

ROMANIA

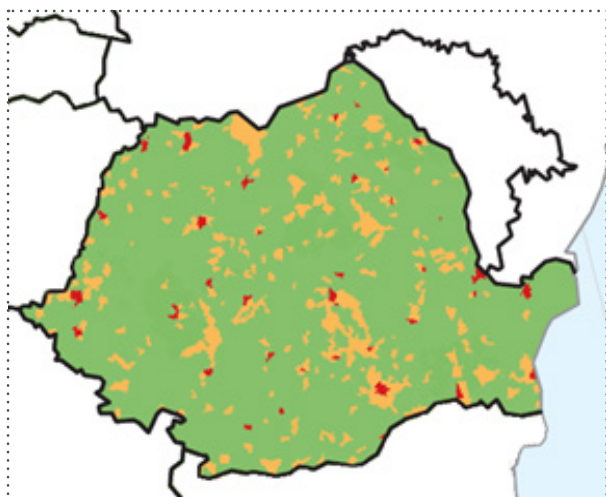
INSIGHT PAPER

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RURALITY (1)

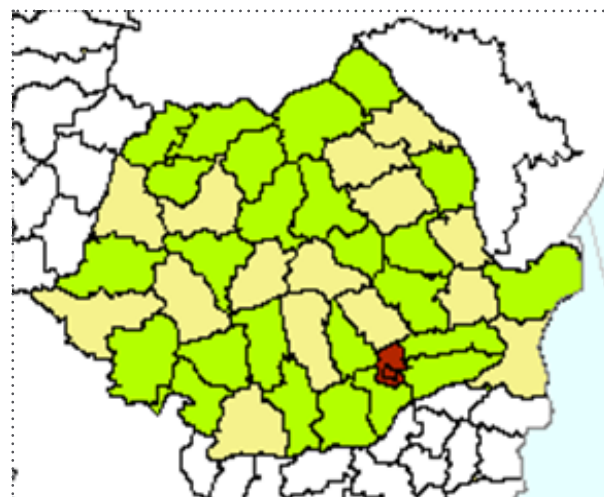
Degree of urbanisation for local administrative units level 2 (LAU2)



- Cities
- Towns and suburbs
- Rural Areas
- Data not available

Source: Eurostat, JRC and European Commission Directorate-General for Regional Policy, 20 January 2014

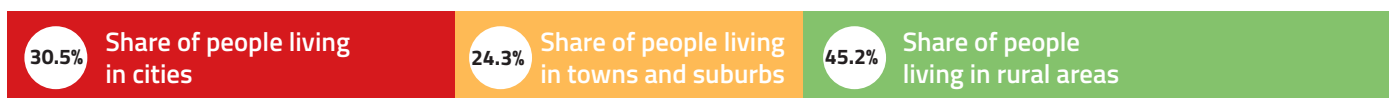
Urban-rural typology for NUTS level 3 regions



- Predominantly urban regions
(rural population is less than 20% of the total population)
- Intermediate regions
(rural population is between 20% and 50% of the total population)
- Predominantly rural regions
(rural population is 50% or more of the total population)
- Data not available

Source: Eurostat, JRC, EFGS, REGIO-GIS, 24 June 2013

DISTRIBUTION OF POPULATION



Source: Eurostat, 2017

GEOGRAPHY

Romania is, currently, to a large extent, a rural state. 99.2% of the Romanian territory is rural, as seen in the representation of the degree of urbanization, and hosts more than 45% of the Romanian citizens¹. Romania is divided into 42 regional administrative units (NUTS level 3), of which 41 are counties and the country's capital, i.e. Bucharest, is a city with administrative prerogatives of county level. According to the urban-rural typology for NUTS level 3 regions classification from 2013, presented visually above, the regions are classified as follows: 25 counties are predominantly rural regions, 15 counties are intermediate regions and Bucharest and Ilfov county are predominantly urban regions.

A study conducted by the World Bank in 2018, *"From Uneven Growth to Inclusive Development: Romania's Path to Shared Prosperity - systematic country diagnostic"*, identifies Romania's inclusion challenge as a predominantly rural problem, with 75% of the poor living in rural areas.

