SECTORAL OPERATIONAL PROGRAMME
HUMAN RESOURCES DEVELOPMENT
2007 - 2013
SECOND DRAFT

November 2006
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<tr>
<td>ACD</td>
<td>Administration Capacity Development</td>
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<tr>
<td>AMIGO</td>
<td>Labour Force Survey in Households</td>
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<td>APCPSI</td>
<td>Anti Poverty Commission and Promotion Social Inclusion</td>
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<td>CF</td>
<td>Cohesion Fund</td>
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<td>CSG</td>
<td>Community Strategic Guidelines</td>
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<td>CVT</td>
<td>Continuous Vocational Training</td>
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<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
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<td>EC</td>
<td>European Commission</td>
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<td>EDIS</td>
<td>Extended Decentralised Implementation System</td>
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<td>EES</td>
<td>European Employment Strategy</td>
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<td>EQFHE</td>
<td>European Qualification Framework in High Education</td>
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<td>ERDF</td>
<td>European Regional Development Fund</td>
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<td>ESF</td>
<td>European Social Fund</td>
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<td>ETF</td>
<td>European Training Foundation</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>GD</td>
<td>Government Decision</td>
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<td>GEO</td>
<td>Government Emergency Ordinance</td>
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<td>HR</td>
<td>Human Resources</td>
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<td>HRD</td>
<td>Human Resources Development</td>
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<td>IB</td>
<td>Intermediate Body</td>
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<td>ICT</td>
<td>Information and Communication Technology</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<td>ISCO</td>
<td>International Standard Classification of Occupations</td>
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<td>IT</td>
<td>Information Technology</td>
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<td>JAP</td>
<td>Joint Assessment Paper on Employment Priorities</td>
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<td>JIM</td>
<td>Joint Inclusion Memorandum</td>
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<td>REAP</td>
<td>Regional Educational Action Plan</td>
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<td>LEAP</td>
<td>Local Educational Action Plan</td>
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<td>LFS</td>
<td>Labour Force Survey</td>
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<td>LLL</td>
<td>Life Long Learning</td>
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<tr>
<td>MA</td>
<td>Managing Authority</td>
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<td>MA CSF</td>
<td>Managing Authority for the Community Support Framework</td>
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<tr>
<td>MBA</td>
<td>Master in Business Administration</td>
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<tr>
<td>MoER</td>
<td>Ministry of Education and Research</td>
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<tr>
<td>MoLSSSF</td>
<td>Ministry of Labour, Social Solidarity and Family</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>MPF</td>
<td>Ministry of Public Finance</td>
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<tr>
<td>NAE</td>
<td>National Agency for Employment</td>
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<tr>
<td>NASMEC</td>
<td>National Agency for Small and Medium Sized Enterprises and Cooperatives</td>
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<td>NAPCR</td>
<td>National Authority for Protection of Children Rights</td>
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<td>NAPD</td>
<td>National Authority for Persons with Disabilities</td>
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<td>NAPE</td>
<td>National Action Plan for Employment</td>
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<td>NAPPRM</td>
<td>National Authority for Public Procurement Regulation and Monitoring</td>
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<td>NDP</td>
<td>National Development Plan</td>
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<td>NGO</td>
<td>Non Governmental Organization</td>
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<td>NIRFLSP</td>
<td>National Institute for Research in the Field of Labour and Social Protection</td>
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<tr>
<td>NIS</td>
<td>National Institute for Statistics</td>
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<tr>
<td>NMS</td>
<td>New Member States</td>
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<td>NSRF</td>
<td>National Strategic Reference Framework</td>
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<td>ODL</td>
<td>Open Distance Learning</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<td>OP</td>
<td>Operational Programme</td>
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<td>PA</td>
<td>Priority Axis</td>
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<td>PES</td>
<td>Public Employment Service</td>
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<td>PhD</td>
<td>Doctorate</td>
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<td>PIA</td>
<td>Public Internal Audit</td>
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<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
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<td>RDI</td>
<td>Research, Development and Innovation</td>
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<tr>
<td>RAPVTE</td>
<td>Regional Action Plan for the Development of Vocational and Technical Education</td>
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<tr>
<td>RO</td>
<td>Romania</td>
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<tr>
<td>ROP</td>
<td>Regional Operational Programme</td>
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<tr>
<td>SAP</td>
<td>School Actions Plans</td>
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<tr>
<td>SEN</td>
<td>Special Educational Needs</td>
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<td>SMEs</td>
<td>Small and Medium sized Enterprises</td>
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<td>SOP</td>
<td>Sectoral Operational Programme</td>
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<tr>
<td>SWOT</td>
<td>Strengths, Weaknesses, Opportunities, Threats</td>
</tr>
<tr>
<td>SOP HRD</td>
<td>Sectoral Operational Programme Human Resources Development</td>
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<td>TAOP</td>
<td>Technical Assistance Operational Programme</td>
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<tr>
<td>TVET</td>
<td>Technical Vocational Educational Training</td>
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<tr>
<td>VET</td>
<td>Vocational Educational Training</td>
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<tr>
<td>WB</td>
<td>World Bank</td>
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<td>WHO</td>
<td>World Health Organization</td>
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Introduction

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

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

SOP HRD was elaborated under the coordination of Ministry of Labour, Social Solidarity and Family. During the consultations there were involved the Ministry of Public Finance, National Agency of Employment, Ministry of Education and Research, Ministry of Administration and Interior, Ministry of European Integration, Ministry of Economy and Trade, Ministry of Agriculture, Forestry and Rural Development, Ministry of Public Health, National Institute for Statistics, National Institute for Scientific Research in the field of Labour and Social Protection, Anti-Poverty Commission and Promotion of Social Inclusion, National Adults Training Board, National Agency for Equal Opportunities, National Agency for Small and Medium Size Enterprises and Cooperation, other line ministries and agencies. There also took place large consultations with social partners, civil society organizations, public administration and other relevant stakeholders.

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

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

- The Joint Assessment Paper on Evaluation of Employment Policies (JAP 2006);
- The Joint Inclusion Memorandum on Social Inclusion (JIM 2006);
- National Strategy on Employment 2005-2010;
- Pre-accession Economic Programme 2005;
- The Strategy for Continuous Vocational Training on short and medium term 2005 – 2010;
- The National Strategy on social inclusion of young over 18 leaving the State Child Protection System 2006-2008;
- The National Strategy for protection, integration and social inclusion of disabled persons in 2006-2013 period “Equal opportunities for disable persons – towards a society with out discrimination”;
- The National Strategy for Equal Opportunities between Women and Men;
- Strategy for Preuniversity education development within the perspective 2010;
- Strategy for decentralisation of education 2005;

The general objective of SOP HRD is the development of human capital and the increase of its competitiveness on the labour market, by providing equal opportunities for life-long learning and the development of a modern, flexible and inclusive labour market which will leads, until 2015, to the sustainable integration on the labour market of 600,000 persons.

The specific objectives can be summarised as follows:

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

¹ Rural area is defined as communes and villages, as well as peripheral areas of cities and municipalities, where are developed the following economic activities: agriculture, forestry, fishery, aquaculture production, industrial processing of agriculture, forestry, fishery, aquaculture products and rural tourism services (Minister of agriculture, forestry and rural development Order 143/610/ March 2005)
1. CURRENT SITUATION ANALYSIS

1.1 Education

- Structure of the education system

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

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

- Participation in education

Data available for the school year 2005/2006 indicate a decrease of the number of enrolments (ISCED 1-6) by 4.46% as compared to school year 2000/2001. The most severe decrease is recorded in case of enrolments in primary schools and gymnasia, respectively by 13.88% and 27.28% in the reference period (2000/2001 – 2005/2006); by residence, in both cases the most severe decrease of enrolments are specific to urban areas. In the reference period, the highest increase is recorded in case of vocational education (School of Arts of Trades and the Completion year) by 18.73% due to the restructuring of the initial VET, operational since 2003/2004, and by residence, the situation is favourable to rural areas. The demographic descending trends in urban areas and the increased schooling capacity in vocational education in rural areas are the main factors underpinning this different pattern of enrolment. In case of university education, the enrolments increased, in the reference period, by 35.48% (see Table 2 in Annex 1).

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

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

Participation at different education levels and by residence recorded various trends during the reference period as illustrated by the data inserted in Table 5 in Annex 1, which recommends actions in view of school networks restructuring and social support programs dedicated to access and participation to education in rural areas, in particular at ISCED 3 level.

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2 School of Arts of Trades and the Completion year are part of the progressive professional route which is offering a double qualification, with academic purposes and with professional goal.
The difference of about 27 percentage points in the gross enrolment rate in high schools and vocational education by residence (86.6% in urban areas as compared to 59.9% in rural areas in 2005/2006, as presented in Chart 1, Annex 1 affects the educational attainment of the population in rural areas. The existing gap indicates that a large proportion of the pupils from rural areas become early school leavers.

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

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

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

Low participation in education is recorded, also, in case of children with special educational needs (SEN). The limited stock of knowledge of teaching personnel in mainstream schools in working with students with disabilities, improper educational infrastructure and existing communication shortcomings between school and community contribute to the increase of the number of children with disabilities not attending to formal education and to the absence of monitoring of their integration in mainstream education. An important cause generating poor social inclusion rate is the traditional educational segregation of the persons with disabilities. The practice of isolating children with slight disabilities into special schools has stopped beginning with 2001, following implementation of a program which, although successful in integrating a number of 18,158 children with disabilities into the mainstream education, has failed to simultaneously adapt school curricula, train teachers in acquiring special skills to work with children with disabilities and adopt a supportive attitude. In 2002, 4,400 children with special needs were enrolled in the mass education system. The educational policy

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4 In school year 2002/2003, Roma pupils represented about 4.23% of the total enrolments in compulsory education, at national level. The participation in education of Roma pupils is lower in case of pre-school education as compared to primary education. Similarly, after primary education, the participation in education of Roma pupils continuously decreases. At the moment, there are very few studies and qualitative analysis on Roma participation to education and educational attainment. „Roma people in Romania” APCPSI;
pursued by MoER aims at modernizing and restructuring the “special education” (education for children with special educational needs/disabilities) so as to create the premises for the beginning of school life in the nearest public school and for quality and diversified educational support services for the target groups (see Box 3, Annex 1). During the last years specific projects aiming at development of “inclusive schools” were developed in Romania. Despite these efforts, Romanian society preserved its traditional segregation mentality, and the best practices derived from these projects could not be extended at national level.

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

Early school leaving rates continuously increased during the entire period 1990-2005. Early school leaving is a phenomenon negatively affecting the quality and competitiveness of the human capital. The early school leaving rate increased from 22.4% in 1999/2000 up to 23.6% in 2004/2005 and slightly decreased in 2005/2006 down to 20.8% (Table 6 below). A significant gap between Romanian and European indicators can be noticed; the early school leaving exceeds by far the 10% European benchmark set for 2010.

### Table 6. Early school leaving rate (18-24 year age group) (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>RO</th>
<th>EU-25</th>
<th>EU-15</th>
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<tbody>
<tr>
<td>1999</td>
<td>22.4</td>
<td>20.8</td>
<td>15.2</td>
</tr>
<tr>
<td>2000</td>
<td>23.1</td>
<td>21.6</td>
<td>17.3</td>
</tr>
<tr>
<td>2001</td>
<td>21.8</td>
<td>21.9</td>
<td>19.5</td>
</tr>
<tr>
<td>2002</td>
<td>22.9</td>
<td>21.8</td>
<td></td>
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<tr>
<td>2003</td>
<td>22.7</td>
<td>21.5</td>
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<tr>
<td>2004</td>
<td>23.4</td>
<td>21.8</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>20.8</td>
<td>19.9</td>
<td>14.9</td>
</tr>
</tbody>
</table>

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

By categories, Roma population is the group the most exposed to early school leaving, and the situation is severe in case of Roma women due to the poor living conditions and traditions. Low achieving pupils are also one of the categories exposed to early school leaving.

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

7 Idem 9
since their poor performance in school seriously affects their self esteem and motivation for learning.

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

**Preschool education**

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

**Initial VET**

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

Schooling capacity of initial VET system increased substantially beginning with school year 2002/2003: from 844 school units in 2002/2003 to 1474 school units in 2004/2005 and 1495 in 2005/2006. Most of the increase was in rural areas: from 518 school units in 2003/2004 to 713 school units in 2005/2006. These schools offer first chance education to the graduates of 8 grade in their locality preventing from additional costs the parents have to afford for transport or accommodation in case the students should go for learning in other localities.

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9 Institute for Educational Sciences. “Study on preschool education, 2003”
In order to increase the quality of provision and based on progress made in regional and local planning of initial VET, since 2006/2007 measures of rationalization of the school network in initial VET will be pursued. The activities implemented, apart from increasing the schooling capacity in rural areas, consisted of improving the initial and continuous training offer in rural areas, developing institutional capacities for VET schools in view of assuring inclusive education and training for students with special education needs.

Since mid ‘90s, initial VET has been under a continuous process of reforming, aiming at modernizing and better adjusting it to the demands of a society which has known major changes at economic and social level. An important component of this reform is represented by the learning content of initial VET and is based on the “life long learning” concept: it starts with development of qualifications, then, based on their training standards, curriculum is developed and finally within the certification process the competences described as performance descriptors within the training standards are under assessment during the final examination. In VET, the development of qualifications is organised with the direct involvement of relevant social partners. Since qualifications are not anymore linked to the type of provider (schools or private providers) or to the type of training (initial or continuing VET), their validation is the responsibility of Sectoral Committees\textsuperscript{10} that are gradually established by National Adult Training Board acting as National Authority for Qualifications. This is meant to increase coherency between initial and continuous VET. Until present, vocational training standards for qualifications levels I, II and III which can be obtained through the initial VET system, and they have been updated and are implemented at national level, the methodological developments and expertise as regards qualifications development and validation reached within the initial VET have been transferred to the whole VET etc..

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

Evaluation reports of Phare projects supporting the progress made in initial VET revealed the following difficulties: results in inclusive VET are not the expected ones due to the fact that teaching staff did not receive enough or any methodological training, differences in economic development between rural and urban areas and the lack of forecasts related to economic development strategies for the rural areas make it difficult to plan and develop a VET supply relevant for such areas, quality of education in rural area is still lower due to the fact that material and human resources could not be totally and properly assured to the high number of the newly established VET schools.

\textit{University education}

Unlike the secondary and postsecondary education, in case of university education, the ascending trend of participation in education specific to early ‘90s continued also during 2000/2001 and 2004/2005. Thus, the gross enrolment rate in university education increased from 27.7% in 2000/2001 up to 44.8% in 2005/2006 (Table 9 in Annex 1). The increasing participation in university education is explained by the development of private university

\textsuperscript{10} The Sectoral Committees are structures for social dialogue organized at the level of sectors of activity and are set up by the National Adult Training Board, through the common agreement of the representative social partners at sector level. The Sectoral Committees contribute to the development and upgrading of the qualifications by sectors of activity.
education, development of the university network by setting up new universities or by developing subsidiaries of large university in non traditional locations, increasing enrolments, increasing interest for university education due to larger labour market absorption of highly educated people and lower unemployment risk for university graduates. For rural population, Roma community and other vulnerable groups, the access and participation to university education remains low due to the relatively high costs of university education and the incidence of early school leaving affecting them. Following Bologna cycles, the enrolments in university education are dominated by undergraduate students. The number of enrolments in Master programs increased during the last two years due to higher chances of master graduates to insert in the labour market. The number of certified PhD decreased, due to the changed access condition to this level of educations, with negative effects on the R&D human potential (Table 10 in Annex 1).

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

- Life Long Learning

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

The validation of learning in all contexts, a better articulation between education and initial VET and CVT, improved definition and transparency of qualifications are issues to be addressed through the development and implementation of a National Qualifications Framework (NQF). Progress in this respect was made in terms of institutional development (National Adult Training Board was appointed as National Authority for Qualifications and a National Agency for Qualifications in Higher Education was created), development and activities of Sectoral Committees\(^{11}\) (progress is still insufficient and the financing of Sectoral Committees limits their effectiveness and development; thus only 16 Sectoral Committees were operational in 2006), development and validation of qualifications. NQF supports the development of life long learning for individuals and will create a transparent system of qualifications in vocational training that will allow a coherent development of the current initial and continuing vocational training system, having regard on the perspective of life long learning and having the support of the stakeholders.

\(^{11}\) The Sectoral Committees are structures for social dialogue organized at the level of sectors of activity and are set up by the National Adult Training Board, through the common agreement of the representative social partners at sector level. The Sectoral Committees contribute to the development and upgrading of the qualifications by sectors of activity.
### Quality of the human capital in Romania

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

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

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

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

- **Human resources in education**

Figures available show, in 2004/2005, that human resource employed in education system represented 4.32% of the employed population in Romania. The analysis of the dynamics of the teaching personnel during the period 2000-2005 indicates that the personnel in the education and training decreased except for vocational education (Table 14 in Annex 1).
The share of qualified personnel continuously increased during 2000-2005, at all levels of education. A slightly reversed evolution is recorded in 2005/2006 as compared to previous school year in case of preschool education (0.7 percent point) and vocational education (0.8 percent point). By residence, at all educational level, during the entire period analysed, the share of qualified teaching personnel is lower in case of rural areas as compared to urban areas (Table 15 in Annex 1). In university education, the issue of unqualified teaching personnel does not exist, since the indicator was of 100% in 2005/2006.

The forecasted decrease of the school population by 20% in 2013 (as compared to 2005) will trigger serious effects in case of school network, recruitment policy of teaching personnel; this demographic trend will trigger a decrease of the personnel employed in education and initial training by about 10%. The low attractiveness of teaching career, the relative persisting rigidity in the professional routes of teachers will also contribute to the diminishment of the teaching personnel. The estimated decrease of the school population will underline the importance of the qualification and quality of the human resources employed in education.

### Human resources in research

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

Low wages, poor or improper endowments, as well as opportunities provided by research programmes from other countries gradually led to an increase in the average age of the R&D highly-qualified staff, so that, in 2004, around 63% of the total number of researchers is over 40 years old. For 2005 the total number of researchers has increased, but the structure by age groups has been changed, data being no more comparable with the previous years (see Table 16 in Annex 1).

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

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

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

At system level, during the last two years (2005 and 2006), progress was made in defining the institutional framework for quality assurance in education. The two Agencies for Quality Assurance in Pre-university Education and in University Education were created. For the next period, new standards, quality assurance mechanisms (based on internal and external standards - stipulated by the new legal framework adopted in 2005-2006) will be developed and implemented by the above mentioned agencies and by the education and initial VET providers. These new instruments will balance the use of external and internal mechanisms and instruments for quality assurance. The implementing of these new tools in the formal education system require specific training and school/university staff and other stakeholders staff proper training development (over 45,000 persons) and specific training for external quality evaluators (about 4000 persons).

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

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

• Correlating education and initial VET offers and labour market demand

Increase of the education and initial VET relevance to the labour market needs still remain a major goal in the policy making and activities of the education providers. The rate of youth unemployment (see also the references in the below section on Youth Unemployment) is raising the problem of education relevance to the labour market. There have been taken several measures aiming at improving initial VET supply responsiveness to the labour market needs: improving the strategic planning of the initial VET offer and provision of career guidance and key competences.
Among the factors limiting the correlation between education and initial VET with labour market, the following could be considered:

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

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

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

Structural analysis of the labour market

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

Table 18. Main indicators of employment, 1999-2005* (annual average)

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

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

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

a) Employment structure

• Overall employment rate

In 2005, the employed reached the level of 9.85 million persons. Compared to 2002, the employment rate dropped in 2005 by 0.3 percent points, reaching 57.7% (Table 19, Annex 1). The employment rate of the working aged population in 2005 situates Romania at a 12.3 percent points distance as compared to the Lisbon objectives established to be achieved in 2010 – general employment rate of 70%. On the other hand, women employment rate reaches in 2005 51.5%, by 8.5 percent points lower than the Lisbon objective (60% in 2010).
The decrease in employment is in relation with the variations of economic growth. The decline of employment rate is the result of insufficient accumulation over a longer period of economic growth, expressed in number of consecutive years, respectively only economic growth registered during 2000, or 2001-2005, after negative economic growth during 1997-2000. In 2005, the employment rate of 15-64 years old group registered a gap of 12.4 percent points between genders (63.9% for men compared with 51.5% for women).

- **Employment by age group**

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

  The 25-54 years old group registered a 0.5% decrease of the employment rate during 2002-2005, reaching 73.3 % in 2005, also lower than the EU 25 average (77.2%). The decreasing was more intense during 1999 and 2001 (5.3 percent points).

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

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

  In rural area, during 1999-2001, the employment rate of 15-64 years old group had almost flat values decreased, but the rate is still higher than in urban (Chart 5 in Annex 1). Starting with 2002 the rate decrease exclusively based on the shrinking of those segments of population employed in agriculture, from 63.7% in 2002 to 61.6% in 2005. The further economic growth registered during the last years would lead, on the one hand, to a significant decrease of the rural employment in its current structure (totally based on agriculture), by developing a rural employment based on services and industry and, on the other hand, to the increase of urban employment.

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

  From the perspective of employment status, the rural residents in full time employment were 24.7% out of the total employees (wage-earners), around 86.3% out of the total self employed persons and over 94% out of the total unpaid family workers. In fact, the self employed and unpaid family workers represented 33.5% out of the total population in employment in 2005 and 89.8% of them were rural residents. More concretely, in rural area the number of self employed in agriculture, fishery and forestry was 1,429,000 persons and 1,179,000 worked as unpaid family workers, while the number of employees (wage-earners) was 114,000 persons. Farmers and skilled workers in agriculture, forestry and fishery (54.9%), as well as artisan and handicraft are the main occupations of the rural residents (10.7%).
In 2004, the share of population employed in agriculture\textsuperscript{12} in total population in employment was 31.6\% and in case of 15-64 age group the share was 28.7\%.

The facts presented above provide an overall image of the underemployment in subsistence agriculture\textsuperscript{13}. Having in mind the low rate of unemployment, the challenge resides in choosing the right active measures for social improvement and inclusion on formal labour market (including in the value-added activities). Moreover, according to LFS 2005, the average duration of unemployment was 20.6 months, the rural area registering higher values than the urban one for the 25-54 years old group. The longest period is 26.9 months in case of rural residents aged 55 years old and over. The urban area is preponderantly affected by the long-term unemployment (58.4\% against 51.7\% in rural area). In case of youth long term unemployment, a higher value was registered in urban area (69.1\% against 62.4\% in rural area).

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

The total inactive population in 2005 was 11,730 thousands persons (pupils, students, retired, social assistance beneficiaries, housekeepers and others). A potential resource is represented by the 579 thousands inactive persons (15 years old and over) that even looked for a job, but were not available to work, or did not look for a job, but were ready to start the work.

- **Employment by economic sectors**

The employment structure is significantly sensitive to the fluctuations of the economic growth. The current structure of employment is different from the one existing in EU-25, as a consequence of a slow economic restructuring process and of alternant periods of positive economic growth and negative economic growth.

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

During 1997–2005, the population employed in agriculture decreased in all regions and in particular in the North-East and the South Muntenia regions (see Table 20 in Annex 1). This reorientation of migratory flows of population from the rural to the urban area may be correlated with the creation of new jobs in urban area, in the context of an increase of the share of the private sector in the overall economy and with the fact that many rural settlements acquired town status.

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

\textsuperscript{13} Subsistence agriculture corresponds to agricultural household production for its final consumption. It rarely implies any monetary income and it normally counts as informal employment (source NIS,LFS).
As a reflection of the trends of the economy in Romania, the population employed in industry and constructions has dropped in 2004 compared to 1997 in all the regions of the country, with only three exceptions: West, North-West and Bucharest-Ilflov regions, where the construction industry evolves at an extraordinary pace, with an increase of 14.4 thousand persons.

