resilience Plan (NRRP) paves the way for embedding the SDGs into national policy planning methodologies. Specifically, as part of *Component 14 Good Governance* of Romania's NRRP, Reform 1.1 calls for the following reform actions:

- Adoption and entry into force of the **methodologies and procedures to improve public policy rationale and planning and administrative simplification** (by 31 March 2022). As a result of this, at least 50% of the proposed legislative initiatives, included in the Government Annual Work Plan (GAWP), shall be approved within the planned timeline by 31 March 2026, and 25% of the presentation and motivation tools (i.e. explanatory memorandums/substantiation notes accompanying draft regulations) shall satisfy the set quality criteria (i.e. are assessed at an excellent or satisfactory level) as per the Government methodology adopted in the first annual report on the regulatory impact assessment (adopted in 2019) by 31 December 2024.
- Creation and operationalisation of a **new strategic management and strategic planning system in all ministries**, whereas strategies and strategic plans developed at ministerial level shall follow the provisions of the methodologies adopted under action (1) above and shall be uploaded to the Institutional Strategic Plans (ISP) monitoring platform as it is extended to all ministries (by 30 June 2023). As a result of this, all line ministries shall have planned their budgets per programme and

at least three ministries shall have also executed/implemented budgets per programme by 30 June 2025.

This led to the adoption of **Government Decision 379 of 24 March 2022** and the amendment of Government Decision 870/2006, which establishes the Strategy to improve the system of elaboration, coordination and planning of public policies at the level of the central public administration. The new methodology mandates the general Secretariat of the Government to work together with the DSD towards policy coherence for sustainable development (Art. 5). It also notes that the process to develop government strategies should "present the expected effects of the strategies and related results in a quantifiable manner, describing the economic, social, environmental and cultural changes, including the contribution to sustainable development objectives, as a result of the impact of the strategy implementation" and "present the indicators on the basis of which the evolution of the implementation of the strategy will be measured, with reference to the targeted national indicators of sustainable development" (Art 7)….but the links between planning processes and budgeting can be strengthened

**Government Decision 427 of 6 April 2022** (GD 427/2022) approves an updated Methodology for the preparation and implementation of budgetary programmes, with a view to ensure an adequate **link between priority policies and the budget**. This could be leveraged for the implementation of *NAP Specific Objective 2 National budget planning framework for the implementation of budgeting based on sustainable development objectives*.

First, *NAP Action 2 Development of the national framework for planning and SDG budgeting reporting* is expected to lead to improved transparency around how the budget supports green financing and acquisitions. It will allow more detailed monitoring of public expenditures related to the SDGs, in line with other practices in the European Union (Box 2.2).

### Box 2.2. SDG budgeting in Finland and Slovenia

In 2017, **Finland** started to integrate sustainable development into the budget process. For the 2019 budget proposal, the assessment of sustainability was extended by adding a separate chapter to the general strategy and outlook section of the budget proposal, while maintaining the individual descriptions for the expenditure titles. In the following years, these descriptive assessments have been further developed to show the links between the budget proposal and sustainable development more closely. As a first step, short descriptions were integrated into the main expenditure titles of the 2018 budget proposal, explaining each ministry's priorities and actions regarding sustainable development for that budgetary year. To enhance transparency, Finland's approach also includes a qualitative assessment of elements of public funding that are potentially harmful to the environment based on information from earlier studies. The chapter focuses on two priority areas (carbon-neutral and resource-wise Finland) and assesses the appropriations that specifically promote the targets of these priority areas.

Moreover, the role of civil society has been from the start critical to developing a framework for SDG budgeting in Finland. It has participated in the deliberation process with the government, in linking the SDGs to the national budget through stakeholder workshops with the Ministry of Finance, in order to determine how the issues relevant to sustainable development can become more visible through the budget process. These recommendations then helped to shape Finland's 2019 budget – its first attempt to incorporate SDG alignment to all ministry budget proposals.

In **Slovenia**, implementation of the SDGs is supported by its structured programme-based budgeting system, as reported in its 2019 VNR. Lessons from this approach, which also mirrors efforts taken across a number of OECD countries, can be drawn to embed SDGs into the strategic planning process. Plans are in place to gradually integrate SDG-relevant Key Performance Indicators (KPIs) to the state

budget, ensuring SDG considerations are built into the country's performance framework. This will build the capacity for evaluation and provides greater opportunity for accountability and oversight of SDG implementation by the government.

Source: SDG Budgeting in Romania Linking Policy Planning and Budgeting to Support the Implementation of the Sustainable Development Goals (SDGs), 2020 https://www.oecd.org/gov/budgeting/oecd-review-of-sdg-budgeting-in-romania.pdf

Second, the purpose of *NAP Action 3 Implementation of the budget reporting framework for each SDG based on the identification of budget allocations and executions for each target NSDS 2030* is to facilitate greater awareness of how budget allocations align with the NSDS 2030 targets. Furthermore, the integration of the SDGs into the institutional strategic plans and the establishment of performance budgeting opens the opportunity to prepare a more detailed budget statement related to the SDGs to help inform how the budget supports their achievement and monitor progress. It is envisaged to establish a 'dashboard' reporting system, which will provide information on budgets with an impact on the NSDS 2030 targets, including those obtained by accessing national and European funds.

The new methodology aims to strengthen the quality of public policies of the central public administration through integrating objectives related to the SDGs into medium-term institutional strategic plans and the medium-term budgetary framework. It specifies a new way for presenting budgetary programmes, their content and the way of describing measures of progress as well as how to monitor the execution of the budgetary programmes.

The methodology specifies that a budget programme may be:

- sectoral, if it aims to finance the implementation of an activity / action by a chief authorising officer, which falls within the structure of the functional budget classification, paragraph, subchapter, chapter; or
- multisectoral, if it has as purpose of financing the performance of either an activity/action by a chief authorising officer, which is the subject of two or more paragraphs, sub-chapters or chapters of the functional budget classification, for the purpose of the programme, or of activities / actions from the efforts of two or more chief authorizing officers, if the law so provides.

Moreover, if certain parts of the program are included in a multisectoral policy for which the public institution is not primarily responsible, it should include a statement indicating the connection with that multisectoral public policy and the related budgetary programme.

Application of the methodology starts with budget year 2023 and the implementation of the methodology is to be coordinated by the Ministry of Finance. Its development is complemented by Component 6 on Energy – Reform 3 on Green Budgeting, whereby Target 123 stipulates that a methodology for assessing the impact of individual budget lines on environmental objectives will be adopted, published and implemented by 30 September 2023.

## 2.2. Institutional and governance mechanisms to address policy interactions

The cross-cutting nature of the SDGs poses co-ordination challenges at each level and stage of the policymaking process. It requires governments to strengthen existing institutional and governance mechanisms for horizontal coordination (between entities of a particular tier) and vertical co-ordination (between international, national and subnational levels). Having in place efficient mechanisms and processes at appropriate levels for inter-ministerial co-ordination to resolve policy divergences and trade-offs between different sectors is essential to ensure an integrated implementation of the 2030 Agenda and the SDGs (OECD, 2021[8]). Moreover, these mechanisms need to be underpinned by fit-for-purpose civil service skills that allow for cross-sectoral collaboration and policy implementation.

Four recommendations in the OECD's 2020 Institutional Scan of Romania encourage the strengthening of mechanisms, processes and skills to enhance horizontal and vertical coherence through more effective coordination (PCSD Pillar 2). This section presents progress made in implementing these recommendations and links them to the relevant Specific Objectives and Actions in the NAP, which present opportunities for further progress (Table 2.2).

### Table 2.2. Recommendations and actions related to PCSD Pillar 2

| 2020 Recommendations | NAP Specific Objectives and Actions |
|---|---|
| Strengthen structures and processes for sustainable development | SO 1. Development and consolidation of the normative and inter-institutional cooperation framework for the implementation of NSDS 2030<br>Action 1. Regulating the Status of Nuclei for Sustainable Development (NDD) |
| Train public servants on policy coherence and sustainable development | Specific Objective 5. Strengthening the Research Development and Innovation system to consolidate the anticipatory capacity for evidence-based public policy making for sustainable development<br>Action 7. Establishment of the Center of Excellence for Public Administration in the Field of Sustainable Development (CExDD)<br>Specific Objective 6. Training of human resources in the field of sustainable development<br>Action 8. Development of training programs for the acquisition of knowledge and competences in the field of sustainable development<br>Action 9. Training of "sustainable development experts" for public administration staff |
| Enhance engagement between local and national governments | Specific Objective 3. Support to local authorities for incorporating the principles and values of the concept of sustainable development into local policies and strategies<br>Action 4. Develop communication and information tools to facilitate the integration of the SDGs into local policies and strategies |
| Raise public awareness and ownership of the SDGs | Specific Objective 4. Supporting and stimulating the business environment and civil society in adopting and implementing the principles and values of the concept of sustainable development<br>Action 5. Elaboration and operationalization of the Romanian Code of Sustainability (RCS)<br>Specific Objective 7. Development of specific tools for education for sustainable development at all stages of education<br>Action 10. Development of educational applications, tools and platforms for sustainable development education in pre-university education<br>Action 11. Development of tools for educational programs for sustainable development in university education, as well as adult education and learning<br>Specific Objective 8. Promoting the concepts of sustainable development in order to achieve the NSDS 2030 targets<br>Action 12. Implementation of the Program for communication and promotion of sustainable development concepts<br>Action 13. Carry out opinion barometers on the perception of awareness of the principles and values of the concept of sustainable development and the progress made in achieving the SDG<br>Action 14. Realization and promotion of the elements of visual identity regarding the sustainable development in Romania<br>Specific Objective 9. Communication in support of the implementation of NSDS 2030<br>Action 15. Organization of the National High Level Forum for Sustainable Development (FNIDD)<br>Action 16. Organize conferences, forums and debates for sustainable development |

Source: Author's own elaboration.

### *Structures and processes for sustainable development have been strengthened*

The overall coordination and implementation of the SNDS and the NAP lie with the Department for Sustainable Development (DSD), established by GD No. 313/2017 (with subsequent amendments and completions) in the Prime Minister's Office and under the leadership of a State Counsellor.

The NAP details a number of Actions to integrate SDG-related bodies in policy and delivery of the NSDS. Development and consolidation of the normative and inter-institutional co-operation framework for the implementation of the NSDS is stipulated in *NAP Action 1. Regulating the Status of Nuclei for Sustainable Development (NDD)*. At the central level, this includes strengthening public authorities with responsibilities in the field of sustainable development through the network of Sustainable Development Hubs (SD Hubs), which together make up the so-called *nuclei* for sustainable development.

The role of the DSD in strengthening PCSD and SDG governance has been further enhanced to deal with the COVID-19 crisis and for aligning short-term recovery measures with the long-term economic, social and environmental objectives of the 2030 Agenda. The development of the NAP is the key achievement as it will guide all responsible actors in their implementation of the NSDS.

The Policy Coordination and Priorities Directorate (PCPD) within the General Secretariat of the Government (GSG) and the Public Policy Units, set up at the level of each ministry, have the responsibility for improving the capacity to draft normative acts. The DSD works closely with the PCPD on topics of common interest, such as the inclusion of the SDGs in the regulation for ex-ante impact assessment and in public policy planning methodologies.

These efforts by the Romanian government to strengthen its processes and structures for sustainable development are being further advanced through **two ongoing projects**:

- The project “Enhancing policy coherence, transparency and coordination at the Centre of Government in Romania”, funded by the European Commission through the Technical Support Instrument (TSI), aims at building capacity of the GSG to consolidate its role in policy development and coordination, in line with the ambitions outlined by Romania in the public administration reform that is part of the National Recovery and Resilience Plan (NRRP), and the strengthening of the role of the policy units in line ministries. Output 4 will apply a PCSD lens to this analysis.
- The project “Capacity building in the field of public governance – a coordinated approach of the Centre of the Government of Romania”, funded by EEA-Norway grants, includes a component that focuses specifically on the implementation of the SDGs. This report represents an early deliverable of this project, which aims at developing an implementation roadmap for the NAP.

