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Launching the EIR Strategy and Policy Studies – SPOS 2014



On 24 March 2015, the European Institute of Romania (EIR) held a conference dedicated to the launch of the Strategy and Policy Studies (SPOS) 2014 Project. The two studies have sought to supply fundamental policy elements in areas such as the potential of Romania’s shale gas reserves (*Shale gas: between energy needs and environmental standards*) and Romania’s perspective for accession to the European Banking Union (*When Should Romania Join the European Banking Union, Sooner or Later?*).

The core themes of the studies offer an integrated perspective, formulated by a distinguished group of researchers during a research programme that took place from June to December 2014, useful in the substantiation of governmental decisions concerning European affairs and relevant for Romania’s course in the field of European Affairs ... [p.2](#)

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publications _____

Romanian Journal of European Affairs – Spring Issue 2015

In the Spring issue of the RJEA, the contributors bring to the readers’ attention topics concerning: the institutional model of the EU-Ukraine association agreement, the labour market restrictions and migration into the EU (with focus on Ukraine), Crimea and the Russian-Ukrainian conflict, the South Stream project and the Ukrainian factor, the contribution of the European Court of Auditors to EU financial accountability and a book review on *Genocide: A Normative Account* ... [p.5](#)



... During the introductory remarks, Mr. **George Ciamba**, Secretary of State in the Ministry of Foreign Affairs, said that, taking into account the current economic, political and security paradigm, there should be a focus on issues *“that can result in common and uniform answers, both at national and European level, with long-term impact”*. In regard to the European Banking Union study, Mr. Ciamba said it offered an *“impact analysis which is important in the current phase, but also from a medium- and long-term perspective”*.

“I believe that Romania has high quality experts, but these specialists have to be discovered and stimulated to engage in public debates”, stressed Mrs. **Alina Bârgăoanu**, PhD Professor, Pro-rector at the National University of Political Studies and Public Administration.

Mrs. Bârgăoanu, who is also President of EIR’s Administration Board, emphasized the important contribution of the SPOS series in the field of European Affairs research. *“The Banking Union is one of the pillars of the Economic and Monetary Union, and the topic is of acute interest at the moment”*, pointed out Mr. **Leonard Orban**, Presidential counsellor, welcoming the fact that the text offers both *pros* and *cons*.

The first thematic panel revolved around the Banking Union study, presented by Mr. **Laurian Lungu**, economic analyst and the coordinator of the research team that he formed together with Mrs. **Ella Kallai**. With the help of a comparative analysis, *“which focused more on the economic aspects, rather than the political ones”*, Mr. Lungu presented the key-findings of the study, offering in brief the *pros* and *cons* for Romania’s accession to the Banking Union. According to Dr. Lungu, *“a wait and see approach would be preferable to a premature participation in the EBU and, for that matter, the euro zone”*. With some nuances, this point of view that privileged prudence was shared by the other speakers of the panel as well.

In the opening of the second thematic discussion panel, Mrs. **Mariana Papatulică**, Senior Research Fellow at the Institute for World Economy (IWE) within the Romanian Academy, coordinator of the shale gas study, presented in brief the main findings of the study conducted together with Mr. **Petre Prisecaru**, PhD in Economics, Senior Research Fellow, first degree, in the IWE, and Ms. **Valentina Ivan**, analyst focused on energy market regulation.

After assessing the economic, social, environment and energy security impact, the study concluded that, given a geologically confirmed potential, even with the best political support and the most environmentally friendly technologies, shale gas is unlikely to bring a significant contribution to enhancing energy security neither for Europe, nor Romania. The dilemma raised by pursuing **energy independence**, on the one hand, and **energy security**, on the other, was at the centre of a heated debate that followed the initial presentation during which, among other things, the panellists seemed to agree upon the balanced manner that characterised the analysis of a rather sensitive subject for the Romanian society.

In harmony with the panellists’ expressed desire and the general audience’s interest, Mrs. **Gabriela Drăgan**, Director General of the European Institute of Romania, announced that in the near future new debates will take place in order to further discuss the two topics of the studies.

The studies may be accessed by following this link: <http://www.ier.ro/publicatii.html>

Bogdan Mureşan



Romania’s Renewed European Priorities¹

It is safe to assume that the political agenda of the European Commission has shifted towards a new direction, in accordance with the Action Plan for 2015, proposed by the Juncker Commission, at the beginning of the term. Basically, in the Work Programme for this year, the newly elected President together with his Commissioners paved the road for implementing 23 new initiatives. As part of the selection process, the foreign

policy competences and experience of the new Commission representatives was taken into account, which translated into the fact that 8 out of 28 commissioners that have previously worked in this field, such as the Romanian Commissioner for Regional Policy Corina Creţu, were chosen to get into gear. The new Commission will further work on accomplishing several objectives, such as: implementing the €315bn investment

¹ A shortened version of this article was published *online* in the *Europe’s World* Spring 2015 issue, Views from capitals section, available here: <http://europesworld.org/2015/03/09/romanas-renewed-european-priorities/#.VP2qQfmG98E>.

plan, creating the Digital Single Market Package, building a European Energy Union, increasing efforts to combat tax evasion and tax fraud, setting a European Agenda on Migration and strengthening the Economic and Monetary Union.