Over the same period of time (1997-2004), the service sector registered an increase in seven regions, the highest increase being in Bucharest-Ilflov and the North-West regions (171.4 thou. persons and 73.2 thou. persons respectively). The gap between Bucharest–Ilflov and the other country regions from the point of view of employment in the service sector is caused by the rapid growth of the business sector, the relatively large number of persons enrolled in higher education and the big investments in the telecommunications sector. The share of population employed in the service sector of the total employed population increased with 7.6 percent points from 30.6% in 1999 to 37.5% in 2005.

- Employment by working time

The full time employed population is the majority of the employed population in Romania (Table 21 in Annex 1), the share of the male and female being almost equal. During 2002-2005 the share of part time employed population registered a decreasing trend, slighter in case of male population (0.7 percent points) as compared with female population (2.3 percent points). In 2005 it can be noticed that, at the EU-25 level, the share of part time employed population is around 3 times higher for female, unlike Romania where there is an even distribution between women and men, which indicates a very low use of flexible working arrangements for women. The almost equal share for male and female population in part time employment indicates that the male population is involved in a second paid employment, in order to complete the family budget.

- Distribution of the employed population by level of education

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

The proportion of the employed people with higher education increased constantly reaching 12.6% in 2005. The increase in the number of graduates from medium education institutions is common at the entire economy level which resulted into an increased rate of medium educated persons accessing the labour market. Persons with medium education are the great majority of the employed persons. The share of this segment is at present about 20 percentage points above the EU-15 share.

- Contribution of SMEs to workforce employment

During 2001–2004, small and medium sized enterprises have had an important contribution to the creation of new jobs and implicitly to the employment of the workforce in Romania. The increasing trend of the personnel employed within SMEs started during ’90s, while the

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14 Level of education:
- Superior- short-term university (college), long-term university education (including MBA, PhD);
- Medium -specialized post-high school or technical school, high-school, vocational, complementary or apprentice, first high-school stage;
- Low - elementary, primary, without graduation.
number of employees of big companies registered important decreases. In the past few years, the number of employees in SMEs evolved from 2,122,617 in 2001 to 2,778,967 in 2005 (Table 22 in Annex 1), with an annual average rate of 1%.

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

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

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

- Employment by regions

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

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

- Undeclared work

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

The undeclared work phenomenon accounts for approx. 2.7 million people and it is augmented by the large informal employment in agriculture (including the subsistence agriculture). Another sectors affected by undeclared work are the construction and services. Another aspect is related to the combination between a formal employment with low wage and an informal part of the wage (envelope wage).

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

b) Unemployment

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

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

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

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

Regional unemployment rates reflect the peculiarities of the economic structure and the transition patterns in Romania. The regions with a more dynamic economy (e.g. Bucharest-Ilfov and North West) have normally lower unemployment rates, as they tend to follow the rules of the market economy and the economic growth is associated with higher returns on the labour market of the share of the workforce that has gone inactive or involved in self-sustenance activities during the economic recession. Less developed regions (South-East, for example) will not disguise unemployment although they have still a large rate of employment in subsistence farming. That distorts to some extent the actual contribution of each development region to the total employment, mainly in terms of volume. At the same time, the higher rates of unemployment in other regions (e.g. Centre) prove that the restructuring is on-going.

- Unemployment structure and evolution by specific groups
  - Unemployment by education level

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

By gender, the existing differences are explained by two elements:
  - the restructuring and patterns of transition have affected primarily the sectors with a prevalent male employment
- the current economic growth is “driven” to a considerable extent by the economic sectors where female employment prevails.

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

- **Youth unemployment**

Youth unemployment is a key aspect of social disadvantaged among young people. According to Eurostat\(^\text{15}\), youth unemployment rate in Romania was 17.2% in 1999, 21% in 2002 and 23.8% in 2005. This may suggest that Romania's economy is not yet able to generate sufficient jobs, in particular jobs requiring higher qualifications, which are normally held by young people. In the mean time, the vacancies do not offer attractive salaries according to youngsters’ expectations. The skills and competencies achieved by youngsters are not always fully relevant for the labour market demand, which contributes also to the high rate of unemployment.

- **Long – term unemployment**

According to Eurostat\(^\text{16}\) long-term unemployment rate increased from 2.8% in 1999 to 4.0% in 2002, and 4.4% in 2005. In comparison, in 2005 the EU-25 rate was 3.9% and 3.3% in EU-15.

During 1999-2005, the long-term unemployment rate was higher for men comparative with women. Males’ long-term unemployment in % of active population was 2.8% in 1999, being in 2005, 4.7%, and comparative with EU25 in 2005, 3.5%. Females’ long-term unemployment in % of active population was 2.7% in 1999, being in 2005, 3.9%, and comparative with EU25 in 2005, 4.5%.

The youth long term unemployment (>1 year) among young unemployed under 25 years in 2000 and 2004 (Eurostat LFS) shows an increase from aprox. 46.0% in 2000 to 48.5% in 2004\(^\text{17}\). Long term unemployment for young people threatens the overall integration of young people into society. The most important vulnerability factor is represented by the low qualification, passivity at the labour market, a precarious financial situation, low or missing social support and insufficient or non-existent institutional support.

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

The incidence of ILO long-term unemployment shows an accentuated upward trend from 44.3% in 1999 to 56.2% in 2004, a high raise compared with 45.3% in EU-25 in the second quarter 2004. The incidence of long-term ILO unemployment by gender is higher for men as compared to women: for men, it rose from 41.9% in 1999 to 59.0% in 2005 vs. 44.5% in EU-25, while in case of women from 47.8% in 1999 to 52.2% in 2005 vs. 45.5% in EU-25. The ILO long-term unemployment by area shows, except 2004, a higher incidence in urban than in rural area, with a rising tendency over the reporting period, from 47.8% in 1999 to 58.4% in 2005 in urban and from 34.4% in 1999 to 51.7% in 2005 in rural area.

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15 EC, Employment in Europe 2006, DG EMPL, Unit D1, October 2006
16 Idem 15
17 Thematic Study on Policy Measures concerning Disadvantaged Youth, Community Action Programme on Social Exclusion, EC, 2006
Long-term ILO unemployment rate among young people aged 15–24 has continuously increased from 11.2% in 1999 to 13.1% in 2005 (3.4 times higher in 2005 as compared to the rate among young people aged 25 and over); for women the indicator was 11.7% in 1999 and in 2005, meanwhile for men it was recorded an increase from 10.9% in 1999 to 14.0% in 2005. By residence area, ILO long-term youth unemployment in urban area has decreased from 25.3% in 1999 to 18.2% in 2005, whereas in rural area has increased from 5.1% in 1999 to 8.7% in 2005.

The incidence of long-term ILO unemployment rate for young people in the period 1999-2005 has significantly raised from 59.5% in 1999 to 66.5% in 2005, being lower for women (from 63.0% in 1999 to 63.5% in 2005) than for men (from 57.1% in 1999 to 68.4% in 2005). The incidence of ILO long-term youth unemployment by area shows a decrease from 86.4% in 1999 to 69.1% in urban area in 2005 and an increase from 48.7% in 1999 to 62.4% in 2004 in rural area.

c) Work force adaptability and entrepreneurship

- General issues regarding adaptability of the employees and enterprises

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

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

- Work organization, working conditions, working time

Following the enforcement of the Labour Code, progress has been made in the field of part-time employment, temporary employment and atypical work programs (shifts or night work).

The analysis on work organization supposes the approaching of the issues regarding the nature and the distribution of tasks, responsibilities, workers’ autonomy and control over their work performance and organization. The data for 2003 for Romania regarding repetitive and monotonous activities show that 49% of workers execute repetitive work using their hands.

\[18\] Labor Code – Law no. 53/2003
\[19\] White Charter of SMEs in Romania 2006, National Council for SMEs in Romania and the National Agency for SMEs in Romania,
and arms (Q.9.3)\textsuperscript{20} all or most of their working time. The differences between countries are considerable in terms of this indicator, varying from 13% for Slovenia to 47% for Hungary. Comparatively, the indicator was 31% for EU-15 for the same year. As for autonomy and control at work place, the indicator regarding control over breaks from work, annual leaves and working hours, 57% of workers EU-15 do not have the freedom to choose when to take their annual leave or days off vs. the indicator for Romania standing at 55%.

Indicators referring to labour intensity work pace and breaks and interruptions during the working hours vary between EU-15 and Romania. In Romania the work pace indicator (Q.19)\textsuperscript{21} stands at 53% vs. 69% in EU-15. This indicator reflects Romanian economy’ tendency to concentrate more on the service sector.

With regard to training and qualifications, the values of the indicator for on the job training opportunities (Q.26)\textsuperscript{22} vary greatly from 12% in Romania and 19% in Bulgaria to 31% EU-15 average. In Romania, the indicator reflecting the number of employees included in training programs over last 12 months stands at 17% as compared with 34% EU-15 average.

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

\begin{itemize}
  \item \textbf{Access to training of workers and job seekers}
\end{itemize}

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

From the HRD perspective, CVT still remains a major challenge because the participation in CVT is the lowest in Europe: 1.1% in 2001, 1.1% in 2002, 1.3% in 2003, 1.5% in 2004, 1.6% in 2005. Participation to training of workers, in particular low skilled workers is very weak. The legal and institutional framework regulating the training activity at enterprise level is now in place, but without significant impact on the rate of participation to training.

One of the main barriers to access to training in Romania is the training cost (see Chart 13 in Annex 1). Thus, low profit enterprises and individuals are the most affected since they cannot easily afford the cost of training. Low earning employees and low profit employers will favour cheaper training, namely short-term courses for the first level of qualification instead of higher qualifications levels as requested. At the same time, the offer for continuing training

\textsuperscript{20} The study “Working Conditions in the Acceding and Candidate Countries”, European Foundation for Improvement of Living and Working Conditions, 2003
\textsuperscript{21} See footnote 20
\textsuperscript{22} Idem 20
is limited and focused on 2\textsuperscript{nd} level qualification. For SMEs, CVT remain a sensitive issue, more than one third of the companies (33.61\%) mentioned training, recruitment and maintaining the personnel among the difficulties they are facing\textsuperscript{23}.

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

  The Labour Inspection statistics in first semester 2006, revealed the frequency index for total injured workers at 0.65\%, and the frequency index for total fatal injured workers at 0.03\%. The total number of injured workers was 957 persons.

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

  \item **Entrepreneurship**

  Small and medium sized enterprises (SMEs) account for 97.9\% of the total number of companies in Romania in 2005\textsuperscript{24}. Given the important role they play in generating new jobs and their significant contribution to increased employment rates, the Romanian Government’s Strategy for 2004-2008 regarding the development of SMEs, has anticipated and established the creation of 760,000 new jobs by supporting the long term development of SMEs sector as one of its priority objectives.

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

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

  Great consideration was given to the reinforcement of the contribution of the initial education and training in providing employability competences to their future graduates. The initial

\textsuperscript{23} White Charter of SMEs in Romania 2006, National Council for SMEs in Romania and the National Agency for SMEs in Romania,

\textsuperscript{24} Idem 23
VET restructuring, seen as a continuing and coherent process, is a good example for the importance given to the need to improve the cooperation with employers and to address the individual education and training needs. The new VET curriculum introduced some innovations focused on developing learner-based teaching methodologies and the individual tailored educational offers. The new curriculum, based on competences and the transferable credits system adopted create the premises for flexible and better adapted educational and initial VET offers to the labour market needs and for promoting entrepreneurship. Entrepreneurial education is part of the key competences and is reflected in all curriculum development activities. Entrepreneurial education is also part of the compulsory curriculum in gymnasium education (module within the technical education curricular area) and in 10th grade and high school lower cycle. Initial VET offer contains entrepreneurial education as part of curriculum in upper secondary education. The specific training of teachers who are instilling entrepreneurial spirit is still insufficient and remains a priority of the system. School-enterprises cooperation as predictor for entrepreneurship skills development is till insufficiently exploited mainly in rural areas.

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

The employers’ policy in the field of human resource development are determined by a series of factors and conditions such as the performance level and investment capacity, position on the labour market, size of the company, line of business, staff stability and motivation etc. Expenditure on HRD is still considered a cost and not an investment. There are also discrepancies in terms of managerial and administration strategies. The training programs seem to be more accessible to the workers especially in the restructured enterprises, these having as an aim the acquirement of new competencies. Employers explain the tendency of the training policies to address in principal the managers or the people with managerial positions and important tasks inside a company by the oversupply of low qualified work on the labour market. According to the Monograph on Education and Training and Employment Services in Romania, in 1999, Romanian companies invested on average only 0.5% of their staff budget in the continuing training, the lowest figure in the candidate countries. Romania occupied the last place in terms of total costs per headcount destined to ongoing professional training in 1999.

d) Public Employment Service (PES)

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

For making the employment services more efficient and modern, considering JAP recommendations to modernize the PES, NAE has directed its interventions towards developing the territorial agencies network and leading its services (local agencies or working points) closer to its clients. The territorial structure of NAE contains 42 county agencies for employment, 89 local agencies and 175 working offices. In order to increase the capacity for

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25 Source: ETF and the National Romanian Observatory, Bucharest 2003;
providing vocational training for unemployed, within the structure of NAE there are established 6 regional centers for adults’ vocational training, 20 county centers for vocational training, 3 Romanian German foundations and one centre for vocational training of NAE’ staff. Also, at the level of NAE territorial structures, there are 173 Centers for information and career counseling.

The territorial structures do not have the adequate premises and equipment for ensuring the conditions for providing “self services” for job seekers, information and career counseling.

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

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

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

Table 28. NAE staff structure

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Upper secondary education</th>
<th>Higher education – short duration</th>
<th>Higher education – long duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAE – central level</td>
<td>205</td>
<td>44</td>
<td>7</td>
<td>154</td>
</tr>
<tr>
<td>County agencies for employment, out of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Local agencies and working points</td>
<td>3,155</td>
<td>1,304</td>
<td>162</td>
<td>1,689</td>
</tr>
<tr>
<td>- Vocational training centres</td>
<td>2,208</td>
<td>910</td>
<td>93</td>
<td>1,205</td>
</tr>
<tr>
<td>Regional centres for adults’ vocational training</td>
<td>115</td>
<td>12</td>
<td>8</td>
<td>95</td>
</tr>
<tr>
<td>Total</td>
<td>3,475</td>
<td>1,360</td>
<td>177</td>
<td>1,938</td>
</tr>
</tbody>
</table>

Source: NAE

The insufficient financial resources remained an important obstacle in developing staff competencies which could allow a compliance of the personnel skills with the requirements of providing specialized services. In 2004 the number of NAE staff which was trained was about 30% of the total number of personnel, while in 2005 the percentage was only 25%. This weight is not satisfactory since NAE, through staff training, wants to achieve: a continuous improvement of professional competencies as regards labour market; the development of staff skills for face to face approach of working with clients (individual or by groups) and also skills for developing partnerships with all the major actors on the labour market (local and county authorities, social partners, NGOs etc.); continuous improving of knowledge within the area of ICT; the development of competences for monitoring the implementation of active measures etc.
In order to give the possibility of registering vacancies, PES launched in 2000 “The Electronic service for job mediation”. This programme was extended to the level of local agencies, but it is not any more complying with the labour market evolutions and requirements. Currently, the programme requires modernization and adjustments in order to become an effective tool for active job searching and mediation.

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

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

**Opportunities for integration on the labour market through PES**

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

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

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

e) Regional and Local Partnerships on Employment and Social Inclusion

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

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

Each Regional Pact on Employment and Social Inclusion will be supported by a Permanent Technical Secretariat, having the role to provide counselling to the Pact’s members in a series of areas, such as: elaborating and monitoring the Regional Action Plans on Employment and Social Inclusion and other relevant documents at regional level, supporting the project promoters - Pact’s members, for submitting eligible projects funded from Community funds. The Statute of the Permanent Technical Secretariat will be as NGO of public interest. Its functioning will be ensured from public funds, in accordance with the Action Plan for the increasing the Structural and Cohesion Funds absorption rate, as well as of from the European Social Fund, in line with the Community regulations.

f) Trends on the labour market

According to the demographic trends, the labour resources will be limited. It is estimated that the total population, after a decline in 2003 and 2004 by 0.3% each year, will decline even more, mainly on the medium term. During 2005–2008 total population will decrease by 0.4%–0.5% each year. Likewise, even if to a lesser extent, the labour resources represented by the working age population (aged 15–64) will be diminishing. After a slight increase in 2003 (+0.3%) and 1st quarter of 2004 (+0.1%) will be decreasing by 0.1% in 2005 and 2006, 0.3% in 2007 and 0.1% in 2008.

The changes in the employment structure recently registered, namely the reduction in agricultural employment and the raise in construction and service sector employment, will be continuously expanded during 2005–2008. The results will be:

- a reduction in non-payroll population involved in agriculture, mainly among the people aged 64 and over by various measures including going out from the labour market;
- an increase in the employed population and in particular in the number of payroll employment in the service and mainly in the construction sector.

Thus, we estimate that the total employed population in Romania will experience a slight (0.1%) decrease each year. In contrast, the working age population (15-64) will increase by approx. 0.2% each year, which will lead to improved participation rate. The rising in number of the age group 50-64 years cause the ageing of the actives and consequently the employment policies. The demographic changes modify the size and the structure of the working age population meaning that the available labour force of a country will affect the basic conditions in order to have a working labour market.

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

The demographic and labour market trends will ask for an encouraging policy of the ageing population to remain active, but this will not work if the working people don’t have the necessary skills according to the entrepreneurs’ requirements.
The ageing of the active people needs new approaches on the relation between the age, on one hand and the productivity, labour organization, increasing motivation, health condition preservation, diminishing of stress and risk of professional disease, on the other hand.

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

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

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

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

- General premises

Starting especially from the 80’s, Romania has entered into an impoverishment process of the population, accentuated in the transition period by two shocks: 1991-1993 and 1997-2000. The socio-economic evolutions registered in the last years have led to the poverty level of 18.8% in 2004\(^{26}\), and the extreme poverty rate level up to 5.9% in 2004. The drastically reduction of the number of work places, the diminishing of the real level of salaries and the high taxation level have represented important causes of incomes’ depreciation. The increase of the life costs during 1997-2000 has not been accompanied by a proportional increase of the income, implicitly leading to severe poverty\(^{27}\).

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

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

- Factors influencing the risk of poverty

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

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

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

Poverty distribution by areas of residence. In 2004, the biggest part of the poverty reduction was due to the decrease of this phenomenon’s incidence in the rural areas, the

\(^{26}\) Methodology to measure the poverty level was elaborated by the National Institute of Statistics, the World Bank and the Anti-Poverty and Social Inclusion Promoting Commission on the basis of the level of population consumption costs;

\(^{27}\) The severe poverty represents the lack of the resources to satisfy the absolute minimal living needs of an individual: food, shelter, clothes;
poverty rate being lower by 10.7 percentage points or a poverty reduction by 28.1% compared to the previous year (Chart 16 and 17 in Annex 1). Amongst the reasons for this decrease stand the cumulative effects of some measures implemented in 2004, such as raising the pensions of people employed in agriculture and the agriculture subsidies changed into cash payments for the previous year. Although, the disparities between the two residence environments continue to exist, the rural area is considerably affected by poverty. The poorest people are from the rural areas (66.7% of the total poor) and the poverty risk is much higher within this residence environment; yet, in the urban areas the poverty is deeper (the consumption deficit is bigger). The reducing tendency of the polarization between the urban and the rural areas is revealed also by the severe poverty rates evolution (see also Table 29 in Annex 1).

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

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

- **Children in child protection institutions**

In practice, the results of the Government Strategy for the Protection of Child in Difficulty 2001-2004, during January 2001 and March 2004 are as follows:
- number of institutionalized children dropped from 57,181 to 32,456;
- number of alternative child protection services raised from 131 to 593;
- number of professional maternal workers increased from 3,228 to 12,979;
- number of children in foster families (professional maternal assistants, relatives including up to 4th grade) increased from 30,572 to 50,099.

- **Social inclusion of the street children**

Out of the existing data with respect to the street children, at the NAPCR level in September 2004, the following statistics are available:
- number of children living in the street together with their family: 225;
- number of children living in the street without their family: 606;
- number of children spending their life in the street without living in the street: 1720;
- number of the street social assistants: 95;
- number of services offered to the street children: 106.

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

These families represent another category of people confronted with a very high poverty risk. In 2003, poverty level has started to decrease visibly among families with more than 3 children (a 6.1 percentage points drop in poverty risk vs. 2002) (Table 31 in Annex 1).
Young over 18 leaving the State Child Protection System

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

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

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

Roma population

Roma community represents one of the largest minorities in Romania: about 2.5 million persons (according to data provided by Ethnic Federation of Roma population in Romania). According to sociological studies conducted, Roma has the weakest self conscience and awareness as compared to all other large ethnic minorities in Romania. According to the Ethnic Relations Barometer, published in 2002, about 33% of the Roma population identify themselves as Romanian, 37% as Roma, while the remaining population assumed with the local/regional identity.

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

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

Roma population lives in extreme poverty. The poverty risk in Roma community is 3 times higher as compared to average risk at national level in 2003. A World Bank Report states that in 2000, about 68.8% of the Roma population lived with less than 4.3 USD per day. A

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28 In accordance with G.E.O. no. 26/1997 approved by Law no. 108/1998 regarding the protection of the child in difficulty
significant part of Roma communities cumulates a large spectrum of social disabilities: low education attainment or no education, low or no qualification, history of non participation in formal education, high number of children, poor living conditions, low experience on the labour market etc.

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

**Roma employment**

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

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

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

There are lots of persons with no experience of a legally admitted economic activity, or had long periods of unemployment (more than 50% of Roma have been unemployed for over 27 months while the employed people proportion is very low (only 13% of the medium income of the Roma families, compared to the beginning of the transition period). The main income sources are those by chance, mostly from the informal economy, which cannot ensure but a precarious survival: occasional activities, daily workers, etc. An important part of Roma families’ income is from social benefits. According to recent surveys, the real unemployment rate for the Roma communities is only 24%, for the very many Roma people develop activities in the undeclared economy. According to the same survey, 16% of the Roma persons live exclusively out of the State social benefits.

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

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29 Research Institute for Quality of Life, „Indicators on the Roma Communities in Romania”, Bucharest, 2002, p.12;
30 Census, 2002;
32 Idem 31;
33 Research Institute for Quality of Life, „Indicators on the Roma Communities in Romania”, Bucharest, 2002;
- Roma children education

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

As a whole, about 80% of the children not enrolled in any form of education (within the 7-16 year age group) are members of the Roma community. Out of the total Roma population aged 7-16 years, 18% have never been enrolled in school and 12% have dropped out school before finishing compulsory education. More than 1/3 of the Roma (38.6%) are affected by functional illiteracy. Apart from the material causes (of economic or logistical substance), the educational level of the parents and elder Roma heavily influences participation in education of current Roma youngsters. Also, the non participation in pre-school education and deficiencies in communicating in Romanian of many Roma children affect their performances in education. Some discriminatory practices of teaching personnel in relation with Roma population, among which Roma segregation in separate classes, produce the same effect in terms of participation to education and integration of Roma children.

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

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

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

- Disabled people

Before 1989, there was little mainstreaming on the people with disabilities in Romania. Available information was limited to acknowledging the existence of people whose social inclusion was very difficult due to their physical, mental or associated disabilities. The state

35 "Roma people in Romania" 2002, CASPIS;
36 Ministry of Education and Research addressed this issue through Minister Notification no. 29323/20.04.2004, regarding the interdiction of the Roma children segregation;
simply chose to institutionalize the persons with disabilities in “special centres” and did not care to involve or assist the family or the community concerned in dealing with the matter.

Share of persons with disabilities of the total population has maintained around 1.8%-1.9% between 1999 and 2005 (Table 33 in Annex 1).