The parallel implementation of these two projects will generate important **co-benefits** and help to ensure that policy advice and recommendations are mutually supportive across sectors and levels of government.

Moreover, the DSD is the beneficiary of a project financed from the European Social Fund, SIPOCA 613 - “Sustainable Romania – Development of the strategic and institutional framework for the implementation of NSDS 2030”. In 2018, Romania introduced the profession of **“sustainable development expert”** in the national Classification of Occupations. According to the classification of European Skills, Competences, Qualifications and Occupations (ESCO), this occupation is part of the ‘Policy Administration professionals’ group’ (ISCO-08 code 2422).

The national occupational standard **COR 242232** was approved by Decision no. 49/2021 of the National Authority for Qualifications. This standard defines the competences which apply to job roles or occupations in sustainable development in the form of knowledge and the evidence required to confirm this competence. The implementation of this new standard will require time, resources and strong collaboration between the public system and authorized providers of training courses and qualifications. It will allow for more effective implementation of the SDGs in each institutions’ respective area and help to ensure the liaison between institutions, e.g. GSG, DSD and INS.

### *Training public servants on policy coherence and sustainable development is underway*

*NAP Action 9 Training of "sustainable development experts" for public administration staff* foresees that each SD Hub will be nominated and trained according to the new national occupational standard COR 242232.

On 22 November 2022, 150 sustainable development experts employed at the central level of the public administration completed a post-university course in the context of the above-mentioned SIPOCA 613 project. The course programme includes occupation-specific activities related to: coordination of the sustainable development strategies; managing the implementation of the government policy regarding the reaching of the SDGs; resource management; and interpersonal, intra- and inter-institutional communication and interaction, and four general modules on: management and public administration; the economic dimension of sustainable development; the social dimension of sustainable development; and the environment dimension of sustainable development.

Additionally, in line with the National Recovery and Resilience Plan (target no. 415), the General Secretariat of the Government through the DSD has assumed the target of 2 000 public administration employee qualified to fulfil the function of “sustainable development experts” in the public institutions at central and local level by Q3 2025. The NRRP training programme focuses on:

- Training of skills corresponding to the occupation of “sustainable development expert” (COR code 242232). The occupational standard corresponding to the “sustainable development expert” occupation (RS No. - 9 / 25.02.2021) lists the competencies targeted. Some of these competencies can be taken over in the general competency framework developed by the National Authority for Qualifications (NAC).
- Training in the field of public administration, with an emphasis on strengthening the capacity to access and absorb European funds, while respecting the principles of sustainable development; of the Regulation on Taxonomy (2020/852), especially on art. 17. Significant harm to environmental objectives, on the green acquisitions and on how SDG 16 Peace, justice and efficient institutions can be concretely transposed.
- Training specific to the objectives of sustainable development, related to the sphere of competence at the workplace or of the institution in which it carries out its activity, directly and indirectly.
- Increasing the level of specific digital skills, with a focus on digital solutions and services for achieving the SDGs.

### *Local-level SDG implementation varies between regions and vertical coherence is limited*

While the SDGs provide a global framework, the opportunities and challenges for sustainable development vary significantly across and within countries, regions and cities. However, they are also an integral part of the solution as the varying nature of sustainable development challenges, therefore, calls for place-based solutions, tailored to territorial specificities, needs and capacities. Place-based policies incorporate a set of co-ordinated actions specifically designed for a particular city or region and stress the need to shift from a sectoral to a multi-sectoral approach, from one-size-fits-all to context-specific measures and from a top-down to a bottom-up approach to policymaking. Based on the idea of policy co-ordination across sectors and multi-level governance, whereby all levels of government and non-state actors should play a role in the policy process, they consider and analyse functional territories, build on the endogenous development potential of each territory and use a wide range of actions (OECD, 2019[9]).

Romania’s regional and local authorities were involved in the elaboration of the NSDS. Many of Romania’s counties have also developed local Sustainable Development Strategies, which are informing the programming of EU funds allocated through regional managing authorities. These are complemented by

regional and local environment action plans, with a view to updating the planning tools on the regional and local level in the field of environmental protection ( (OECD, 2020[7]).

In the context of the SIPOCA 613 project, during October 2022 until February 2023, eight regional public debates are foreseen. Their main objective is to inform the local and regional stakeholders about the NAP and the main results of the project that supports its implementation (Data Aggregator Sustainable Romania, Training program “expert in sustainable development’, Sustainability Code).

*NAP Specific Objective 3* deals specifically with the support given to local authorities for the incorporation of sustainable development values and principles in local policies and strategies. It includes *Action 4*, which aims at developing communication instruments to facilitate the integration of the SDGs in local strategies. This includes guidelines, manuals, procedures, training sessions, workshops on national and European regulations dedicated to sustainable development and good administrative practices at local level.

The engagement between local and national governments will be further enhanced by the functioning of the national Interdepartmental Committee for Sustainable Development (ICSD). This Committee was established in 2019, with the scope of assuring coherence in the process of elaborating and promoting normative acts. The third meeting of the ICSD took place in early August 2022, under the presidency of the Prime Minister and of Members of the Government[4]. On the agenda were, among others, the Romanian Code of Sustainability, the training and professional development program for the occupation "sustainable development expert" and the National Circular Economy Strategy, which was adopted in September 2022 (GD nr. 1172/21.09.2022.

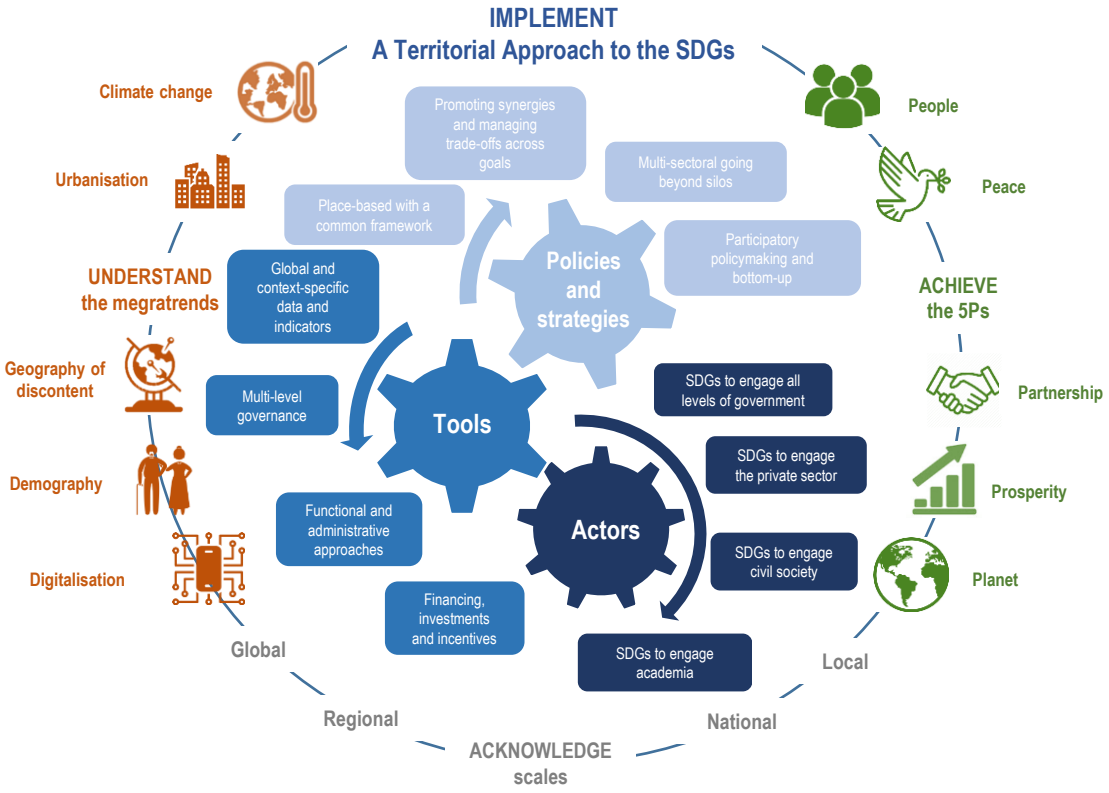
Vertical coherence will also be strengthened by the appointment of “sustainable development experts” at the local level before 2025 (NRRP target no. 415) and the creation of an online **"One-stop shop to support the territorial approach of the SDG"**. The OECD analytical framework for a Territorial Approach to the SDGs Figure 2.2, which foresees three key areas for cities and regions to implement a territorial approach to the SDGs, can be referenced in this context (OECD, 2019[10]):

- *Policies and strategies.* Cities and regions can use the SDGs as a means to shift from a sectoral to a multi-sectoral approach, both in the design and implementation of their policies. The SDGs can help to bring various departments of a local administration together to strengthen collaboration in policy implementation. Regional policy aims to effectively address the diversity of economic, social, demographic, institutional and geographic conditions across cities and regions. It also ensures that sectoral policies are co-ordinated with each other and meet the specific needs of different regions and provides the tools that traditional structural policies often lack to address region-specific factors that cause economic and social stagnation (OECD, 2019[9]).
- *Tools.* The effective implementation of a territorial approach to the SDGs implies the combined use of a variety of tools. These span from a solid multi-level governance system to global and context-specific data for evidence-based policies. They also consist of combining functional and administrative approaches to address territorial challenges and opportunities beyond borders, as well as investment and incentives, in particular for the private sector to contribute. Multi-level governance represents a key tool to promote vertical co-ordination (across levels of government) and horizontal co-ordination (across ministries and departments) – both within the local, regional and national governments and between the government and other key stakeholders. National governments can also use the SDGs as a framework to promote policy coherence across levels of government, align priorities and rethink sustainable development through a bottom-up approach.
- *Actors.* A participatory policymaking and bottom-up process is one of the core elements of a territorial approach to the SDGs. Shifting from a top-down and hierarchical to a bottom-up and

4 https://gov.ro/ro/stiri/prim-ministrul-nicolae-ciuca-a-prezidat-prima-intalnire-din-2022-a-comitetului-interdepartamental-pentru-dezvoltare-durabila

participatory approach to policymaking and implementation is key to the achievement of the SDGs. The 2030 Agenda requires a more transparent and inclusive model that involves the public as well as non-state actors to co-design and jointly implement local development strategies and policies. The SDGs provide cities and regions with a tool to effectively engage in multi-stakeholder dialogues with actors from the private sector, civil society, as well as schools and academia.

### Figure 2.2. OECD Analytical Framework for a Territorial Approach to the SDGs




Source: (OECD, 2020[11])

Experiences from other countries bring additional insights for strengthening sub-national engagement in fostering sustainable development (Box 2.3).

### Box 2.3. Options for local-level SDG implementation in Brazil, Japan and Italy

The state of Paraná, **Brazil**, uses the SDGs to reduce territorial disparities by aligning its planning tools to the 2030 Agenda and promoting the exchange of good practices among municipalities at different levels of development. Paraná leveraged the SDGs in its 2020-23 Multi-Year Plan (PPA) and defined policy priorities based on the 2030 Agenda. To ensure that policies designed in the PPA target the SDGs, the State Secretariat of Planning collaborates with the State Audit Court to remodel the PPA goals' monitoring system towards the SDGs. Paraná also established a Superintendence of Economic and Social Development entrusted with the elaboration of a long-term sustainable development vision in line with the SDGs.