Also, in line with the European priorities, *the newly elected President of Romania, Klaus Werner Iohannis*, has included in his presidential programme² the accomplishment of the following political goals: the *repositioning of Romania as an active and cooperative partner in the context of the Eastern Partnership* (with a strong focus on supporting the European aspirations of the Republic of Moldova) *and the development of macro-regional strategies* (specifically the impact that Romania could have in *reshaping the Danube Strategy*), the creation of a Sustainable Development Plan, the accession to Schengen Area, the plan for adopting the Euro currency, reducing the development gaps between different regions of Romania, the creation of a National Common Platform with the purpose of better managing the European Funds, and assuring better access to information for all stakeholders involved in the process.

In line with the first two priorities expressed on the Iohannis agenda, the *Romanian Government*³ is keen on promoting the democracy, stability and predictability among its Eastern neighbours; it is therefore committed to involve itself in long-term projects, in particular towards the *Republic of Moldova*. As Romania shares a common historical and cultural background with the Republic of Moldova (RM), the diplomatic relationships⁴ between the two countries are naturally close. In 2010, a joint '*Declaration on Establishing a Strategic Partnership between Romania and Republic of Moldova for the European Integration of Republic of Moldova*' was signed and in 2012, an '*Action Plan between the Romanian Government and Moldovan Government for applying the Joint Declaration*' was set. Also, in 2014, with the signing of the Association Agreement, the Republic of Moldova made a step forward towards the European economic integration and the political association with the EU. As the cooperation between the two neighbouring countries was intensified in recent years, several technical meetings between the European Commission, Romania, the Republic of Moldova and international financial institutions took place in Brussels. These meetings lead to joint projects in gas and electricity interconnection (agreed with the European Commission and Romania, in November 2013) and cooperation actions in education (increased number of scholarships awarded by the Romanian Government for the RM students).

At the same time, the positive experience of the conditionality in the former candidate states (therefore also in Romania) could be another key influence factor in the bilateral relation between Romania and the Republic of Moldova. The need to fulfil the accession criteria and the rules imposed by the conditionality mechanisms during Romania's pre-accession period may also represent a positive example for the RM economic and social development and for the harmonization of the legislation of the Republic of Moldova with the European one. The absence of the explicit, tangible incentive of membership perspective should not represent an obstruction for the RM authorities to undertake rigorous measures that could promote the European values, principles and, after all, general welfare principles amongst its citizens.

² Presidential programme, <http://www.iohannispresedinte.ro/files/userfiles/Program-prezidential.pdf>, last accessed on 25 March 2015.

³ The Government Programme for 2013-2016, <http://gov.ro/ro/obiective/programul-de-guvernare-2013-2016>, last accessed on 25 March 2015.

⁴ The European perspective of Republic of Moldova, <http://www.mae.ro/node/1499>, last accessed on 25 March 2015.

⁵ The EU Danube Strategy: improving the economic potential of the river, protecting the environment, Vienna, 27 June 2014, online version, http://europa.eu/rapid/press-release_SPEECH-14-507_en.htm, last accessed on 25 March 2015.

⁶ The project's website: "Danubius - RI", <http://www.danubius-ri.eu/>, last accessed on 25 March 2015.



As for the second priority mentioned, namely the *reshaping of the Danube Strategy*⁵, the Romanian institutions seek nowadays to reaffirm the key role played in the development of the strategy. Included on the political agenda of Romania's newly elected president, but also in the Government's list of priorities for 2013-2016, the Romanian key areas of interest in this matter are: transportation, energy, environment protection and water management, research, tourism and rural development.

For the next period, the attention will be focused upon the implementation of projects and initiatives that have a direct impact on the counties that belong to the Danube region, such as:

- improving navigation conditions on the Romanian-Bulgarian common section of the Danube (rkm 845.5-375),
- banks protection on the Sulina Canal, rehabilitation of locks on the Danube-Black Sea Canal and the Poarta Albă-Midia Năvodari Canal,
- setting up a support system for hydrographical works on the Danube in order to ensure minimal navigation depths,
- rehabilitation and modernisation of port infrastructure in the ports of Braila, Galati, Oltenita, and Calafat,
- completion of the North breakwater in the Port of Constanța,
- development of the railways capacity in the river-maritime area of the Port of Constanța,
- building a system for the collection and processing of ship-generated waste and a processing system for response in cases of pollution on the Danube sector.