"The incomplete structural transformation is associated with an uneven spatial distribution of opportunities, with 45 percent of the population still residing in rural areas where poverty is a full 20 percentage points higher than in urban areas. Disparities in living standards between urban and rural areas are striking: average urban income is almost 50 percent higher than mean rural income, a gap that is the second-highest in the EU" (World Bank, 2018).

Poor regions (NUTS level 2) in Romania are characterised by a much higher share of poor population: as poverty is spatially concentrated in the North-East region, the share of poor in some of its counties is more than ten times higher than that in the capital Bucharest (World Bank, 2018).

RURALITY (2)



Source: Eurostat

1- Romania, 2014–2020 Rural Development Programme: Key facts & figures, values provided for 2012

NATIONAL POLICIES RELATING TO RURAL MOBILITY AND PUBLIC TRANSPORT

In Romania, several documents establish the national development priorities for the transport sector and rural development, but there is no dedicated policy for rural mobility or providing rural transport services. There is a gap between planning documents when it comes to rural mobility. The national transport planning documents focus especially on strategic developments by improving the national infrastructure and services, while the rural development planning documents are limited in scope and support the development of local basic infrastructure, i.e. local roads.

At national level, the most relevant document for the transport sector is the General Transport Master-Plan, approved by the Ministry of Transport in October 2016. The plan establishes the main development priorities of the national transport system both infrastructure and service improvements and due to its scope focuses only on large scale projects without dedicated priorities for rural areas.

The main priorities for urban and rural development in Romania are established by 3 documents mandated by the EU legislative framework for the 2014-2020 period: the National Programme for Rural Development (PNDR), the Regional Operational Programme (POR) and the Large Infrastructure Operational Programme (POIM):

- **PNDR**, approved in May 2015, modified in July 2018, is managed by the Ministry of Agriculture and Rural Development and represents the main document that establishes development priorities and policies for rural areas. The majority of national rural development policies established in the PNDR are focused on supporting the modernization, diversification and overall development of the agricultural sector and environmental protection and climate change. Relevant for rural mobility is the encouragement of local development placed under the responsibility of the community through the LEADER approach, supporting competitiveness, quality of life and diversification of the rural economy, and combating poverty and social exclusion. PNDR also supports the development of rural transport exclusively by developing the local basic infrastructure (roads), without provisions or funds for the development of rural transport services.

- **POR**, approved in March 2016, is managed by the Ministry of Regional Development, Public Administration and European Funds and supports national growth based on 5 major priorities identified by the Partnership Agreement which are translated into 12 priority axes. The programme has 3 priority axes that support directly or indirectly rural transport by supporting the rehabilitation of county road infrastructure and the extension of public transport system from urban centres to bordering rural communities.
- **POIM**, approved in July 2017, is managed by the Ministry of European Funds and supports the development of national transport infrastructure. The programme generates an indirect effect on public transport in rural areas by ensuring the modernization and rehabilitation of the railway and road infrastructure:

PNDR 2014-2020 refers to Europa 2020 targets but does not set quantified targets for rural mobility. Local development strategies, under the LEADER approach, cover 100% of the eligible rural territory, with local communities establishing their own development targets based on their local potential and needs.

In rural areas residents have access to basic healthcare services at local level but must travel to the nearest town or city for specialised treatment. There are no policies for improving the access to healthcare services outside the locality, but there is support for improving the healthcare infrastructure at local level (PNDR supports improvements to healthcare and educational services at local level). The Ministry of Education has implemented a programme supporting school transport in rural areas in order to improve the accessibility to primary and secondary education.

INSTITUTIONAL FRAMEWORK

In Romania, rural mobility is included in the wider sector of transport planning, for which the Ministries are responsible for regulating and planning at national level, and their decentralised units and specialized technical institutions are responsible for route and operator licencing and accreditation. Responsibilities for rural mobility are not consolidated but rather spread across multiple ministries and decentralised units from different sectors: transport, regional and rural development. There are distinct responsibilities for ensuring the adequate quality for the mobility infrastructure and services. The regulations are established at national level (i.e. ministries), the planning priorities are established at national level and detailed at regional (i.e. Regional Development Agencies) and local level (i.e. City Halls and City Councils) and the implementation is conducted at county (i.e. County Councils and local units of technical authorities) or local level.