Using an SDG lens to promote synergies between the environmental, social and economic dimensions of sustainability is characteristic of the city of Kitakyushu's, **Japan**, approach to the 2030 Agenda. Kitakyushu aims to use those synergies to address megatrends such as the city's declining population, changes in industrial structure, and climate change. The city supports the expansion of wind energy to reduce CO2 emissions, generate employment and provide learning opportunities for citizens. It set up community restaurants to improve social cohesion and reduce food waste. The city uses its expertise in environmental protection to create synergies in international co-operation activities. While contributing to the mitigation of climate change, they positively impact SDG 17 and create synergies with prosperity by generating a growing demand for services and technology provided by local companies from Kitakyushu, which can allow them to expand their business overseas.

The region of Sardinia, **Italy**, developed an innovative approach to assess how local investment policies and programmes contribute to progress on the SDG targets. Developed by the Government of the Sardinia Region, in partnership with the Fondazione Eni Enrico Mattei (FEEM), the SDG tool consists of weighted matrices that evaluate each investment's direct and indirect contribution to the EU Cohesion Policy and 169 SDG targets. Drawing on the Strategic Environmental Assessment, a mandatory procedure under EU legislation, the measurement tool assesses the type, orientation and magnitude of the alignment of local spending to the SDGs. The information can be used not only in the planning phase of investments but also in the ex-post evaluation phase, after the expenditure was made, to monitor progress. The tool allows users to consider the contribution of each investment to the individual targets of the SDGs.

Source: (OECD, 2022[12])

### *Various initiatives contribute to raising public awareness and ownership of the SDGs*

In 2020, the **Advisory Council for Sustainable Development** was established (Government Decision no. 114 / 4.05.2020), and in 2021 the Council became operational, by selecting the 34 members, two people for each SDG, among representatives of academia, research and civil society. The DSD shall provide the permanent secretariat of the Council. The main themes to which the Council contributed in 2021 are the completion of the NAP and the completion of the list of indicators related to the SDGs. The Council's continued participation in the initiation and elaboration of programmatic documents and methodologies for the implementation of the Strategy is foreseen.

In the context of the NAP, Specific Objectives 4 and Specific Objective 7 aims at increasing public awareness and ownership of the SDGs. *Specific Objective 4* will support and stimulate both businesses and civil society in adopting the principles of sustainable development at the core of their actions. In line with *Action 5*, the **Romanian Code of Sustainability** (RCS), currently under development, will be an important tool for ensuring the transparency, consistency and comparability of non-financial sustainability-related information provided by all entities. On the one hand, it will encourage organisations to act sustainably and, on the other hand, consumers to turn to sustainable products and services.

The DSD, together with consultants, developed the Romanian Code of Sustainability based on the German Code of Sustainability (Box 2.4). A Memorandum of Understanding sets the terms of the Romanian-German collaboration to adapt the Germany's Code of Sustainability to the Romanian context. The Romanian Code of Sustainability is expected to be finalised in Q4 2022, with specific training delivered in Q1 2023.

### Box 2.4. Germany's Code for Sustainable Development

The German Code for Sustainable Development serves as the reporting standard for sustainability aspects and lowers the entry threshold to sustainability reporting as well as enabling direct comparison of corporate responsibility performance.

The goal is not the reporting in itself, but rather to create a competitive drive with respect to sustainable business and to foster corresponding management practices and transparency. Performance is primarily to be rewarded via the market. The Code therefore has particular significance for financial analysts and investors: they can use it to more easily incorporate information on environmental, social and governance aspects.

The Code also contributes to national and international sustainability policy and can be applied beyond Germany's national borders.

Source: https://www.nachhaltigkeitsrat.de/en/projects/the-sustainability-code/?cn-reloaded=1

Moreover, *Action 6* will establish information campaigns and training sessions in order to facilitate the integration of SDGs into the both the business and civil society environments. The different exercises will lead to the implementation of the principles of sustainable development in all fields of activity and at all levels, (e.g. research, education, professional, business and civil society).

The implementation of Specific Objective 7, through Actions 10 and 11, will lead to the development of specific tools in order to introduce education in sustainable development in secondary and tertiary education. *Action 10* aims at developing applications, educational tools and platforms for sustainable development. It will provide education in the sustainable development field to the youth through direct interaction and activities, be they online or in person.

Each activity will be tailored to a specific age category/learning cycle and will be shaped around the curriculum. *Action 11* seeks to develop tools for educational programmes in the Sustainable Development field, from tertiary to adult education. This refers to the support provided by the Department of Sustainable Development and by the **Center of Excellence for Public Administration in the Field of Sustainable Development** (CExDD), currently under development with the support of the OECD, to universities and training centres, to help develop educational programmes in sustainable development (e.g. undergraduate, masters, doctorates, post-doctorates etc.) and other adult training in the field.

Complementary to the above, DPA 3 Promoting the principles and values of the concept of sustainable development is supported by five additional Actions that will all contribute to raising public awareness of sustainable development:

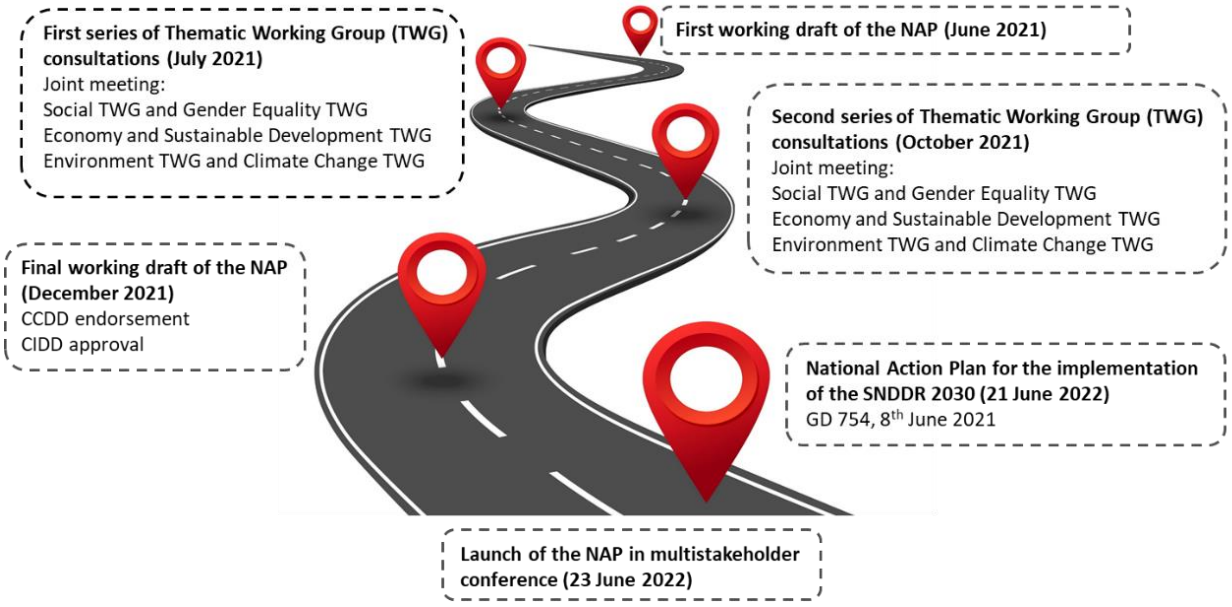
- *Action 12. Implementation of the Program for communication and promotion of sustainable development concepts.* The action aims to coordinate the implementation of the annual program of communication and promotion of sustainable development concepts from NSDS 2030 to all stakeholders.
- *Action 13. Carry out opinion barometers on the perception of awareness of the principles and values of the concept of SD and the progress made in achieving the SDG.* The action aims to conduct sociological studies to measure the perception and impact at the institutional level and among the population, through quantitative and qualitative methods, in order to identify awareness of the principles and values of the concept of SD and to substantiate strategic directions in public policy.
- *Action 14. Realisation and promotion of the elements of visual identity regarding the sustainable development in Romania.* The action aims at substantiating and creating the elements of visual

identity regarding sustainable development in Romania. A guide to using the visual identity of sustainable development will be developed.

- *Action 15. Organise the National High Level Forum on Sustainable Development*, following the model of the High Level Political Forum for Sustainable Development (HLPF), which facilitates the exchange of good practices to achieve the objectives of sustainable development in all sectors and at all decision-making levels.
- *Action 16. Organise conferences, forums and debates for sustainable development.* The department will organise and support the organisation of workshops at national and international level, which will promote and accelerate the implementation of sustainable development at all levels, in administration, economy and civil society.

The NAP itself was developed through a **multistakeholder process** and launched in a conference in Bucharest on 23 June 2022 (Figure 2.3). The national launch will be followed by eight regional debates in Bucharest, Iasi, Cluj, Timisoara, Pitesti, Braila, Targu Mures and Craiova, within the SIPOCA 613 project "Sustainable Romania", during Q4 2022 and Q1 2023.

### Figure 2.3. Developing the NAP through an inclusive multistakeholder process




Source: Presentation by the Department for Sustainable Development at the NAP launch event on 23 June 2022.

Furthermore, since 2020, in the context of SIPOCA 613, **50 Opinion Barometers** were regularly launched by the DSD to understand the adhesion degree of the Romanian people to the principles and values of sustainable development and to continue tracking progress of the public's opinion and awareness of sustainable development.

The barometers are the result of sociologic research for each SDG and are based on opinion polls, conducted by the Regional Association for Entrepreneurial Development (ARDA) Oltenia team, partner in SIPOCA 613 project. The Opinion Barometers are publicly available online at http://romania-durabila.gov.ro/barometre-de-opinie-publica/.

## 2.3. Tools to anticipate, assess and address impacts of policies

Taking effective and informed decisions on the policies needed to achieve the SDGs in an integrated and balanced manner requires evidence on potential interactions (synergies and trade-offs) and impacts (here and now, elsewhere and tomorrow). Monitoring and impact assessments are an integral part of the governance process, ensuring that public value and intended outcomes are achieved according to initial goals and objectives. This section outlines Romania's progress made on implementing the recommendations that pertain primarily to Impacts (PCSD Pillar 3). The recommendations are situated in the context of the NAP and references are made to the Specific Objectives and Actions that will contribute to their continued implementation (Table 2.3).

### Table 2.3. Recommendations and actions related to PCSD Pillar 3

| 2020 Recommendations | NAP Specific Objectives and Actions |
|---|---|
| Increase the role of oversight bodies | SO 12. Correlation of the implementation of sectoral policies to achieve the NSDS 2030 targets<br>Action 21. Monitoring legislation and strategies related to the field of sustainable development |
| Strengthen Regulatory Impact Assessments | |
| Streamline government data collection mechanisms | SO 10. Mechanism for monitoring and evaluating the implementation of NSDS 2030<br>Action 17. Monitoring and evaluation of indicators for sustainable development 2030<br>Specific Objective 11. Reporting the state of implementation of NSDS 2030<br>Action 18. Realization, publication and promotion of the Dashboard with INDD on Romania's progress in achieving the 2030 targets<br>Action 19. Elaboration and presentation to the Romanian Parliament of the Annual Report on the state of implementation of NSDS 2030<br>Action 20. Voluntary National Report on the progress of the implementation of the 2030 Agenda at national level<br>Action 22. Formulation of recommendations on specific actions in accordance with the NSDS 2030 targets for updating or developing strategic documents |

Source: Author's own elaboration.

### *Efforts are being made to increase the role of oversight bodies*

*NAP Action 21 Monitoring legislation and strategies related to the field of sustainable development* aims at enhancing the role of the Parliamentary Sub-Committee for Sustainable Development and the involvement of the Romanian Court of Account (RCA) for improved policy coherence for sustainable development.