Moreover, the Romanian Government has set at the beginning of January 2015 as a national priority the financing of a new European research project, *Danubius - RI*⁶. The structure envisaged will be a distributed pan-European Research and Development Infrastructure intended for state-of-the art and interdisciplinary research on river-delta-sea macro systems. Composed of a Hub based in the Danube Delta, which is a natural laboratory, the project will comprise a series of Nodes spanning best available facilities and knowledge across Europe.

Included in the National Research Strategy 2014-2020, the project will also receive the support of American Chamber of Commerce in Romania.

Although progress is being made, a Commission report⁷ issued in 2014 highlights that the macro-regional strategies need a better balance between the leadership provided by the countries and regions involved and the role of the Commission. As ministerial meetings are not yet generating enough concrete results in order to boost the strategic leadership and the Commission represents the institution that the current governing system of the macro-regional strategies relies on, the countries involved

should focus on developing a more hands-on attitude and Romania could have a say on this matter, given the historical connection with the development of institutions and strategies related to the Danube region.

In times like these, with continuous challenges in the geopolitical sphere and with the aim of developing more efficient macro-regional strategies, Romania may become a pole of strategic leadership and a regional anchor of stability and growth.

Oana Mocanu, Eliza Vaș

⁷ Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the added value of macro-regional strategies, Brussels, 27.6.2013 COM(2013) 468 final, online version, http://ec.europa.eu/regional_policy/sources/docoffic/official/communic/baltic/com_added_value_macro_region_strategy_en.pdf, last accessed on 25 March 2015.

Europe, in the Great Bear's Shadow

Many things could be said about the year 2014, but one thing is certain - it has been an interesting one on multiple levels. In the Middle East, the brutal civil war in Syria, which killed hundreds of thousands, allowed jihadist groups to seriously disrupt regional stability, capitalizing among other things on the structural weaknesses of a fragile Iraqi state. The Islamic State, a new terrorist entity, shocked and angered the entire world with its barbaric means, which cannot excuse its goals. In Asia, an economically rising China seems to become more and more geopolitically pragmatic, stoking anxiety amongst its closer neighbours, like Japan, or across the Pacific, in the United States. The Iranian and North Korean nuclear dossiers continued to attract the international community's attention. But it may be argued that in no other place had the developments been more dramatic than in Europe, the most rule-bound and institutionalized region of the world, where the Russian Federation highlighted yet again the importance of military aggression as an instrument of state policy and woke up the Old Continent (European Union) from its post-modern dream.

For the Russian President Vladimir Putin, the collapse of the Soviet Union in 1991, "the greatest geopolitical catastrophe of the (last) century"¹, marked not only the sudden and unexpected end of a broken political and economic system, but also the estrangement of an exceptional civilization. "The Russian people became one of the biggest, if not the biggest, split-up nation in the world"², he said in March last year, after the annexation of Crimea, which was a gift to Ukraine made by Nikita Khrushchev in 1954. In his opinion, Russia is defined not only by its actual borders, but also by the cultural, linguistic and historical heritage of the Russian people. And by the manifest destiny of Russia, which suffers from the post-imperial syndrome and great power nostalgia, to unite those elements, regardless of International Law norms and principles.

This ideology seems to prevail also when it comes to domestic politics, where Putin did not hesitate to use different methods to intimidate and dissuade political opponents, NGOs and different minorities on the pretext of safeguarding Russian core values in the face of excessive Western liberalism and outside interferences. The most recent and resounding case is that of Russian opponent Boris Nemtsov, who was killed at the end of February in mysterious circumstances near the Kremlin, apparently by Chechen ethnics, just ahead of a scheduled major anti-Putin protest in Moscow.³

Although internal tensions have gradually risen in the aftermath of the Eastern Partnership Summit in Vilnius, it may be asserted that the actual crisis in Ukraine was started by the annexation, almost one year ago, of the Crimean Peninsula by the Russian Federation, in violation of the territorial integrity and sovereignty of Ukraine and also by contesting the established post-war world order. And that happened after Kyiv was convinced, back in 1994, to give up its remaining Soviet nuclear installations, as part of the Budapest Memorandum, in exchange for international (United States, Great Britain and Russia) guarantees on its independence, sovereignty and territorial integrity. The border change led to widespread separatist turbulences in Eastern Ukraine where, last May, pro-Russian secessionist leaders unilaterally proclaimed the independence from Ukraine of the Donetsk and Lugansk "republics" after staging unrecognized status referendums. The Ukrainian Government replied by launching "anti-terrorist operations" against the separatists, and the whole region was engulfed by a protracted conflict, which Russia is not officially a part of, that made so far at least 6,000 casualties and forced a million people to leave their homes.⁴