A review of the data for 1999–2005 reveals an increase in the number of persons with disabilities to a peak of 23,572 in 2001 vs. 2000, followed by a constant decline during 2001 – 2003 (Table 34 in Annex 1). The last years of the reference period registered an increasing number of persons with disabilities.

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

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

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

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

- **Disabled people with personal assistants**

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

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

- **Employment of persons with disabilities**

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

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

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

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

- **b) The General Situation in the Social Assistance**

A characteristic of the social welfare system in Romania is the increasing participation and contribution of non-governmental organizations and other social partners in social protection actions, in a situation where the Government cannot ensure but a limited financial support to cater for the social needs of the population and a small number of organizations.

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

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

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

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

c) **Equal Opportunities**

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

• **Employment rate for women**

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

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

In terms of part-time occupation vs. EU indicators, differences are high (Table 37 in Annex 1). Part-time working women accounted for only 10.5% of the total female population employed in 2005 compared to 32.4% in EU-25. In 2005 the share of male population working part-time was above the EU-25 and EU-15 average (10.0% in Romania vs. 7.4% in EU-25 and 7.7% in EU-15).

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

- **Women income**

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

An examination into the employment structure by gross wage earnings and sectors in 2004 has revealed that 66.4% of the female employees were earning less than the gross average wage, firstly because they were mostly employed in sectors such as textile industry and food industry where wages are low and secondly because women prevail on the low paid job market.

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

- **Women unemployment**

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

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

In the last decade, the birth and mortality rates have deteriorated and will over time affect the demography and have an effect on the labour market. In Romania, the general mortality indicator has increased surpassing the birth rate and thus, starting 1992 a natural population deficit and aging of population have been registered. The birth rate decreased from 13.6 infants per 1,000 inhabitants in 1990, to 10.2‰ in 2005 and there was a significant increase in the death rate from 10.6 deaths per 1,000 people in 1990, to 12.1 ‰ in 2005.

During 2002-2004, the average life expectancy in Romania was of 71.32 years (NIS, Romanian Statistical Yearbook 2005), with significant male-female differences, against the EU-15 average life expectancy of more than 75 years for men and 80 years, for women.

The health system has been unable to cope in due to lack of capacity and poor facilities. The need is to improve the country’s poor health infrastructure and promote the efficient provision of services that will support economic development in the regions. The actions will look at ways to improve the levels of services and supply the appropriate technology to support modernisation of the medical services

There are inequities in health services access between the urban and the rural areas. Thus, in the rural areas, the number of doctors is 5 times less than in urban areas. There are also significant regional differences in the provision of services

Life expectancy in the urban areas is higher than in the rural areas. Health services in the rural areas are affected by the reduced number of medical staff (less than 15% of the medical staff serving 40% of the country’s population). The number of medical units in this area is also decreasing.

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

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

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

The interventions under Phare financial assistance has been programmed to Institutional Building and Investments in HRD.

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

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

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

In the labour and social sector the institutional building the main objectives were:

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

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

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

The Phare 2000 HRD program stimulated the interest for human resources development and the participation of various organizations. The programme focused more on the leverages of
structural change, understanding better the role that service providers, beneficiaries, target groups and other groups play in the success of ESF measures. The training measures have occupied a very important place within the Phare HRD 2000 projects and the trainees belonged to the employees (64.5%), 17% of the beneficiaries were unemployed persons and 13.1% were disadvantaged categories.

The project promoters’ survey on persons involved in training courses shown a completion rate of almost 96.2% and a drop-out rate of 3.8%. Direct beneficiaries of the training courses seem to be even more content with the quality of trainers. Almost 68% declared that they were satisfied to a large extent with the trainers, while 24% had a good enough opinion on the quality of teachers. Similar appreciations have been registered in the case of beneficiaries’ opinion on the methodologies for teaching and training that have been used during the course.

Under Phare 2002 Programme (Institutional Building) it was implemented the twinning project “Support to the Ministry of Labour, Social Solidarity and Family to strengthen the administration capacity for implementation of European Social Fund (ESF) type activities”. The specific objective of the project was to prepare the MoLSSF as future Managing Authority for the SOP HRD and the NAE and MoER as future Implementing Bodies for their role to manage the implementation of ESF programmes in accordance with the EC regulations. The most important field was to reach a common understanding of procedures, institutional structures and strategic importance for the future programming processes. Hence it was oriented at the elaboration of a manual describing the methodology for drafting the programming documents with particular focus on the SOP HRD. These processes were accompanied by different training measures, with a special focus to enable and support the Romanian partners in the preparations of drawing up the SOP HRD.

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

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

As a strong point, the main conclusion of Phare programmes implementation related to the HRD, especially on training matters, is the existence of a high interest for training to be financed. Although a better management of human resources becomes absolutely necessary, there are no enough available incentives for continuing training. There is still a poor recognition among employers of the importance the employees’ competences and qualifications play in the enterprises’ competitiveness (and, obvious, on the management by competences). Such a poor state of awareness makes difficult the elaboration of training curricula in relation with the company development plan, mainly in SMEs.
It is really necessary to have a pro-active approach in assisting project promoters (management, reporting, clarifications on contracts, financial issues, procurement rules, monitoring and evaluation), a better communication, a more careful project selection and monitoring, with relevant indicators, which should allow for the reduction of the number of high risk projects from the point of view of their viability and sustainability. It is equally important to motivate the local authorities for a more active involvement in activities of the projects and to create incentives to increase the participation of the unemployed and disadvantaged categories to HRD projects.

The lessons learned under Phare experience lead us to a better understanding of the rigor needed in using the European financial aid, created the basis of partnership in tackling the social issues, set up and developed the system of project management, technically and financially, improved the control system of expenditures, and represented the first exercise of multi-annual programming.
2. SWOT ANALYSIS

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

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td>- Macroeconomic stability;</td>
<td>- Relatively high levels of school drop-out and early school leaving;</td>
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<td>- Reduced labour costs as compared to the EU;</td>
<td>- Limited capacity of various providers, particularly schools and universities to offer continuing education and vocational training;</td>
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<td>- Continuous and sustained extension of information technology and communications market;</td>
<td>- Insufficient adequacy of qualifications and competences to the labour market needs;</td>
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<td>- Human resources with high qualification in IT and engineering fields;</td>
<td>- Limited adequacy of national tools and specific mechanisms to quality and qualifications development to the European achievements in the field;</td>
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<td>- County strategies for improving access to education for disadvantaged groups;</td>
<td>- Low adaptation of the pre-service and in-service education and training offer;</td>
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<td>- Legal framework outlining the main measures concerning social inclusion;</td>
<td>- Insufficient development of health and safety at work;</td>
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<td>- The NGOs sector’s activeness in promoting services on the labour market and social inclusion of people belonging to vulnerable groups;</td>
<td>- Low degree of involvement of the social partners in specific human resources development programmes;</td>
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<td>- Existing national programmes aiming to support the categories of vulnerable persons;</td>
<td>- Low level of participation to CVT;</td>
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<td>- Experience in using pre-accession funds;</td>
<td>- Limited effective partnerships of universities with research and technological centres and enterprises;</td>
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<td>- Regional and Local Action Plans for TVET development</td>
<td>- Limited entrepreneurial culture;</td>
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<tr>
<td>- Regional Action Plans for Employment and Social Inclusion</td>
<td>- Insufficient development of the PES, relatively poor quality of services provided - especially in vocational training, in order to meet the dynamics of the labour market;</td>
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<tr>
<td>- Regional and Local Pacts for Employment and Social Inclusion</td>
<td>- High participation rate in agriculture, especially in subsistence agriculture;</td>
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<td>- Relatively high number of people working in informal economy;</td>
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<td>- Low mobility on the labour market;</td>
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<td>- Low level of participation in temporary working activities;</td>
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<td>- High level of youth unemployment rate and long-term unemployment rate especially for youth and those located in rural areas;</td>
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<td>- Insufficient integration of vulnerable groups in education, training and on the formal labour market;</td>
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<td>- Insufficient development of community services able to address the needs of the persons belonging to vulnerable groups;</td>
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<td>- Remote areas that need to be re-connected to education and employment</td>
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<td>- Low inclusion in higher levels of education and training and on the labour market of young people over 18 that leave the state institutions for child protection.</td>
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### Opportunities

- New investment sources – Structural Funds;
- The acceptance in EU of Romanian professional qualifications;
- Increasing internal demands of services and products;
- Increasing importance of knowledge based economy;
- Restructuring of the education system;
- Increased participation in post-graduation education;
- Setting-up an institutional, legal and financial framework, favourable to the SME’s development and the private initiative and attractive for investments;
- Continuing of the process of public services decentralization;
- Existing cooperation and partnership of different stakeholders in education and training in order to ensure increased access on the labour market;
- The strengthening of the NGO sector.
- Possibilities to mainstream experiences and good practice acquired in pre-accession programs related to access to education, development of human resources within education, modernisation of the technical and vocational education and training, as well as achieved in the community programs.

### Threats

- Unfavourable demographic trend;
- International competition for the workforce with high qualifications;
- Limited absorption capacity of structural funds/difficult adjustment to the structural fund requirements;
- The migration of certain industrial sectors towards external locations with more reduced labour costs;
- The external migration of skilled workers or workers with high educational levels;
- Low economic and enterprises’ competitiveness as compared to the EU partners with consequences in creating jobs and so in diminishing the attractiveness of education and training;
- The increase in prices of products and services will attract increasing poverty levels;
- The further restructuring of economic sectors that may result in major lay-offs;
- Unattractiveness of the teaching career;
- Possible increase of inequity in education and training provisions as result of decentralisation process;
- Low management capacity of educational and local administration authorities to promote and support reforms, better regulation and good governance;
- Poor health status of the population.

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

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

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

However, the areas that will be supported from ESF funding resulted from analysing the weaknesses concerning the development of human resources in Romania, as well as from the strategic objectives Romania, as an European Union Member State, has during 2007-2013 programming period. The need to provide support for the least developed regions in Romania with a view to reduce the gap in relation with the other more advanced regions - as an objective of the EU cohesion policy, was balanced by the Lisbon objectives of increasing competitiveness and promoting the knowledge-based society.
With a view to reach these objectives, the ESF interventions shall support the sectors that face the most serious difficulties, as shown by the indicators and the trends in the past five years. Alongside the national efforts, SOP HRD shall aim at providing quality education and CVT in forms that respond better to a larger number of people, promoting employability, adaptability and flexibility, as well as promoting increased chances on the labour market for groups at risk of social marginalisation.

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

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

The OP also took into account the Revised Lisbon Agenda, the Community Strategic Guidelines for Cohesion 2007-2013, the European Employment Strategy, the Integrated Guidelines for Growth and Jobs 2005-2008. The SOP HRD is developed according to the National Strategic Reference Framework 2007-2013 for the “Convergence” objective and follows the Government Program in the field of human resources.

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

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

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

The strategy on human resources development is in line with the Community Strategic Guidelines on Cohesion 2007-2013 and stands as an essential component in reaching the overall community objective for growth and jobs. The strategy will focus on investing in human capital, modernization of education and training systems, increasing access to employment and strengthening social inclusion for vulnerable groups.

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

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

The relation between the SOP HRD and the CSG 2007-2013 is presented below:
<table>
<thead>
<tr>
<th>CSG 2007-2013</th>
<th>Attract and retain more people in employment and modernise social protection systems</th>
<th>Improve adaptability of workers and enterprises and the flexibility of the labour market</th>
<th>Increase investment in human capital through better education and skills</th>
<th>Administrative capacity</th>
<th>Help to maintain a healthy labour force</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PA 1</strong></td>
<td><strong>Education and training in support for growth and development of knowledge based society</strong></td>
<td>Access to quality education and initial VET</td>
<td>Quality in higher education; Human resources development in education and training; Quality in CVT; Doctoral and post-doctoral education in support of research</td>
<td>- Access to quality education and initial VET</td>
<td>- Human resources development in education and training;</td>
</tr>
<tr>
<td><strong>PA 2</strong></td>
<td><strong>Linking life long learning and labour market</strong></td>
<td>Access and participation in CVT</td>
<td>Preventing and correcting early school leaving Access and participation in CVT</td>
<td>- Access and participation in CVT</td>
<td></td>
</tr>
<tr>
<td><strong>PA 3</strong></td>
<td><strong>Increasing adaptability of workers and enterprises</strong></td>
<td>Promoting the entrepreneurial culture; Training and support for enterprises and employees to promote adaptability; Developing partnerships and encouraging initiatives for social partners and civil society;</td>
<td>Developing partnerships and encouraging initiatives for social partners and civil society</td>
<td>- Training and support for enterprises and employees in order to promote adaptability</td>
<td></td>
</tr>
<tr>
<td><strong>PA 4</strong></td>
<td><strong>Modernising the Public Employment Service</strong></td>
<td></td>
<td>Strengthening the capacity to provide employment services; Training for PES staff</td>
<td>- Promoting long term sustainability of rural areas in terms of HRD and employment.</td>
<td></td>
</tr>
<tr>
<td><strong>PA 5</strong></td>
<td><strong>Promoting Active Employment Measures</strong></td>
<td>Developing active employment measures; Promoting long term sustainability of rural areas in terms of human resources development and employment;</td>
<td></td>
<td>- Promoting long term sustainability of rural areas in terms of HRD and employment.</td>
<td></td>
</tr>
<tr>
<td><strong>PA 6</strong></td>
<td><strong>Promoting Social Inclusion</strong></td>
<td>Developing social economy Improving the access and participation for</td>
<td></td>
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</tbody>
</table>
The SOP HRD supports the **Lisbon Strategy** in what concerns reaching the expected objective of full employment. The SOP HRD targets the inactive people in re-integrating them in the labour market (the long term unemployed), the hidden unemployment particularly in rural areas, as well as the vulnerable groups, among whom Roma population represents the major group envisaged to be attracted in the labour market. For all these groups as well as for the active population, continuous vocational training will be a must in reaching a performing human capital in the next years. Promoting active employment measures (PA 5), developing continuous vocational training (PA 1), supporting the LLL and work based learning schemes (PA 2) will provide the necessary basis for enhancing employability and providing the needed skills for a competent participation in the labour market.

The knowledge-based economy will be tackled by promoting education in support for the development of knowledge based economy (PA 1) with areas of intervention on (1) ensuring quality education in support for growth and employment and further for developing competitive human capital; (2) university education in support for knowledge based economy; (3) competitive human capital in education and research.

Romania will pursue the objective of making Europe more competitive by supporting actions aiming at promoting the spirit of entrepreneurship and making the public services more efficient. The enhancement of the entrepreneurial culture and spirit is a specific area of intervention under PA 3 “Increasing adaptability of the labour force and enterprises” by which entrepreneurship can become a career option for everybody, as an important solution for counterbalancing the negative effects of the structural adjustment and industry restructuring processes, and by generating economic and social alternatives. ESF interventions will support the modernization of the Public Employment Service in what concerns the strengthening of its capacity to elaborate and implement strategies, develop new services and get closer to the needs of the unemployed, job-seekers and entrepreneurs.

Moreover, the SOP HRD shall address the technological challenge both as a specific action under the priority axis on increasing adaptability of the labour force and enterprises (PA 2), as well as a horizontal priority in relation with making information society accessible to all, regardless of social category. By ensuring this, SOP HRD aims at promoting an important factor in improving competitiveness and job creation and at strengthening the potential to improve quality of life.
The **Integrated Guidelines for Growth and Jobs (2005-2008)** were also considered in the elaboration of the HRD strategy. The SOP HRD will support the investment in human capital and the increasing of access to employment by reducing unemployment and inactivity, particularly for groups of people with high potential of being integrated in education and the labour market. Thus, the OP will have a substantial contribution to attracting of and maintaining as many as possible persons within the active labour market (guidelines 17,18,19,20) and will improve the labour force and enterprises adaptability, in special to be able to respond to permanent introduction of new technologies (guidelines 21, 22).

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

<table>
<thead>
<tr>
<th>Guidelines</th>
<th>Priority Axis</th>
<th>PA 1</th>
<th>PA 2</th>
<th>PA 3</th>
<th>PA 4</th>
<th>PA 5</th>
<th>PA 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guideline 16: Implement employment policies aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion</td>
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<tr>
<td>Guideline 17: Promote a lifecycle approach to work</td>
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<tr>
<td>Guideline 18: Ensure inclusive labour markets for job-seekers and disadvantaged people</td>
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<td>♦️</td>
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<tr>
<td>Guideline 19: Improve matching of labour market needs</td>
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<tr>
<td>Guideline 20: Promote flexibility combined with employment security and reduce labour market segmentation</td>
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<td>♦️</td>
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<td>♦️</td>
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<tr>
<td>Guideline 21: Ensure employment-friendly wage and other labour cost developments</td>
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<td>♦️</td>
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<tr>
<td>Guideline 22: Expand and improve investment in human capital</td>
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<td>♦️</td>
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<td>♦️</td>
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<tr>
<td>Guideline 23: Adapt education and training systems in response to new competence requirements</td>
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<td>♦️</td>
<td>♦️</td>
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</table>

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

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

At the same time, the Key Area of Intervention “Post-graduate education in support of research sector”, under Priority Axis 1, “Education and training in support for growth and development of knowledge based society”, aims at supporting an increased number of graduates to participate in PhD programmes with an economic-oriented component.
Moreover, SOP HRD will support the development of human capital in initial and continuous education, attracting and maintaining a large number of people on the labour market, as well as support the social inclusion of people belonging to vulnerable groups who can make a significant contribution to the social and economic development (Roma population, youths over 18 years old who leave the child state protection system, disabled people who can participate in the economic life of the community).

Training will be needed in many areas highlighted in NSRF. The complementarities with other specific Operational Programmes will be detailed further on, including as concerns training. From this point of view, the main Programmes with which SOP HRD has analysed complementarities were the OP Competitiveness (i.e. the economic sectors with growth potential where training should be delivered primarily) and the Regional Operational Programme (i.e. based on the Regional Development Plans there should be an indication of the fast growing high added-value sectors where training should take place). Not least, complementarities were reviewed with the National Strategic Plan for Rural Development as concerns people who will leave their occupation in subsistence agriculture and will orient towards non-agriculture activities, such as services.

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

<table>
<thead>
<tr>
<th>NSRF interventions</th>
<th>SOP HRD Priority Axis</th>
<th>PA 1</th>
<th>PA 2</th>
<th>PA 3</th>
<th>PA 4</th>
<th>PA 5</th>
<th>PA 6</th>
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</thead>
<tbody>
<tr>
<td>Education and training</td>
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<tr>
<td>Guidance and counselling</td>
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<tr>
<td>Employment and combating unemployment</td>
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<tr>
<td>Adaptability and flexibility</td>
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<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
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<tr>
<td>Social inclusion</td>
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<tr>
<td>Health and welfare</td>
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</table>

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

- Strengthen the efforts to ensure that all children can access and complete compulsory education and broaden access to upper secondary education; intensify efforts to improve the provision of education for minority and vulnerable groups and implement the existing strategy; complete as quickly as possible the reform of vocational education and ensure that it improves the adaptability of the TVET system to long-term needs of the labour market; assess whether higher education provision is adapted to its needs in a medium-term perspective in terms of strategy, infrastructure, curricula and financing mechanisms and resources; ensure appropriate allocation of responsibilities and resources.
- Develop a strategy for continuing training in close co-operation with the social partners as well as appropriate framework and incentives for the training of those employed; develop capacity for the training of the unemployed, taking into account medium-term challenges linked to the restructuring.
- Promoting active programmes in order to increase the provision of training; monitor the implementation of the new framework for active policy, the targeting and impact of
programmes so that active policy can effectively contribute to the transformation of the labour force requested by the future challenges. In relation with this, while pursuing the ongoing strategy to improve the PES quality and efficiency, the appropriate allocation of the staff at territorial level and the control of registration should be a matter of permanent concern of the PES management so that active support can be effectively targeted at the jobseekers who need it and PES resources efficiently used.

- Implement strategies to better ensure the integration of ethnic minority groups, in particular Roma, in education and labour market and monitor carefully its outcome.
- Continue the implementation of the legislation and measures to ensure equal access to the labour market for all persons irrespective of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

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

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

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

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

- Strategy for Continuous Vocational Training on short and medium term 2005 – 2010;
- JAP and the Progress Reports;
- Strategy for decentralisation of education (draft, under debate);
- Strategic Guidelines for Education 2005-2008;
- Regional Actions Plans for TVET.

The line of action set in the priority axes and the key areas of intervention supporting adaptability, employability and tackling long-term unemployment are based on the following strategic papers:

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

The Strategy for Continuous Vocational Training on short and medium term 2005–2010 sets for 2010 a target of adults’ participation in CVT of 7%, supported also by ESF intervention in
Romania. From that point, it is expected that adults’ participation in CVT by 2015 would reach a rate of 8%. However, a study on CVT is conducted by NIS. Subject to the results of this study, the 2015 target could be adjusted.

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

- National Strategy for developing social services (GD no.1826/2005);
- National Strategy for developing the social assistance system for elderly persons 2005 – 2008 (GD no. 541/2005);
- National Strategy for protection, integration and social inclusion of the persons with handicap 2006–2013 (GD no.1175/2005);
- National Strategy concerning the prevention and fight against domestic violence phenomena (GD no.686/2005);
- National Strategy for improving the Roma situation (GD no.430/2001);

The four main **EQUAL principles** of partnership, innovation, mainstreaming and trans-national shall be integrated into the operations funded by European Social Fund. Besides the horizontal approach of these principles throughout the SOP HRD, there are specific areas of interventions on each of them.

Partnership and innovation are encouraged under PA 3 “Increasing adaptability of the labour force and enterprises”, under the key area of intervention “Developing partnerships and encouraging initiatives for social partners”. Mainstreaming shall be tackled under PA 6 “Promoting social inclusion”, with activities dedicated to ensuring equal opportunities for all vulnerable groups, and thus making sure that certain categories of citizens are not left behind, and that the fruits of growth are distributed equally. Trans-national cooperation is also ensured specifically under PA 6, under the key area of intervention on “Trans-national initiatives on the inclusive labour market”. By ensuring the transposition of EQUAL principles, the SOP HRD is aiming at encouraging the transfer of know-how and good practice acquired in successful ESF projects in other Member States.

### 3.1 Objectives

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

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

From the socio-economic analysis the following phenomena can be highlighted:
- Persistent low levels of participation in education and training at all levels of the
lifecycle, in particular in rural areas, determining an overall low level of qualifications of the Romanian workforce;

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

Given such context, the general objective of SOPHRD is the development of human capital and increasing competitiveness, by linking education and lifelong learning with the labour market and ensuring increased participation on a modern, flexible and inclusive labour market for 600,000 people. This target represents the equivalent of 6.7% from the total employed population in 2005.

The National Strategic Reference Framework estimates that “there will be an increase in the number of employees by about 130,000 persons by 2013 compared to 2005”, the figure reflecting the net increase in the average number of employees on overall economy, as a result of the offset between new jobs created and staff reductions. The figure shall be the cumulative result of all Structural Funds action, implemented through the proposed Operational Programmes. With a view to achieving this target, SOP HRD will make its own contribution as regards the increasing of competences on the labour market by providing quality education for pupils, students and human resources in education and in CVT for those existing on the labour market, ensuring active labour market measures for the unemployed and the inactive as well as by promoting social inclusion and integration on the labour market for people belonging to vulnerable groups, altogether 600,000 persons participating in projects financed under ESF.

The SOP HRD proposes the programme indicator (600,000) as well as a number of output and result indicators, with quantified targets, which are presented here below. The progress in implementation shall be followed up by other monitoring indicators which will be further split on vulnerable and age groups, rural areas, particular studies etc.

As shown, the educational and training systems requires further investment in quality education and the competences of staff in education. With a view to ensuring this qualitative process, together with the modernization of the educational offer, ESF interventions shall support the updating of skills and competences of 20,000 teachers and other training personnel. At the same time, the Lisbon objective of promoting the knowledge based society shall be also supported by funding 15,000 people who will benefit from doctoral and post-doctoral programmes for research in economy and high technological sectors.