The **Parliamentary Sub-Committee on Sustainable Development** plays an important role in raising awareness of sustainable development among parliamentarians and citizens. It provides a framework for the debate on monitoring the implementation of the NSDS and related strategies and programmes. The Sub-Committee maintains an open and regular dialogue with DSD, which contributes to shaping effective national strategies and programmes for the implementation of the SDGs.

Since 2020, the Government presents an annual report on the implementation of the NSDS, prepared by DSD. The report for 2021, approved by the Romanian Government, was sent to the Parliament in the current ordinary session.

Another oversight body, the **Romanian Court of Accounts**, reviewed the DSD's ability to foster sustainable development outcomes, in line with the recommendations set forth in the 2019 OECD Scan of Romania's institutional mechanisms for delivering on the SDGs. The findings of this review, many incorporated into this report, show that important progress has been made, but also that opportunities for further improvements exist.

One such opportunity is to strengthen the role of auditing itself in SDG implementation. To this end, at the time of writing, the Court of Accounts is engaged in peer learning with the Supreme Audit Institution of the Netherlands on how to conduct SDG performance audits. The US Government Accountability Office has developed a methodology that can be brought to bear on in SDG auditing. It contains four steps for analysts to avoid fragmentation, overlap and duplication of government programmes (Box 2.5).

### Box 2.5. Avoiding fragmentation, overlap and duplication in the United States

The US Government Accountability Office (GAO) has developed a guide for analysts and policymakers to help them identify and evaluate instances of fragmentation, overlap, and duplication, and identify options to reduce or better manage associated negative effects. Four steps guide analysts through this process:

*Step 1: Identify Fragmentation, Overlap, and Duplication*. This step outlines how to identify fragmentation, overlap, and duplication among a selected set of programmes. Fiscal pressures and limited resources necessitate the continued review of government programmes to ensure they are efficient and effective. Determining whether fragmentation, overlap, or duplication exists among programs is a key step in identifying opportunities to improve efficiency and effectiveness.

*Step 2: Identify the Potential Effects of Fragmentation, Overlap, and Duplication*. This step summarises for analysts how to identify the potential positive and negative effects of any fragmentation, overlap, or duplication found in Step 1 of this guide (e.g. the effects analysts might expect to result from the conditions identified). Identifying the potential positive and negative effects of fragmentation, overlap, or duplication will help analysts and evaluators determine whether or not actions to improve efficiency or reduce or better manage the fragmentation, overlap, or duplication are warranted.

*Step 3: Validate Effects and Assess and Compare Federal Programs*. This step outlines for analysts how to use the results of existing or new evaluations to validate the effects of fragmentation, overlap, or duplication identified in Step 2 and to assess and compare the programmes identified in Step 1 to determine their relative performance and cost-effectiveness. Information gathered in this step can help analysts determine which programs or aspects of programmes are more efficient and effective and identify options to reduce or better manage fragmentation, overlap, or duplication as outlined in Step 4 of this guide.

*Step 4: Identify Options to Increase Efficiency and Reduce or Better Manage Fragmentation, Overlap, and Duplication*. This step provides guidance to analysts on identifying options to improve efficiency (when the effects of fragmentation, overlap, or duplication are positive, as discussed in Steps 2 and 3) or reduce or better manage fragmentation, overlap, or duplication (when the effects are negative, as discussed in Steps 2 and 3).

Providing this information to policymakers (including congressional decision makers and executive branch leaders) on how to improve efficiency and reduce or better manage fragmentation, overlap, or duplication can help alleviate some of the government's fiscal pressures and improve programme effectiveness.

Source: GAO-15-49SP, Fragmentation, Overlap, and Duplication: An Evaluation and Management Guide

### *The development of a new regulatory control mechanism brings SDG opportunities*

The strengthening of Romania's RIA methodology falls under *NAP Action 21 Monitoring legislation and strategies related to the field of sustainable development*, which aims at better regulation, in compliance with the European Union legislation, to support sustainability and digital transformation and efficiency of

governmental planning in order to implement the SDGs. It also aims at updating the structure of databases to highlight the dynamics of external conditionality, changes in legislation, strategies and implementation plans with a direct impact on sustainable development. This, in turn, would contribute to enhancing the role of the parliamentary Sub commission on sustainable development and the involvement of the Romanian Court of Account (CCR) for the coherence in the implementation of the sustainable development policies.

As part of *Component 14 Good Governance* of the Romania's NRRP, Reform 1.1 calls for "enhancing the predictability and efficiency of decision-making processes by strengthening the capacity for policy coordination and impact analysis at the level of the government and coordinating ministries, as well as by strengthening the tools to increase the quality of public consultations at all levels of the administration", including by the "adoption and entry into force of a legislative act operationalising a structure to ensure the implementation of an effective regulatory quality control mechanism by 31 March 2022".

Romania acted on this through the drafting and approval of **Government Decision 443 of 30 March 2022** (GD 443/2022), which updates the ex ante evaluation methodology for draft regulations (GD no. 1 361 of September 27, 2006). The updated methodology will focus on introducing the principles of innovation and "digital by default", as well as specific procedures to strengthen implementation and annual reporting. The DSD has proposed to update this methodology so that each ex-ante evaluation must identify the relevant SDGs for that initiative and report on this in a section dedicated to sustainable development. The assessment questions would correspond or be similar to those applied in the EU Better Regulation tool (Box 2.6).

### Box 2.6. The Sustainable Development Goals in EU Better Regulation

The EU Better Regulation agenda ensures evidence-based and transparent EU law-making based on the views of those that may be affected. The Commission continuously evaluates and improves EU laws, focusing on delivering where it matters the most.

The indicators and monitoring arrangements underpinning the SDGs can be used to describe the status quo, policy objectives, expected impact of policy options and the observed changes resulting from new policies. As such, the SDG framework is highly relevant for impact assessments and evaluations.

Every impact assessment or evaluation process will involve a pragmatic identification of the significant environmental, social and economic impacts that will be assessed and reported. Tool #18 links the various impacts with the relevant SDGs. Each specific tool on impacts (tools #21 to #36) includes a table that helps to identify the relevant SDGs and includes a selection of the most relevant indicators. A number of tools also provide support to quantify the various impacts (and potentially changes in SDG-related indicators).

Since SDGs are universal, the EU commitment to support their implementation includes not only ensuring progress internally. For this reason, the assessment on progress towards the SDGs should keep into consideration the external effects, including in developing countries, which may call for applying in a complementary manner the tools relating to external impacts, in particular Tool #35 on impacts on developing countries and where relevant Tool #27 on external trade and investment.

Source: https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how_en

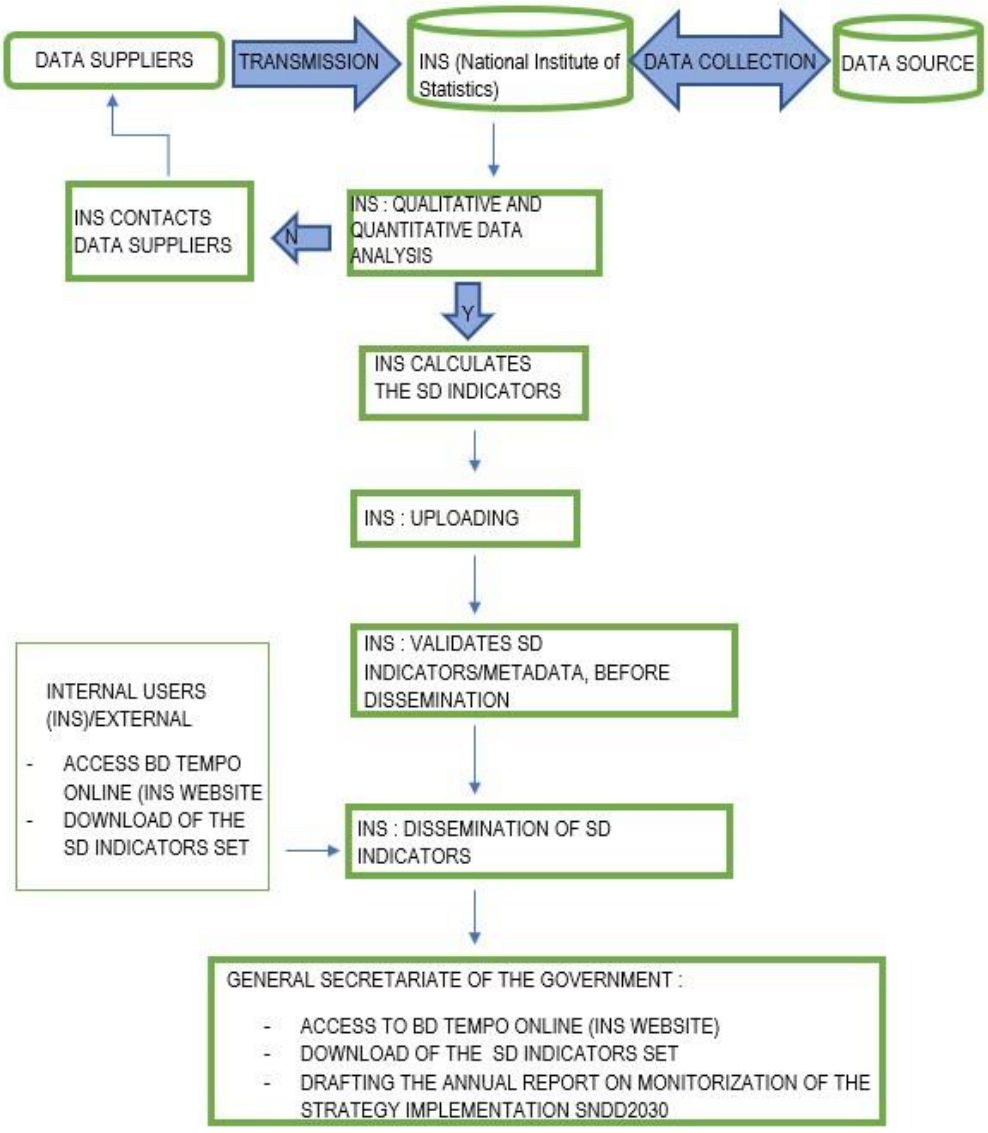
### *A new set of National Sustainable Development Indicators has been approved…*

Between October and December 2020, in the context of the EU-funded SIPOCA 613 project "Sustainable Romania – Development of the strategic and institutional framework for the implementation of NSDS

2030", the National Institute of Statistics Institute (NIS) examined the availability of data and metadata at NSI level and at the level of institutions with a view to establish a set of **national sustainable development indicators** (NSDIs).

NSI and DSD then carried out technical consultations and provided relevant ministries and institutions with the operational support needed in order for them to generate reliable data for monitoring the implementation of NSDS. This also enabled NIS to compile a list of the institutions that are data sources for each indicator in each SDG and to develop a proposal for a mechanism for reporting on sustainable development indicators.

### Figure 2.4. Reporting mechanism for the national sustainable development indicators




Source: (Romania National Statistics Institute, 2022[13])

Subsequently, a new set of NSDIs was launched in February 2022. These include 291 indicators, 99 of which are mandatory and 192 are additional. Accompanying these indicators is a website

(http://agregator.romania-durabila.gov.ro/indicatori.html), which reports on progress against the indicators automatically drawing on multiple sources, including from EUROSTAT and from the NSI's Tempo online database. For example, there is data related to the horizon 2020 of the NSDS, to the 2030 objectives and to the Opinion Barometers.