On a rhetorical front, but also through a successive wave of economic sanctions that hit hard the Russian finances, the international community – spear-headed by the US and the EU – had condemned Putin's actions as belligerent and even irrational. However, viewed at from another angle, previously mentioned, his tactics may be more than coherent: as the North-Atlantic Alliance expanded closer to the Russian borders and the European Union gained a rising influence inside the former Soviet sphere of influence, Putin may have perceived Russia as a civilization under threat. And he sees himself as the right person to save it. The

¹ The Independent, <http://www.independent.co.uk/news/world/europe/putin-collapse-of-the-soviet-union-was-catastrophe-of-the-century-6147493.html>, accessed on 12 March 2015.

² The Guardian, <http://www.theguardian.com/world/2014/mar/18/putin-confirms-annexation-crimea-ukrainian-soldier-casualty>, accessed on 11 March 2015.

³ The Epoch Times, <http://epochtimes-romania.com/news/fost-ofiter-de-politie-ecen-decorat-de-putin-recunoaste-implicarea-sa-in-asasinarea-lui-nemtov---231188>, accessed on 12 March 2015.

⁴ BBC News, <http://www.bbc.com/news/world-europe-31796226>, accessed on 10 March 2015.

West will always “try to put the bear on a chain, and as soon as they succeed in doing so they tear out his fangs and his claws”⁵, noted the Kremlin leader in December. Renowned professor John Mearsheimer, in a controversial essay published last year in the *Foreign Affairs* magazine, formulates a similar thesis. For him, “NATO enlargement, EU expansion, and democracy promotion” lay at the foundation of the Ukrainian crisis.⁶ The eviction, under Maidan’s pressure, of Viktor Yanukovich, the former pro-Russian and democratically elected Ukrainian president, may as well have been the drop that spilled the glass, pressing Putin to seize control over Crimea, disrupting the balance of power in the Black Sea area, and to destabilize Ukraine in order to push it further away from NATO and the EU.

According to Robert Jervis, another representative of the Neorealists, states undertake seemingly aggressive actions for two very different reasons.⁷ Sometimes, that comes as a consequence of the fact that they are guided by leaders driven to expand, for reasons that range from personal glory to more sophisticated ideological motivations, and are less sensitive to perceived threats from others. On the other hand, a state’s seemingly aggressive behaviour may be explained by the fear and insecurity it feels in connection to other actors. If we take into consideration that the latter may be the case of today’s Russia, which felt threatened by the West nearing its borders, we could say that new threats, like the ones related to arming Ukraine, would only make things worse, fuelling a security dilemma and a protracted hybrid war. Instead, a more proper response for this scenario would require a diplomatic process meant to allay the concerns of the state that feels threatened, convincing it that its concerns are unfounded. Therefore, the solving of the crisis would first have to imply a clear identification of the perceptions that lay behind Russia’s recent actions, in order to come up with the adequate answer.

Against this backdrop, the president of the European Commission, Jean-Claude Juncker, recently said in an interview for the *Welt am Sonntag*, that the European Union needs its own army, to face up to threats like the ones posed by Russia, but also to consolidate its status on the grand chessboard.⁸ Arguing that NATO protection is not enough, given the fact that not all members of the transatlantic defence alliance are part of the EU, Juncker explained that a common European army would send a strong signal to the outside.

The EU Member States already have battle groups that are manned on a rotational basis, playing the role of a rapid reaction force. But these troops have never been used in a real crisis situation. Also, there is still a lack of political consensus regarding the use of these units. And, political will factors aside, the main downside is the absence of streamlined decision making processes. On an anecdotal note, NATO does not have its own army either and one of its members, Iceland, does not even have a regular army at all. But the strength of the Alliance stems primarily from its capacity to make political decisions in a pragmatic way and offer its 28 members the planning instruments and command structures they need to put together their shared resources in order to achieve a specific mission. Over the years, NATO has proved that it is capable of projecting and effectively managing a sizable personnel and military equipments, in distant theatres and covering a large spectrum of military actions. So, the secret to NATO’s success is not an integrated army, and it will most likely not be in the case of the European Union either. For the EU, in general, aspects concerning foreign policy remain neuralgic spots, similar to, for example, energy security issues. Streamlining the decision making process and reversing the tendency of defence spending cuts would surely prove useful. Also, a future European army should complement NATO missions and troops, avoiding redundancy.