The design of new educational offers will include modern and accessible modules for the re-entry in education of people who dropped out school (14,000 people), will ensure better employability of graduates, as well as the improved relevance of initial and vocational
education in relation with the labour market demands.

Increasing competitiveness and employability of the labour force shall be also ensured by providing continuous vocational training to 230,000 people. Apart from this, approx. 30,000 people will benefit from specific training in advanced technological and engineering sectors, environment, ICT a/o. In addition to that, adaptability shall be supported by promoting entrepreneurship for 9,500 people who will benefit from training on how to set up a business, the business plan, the legislation applicable, marketing of products and services etc.

Increased support for employment and support to (re)entry on the labour market shall be provided to 160,000 people through active employment measures, these people representing job-seekers, particularly young long-term unemployed, people who exit NAE’s records, other inactive and discouraged people, including non-remunerated family workers in rural areas. The modernization of the Public Employment Service shall support the supply of quality employment services to the unemployed, job-seekers and entrepreneurs. Reaching this objective shall be ensured through the training and upgrading of skills for 3,000 PES staff.

The social inclusion of people belonging to vulnerable groups shall be another area that will be addressed by the OP HRD. Statistics show that approx. 10% of total population is in a state of poverty, out of which half of that share are Roma population. ESF interventions under SOP HRD shall approach 38,000 vulnerable people, out of which 19,000 shall be Roma people. Specific attention shall be given to this group, given the fact that they are the most exposed to discrimination and face the highest risk of social marginalization and exclusion. As stated in the JIM, other categories of people compose the group of vulnerable persons. With a view to address this issue, the remaining 19,000 vulnerable people shall consist of youths over 18 years old who leave the state child protection system, families with more than two children, including mono-parental families, women, drug addicted persons, ex-offenders, homeless people, victims of domestic violence, HIV/AIDS infected people etc.

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

<table>
<thead>
<tr>
<th>Specific objectives SOPHRD</th>
<th>Priority Axis</th>
<th>PA 1</th>
<th>PA 2</th>
<th>PA 3</th>
<th>PA 4</th>
<th>PA 5</th>
<th>PA 6</th>
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</thead>
<tbody>
<tr>
<td>Promoting quality initial and continuous education and training, including higher education and research</td>
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<tr>
<td>Promoting entrepreneurial culture and improving quality and productivity at work;</td>
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<tr>
<td>Facilitating the young people insertion in the labour market;</td>
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<tr>
<td>Developing a modern, flexible, inclusive labour market;</td>
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<tr>
<td>Promoting (re)insertion in the labour market of inactive people, including in rural areas;</td>
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<tr>
<td>Improving public employment services;</td>
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<tr>
<td>Facilitating access to education and to the labour market of the vulnerable groups.</td>
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</tbody>
</table>
The specific problems identified in the rural areas are general issues that will be addressed under other SOP HRD Priority Axes than PA 5. Thus, modernization of education and upgrading of skills of teachers shall cover also schools in rural areas (PA 1). Moreover, the connection of school with the labour market (PA 2) shall reach the general and technical and vocational schools in rural areas, too, as regards ensuring the transition from school to work and combating early school leaving and school drop-out. PA 2 shall also tackle the need to promote “second chance education” for people in rural areas. With the modernization of the Public Employment Service (PA 4) the delivery of employment services shall be further extended, also by improving PES services as to address better the unregistered unemployment, including in rural areas.

At the same time, the proposed measures in SOP HRD are complementary to those that are foreseen in the programmes supported by ERDF, with regard to improving the social infrastructure at regional level (Regional Operational Programme – PA 2 “Improvement of social infrastructure”) consisting of modernization of educational and CVT infrastructure and providing transportation facilities for increasing access to education and training in rural and remote areas. ROP shall also tackle the poor transport infrastructure in rural areas, as to facilitate access from remote communities to education, employment and social inclusion.

As regards complementarity with EAFRD in the rural areas, the SOP HRD shall support campaigns and training sessions for motivating and rising-awareness among people in agricultural occupations as to undertake other non-agricultural activities.

### 3.2 List of Priority Axes

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

**Priority Axis 2**  
*Linking life long learning and labour market*

**Priority Axis 3**  
*Increasing adaptability of labour force and companies*

**Priority Axis 4**  
*Modernising the Public Employment Service*

**Priority Axis 5**  
*Promoting active employment measures*

**Priority Axis 6**  
*Promoting social inclusion*

**Priority Axis 7**  
*Technical assistance*

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

The Priority Axis 1 “Education and training in support for growth and development of knowledge based society” will tackle the need for modernisation and better adjustment of both initial education and training and CVT to the needs of the labour market, for developing a common approach of learning and training and for generating added value of the ESF interventions. The actions will target the system (standards, systems, tools and staff development), educational and training offers, human resources delivering education and training (supply oriented support).

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

The Priority Axis 2 “Linking life long learning and labour market” will address, at national level, the issues of ensuring that all individuals have equal opportunities for learning and are well equipped with the competences and skills for their sustainable integration in the labour market. Low educational attainments are considered to be factors increasing the risk of becoming unemployed and entering into long term unemployment or dropping out the labour market. Since, Roma and rural population are the most affected categories of early school leaving, specific measures will target these groups. The diminishment of early school leaving and support provided for increasing access and participation in CVT will fully contribute to creating a lifecycle approach in learning and work and to supporting employability and integration in the labour market. The development of partnerships and transition from school to active life will be supported and will facilitate the first insertion of recent graduates in the labour market. This priority axis targets the specific needs of individuals before leaving/graduating education, as well as after their graduation as active persons, in national approach. This priority axis addresses nationally identified negative evolutions of early school leaving, high youth unemployment, low participation in CVT; the magnitude of these phenomena requires national actions and not regional interventions with limited effect and impact.

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

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

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<th>Education and training in support for growth and development of knowledge based society</th>
<th>Linking life long learning and labour market</th>
<th>Increasing adaptability of labour force and companies</th>
<th>Modernising the Public Employment Service</th>
<th>Promoting active employment measures</th>
<th>Promoting social inclusion</th>
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### KEY AREAS OF INTERVENTION

<table>
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<th>Access to quality education and initial VET</th>
<th>Transition from school to active life</th>
<th>Promoting entrepreneurial culture</th>
<th>Strengthening the PES capacity to provide employment services</th>
<th>Developing and implementing active employment measures</th>
<th>Developing social economy</th>
<th>Support for SOP HRD implementation, overall management and evaluation</th>
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<tr>
<td>Quality in higher education</td>
<td>Preventing and correcting early school leaving</td>
<td>Training and support for enterprises and employees in order to promote adaptability</td>
<td>Training of the PES staff</td>
<td>Promoting long term sustainability of rural areas in terms of HRD and employment</td>
<td>Improving the access and participation of vulnerable groups to the labour market</td>
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</tr>
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<td>Human resources development in education and training</td>
<td>Access and participation in CVT</td>
<td>Development of partnerships and encouraging initiatives for social partners and civil society</td>
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<tr>
<td>Quality in CVT</td>
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| Doctoral and post-doctoral programmes in support of research | | | | | | |
3.2.1 Priority Axis 1: Education and training in support for growth and development of knowledge based society

Objective

Development of flexible lifelong learning pathways and increasing the access to delivering modern quality initial and continuous education, including higher education and research.

Rationale

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

Romania is facing the low level of participation in lifelong learning in age group 25-64 years old (1.6% in 2004 as compared with the EU target of 12.5% in 2010). One of the causes resides in the absence of the life cycle approach in education, training and employment. The introduction of LLL as the core principle of education and training systems should be supported by recognition in formal education of prior learning achievements obtained in non-formal and in formal learning contexts. Operational systems and mechanisms for validation of prior learning are a pre-requisite. Integrated and quality guiding and counselling could support the increase of participation in lifelong learning by early interventions in tracing individualised educational and professional pathways.

The modernization and restructuring of education and training are foreseen. Actions aiming at supporting effective implementation of decentralization, mainstreaming inclusive practices in education and initial VET, developing new mechanisms for quality assurance and management etc. will be eligible under ESF funding.

In case of quality assurance and management, specific standards and staff development are needed both at provider and system level. For proper implementation of the new instruments for quality assurance, the development of standards, the development of staff and stakeholders involved in the process are crucial. The performance of school and universities in providing quality education and relevant qualifications for labour market is critically dependent on the capabilities of the school/university management to exploit, in an effective way, the human, financial and knowledge resources available.

The educational and training systems need to be developed and modernized for a better adjustment to the changing needs and fast developments in the economy and society. In this respect, the development of various tools, instruments, methodologies need to be produced and/or improved, mostly in areas like: validation of prior learning, quality assurance, transferable credits etc. The staff development (for all relevant stakeholders) is essential for the effective implementation of these new instruments and reforms and will be supported under SOP HRD.
The development of initial VET represents a key objective of the Romanian 2001-2010 Strategy for Pre-university Education. Current positive achievements (e.g. vocational training standards, curriculum relevance to local community etc.) will continue and enhancement will be aimed at through the SOP strategy. Still, the vocational pathways remain less attractive than academic ones. The actions in this sector undertaken under the SOP strategy are in line with the European recommendations\textsuperscript{37} for giving priority to "the use of common instruments, references and principles to support the reform and development of VET systems and practices, for example regarding […] quality assurance […]", including \textit{the strengthening of mutual links between these instruments and raising stakeholders awareness at national, regional and local levels in Member States} […] and to "the increased relevance and quality of VET through the systematic involvement of all relevant partners in developments at national, regional and local level, particularly regarding quality assurance". Efforts will target the increase of initial VET attractiveness, development of vocational standards, increased effectiveness of partnership in planning and delivering VET, enhanced capabilities of VET schools in delivering CVT and adult education, improvement in initial VET curriculum of specific competences provision for career guidance and entrepreneurship, validation of prior learning, development of flexible transfer and progression routes (especially progression into higher education), developing effective links with labour market and supporting stakeholders involvement etc. Investments are needed for increasing initial VET attractiveness for employers and learners and for making it an important tool for equipping young people with the key competences they will require throughout life and for improving the skills and qualifications of the low-skilled people and for reducing of early school leaving. Most of the efforts made so far for developing initial VET focused on youth needs, but the envisaged actions for the enhancement of VET schools to deliver CVT offers for adult population will create premises for properly addressing the adults, older workers needs and for upgrading skills and competence development. Specific actions for developing quality attractive initial VET will be complemented by actions targeting the professional development of vocational teachers and trainers.

Universities are major players in delivering highly qualified graduates and in producing knowledge. Given that they are situated at the crossroads of research, education and innovation, universities in many respects hold the key to the knowledge economy and society\textsuperscript{38}. Universities are the very engine for the creation of the critical mass of specialists, levels of qualification and production of knowledge for developing the knowledge based society. The university is also a key actor which may support the development of education and training systems since it represents the only provider of initial teachers’ training programs. The development of university offers should be supported for developing their capability to train students with increasingly higher qualifications, and thus to contribute to strengthening the economic competitiveness. These actions will be complemented by support actions for increasing access of rural and Roma population to university education and for raising their qualifications.

The findings available for Romania indicate a relatively insufficient correlation between the educational offers/qualifications provided by initial training and education, including university education and requirements of the labour market. The high youth unemployment rate, unfortunately, supports this conclusion. Thus, investments in education should focus on

\textsuperscript{37} Council Conclusions on the Future priorities of enhanced European Cooperation in Vocational Education and Training (VET) and Maastricht Communication on the Future Priorities of Enhanced European Cooperation in Vocational Education and Training (VET);
\textsuperscript{38} European Commission, Communication from the Commission, “The role of the universities in the Europe of knowledge”, February 2003;
ensuring key competences for all and adequate supply, in quantitative and structural terms, of qualifications according to the changing demands of the labour markets. The development of the partnerships in education will provide grounds for increased relevance and responsiveness of initial education for labour market needs. Improved education-industry interaction and partnerships will enhance the capacity of Romanian schools and universities to support the industry and economic development. The job creation and employment objectives of this SOP will be addressed by support provided to education and initial training to enhance its capability to become a dynamic partner and to offer the knowledge, skills and qualifications relevant to the industry and community. The operations promoted to increase quality in higher education shall aim at providing better adjusted university programmes for students, so that they can integrate easily after graduation on the labour market. The university offer shall take more into account the developments in economy and shall ensure a proper connection between the university supply and the labour market demands.

This priority axis will support also the development of educational and VET offers, including curriculum development as part of the modernization of education and initial VET. The educational and training offers developed will address two needs identified in the “Analysis” chapter:
- better adapting educational and VET offers to the labour market and knowledge society needs;
- providing key competences (as defined by EU documents) for all. In this respect attention will be paid to Roma and rural population.

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

The capacity of education to respond to the rapid changes in the labour market and quality assurance in education and in initial and continuous training are critically dependent on the continued development of HR employed in education, initial VET and CVT. The training and retraining of teachers, trainers and other types of teaching staff in education and CVT will support the provision of quality education and CVT and the improvement of qualification of human capital.

The objective of the Romanian educational policy of ensuring equal opportunities and access to quality education for all could be achieved if knowledge is delivered by well qualified teachers. For addressing this goal, ESF will support both the development/improvement of the initial teacher training offers (undergraduate university and master offers) and the improvement of the continuous teachers’ training. The efforts to be made for improving the initial teachers’ training will be complemented by the development of flexible continuous training offered for teachers; the content of the training supported refers to both subject and pedagogical training.

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

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

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

It is important to develop appropriate training content, methodologies and delivery modes and to connect up training system through career guidance services in order to meet the needs of different kinds of participants in CVT. There is a need of using ICT methodologies and materials in order to facilitate access of individuals to training programmes. Developing modular programmes based on competencies is also a way to provide more flexibility and to reduce both the time needed for acquire full qualifications and costs of training.

Based on the findings of the surveys made, the development of CVT offers will be supported, in the following fields/sectors: health, environment protection, constructions, services (tourism, in particular).

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

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

The flexibility rule for ERDF-type interventions will apply. The main interventions will

concern purchasing IT&C (hardware and software) and offices equipment related strictly to projects implementation.

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

<table>
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<th>Indicators</th>
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<td>Number of PhD students supported</td>
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<td>Number of persons trained in guidance and counselling</td>
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<td>-</td>
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<td></td>
<td>Qualifications developed</td>
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<td>Result</td>
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<td>%</td>
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<td>-</td>
<td>SOP Monitoring Reports</td>
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<tr>
<td></td>
<td></td>
<td>Rate of successful PhD graduates</td>
<td>%</td>
<td>-</td>
<td>-</td>
<td>SOP Monitoring Reports</td>
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<tr>
<td></td>
<td></td>
<td>Rate of certified staff trained for quality assurance and management</td>
<td>%</td>
<td>-</td>
<td>-</td>
<td>SOP Monitoring Reports</td>
<td>85</td>
</tr>
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</table>

**3.2.1.1 Access to quality education and initial VET**

Actions to be supported under this area of intervention will target the modernization and restructuring of education and initial VET in an integrated approach:
- actions for the system;
- support for providers;
- staff development;
- development and provision of education and initial VET;
- development and provision of guiding and counselling;
- innovative actions in view of supporting access to quality education and initial VET.

At system and provider level there will be supported the development and implementation of tools, standards and methodologies, in particular for: recognition and validation of prior learning, certification, education planning and management (including decentralization); quality assurance; monitoring of enrolment, school attendance and completion. Also, support for studies, surveys, policy analysis, developing and implementing future reforms/structuring in education and initial VET will be eligible under this area of intervention. In order to increase effectiveness, the support will target both the system and the providers. The actions aiming at developing tools and methodologies will be complemented
by support for staff development (school managers, inspectors, decision makers, policy makers, relevant stakeholders etc.).

In case of quality assurance and management, the staff development actions will target school and university managers, inspectors, the staff of Romanian Agencies for Quality Assurance both in pre-university and university education, quality evaluators, quality assurance committees, relevant stakeholders participating to the quality assurance and management in education and initial VET, etc.

The actions targeting the development of guiding and counselling (with a view to increasing educational achievements and attainment) will consist of: development of specific tools, training of counsellors, support for the provision of guiding and counselling, increased access to guiding and counselling. Under this operation, particular attention will be given to the provision of guiding and counselling in rural areas, Roma and other disadvantaged communities and groups, where measures for increasing access to such services will be supported for both pupils and their families. Actions may be approached in an integrated manner (tools, staff development, provision), under the same operation.

The improvement of educational offer shall be ensured also through support for the development of education and initial VET relevant for the labour market and individual learning needs. A particular attention will be given to the development of the local component of the curriculum. If quality assurance mechanisms provide the grounds for the educational system to deliver the knowledge, skills and competences to support the competitiveness, it also requires specific actions in the field of educational offer consisting of: introducing new teaching techniques based on individual needs of the pupils, promoting innovation in learning and teaching etc. Activities like curriculum development and modernization, individual centred learning, flexible provision of education, early identification of the education and training needs in support for adjusting educational offer to the labour market demand are supported. These operations address not only curriculum development, but also the provision and diversification of the delivery of education and VET; thus the provided support will target, in particular, the capacity of schools to provide adult education, development of open distance and e-learning programs, increased flexibility in the provision of education to disadvantaged communities and groups.

Under this key area of intervention, the aim of increasing access to education for all (in particular early childhood development, education for Roma, children from rural areas and children with disabilities, low qualified individuals etc) will be supported by: the development of specific tools at system and provider level (such as monitoring of enrolment and participation in pre-school and school); increased flexibility in the provision of education and VET; increased flexibility of provision and access to guiding and counselling and provision of financial support for disadvantaged groups to participate in education.

The education in support of entrepreneurship and active citizenship shall target the educational system with a view to facilitate entrepreneurial skills achievement, through both curricular and extracurricular activities.

**Indicative operations**

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

3.2.1.2 Quality in higher education

The development and implementation of tools at system and provider level shall be supported through operations such as the development of instruments, standard and methodologies, in particular for validation of prior learning, certification, university education planning and management. Actions to be undertaken under this key area of intervention will target the provision of quality higher education through effective quality assurance and management, effective university education and research management and governance, etc.

The priority in terms of restructuring and improvement of the university education, consists on the set up and development of the national qualifications system in higher education (National Qualifications Framework in higher education and quality assurance) and involves both actions at system level (developed by the national bodies in charge with these area) and provider level (adapting the study programs to the qualifications defined in higher education).

Development of the National Qualification Framework for Higher Education represents another important aspect this area will deal with. The National Qualifications Framework in Higher Education represents the central instrument that will allow the development, recognition and award of qualifications in Romania. It will facilitate the availability of opportunities for access, transfer and progression as well as the correlation between the universities provisions and the labour market needs. The development of the National Qualifications Framework in Higher Education involves actions of elaborating the methodology and IT management solutions for it, terms of reference for defining qualifications as well as procedures for their validation, development of a National Register of Qualifications for Higher Education etc. are part of the SOP HRD integrated approach of qualifications in higher education.

In order to increase the effectiveness, support will target both the system and the providers and the tools/methodologies development will be complemented by support for staff development. The decision makers and other staff involved in policy making are to be trained, as part of actions for improving the system and educational policy.

Assistance for designing and implementing tools for developing the system of qualifications, quality assurance and management at system and provider level shall be supported by operations which will promote the development of tools, standards and methodologies for quality assurance in university education. In order to increase the effectiveness, the support will target the system, the providers and the staff development (university decision makers, staff of the Romanian Agency for Quality Assurance in University Education, National Authority for Qualifications in Higher Education and Partnerships with social and economical environment, quality evaluators, other relevant stakeholders etc.), but not the teaching staff. The staff development for designing and implementing tools for knowledge and university management shall be ensured through operations such as training and retraining of university decision makers and exchange of good practices, development of methodologies, tools and guidelines in order to increase effectiveness of university and knowledge management.
As concerns the development of competence based university education, the activities envisaged are: development of surveys, support studies in order to increase the relevance of university education for labour market, development and implementation of the National Qualifications Framework in Higher Education and of the system of qualifications in higher education, development of competences based university undergraduate and master, open distance learning, e-learning offers etc. Interaction of the Romanian universities with business community and research will be used as a tool for increasing the responsiveness of university education to the changes produced in the society and for boosting competitiveness and innovation. For addressing the specific requirements of a knowledge based society, emphasis will be placed on actions aiming at developing graduate offers (in support of new knowledge and for raising qualifications of the human capital) and on actions ensuring the grounds for competitive human capital in education and training (e.g. pedagogical masters).

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

**Indicative operations**

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

### 3.2.1.3 Human resources development in education and training

The high level qualification of teachers, teaching staff and trainers is a tool for quality assurance in education, initial VET and CVT. Investments in the development of the HR in education are needed for supporting the capacity of the Romanian education and initial training system to respond to the rapid changes produced in the society and labour market. Investments in initial and continuing training and programs for HR development will target: teachers in preschool, primary, secondary, post-secondary and higher education teachers, trainers, instructors in initial VET, tutors and school mentors, school mediators, staff categories participating in delivering training and flexible education, trainers in CVT etc.

The development and modernization of initial teachers training will consist of the support provided for developing bachelor and master degrees for teachers. The development of offers and provision of specific training for school mediators and mentors will be also supported. The specific training, as well as the support provided for mainstreaming the practice of the school mediators and mentors will fully contribute to the aim of increasing access to quality education and initial VET for all.

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

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

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

Due to the forecasted decrease of the school population and the corresponding reduction of the teaching personnel needed, actions for maintaining teachers affected by this phenomenon in educational system will be co-funded under SOP. These actions will consist of reorienting them towards extracurricular activities, guiding and counselling etc.

The teaching career is not the most attractive choice for university graduates. The chronic under financing of education (below 4% of the GDP in average during 1990-2005) produced effects on the level of salaries paid to teachers and staff employed in education and training. Also, the relative rigidity of the teaching career patterns led to the low attractiveness of this career with the effect of a very limited recruitment base and of an ageing trend of the HR in education. The interventions made under this SOP aim at overcoming some of these difficulties through support for enlarging career development and opportunities in education and provision of incentives for recent graduates starting their career in education etc.

**Indicative operations**
- Initial and continuous training of teachers and HR in education and initial VET, including training in partnership with companies;
- Training and retraining of teachers trainers and trainers in CVT;
- Support for integrated programs for teachers’ mobility and reconversion towards non teaching activities;
- Support for career start and development in education.
3.2.1.4 Quality in CVT

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

Under “quality assurance in CVT”, the support will be given to the development of tools and standards for quality. The actions undertaken will target both the system and the provider level. Actions for developing and implementing an overarching National Qualifications Framework (NQF), except for qualification system in higher education (part of the actions under key area of intervention “Quality in higher education) are part of this process. The actions aiming at developing the NQF will consist of: development of qualifications and competencies at national, sectors and branches level and mechanisms for assessment of competencies and qualifications etc. As regard the NQF, also support for developing qualifications, for proper training of members of the sectoral committees and for proper functioning of sectoral committees will also be provided.

Validation of prior learning and support for CVT providers will increase flexibility in delivery training, widen access to CVT and support the development of modular, tailored training programmes that allow individuals to benefit from relevant training content at convenient place and time. The development of CVT offers will be supported as well. So far, most relevant areas identified for developing CVT offers are: health (especially nurses training and retraining), constructions, services, environment protection.

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

Indicative operations
- Development of NQF, including support for sectoral committees;
- Implementation of quality assurance and management systems in CVT at system and provider level according to the European framework for quality assurance;
- Implementation of a transferable credits system in CVT;
- Studies, analyses and researches in order to provide good quality information and data for supporting CVT and exchange of good practices;
- Networking and partnership for promoting learning conductive work environments and “learning regions”;
- Support for CVT provision at provider level and development of CVT offers.