The Romanian government is currently developing a formal agreement framework across its ministries to embed consistent reporting and monitoring practices against the national sustainable development indicators. This work corresponds to Action 10 under SIPOCA 613 with regard to the realisation of legal conventions for establishing the way of working and communication between GSG and NSI as well as between NSI, GSG and each line ministry and/or institutions within the monitoring and reporting process of the implementation of the NSDS 2030. The action, which is due for completions by October 2022, will in the adoption of a normative act for the standardisation of procedures for the purpose of generating and using sustainable development data within the central and local public authorities, with responsibilities in the implementation of SDNS 2030.

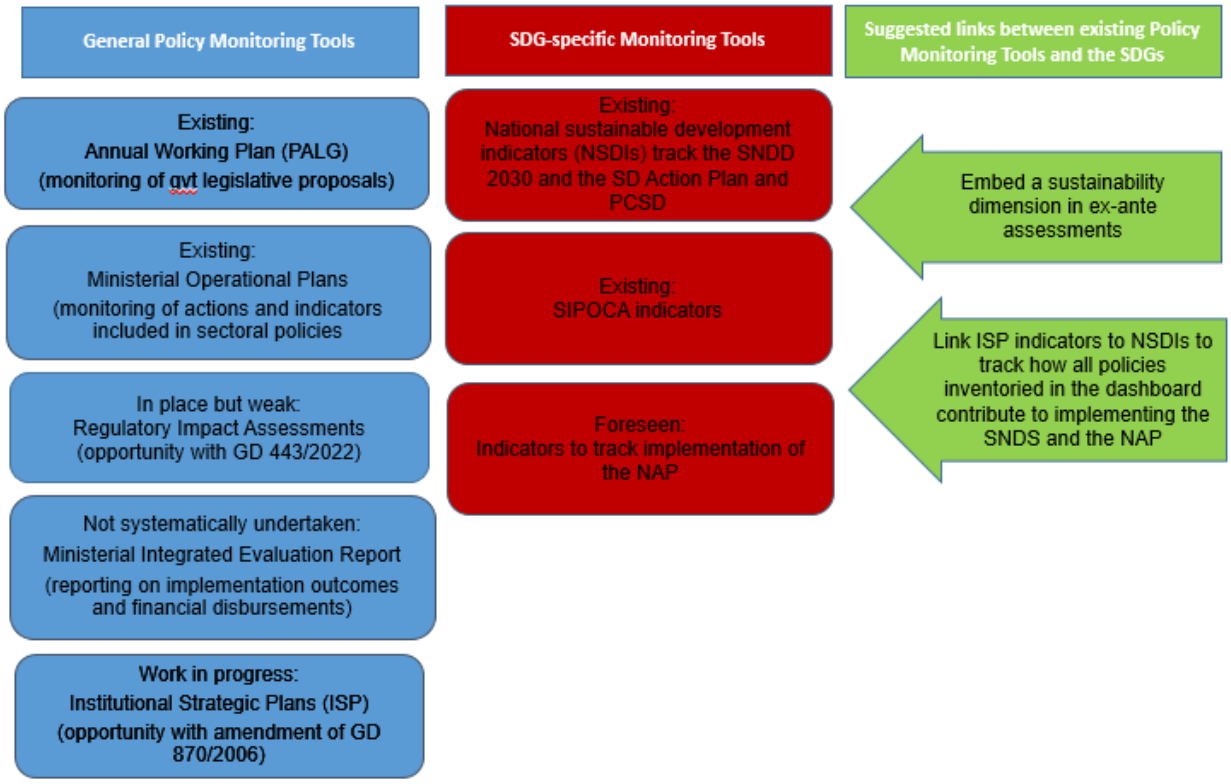
### *...but there is scope to strengthen the links between the NSDIs and existing data collection mechanisms*

Four actions under Specific Objectives 10 (Monitoring and evaluation of NSDS implementation) and 11 (Reporting on NSDS implementation) will contribute to streamlining government data collection mechanisms. *NAP Action 17 Monitoring and evaluation of indicators for sustainable development 2030* aims at monitoring the new NSDIs. Data collection is done by the NIS, with the support of DSD and the involvement of SD Hubs and others responsible for providing statistical data. The action will seek to dynamically link the NSDIs with developments at European and international level and, where appropriate, update them in a process coordinated by the DSD, with the involvement of the NIS, SD Hubs, CCDD and other stakeholders. Attention will also be paid to standards relevant for sustainable development, such as ISO[5].

Ideally, as recommended by the OECD, (OECD, 2020[7]), the link between the NSDIs would be strengthened to existing data collection mechanisms (i.e. monitoring ministerial plans, Institutional Strategic Planning, SIPOCA 613, national statistical database, etc.) and the foreseen ISP dashboard (Figure 2.5).

[5] See e.g. www.iso.org/sdgs.

## Figure 2.5. Data collection mechanisms and monitoring tools




Source: Updated from (OECD, 2020[7]).

*NAP Action 18 Realization, publication and promotion of the Dashboard with NSDIs on Romania's progress in achieving the 2030 targets* will support the development and update of the SIPOCA "Sustainable Romania" platform. The platform provides the necessary dynamic information for the annual analysis of progress registered in the implementation of NSDS, based on the NSDIs and the Opinion Barometers on sustainable development, the development and publication of the SDG Dashboard on the DSD website (http://dezvoltaredurabila.gov.ro/), and with dissemination to all parties interested. The action also aims at defining integrated indicators and priority indicators for sustainable development based on the new NSDIs.

With regard to oversight, *Action 19 Elaboration and presentation to the Romanian Parliament of the Annual Report on the state of implementation of NSDS 2030* aims at the elaboration, by DSD with the support of CCDD, of the annual reports on Romania's progress in reaching the 2030 targets, which are submitted by CIDD for approval and presentation to the Romanian Parliament. The annual report should include the state of implementation of the NSDS and, where appropriate, proposals for updating or revising the 2030 targets.

Lastly, *Action 20 Voluntary National Report on the progress of the implementation of the 2030 Agenda at national level* will ensure regular reporting on SDG implementation to the United Nations High Level Political Forum on Sustainable Development (HLPF), but also to the European Union, and encourage active participation in the new European and global consensus on sustainable development. DSD is responsible for preparing the necessary documents for these reports, with the approval of CIDD. Romania's second VNR is due in 2023.

# 3 Challenges and opportunities in NAP implementation

Romania has made significant efforts to ensure that principles for policy coherence for sustainable development (PCSD) is guiding institutional and policy making processes (see Chapter 2). Having previously been the only long-term strategy, the National Sustainable Development Strategy (NSDS) has been complemented by the National Recovery and Resilience Plan (NRRP), which brings additional resources and acts as an enabler for change. The new National Action Plan (NAP) provides opportunities for operationalising both the NSDS and the NRRP.

Yet, as the analysis in previous chapters show, challenges remain. These findings are confirmed by the fact-finding interviews and the results of an online survey (Box 3.1 and Figure 3.1). Three main challenges are in particular risk of becoming bottlenecks against effective and coherent implementation of the NAP. These are:

- Limited use of governance tools for SDG implementation throughout the policy cycle.
- Large disparities in SDG implementation at local level and few mechanisms for vertical coherence.
- Limited correlation and monitoring of Romania's many sectoral policies to inform the implementation of the NSDS.

The survey results also indicate three cross-cutting challenges for the 12 Specific Objectives (Figure 3.2):

- Limited human resources.
- Limited technical expertise/capacity.
- Limited funding.

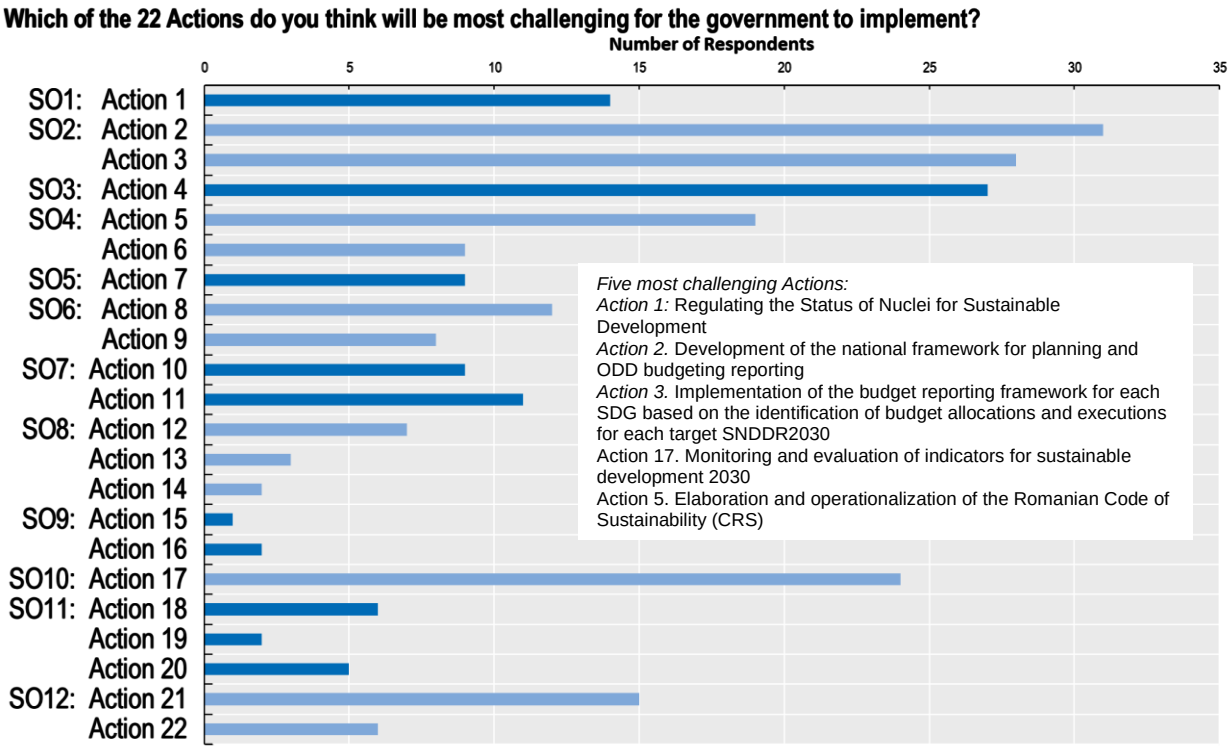
This chapter suggest opportunities and possible ways ahead for addressing these bottlenecks.

### Box 3.1. OECD Survey on Delivering on the Sustainable Development Goals in Romania

Between the 11th of May and the 10th of June 2022, Romania's Sustainable Development Hubs were invited to participate in an online survey on the new National Action Plan (NAP) for the implementation of the National Strategy for Sustainable Development of Romania 2030 (NSDS 2030). The aim of the survey was to identify potential bottlenecks and gaps in the implementation of the NAP, and also to understand what specific guidance responsible institutions may need for effective implementation of the NAP's 12 Specific Objectives and 22 Actions.

The survey, which was completed by 56 respondents, consisted of 18 questions in total: 5 introductory questions on the relevance and importance of the Specific Objectives, and on which Actions would be most challenging to implement; 12 multiple-choice questions on the potential challenges related to each Specific Objective; and 1 final question on the guidance needed to implement the NAP.

## Figure 3.1. Which of the 22 Actions do you think will be most challenging for the government to implement?




Source: OECD Survey on Delivering on the Sustainable Development Goals in Romania, 2022.

For the top five most challenging Actions, the comments added by the respondents indicate that, for Action 2, challenges relate to inter-institutional communication, budgeting at all levels and monitoring of implementation. These challenges range from the insufficient expertise of the staff involved to the limited awareness across government. They also seem to have historical roots: indeed, historically, Romania exhibits weaknesses in prioritisation and regulation implementation and tracking.

For Action 3, the main challenges include the budgetary framework, with a large number of respondents indicating that this action is very ambitious.

