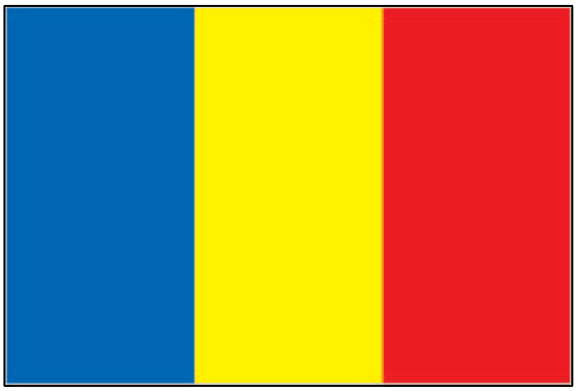
CLIMATE CHANGE LEGISLATION IN

ROMANIA

AN EXCERPT FROM

The 2015 Global Climate Legislation Study

A Review of Climate Change Legislation in 99 Countries



Michal Nachmany, Sam Fankhauser, Jana Davidová, Nick Kingsmill, Tucker Landesman, Hitomi Roppongi, Philip Schleifer, Joana Setzer, Amelia Sharman, C. Stolle Singleton, Jayaraj Sundaresan and Terry Townshend

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Romania

Legislative process

Romania is presided over by a President elected by popular vote for a term of 5 years. Legislative power is represented by the Parliament and executive power is vested in the Prime Minister who is appointed by the President with the consent of the Parliament. The prime minister appoints the council of ministers, also known as the cabinet.

Parliament is bicameral consisting of the senate and the chamber of deputies. Members of both chambers serve four-year terms and are elected by a popular vote in a mixed proportional system. Citizens cast two votes – one for each chamber; candidates who receive more than 50% of the votes are directly elected while the remaining seats are distributed among political parties in proportion to the share of the vote their candidates receive.
Romania has a civil law system; the High Court of Cassation and Justice and other courts of law administer judicial power. Local government is divided into counties, towns and communes; there are 41 counties and one municipality – Bucharest. Responsibility for addressing climate change is shared between the government and the 42 local authorities.

Parliament consists of permanent standing committees, issue-specific groups, and the legislative council. The executive branch and members of parliament may initiate draft bills. Citizens may also initiate legislation through popular petition. Fiscal issues, international issues, amnesty and pardon are exempted from the citizens' legislative initiative.

All draft bills are submitted to one of the two chambers for debate, along with advisory notes by the legislative council. After amendment proposals by parliamentarians and comments by the respective standing committees, the bill is presented in the chamber for debate and voting. Ordinary draft bills other than constitutional amendments require only a majority vote in a chamber to be passed; once it is passed in one chamber the bill is passed on to the other chamber for debate and voting. If it is passed in both chambers, the bill becomes a law, if not the bill will be returned to the chamber where it is rejected to be reconsidered; the decision of which becomes final.

Approach to Climate Change

Romania ratified the UNFCCC in 1994 and the Kyoto Protocol in 2001. It submitted its 6th communication to the UNFCCC in 2013. In accordance with the Protocol, Romania reduced its GHGs by 8% during the commitment period of 2008-2012 compared to the base year of 1989, when the JI/CDM limit had an annual emissions cap of 10%. The country has also participated in the EU ETS since its entry to the EU in 2007. Joining the EU has led to a transition period for many climate change-related programmes, plans and activities.

Due to a major transformation in the economy and deindustrialisation since 1990, GHG emissions had fallen by 54.5% by 2005, meeting most emissions targets based on international commitments. However GHG emissions trading was halted in 2011 when Romania was suspended by the compliance committee of the Kyoto protocol because of methodological noncompliance and resultant deficiencies in the GHG inventory system. The authorities are taking steps to rectify the situation.

The Ministry Of Environment, Water and Forest has the overall responsibly for climate change-related administrative measures including inter-ministerial co-ordination, national strategy and action plans, administration of the national GHG inventory, implementation of emissions trading and national communication to UNFCCC.

The economic decline and industrial restructuring in the 1990s and the subsequent accession to the EU have had a strong influence on the approach towards climate change-related legislation, policies and programmes. Romania is setting up an institutional infrastructure for climate change, although a 2012 UN environmental performance review notes that the subject receives moderate attention. The report notes that an inter-ministerial consultative body, the National Commission on Climate Change (NCCC), is mandated to integrate climate change policies with sectoral policies and to provide advice related to national communication to UNFCCC, JI implementation etc. However, this body is underused. The report adds that there are no effective working groups on transport, agriculture or energy efficiency.

