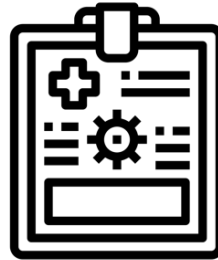


# Open Budget Survey

## Covid-19 Module

### Romania



Funky Citizens

May 2021

## Introduction:

For the purposes of the research, we have chosen the April 2020 budget revision. The reason is that by then, the Government already passed several other measures in key areas and the Emergency ordinance for revising the budget was the tool that made all these measures possible through stable budget allocations for the entire year. Moreover, it comprises the impact of most of the measures that were adopted and it was an exceptional measure by its magnitude, legal implications, coverage of most areas of policy and the framework it created for future measures.

## Key documents:

1. [EO no. 50](#) of April 15, 2020 on the rectification of the state budget for 2020;
2. [Draft law](#) for the adoption of Emergency ordinance 50/220 on the rectification of the state budget for 2020;
3. [DECREE no. 195](#) of March 16, 2020 on the establishment of the state of emergency on the Romanian territory;
4. [EO no 29/2020](#) regarding some economic and fiscal-budgetary measures;
5. [EO no. 135](#) of August 14, 2020 on the rectification of the state budget for 2020, the amendment of some normative acts and the establishment of some budgetary measures<sup>1</sup>.

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<sup>1</sup> Traditionally, budget revisions are published at least several hours in advance of having them adopted by the executive (and usually this kind of change is expected to be in a public debate on the website for at least 10 days). However, the text of this ordinance was not available on the website of the MoF in advance, nor on the website of the Government. The Ordinance was [adopted](#) on 15 April 2020 and the text was made available only through its [publication in the Official Gazette](#) two days later.

## General questions

How many emergency fiscal policy packages were introduced by the government in your country in response to the COVID-19 crisis? When were they approved, and what form did they take?

### TIMELINE

#### Government emergency fiscal policy packages



#### Emergency Package 1:

EO [29/2020](#) (May 21st)

Immediate support measures for companies affected by Covid-19: credit lines and guarantees, debt restructuring/ elimination for some penalties, extensions for some deadlines for taxes.

EO [30/2020](#) (May 21st)

Immediate support measures for individuals affected by Covid-19: financial support for parents that needed to stay at home with their children due to the closure of schools, but also several measures to make social assistance payment benefits easier (i.e. by submitting some documents that required in-person presence electronically). The ordinance was further completed with Emergency ordinance 32/2020 that added several other categories and clarified several sources for paying unemployment benefits.

#### Emergency Package 2:

EO [33/2020](#) (March 30th)

Support for the private sector: bonuses between 5-10% for companies that pay the profit tax in advance, exemptions from customs duties and VAT for imports intended to prevent and COVID-19.

EO [37/2020](#)

Introduced the possibility for individuals and companies to postpone the payment of their instalment for loans for a period of 1 to 9 months.

### **Emergency Package 3:**

[EO 50/2020](#) (April 17th)

The budget revision was an extraordinary measure (it is prohibited by law to have a budget revision in the first semester of the FY). The main aim was to budget for the emergency measures taken in the context of Covid-19.

### **Emergency Package 4:**

[EO 92/2020](#) (May 29th)

Measures for supporting employment: payment of technical unemployment benefits – 41.5% of the basis salary, grants for employers that create new jobs, amounting 50% from the salary, not exceeding 2.500 LEI, for an undetermined period, if they employ: persons +50yo, fired during the state of emergency/alert; unemployed young people 16 –29yo; benefits of 41.5% of the gross medium salary to persons with revenues from independent activities; day workers – 35% of the daily remuneration provided from the state budget; supporting employers who employ seasonal workers – 41.5% of the gross basis salary

### **Emergency Package 5:**

[EO 94/2020](#) (June 11th)