As the first integrated urban–rural transport systems were being developed in Romania, the institutional framework was improved, recognizing the administrative responsibilities of Intercommunity Development Agencies (ADI) with capacity for managing transport services on a designated territory, as an intermediary level between local and county levels.

There has been a rather limited cooperation between county and urban administrations in terms of integrating county transport with urban transport, i.e. fare integration, correlation of stops and timetables, with few cases country wide. As an indirect result of the ROP 2014–2020, the city – county cooperation is encouraged and the rural – urban integration of public transport services, together with the development of ADIs is expected to increase.

REGULATORY FRAMEWORK

The main regulatory instrument is Law no.92/2007 for local public transport services. It establishes the legal framework for the establishment, authorization, organization, operation, management, financing and control of the operation of public transport services for rural and urban localities or intercommunity associations. The revisions and amendments of the law are under the responsibility of the Ministry of Transport.

Law no.92/2007 establishes the requirements and responsibilities for developing urban, rural and intercity public transport systems. Organizing local public transport is the responsibility of public local authorities exclusively on their territorial administrative unit. The public transport service can be subsidized to ensure amenities for certain categories of users. For bus services, operators can request licences for routes included in the Local public transport program and must receive Route Licences accompanied by Route Specifications. The responsible authorities are required to ensure competition amongst operators and equal and non-discriminatory access to the market for operators.

For county wide bus services, the process is similar, but several authorities work together: the County Councils are responsible with developing the County passenger public transport programs and the territorial agencies of the ARR are responsible with issuing route licenses accompanied by route specifications, based on the county program. Licences are issued for a period of 3 years.

There is freedom of entry to the market for rural mobility services, as licences are issued based on competitive principles, if more than one operator registers for a licence, the licences are given based on an evaluation score. There are eligibility criteria as service providers requesting licences must comply with requirements established by the Ministry of Transport, through its specialized technical institutions (ARR, AFER).

ORGANIZATIONAL FRAMEWORK

The main general mobility services in rural areas are public transport services. The main targeted mobility service available in rural areas is the School transport that provides transportation for pupils and school faculty. The schedule is developed based on starting / ending times for courses.

The mobility services available in rural areas are bus services (coaches or minibuses) and trains services ("Regio" trains operating on the national infrastructure without providing full coverage of the territory).

Rural mobility by bus

The bus services are carried out on European, national, county and local roads. The services are the responsibility of local authorities and can be developed within each territorial unit's boundaries. Local councils are responsible with establishing the routes and identifying the operator. Rural localities rarely develop such services.

The majority of passenger public transport is developed at county level, connecting the main city and towns of the county to most of rural settlements. The inter/intra county public transport the County Councils works together with territorial agencies of the ARR. The first develop the County Passenger Public Transport Programs and the latter are responsible with issuing route licenses accompanied by route specifications, based on the Public Transport Program.

The companies operating these routes are mainly private operators, which must be licensed by the ARR before requesting transport routes. Based on the route characteristic (length and demand) the service is provided with minibuses (15 seats) or long-distance buses.

Rural mobility by train

The rail services are carried out on the national railway infrastructure, an extensive network that can be used for urban-urban transport (connections between the major cities in the country) and urban-rural (service provided on the same infrastructure, with regional trains – "Regio" – connecting the rural areas with cities in the county).

The national rail network is managed and maintained by The Railway National Company "CFR". The network encompasses a total of 632 rural stations for passengers classified as follows:

- 326 rural station exclusively for passenger services, and
- 306 rural stations for passenger and freight services.

The main public transport rail operator is the public owned Railway National Company "CFR" Passengers, which operates Intercity (national and international), Interregio and Regio trains. In recent years several private operators have entered the market providing Interregio and Regio services.