During the accession phase to the EU, Romania only had a short-term National Strategy for Climate Change and a National Action Plan (for the period of 2005-2007), whose objectives were establishing compliance to international commitments and some voluntary measures to reduce carbon intensity in the economy, adaptation to impacts of climate change and participation in flexible mechanisms without affecting the competitiveness of the economy. This strategy was updated to the National Climate Change Strategy for 2013-2020 to integrate various sectoral approaches and a National Action Plan 2011-2020 outlines the operational mechanisms. The Energy Strategy 2007-2020 proposes modernisation of the energy sector, increased innovation and use of renewable sources. The National Administration of Meteorology was upgraded by law under the Ministry of Environment in 2004 to conduct measurements and studies in meteorology and climatology. A government directive established the National GHG Inventory system in 2007, co-ordinated by the Ministry of Environment and Climate Change.

There is a National Strategy for Sustainable Development 2013-2020-2030, which aims to ensure the sustainability of sectors by integrating their economic development with emissions commitments. Instruments to manage climate change include primary legislation in the form of laws and acts, ordinances that are sometimes adopted in Parliament as laws, general environmental regulation in the form of government directives or ministerial orders and legislation related to specific sectors such as energy, transport, agriculture and forestry, and specific planning programmes. For example, the law that enables the geological storage of CO2 and GHG-minimising specifications for petrol and diesel are regulatory while modernisation of industry transport, services, residential and agricultural sectors are planning programmes.

The 6th National Communication to the UNFCC states that the main concern is to integrate the fight against climate change with everyday behaviour, for which the main instruments proposed are co-operation from industry for green practices and ecological education. Given the economic transition from the 1990's, the key aim is inclusive and green growth. To this end, the National Climate Strategy 2013-2020 stresses research and innovation, education and public campaigns along with planning programmes and regulatory measures. This strategy and the Action Plan on Climate Change Adaptation developed under the National Reform Programme (2012) mentions measures under implementation including electricity generation from renewable sources, research on carbon capture and storage, reforestation, a law on green certification, subsidy programmes for energy savings in

industries, upgrading heating system in public institutions to be renewable or energy efficient, economic incentives for high efficiency co-generation programmes (electricity and heat), information measures like energy labeling, information and training for municipalities, training programmes for universities, industry etc., integrating state and local government programmes), making district heating systems and the multistoried buildings energy efficient and so on. Climate mitigation is mainly conceived through energy efficient technologies, fuel-efficient transport, modernisation of the residential building stock, affordable and clean energy production and implementation of feasible measures for carbon capture.

Energy supply

Most measures in the energy sector are planning programmes and economic incentives rather than legislation. Romania meets more than 75% of its gas demand from domestic production, with the rest imported from Russia. The energy sector accounted for 68.3% of total national GHG emissions in 2009, but it emitted 44.79% less than in the base year of 1989. The State is the main owner of the energy industry, although the oil processing industry is privately owned. District heating CHP facilities are owned by municipalities and require urgent modernisation. The Energy strategy 2007-2020 emphasised the need to diversify production to nuclear and natural gas, improved efficiency, promotion of renewables and zero emission technologies.

In 2004, Romania established quota obligations for energy companies, combined with tradable renewable energy certificates, to promote clean energy. The system was overhauled in 2008 to integrate with EU obligations. Romania's EU target for renewable energy was 24% of total energy consumption by 2020, but the energy strategy (2007-2020) established a target of 35% by 2015 and 38% by 2020. Hydro, biomass and wind are identified as the major sectors for improvement through opening for business investment.

Energy demand

The National Strategy for Energy Efficiency 2004-2015 proposes to decrease energy intensity by 40% by 2015 compared to 2001 levels. Industry is the biggest energy-consuming sector. Energy demand reduced 19.8% over 2005-2010. To reduce demand from the residential sector, the government has promoted modernisation of district heating system and state subsidies for upgrading multi-storied buildings. The green certification scheme and the renewable energy law helped to increase the proportion of renewable energy to 23.4% of the total consumption in 2010. The National Climate Strategy 2013-2020 aims to integrate measures at municipal level including land-use planning, public transport, road construction, and public procurement.

The Romanian Energy Efficiency Fund became operational in 2004 with a capital of USD10m to leverage co-financing of energy efficiency projects financed from domestic and foreign sources. Loans to enterprises and municipalities from 2004-2011 amounted to USD13.7m. Many JI projects have been signed– the 5th national communication states that the total quantity of emission reductions to be generated by these projects for the period 2008–2012 is about 14m tons of CO2 equivalent.