This is the most consistent package related to the use of EU funds to fight the pandemic, previous and subsequent measures were adopted besides it. This emergency ordinance regulates the general framework for approving the financing from European funds of national programs to answer the Covid-19 pandemic, related to the following areas: a) integration on the labor market of the social categories considered a priority at national level; b) supporting entrepreneurship, social economy structures and other business initiatives; c) digitization of activities carried out by the business environment, including the development of digital skills of the workforce; d) active employment measures; e) active measures for the development of community assistance services for the elderly; f) investments in research, development and innovation

Key tax and spending measures were announced at the end of March 2020, immediately after the Romanian President decreed the state of emergency in Romania, on 16 March 2020. The package of three initial Emergency ordinances include:



(i) additional funds for the healthcare system



(ii) covering partially the wages of parents staying home for the period the schools are closed



(iii) measures to support businesses including covering in part the wages of self-employed and workers in danger of being laid off partially subsidizing the wages of those returning to work, deferral of utilities payments for SMEs

**OTHER MEASURES:**

The government has provided RON15 billion of guarantees – equivalent to 1.5 percent of GDP – for loan guarantees and subsidized interest for working capital and investment of SMEs.	A new guarantee scheme of about RON 1.5 billion (0.15 percent of GDP) was adopted to support the procurement of work equipment by SMEs	Faster reimbursement of VAT
Suspending foreclosures on overdue debtors	Suspending tax authorities' control	Discounts for paying corporate income taxes
Postponement of property tax by three months	Exempting the hospitality industry from the specific tax for 90 days	

Most of these measures were subsequently extended several times, but also slightly changed in the legislature. However, they represent the most significant relief package passed to mitigate the effects of Covid-19.



All the measures were reflected in budget revisions that were operated in April, August, and November 2020. The April revision was entirely generated by Covid-19 and it was an exceptional measure (Law 69/2010 prohibits the government to operate more than two revisions per year and to make any changes in the first semester of the fiscal year). In addition, several major changes were also brought on other areas:



### Labour legislation

For example, besides the support for unemployment, a piece of legislation on the so called “kurzarbeit” (part-time and flexible work) was passed, also to ensure some help for the labour market.



### Postponement of measures with a high fiscal impact

For example, the public pensions were supposed to be raised with 40% in 2020 and due to Covid-19, just a portion of the new pension law increase was implemented in September, raising pension spending on average by 14 percent. In late December, the government announced the continuation of some of the previously adopted measures until June 2021.



### European Union programmes

Several high impact measures were taken at EU level, which meant that huge amounts of money was made available for all member states, there was an unprecedented relaxation of the legislation (on procurement or state aid) and several programmes were conducted by Brussels which meant that significantly burdensome expenditure was carried by the EU (for example, EU bought vaccines as well as equipment for all member states), leaving the member states a wider fiscal space

### Did the government set up a dedicated website/portal or other platform to disseminate data and information on emergency fiscal policy packages and their implementation?

No. At the beginning of the pandemic, a dedicated page was set up [on the website of the Ministry of Finance](#). The page contains only the first measures taken by the government in March 2020, they are mostly a short explanation, and they were not updated. However, several ministries published updated information for each of the measures. Unfortunately, no unique portal is available nor at least a common reporting/ publishing standard to track all these measures.



### Has any credible and documented evidence of misuse, waste or corruption in the management of emergency funds surfaced?

Yes. As part of the emergency fiscal policy packages, significant resources were allocated for buying medical supplies and equipment, and the public procurement legislation was relaxed. Several corruption allegations surfaced in the public space, especially in relation to procurement. The most visible one was related to the quality of PPE and masks, in particular; investigative reporters from RISE Project Romania (part of the global network of journalists from Organized Crime and Corruption Reporting Project) discovered not only poor-quality equipment that was purchased at huge price, but also fake certificates as well as connection between the State-owned enterprise in charge with procurement and some of the contractors. Several months later, the General Anticorruption Directorate prosecutors charged the director of that state-owned company with corruption and bribery for contracts related to Covid-19 procurement<sup>2</sup>.