Bogdan Mureşan

publications

Romanian Journal of European Affairs – Spring Issue 2015

In the Spring issue of the RJEA, the contributors bring to the readers’ attention topics concerning: the institutional model of the EU-Ukraine association agreement, the labour market restrictions and migration into the EU (with focus on Ukraine), Crimea and the Russian-Ukrainian conflict, the South Stream project and the Ukrainian factor, the contribution of the European Court of Auditors to EU financial accountability and a book review on *Genocide: A Normative Account*.

Andriy Tyushka, currently a research fellow at the Faculty of Political Science and International Studies of the Nicolaus Copernicus University in Toruń, Poland, presents a pragmatic law and politics view on one of the cornerstone issues in the newly launched EU association policy towards Ukraine, i.e. the institutional and implementation framework. He explores



⁵ Agerpres, <http://www.agerpres.ro/externe/2014/12/18/putin-occidental-incearca-sa-puna-ursul-rus-in-lant-si-sa-i-smulga-coltii-si-ghearele--13-15-06>, accessed on 11 March 2015.

⁶ John Mearsheimer, „Why the Ukraine Crisis Is the West’s Fault”, <http://www.foreignaffairs.com/articles/141769/john-j-mearsheimer/why-the-ukraine-crisis-is-the-wests-fault>, accessed on 10 March 2015.

⁷ Robert Jervis, *Perception and Misperception in International Politics*, Princeton University Press, 1976.

⁸ EurActiv, <http://www.euractiv.com/sections/global-europe/juncker-nato-not-enough-eu-needs-army-312724>, accessed on 12 March 2015.

possible modalities and the actually arranged implementation model of the EU-Ukraine Association Agreement, and assesses its strengths and weaknesses. The author presents the peculiarity of this reinforced and empowered institutional machinery, which derives from the ability to further develop the association law and thus advance the level of integration beyond the scope determined in the agreement.

Wadim Strielkowski, Anna Matušková, assistant professors at the Faculty of Social Sciences, Charles University in Prague and **Tomáš Ducháč**, graduate student at the same faculty co-authored an article on the labour market restrictions and migration into the EU (with focus on Ukraine). The paper aims to estimate the potential future migration flows from Ukraine to the European Union. The results of the research show that, even though Ukraine has large migration potential, the migration flows are expected to be moderate, posing no threats to the stability of the labour markets of EU member states.

Anton Bebler, Professor of Political Science at the University of Ljubljana, discusses the recent Russian-Ukrainian dispute over Crimea. The purpose of his article is to explain the historic, demographic, legal, political and military strategic background of the conflict, its similarities with and differences from other “frozen” conflicts on the periphery of the former Soviet Union, and the consequent deterioration of the West’s relations with the Russian Federation.

Roxana Ioana Banciu, an International Relations Analyst at the Centre for European Policy Evaluation, seeks to unveil and develop an analysis of the South Stream project in view of the Ukrainian crisis. The turmoil in which Ukraine finds itself now and the internal issues such as corruption and instability, and all of these corroborated with the masked Russian intervention in the Eastern part of Ukraine brings a second wind to the South Stream project. In Russian foreign policy for the South Stream race, Soft Power was used more than enough and it has recently made room for Hard Power, which is Ukraine’s

never ending episode. Insights of the South Stream story have been lately related both softly and hardly. This is the reason why the author has chosen to analyze both sides in order to complete the energy framework.

Maria-Luisa Sánchez Barrueco, senior lecturer in European Law & Politics at the University of Deusto (Bilbao, Spain), brings into attention the obligations of the public institutions to explain the way in which they manage the public funds. The economic and financial crisis that haunted Europe since late 2007 has put a great stress on EU institutions, which have been forced to adapt their internal structures to new paradigms and create new bodies to cope with challenges that were unknown to date. This paper represents a critical appraisal of the contribution of the European Court of Auditors to restoring trust among European citizens. Recent developments show that the European Court of Auditors is fully embarked on an institutional strategy to help cope with the financial and legitimacy crisis in the European Union.

Scott Nicholas Romaniuk, PhD candidate at the University of Trento, School of International Studies, reviewed the book *Genocide: A Normative Account*, by Larry May. In his book review, he focuses on the book’s main idea which is the study of genocide in a hope of predicting and preventing further instances of this crime. The book itself outlines the fundamental concepts behind the crime, its study, and the discipline, while offering a unique presentation of “special problems of genocide”. In order to make a more detailed work on the genocide, Larry May calls for additional work to be performed to include other forms and conceptualizations of genocide such as cultural genocide and ethnic cleansing. In the end, May holds the war responsible to genocidal situations.

Full articles are available at <http://rjea.ier.ro>.