Based on a programme named Casa Verde launched in 2010, individuals were provided financial support to replace and supplement conventional heating systems with energy from renewable sources; the budget in 2012 was EUR35m. Government Executive Orders adopted in 2009 and 2010 established a legal framework to support schemes that improve the energy performance of residential buildings like co-financing, state subsidies, or government guarantees for bank loans. Information and public awareness schemes such as

eco-labeling of products, public campaigns are at incipient stage of implementation. The National Plan for Environmentally-Friendly Public Procurement for 2008-2013 fixes a target of 7% for green procurement by public authorities.

Carbon pricing

The original law that established air pollution tax for vehicles in 2002 was restructured in 2007 in anticipation of participation in the EU ETS. Motor vehicles registered for the first time are subject to a car pollution tax. Biofuels are exempted from the payment of excise duties. A government decree proposes to tax fossil fuels other than natural gas and also to tax surplus revenue as a consequence of price deregulation of natural gas.

Transportation

For the past two and a half decades, transport has been a growth sector. The number of registered motor vehicles increased by 231.8% between 1989 and 2006 and GHG emissions from transport were up by 22% between 1990 and 2011. In 2010, transport represented 15% of total GHG emissions. In 2013, the Ministry of Environment and Climate Change issued legislative proposals to tax polluting emissions from vehicles. It included environmental stamps for passenger cars up to 8 seats based on their CO2 emissions, a policy to encourage clean car markets, adoption of the 'polluter pays' principle and encouraging biofuel mixing. The Intermodal Transport Strategy 2020, released in 2013, proposes upgrading of the railways and reduction of road transport. The Transport White Paper 2050 proposes a 20% reduction of GHG emissions by 2030 based on 2008 levels and 60% by 2050 compared to 1990 levels.

REDD+ and LULUCF

Forests cover 29% of the total land area, a figure that has been relatively stable for the past 23 years. The National Sustainable Forest Management Strategy manages state as well as privately-owned forests. The measures include development of an association comprised of private forest owners and local associations, setting up of national forest monitoring and management practice, and improvement of the wood industry. The National Forest Agency is in charge of the National programme for reforestation adopted in 2010; this programme aims to implement many joint management practices for reforestation.

Adaptation

Changes in average temperatures have accelerated since 1961; the number of tropical days has increased and winter days decreased. Summer temperatures have increased about 2oC in the South and South West. Extreme weather events have multiplied since 2000, including droughts in 2000 and 2007; and floods in 2005 (that caused 76 deaths) and in 2010. The 2007 drought was the severest in 60 years. The winter of 2006-2007 was the warmest since measurements started. Drought-affected areas have expanded in the past decades. Sectors including agriculture, bio-diversity, forests, construction, energy and transport will be affected.

The National Strategy 2013 proposes measures such as updating periodic projections, supporting research, elaborating a national agenda, assessing costs, monitoring adaptation process and raising climate change awareness in 13 priority sectors. While there is recognition of issues, clear action is limited to very select issues. For instance there is legislative support for mandatory insurance for housing against natural disasters. However, adaptation strategy and related legislation continues to be weak.

Romania: Legislative portfolio

Name of law	**Law on energy efficiency 121/2014**
Date	04 August 2014
Summary	The main objective of the law is to create a legal framework for a national policy on energy efficiency and to implement this across various sectors – primary, manufacturing, distribution and supply, transport to meet the national target of reducing energy consumption by 19%. The law establishes a framework to eliminate barriers, promote financial mechanisms, co-operation between end users, establish research, developing market for energy services etc. It promotes a strategy for building and restoration of energy efficient buildings across private, public and commercial sectors.

Name of law	**Law on industrial emissions 278/2013**
Date	01 December 2013
Summary	This law aims to prevent pollution from industrial activities to water, air and soil. However, it has a special section on geological storage of CO_2 that stipulates all combustion plant operators with electrical output of 300MW and above to have suitable storage sites, transport facilities, have technical capacity to capture and compress CO_2.

Name of law	**Government Urgency Ordinance regarding the tax on polluting emissions from motor vehicles 9/2013**
Date	15 March 2013
Summary	The law established a legal framework to tax motor vehicles based on their pollution levels based on EURO (1,2,3,4,5,6) pollution standards. The fee thus accrued is then considered as income for the environmental fund administration. The tax applied to specified categories of vehicles that are first registered in Romania with certain exemptions (e.g. diplomatic missions, disabled, armed forces etc.).

Name of law	**Law approving Government Emergency Ordinance no. 18/2009 on increasing the energy efficiency of residential buildings 158/2011**
Date	17 July 2011
Summary	GEO 18/2009 is officially known as Government Emergency Ordinance For The Increase Of The Energy Performance Of Blocks Of Flats. It primarily aims to increase the energy efficiency of the housing stock. This law targeted blocks of flats built between 1950-1990, individual housing units and social housing stock owned or managed by local councils. Local councils are mandated to draft local upgrading programmes for thermal rehabilitation or building envelopes and heating systems, installation of alternate systems of energy production from renewable sources. Funding for this is to be shared between the local and national budgets. The law was amended by 238/2013.