## Specific questions

– 1 –

**Did the government publish, as part of published budget documents and information about emergency fiscal policy packages or elsewhere, updated macroeconomic projections, comparing them to the originally approved ones for the current fiscal year?**

- Nominal GDP level
- Inflation rate
- Real GDP growth
- Interest rates
- Unemployment rate
- Comparison between originally approved and updated projections
- Explanatory narrative
- Other: Trade balance, sector GDP forecasts, interest rate risk, other debt statistics

Several public institutions published several updates on the macroeconomic forecasts. The Ministry of Finance published them in the context of the budget revisions, but also as part of the normal budget reporting cycle (quarterly and mid-year reviews). Also, some of the emergency measures had, as part of their motivation, several updates on the macroeconomic projections. The Fiscal Council (the Romanian IFI) also published several reports, as well as the National Committee for Prognosis and Strategy<sup>3</sup>.

<sup>2</sup> RISE Project / OCCRP investigation [one](#), [two](#); [Anticorruption Prosecutors press release](#); Several other issues related to public spending during the pandemic [were reported](#) by Buletin de Bucuresti for the capital city.

<sup>3</sup> [MoF reports](#), in particular "[Raport privind situația economică și bugetară pe primele șase luni ale anului 2020](#)" (Section II - Politica fiscal-bugetară aferentă anului 2020: Nominal GDP, GDP growth, deficit, comparisons, narrative); [Fiscal Council reports](#), in particular [this one](#) (Unemployment p. 7); [National Committee for Prognosis and Strategy: August forecast](#), Inflation (CPI)

– 2 –

**Did the government publish, as part of published budget documents and information about emergency fiscal policy packages or elsewhere, information on updated revenue, expenditure, deficit, and debt projections?**

- Total revenues
- Revenues by category (tax vs. non-tax)
- Individual sources of revenue
- Total expenditures
- Expenditures by administrative unit
- Expenditures by functional classification
- Expenditures by economic classification
- Expenditures by program
- “COVID tag” for expenditure
- Deficit
- Government debt (total at end of budget year)
- Comparison between originally approved and updated projections
- Explanatory narrative

The Covid tag was not introduced for expenditure. It should also be noted that expenditure by program is rarely detailed in “normal” budget revisions, so the lack of these details is in accordance with existing practice. Expenditure figures are provided as the adjustment of the original budget, but without showing both the original budget and the resulting revised budget: <http://www.cdep.ro/proiecte/2020/100/50/3/cs213.pdf><sup>4</sup>.

– 3 –

**Do published documents and information about the emergency fiscal policy package under consideration include analysis and justification of the specific policy initiatives within the package to address the COVID-19 crisis?**

- Background information on specific policy initiatives
- Policy rationale for specific policy initiatives
- Objectives or anticipated effects of specific policy initiatives
- Cost estimates of specific policy initiatives

Not all the information is available in the document in itself, but it is referenced and a wider explanatory note is attached to the package of documents [sent to the Parliament](#). For objectives of policies - For example, at the end of p. 6, the document describes the expected evolutions of unemployment and technical unemployment (in which the state pays part of the salary), including the number of employees that are expected to be in this situation. Then, at the end of page 15, the budgetary measures (supporting either the unemployment fund or allocating funds for

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<sup>4</sup> The narrative discussion is in [the budget revision Emergency ordinance](#): The update on revenues is available in [Annex 1](#): The update on expenditure, including debt, is available in [Annex 2](#): Government debt projections available [here](#).



technical unemployment) are described – the Ministry of Labour is allocated +8103.9 mil lei to cover the resources needed for those employees<sup>5</sup>.

– 4 –

**Do published documents and information on the emergency fiscal policy package under consideration include estimates of the package’s spending measures?**

- Total expenditures
- Expenditures by administrative unit
- Expenditures by program
- Explanatory narrative

Expenditure by program is rarely detailed in a complete fashion during normal budget revisions. It should be noted that even though there is information available for almost all expenditure, the detail for each of them is uneven, with some measures being more thoroughly explained than others<sup>6</sup>.