3.2.1.5 Doctoral and post-doctoral programmes in support of research

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

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

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

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

PhD programs are part of the university education, according to the Bologna cycles. The PhD programs are delivering PhD graduates who are one of the most important HR in research sector, since PhD graduates are equipped with the knowledge and competences for research activities, and at a very limited extent for teaching. Thus, PhD programs prepare their students to become researchers and should be encouraged to do so. The high costs of PhD programs and the limited state funding/support for PhD students, master graduates seem to prefer to insert in the labour market rather than continuing their education to third cycle of university education (PhD programs). Support for PhD students and for post-doctoral programs complies with the strategic objectives of National RDI Plan. The positive outcomes of Romanian universities in offering and developing joint degrees and doctoral studies could be mainstreamed and extended with ESF support. All the above are representing opportunities for increasing participation in doctoral and post-doctoral studies.

The proposed indicative operations shall aim at helping more people graduate PhD programmes and postdoctoral studies and, by that, create a pool of highly specialised scientists capable of responding to the most exigent demands posed by the new programmes and trends in knowledge. The operations that will be developed under this key area of intervention shall support participation to doctoral and postdoctoral studies, as well as through international programmes in cooperation with other European universities. During those studies learning mobility will be encouraged through grants awarded on competitive bases. The SOP HRD will encourage both doctoral and postdoctoral schools and individuals.
Empirical evidences indicate low valorisation of research outputs (including the research activities developed in doctoral and post doctoral studies) into economic activities through spin offs and spin outs. Insufficient managerial skills of researchers limit the development of such structures near universities. This weakness will be addressed through specific training for developing entrepreneurial and managerial skills as part of all doctoral and post doctoral programs supported under SOP HRD.

**Indicative operations**
- Developing doctoral and post-doctoral studies, including support for innovative actions in view of increasing participation;
- Support for PhD young researchers and for postdoctoral studies addressed to senior researchers;
- Developing international cooperation and learning mobility for practical stages of the doctoral and postdoctoral studies;

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

**Objective**

Facilitating access to education and increasing employability and educational attainment of human resources in a life cycle approach in the context of knowledge based society.

**Rationale**

According to the European documents, life long learning is essential for personal, civic and social purposes as well as for employment-related purposes. It takes place in a variety of environments in and outside the formal education and training systems. The promotion of lifelong learning (based on a life cycle approach in learning) opens up access to knowledge and takes account of all types of learning - formal and informal - and all levels, from nursery school to higher education and adult education. The life cycle acquisition of knowledge and competences provides grounds for individual, professional achievement and development, increased lifelong employability and adaptability. The need for transforming formal education and training systems in order to break down barriers between different forms of learning and broaden access and participation to learning should be priorities for national policy. For employment related purposes, the transforming for the education and training systems should target more flexible provision, increased relevance of the knowledge and competences delivered for the labour market needs and broaden access to all forms of learning for individuals in life cycle approach.

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

Romania faces severe youth unemployment (youth unemployment rate is about 3.5 times higher than the unemployment rate). The provision of relevant qualifications and offer for the labour market needs provided by education and initial VET will contribute to the diminishment of youth unemployment. Transition from school to active life should be developed as a complement to the actions developed under PA1.
Another severe phenomenon to which Romania is facing is the high rate of early school leaving (a 20.8% early school leaving rate in school year 2005-2006). The employability of the early school leavers is very low since they do not have the basic competences and knowledge needed which affects their further integration on the labour market. Therefore, the prevention and reduction of this phenomenon will create premises for reducing unemployment and for developing qualifications, skills and competitiveness of human capital in Romania. The magnitude of this phenomenon requires a national based approach for properly addressing it. The SOP HRD approach to early school leaving is based on two types of actions:

- **Preventive** - through the development and increased access to preschool and school education, after school programs, provision of guiding and counselling, development of relevant curriculum, learner centred teaching, awareness raising campaigns etc.;

- **Remedial/Corrective** - through the development of programs for reintegrating early school leavers in education, second chance education, remedial education, flexible forms of education etc.

The SOP HRD nationally approaches early school leaving through early interventions supporting increased access to and provision of quality guiding and counselling, development of specific initiatives for maintaining potential early school leavers in education. Early interventions mean that the provision of guiding and counselling becomes a coherent and systematic action.

Findings of various studies and survey highlight the importance of preschool education for preventing early school leaving. Thus, actions co-funded under this Priority Axis will aim at developing preschool education and participation in pre-school education. As mentioned in the analysis section of the SOP, the most affected by early school leaving are Roma, poor and rural population. Thus, specific programs tailored to these groups will be developed. For the low achieving pupils, also exposed to early school leaving specific actions of remedial education and provision of guiding and counselling will be supported.

Since available studies show that very low share of early school leavers are reintegrated into formal education or participate in CVT, support programs for reintegrating early school leavers into education and training will be addressed under SOP HRD. “Second chance education” programs will be supported and the flexibility in the provision of second chance education will be encouraged. The good practices developed under previous Phare assistance in this area will be mainstreamed.

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

Access to CVT is unequal. Employers prefer to train higher skilled or younger workers than low skilled or older, full time employees than part time or temporary workers. Minorities, people with special needs and people living in small communities or rural areas, unemployed people have also less access to training. It’s important to ensure develop appropriate training content, methodologies and delivery modes and to connect up training system through career guidance services in order to meet the needs of different kinds of participants in CVT.
The access to CVT in rural areas is very limited. The availability of offers is also very limited as well. For addressing this weakness, under this key area of intervention, a particular attention will be given to the rural areas, by increasing flexibility of CVT provision (e.g. mobile training units) and by the financial support provided to participants in CVT.

The main areas, in which the CVT programmes shall be developed, including in rural areas, are: services, construction, transport infrastructure, energy, ITC, research.

The flexibility rule for ERDF-type interventions will apply. The main interventions will concern purchasing IT&C (hardware and software) and offices equipment, refurbishment works related strictly to projects implementation.

**Key areas of interventions**
- Transition from school to active life;
- Preventing and correcting early school leaving;
- Access and participation in CVT.

**Indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>Baseline</th>
<th>Baseline Year</th>
<th>Source</th>
<th>Target (2015)</th>
</tr>
</thead>
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<tr>
<td><strong>Output</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of students assisted in transition form school to active life programs</td>
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<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Number of participants in CVT programmes</td>
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<td>-</td>
<td>-</td>
<td>SOP Monitoring reports</td>
<td>260,000</td>
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<tr>
<td>Number of beneficiaries of career counselling services</td>
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<td>-</td>
<td>-</td>
<td>SOP Monitoring reports</td>
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</tr>
<tr>
<td>No. of students assisted in second chance education</td>
<td>No.</td>
<td>-</td>
<td>-</td>
<td>SOP Monitoring reports</td>
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<td><strong>Result</strong></td>
<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Rate of students graduating second chance education</td>
<td>%</td>
<td>-</td>
<td>-</td>
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<td>75</td>
</tr>
<tr>
<td>Share of enterprises providing and supporting CVT to their personnel</td>
<td>%</td>
<td>11</td>
<td>1999</td>
<td>SOP Monitoring reports</td>
<td>20</td>
</tr>
</tbody>
</table>

**3.2.2.1. Transition from school to active life**

Actions targeting the transition from school to active life will facilitate the insertion of graduates on the labour market. The education and training provided in initial VET, upper secondary schools and universities will be accompanied by in-company training, apprenticeships, outreach programmes for students etc. organized in close partnership with business community. The development and provision of guiding and counselling will complement the above mentioned actions and will facilitate the transition from school to workplace and the change in the status from student to future employee. The actions under this key area of intervention will provide a systematic character to internships as part of the educational process and will seek the preparation of the future graduate for the labour market and his/ her relationship with the employer.
Within this key area of intervention, the operation regarding work based learning schemes/programmes for pupils and students aims at equipping graduates of initial VET and higher education with the knowledge, skills and attitudes needed to integrate in the labour market and adapt to the employee status. The analysis shows that graduates, at their first insertion in the labour market, are confronted with difficulties to adapt to the job requirements. The answer provided under SOP HRD to this weakness consists in developing work based learning environments prior to graduation, provision of guiding and counselling, mentoring and coaching until the insertion as part of the process of transition from school to active life.

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

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

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

**Indicative operations**
- Work based learning schemes/programmes for pupils and students;
- Support school/university/enterprise partnerships initiatives;
- Guiding and counselling and coaching in support for transition from school to active life;
- Monitoring of the insertion of graduates into labour market;
- Innovative actions in view of improving transition from school to working life.

3.2.2.2. Preventing and correcting early school leaving

Low educational attainment and early school leaving are considered to be factors increasing the risk of becoming unemployed and entering into long term unemployment. Actions addressing these issues aim at increasing attractiveness of the education as well as maintaining in education the potential early school leavers. Actions undertaken for preventing and diminishing early school leaving are addressing the new Lisbon integrated guidelines 40, European Youth Pact.

Roma, poor and rural population will be specifically addressed under this area of intervention. The actions targeting them will have an integrated character (prevention and remedial: provision of guiding and counselling, remedial education, second chance programs, awareness raising campaigns, individual financial support) and will address where necessary both the

pupils and their families. The operations shall aim at ensuring the basic education for all
categories who for certain reasons were forced or are currently at risk of abandoning school,
with a view to provide them with the elementary literacy and numerical skills needed on the
labour market. The operations will address the educational levels from primary school to
upper secondary education.

For the low achieving pupils, also exposed to early school leaving, specific actions of
remedial education and provision of guiding and counselling will be supported.

For supporting further sustainable integration of early school leavers into the labour market,
all “second chance education” programs under this SOP will provide both the skills for
increasing employability and the achievement of key competences.

Indicative operations
- Supporting and developing programs for maintaining pupils in education and
  preventing early school leaving;
- Development of integrated programs/packages for increasing access and
  participation in primary and secondary education for pupils belonging to vulnerable
  groups, including individual allocations and support for their families;
- Universal access to preschool education;
- “School after school” type activities, assisted learning and remedial education;
- Reintegrating early school leavers in education (including “Second chance
  education” programs);
- Provision of guiding and counselling for potential early school leavers and early
  school leavers.

3.2.2.3. Access and participation in CVT

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

The use of modular training programmes will be considered for increasing participation and
access in CVT. Validation and recognition of prior learning achieved in non-formal and
informal learning contexts are contributing to the CVT increased participation. Credits, as
performance grants, will be awarded according to the certified learning outcomes. In this
respect “learning accounts” will be promoted. Also, support for individuals is needed since
one of the most important issues affecting participation is that individuals cannot afford the
cost of CVT programs. With a view to expanding and improving investment in the labour
force, this key area of intervention advances the development of appropriate incentives and
cost-sharing mechanisms for enterprises as well as individuals.

This key area of intervention will focus on the development of professional knowledge and
competencies as well as the improvement of the qualifications of employees, through the
implementation of appropriate professional education programs, including education in the
area of information technology, sustainable development and health and safety at work
(including limiting risk factors at work). Emphasis will primarily be put on the support of modern forms and methods of further vocational education for adults.

Promoting the attractiveness of vocational training, including apprenticeships, is another indicative operation that ESF shall fund key area of intervention. Making CVT programmes flexible and accessible to employees, responding thus to their needs for general and specific training, reinforcing their confidence in their capabilities and ultimately in their employability on the labour market, are other possible operations that shall be funded. The indicative operations proposed shall also include the ensuring of a more flexible supply of CVT (e.g. mobile training units), as well as the providing motivating financial incentives to participants in CVT.

The operations that shall be funded under this key area of intervention will support specific activities of selected sectors of industry, businesses, services and tourism with regard to their growth potential. The interventions will support also cross-sector activities in environmental education, health care and training, as well as other key competences achievement, with regard to their significance for lifelong learning. There will be provided training to the medical staff as well as to physicians in industrial medicine (health and safety at work). Campaigns on preventing health risks, such as on the need to undertake regular medical check ups, the damaging effects of tobacco or alcohol, on the need to preserve a proper working environment, free of risk factors, including stress, noise and pollution, shall also be promoted. Altogether, activities within the frame of these interventions will contribute to the better knowledge of the employees in relation to the changes of economic, social, technological and environmental conditions.

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

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

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

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

**Indicative operations**

- Support and incentives for employees to access CVT, as training costs (e.g. fees, transport, daily subsistence allowances, performance based grants, individual, allowance for the additional cost occurred by participation to CVT: family dependents, care services, living costs for those not receiving salaries or revenues during the CVT period;
- Support for employees to validate prior learning;
- Promoting focused facilities for “hard to reach” individuals (unskilled and low skilled adult population);
- Support and incentives for employers to encourage CVT participation, such as: training costs and performance based grants;
- Support for rising-awareness campaigns and information and career counselling;
- Innovation in view of CVT access, participation and further competences achievement.

### 3.2.3 Priority Axis 3: Increasing adaptability of labour force and companies

**Objective**

Promoting entrepreneurial culture, flexicurity and adaptability by supporting skilled, trained and adaptable labour force and enterprises.

**Rationale**

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

Romania has only relatively recently opened to entrepreneurship and, therefore, there is still much to be done in expanding and rendering the private sector more dynamic. The SOP HRD aims at promoting the entrepreneurial spirit by providing training on improving management skills at enterprise level. There will be provided training for better anticipation and positive management of change, including economic restructuring and notably changes linked to trade opening as to minimize their social costs and facilitate adaptation. Top and middle management as well as employees shall benefit from training in areas such as: marketing methods, intensive training of the personnel in acquiring entrepreneurial knowledge, diversifying the production, informatization of activities, new system of quality management and promotion of innovation, training in applying the health and safety at work European regulation, restructuring and organizational management etc.
At the same time, the newly-established companies as well as the self-employed shall benefit from accompanying services in the first 3 years after being set up, knowing that the first years of functioning are the most difficult in surviving on the market.

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

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

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

The priority axis aims to increase productivity and promote better reconciliation of work and family life, as well. This may also include raising awareness of corporate social responsibility and of ways to transform undeclared work into regular employment.

These interventions complement other significant interventions aimed at supporting SMEs and entrepreneurial development which are put forward in the Sectoral Operational Programme for Economic Competitiveness. The delimitation with the OP Competitiveness as regards promoting entrepreneurship is that SOP HRD will train and support the adaptability of the employees and enterprises, with a view to developing their managerial competences, both for executive levels and management levels (top and middle management).

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

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

Another specific area where immediate action is needed is tackling undeclared work. This phenomenon affects employment and, thus, the Romanian economy in a significant degree, with approx. 2.7 million people working without legal employment forms.
The flexibility rule for ERDF-type interventions will apply. The main interventions will concern purchasing IT&C (hardware and software) and offices equipment related strictly to projects implementation.

**Key areas of intervention**

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

**Indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>Baseline</th>
<th>Baseline Year</th>
<th>Source</th>
<th>Target (2015)</th>
</tr>
</thead>
<tbody>
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<td>2005</td>
<td>SOP Monitoring reports</td>
<td>5,000</td>
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<tr>
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<td>No.</td>
<td>-</td>
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<td>30,000</td>
</tr>
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<td>Number of trainees in business start-up</td>
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<td>-</td>
<td>2005</td>
<td>SOP Monitoring reports</td>
<td>2,500</td>
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<tr>
<td>Number of partnership, pacts, initiative of social partners associations and NGOs financed</td>
<td>No.</td>
<td>-</td>
<td>2005</td>
<td>SOP Monitoring reports</td>
<td>500</td>
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<th>Indicator</th>
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<th>Source</th>
<th>Target (2015)</th>
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</thead>
<tbody>
<tr>
<td>Rate of successful trainees in management and organisation of work</td>
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<td>80</td>
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<tr>
<td>Rate of successful trainees in specific training</td>
<td>%</td>
<td>-</td>
<td>2005</td>
<td>SOP Monitoring reports</td>
<td>80</td>
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**3.2.3.1. Promoting entrepreneurial culture**

The rigidity of the labour market and the still reduced capacity of the Romanian economy to create new jobs, especially in branches with high added value, contribute to the maintaining of a high unemployment rate. Promoting the entrepreneurial culture, both by supporting initial education and vocational training in obtaining management and entrepreneurial skills, as well through continuous professional training that makes entrepreneurship a career option for everybody, constitute an important solution for counterbalancing the negative effects of the structural adjustment and industry restructuring process, generating economic and social alternatives and the improvement of the economic status of as many people.

An important prerequisite for increased competitiveness is the use of modern management systems with emphasis on conceptual human resources management, especially in small and medium enterprises. Under this key area of intervention, ESF operations shall ensure that the managers get the needed knowledge on how to make best use of the opportunities existing on the market, on the success factors that increase business’ competitiveness, management and marketing strategies etc.
The operations will also address the individuals interested in starting up a business as self-employed or employers, in providing the necessary information on business environment, opportunities, how to build a business plan, what is the relevant legislation etc.

**Indicative operations**
- Increase awareness of and positive attitudes towards entrepreneurial culture;
- Implementing programs and new support services for encouraging entrepreneurship and developing entrepreneurial culture;
- Developing and providing modern managerial skills, especially for micro-enterprises and SMEs;
- Support services for pre start-up businesses;
- Knowledge transfer support and assistance for employees in the areas affected by restructuring.

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

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

The labour force and companies will have to adapt to new technologies and be in a position to innovate constantly. They will also have to be better prepared to respond to the increasing demand for job quality, both for workers and employers, in terms of new ways of working, enhanced exploitation of Information and Communication Technologies (ICT), changes in the working status, occupational and geographical mobility etc. As regards the supply of specific training to experts in highly technological sectors, environment a/o, the ESF interventions shall also support the development of the skills relevant for the sectors with growth potential at regional or local level. The approach will also take due care of the development needs of the less favoured areas (small towns, villages, but also isolated and mountain localities with emerging economies).

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

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

- Supporting innovative methods for flexible work organization, including improving the production organisation;
- Supporting health and safety at work activities and ensuring a friendly work environment, encouraging the reconciliation of work and family life;
- Changing social attitudes and stereotypes towards vulnerable groups especially in the working environment, through information and awareness campaigns directed towards employers, employees, communities, decision makers etc;
- Promoting and supporting training in new technologies, including ICT and environment.

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

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

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

At the same time, civil society - NGOs have been actively engaged, although not on a large scale, in developing a comprehensive and multidisciplinary approach towards the prevention of and fight against social exclusion of vulnerable groups. Areas of activity where public services failed to intervene were taken up by representatives of civil society concerned with the situation of such people at risk. However, in order to extend and make their interventions even more efficient, the NGOs need to strengthen their administrative capacity and increase their potential of acting as reliable partners alongside the social services, public authorities and institutions, to the benefit of the public at large.
The types of operations that will be promoted will aim at improving the capacity of social partners and civil society representatives to provide reliable public information and civic advisory services, encouraging initiatives to activate local community in the public life, monitoring the activities of public institutions and participate to the decision process etc. Generally, the operations will support trade unions, employers’ organisations and NGOs to develop their capacity to elaborate strategies, action plans and self regulation aiming to increase their impact in society.

In order to promote and stimulate the partnership principle, under this key area of intervention support will be given to the networking measures and activities jointly undertaken by the social partners. Thus, under this key area of intervention Regional Pacts and Local Partnerships on Employment and Social Inclusion will be supported. In order to ensure the functioning of these Pacts, the ESF will contribute to the financing of its Permanent Technical Secretariats, in line with the Community regulations

**Indicative operations**

- Assistance and support with a view to drawing up action plans for encouraging and developing partnerships;
- Identifying and implementing paths towards boosting the interest of employers and other stakeholders in increasing investments in human resources and increasing the Corporate Social Responsibility;
- Develop social partners’ internal capacity to build human resources development capability, emphasizing standards and certification;
- Strengthening NGOs capacity to support cooperation with local and national public authorities in order to promote joint social inclusion initiatives including development of voluntary services and charities;
- Improving capacity to support initiatives for shaping civic responsibility, through participation in public debates and to facilitate the access to public information;
- Developing initiatives to encourage networking at the national level and EU level
- Development of advisory services for NGOs and for grass roots initiatives that promote employment and social inclusion, including social partners who activate on the labour market;
- Transforming informal work in formal employment through awareness-raising campaigns and supporting measures to formalize the labour relations;
- Encouraging the local & social partnerships for combating undeclared work phenomenon and promoting of flexible ways to organise the work in a formal manner.

### 3.2.4 Priority Axis 4: Modernisation of Public Employment Service

**Objective**

Increasing the quality, efficiency and transparency of employment services provided by the Public Employment Service.

**Rationale**

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

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

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

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

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

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

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

By ensuring the transparency of services provided and the quality of information regarding the labour market, PES can perform an adequate implementation of employment programmes. In order to improve the quality of information regarding labour market, as it is also recommended into the JAP, the Public Employment Service shall improve its own capacity of carrying out studies, analyses and forecasts on the labour market. The information provided by these analyses, studies and forecasts are needed both for designing and implementation of the employment strategies and policies.
The flexibility rule for ERDF-type interventions will apply. The main interventions will concern purchasing IT&C (hardware and software), offices equipment and other needed instruments related strictly to projects implementation.

**Key areas of intervention**

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

**Indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>Baseline</th>
<th>Baseline Year</th>
<th>Source</th>
<th>Target (2015)</th>
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<tr>
<td>Number of staff trained</td>
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<td>%</td>
<td>-</td>
<td>-</td>
<td>SOP Monitoring reports</td>
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</table>

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

The modernisation of the Public Employment Service, i.e. the National Agency for Employment and its county agencies, started in 2002 and envisaged the decentralisation of employment services, the improvement and diversification of services provided to beneficiaries, i.e. the employers, job-seekers and the unemployed. In order to have a decisive impact in the labour market, the PES must be able to act quickly and if possible even anticipate the changes. It is therefore fundamental to strengthen the capacity of analysing the labour market and produce labour forecasts and act strategically on the employment services delivery. To that end, the PES should also strengthen its main role as coordinator of the different employment service provider on the labour market. Within the process of extending and improving the employment services, PES will also take into consideration the necessity of tackling the unregistered unemployment, especially in rural areas and for vulnerable groups (Roma, disabled, youths over 18 years old leaving the stat child protection system etc). The ESF funded operations shall support also differentiated geographical and social interventions, responding thus to the specific difficulties and social groups existing at regional and local level. Thus, there shall be promoted actions that will lead to an improved relationship between PES and its clients, and also to an increased access to active employment measures.

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

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

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

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

**Indicative operations**
- Developing and implementing research projects in support of PES modernization;
- Developing tailored assistance service and individual approach for unemployed with difficulties in integration/reintegration on the labour market;
- Development of „self-service” type services;
- Developing solutions to tackle the unregistered unemployment, especially in rural areas and for vulnerable groups;
- Promoting partnerships with Member States’ public employment services in order to identify and apply best practices;
- Supporting and developing partnerships and networks for employment with the main active actors on the labour market (social partners, initial and continuous vocational training providers, sectoral committees, private accredited employment services providers, regional development agencies);
- Developing databases related to services provided, vacancies and employers;
- Drawing up analyses, studies, researches and forecasts regarding the labour market, including the overall status of the undeclared work or informal employment;
- Broadening of quality management system;
- Improving the system of providing services of vocational training for labour force (e.g. adult vocational training centres);
- Designing and implementing adequate tools for the monitoring and evaluation of the real impact of active measures on labour market;

**3.2.4.2. Training of the PES staff**

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

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

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

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

Indicative operations
- Improving the PES system for staff vocational training, including training programme models;
- Development of staff competences to provide employment services and assistance services;
- Development of staff vocational competences in order to provide services to persons with special needs (Roma people, persons with disabilities, young people over 18 leaving the state childcare system, other categories of persons at risk);
- Development of staff vocational competences in order to provide specialized services, such as pre-layoff services and assistance in developing a new business;
- Developing vocational competences of staff in order to perform analyses and forecasts on labour market;
- Training in extensive use of modern information and communication technologies;
- Training to support new forms of organization and management.
3.2.5 Priority Axis 5: Promoting active employment measures

Objective

Facilitating the integration on the labour market of young and long-term unemployed, attracting and retaining more people in employment, including in rural areas, and supporting formal employment.