Oana Mocanu

in focus

15 regions in Romania and Bulgaria are going to receive 216 million euro through the “Interreg” programme

In the same year we celebrate **25 years of community programs** based on trans-border and trans-regional cooperation, the Commissioner for Regional Policy¹ paves the way for the new “Interreg”² programme for Romania and Bulgaria, which is going to be implemented from 2014 to 2020. Through this programme 15 border regions (Mehedinți, Dolj, Olt, Teleorman, Giurgiu, Călărași, Constanța, Vidin, Vratsa, Montana, Pleven, VelikoTarnovo, Ruse, Silistra and Dobrich) in Romania and Bulgaria are going to be the beneficiaries of several projects meant to improve the standards of living, studying and working.

Bearing in mind the fact that the trans-border cooperation programme covers **19.8% of the total surface of the 2 countries involved and it is targeted to 4.77 million inhabitants**³ (according to the last census from 2011), the 15 administrative units (except for Constanța county) have less than 50% of the average EU GDP per capita and 6 of these regions are among the 10 poorest NUTS 2 regions in the European Union.

This is why investments made by 2023 should lead to results such as: **1 250 000 people in the trans-border area using modernised infrastructure through the TEN-T network; 120 km of rebuild or improved roads; 30 common mechanisms**

¹ Comisarul Crețu dă undă verde pentru investiții transfrontaliere România - Bulgaria de 216 milioane de euro, online version, http://ec.europa.eu/romania/news/13022015_ro.htm, accessed on 10 March 2015.

² The programme’s website: <http://www.cbcrromaniabulgaria.eu/index.php?page=prima-pagina>, accessed on 10 March 2015.

³ Interreg V-A Romania-Bulgaria, online version, <http://cbcrromaniabulgaria.eu/user/file/Interreg%20V-A%20RO-BG%20-%20RO.docx>, accessed on 10 March 2015.

for facilitating the connection (route guidance, traffic safety measures, detection and management of incidents/emergencies); **10 000 visits/year** in the protected sites and at the cultural and natural heritage objectives; **100 integrated tourist products/services** created; **50 common partnerships** in the field of early warning and common intervention for emergency situations; **500 000 people** having access to common employment initiatives.

The budget for investments is 258.5 million euro, of which the contribution of EU (through European Regional Development Fund) is 215.7 million euro. In Romania, the programme is being managed by the Ministry of Regional Development and Public Administration and it will be focused on 5 priorities (a region that is better connected, safe, efficient, green, and inclusive with qualified labour force).



Common borders. Common solutions.

Eliza Vaş

The European Commission's Conclusions on the Country Report Romania 2015

On 26 February 2015, the Country Report Romania 2015¹ was published; this is a working document of the European Commission staff, which analyses Romania's macroeconomic situation, the progress made in implementing country-specific recommendations and the current fiscal policy. In Romania's case, the key expression was the integration in the *Macroeconomic Imbalance Procedure*², which seeks to detect, prevent and reduce potential and existing macroeconomic risks.

The Country Report Romania 2015 is basically the European Semester stage for analysing the reforms implemented by the Member States and for finding those imbalances that might affect a certain state's economic growth and lead to having a negative impact on the other economies in the EU. The publication of this document is followed by bilateral meetings with Member States, and in May the European Commission will make country-specific recommendations on budgetary, economic and social policies. Until then, Member States are required to prepare the National Reform Programme (a document focusing on economic policies) and Convergence Programmes (which include only the Member States outside the euro area)³.

Regarding the report on Romania, the European Commission starts with the following key data: the balance of payments financial assistance programmes (assistance from the European Union and the International Monetary Fund) contributed to restoring macroeconomic stability; economic growth in Romania reached 2.9% in 2014; the current-account deficit was corrected to 1% of GDP in 2013, after having been more than 10% of GDP in 2006-2008.



¹ Country Report Romania 2015, Including an In-Depth Review on the prevention and correction of macroeconomic imbalances, Bruxelles, 26.2.2015 SWD (2015) 42 final, online version, http://ec.europa.eu/europe2020/pdf/csr2015/cr2015_romania_en.pdf, accessed on 18 March 2015.

² Definition of the Macroeconomic Imbalance Procedure, online version, http://ec.europa.eu/economy_finance/economic_governance/macroeconomic_imbalance_procedure/index_en.htm, accessed on 18 March 2015.

³ Surveillance of budgetary policies, online version, http://europa.eu/legislation_summaries/economic_and_monetary_affairs/stability_and_growth_pact/l25019_en.htm, accessed on 18 March 2015.