– 5 –

**Do published documents or information on the emergency fiscal policy package under consideration include information on tax relief measures?**

- Estimate of total revenue losses from tax relief measures
- Estimate of revenue losses for individual tax relief measures
- Policy rationale for individual tax relief measures
- Intended beneficiaries for individual tax relief measures
- Explanatory narrative for individual tax relief measures
- Not applicable (the EFPP does not include tax relief measures)

It should be noted that even though there is information available for almost all the tax relief measures, the detail for each of them is uneven, with some measures being more thoroughly explained than others<sup>7</sup>.

– 6 –

**Do published documents or information on the emergency fiscal policy package under consideration include information on loans and loan guarantees and related liabilities?**

- Description and policy rationale
- Intended beneficiaries

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<sup>5</sup> <http://legislatie.just.ro/Public/DetaliuDocument/224919>

<sup>6</sup> The narrative discussion is in the [budget revision Emergency ordinance](#) and in the [documentation sent to the Parliament](#). The update on expenditure is available in [Annex 2](#). The total costs can be found at page 15, and then the distribution per ministry is available. Note that for this revised budget, all revisions have to be COVID-19 related because legally the government is not allowed to adjust the budget during the first semester without the exception created by the pandemic.

<sup>7</sup> The narrative discussion is in the [budget revision Emergency ordinance](#) and in [the documentation sent to the Parliament](#). The update on revenues is available in [Annex 1](#): Additional details are in “Ordonanta de urgenta nr. 29/2020...” (Emergency ordinance 29, p 8) that provides tax relief measures, as well as Emergency ordinance 33/2020 (p. 10) and there is a narrative discussion about intended beneficiaries, rationale etc.

- Maximum amounts allowed
- Entry requirements and approval processes
- Reporting requirements
- Total cost estimates (or maximum exposure)
- Not applicable (the EFPP does not include tax relief measures)

The Emergency ordinance 42/2020 has include information on loans and loan guarantees and related liabilities for SMEs and it is referenced in the EO on budget revision. While the items do not directly appear in the EO 50/2020 on the budget revision, EO 42/2020 is specifically quoted as being one of the reasons for allocating funds towards this destination. EO 42/2020 (and the legislation modified by it) contains all the items above. Entry requirements and approval and reporting requirements can be found in the Annex at [Point II](#) which links to <http://legislatie.just.ro/Public/DetaliuDocumentAfis/224655> and contains detailed info<sup>8</sup>.

– 7 –

**Do published documents or information on the emergency fiscal policy package under consideration include information on intended beneficiaries of spending measures, in particular poor and vulnerable groups?**

- Individual beneficiaries
- Business beneficiaries
- Poor beneficiaries
- Other vulnerable beneficiaries (please specify in the comment box)
- Eligibility criteria
- Explanatory narrative

The Emergency ordinance 50/2020 on the budget revision is not covering in detail these items, but it directly references parts of the emergency fiscal policy package that include such details. The details can be found in measures like those in EO 30/2020 and more details are directly offered with regards to individual beneficiaries of unemployment benefits or for business beneficiaries (SMEs), as well as other vulnerable beneficiaries (i.e. seasonal workers). However, the explanatory narrative is uneven, with more details offered for some measures and minimal information with regards to others<sup>9</sup>.

– 8 –

**Do published documents and information about the emergency fiscal policy package under consideration include, where relevant, disaggregated information by gender?**

- Gender Impact Assessments of key policy initiatives
- Disaggregated data by sex for key policy initiatives
- Policy initiatives specifically targeted at women
- Other
- None of the above

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<sup>8</sup> <http://legislatie.just.ro/Public/DetaliuDocumentAfis/224654>

<sup>9</sup> The narrative discussion is in [the budget revision Emergency ordinance](#) and [in the documentation sent to the Parliament. Articles 1](#) of EO 30/2020 also specifies exactly the eligibility criteria.

There are rarely such references during “normal” times<sup>10</sup>.