There is no public transport operator with general responsibilities for providing mobility coverage. The main public operator that services rural areas is The Railway National Company "CFR" Passengers and there is no public operator for bus transport. There is no mobility service manager for general and special services and there are no shared services available for rural areas.

In 2018, the rail service in Romania was provided by public and private companies. According to a study conducted in 2017¹ the main rail service providers in the country are:

- The Railway National Company "CFR" Passengers, the largest rail operator in the country, publicly owned, with approx. 88-89% of the market share;
- Regiotrans, the largest private rail transport operator, covering approx. 10-15% of the market share;
- Transferoviar Passengers, private operator, covering approx. 3.5-5% of the market share;
- Interregional Passengers, private operator, covering approx. 1.1-1.6% of the market share;
- Softrans, covering approx. 1 % of the market share.

The same study provides information about the type of service used by rail passengers. A survey conducted in March 2014 on a sample of 1.150 adult persons (over 18) identified that 29% of users travelled with Regio trains.

1 - Market study on Passenger Rail Transport, 2017 www.consiliulferoviar.ro/uploads/news/id175/Studiu_de_piata_Transportul_de_calatori_pe_calea_ferata.pdf

FINANCIAL FRAMEWORK

There seems to be no dedicated funding for rural mobility. The rural local budget is provided in a global way, without dedicated funding for different sectors. No clear method of distributing funds (direct allocations) from the national level to the local level (territorial administrative unit - UAT) could have been documented during the analysis.

Funding for rural mobility is dispersed across multiple funding sources, either for the transport sector or rural development. The main funding sources for investments in rural mobility are funds from the national budget and European structural funds.

National funding

The National Plan for Local Development (PNDL) - is the main programme, supported exclusively by national funds that provides the legal framework for implementing national priority projects which support regional development by financing road infrastructure, utility networks and socio-educational infrastructure. The programme is coordinated by Ministry of Regional Development, Public Administration and European Funds (MDRAPFE). It is structured on 3 sub-programmes:

- Modernization of the Romanian village;
- Urban regeneration of cities and towns;
- County infrastructure.

Another significant contribution from the national level to the local rural level, aside from direct allocations / area and the PNDL is the national support for accessing European funds through PNDR 2014-2020. The national budget covers 20% of the project value.

European funding for mobility in rural areas (infrastructure and services)

2014-2020 Operational Programmes and Management Authorities

Programme	Management Authority
National Programme for Rural Development (PNDR)	Ministry of Agriculture and Rural Development
Operational Program for Regional Development (POR)	Ministry of Regional Development, Public Administration and European Funds
Large Infrastructure Operational Programme (POIM)	Ministry of European Funds – part of the Ministry of Regional Development, Public Administration and European Funds

PNDR – finances investments in access roads to farm and forestry and construction, extension and / or upgrading of the network of roads of local interest in the rural area, especially for those that connect with the main roads and transport routes (Priority 2, Priority 6). **PNDR** has a dedicated sub-measure which provides financial support for basic infrastructure development: **7.2 Investment in creating and developing small scale basic infrastructure**. The sub-measure provides support for investments in creation, improvement and expansion of all types of small-scale infrastructure, including renewable energy and energy-saving. For the 2014-2020 financing period, the programme has a total budget of 9.472,65 Billion Euro of which: 8.128,00 Billion Euro are allocated from EAFRD and 1.344,65 Billion Euro from State funds.

POR – Mainly supports the development of road infrastructure at county level with financing for rehabilitation and modernization of the county road network (secondary transport infrastructure) ensuring the direct / indirect connectivity with the European transport networks (TEN-T) coordinated with the regional development plans (Priority Axis 6, Investment Priority 6.1). The programme also supports rural mobility in areas adjacent to urban centres, by providing financing for extending urban transport systems towards important rural areas from the catchment area (Priority Axis 3, Investment Priority 3.2, Priority Axis 4, Investment Priority 4.1). For the 2014-2020 financing period, the programme has a total budget of approximately **8.25 Billion Euro** of which: 6.7 Billion Euro are allocated from ERDF and 1.5 Billion Euro from State funds.