With regard to the implementation of Action 4, noted challenges relate to the question of the multiplicity of the data sources and their difficult correlation, harmonisation and integration in public policy.

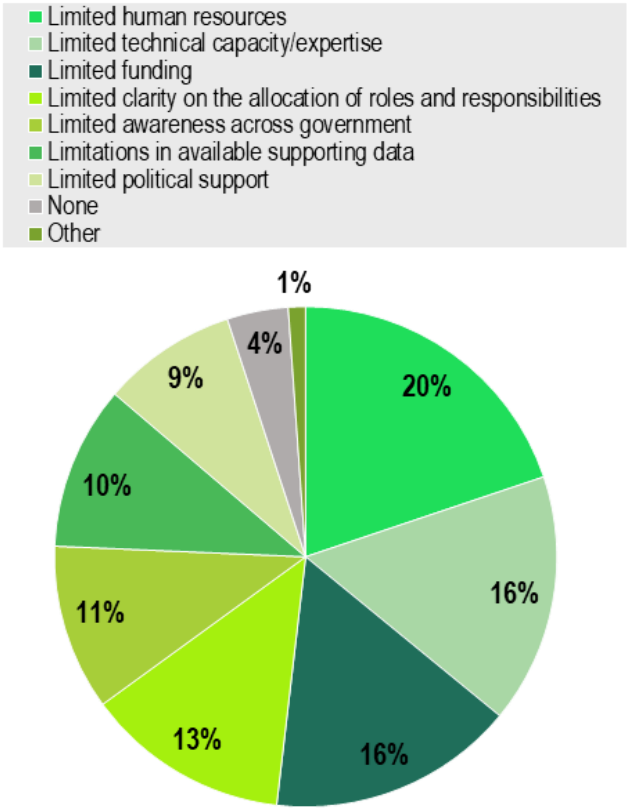
Action 17 is anticipated to be challenging to implement because of the lack of centralisation of documents and data, at a national level.

Finally, respondents indicate that Action 5 will be challenging in terms of the limited political and partisan support: sustainable alternatives are not the go-to option in less developed countries. The limited awareness spread by the government is also a challenge.

Moreover, the respondents put an emphasis on the budgetary challenge for each of the above actions.

### Figure 3.2. Main Challenges across the 12 Objectives

Calculated as averages from the 12 individually assessed objectives




Source: OECD Survey on Delivering on the Sustainable Development Goals in Romania, 2022.

## 3.1. Limited use of governance tools for SDG policy integration

Romania has put in place an ambitious institutional framework for PCSD, which contributes to the coordination and implementation of the NAP. Yet, as indicated above, the benefits of this framework could be further leveraged through a more systematic use of governance tools for planning, policy integration and coordination and policy monitoring of SDG implementation throughout the policy cycle. The following sections outline potential challenges to overcome, and opportunities to seize by the Romanian government in addressing these issues.

### *Challenges*

*Institutional Strategic Planning.* With as many as 110 different sectoral strategies[6], responsibilities for whole-of-government strategic planning and prioritisation tend to be fragmented across the administration and not aligned with the long-term NSDS. There are different consultation procedures for public policy documents and normative acts, many of which do not provide sufficient conditions for the involvement of all parties, including the DSD, and for the analysis of all opinions and comments. There is also no

[6] These are listed on the government's website: Strategy Unit – Unitatea de coordonare a strategiilor – SGG.GOV.RO – Secretariatul General al Guvernului

systematic consideration at the planning stage of the links between different sectoral strategies and the impact of these links – trade-offs or synergies – on sustainable development.

*Budgeting.* As noted by the OECD in 2020, the absence of project management structures hampers the roll out of programme-based budgeting. This limits the impact of budgeting for SDGs as the budget measures are not directly linked to the implementation of specific project outputs (OECD, 2020[7]). Moreover, little information is available from the budgeting process and the taxation system on how budget policy aligns with green objectives, as recommended by the European Semester. There is also no market-based method for stimulating the achievement of the targets of Romania's Energy Strategy (PNIESC) and the European Green Pact. In addition, neither local nor central Public Authorities practice green budgeting. Developments in this regard would give rise to the need to modify the current budgeting legislation. It would also need to be complemented with efforts to increase the capacity of local public authorities to implement such practices. However, until the European Commission revises the Energy Taxation Directive, a broad reform in this area will be difficult to achieve.

Investment cycles have also been very long in the past, due to the low quality of the project preparation and political interference. The administrative capacity should be improved further within line ministries or strategic beneficiaries to design [and cost] projects, using the available expertise from external bodies, such as international financial institutes. Ensuring policy consistency and proper prioritisation of the projects will be key to accelerate absorption and raise value for money (OECD, 2022[14])

*Regulatory Impact Assessment.* Impact assessments are mostly of ex post nature and do not look at how new legislation might impact on all dimensions of sustainable development, both domestically in Romania and globally in other countries. Moreover, the time period for reviewing new laws e.g. by the Parliamentary Sub-committee on Sustainable Development, is often too short for a holistic and thorough assessment.

### *Opportunities*

*Institutional Strategic Planning*. The amendment of Government Decision 870/2006 brings opportunities for clarifying the roles of all actors and for systematising the DSD's involvement in the review of updated or new ISPs. A new IT application, or dashboard, will introduce information and periodic reporting data on the framework content, namely: strategic objectives, programmes, budgetary measures and indicators corresponding to the planning levels. Ministries have the opportunity to introduce additional information on projects and activities, as appropriate, depending on the level of monitoring established by the ministry leadership as necessary for the implementation of the Institutional Strategic Plan. In this context, the DSD could promote, e.g. through a template, the assessment and reporting on PCSD elements. Moreover, including the SDGs in the ISP methodology will also act as an enabler for improving the links between strategic planning and budgeting by more clearly identifying which policies contribute to achieving the SDGs.

*Budgeting.* With the adoption of Government Decision 427/2022, an updated Methodology for the preparation and implementation of budgetary programmes was approved. Application of this methodology begins with the budget year 2023. Before then, to the extent possible, it will be important to identify entry points for strengthened PCSD. The DSD could communicate these to the Ministry of Finance, who will be coordinating the implementation of the new budget, and support the development of guidance to this effect. The DSD could also support the introduction of a requirement for sectoral ministries to explain how their budget contributes to implementing the SDGs in their policy declarations. Ideally, this information would be summarised in an SDG Budget Statement accompanying the draft budget (OECD, 2020[15]). Specifically, an SDG Budget Statement would serve as a reporting tool that provides greater transparency on government actions. It would also support oversight by external institutions, responding well to the growing demand from Romania's Parliament to become a key actor in driving the implementation of the SDGs.

*Regulatory Impact Assessments.* Government Decision 443/2022, approved in the context of Romania's NRRP, brings opportunities for infusing sustainability considerations into RIA. In particular, when tabled alongside budget proposals, ex ante impact assessments can provide decision makers with the information they need to put together a Draft Budget that helps meet the government's overall strategic objectives. Specifically, GD 443/2022 foresees the creation of an advisory council for the evaluation of normative act impacts and the preparation of an annual report on the impact of legislative acts on all fundamental rights, including the SDGs. The implementation, monitoring and evaluation of each act will start with a description of the actual situation and of this situation's impact on the status and advancement of SDG implementation. Specifically, it will imply conducting **a cost/benefit evaluation** from an SDG perspective, which must include the following information:

- The description of the way the normative act will respect the principles of sustainable development.
- The description of the way the normative act will embrace and support the SDG implementation.
- The description of the normative act's impacts on sustainable development.

The cost benefit evaluation from a sustainable development perspective, however, is not the only perspective (e.g. there is also innovation, digitalisation, business environment, macroeconomic impact etc.). It is also not the only type of possible evaluation, as the GD further mentions cost/efficiency evaluation and multi-criteria evaluation, which need to be conducted in parallel.

Additional insights around these challenges and opportunities were given by the interviewees during the fact-finding mission in May 2022 (Box 3.2).

### Box 3.2. The use of governance tools: Insights from the fact-finding mission

*Perceived bottlenecks*

- "There is no coordination mechanism for investments. All investments of public ministries would be part of ISPs – but ISPs are not sufficiently integrated into the policy making process. The new GD on ISPs would simplify this integration and also help to foster sustainable development through explicit references to the SDGs."
- "The system of annual cash budgets (which is historic) is easier from an accountancy perspective, but creates problems in terms of prioritising those objectives that foster long-term sustainable development beyond budget cycles. Also, annual financing risks that consultancy engagements and initiatives are discontinued at the end of one year and needs to be re-started again the next year."
- "Today, budget indicators don't tell you anything (only functional and type of spending). For example, it is not possible to easily identify what financing targets sustainable development and to identify the relevant funding gaps (linked to what SDGs? linked to what NAP actions?)".
- "The time period to analyse legislative proposals and their impact on sustainable development is too short and makes it hard to do a good job".
- "We don't have good systematisation of impacts, no big database with impact assessments of all activities, including on intergenerational and transboundary impacts – both of which are core elements of PCSD."

*Ideas for overcoming the bottlenecks:*

- "Every civil servant should know the top ten priorities of the government."
- "Use the Sustainable Development Hubs to support prioritisation."
- "Change the lines of funding."

- "Need enforcement and mainstreaming, need for specific recommendations on how to integrate RIA at ministerial level and into ministries' work – that's why new GD focuses on where regulations are."

Source: OECD Fact-finding mission to Bucharest in May 2022.

## 3.2. Large disparities at local level and few mechanisms for vertical coherence

An integrated implementation of the SDGs requires high degrees of policy coherence across different levels of governments to identify and address potential trade-offs between international commitments, national priorities and local needs. Indeed, cities and regions are linchpins for countries to achieve the SDGs by 2030. Local and regional governments account for 55% of total public investment in OECD countries, and it is estimated that 65% of the 169 targets contained in the SDGs cannot be achieved without the engagement of subnational levels (OECD, 2022[16]) Vertical coherence implies linking local-to-national levels and national-to-global levels in delivering on the SDGs. Countries need to strike a reasonable balance between local autonomy and central steering capacities when implementing the SDGs (OECD, 2021[8]).

### *Challenges*

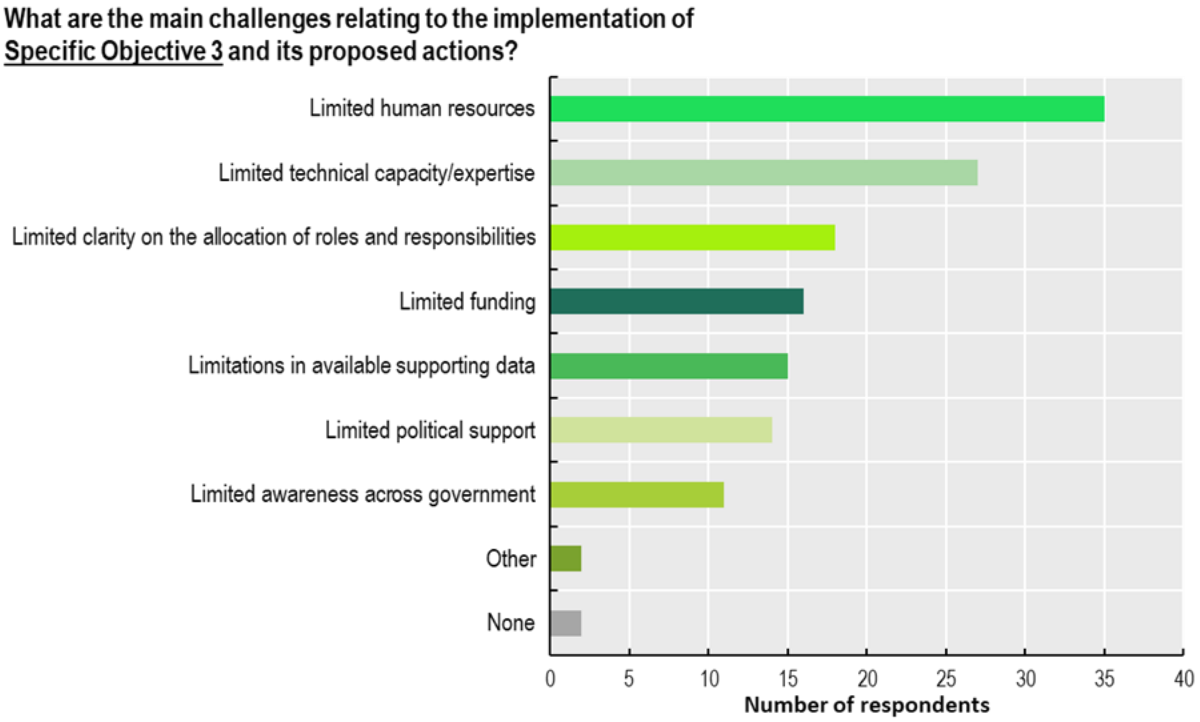
*Local level SDG implementation.* Over the past 15 years, Romania's economic development has been accompanied by an increase in inequalities within the country: the benefits from both the post-socialist transition and the European integration are unevenly distributed, and the difference between regions is very polarised. This has led to Romania being the country with the largest gap in the EU in terms of the differences between rich and poor regions.