Here is a summary of the **main findings of the In-Depth Review** included in this Country Report:

- While our country's net international investment position indicates some remaining risks, key imbalances have been corrected (an added bonus being the export growth; it is worth mentioning here that more than 70% of Romania's exported goods and services go to EU Member States);
- However, deficiencies in the business environment might threaten the needed investment and Romania's export capacity (in such case, structural funds could contribute to financing important investments, but the Romanian state faces major obstacles in terms of implementation);
- While the Romanian financial sector stability has been preserved and private debt has been contained, vulnerabilities remain in this sector (*i.e.* impaired loans weighing on banks' profitability, as well as banks' vulnerability to adverse developments in the euro area).

The **findings of the analysis of macroeconomic and structural issues** are the following:

- Romania's tax policy is rather unstable, while tax compliance is limited (tax collection remains weak, and the VAT gap is the biggest in the EU27, at 44% of GDP in 2012);
- The state still faces structural issues of poverty and social exclusion (the at-risk-of-poverty rate in 2013 was 22.4% of total population, with a severe material deprivation rate at 28.5% of total population);
- Given that the reforms aimed at increasing the quality of public services are not implemented properly, there are significant weaknesses in public administration and business environment (thus, it has been emphasized that *'Romania ranks last in the EU in terms of government effectiveness and among the last three Member States in terms of regulatory quality and control of corruption'*).

In the chapter dedicated to the **assessment of the 2014 country-specific recommendations for Romania**, the Commission made an overview table:

- Romania has made no progress in implementing the EU/IMF financial assistance programme by fully addressing the policy conditionality;
- Romania has made some progress in implementing the budgetary strategy for 2014 (with significant progress in reducing tax burden for low- and middle-income earners);
- Romania has made limited progress in stepping up reforms in the health sector (for example: the basic benefits package was introduced in June 2014; the National Health Strategy was approved in December 2014);
- Romania was supposed to strengthen active labour market measures and the capacity of the National Employment Agency, but it has made limited progress in this sector (the adoption of the Active Ageing Strategy was delayed to March 2015; no progress has been made in setting guidelines for transparent minimum wage setting);
- In education (increase the quality and access to vocational education and training, apprenticeships, tertiary education and lifelong learning) there is hardly any noticeable progress (the strategies for tertiary education and lifelong learning have also been postponed to the first quarter of 2015);
- Progress has been limited in terms of alleviating poverty and increasing the efficiency and effectiveness of social transfers, particularly for children; thus, the adoption of the Strategy on early school leaving, which should be the basis for a policy on this issue, has been postponed (to the first quarter of 2015);
- Some positive progress has been noted in stepping up efforts to strengthen the capacity of public administration, *i.e.* implementing the new Criminal Code and the new Code of Criminal Procedure, as demonstrated by many high-level corruption cases that have been prosecuted;
- Last but not least, in the energy and transport sectors, the report mentions that some progress has been made in promoting competition and efficiency in energy through the gas prices liberalisation roadmap.

The last part of the report includes an assessment of Romania's results in reaching the national targets for the Europe 2020 Strategy. Thus, our country is on track to meet the renewable energy target in all modes of transport, but it has weak performance indicators which make the R&D-intensity target difficult to reach.

Eliza Vaş

European Parliament - Plenary Session 09 – 12 March 2015, Strasbourg

During this plenary session the main concerns brought up by the MEPs were the legislation on capping credit card fees and sending a warning towards the candidate countries to resume their European path in order to join the EU in the future. There were also debates regarding the death of the Russian opposition leader Boris Nemtsov, and finally there were discussions upon reducing the gender pay gap.

The main attraction of this plenary was the arrival of King Abdullah II of Jordan who held a most vibrant speech on what it means to be a good Muslim and the values that this religion promotes. His Majesty also called for Muslims to fight against this plague that appeared, the so-called Islamic State and to not allow them to hijack their faith: *“Those outlaws of Islam who deny these truths are vastly outnumbered by the ocean of believers – 1.6 billion Muslims worldwide. In fact, these terrorists have made the world’s Muslims their greatest target. We will not allow them to hijack our faith.”*¹

Gender gap inequality is a topic that was discussed by the MEPs in an attempt to seek out a new opportunity to reduce it, if not solve it, but there is still much to do in removing this glass ceiling on women’s career.

Next on the agenda was the support for capping card fees that the banks charge retailers to process shoppers’ payments. This resolution should reduce the costs on both sides and create a new environment that will allow the retailers to develop in a new manner.

Another topic was the aid of the road haulers that have been hit hard by the Russian restriction on imports of food and farm produces. Notably the hardest blow was given to haulers from Eastern Europe, mostly from Poland, who lost a lot of money due to the Ukrainian crisis.