Rationale

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

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

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

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

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

Another problem Romania is confronted with is the high rate of employment in agriculture (31.0% in 2004), but which is on a descending trend. If one takes into account the employment status in agriculture (almost preponderantly unpaid family workers and self-employed) and the forthcoming release of labour supply from agriculture, Romania has to adopt urgent measures to redirect this huge supply. The most suitable direction is the services sector and the means to achieve this shift from subsistence agriculture to formal activity in other economic sectors are: promoting education, training and employment opportunities for
people living in rural areas, counselling and assistance for starting up a business and other self-employed activities.

Taking all these into account there were established two key areas of intervention: developing and implementing active employment measures, and promoting long term sustainability of rural areas in terms of human resources development and employment.

Since there are significant regional and urban/rural employment discrepancies (in terms of activity and employment rate, unemployment, participation rates in economic sectors, participation on the labour market per age), this key area of intervention shall be adequately implemented in each region.

The flexibility rule for ERDF-type interventions will apply. The main interventions will concern purchasing IT&C (hardware and software), offices equipment, refurbishment works and other needed interventions related strictly to projects implementation.

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

**Indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>Baseline</th>
<th>Baseline Year</th>
<th>Source</th>
<th>Target (2015)</th>
</tr>
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<tr>
<td>Number of participants in active employment measures</td>
<td>No.</td>
<td>-</td>
<td>2005</td>
<td>SOP Monitoring reports</td>
<td>50,000</td>
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<tr>
<td>Number of participants from rural areas in the integrated programmes</td>
<td>No.</td>
<td>-</td>
<td>2005</td>
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<td>160,000</td>
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<tr>
<td>Number of formerly inactive persons activated on the formal labour market</td>
<td>No.</td>
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<td>2005</td>
<td>SOP Monitoring reports</td>
<td>10,000</td>
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<table>
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<th>Result</th>
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<tbody>
<tr>
<td>Rate of successful participants in active employment measures under the programme</td>
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<tr>
<td>Rate of successful participants from rural areas in the integrated programmes</td>
</tr>
<tr>
<td>Rate of successful inactive persons activated on the formal labour market</td>
</tr>
</tbody>
</table>

**3.2.5.1. Developing and implementing active employment measures**

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

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

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

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

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

Indicative operations
- Supporting all activities related to active labour market measures:
  • training and re-training;
  • job-searching, job-brokerage, job rotation, job club;
  • vocational guidance, counselling&training, including acquiring specific
    knowledge on entrepreneurial skills;
  • involving the job-seekers in public activities
  • actions for professional motivation and development.
- Tailor-made action plans providing job search assistance, guidance services and
  training for youth, older workers, long term unemployed and jobseekers returning to
  work after a period of absence;
- Promoting measures for activation of inactive persons through special personal
  guidance & training and job placement, and motivation activities;
- Measures for promotion of professional and geographical mobility of labour force in
  order to take up all existing employment opportunities and to increase the regional
  cohesion;
- Accompanying measures to take up and maintain employment (support for
  dependent family members, assistance services and other associated activities that
  enable the individual to participate in the labour market);
- Measures for a better match between the individual skills, education and work
potential and labour market opportunities (balance and work diagnostics);
- Innovative schemes for promoting the employment of youths and long-term unemployed;
- Promoting dual systems of financing the youths employment;
- Promoting programmes that support the creation of new jobs/new forms of employment and creation of jobs for self-employed.

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

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

In the context of OP HRD, people employed in agriculture shall mean people who earn an income from agricultural activities, either as technicians or farmers in agricultural and zoo-technical undertakings or authorized self-employed agricultural producers, whereas people in subsistence agriculture shall mean unemployed people who perform non-remunerated agricultural activities in their households.

Together with the National Strategic Plan for Agriculture and Rural Development, SOP HRD has a shared responsibility in developing human resources in rural areas. That means that SOP HRD will finance under PA 1 the development of a quality technical and vocational training system, including the technical and agricultural high schools. Also, by promoting the operations under PA 1, all general schools in rural areas will benefit from the modernization of the initial and continuous education system based on providing a quality education, developing and modernizing the curricula, providing training programmes to teachers, increasing the capacity of the initial and continuous education system to deliver the necessary skills and qualifications on the labour market.

SOP HRD shall not cover CVT in agriculture, which will be funded by NSP from EARDF, but will fund all programmes aiming at extracting economically inactive people living in rural areas, who earn their livings from subsistence agriculture activities, performed in their households. The products obtained by them are not marketable but are used for their own consumption.

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

Also, complementary to the Regional and Environment Operational Programmes, people in rural areas shall also be helped to find new jobs in the constructions sector, in improving local infrastructure and constructing water treatment and sewage plants, as well as water supply and sewage networks. The complementarities with ROP shall be also ensured in what concerns the strengthening of the medical infrastructure in rural areas, whereas SOP HRD will ensure the initial and continuing training of the medical staff.
For these people who will get new occupations in non-agriculture economic sectors, the ESF interventions take the form of personalised services, counselling and specific training programmes adapted to their specific needs. Given the fact that educational needs might be more prominent, the training programmes will also include activation and motivational components. Other modules, such as on promoting sustainable development in rural areas and preserving a good health as a condition for participation on the labour market, shall be included in the training programmes, too. The objective of integrating the inactive people in the rural areas, following personalised activation measures will create the premises for ensuring long term sustainability, by reducing subsistence agriculture and developing lucrative businesses.

**Indicative operations**
- Developing integrated programmes for education, training, employment and other supporting measures for people in rural areas, aimed at reducing subsistence agriculture;
- Measures for promoting occupational and geographical mobility of labour force in order to take up all existing employment opportunities and to increase the regional cohesion;
- Accompanying measures to take up and maintain employment (support for dependent family members, assistance services and other associated activities that enable the individual to participate in the labour market);
- Promoting programmes that support the creation of new jobs/new forms of employment and creation of jobs for self-employed.

**3.2.6 Priority Axis 6: Promoting social inclusion**

**Objective**

Facilitating access on the labour market of vulnerable groups and promoting a cohesive and inclusive society in order to ensure the welfare of all citizens.

**Rationale**

The priority axis is focused on developing specific programmes for personal development in order to reinforce the motivation for vocational training and integration on the labour market of vulnerable groups, as well as on improving their access on the labour market.

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

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

Social re-integration of vulnerable groups
The main categories of vulnerable groups identified in the JIM are also the target groups for this priority axis: Roma population, disabled people, young people leaving the state child protection system, as well as other categories of vulnerable groups: women, families with more than two children, including single parent families; children in risk situations; ex-offenders; drug addicted; homeless persons, victims of domestic violence, HIV/AIDS infected people etc. All these disadvantaged categories can face many difficulties in relation with their social integration, generated by discrimination in access to education and consequently on the labour market.

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

Roma population is one of the most disadvantaged groups in the Romanian society in terms of integration on the labour market; therefore, special attention will be given to ensure that more and more Roma people are involved in the supported integrated projects. The alternative training programs will provide new opportunities for Roma young people who have dropped out school, with a view to continue their studies in training programmes adapted to their needs and specific condition. The operations will aim at motivating them for integration on the labour market, for activating them in lucrative activities and for changing mentalities as regards the benefits of education.

The initiative of transnational cooperation will support especially employment and social inclusion systems, sharing practices and experiences between different actors at the local and regional level, in order to provide a great value, not only for transnational activities, but also for stimulating and creating communities of practice.

In order to strengthen and promote social inclusion, the setting up of local partnerships, i.e. co-operation between NGOs, voluntary organizations, business environment and local authorities, shall be also encouraged. Bringing disabled people into the labour market will be enhanced through training and helping them to find and retain jobs, as well as through encouraging employers to open more opportunities to them. Training and employment of disabled people will require special accessibilities, equipment and devices.

With a view to delivering their services to these target groups, NGOs will need to enhance their capacity through training of staff, improvement of their skills and by strengthening the co-operation between organisations. The experiences of Phare projects show that technical assistance and appropriate support in preparation of the applications and implementation is needed for increasing the absorption rate of NGOs and the voluntary sector and for the successful implementation of projects. That need shall be addressed in Priority Axis 3 - “Increasing adaptability of labour force and companies”, the key area of intervention “Development of partnerships and encouraging initiatives for social partners and civil
society”, which will support and strengthen the civil society’s representatives capacity to elaborate and implement project and, by that, to provide quality services.

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

The local authorities will be encouraged to create and develop partnerships with NGOs representing the vulnerable groups in order to reach better the marginalized people or communities who need most this kind of support. Through partnership working and transnational cooperation, SOP HRD will support the social economy to increase its role in the delivery of innovative, high quality services, thereby enhancing its contribution to community regeneration, sustainable economic development and labour market integration in Romania.

Gender equality
For certain categories of women, the integration on the labour market, after years of bringing up their children can be a challenge. Long term inactivity often means loss of the competences and abilities required on a fast changing labour market, which is sometimes backed up by insecurity or lack of self-confidence in taking up a new job. Training, distance learning programmes, employment services and counselling should be delivered to ensure the updating of knowledge and skills necessary to get a job. Business starters and self-employed should be assisted through advisory services and the development of entrepreneurial skills. There is a strong need to create especially broad opportunities for women pursuing entrepreneurial activities in the service sector, an area not yet sufficiently developed. To ensure that women with children or looking after their relatives at home can participate in training programmes, take a job or pursue entrepreneurial activities, diversified care services are needed. Therefore, support will be given for providing such services, particularly when they offer employment to unemployed and inactive women.

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

The flexibility rule for ERDF-type interventions will apply. The main interventions will concern purchasing IT&C (hardware and software), offices equipment, refurbishment works and other needed interventions related strictly to projects implementation.

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

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>Baseline</th>
<th>Baseline Year</th>
<th>Source</th>
<th>Target (2015)</th>
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<td><strong>Result</strong></td>
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### 3.2.6.1 Developing social economy

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

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

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

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

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

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

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

**Indicative operations**

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

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

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

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

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

The projects that will support these people will aim at providing education, other than the general education system or the “second chance” education, but a more personalized type of programmes, animation programmes for Roma population. The interventions will also support activities to remove barriers hindering access to education and jobs; will provide special counselling and guidance services, as well as social services for individuals at risk of social exclusion.

**Indicative operations**

− Developing specific programmes focused on the (re)integration on the labour market of Roma population, disabled persons and youths over 18 years old who leave the child state protection system;
− Programmes for development of the basic skills, qualification and training for vulnerable groups;
− Programmes to generate incentives for employers to employ vulnerable groups;
− Development of specific training programmes for NGOs staff active in the field of social inclusion;
− Special support for the development of new protected jobs in enterprises.

**3.2.6.3 Promoting equal opportunities on the labour market**

The new legislative framework adopted in Romania in the recent years provides for the equal treatment between women and men. However, the reality shows that in practice there are cases of women’s discrimination on the labour market, in what concerns access to economic areas of activity that traditionally belong to men, remuneration gaps, access in occupying management positions or in politics etc.

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

At the same time, the operations proposed will improve the employment opportunities of women through interventions on both the labour supply and the labour demand side. On the one hand, the employability of women will be improved, and on the other hand, new jobs will be created through the extension of care services. The activities developed under this key area of intervention will focus on promoting new opportunities on the labour market and supporting the principle of equal opportunities in employment and career, aiming thus at creating an inclusive labour market.

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

**Indicative operations**
- Increasing qualifications for women and developing programmes to enable women to gain skills by attending training and retraining programmes;
- Supporting women to engage in the business sector;
- Support for specific programmes accessible to women interested for a change in career or to those interested in starting up a business;
- Promoting employability of women in the rural areas;
- Awareness-raising campaigns and exchange of good practices in schools and enterprises on non-stereotypes gender role, including campaign designated for women, especially for those in rural areas and those belonging to groups with special needs;
- Supporting programmes focused on eliminating gender stereotypes in society especially by mass-media;
- Providing support and awareness campaigns against domestic violence.

### 3.2.6.4 Trans-national initiatives on inclusive labour market

Trans-national initiatives will be promoted with a view to creating a more permissive, flexible and inclusive labour market. Partnerships with EU partners who proved successful in integrating and attracting people in education and employment will be encouraged, benefiting thus from the dissemination of innovative initiatives and best practices.

**Indicative operations**
- Supporting trans-national initiatives and partnerships at European level aiming to create an inclusive labour market;
- Developing joint programs for promoting employment;
- Developing new methods for combating discrimination and inequalities on the labour market;
- Promoting guidelines on best practices in the area of employment;
- Setting-up partnerships for sharing experiences on adaptation of vocational training to new technologies;
- Exchange of good practice in the field of human resources development, as part of trans-national partnerships;
- Designing programmes with specialised technical assistance, including for reintegration of long-term unemployed and on multi-excluded families;
- Promoting transfer of expertise on inclusion and employment of the long-term unemployed;
- Developing comparative trans-national studies.

### 3.2.7 Priority Axis 7: Technical Assistance

**Objective**

Providing support for the SOP HRD implementation process and effective use of the Community financial input and national co-financing through:
- Performing and qualified MA and Intermediate Bodies;
- Strategic use of evaluation;
- Coherence between actions, providing compatibility of projects with the EU policies:
- Promotion of SOP HRD’s objectives and operations.

Rationale

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

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

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

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

It is also in line with the provisions of Article 45 of the Council Regulation (EC) No 1083/2006 laying down general provisions on the ERDF, ESF and the CF, dedicated to Technical Assistance:

“At the initiative of and/or on behalf of the Commission, subject to a ceiling of 0,25 % of their respective annual allocation, the Funds may finance the preparatory, monitoring, administrative and technical support, evaluation, audit and inspection measures necessary for implementing this Regulation.”


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

Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>Baseline</th>
<th>Baseline Year</th>
<th>Source</th>
<th>Target (2015)</th>
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<td>-</td>
<td>SOP Monitoring reports</td>
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</table>

**Key areas of intervention**

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

### 3.2.7.1 Support for SOP HRD implementation, overall management and evaluation

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

**Indicative operations**

- Drawing up reports, background studies and research relevant to the programme’s implementation and for the preparation of the next programming exercise;
- Support the SOP HRD implementation, monitoring and control, evaluation (ex-ante, on-going, ex-post);
- Support to SOP HRD Monitoring Committee with regard to organisation and logistics;
- Training provided to the MA SOP HRD and IBs staff related to the specific activities;
- Expenditures on salaries of staff and experts involved in tasks connected with preparation, selection, appraisal, monitoring control and audit of the programme;
- Procurement and installation of IT (other than SMIS) and office equipment required for the management and implementation of the programme.

### 3.2.7.2 Support for SOP HRD promotion and communication.

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

**Indicative operations**

- Communication and information: elaboration of the Communication Plan, setting up a website, issuing and distributing information;
- Preparation and dissemination of promotional and educational material, organising conferences, training, road-shows, workshops, in particular on “best practice”, for the general public as well as for social partners, civil society and potential beneficiaries;
3.3 Coherence and compliance with Community and national policies

3.3.1. Community policies

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

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

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

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

**Equal opportunities**

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

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

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

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

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

**Sustainable development**

A special attention will be given to the incentive factors of sustainable development:

- high level of population education;
- high innovative capacity;
- generating activities of high added value.

By achieving its objectives, SOP HRD aims to contribute to the promotion of a competitive, efficient and knowledge based economy, in which the living standard increasing and life quality will be supported.

The strategic objectives in the field of human resources development will lead to promoting safe and healthy work conditions and will contribute to ensuring the physical and mental health of the personnel, and to maintaining its work capacity. This will allow the employees and the enterprises to face the changes and growing demands on the labour market, as well as the competitiveness demands. By achieving the strategic objectives in the field of human resources development, the new technology and the changes in the demands and work conditions will have a positive impact on the labour force, on the professional performances and, finally, on the labour productivity.

The labour force in Romania getting new abilities and professional skills, the introduction of new environment friendly non-pollutant technologies will be facilitated. This objective will be promoted through a series of actions in the field of sustainable education: the development of training programmes for teachers in order to get the necessary competences for the sustainable development inclusion in the teaching-learning process; the development of materials and tools specific to sustainable development; the development of a specific infrastructure education for sustainable development; the development of a specific national and international partnerships; the education development for the environment protection.

**Competition and State Aid**

The SOP HRD has been developed having regard to the Commission’s Guide to the Community rules on State aid. The provisions of Articles 87 and 88 of the Treaty in relation to competition rules are fully respected.

Acting according to its competence set out in the national legislation, the Competition Council, the national State Aid Authority\(^\text{41}\), has provided support to the OP Managing Authority and its Intermediate Bodies in respect of State aid applicable rules and it is

\(^{41}\) Competition Law no. 21/1996, republished and the Law no. 143/1999 on State aid, republished;
providing on-going operational advice and guidance. A special Task Force has been created at the level of the Competition Council in order to undertake these activities on a permanent basis.

The Competition Council, acting as the Contact Point with the European Commission, shall ensure the strict observance of the notification requirements and of the “standstill principle”. For those operations covered by a Block Exemption Regulations, the Competition Council shall provide the European Commission with all the information required by the relevant regulations. For the operations supported by State aid measures that, according to the Romania’s Accession Treaty, can be considered as existing aid, the Competition Council shall use the Interim Mechanism, once this mechanism is opened.

The aid schemes are expected to be submitted to the Commission within the programming period, whenever the EC rules request an ex-ante approval from the Commission. Specific obligations with regard to individual notification of aid granted under aid schemes which apply to certain sectors and for certain large investment projects will be respected.

Managing Authority will have the responsibility to ensure compliance with State Aid rules. In case the responsibility for implementation of the state aid rules is delegated to the Intermediate Bodies the Managing Authority will discharge its responsibility for compliance with state aid aids by ensuring that appraisal systems include the analysis of potential state aid issues and the compliance with the relevant notification or block exemption as appropriate. The answers to questions and guidance given will ensure that the applicants understand the limitations on assistance given and provide sufficient information to highlight any potential issues. Procedures will ensure that compliance is checked during claim checks and on the spot checks during certification and verification. Where delegated, spot checks on the work of the Intermediate Bodies will ensure compliance and consistency.

The Annual Implementation Reports will detail the measures undertaken in order to ensure the compliance of all operations with State Aid rules with respect to the provisions of block exemptions, “de minimis”, aid for Small and Medium-Sized Enterprises, regional aid, risk capital aid and environmental aid. In addition, the information required by the Commission for each block exemption and the information required by the Commission and by the World Trade Organization for notified schemes will be provided annually as required.

Public procurement

The National Authority for Regulating and Monitoring Public Procurement (NARMPP) has as mission the creation at conceptual level, the promoting and implementing of the policy in the public procurement field.

NARMPP is organised as a public institution with legal personality, being subordinated to the Government and being directly coordinated by the Prime – Minister.

It ensures a fully harmonised legal framework with the community provisions in the field of public procurement, and also the application of the legal provisions in the context of managing the Structural Funds and the Cohesion Fund, NARMPP has the following responsibilities:

- the elaboration of the strategy in the public procurement field;
- ensuring a coherent and harmonized with the community acquis in the field of public procurement by regulating the procedures for awarding public procurement contracts;
- ensuring a conform application of the legislation in the field of public procurement by developing the implementing capacity at the level of the contracting authority;
- the fulfilment of the correlative obligations derived by applying the provisions of the EU Directives in the field of public procurement;
- monitoring, analysis, evaluation and supervision of the methods used for awarding public procurement contracts;
- ensuring a permanent communication channel with the structures within the European Commission, with the correspondent institutions from the member States of the European Union and with the national public interest organisms and representing Romania within the Consultative Committees, working groups and communication networks organised by the European Commission;
- methodological counselling of the contracting authorities in the process of awarding public procurement contracts, having a supportive role in order to ensure the correct application of the legislation in this field;
- initiation/sustaining projects or actions for training the personnel involved in specific activities related to public procurement, having a supportive role in developing the implementation capacity of the legislation at the level of the contracting authorities;

**Ex-ante control**

The mechanism for the ex-ante control was established at the level of the Ministry of Public Finance; this mechanism shall function as an independent observatory system which will ensure the analysis and quality review of the tendering and contracting documents for all public procurement contracts (services, supply and works contracts) amounting above the thresholds to be established by the main stakeholders.

**3.3.2. National policies**

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

- The Strategy for Continuous Vocational Training on short and medium term 2005 – 2010;
- The National Action Plan for Employment (2004-2005);
- The Joint Assessment Paper on Employment Policy (October 2002);
- The Joint Inclusion Memorandum – 2005;
- The National Strategy on equal opportunities;
- The National social inclusion strategy of young over 18 leaving the State Child Protection System 2006-2008;
- The National Strategy for protection, integration and social inclusion of disable persons in 2006-2013 period “Equal opportunities for disabled persons – towards a society with out discrimination”

In the general framework of promoting economic and social cohesion, the achievement of the SOP HRD strategy objectives will be carried out through operations undertaken in the key areas of intervention identified within the 7 priority axes.
3.4 Complementarity of the SOPHRD with other Operational Programmes and with operations financed under the EAFRD and EFF

Complementarity with the Competitiveness Sectoral Operational Programme

The increase in the enterprises number on the labour market may be a direct effect of a promoting entrepreneurial training policy, supporting the consultancy and assistance services and supporting self employment by business start up.

SOP HRD will support the SME’s development by promoting entrepreneurial training and managerial competencies development and also by developing consultancy and assistance services for business start up. Therewith, will be promoted training programme for the ICT using in order to support the enterprises to adapt to economic development demands of a competitive market.

Complementarities between SOP HRD and SOP Economic Competitiveness may be identified in case of actions undertaken under SOP HRD PA 1 “Education and training in support for growth and development of knowledge based society” and under the following PAs of SOP Economic Competitiveness:

- **PA 2 “Research, Technological Development and Innovation for Competitiveness”:**
  - Under SOP HRD researchers will acquire managerial skills to be used for spin offs and spin outs for the creation of which specific support/incentives will be provided under SOP Economic Competitiveness.
  - Incentives and career opportunities offered to young researchers, as well as continuing training and sectoral mobility of researchers supported under SOP HRD will create the grounds for developing RDI activities supported under SOP Economic Competitiveness.

- **PA 3 “IT&C for private and public sectors”:**
  - Investments in ICT infrastructure for school units (internet connection of schools) will be financed under the key area of intervention “Supporting the Information Technology use”, creating pre-requisites for increasing the use of ICT in education and initial training and thus complementing the actions undertaken in this respect under the SOP HRD.
  - Under the key area of intervention “Development and increasing the efficiency of electronic public services”, actions undertaken will support the implementing of e-learning programs, consisting of development of educational portals to be used in teaching activities and for the development of the educational offers envisaged under the SOP HRD. The development of educational software under the SOP HRD, Priority Axis 1, will complement the “e-learning programmes” developed under SOP Economic Competitiveness.
  - “All teachers” training programs co-financed under SOP HRD will include a compulsory ICT module aiming at developing their digital competencies and ability to use ICT in their current teaching activities in support for developing information society in Romania. These approaches of the SOP HRD will provide grounds for complementing actions undertaken under the key area of intervention “Increased Information Technology use” and „Development and increased efficiency of modern electronic public services” of the SOP Economic Competitiveness.
Complementarity with the Regional Operational Programme

Complementarities between SOP HRD and ROP may be identified in case of actions undertaken under SOP HRD Priority Axis 1 “Education and training in support for growth and development of knowledge based society” and under ROP Priority Axis 2 “Improvement of social infrastructure”, as follows:

The investments for developing the necessary physical infrastructure in the initial and continuous education and vocational training system for creating the conditions for the development of human resources will be mainly financed under the activities provided in the ROP, under the Priority Axis 2 “Improvement of social infrastructure”, key area of intervention “Rehabilitation/modernisation/development and equipping of pre–university education and continuous vocational training infrastructure”. These actions will create proper conditions for learning and will support the aim of equal access to quality education for all pursued in actions undertaken under SOP HRD.