In 2019, the average Human Development Index in Romania was of 0.828 on a scale from 0 to 1, placing it in the category of countries with "very high human development". However, for the same period, regions in Romania showed great gaps in the HDI level. For instance, the Bucharest region had an HDI of 0.933 (as high as the UK HDI for the same year), whereas the Northeast region only had a 0.782 HDI, (comparable with that of Sri Lanka in the same year). In 2019, the average HDI in the European Union was of 0.8967, which is above Romania's HDI, but far below Bucharest's. This interregional gap has widened over time: 10 years ago, Bucharest was well below the EU HDI average, while the Northeast region was also just a bit behind the capital. Since then, the capital and other major cities have greatly evolved, while the poorer regions have seen a very slow development (UNDP, 2019[17]).

This inequality across the country, together with the lack of standardised laws for enabling sustainable development (e.g. the development of green products), implies unequal opportunities, resources and capabilities for implementing the SDGs. There is also a risk that individual counties see the 2030 Agenda as an externally (global and central-level) imposed burden detached from local policies.

*Vertical coherence and coordination.* The competencies and resources of cities and regions also depend on countries' degree of decentralisation. In Romania, coordination between national and local-level actions for sustainable development is not yet systematised, and the central government cannot in any easy way keep track of progress in enhancing PCSD in different regions. The survey responses indicate that the challenges to supporting local authorities in incorporating the principles and values of the concept of sustainable development into local policies and strategies lies primarily in limited human resources and limited technical capacity/expertise (Figure 3.3).

### Figure 3.3. Challenges in implementing SO 3 on support to local authorities




Source: OECD Survey on Delivering on the Sustainable Development Goals in Romania, 2022.

### *Opportunities*

*Local-level SDG implementation.* The foreseen 'One-stop-shop' is expected to contribute to strengthened SDG implementation at the local level. This interactive platform will link the data collected at the national level by the NIS and the government databases with the data on the SDG indicators at the local level. Indeed, a territorial approach to the SDGs means mapping and analysing the main economic, social and environmental trends in SDG implementation, both in terms of time (present/future) in the same region, but also between counties and regions. The platform will map and highlight examples of good practice, organisational projects and managerial capabilities that create and support such projects. It will be a place of knowledge resources, learning, promotion and dialogue for sustainable development. The platform could also support the comparison and alignment of laws related to sustainable development across regions.

*Vertical coherence and coordination.* Romania could, to a greater extent, use the 2030 Agenda as a framework for aligning policy priorities, incentives, and objectives across national, regional and local governments. In this context, the foreseen 'One-stop-shop' could help to ensure effective processes for engaging appropriately sub-national levels of government and promoting coordinated sub-national, national and international actions for achieving the SDGs. Training of local-level civil servants, including peer-learning with other countries, and the designation of SD Hubs in local authorities offer additional opportunities for strengthened vertical coherence. And if Romania puts in place SDG budgeting at central level, this could inspire to sub-national government to align their own expenditures and revenues with sustainability objectives.

### Box 3.3. Local disparities and vertical coherence: Insights from the fact-finding mission

*Perceived bottlenecks*

- "Big socio-economic differences at local level and also large gaps between rural and urban areas."
- "Promote the link between urban and environmental planning – if not, we'll always have conflict."
- "Local and central level collaboration – not a very strong system and fragmentation between levels."
- "Central-level approaches may not work at local level."
- "We cannot monitor at central level what happens at regional level."
- "We don't have standardisation – should have the same law everywhere, why not equally easy to develop green products in all counties?"

*Ideas for overcoming the bottlenecks:*

- "Implementation of the NAP at central level will help also at the local level."
- "Develop guidance for vertical coherence and increase awareness and support local strategies, subsidiarity."

Source: OECD Fact-finding mission to Bucharest in May 2022.

## 3.3. Limited correlation and monitoring of Romania's many sectoral policies

### *Challenges*

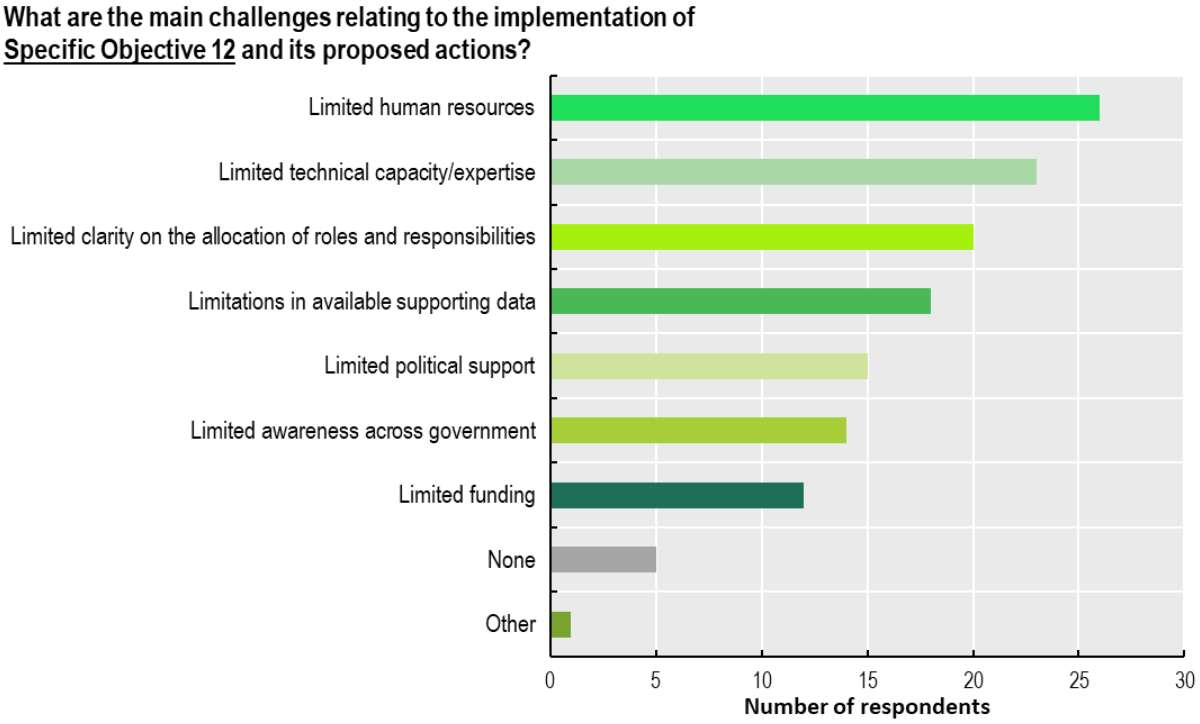
*Correlation.* As noted above, Romania has as many as 110 different sectoral strategies, with a multitude of linkages between them. However, these linkages are not necessarily known or articulated to the civil servants that are responsible for their implementation. This risks causing either fragmentation or duplication, both of which undermine policy coherence. While line ministries do have the opportunity and are in fact expected to comment on new sectoral strategies, the consultation period is often too short to do a thorough assessment of potential trade-offs and synergies. Moreover, the awareness and technical ability to identify and assess policy interactions is limited. This bottleneck to effective NAP implementation is confirmed in the 2021 "Report on the evaluation of policies, plans and action strategies in relation to the objectives of NSDS"[7], which notes the following challenges for putting intersectoral and intrasectoral policies into practice:

- Low interest in identifying intersectoral synergies;
- The limited number of intersectoral financing mechanisms;
- Limited experience in inter-institutional collaboration at national, county and local level, especially with regard to promoting and managing common resources and projects; and
- The reduced efficiency of existing coordination mechanisms in the identification and materialisation of synergies.

[7] http://romania-durabila.gov.ro/wp-content/uploads/2021/08/Raport-de-evaluare-a-politicilor-planurilor-si-strategiilor-de-actiune-sectoriale-in-relatie-cu-obiectivele-Strategiei-Nationale-pentru-Dezvoltarea-Durabila-a-Romaniei-2030.pdf

*Monitoring.* Challenges are linked to the multitude of data sources and limited human resources and statistical expertise in line ministries, which indicates a strong need for further training and guidance. There also appears to not be enough clarity on the roles and responsibilities involved (Figure 3.4).

### Figure 3.4. Challenges in implementing SO 12 on the correlation and implementation of sectoral policies




Source: OECD Survey on Delivering on the Sustainable Development Goals in Romania, 2022.

## *Opportunities*

*Correlation.* The NAP assigns the DSD with the responsibility to develop guidance and recommendations for line ministries to integrate sustainable development into strategic documents at central level (e.g. strategies, sectoral plans, and institutional strategic plans) in their respective areas. This guidance should include strong elements of cross-coordination and correlation between sectoral policies and how these – individually and collectively – contribute to the implementation of the NAP. One possibility could be to link this guidance to the SDG-specific actions that were identified for the NSDS targets in a series of multi-stakeholder working group meetings held in 2021. The next step could then be to explore how the new NSDIs can support the tracking of correlation between sectoral strategies with a view to optimise synergies and avoid negative trade-offs in SDG implementation.

In this context, a peer-learning workshop with Italy was organised on 29 November 2022. Italy has just launched a National Action Plan for PCSD, which could provide important insights as the DSD moves forward to develop its own guidance (Box 3.4).

### Box 3.4. Learning from Italy's Coherence Matrix and Coherence Fiche

Italy's *Coherence Matrix* is a living document compiling the linkages across existing policies' objectives, targets and indicators relevant for long-term sustainable development, to be used by line ministries, regions and local authorities. The matrix is intended as a tool for analysing how different sectoral policies are contributing to Italy's Strategic Choices for sustainable development and for highlighting common key policy indicators for each Strategic Choice. The Coherence Matrix should be used: during policy formulation, whereby each ministry, region, or local authority will use it as a basis of information for filling in the coherence fiche for new investments and policies; and during ex ante and ex post assessments to provide data that might be useful for the existing ex ante screening of investments and policies and their evaluations.

A complementary new tool, the *Coherence Fiche*, identifies new policies/legislation/investments' contribution to the NSDS targets/indicators and interlinkages. It shows the contribution of the policy proposal in relation to the indicators of the NSDS Strategic Choices and targets/indicators therein. It also identifies potential trade-offs and synergies, transboundary impacts of the proposed policy with other relevant strategies identified in the Coherence Matrix, as well as interactions with other policy sectors. The estimated costs associated to the actions are associated to their positive and negative contributions to the NSDS (tagging). This initiates the process to sketch potential mitigation strategies or cross-sectoral actions to balance interactions with existing strategies.