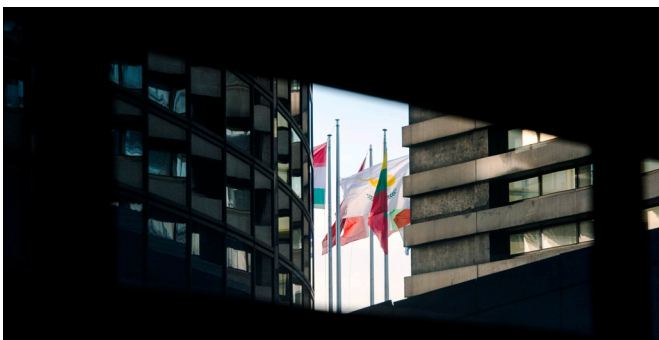


Photo source: https://www.flickr.com/photos/european_parliament/

The European course of candidate states like Serbia, Montenegro and the Former Yugoslav Republic of Macedonia



Photo source: https://www.flickr.com/photos/european_parliament/

was submitted to a scrupulous analysis by the EU Parliament who pointed out continuous changes in what concerns the rule of law, corruption and discrimination as well as the pace of structural reform, and the polarisation of politics.

A most interesting topic discussed in the plenary session was the adopting of a new directive in what concerns the child abuse in order to investigate online sexual abuse of children and protect them from the sexual abusers. *“The new directive to combat sexual abuse and exploitation of children and child pornography is an innovative legislative instrument and a step forward for the protection of our children. The text will be available to the competent authorities and NGOs, so that there is zero tolerance of all crimes against children”* said Roberta Angelilli (EPP, IT), who steered the legislation through Parliament.

The news of the death of Russian opposition leader Boris Nemtsov called for a new standing from the MEPs, in correlation with the interdiction placed upon several MEPs by the Kremlin authorities. MEPs express Parliament’s support for democratic forces in Russia and urge the EU Council to commit the 28 EU countries to a strong, unified message on human rights and on the need to end the crackdown on freedom of expression and assembly there. A stronger programme and more funding is also needed to support Russian civil society in Russia and occupied Crimea.

Finally, there were discussions upon the issue of “green lorries” which seek to improve their road safety and fuel efficiency.

For further information, please access: <http://www.europarl.europa.eu/en/pressroom/press-release/plenary>.

Alexandru Crăciun, intern

¹ http://kingabdullah.jo/index.php/en_US/speeches/view/id/552/videoDisplay/0.html, accessed on 23 March 2015.

European Council 19-20 March 2015



Photo source: <http://www.european-council.europa.eu/>

The European Council meeting, held from 19 to 20 March 2015, began with a moment of silence for the victims of the terrorist attack in Tunisia, committed on 18 March 2015.



Photo source: <http://www.european-council.europa.eu/>

The Council discussed a revision of the European Neighbourhood Policy which should show the commitment to the Eastern partners. EU leaders agreed on the objectives of the Eastern Partnership summit, which will take place in Riga on 21-22 May 2015. They decided to ensure alignment of existing sanctions and implementation of agreements concluded in Minsk. The last point of the peace plan – Ukraine regaining control over its Eastern borders¹ – is going to be implemented at the end of 2015.

The European Council agreed to set out the first steps of an Energy Union. EU leaders have committed to ensure affordable, secure and sustainable energy within the EU. Talks focused on energy security and transparency in gas contracts which should be in accordance with EU legislation and should not have a negative impact on Europe's energy security².

Regarding the economic situation in Europe, leaders endorsed the three priorities contained in the Annual Growth Survey 2015: investment, structural reforms, and budgetary responsibility. They welcomed the adoption of the Council's negotiating position on the proposal on the European strategic investments (ESIS) and discussed the progress of negotiations with the US on the Transatlantic Partnership Agreement for Trade and Investment (TTIP)³.

According to European Council President, Donald Tusk, the economic outlook for Europe is improving, work on the European strategic investments being carried out smoothly. Also, he condemned the terrorist attack that took place in Tunis and stressed the importance of intensifying cooperation with Tunisia to counter the terrorist threat and to support economic and social development. He expressed his intention to visit Tunisia, Malta and Italy before the end of March, launching on this occasion an invitation for Federica Mogherini, High Representative of the Union for Foreign Affairs and Security Policy, to join him⁴.

The next European Council is scheduled to take place from 20 to 21 May 2015.

Denisa Ticușan, intern

¹ <http://www.consilium.europa.eu/en/press/press-releases/2015/03/conclusions-russia-ukraine-european-council-march-2015/>, accessed on 21 March 2015.

² <http://www.consilium.europa.eu/en/press/press-releases/2015/03/20-conclusions-european-council/>, accessed on 21 March 2015.

³ <http://www.consilium.europa.eu/en/meetings/european-council/2015/03/19-20/>, accessed on 21 March 2015.

⁴ <http://www.consilium.europa.eu/en/press/press-releases/2015/03/20-final-remarks-tusk-european-council/>, accessed on 21 March 2015.

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