Name of law	**Law for the promotion of energy production from renewable energy sources 220/2008**
Date	06 November 2008
Summary	Law 220/2008 provides the legal framework for expanding the production and use of electricity from renewable sources. Objectives include reducing production costs and primary energy imports, balance in national energy use, reduction of pollutant emissions, and providing a financial and operational framework. The law applies to hydropower with an installed capacity of 10MW, wind, solar, geothermal, biomass, landfill gas, and fermentation gas from sludge treatment plants delivered to the grid. The law established a framework for a mandatory renewable energy quota system or combined with green certificates trading system at a fixed price. Further it established a target of share of renewable energy sources in final energy consumption to be 33% in 2010, 35% in 2015 and 38% in 2020. This law has been amended twice. The first amendment 134/2012, adopted on 18 July 2012, introduced changes in reporting protocols and a new category of energy from forest waste within Biomass.

	A later amendment, Law 23/2014 (adopted on 14 March 2014) made renewable energy production companies' use of green certificates conditional on their performance based on national objectives and impact on the end users.

Name of law	**Law on Electrical Energy and Natural Gases 123/ 2012**
Date	19 July 2012
Summary	The law established a legal framework for establishing the free functioning of the National Energy Regulatory authority (ANRE, which replaced the Romanian National Energy Conservation Authority) to regulate electricity and heat production and its use to enable optimal use of primary energy sources, ensure availability and affordability, safety, quality and environmental protection based on the National Energy Strategy. It also established a framework for cogeneration, diversification of energy resources, transparency of tariffs prices and taxes, promotion of renewable energy and reduction in consumption.

Name of law	**Law for energy performance of buildings 372/2005**
Date	01 January 2007
Summary	The law aims to promote energy performance of existing buildings as well as new buildings. It mandates the construction of new buildings with low energy consumption, provides facilitation for thermal rehabilitation of existing buildings with incentives and programs, and promotion of performance certification to ensure compliance.

Name of law	**Law on the use of nuclear energy for exclusively peaceful purposes 321/2003 that approved the Government Ordinance no. 7/2003**
Date	15 July 2003
Summary	The law established a legal framework for Romania to pursue the harnessing of nuclear power for peaceful purpose through pursuing research, mining, experimentation, design and construction of facilities to enable production and supply of radioactive material. The law also established frameworks for protection against and management of accidents.

Name of law	**Law approving Government Emergency Ordinance no. 124/2001 on the establishment, organisation and functioning of the Romanian Energy Efficiency Fund 287/2002**
Date	23 May 2002
Summary	The law established the fund (RFEE) as an independent autonomous public body that offers services for energy efficiency projects as credits up to 80% of capital costs.

Name of law	**Government Urgency Ordinance on the Environmental Fund 196/ 2005**
Date	30 December 2005
Summary	The law provided a legal framework to set up a special fund as a pro-active measure outside the budget to achieve the objective of the National Action Plan for environmental protection.

Romania: Executive portfolio

Name of Policy	**Government Decision on the reorganization of the National Commission on Climate Change (NCCC) 1026/ 2014**
Date	20 November 2014
Summary	The directive reorganised NCCC as a ministerial body to promote uniform application of measures and actions needed to deal with climate change. The main tasks are to analyse the progress of achieving targets set in National Action Plan on Climate Change, identify and extend technical and financial assistance required actions, conduct research on international climate policy and actions as well as support on national communication and obligations, and co-ordinate and liaise with other organisations in Romania and outside to enable implementation of Romanian obligations and treaties.

Name of Policy	**Government Decision to adopt the National Climate Change Strategy (2013-2020) 529/2013**
Date	July 2013
Summary	The National Climate Change Strategy establishes the national priorities on mitigation and adaptation across identified priority sectors. This document establishes the post Kyoto objectives, targets and actions for, mitigation and adaptation. It proposes combined responsibility for central and local government for developing measures at sectoral level under guidance of Ministry of Environment and Climate Change and in collaboration with other national and international actors. The strategy allows freedom for each sector to develop its own appropriate measures and targets, however outlines a basic framework and some general objectives.

Name of Policy	**Government Decision regarding the use of bio fuels and bio liquids 935/2011 amended and complimented with 918/2012**
Date	11 November 2011
Summary	Mainly aimed at reducing GHG emissions from the transport sector this directive mandates through specified quota the mixing of certified bio fuels to petrol and diesel. The amendment relaxed certain quota obligations.

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