– 9 –

**Do published documents or information on the emergency fiscal policy package under consideration include nonfinancial information on performance and impact for specific policy initiatives?**

- Non-financial information on inputs
- Non-financial information on results (outputs or outcomes)
- Nonfinancial information on performance targets
- Explanatory narrative
- None of the above

Such data is not available. Of course, targets like “maintaining the SME sector” or “avoiding unemployment” are part of the explanatory note, but no specific indicators appear. <sup>11</sup>

– 10 –

**Do published documents or information on the emergency fiscal policy package under consideration include information on domestic sources of financing (excluding borrowing) that will be used for specific policy initiatives?**

- Budget reallocations
- Contingency reserves
- Additional government revenues
- Explanatory narrative
- Other

As it can be seen from the budget revision, no additional government revenues were used, the main resources are related to the contingency reserves, EU funds (made available by the European Commission for all member states) and some small reallocations<sup>12</sup>.

– 11 –

**Do published documents or information on the emergency fiscal policy package under consideration include information on borrowing needs and plans?**

- Total borrowing needs
- Domestic vs. external borrowing
- Types of borrowing instruments
- Interest rates
- Explanatory narrative
- Other
- None of the above

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<sup>10</sup> The narrative discussion is in [the budget revision Emergency ordinance](#) and [in the documentation sent to the Parliament](#).

<sup>11</sup> The narrative discussion is in [the budget revision Emergency ordinance](#) and [in the documentation sent to the Parliament](#).

<sup>12</sup> The narrative discussion is in [the budget revision Emergency ordinance](#) and [in the documentation sent to the Parliament](#).

The only mention present in the documentation is related to increases in the debt level as well to an increased deficit. No extra data is available in the package under consideration. However, the MoF keeps updated information about actual debt over time available on [a dedicated portal](#)<sup>13</sup>.

– 12 –

**Do published documents or information on the emergency fiscal policy package under consideration include information on donor funding?**

- Total donor funding
- Information by donor
- Information on whether aid is provided as a grants or loan
- Information on whether aid is tied to debt relief
- Information on in-kind aid
- Details on the purposes of and conditions linked to the donor funding
- Not applicable (the country does not receive donor funding)
- None of the above

Romania, like all the EU member states, has the possibility to use grants or loans from the EU budget. While many of the big impact allocations are to come, some impact was already visible and operated in the EO 50/2020 on budget revision. There are also loans from the World Bank noted in the document. Funding is noted as refundable (loans) and non-refundable (grants). For example, see Chapter: ‘TITLUL XII CHELTUIELI AFERENTE PROGRAMELOR CU FINANȚARE RAMBURSABILĂ’<sup>14</sup>.

– 13 –

**Do published documents or information on the emergency fiscal policy package under consideration include information on extra-budgetary funds and other off-budget arrangements to be used for implementing policies and programs included in the emergency fiscal policy package?**

- Legal mandate
- Policy rationale
- Institutional arrangements
- Reporting and auditing requirements
- Estimates of total financing
- Estimates of income from revenue or budget transfers (public resources)
- Estimate of income from private donations and international donors
- Estimates of other sources of financing
- Estimates of total expenditure
- Estimates of expenditure by program or activity
- Sunset clause
- Explanatory narrative

<sup>13</sup> The information is available in [the budget revision Emergency ordinance](#) and in [the documentation sent to the Parliament](#).

<sup>14</sup> The information is available in [the budget revision Emergency ordinance](#).

- Not applicable (the country did not create or use an existing extra-budgetary fund to implement the EFPP)
- None of the above

Several funds, such as the National Health Insurance Fund, see in [Annex 4 of EO 5](#). There are also other EBFs that are involved in the response, see at [art. 9](#) - Bugetul asigurărilor sociale de stat / Social insurance budget (pensions) - bugetul asigurărilor pentru șomaj / Unemployment budget<sup>15</sup>.