POIM finances activities in four sectors: transport infrastructure, environmental protection, risk management and climate change adaptation, energy and energy efficiency, contributing to the Union strategy for smart, sustainable and inclusive growth. POIM benefits from a financial allocation of approx. EUR 11.6 billion.

OTHER INFORMATION

2012 was the year that marked a great progress for public services in rural areas of Romania, as 2 cities implemented a “metropolitan” transport service.

The *“Smart Move in the Metropolitan Area of Alba Iulia”* project was implemented in October 2012 with an initial contract of 6 years, as a free-standing project, with the main purpose of ensuring better rural – urban connection, through a public transport service with an integrated information service, ticketing scheme and transport timetable. The project uses a new approach for transport planning, taking responsibilities from county authorities and delegating them to an association of local authorities (city halls and local councils).

A similar example is the public transport service provided in Oradea City and its surrounding areas, launched in the same year. The association form was the same as for Alba Iulia, but the scope of the service was limited to 2 rural localities characterized by a high touristic potential and the project was characterized by different technologies used. The association currently has 3 members, Oradea city and 2 rural localities: Sânmartin and Borș.

After the development of the first Sustainable Urban Mobility Plans in Romania, cities started to look for solutions to provide public transport services to high demand rural areas.



By establishing the Intercommunity Development Association for Public Transport Alba Iulia, each constituent local authority can adjust the transport offer to better suit the needs of their communities. Local authorities can also provide financial support, both subsidies and tariff reductions, to make transport more accessible for disadvantaged target groups. The association currently has 8 members, Alba Iulia city and 7 rural localities.

A recent example of this is the 2017 extension of the Buzau public transport service to adjacent localities. The service has 2 main urban-rural routes connecting important rural areas to the city. Unlike the association developed in other cities, the Buzau case used a different institutional lever, all rural and urban localities are shareholders in the public transport company, creating the legal basis for providing transport services on the localities’ territory. This project brings together the city of Buzau and 3 rural localities.

KEY STAKEHOLDERS AND MINISTRIES ADDRESSING RURAL AREAS

TITLE	ROLE
Ministry of Transport	It is the specialized body of the central public administration in the field of transport. It has responsibilities for elaborating the transport legislative framework, developing economic transport policy and, but not limited to, developing and implementing strategies, policies and programs in the field of transport infrastructure for all modes of transport.
Ministry of Agriculture and Rural Development	The Ministry of Agriculture and Rural Development is the central public authority responsible for the development and implementation of sectoral national strategies in the fields of agriculture and food production, rural development, land improvement and related areas: specialized scientific research, the conservation and sustainable management of soils and of plant and animal genetic resources. The ministry represents the Management Authority for PNDR 2014-2020.
Ministry of Regional Development, Public Administration and European Funds	The Ministry of Regional Development and Public Administration is the authority for: regional development, cohesion and territorial development, cross-border, transnational and interregional cooperation, urban mobility, public works, construction, administrative and territorial reorganization and reorganization, local taxation and public finances, development of community services for public utilities, state aid approved by the local public administration authorities, and others. It is also responsible for programming, coordination, monitoring and control of the use of the non-reimbursable financial assistance granted to Romania by the European Union for POR 2014-2020.
The Romanian Road Authority (ARR)	ARR is the specialized technical institution for road transport, working under the Ministry of Transport. ARR has responsibilities for issuing licences for public transport operators and businesses with transport activities, issuing route licences for passenger public transport, implementing technical regulations specific to road transport, managing road safety, authorising driving schools and car instructors and others.
The Romanian Rail Authority (AFER)	AFER is the self-financing body, the specialized technical institution for rail transport working under the Ministry of Transport. AFER has responsibilities for licensing and certification of rail transport operators, providing state control and inspection in railway and subway transport, monitoring, promoting and developing the regulatory framework in the field of railway safety, updating and publicising the list of entities to which AFER has issued, withdrawing or suspending licenses, certificates, attestations, authorizations, approval documents, and others.
Agency for Financing Rural Investment (AFIR)	This is the payment agency responsible with measures financed through the National Programme for Rural Development from the European Agricultural Fund for Rural Development.
Regional Development Agencies	The agencies' role is to contribute to the sustainable and equitable development of each individual region by removing the disparities and imbalances between the regions and within. The agencies are involved in the implementation of several Operational Programmes.
County Councils	They are the main governance institutions at county level. For the mobility sector, they are responsible with developing the County Passenger Public Transport Programs and providing the proper county road infrastructure.
The Romanian Association of Communes	The association aims to unitary represent the interests of its members (communes) both in relation to the central institutions as well as to the ones at European or international level. Presently, it covers about 87% of the country's territory and 48% of its population. Since 2006, it is a full member of the Council of Communes and Regions of Europe (CCRE / CEMR).