Source: https://www.oecd-ilibrary.org/docserver/54226722-en.pdf?expires=1658758173&id=id&accname=ocid84004878&checksum=DFC10F0ED4488EE3F9E5380AB105859C

*Monitoring.* The NAP will be accompanied with a monitoring framework, which in and of itself provides an opportunity for streamlining and using various data sources on sustainable development in policy making. Specifically, the Annual Monitoring Report of NAP progress is foreseen to include the following elements:

- Actions taken to facilitate the achievement of the 2030 NSDS targets in the reporting period.
- Progress in the implementation of the NAP by monitoring the indicators established for the NAP.
- Progress in achieving the NSDS by monitoring the NSDIs.
- Results of the Opinion Barometers on sustainable development in Romania.
- Conclusions and recommendations for the next reporting period.

The formal framework agreement that is currently being developed will also help to ensure consistent monitoring and reporting.

Box 3.5 provides additional thought on the challenges and opportunities linked to the implementation of Specific Objective 12.

### Box 3.5. Correlation and monitoring of sectoral strategies: Insights from the fact-finding mission

*Perceived bottlenecks*

- "Too many players. Need to first understand who does what and when. Need to see what indicators and targets exist for different strategies."
- "Ministries are usually on their own in developing strategies. One of the main bottlenecks seems to be the difficulty in having an overview and correlation of sectoral strategies with each other and the SDGs."

- "Ministries are not aware of existence of data in other ministries – so not possible to correlate with data from other ministries."

*Ideas for overcoming the bottlenecks:*

- "Monitoring is one of the most important things, but it needs to be possible to register measures very easily and quickly and to see how they link to sustainable development and PCSD."
- "All actions could be targeted to one objective. Need to get out of silos, especially for resources as important as water, e.g. the Danube river basin."
- "Create task forces, working groups on different issues. Ensure that everybody has the same knowledge. Suffering from lack of data – in operational programmes funded by the EU there is a platform – we need a similar one."
- "Would like to see the new Centre of Excellence on Sustainable Development support the M&E process."
- "Methodologies and good practices from other countries would be helpful for more integrated policy making."

Source: OECD Fact-finding mission to Bucharest in May 2022.

## 3.4. Cross-cutting challenges

*Challenges.* The top-three cross-cutting challenges for the 12 Specific Objectives relate to limited human resources, limited technical expertise, and limited funding. This was also confirmed by the fact-finding interviews (Box 3.6).

Several ongoing initiatives aim at strengthening the capacities of civil servants, while limited funding remains a problem – including as it relates to resources for implementing the NAP. Section V of the NAP deals with this issue, saying that the actions provided in the NAP will be supported by:

- Annual budget allocations of the Department for Sustainable Development, through the General Secretariat of the Government,
- Projects to be carried out under the National Recovery and Resilience Plan,
- Projects to be carried out in the Multiannual Financial Framework 2021-2027,
- Projects with direct funding from the European Commission (TSI DG-Reform, SSRS, DG-Research, ERA-NET, HORIZON 2020, INTERREG, etc.),
- Projects financed by other mechanisms (EEA-Norway Funds, Swiss Funds, etc.).

However, to ensure fiscal responsibility, the enforcement of the provisions of the NAP may determine an increase of the state budget expenses, in line with the provisions of art. 15 of the Law on public finances, no. 500/2002, with the modifications; subsequent completions and art.15 of the Law on fiscal responsibility – budget no.691/2010.

### Box 3.6. Cross-cutting challenges: Insights from the fact-finding mission

*Perceived bottlenecks*

- "The economic argument always wins."
- "The current system does not allow for the best people – cannot offer bonus/opportunity for people."
- "Romanian researchers are not sufficiently used in policy making. There is also a lack of knowledge in technology."

*Ideas for overcoming the bottlenecks:*

- "Need economists that are differently trained – need to also know about the policies, project management skills and IT skills, measuring performance."
- "Financial and human resources, need to retain good people."
- "Translate technical language so that everyone (e.g. farmers) understands."

Source: OECD Fact-finding mission to Bucharest in May 2022.

*Opportunities.* In response to the question "What kind of guidance would be most helpful to you in implementing the NAP?" survey respondents indicated the following needs:

- 46 % of respondents referred to technical guidelines (and methodologies for identifying policy interactions and ensuring synergies between different actions).
- 22% of respondents referred to application of governance tools to ensure that the NAP is harmonised with the NSDS 2030 targets.
- 22% of respondents referred to coordination and sequencing support throughout the policy cycle; theory of change scenarios.

The ongoing training of "sustainable development experts", the new Centre of Excellence and online resources such as the One-stop-shop will help to strengthen the capacity of civil servants to enhance PCSD and implement the SDGs. So too will the new guidance to line ministries that will be developed by the DSD, with the support of the OECD, to ensure effective and coherent NAP implementation.

# 4 Conclusion and preliminary recommendations

Important progress has been made to enhance policy coherence for sustainable development (PCSD) in Romania. Yet, a number of actions under each of the three PCSD Pillars could accelerate coherent SDG implementation further. These are outlined below as preliminary recommendations.

## 4.1. Strengthening commitment, vision and leadership for policy coherence for sustainable development

- Ensure adequate financial and human resources across the government, through legal decisions if necessary, to back the commitments made in the NAP.
- Establish mandatory procedures that systematically involve the Department for Sustainable Development (DSD) in the implementation of the new Government Decisions (GDs) linked to planning, budgeting and regulatory control.
- Encourage all ministries to use the option to introduce, for each new Institutional Strategic Plan (ISP), PCSD-specific information on projects and activities that foster sustainable development. For example, the DSD could prepare a template, or *coherence fiche*, to facilitate this exercise by line ministries.
- The Ministry of Finance could work together with the DSD to identify entry points upstream for PCSD in the new methodology for the preparation and implementation of budgetary programmes.
- The Ministry of Finance could undertake an 'SDG tagging' exercise to provide a mapping of how public spending contributes to the different Goals and Targets.
- Use Romania's Voluntary National Review in 2023 to communicate about the vision and commitment outlined in the NAP, including to an international audience, with a view to build public buy-in and ownership by Romanian citizens.

## 4.2. Solidifying institutional and governance mechanisms to address policy interactions

- Ensure regular meetings (at least twice a year) of the Interdepartmental Committee for Sustainable Development (ICSD).
- Develop a "job description" for the Sustainable Development Hubs so that they know what is expected from them with a view to coordinate actions and policies in their ministry with those of other ministries.
- Identify and compile in a *coherence matrix* the linkages across existing policies' objectives, targets and indicators that are relevant for national sustainable development objectives.

- Extend the consultation period for new government strategies and programmes by line ministries and the DSD.
- Use the 2030 Agenda as a framework for aligning policy priorities, incentives, and objectives across national, regional and local governments.
- Consider assigning a staff member in the DSD to actively monitor and advance progress on vertical policy coherence for sustainable development throughout Romania.
- Systematically involve local-level authorities in the Regulatory Impact Assessment (RIA) cost-benefit analysis (below): they are closer to the impacted citizens. The one-stop-shop could facilitate this.
- Provide training to sub-national civil servants and assign Sustainable Development Hubs in local and regional authorities.
- Encourage and support, e.g. through targeted training, the preparation of Voluntary Local Reviews (VLRs) to be presented to the UN High-Level Political Forum and integrate the main findings into the VNR.

## 4.3. Making better use of tools to anticipate, assess and address impacts of policies on sustainable development

- Elevate the Parliamentary Sub-Committee for Sustainable Development to a Secondary Parliamentary Committee to strengthen its convening power and impact.
- Embed a PCSD dimension or a dedicated chapter on PCSD in the Annual Report to Parliament on the implementation of the NSDS.
- Continue to strengthen the capacities of the Court of Account to undertake performance audits (move away from a traditionally “punishing role” of the Court) and prepare the ground for introducing SDG auditing, e.g. through ongoing peer learning with the Netherlands.
- As part of the new procedures for conducting RIA, leverage DSD’s mandate to review new strategies to check the quality of the responsible ministries’ assessments of regulatory impacts on the SDGs, and to see if and how the initiator involved local stakeholders in the process.
- Link all sectoral strategies and policy outcomes with the new set of National Sustainable Development Indicators.
- Finalise and implement across the government the new ISP dashboard, with information and periodic reporting data on strategic objectives, programmes, budgetary measures and indicators corresponding to the planning levels.

The above recommendations will be taken into account in the subsequent phases of the project, which include an Implementation Support Phase to support the elaboration of a NAP Implementation Roadmap.

# References


European Commission (2021), *EC Press corner: Commission endorses Romania's plan*. [4]

European Commission (2021), *EC Press corner: Report on developments in Romania on judicial reform*. [2]

OECD (2022), *OECD Economic Surveys: Romania 2022*, OECD Publishing, Paris, https://doi.org/10.1787/e2174606-en. [14]

OECD (2022), "OECD toolkit for a territorial approach to the SDGs", *OECD Regional Development Papers*, No. 33, OECD Publishing, Paris, https://doi.org/10.1787/2913bae2-en. [16]

OECD (2022), "OECD toolkit for a territorial approach to the SDGs", *OECD Regional Development Papers*, No. 33, OECD Publishing, Paris, https://doi.org/10.1787/2913bae2-en. [12]

OECD (2021), *Implementing the OECD Recommendation on Policy Coherence for Sustainable Development: Guidance Note*, https://www.oecd.org/gov/pcsd/pcsd-guidance-note-publication.pdf. [8]

OECD (2020), *A Territorial Approach to the Sustainable Development Goals: Synthesis report*, OECD Urban Policy Reviews, OECD Publishing, Paris, https://doi.org/10.1787/e86fa715-en. [11]

OECD (2020), *Romania: Linking Policy Planning and Budgeting to Support the Implementation of the Sustainable Development Goals*. [15]

OECD (2020), *Romania: OECD Scan of Institutional Mechanisms to Deliver on the SDGs*. [7]

OECD (2019), *OECD Regional Outlook 2019: Leveraging Megatrends for Cities and Rural Areas*, https://dx.doi.org/10.1787/9789264312838-en. [10]

OECD (2019), *OECD Regional Outlook 2019: Leveraging Megatrends for Cities and Rural Areas*, OECD Publishing, Paris, https://dx.doi.org/10.1787/9789264312838-en. [9]

Romania National Statistics Institute (2022), *Guidance for reporting and monitoring Romania's National Sustainable Development Indicators*. [13]

SDSN (2022), *Sachs et al. (2022): From Crisis to Sustainable Development: the SDGs as Roadmap to 2030 and Beyond. Sustainable Development Report 2022. Cambridge: Cambridge University Press.*, https://dashboards.sdgindex.org/. [6]

SDSN (2021), *Lafortune, G., Cortés Puch, M., Mosnier, A., Fuller, G., Diaz, M., Riccaboni, A., Kloke-Lesch, A., Zachariadis, T., Carli, E. Oger, A., (2021). Europe Sustainable Development Report 2021: Transforming the European Union to achieve the Sustainable Developm*, https://www.sdgindex.org/reports/europe-sustainable-development-report-2021/. [3]

UNDP (2019), *Human Development Report 2019: Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century*. [17]

United Nations (2018), *Sustainable Development Goals Knowledge Platform*, https://sustainabledevelopment.un.org/memberstates/romania. [5]

World Bank (2021), *The World Bank in Romania*, https://www.worldbank.org/en/country/romania/overview#1. [1]