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

Concerning the necessary infrastructure investment for human resources development in the field of education, employment promotion, health and social inclusion, this will be financed by activities foreseen in the ROP.

SOP HRD will finance the investment for equipments and other technical installations, under flexibility rule, under condition that these will be needful for the operation achievement.

Complementarity with the Environment Operational Programme

The complementarity with the Environment OP is covered by PA1 activities (Education and training in support for growth and development of knowledge based society), respectively through environment programmes in education that will be part of the curricula. Specific actions related to environment field will be addressed to train the teaching staff.

Also, the PA3 “Increasing adaptability of labour force and companies” includes training programmes for enterprises in new fields, among which an important one will be the sustainable development and environment protection.

Complementarity with Administrative Capacity Development Operational Programme

With respect to SOP ACD, SOP HRD will not finance the vocational training actions having as a target group the staff from the authorities and public bodies at central and local level,
except for the staff in the National Agency for Employment. Also, SOP HRD will not finance studies on the analysis and development of the administrative capacity in Romania.

**Complementarity with Technical Assistance Operational Programme**

Within the Technical assistance priority axis will be implemented the communication and training actions for, MA SOP HRD and IB personnel, while the TA Operational Programme will draw up a more comprehensive communication plan that will include publicity actions for the Structural Investments as a global package. Furthermore, the training activities within the TA OP will cover a wider range of themes addressed for all the MA and IB.

**Complementarity with the National Strategic Plan for Rural Development**

It is wellcome that EAFRD supports the development of human capital in rural areas, particularly that for Romania this share of population represents a significant one. The National Strategic Plan for Agriculture and Rural Development integrated this provision in its strategy and shall also address people in rural areas, aiming at re-orienting them towards non-agricultural activities. NSP shall also provide training in agricultural activities.

For the people involved in agriculture or in subsistence agriculture SOP HRD will finance vocational training only in non-agricultural activities, with a view to orient them towards the service sector. There will be also promoted guidance, counselling and training for entrepreneurship in non-agricultural fields of activity.

The possible overlaps between the SOP HRD and NSP operations, which provide training in non-agricultural activities for people in rural areas, shall be avoided based on the eligibility criteria, which will be established in the Monitoring Committee for SOP HRD, where a representative of the Ministry of Agriculture, Forests and Rural Development will be present.
4. FINANCIAL PLAN

The financial plan of SOP HRD has been elaborated in correlation with the financial plan of the Romanian National Strategic Reference Framework 2007-2013. The SOP HRD will be financed from European Social Fund. The ESF allocation for SOP HRD is 3,476 million Euro, representing 84% of the total value of the Programme. The National counterpart is estimated at 661 million Euro. The three priorities envisaged for the development of human resources in Romania are supported by the financial allocations proposed, which indicate the importance given to each of the main ESF interventions in Romania’s SOP HRD:

1. **Promoting lifelong learning and the adaptability of labour force and enterprises** (PA 2 and 3), with a weight in the financial allocation of 40%;

2. **Promoting active employment measures** for the inactive population, especially for people living in subsistence agriculture, youths unemployed and long-term unemployed, as well as the **integration on the labour market** and the social inclusion of vulnerable groups (PA 4, 5 and 6): 33%;

3. **Education and training in support for growth and development of knowledge based society**, aiming at modernising the initial and continuous education and training systems, including supporting the university education and research (PA 1): 22%.

The financial allocations per Priority Axis took into consideration the seriousness of difficulties arising from the Analysis chapter and the SWOT analysis. The current figures and indicators were compared with the revised Lisbon targets in terms of knowledge based society, mainly participation to life-long learning, adaptability and promotion of scientific research in high added value economic sectors. In doing so, there were considered balanced allocations between reaching the Lisbon objectives and the Community Strategic Guidelines, proposing active employment measures and strengthened action for promoting social inclusion for people belonging to vulnerable groups. To this ending, there were proposed Priority Axis and Key Areas of Intervention that address these two complementary human resources development directions, and there were set up targets that should be achieved by the end of 2015.

**Life-long learning and promoting adaptability of workers and enterprises** represent the main objective of SOP HRD. CVT still remains a major challenge because participation in continuing training is at the lowest level in Europe: 1.1% in 2001, 1.1% in 2002, 1.3% in 2003, 1.5% in 2004, 1.6% in 2005, and enhancing access of employees to training is one of the challenges identified initially in JAP, in order to reach the Lisbon targets. The operations included with a view to ensure participation in vocational training or in catching up the missing basic education for certain categories of people make up a significant part of the programme. Participation of workers to training, mainly of those with low level of qualification, was identified as very low.

At the same time, promoting adaptability of the enterprises and employees to respond to the economic change, in the form of promoting the entrepreneurial spirit and innovation, the modern and flexible and more productive working arrangements stands as another intervention area supported by the SOP HRD. Inquiries among SMEs have outlined the need for the creation of new products/services, elaboration of strategies and company policies, new technological processes etc.

**The promotion of active labour market measures for the unemployed and inactive people**, including the people in rural areas occupied in subsistence agriculture, was included
among the other important measures for developing human resources in Romania. The employment rate of the working aged population in 2005, situates Romania at a 12.3 percent points distance compared to the Lisbon objectives established to be achieved in 2010 – general employment rate of 70%. As regards people in the rural areas they rate as the poorest (66.7% of the total poor population) and the poverty risk is much higher within this residence environment, due to occupation in subsistence activities and lack of relevant incomes.

At the same time, the modernisation of the Public Employment Service was seen as an important component in the spectre of labour market institutions called to make an important contribution to the efficient functioning of the labour market. The analysis outlined the need for developing staff competencies, which should allow a compliance of the personnel skills with the requests of providing specialized services. While in 2004, the number of civil servants which were trained was about 30% of the total number of personnel, in 2005 the percentage was only 25%.

Promoting the (re)integration of people at risk of social exclusion was considered equally important with a view to facilitate their return to and contribution on the labour market. As presented in the analysis, at the end of March 2005, 12,148 youths in state child protection system were aged between 14 and 17 years old, and 6,329 were over 18 years old. The figures on Roma population range from 535,000 people, as registered by the Census in 2002, and 2.5 million, as advanced by the Ethnic Federation of Roma population in Romania. However broad is this array, the number of Roma ethnics who face difficulties in the integration on the labour market is high. Of the total active population (22.9%), 28.5% were unemployed, seeking for a job. About 41% of employed were working in agriculture (of which one third are women) and 31% are unskilled workers. Moreover, Roma population is confronted with major vocational training deficiencies. More than 70% of the Roma population has no qualification or they develop activities which do not require a formal vocational training.

The modernisation of the initial and continuous education and training systems, upgrading of skills of the teachers and trainers, as well as promoting higher education and research, through doctoral and post doctoral programmes, stands as the third large priority funded under the SOP HRD.

The data available for the school year 2005/2006 indicate a decrease of the number of enrolments by 4.46% as compared to school year 2000/2001. The most severe decrease is recorded in case of enrolments in primary schools and gymnasia, respectively by 17.97% and 32.51% in the reference period (2000/2001 – 2005/2006). The analysis also showed that the low attractiveness of teaching career, the relative persisting rigidity in the professional routes of teachers contributes to the diminishment of the teaching personnel. As regards human resources in research, in 2004 in Romania the number of R&D employees per 100 employees was 0.46. This ratio is three times lower than the EU-15 (1.41R&D employees/100 employees). The number of R&D employees, especially highly qualified specialists, recorded a constant decrease trend.

As afore-mentioned, the socio-economic analysis and the SWOT Analysis delivered the information based on which the SOP HRD strategy was built. However, starting from the SOP HRD allocation and the many key areas of intervention identified, it had to be set up the targets that the programme will reach. In doing so, there were also assessed the types of operations that could address those specific weaknesses, both at system and individual level, and there were estimated the costs for each type of operation. One difficulty encountered in setting the targets related to the estimation of costs per each type of operation, knowing that a
certain objective, e.g. social inclusion of vulnerable groups, can be attained through various programmes, with various operations and thus different costs.

Table 38. Financing Plan of the SOP HRD Giving the Annual Commitment of Each Fund in the Operational Programme

Operational programme reference (CCI number):

<table>
<thead>
<tr>
<th>Year by source for the programme, in EUR:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural Funding (ESF)</td>
</tr>
<tr>
<td>(1)</td>
</tr>
<tr>
<td>2007</td>
</tr>
<tr>
<td>2008</td>
</tr>
<tr>
<td>2009</td>
</tr>
<tr>
<td>2010</td>
</tr>
<tr>
<td>2011</td>
</tr>
<tr>
<td>2012</td>
</tr>
<tr>
<td>2013</td>
</tr>
<tr>
<td>Total 2007-2013</td>
</tr>
</tbody>
</table>

Note: All funding are for regions without transitional support

Table 39. Financial plan of the SOP HRD giving, for the whole programming period, the amount of the total financial allocation of each fund in the operational programme, the national counterpart and the rate of reimbursement by priority axis

Operational programme reference (CCI number):

<table>
<thead>
<tr>
<th>Priority axes by source of funding (in EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Funding</td>
</tr>
<tr>
<td>(a)</td>
</tr>
<tr>
<td>National Public funding (c)</td>
</tr>
<tr>
<td>Indicative breakdown of the national counterpart</td>
</tr>
<tr>
<td>(e) = (a)+(b)</td>
</tr>
<tr>
<td>Total funding</td>
</tr>
<tr>
<td>EIB contributions</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>Priority Axis 1</td>
</tr>
<tr>
<td>184,366,771</td>
</tr>
<tr>
<td>81.23</td>
</tr>
<tr>
<td>Priority Axis 2</td>
</tr>
<tr>
<td>62,326,716</td>
</tr>
<tr>
<td>88.00</td>
</tr>
<tr>
<td>Priority Axis 3</td>
</tr>
<tr>
<td>49,280,008</td>
</tr>
<tr>
<td>80.42</td>
</tr>
<tr>
<td>Priority Axis 4</td>
</tr>
<tr>
<td>31,174,749</td>
</tr>
<tr>
<td>85</td>
</tr>
<tr>
<td>Priority Axis 5</td>
</tr>
<tr>
<td>64,471,803</td>
</tr>
<tr>
<td>85.86</td>
</tr>
<tr>
<td>Priority Axis 6</td>
</tr>
<tr>
<td>100,765,798</td>
</tr>
<tr>
<td>82.84</td>
</tr>
<tr>
<td>Priority Axis 7</td>
</tr>
<tr>
<td>24,537,593</td>
</tr>
<tr>
<td>85.00</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>514,923,438</td>
</tr>
<tr>
<td>84.02</td>
</tr>
</tbody>
</table>

*The co-financing rate for all Priority Axes is calculated on a total cost basis (public and private).
5. IMPLEMENTATION

5.1 Management

General framework for SOP HRD implementation

According to the General Regulation\(^{42}\), Art.59 (1), the following responsible authorities were designated for SOP HRD implementation:

**Managing Authority SOP HRD** – Ministry of Labour, Social Solidarity and Family (GD no. 497/2004).

**Intermediate Bodies SOP HRD**

- 8 Regional IBs under the MoLSSF subordination;
- National Agency for Employment (GD no. 1179/2004);
- Directorate IB SOP HRD, Ministry of Education and Research (GD no. 1179/2004);
- Directorate General for Higher Education, Ministry of Education and Research;
- National Centre for Development of Vocational and Technical Education;
- Foundation for Development of Civil Society;
- Romanian Fund for Social Development.

**Managing Authority for SOP HRD**

The Managing Authority is responsible for managing and implementing the Sectoral Operational Programme for Human Resources Development in accordance with the principle of sound financial management and clear separation of functions.

The Managing Authority is organised as general directorate with 77 positions and includes: the Directorate for Sectoral Operational Programme for Human Resources Development, the Phare Implementing Agency and the Phare Programme Implementing Unit.

The **Directorate of Sectoral Operational Programme Human Resources Development** comprises the following units:

- Programming
- Evaluation
- Monitoring and administration of IT system
- Financial Management and Control

The **Phare Implementing Agency** is acting as contracting authority for grant schemes under the Economic and Social Cohesion component, Human Resource Development priority, of the Phare National Programme 2004-2006.

The **Phare Programme Implementing Unit** is acting as Implementing Authority for the Institutional Building projects (technical assistance and supply) under the Economic and Social Cohesion component, Human Resource Development priority, of the Phare National Programme 2004-2006. This unit reports to the secretary of state in charge with European

affaires and external relationships.

The **Audit Unit** for SOP HRD is organised within the Internal Audit and Control Directorate of the MoLSSF, under the direct coordination of the minister. The direct reporting to the minister ensures the functional independence of the internal auditors.

The **Community Funds Control Unit** ensures the control based on the irregularities reports and issues the executory reports based on which the uncovered debts, in case of fraud, are recovered through the actions of the National Agency for Fiscal Administration.

The **ESF Head of Mission** ensures the horizontal technical coordination of ESF interventions both for HRD and Administrative Capacity Development.

**SOP HRD Intermediate Bodies**

The SOP HRD shall be implemented through 14 Intermediate Bodies, as follows:

With a view to eliminating the regional disparities, the **8 Regional IBs** shall have a regional approach, resulting from the particularities registered in each region. The 8 Regional IBs shall be responsible for the implementation of Priority Axis 3 “Increasing adaptability of labour force and enterprises”, key areas of intervention 1 “Promoting entrepreneurial culture” and 2 “Training and support for enterprises and employees in order to promote adaptability”; Priority Axis 5 “Promoting active employment measures”, key area of intervention 1 “Developing and implementing active employment measures”; and Priority Axis 6 “Promoting social inclusion”, key areas of intervention 2 “Improving the access and participation of vulnerable groups to the labour market”, 3 “Promoting equal opportunities on the labour market” and 4 “Trans-national initiatives on inclusive labour market”.

The 8 Regional IBs correspond to the 8 development regions:
- Region 1 North-East
- Region 2 South-East
- Region 3 South Muntenia
- Region 4 South-West Oltenia
- Region 5 West
- Region 6 North-West
- Region 7 Centre
- Region 8 Bucharest-Ilfov

The regional IBs are structured into 3 compartments:
- Implementation, monitoring, evaluation
- Financial Management and Control
- IT

The 8 Regional IBs shall support the implementation of SOP HRD in those areas of competence that were developed during the implementation of Phare Programme 2004-2006. In this respect, the ESF type of projects that were implemented by the 8 Regional IBs in the field of human capital, as regards active labour market measures and the social inclusion of people belonging to vulnerable groups, represented a key asset in designating them as SOP HRD implementing structures and in delegating them specific tasks, as provided in Implementation Agreement.
National Agency for Employment

The Intermediate Body within NAE is responsible for the implementation of the Priority Axis “Modernisation of Public Employment Service”.

According to GD nr.1700/2004 for the amendment and completion of the Status of National Agency for Employment (GO no. 968/2004), IB SOP HRD is organized at the directorate level, having in subordination the following specialised services for:

- Programming, Evaluation
- Monitoring, Financial Management and Control
- Management of the IT system

The objectives pursued under Priority Axis 4 recommended NAE as the institution that will implement the operations relating to the modernisation of the Public Employment Service. NAE already initiated the process of upgrading the skills and competences of its employees, and it also set the milestones for improving the quality of services provided as well as the satisfaction rate among NAE clients: unemployed, employers and job-seekers. The ESF funded projects will be elaborated by NAE experts in providing active employment measures, who are best aware of the development needs in the filed of modern, flexible and client-oriented quality services.

Ministry of Education and Research

For the implementation of SOP HRD there were established 3 Intermediate Bodies at the level of Ministry of Education and Research.

The need to ensure a proper administrative capacity for the implementation of Priority Axis 1 and 2 required the setting up of an institutional architecture based on the most recommended and experienced structures in managing Community funds (pre-accession) in the field of initial education and continuous vocational training. From this perspective, the total administrative capacity shall increase almost three fold, ensuring by that an increased absorption rate. By ensuring that, the operations targeted by each IB in the MoER, as regards (1) modernising the overall initial education offers, (2) the continuous vocational training and (3) the doctoral and post-doctoral programmes, shall be better addressed by the respective IBs designated.

The Intermediate Body SOP HRD is responsible for the implementation of Priority Axes 1 “Education and training in support of growth and development of the knowledge based society”, the key areas of intervention 1 “Access to quality education and initial VET”, 2 “Quality in higher education”, 3 “Human resources development in education and training” and 4 “Quality in CVT”. Also, IB SOP HRD shall implement Priority Axis 2 “Linking life long learning and labour market”, the key area of intervention 2 “Preventing and correcting early school leaving”.

The IB SOP HRD is composed of a central unit and 8 regional units. The central unit is organised as directorate with 30 positions. The organizational structure consists of 2 departments - Programming and Evaluation (including partnership development, information and publicity) and Monitoring, Financial Management and Audit, and IT unit. There are 56 positions (7 positions/region) for the 8 regional units, each of them being structured as follows: 2 positions for information, publicity and partnership development (also the
personnel is currently involved in programming activities), 2 positions for monitoring, 2 positions for financial management and one position for contracting and legal advice.

IB SOP HRD in the MoER will implement the delegated priority axes and key areas of intervention at national level. The national approach is justified by the fact that the modernisation of the educational offer, the development of human resources in initial and continuous education, as well as supporting university education, are operations that will be implemented in nation-wide programmes, benefiting pupils, students, teachers and other human resources in education.

The **Directorate General for Higher Education** (DGHE) shall be responsible for the implementation of Priority Axis 1 “Education and training in support of growth and development of knowledge based society”, key area of intervention 5 “Doctoral and post-doctoral programmes in research sector”.

As part of the MoER, DGHR was identified as the department holding the most relevant experience in elaborating the strategies in the field of doctoral and post-doctoral programmes in Romania. The characteristics of doctoral programmes in support of research and the specificities in implementation shall be better identified and pursued by being in the responsibility of this specialized structure in MoER.

**National Centre for Development of Vocational and Technical Education** (NCDVTE) shall be responsible for the implementation of Priority Axis 2 “Linking life long learning and labour market”, the key area of intervention 1 ”Transition from school to active life” and 3 “Access and participation in CVT”.

NCDVTE was among the first institutions in Romania who started the implementation of Phare Programmes in the field of continuous vocational training. Its many years experience in managing EU non-reimbursable financial assistance, stood as a major determinant in selecting this structure in its capacity of IB SOP HRD. At the same time, the absorption rate recorded by NCDVTE was one of the highest among the Phare implementing structures. The main responsibilities of NCDVTE related to ensuring cost-effective management of the programme, as well as avoiding any conflict of interests or partiality in the project selection procedures.

The **Civil Society Development Foundation** (CSDF) shall implement Priority Axis 3 “Increasing adaptability of labour force and companies”, key area of intervention 3 “Development of partnerships and encouraging initiatives for social partners and civil society” and Priority Axis 6 “Promoting social inclusion”, key area of intervention 1 “Developing Social Economy”.

CSDF was established in 1994 to manage the first Civil Society Development Programme. In its implementation activities it proved the capability of launching the programmes, organising the selections in a fair and professional way, organising the contracting properly and in ensuring transparent management.

Within the framework of Phare Programme for Civil Society, since 1994, CSDF provided grants to over 1,350 project promoters, non-governmental organisations and public institutions. The programme managed by CSDF had 100-130% contracting rate and 96-99% absorption rate.
The Romanian Social Development Fund (RSDF) shall implement Priority Axis 5, key area of intervention 2 “Promoting long term sustainability of rural areas in terms of human resources development and employment”.

RSDF is an NGO of public interest, established under the Romanian Government Authority. The operations implemented targeted income generating activities and job opportunities creation, responded to local needs and promoted cooperation and partnership. The global grant schemes implemented rose to 80 million USD. The beneficiaries were rural communities, mining communities, Roma communities and disadvantaged groups. Currently, RSDF includes 30 people permanent staff and 110 part time experts. By 2007 the permanent staff will increase to 48 people permanent staff and 150 part time experts.

MA SOP HRD shall delegate specific tasks to IBs SOP HRD for the implementation of the OP. To this ending, there will be concluded Agreements stipulating the rights and obligations of the MA and IBs, as regards projects appraisal and selection, monitoring, reporting, financial management and control systems, evaluation, information and publicity etc.

5.2 Monitoring and Evaluation

Monitoring Committee

The Monitoring Committee shall be set up within three months of the decision approving the operational programme (according to the new General Regulation). The Monitoring Committee of SOP HRD shall include the following representatives:
- MA SOP HRD;
- MA CSF (MoPF);
- IBs SOP HRD;
- Ministry of Economy and Trade;
- Ministry of Administration and Interior;
- Ministry of Agriculture, Forests and Rural Development;
- Ministry of European Integration;
- Partners from Central Institutions;
- Partners from Academic Environment;
- National Agency for Equal Opportunities;
- Civil Society;
- Audit Authority;
- Paying/Certifying Authority;
- Competition Council
- Trade Unions representatives;
- Employers’ organisations representatives;
- NGOs representatives;
- EC representative.

The Monitoring Committee shall ensure itself as to the effectiveness and quality of SOP HRD implementation, shall ensure the compliance with the national and community legislation and will observe the accomplishment of SOP HRD objectives through a rational use of the allocated resources.
The Monitoring Committee has the following responsibilities:

a) it shall approve the criteria for selecting the projects financed through the SOP HRD; the selection criteria shall be revised in accordance with programming needs;
b) it shall periodically review progress made towards achieving the specific targets of the operational programme on the basis of documents submitted by the Managing Authority;
c) it shall examine the results of implementation, particularly achievement of the indicators set for each priority axis;
d) it shall approve the annual and final reports regarding the programme implementation before they are sent to the Commission;
e) it shall be informed of the annual control report and of any comments from the Commission on this report.

The Monitoring Committee shall draw up its rules of organisation and working procedures, as well as the decision making procedure. The MA SOP HRD chairs the Monitoring Committee and ensures its Secretariat.

The MC shall include representatives of ministries which have complementary operations with SOP HRD: Ministry of Economy and Trade, Ministry of Agriculture, Forestry and Rural Development a/o. Implementation issues and timing in implementation of complementary operations could be also addressed during the MC meetings.

**The annual implementation reports and the final report**

MA SOP HRD will annually submit to the European Commission, beginning with 2008, an annual implementation report of SOPHRD and a final report after the closure of programming period. MA SOP HRD, together with IBs, has the responsibility to elaborate these reports.

The implementation reports must include the following information:
- the progress made in the SOP HRD implementation and its priority axes compared to the established indicators – the stage of the projects implementation;
- the financial implementation – the breakdown on each priority axis of the realised expenditures, their distribution on the national contribution and ESF contribution;
- the stages follow-up by MA SOP HRD and the Monitoring Committee in order to ensure the implementation quality and efficiency, especially:
  - the monitoring and evaluation measures, including the data collection arrangements;
  - a summary of all the difficulties meet in the implementation and all the taken measures;
  - the manner of using the technical assistance;
  - the measures taken for the publicity achievement and the information provision regarding SOPHRD;
- a declaration regarding the observance of the Community regulations regarding the SOP HRD implementation.
Evaluation of SOP HRD

Regulatory framework

Evaluation of Operational Programmes is an activity inseparable from the overall OP management and implementation arrangements, as a tool for assessing the relevance, efficiency, effectiveness of the financial assistance deployed, as well as the impact and sustainability of the results achieved.

The requirement to conduct systematic evaluation activities of the Operational Programmes and the general rules for those activities are determined in the Council Regulation (EC) No 1083/2006, laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund (Articles 47-49), hereinafter referred to as the “Council General Regulation”.