– 14 –

**Do the published documents or information about the implementation of the emergency fiscal policy package under consideration include information on: (a) actual expenditures for spending measures; (b) actual revenue losses from tax relief measures; and (c) total exposure of loans and loan guarantees issued by the government, included in the package?**

- Total expenditures
- Expenditures by administrative unit
- Expenditures by program
- Total revenue losses from tax relief measures
- Revenue losses for individual tax relief measures
- Total exposure to loans and loan guarantees issued
- Explanatory narrative
- Not applicable (the country did not create or use an existing extra-budgetary fund to implement the EFPP)
- None of the above

Since the package under consideration is a budget revision, such information was available under the normal reporting available for budget execution. Consolidated data is reported monthly, exploratory narratives are published on a quarterly basis, and a mid-year review was also published. Also, Romania has a reporting mechanism which offers monthly detailed budget execution data for all the public institutions. However, the information is reported for the entire revised budget – including both COVID expenditures and non-COVID expenditures. That said:

1. The government introduced several new budget classifications as a consequence of this EFPP and those can be followed precisely. For example, there is this new line called “Allowances for other professionals as well as for persons who have concluded individual work agreements that interrupt the activity as a result of the effects of the SARS-CoV-2 coronavirus”.
2. Some other measures are not similarly detailed.

For that reason, here it is checked ‘expenditures by program’ to account for the specific line items that are available, but not other elements<sup>16</sup>.

– 15 –

Do published documents or information about the implementation of the emergency fiscal policy package under consideration include information on actual sources of financing used?

- Government revenues

<sup>15</sup> Title IV of EO 29/2020, quoted at the very beginning of [the package under consideration](#).

<sup>16</sup> Consolidated and narrative [budget execution data](#); [Detailed budget execution data](#).

- Borrowing
- Donor funding
- Explanatory narrative
- Other
- None of the above

Since the package under consideration is a budget revision, such information was available under the normal reporting available for budget execution. Consolidated data is reported monthly, exploratory narratives are published on a quarterly basis, and a mid-year review was also published. Also, Romania has a reporting mechanism which offers monthly detailed budget execution data for all the public institutions. For borrowing data, MoF keeps a dedicated and (relatively) constantly updated platform; for EU funding data, there is also a dedicated MoF page. However, the information is reported for the entire revised budget – including both COVID expenditures and non-COVID expenditures. For that reason, the detailed information on borrowing is not counted, because it is not clear how much of that financing was specifically related to COVID<sup>17</sup>.

– 16 –

**Do published documents or information about the implementation of the emergency fiscal policy package under consideration include nonfinancial information performance, in particular looking at the impact on poor and vulnerable groups, including women?**

- Actual performance for inputs
- Actual performance for results (outputs or outcomes)
- Impact on poor beneficiaries
- Impact on women and girls
- Impact on other vulnerable groups
- Explanatory narrative
- None of the above

Such information is not available<sup>18</sup>.

– 17 –

**Do published documents or information on the emergency fiscal policy package under consideration include information on extra-budgetary funds and other off-budget arrangements used for implementing policies and programs included in the emergency fiscal policy package?**

- Actual total financing
- Actual income from revenue or budget transfers (public resources)
- Actual income from private donations and international donors
- Actual income from other sources of financing
- Actual total expenditure
- Actual expenditure by program or activity

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<sup>17</sup> Consolidated and narrative [budget execution data](#); [Detailed budget execution data](#); [Debt portal](#); [Romania-EU financial flows](#).

<sup>18</sup> n/a

- Explanatory narrative
- Not applicable (the country did not create or use an existing extra-budgetary fund to implement the EFPP)
- None of the above

Since the package under consideration is a budget revision, such information was available under the normal reporting available for budget execution. Consolidated data is reported monthly, exploratory narratives are published on a quarterly basis, and a mid-year review was also published. Also, Romania has a reporting mechanism which offers monthly detailed budget execution data for all the public institutions (including EBFs, such as the National Health Insurance Fund or the Fund for Unemployment). However, the information is reported for the entire revenues and expenditures for these funds, not the additional funding specifically related to COVID. Even so, there are some classifications introduced and marked precisely as part of the Covid-19 response, but not all of them. For that reason, ‘actual expenditures by program and activity’ is selected for this question<sup>19</sup>.