LINKS TO WEBSITES

- Ministry of Transport - mt.gov.ro
 - o The Romanian Road Authority (ARR) www.arr.ro
 - o The Romanian Rail Authority (AFER) www.afer.ro
- Three independent organizations work within AFER:
 - o Romanian Authority for Railway Safety (ASFR) www.afer.ro/asfr
 - o Romanian Railway Notified Body (ONFR) www.afer.ro/onfr
 - o Romanian Railway Licencing Body (OLFR) www.afer.ro/olfr
- Ministry of Agriculture and Rural Development – www.madr.ro/en
 - o Agency for Financing Rural Investment (AFIR) www.afir.info
- Ministry of Regional Development, Public Administration and European Funds (MDRAPFE) - www.mdrap.ro
 - o 8 Regional Development Agencies
 - North-East Regional Development Agency - www.adrnordest.ro
 - South-East Regional Development Agency - www.adrse.ro
 - South-Muntenia Regional Development Agency - www.adrmuntenia.ro
 - South-West Oltenia Regional Development Agency - www.adroltenia.ro
 - Western Regional Development Agency – www.adrvest.ro
 - North-West Regional Development Agency - www.nord-vest.ro
 - Center Regional Development Agency - www.adrcentru.ro
 - Bucharest-Ilfov Regional Development Agency - www.adrbi.ro

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- Partnership Agreement for 2014-2020 period, available at www.fonduri-structurale.ro/Document_Files/Stiri/00014830/sfvjd_Acord%20de%20parteneriat%20oficial.pdf
- National Strategy for the sustainable development of Romania, 2013-2020-2030 horizons, available at www.mmediu.ro/beta/domenii/dezvoltare-durabila/strategia-nationala-a-romaniei-2013-2020-2030
- National Programme for Rural Development (PNDR) for the 2014-2020 period, available at www.pndr.ro
- Factsheet on 2014-2020 Rural Development Programme for Romania, available at https://ec.europa.eu/agriculture/sites/agriculture/files/rural-development-2014-2020/country-files/ro/factsheet_en.pdf
- Romania, 2014-2020 Rural Development Programme: Key facts & figures, available at https://enrd.ec.europa.eu/sites/enrd/files/ro_rdp_qnt_summary_v1_0.pdf
- Romania, 2014-2020 Rural Development Programme, Romanian language, available at www.madr.ro/docs/dezvoltare-rurala/programare-2014-2020/PNDR-2014-2020-versiunea-aprobata-26-mai-2015.pdf
- Regional Operational Programme 2014-2020, available at www.inforegio.ro/ro/por-2014-2020.html
- Large Infrastructure Operational Programme 2014-2020, available at www.fonduri-ue.ro/poim-2014
- Poverty and social exclusion in rural areas, 2008: www.researchgate.net/profile/Silvia_Sivini/publication/237103993_POVERTY_AND_SOCIAL_EXCLUSION_IN_RURAL_AREAS/links/0a85e53296b2230937000000.pdf#page=199
- From Uneven Growth to Inclusive Development: Romania's Path to Shared Prosperity - systematic country diagnostic, World Bank, 2018: <http://documents.worldbank.org/curated/en/673121528867676119/pdf/127129-PUB-PUBLIC-pub-date-6-6-18.pdf>
- Smart Move in the Metropolitan Area of Alba Iulia Report, 2013: www.busandcoach.travel/download/awards/2013/stp-alba-iulia-romania.pdf