Types of Evaluation to be carried out

In accordance with Articles 48 and 49 of the Council General Regulation, three main types of evaluations will be carried out for SOP HRD:

- **An ex-ante evaluation** (before OP implementation commences)
- **Ongoing evaluations** (during the period of implementation of the OPs)
- **Ex-post evaluation.**

**Ex-ante evaluation.** For the programming period 2007-2013, the ex-ante evaluation is carried out for the SOP HRD by an external evaluator (a single contractor).

Ex-ante evaluation for SOP HRD is ongoing, with support of PHARE RO-2004/016-772.04.03.01.06- EuropeAid/121373/D/SV/RO “Ex ante evaluation”, project that carries out the ex-evaluation for all the operational programmes and is coordinated by the Managing Authority for Community Support Framework (MACSF) through the Evaluation Central Unit. Close cooperation with the Managing Authorities and other main stakeholders is ensured through the ex-ante process. The project started at the beginning of August and two Interim Reports were elaborated. Several meetings took place with the project experts and documents were provided by the MA for ex-ante evaluation. A first draft of the ex-ante report is foreseen for end November.

The ex-ante recommendations will be taken into account in the SOP HRD document.

**The summary of the ex-ante evaluation will be included further based on the submission of the ex-ante evaluators report.**

**Ongoing evaluations** carried out during the period of implementation of the SOP HRD shall be of three types – **a) interim, b) ad hoc and c) with a cross-cutting theme**, as follows:

*The Interim Evaluation* will aim at improving the quality, effectiveness and consistency of the assistance and the strategy and implementation of operational programmes. The interim evaluations will support the OP management process by analysing problems which occur during the implementation and propose specific solutions to improve the operation of the system.
There will be 2 interim evaluations of the OP: one evaluation to be carried out in the end of 2009 or beginning of 2010 and one in 2012. The first interim evaluation will examine progress to date in implementing the OP, looking particularly at issues such as management of the OP, whereas the second interim evaluation will focus more on priorities, looking towards the next programming period.

Ad-hoc evaluations will be carried out where programme monitoring reveals a significant departure from the goals initially set or where proposals are made for the revision of operational programmes. Ad-hoc evaluations can also address either implementation or management issues of an individual Priority Axis or Key Area of Intervention, or can be “thematic”.

Interim and ad hoc evaluations will be managed by the evaluation function of the Managing Authority and will be conducted externally, by independent evaluators.

Evaluations with a cross-cutting theme will be carried out where the evaluation is of a horizontal nature and completion of the evaluation demands involvement from more than one operational programme. These evaluations may examine the evolution of all or a group of operational programmes in relation to Community and national priorities. They may also examine particular management issues across all OPs. Evaluation with cross-cutting themes will be managed by Evaluation Central Unit of the Managing Authority for Community Support Framework and will be commissioned to external consultants.

Specific objectives, evaluation questions, tasks and expected results of interim, ad-hoc and cross-cutting evaluations will be defined separately for each evaluation to be conducted.

Ex-post evaluation shall be carried out by the Commission, in close cooperation with the Member State and the Managing Authority, according to art. 49 (3) of the Council Regulation (EC) No 1083/2006.

The Commission may also carry out strategic evaluations, as well as evaluations linked to the monitoring of operational programmes, according to art. 49 (1) and (2) of the Council Regulation (EC) No 1083/2006.

Institutional framework for evaluation

The national institutional framework for evaluation comprises 2 levels:

- an overall coordination level, ensured by the Evaluation Central Unit established within the MACSF structure, Ministry of Public Finance
- a functional level, composed of the Evaluation units established within each MA.

The coordination role of the Evaluation Central Unit can be summarized as follows:

(i) Carrying out cross-cutting evaluations;
(ii) Providing capacity building activities to support and develop the operational capacity of the evaluation units established in the Operational Programmes Managing Authorities.
(iii) Providing overall quality assurance activities to ensure the quality of all evaluations.

The evaluation unit established within the SOP HRD Managing Authority will be responsible for managing the following types of ongoing evaluations:
(i) *Interim evaluations* and  
(ii) *Ad hoc evaluations*.

The evaluation unit will act in co-operation with the Monitoring Committee and will interact on a constant basis with the Evaluation Central Unit.

**Evaluation Plans**

The MA evaluation unit will draft an Evaluation Plan, which will comprise the indicative evaluation activities it intends to carry out in the different phases of the programme implementation, the indicative human and financial resources allocated for each evaluation activity, the actions aimed at capacity building, as well as the incumbent responsibilities. This planning shall be done in accordance with the new Regulations on Structural Instruments, the methodological working papers on evaluation issued by DG REGIO and the methodological working papers on evaluation issued by MACSF - Evaluation Central Unit.

**Operating arrangements**

Steering Committees will be established for each evaluation, in order to fulfil, as a minimum, the following tasks: set the terms of reference for individual evaluations, facilitate the evaluator's access to the information needed to perform his/her work; support the evaluation work, particularly from the methodological standpoint; ensure that the terms of reference are correctly respected and followed; exercise quality control in relation to evaluation performed. Under the coordination of Evaluation Central Unit, a follow-up mechanism of the evaluation recommendations will be set-up in the SOP HRD Managing Authority.

As concerns the **availability for the public** of the evaluation results, the executive summary of the evaluation reports will be made publicly available. The means of communication will be readily identifiable and accessible.

**5.3 Financial management and control**

The Ministry of Public Finance is designated by the Member State to fulfil the role of National **Certifying Authority** for all OPs, responsible for certifying declarations of expenditure and applications for payment before they are sent to the Commission in line with the provisions of Article 61 of the General Regulation 1083/2006. The Certifying Authority is built on the National Fund structure making use of the pre-accession experience.

A separate unit of the National Fund (FN) structure is designated by the Member State to act as the **Competent Body for Payments**, responsible for receiving all payments of ERDF, ESF and Cohesion Fund resources made by the Commission in respect of all OPs and for transferring payments of Community resources to the Beneficiaries (as defined in Article 75 (2) of General Regulation 1083/2006).

An associate body of the Romanian Court of Accounts has been designated as **Audit Authority** for all OPs. In line with the requirements of Article 62 of the General Regulation 1083/2006, this Audit Authority is operationally independent of the Managing Authorities, Certifying Authority and Competent Body for Payments.
Certifying Authority and Competent Body for Payments – shall be responsible in particular for:

1) **Certification** – draw up and submit to the Commission certified statement of expenditure and payment claims in computerised form;

   It is certifying that:
   - the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;
   - the stated expenditure complies with applicable Community and national rules and was incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme and complying with Community and national rules.

   Within this purpose, the tasks of the Certifying Authority are as follows:
   - to ensure that the received information on the procedures and verifications carried out in relation to expenditure and included in expenditure statements provides an adequate basis for certification, which entails:
     - to verify the compliance of the claimed figures with the database;
     - to verify the correct calculation of the total amount of eligible expenditures;
   - to take account of the results of all audits carried out by or under the responsibility of the Audit Authority/internal audit body or European Commission.

2) **Payments** – with this purpose will be performed the following activities:
   - receives the ERDF, ESF and CF instruments;
   - transfers the ERDF, ESF and CF instruments and the co-financing amounts (if is the case) to the beneficiaries/paying units;
   - draws up and submits the estimation of expenditures to the EC;
   - based on MA assessment, compiles and submits to the EC updated payment forecasts;
   - returns the EC non-eligible expenditures or the instruments that were not used, including interest of late payment;
   - keeps a debtor ledger.

The Managing Authority SOP HRD is responsible for managing and implementing its Operational Programme efficiently, effectively and correctly in line with the provisions of Article 60 of the General Regulation 1083/2006. The Managing Authority SOP HRD will work closely with the designated Certifying Authority and Competent Body for Payments in fulfilling the responsibilities of financial management and control to ensure that:

- Money is used most effectively to achieve the objectives of the SOP HRD;
- Use of resources is publicly accountable to the EU and the Member State;
- Budgetary control is effective so that commitment is sustainable within the SOP HRD and financial planning profiles are adhered to;
- Contracting is within budget;
- Procurement of goods and services under projects financed:
  - takes place;
  - conforms to EU and Member State rules;
  - represents value for money;
- Financial statements sent to the European Commission and other bodies are correct, accurate and complete:
• correct - funds are applied correctly;
• accurately – free from errors;
• complete – all relevant items have been included;

• Payments to Beneficiaries are made regularly and without undue delay or deductions;
• Co-financing resources are provided as planned;
• Payments are properly accounted for;
• Irregularities are notified in line with EU regulations;
• Any sums wrongly paid out are recovered swiftly and in full;
• Unused or recovered resources are re-committed within the SOP HRD;
• De-commitment is avoided – particularly in relation to the n+3/n+2 rule;
• Closure of the SOP HRD takes place smoothly and on time.

Within the purpose of expenditure certification to the European Commission verifications are carried out on four levels:
   1) certification of expenditures at the Beneficiary level;
   2) certification of expenditures at IB level;
   3) certification of expenditures at MA level;
   4) certification of expenditure at Certifying Authority level.

Verifications carried out at the IB level are delegated tasks from MA, based on its assessment regarding administrative capacity. The MA will remain responsible for the tasks delegated to the IB. The tasks performed in that sense will not duplicate checks carried out at IB level.

Regarding the payment process, this will be made through the Paying Unit within the MA for SOP HRD (indirect payment). The financial flow presented below details the overall certification and payment system foreseen for SOP HRD.
**Financial flow of the SOP HRD**

**European Commission**
- Transfer the pre-financing
- Approves and transfers the interim payments to the CA;
- Transfers the final payment to the CA after the approval of the specific supporting documents

**Certifying Authority and Competent Body for Payment**
- Verifies that there are appropriate control procedures at MA/IB level
- If necessary, performs on the spot checks at lower levels
- Submits the interim payment applications + their certification to the EC, 3 times a year
- Submits to the EC the final payment application
- Transfers unpaid sums + ineligible expenditure
- Makes payments to Beneficiaries/paying units

**Managing Authority/Intermediate body**
- Confirms that the claims include only expenditure:
  - that has been actually incurred
  - incurred in operations that were selected for funding in accordance with selected criteria & procedures
  - from measures for which all state aid has been formally approved by EC
- Performs on the spot checks at the lower levels, based on risk analysis
- Assures itself that there are adequate controls performed at lower level
- Submits the payment application + certificates to CA

**Paying Unit (MA)**
- Makes the payments to the Beneficiaries

**Beneficiary**
- Verifies the accuracy, actuality and eligibility of expenditures (ex-ante)
- Submits the payment application to the MA/IB + supporting documents

**Contractor**
- Issues the invoice to the B

Audit Authority
- System Audit
- Sample checks
- Statement of validity (winding-up)

Flow of documents
Internal Control System

The internal control system consists of the managerial control and the preventive financial control, applying to all operations that affect public funds and/or public patrimony.

The preventive financial control (PFC) is regarded as a major component of the internal public control, together with the “managerial control” and “internal public audit” and also a type of ex-ante control, meaning that it is organized on documents before they become legal commitments.

The systematic checking performed by the internal PFC, on each operation submitted for verification, shall consider:

- **Legality**, which refers to the observance of all provisions, applicable and in force at the date of the operation;
- **Regularity**, which refers to the observance of all principles and procedural rules;
- **Compliance** with not exceeding the maximum amount of external granted funds as well as with the quota of budgetary allocation according to the law.

At the same time, the heads of different specialty compartments, who are preparing and submitting operations/documents for visa, are also responsible, at their levels of competence, for the reality, regularity and legality of the documents certified.

The whole activity of the Internal Preventive Financial Control Unit within MA SOP HRD is carried out by observing the legal framework established by the Ministry of Public Finance as being the governing institution in the field, for all the institutions/bodies within central and local administration managing public funds. In application of these regulations, institutions including the Ministry of Labour, Social Solidarity and Family are developing their own norms, to be used for this specific activity.

The PFC within MA SOP HRD comprises verifications performed on the following categories of operations:

- contracts;
- request for funds (request for funds to the Certifying and Payment Authority);
- payments (payment authorizations - for either pre-financing, interim or final payments, payment orders);
- recovery of funds (for different situations: when the signed contract is terminated, when the amount approved as eligible expenditure is inferior to the pre-financing payment effected, when an error or irregularity having financial impact has been identified).

Identification and reporting of irregularities

The legal basis is represented by Commission Regulation no. 1681/94 concerning irregularities and the recovery of sums wrongly paid in connection with financing of structural policies, the Council Regulation no. 2988/95 on the protection of the European Communities’ financial interests and the Romanian Government Ordinance no. 79/2003 which settles the ways of control and recovery of sums resulted non-reimbursable EU financial assistance.

The objective of this section is to describe the identification and reporting of any suspected fraud or other irregularity. This section will also deal with the importance of the immediate implementation of corrective action (including sanctions and launching of civil or criminal
proceedings) deemed necessary as a consequence of the investigation of an irregularity.

Irregularities involving loss of EU funds of less than 10,000 Euro are not required to be reported to the Commission under the new EU legislation unless the Commission expressly requests it.

Therefore, irregularities of over 10,000 Euro and all irregularities committed intentionally must be reported to the European Commission. These reports are accumulated and checked by the Certifying/Paying Authority and then are forwarded to the Anti-Fraud Coordination Service (AFCOS) for transmission to OLAF on a quarterly basis. The Certifying/Paying Authority receives the reports from the MAs and it must include any reports on irregularities within the Certifying/Paying Authority itself.

In order to allow a proper process of prevention, detection and reporting of irregularities, at the level of the MA, IB and Beneficiary (B), an irregularities officer is appointed to this purpose. The irregularities officer appointed at the level of the B prepares quarterly and ad-hoc reports and submits them to the IB. The irregularities officer appointed at the level of the IB prepares quarterly and ad-hoc reports and submits them to the MA. The irregularities officer appointed at the level of the MA prepares quarterly and ad-hoc reports and submits them to the Paying/Certifying Authority.

The irregularities officer takes action both from own initiative and on the complaints received. The irregularities officer carries out its activity based on the Irregularities Manual that will be prepared at the level of each structure involved (MA, IB and B).

**Internal audit**

Within all ministries involved in the implementation of the SOP HRD have been established Internal Audit Units that are independent from the structures performing the tasks of Managing Authorities (or Intermediate Bodies) and are directly subordinated to the head of the institutions concerned.

The methodological coordination of these Units is ensured by a special unit within the Ministry of Public Finance, namely the Central Harmonizing Unit for Public Internal Audit (CHUPIA).

**Attributions of Central Harmonizing Unit for Public Internal Audit**

- Developing and implementing uniform procedures and methodologies based on international standards agreed by the European Union, including internal audit manuals and audit trails.
- Developing risk management methodologies.
- Developing the Ethical Code of the internal auditor.
- Endorsing the methodological norms on PIA, specific to the different domains of activity in the field of public internal audit.
- Developing a reporting system for the results of all public internal audit activities and elaborating an annual report.
- Verifying whether norms, instructions, as well as the Ethical Code are respected by internal audit services in public entities; it may initiate the necessary corrective measures in co-operation with the Head of the respective public entity.
- Co-ordinating the system of recruiting and training in the field of public internal audit.
Tasks of the Public Internal Audit Unit

Public Internal Audit Units within the ministries that implement Structural Funds and Cohesion Funds, have specific audit manuals for the European Funds.

According to the law, the tasks of the Internal Audit Unit are the following.

- Performing internal audits activities in order to assess whether the financial management and control systems of the public entity are transparent and comply with the norms of lawfulness, regularity, cost-effectiveness, effectiveness and efficiency;
- Informing CHUPIA on the recommendations not followed - by the head of the audited public entity and of their consequences
- Reporting periodically on the findings, conclusions and recommendations resulted from its audit activities.
- Preparing an annual overview of its activities in the annual report.
- Reporting immediately to the Head of the public entity and to the inspection unit in case of detecting any serious irregularities or fraud cases.

Audit Authority

Romania has established an Audit Authority for all Operational Programmes through Law no 200/2005.

The Audit Authority is an associated body to the Court of Accounts, without legal capacity, operationally independent from the Court of Accounts and at the same time independent from all the Managing Authorities and Certifying Authority.

In accordance with to the provisions of the Law 200/2005, art. 14\(^2\), the Audit Authority has the following responsibilities:

- system audit, sample checks and final audit;
- checks and external audit for the structural funds;
- annual checks of the management and control systems;
- checks of the statements of expenditure, on the basis of an appropriate sample;
- carries out appropriate checks in order to issue winding-up declarations at the closure of measures and programmes;
- checks the existence and correctness of the national co-financing.

5.4 Information and Publicity

All information and publicity measures related to the Operational Programme shall be implemented in accordance with the requirements set down in Commission Regulation No.1159/2000 (EC).

In accordance with this Regulation, the objectives of information and publicity measures will be:

- to ensure transparency through the provision of information on the operation of the Structural Funds, the availability of funds and application procedures for potential beneficiaries, as well as for regional and local authorities, the economic and social partners and Non-Governmental Organizations.
to improve understanding of Community measures through raising awareness of the role played by the Structural Funds and the European Union in regional development and in the support of economic and social cohesion in Romania.

The support of the EU shall be indicated in accordance with the provisions of the above-mentioned Commission Regulation and at all appropriate locations.

The implementation of information and publicity activities regarding the European Social Fund at the national level shall be performed in line with the Information and Publicity Strategy elaborated by the Managing Authority for Community Support Framework.

Managing Authority SOP HRD will elaborate the Communication Plan for OP HRD. For the identification of the information needs, before the elaboration of the strategy, it will be developed a qualitatively research through public opinion polls which will determine the information needs and the expectation of the target groups. At the same time, it will be identified the style, the message and the content of the informative packages and the information channels which would be used for each target group.

The Communication Plan elaborated by the Managing Authority for Sectoral Operational Programme Human Resources Development sets out the objectives, strategy, content, target groups, budget allocation and criteria to be used for evaluating the effectiveness of the measures as well as the responsible department or body for each publicity and information measures.

Two publicity and information officers are appointed within the Managing Authority OP HRD.

5.5 Management Information System

Concept of the Single Management Information System

The Single Management Information System is a nation-wide web-based information system, supporting all Romanian organisations implementing the National Strategic Reference Framework and Operational Programmes. The system is addressing the needs of all management levels (Managing Authorities, Intermediate Bodies, Certifying Authority etc.) and through all the stages of the programme cycle (programming, tendering, contracting, monitoring, evaluation, payments, audit and control). SMIS main characteristic is that it provides its users with a single mechanism for assisting them in accomplishing their everyday tasks.

SMIS design and functionalities

The SMIS design follows three main principles: data availability (data are directly available following the request of an authorized user); data confidentiality (data are provided only to those users authorized for accessing that specific piece of information); data integrity (data processing should occur only by authorized users under authorized means). As means for implementing the three aforementioned principles the system supports multiple users categorized into a number of user groups/roles. In that way user permissions are easily organized and managed and the access to information can be thoroughly audited and logged in a flexible way.
In order to provide an effective management tool, the functional model of the SMIS is based on a set of subsystems, which together reflect the broad range of functionalities the System is designed to perform, as follows:

- **Programming** which allows the registration and the modification of the main information on the NSRF broken down at lower levels on OPs, priority axis, key area of intervention and operation;
- **Project accession and modification** (registration and the modification of the main information on projects, including the contracts\(^{43}\));
- **Monitoring** which allows observing the NSRF progress at all levels, where appropriate against targets previously set; It also allows automatically bottom-up aggregation of the **actual value** of the core data which are registered at lower levels of the System
- **Audit** which registers the control and audit findings and generates the audit reports;
- **Funds flow management** which deals with payment request forecasts, inflows, project revenues, suspensions and recoveries of funds.

**Electronic data exchange with the European Commission** will be done through an interface between SMIS and the EC management information system which is currently under development within the project SFC2007 – Electronic Data Exchange.

At the level of MA and IBs, specialised units have been created, in charge with data base management for SOP HRD and SMIS maintenance.

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\(^{43}\) A contract is a legal commitment concluded between the Beneficiary and the Grantee or Provider of the services, works or supplies necessary to implement a part of a project.
6. PARTNERSHIP

According to Chapter 21 provisions “Regional Policy and Coordination of Structural Instruments”, recommendations of monitoring missions from the European Commission - DG Regional Policy and DG Employment, Social Affairs and Equal Opportunities - as well as the provisions of the Council General Regulation regarding Structural and Cohesion Funds on the partnership principle in programming process, the Sectoral Operational Programme HRD was elaborated within an extended partnership process.

As a whole, the consultation process provides the support from the social partners as regards the human resources development in the next years. The dialogue aimed at the following:

- Obtaining partners agreement on the development of priority objectives;
- Ensuring the transparency of the elaboration process;
- An increasing commitment and involvement of partners.

As the institution responsible for European Social Fund management and coordinator of Sectoral Operational Programme for Human Resources Development elaboration, the Ministry of Labour Social Solidarity and Family, through the Managing Authority SOP HRD, initiated the consultation process with the relevant institutions at central and local level, as well as with social partners and NGOs active in the social field.

The inter-institutional partnership involved Ministry of Public Finance, Ministry of Education and Research, National Agency for Small and Medium Enterprises and Cooperative, Ministry of Health, National Agency for Employment, National Institute for Research in the field of Labour and Social Protection, the Anti-Poverty Commission and Promoting Social Inclusion, the National Training Board for Adults, the National Agency for Roma, the National Agency for Equal Opportunities between Women and Men, the National Authority for Disabled People, the National Agency for Family Protection, the National House for Pensions and other Social Insurance Rights, the Labour Inspection, other line ministries and relevant agencies.

Moreover, the consultations included the social partners and representatives of civil society. These consultations took the form of a concentrated cooperation, as it happened with the group of NGOs constantly active nearby the MoLSSF, which are permanently active in the legal consultations initiated by the ministry. At the same time, there were invited for consultations various NGOs with expertise in the social field, as in the case of the meetings organized in Bucharest or at regional level.

With a view to giving greater significance to the consultations with the organizations involved, MA SOP HRD organized thematic meetings for submitting the SOP HRD to public debates. Thus, there were organised separate meetings with trade unions and employers organizations and representatives of NGOs active in the following areas:

- child protection and youths over 18 years old who leave the state system for child protection;
- protection of disabled people;
- Roma population;
- equal opportunities between women and men;
- business environment.
More meetings were organised at regional level, together with the Regional Development Agencies and the County Agencies for Employment, where there was a large attendance from the representatives of local councils, prefects’ offices, town halls, local agencies for employment, county school inspectorates, universities and business environment – trade unions and employers’ organisations – and civil society (associations, foundations, other NGOs).

Another target group was the NGOs with history in accessing Phare Funds, as an informed segment of future project promoters, but also the NGOs experienced in providing social services at national and local level, interested in the ESF funding.

These meetings were organised in several stages in the city centres of the Development Regions, i.e. Bucharest, Călărași, Craiova, Timișoara, Cluj-Napoca, Alba Iulia, Piatra Neamț, Brăila, by MA SOP HRD and IB SOP HRD. Besides that, there were held information sessions in other cities such as: Bistrița, Ploiești, Târgu Jiu, Turnu Severin, Sinaia, Oradea.

MA SOP HRD also participated in the Caravan organised by the Ministry of Public Finance in the 8 development regions, which aimed at promoting NDP 2007-2013, NSRF 2007-2013 and the Operational Programmes.

During January – March 2006, the series of meetings with civil society intensified and communications on the SOP HRD were provided to the Association of Cities in Romania, the Association of Municipalities in Romania, to professional associations and other groups involved in the development of human resources belonging to business.

Furthermore, the electronic version of the SOP HRD was posted on the MoLSSF internet webpage, so that local authorities, NGOs, companies, individuals interested in the Programme be able to send their comments.

The result of these consultations materialized in proposals for improving the socio-economic analysis, the SWOT analysis, the Strategy, as well as the fields of interventions and the indicative operations included in the OP HRD. Approximately 1,000 entities were involved in the consultation process and more than 100 suggestions were taken on board.
ANNEXES