– 18 –

**Did the government publish specific guidance on the use of emergency procurement procedures, if any?**

- Policy rationale for emergency procedures
- Clear criteria for inclusion
- Tagging of emergency procurement
- Additional transparency requirements
- Other
- None of the above

The procurement legislation was relaxed significantly in Romania, which lead to vulnerabilities and significant corruption allegations, because they generated opacity as well as a lack of oversight. Unfortunately, the measures adopted lead to less transparency and provided no measure to ensure tracking of such emergency procurement. This is one of the areas in which we [constantly did advocacy](#), including through common letters [together with other organizations](#)<sup>20</sup>.

– 19 –

**Did the government publish information on actual procurement related to the implementation of the emergency fiscal policy package under consideration?**

- Planning
- Tenders
- Awards
- Contracts
- Suppliers
- Delivery or implementation

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<sup>19</sup> Consolidated and narrative [budget execution data](#). [Detailed budget execution data](#).

<sup>20</sup> [http://legislatie.just.ro/Public/DetaliuDocumentAfis/222821#id\\_artA33\\_ttl](http://legislatie.just.ro/Public/DetaliuDocumentAfis/222821#id_artA33_ttl). For the legal basis of emergency procurements, see [the first decree](#) + [2nd](#). The second decree also expands direct procurement to all authorities (Article 15). An extra analysis that includes Romania is also [available here](#).

- Payments
- Open format
- Timely publication (<10 days)
- Other
- None of the above

Romania has a rather open and transparent procurement portal, where procurement data is available with significant detail: <http://e-licitatie.ro/pub>. However, during the state of emergency significant delays were registered, as well as many more uncompetitive procedures, which lead to less information being made available in timely manner or with sufficient detail. Importantly, there is no distinct section or indicator for Covid-19 related procurement. But if you search for tenders and direct contracting, you can usually identify Covid-19 related procurement, but not all of it, and there is no systematic tracking of COVID-19 procurement<sup>21</sup>.

– 20 –

**What was the process for legislative discussion and approval of the emergency fiscal policy package under consideration?**

- Legislature held a vote on the proposed package before the package was implemented
- Legislature debated the proposed package before voting on it
- Legislature established a special COVID-19 committee or granted additional powers to existing committees to discuss the proposed emergency fiscal policy package before its approval.
- Legislature had at least two weeks to review and discuss the proposed package before holding a vote on it.
- Not applicable (the legislature was not involved in the approval of the EFPP)

According to the Romanian Constitution, in order for an Emergency ordinance to come into force, it must be published in the Official Gazette, but also be sent to the Parliament for consideration. However, as soon as the EO is sent to the Parliament, it is considered enforced and produces effect. Thus, even though the legislature had received the EO on budget revision immediately and voted for it two months later, during this time the measures were already in place. After the legislature debated the fiscal package, 41 amendments were approved.<sup>22</sup>

– 21 –

**Which of the following “fast track” procedures were used that limited legislative oversight during the crisis?**

- A State of emergency was declared.
- Cabinet or individual ministers were empowered with emergency expenditure and law-making authority.
- Fast-tracked parliamentary approval procedures were introduced

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<sup>21</sup> <http://e-licitatie.ro/pub>

<sup>22</sup> [http://www.cdep.ro/pls/proiecte/upl\\_pck2015.proiect?cam=2&idp=18492](http://www.cdep.ro/pls/proiecte/upl_pck2015.proiect?cam=2&idp=18492)



- The role of the Upper Chamber was limited
- The executive used extra-budgetary entities and other off-budget arrangements that bypassed regular legislative oversight
- Not applicable (the country did not use any 'fast track' procedures that limited legislative oversight)

A state of emergency was declared on 16 March 2020 and extended until May 2020. During this time, several fast-track measures were taken, including EO 50/2020. According to the Romanian Constitution, in order for an Emergency ordinance to come into force, it must be published in Official Gazette, but also be sent to the Parliament for consideration. However, as soon as the EO is sent to the Parliament, it is considered enforced and produces effects. Thus, even though the legislature had received the EO on budget revision immediately (and entered a fast-track procedure), voted for it two months later, during this time the measures were already in place<sup>23</sup>.

– 22 –

#### **How was the legislature involved in monitoring the implementation of the emergency fiscal policy package under consideration?**

- Legislature receives and debates regular or special reports which include information on the execution of emergency fiscal policy packages.
- Legislature hears testimony from members of the executive to get a better picture of the emergency-related policies execution
- Legislature receives and debates regular or special audit reports which include information on audits of emergency fiscal policy packages.
- Legislature established a special COVID-19 committee to oversee emergency-related execution, or granted additional powers to an existing committee.
- None of the above

There were no special measures put in place for oversight purposes. However, the legislature has its normal oversight powers, including the hearing testimony from the prime minister and members of the executive<sup>24</sup>.

– 23 –

#### **Did the SAI adapt its auditing approaches and practices for emergency response and deliver on its planned auditing of emergency fiscal policy packages?**

- Publication of audit plans and schedules
- Adoption of real-time audits and concurrent monitoring, or other similar approaches
- Publication of findings from completed audits
- Government response to audit findings
- None of the above

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<sup>23</sup> The timeline is available [here](#); [Decree 195 on the state of emergency](#):

<sup>24</sup> The prime-minister update in the Parliament, a month after the package under consideration [was passed](#).

The SAI published a report in August 2020, which covered public spending practices during the state of emergency<sup>25</sup>.

– 24 –

**Does the SAI have the mandate and resources necessary to audit emergency spending?**

- SAI has a sufficiently broad mandate and full discretion to audit emergency fiscal policy packages
- The role of the SAI was clarified and/or expanded as part of the government's emergency response
- Additional funding was provided to the SAI as part of the government's emergency response
- None of the above

The law already provides a broad mandate for SAI and the immediate report published in August 2020 was also requested by the Parliament<sup>26</sup>.

– 25 –

**Did citizens and CSOs have opportunities to participate during the formulation and approval of the emergency fiscal policy package under consideration?**

- Executive used participation mechanism during formulation
- Executive made effort to include vulnerable and underrepresented groups
- Executive provided comprehensive prior information on engagement
- Executive provided feedback
- Legislature used participation mechanism during approval
- Legislature made effort to include vulnerable and underrepresented groups
- Legislature provided comprehensive prior information on engagement
- Legislature provided feedback
- None of the above

No such measure to ensure public participation was put in place. On the contrary, during the state of emergency the Government suspended the legislation on public debate, as well as the social dialogue legislation (through [Emergency Ordinance 34/2020](#))<sup>27</sup>.

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**Did citizens and CSOs have opportunities to participate in the implementation and monitoring of the emergency fiscal policy package under consideration?**

- Executive uses participation mechanism during implementation
- Executive makes effort to include vulnerable and underrepresented groups
- Executive provides comprehensive prior information on engagement
- Executive provides feedback
- Legislature uses participation mechanism during implementation
- Legislature makes effort to include vulnerable and underrepresented groups
- Legislature provides comprehensive prior information on engagement

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<sup>25</sup> [Report 1](#); [Report 2](#).

<sup>26</sup> Legislation of SAI: <http://www.curteadeconturi.ro/CadruJuridic.aspx>

<sup>27</sup> The explanatory narrative to EO 50/2020 [specifically states at pages 28-30](#) that no such measures were taken.

- Legislature provides feedback
- SAI uses participation mechanism during implementation
- SAI makes effort to include vulnerable and underrepresented groups
- SAI provides comprehensive prior information on engagement
- SAI provides feedback
- None of the above

The only institution that actively promoted participatory mechanisms for the measures under consideration could be considered the SAI, which launched a public call for proposals of the action program. However, this did not specifically reference COVID and this was published on [October 1st 2020](#)<sup>28</sup>.

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<sup>28</sup> n/a