



EUROPEAN SOCIAL POLICY NETWORK (ESPN)

# Access to essential services for low-income people

## Romania

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## Summary

In 2018, Romania adopted a definition of essential services, in the context of cyber-security, which covers more or less directly all the services under discussion. But there is no legislative framework regulating access by vulnerable/low-income consumers to all the services defined as "essential". Low income, as defined by reference to two of the most important means-tested benefits (Minimum Income Guarantee and seasonal heating assistance), is most frequently referred to in the legislation regulating access to potable water, sewerage and energy services. These definitions are also used by most local authorities when granting some cash or in-kind benefits. In addition to these definitions, low income is also defined in the context of energy vulnerability (i.e. an income below the minimum salary) and financial vulnerability (income below 60% of the average national salary); but there is no concrete social protection measure associated with these latter definitions.

In fact, protection measures aimed at increasing access by low-income groups are limited, scarce and unevenly developed. Besides the seasonal cash benefit granted to low-income households for heating, there are no national-level policy measures addressing access to any of the six services under discussion. Until 2018, heating assistance was also the only (cash) benefit addressing access by low-income households to public utilities/services. Starting in 2018, the national legislation has been amended in the areas of electrical energy, natural gas, potable water, sewerage, waste management, transport, digital public services and banking, and more or less concrete references to access by vulnerable categories included. The national legislation makes local, decentralised authorities responsible for these measures (especially for the financial ones); thus, their development (prior to and after 2018) has been rather uneven and only broadly in accordance with national strategy documents. Strategy documents have been developed or amended in order to respond to EU directives in almost all areas (with the exception of energy, where the adoption of a national strategy is still pending), yet their value is rather limited by the marginal importance attached to access by low-income groups, and no major reforms have been announced or are ongoing.

Although some measures are provided at local level in the areas of water/sewerage services, energy, transport and even sanitation, these are entirely missing in the areas of e-inclusion, e-governance and financial inclusion (e-governance is still underdeveloped in many respects; access to the internet is still a challenge for a significant part of the population; and the proportion of the population accessing financial instruments is still low).

One of the most sensitive areas, with a significant impact on poverty and social inclusion, is access to energy. Energy poverty persists, despite the only major cash benefit in place since 2004 (the seasonal heating assistance), and the vulnerability of low-income households with single parents or more than three children remains very high. The existing cash benefit is poorly designed for addressing the energy vulnerability of low-income groups, due to its means-testing procedures and its inability to capture and respond to increases in energy prices. The coverage of the benefit fell from 45% of households in 2010 to 1.2% in 2019. The lack of in-kind benefits encouraging energy efficiency among the low-income population (e.g. thermic insulation), turns inefficient energy use and energy poverty into chronic issues.

A first recommendation of the report is that measures preventing disconnection from public utilities services/networks, in conjunction with the encouragement of responsible and efficient consumption patterns, need to be pursued in the areas of water/sewerage services, energy and sanitation, while exclusion from public transport, digital access to public services and financial instruments needs to be addressed in a more systematic manner. A second recommendation is that the issue of marginalised communities, not connected to any or some public utility services, needs separate attention, and sustainable inclusive policies need to be specially designed for a variety of marginalised communities.

## 1 Overview of national/subnational measures aimed at supporting low-income people in accessing essential services

According to Principle 20 of the European Pillar of Social Rights (EPSR), everyone should have “the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications”. Moreover, support for accessing such services should be available for those in need.<sup>1</sup> The importance of ensuring access to essential services is also well established globally in the framework of the United Nations 2030 Agenda for Sustainable Development and its 17 related Sustainable Development Goals (SDGs) which was endorsed in 2015 by all UN countries including all EU countries.<sup>2</sup> This report investigates the extent to which Principle 20 of the EPSR has already been implemented in the six services under scrutiny in Romania. The group of “those in need” is restricted in the report to people on a low income and low-income households.

### 1.1 Definition of “essential services”

Romania recently adopted a legal definition of essential services that encompasses most of the public utilities, but the definition was introduced in the context of the protection and maintenance of a high level of security for informatics systems and networks (Law No 362/ 2018). Essential services are defined as those services the provision of which is at the same time: (a) essential to support societal and/or economic activities of high importance; (b) depends on an informatics system or network; and (c) is significantly disturbed as the result of an incident (Art. 6.1). The sectors in which these services operate are: energy (electricity, oil and natural gas); transport (fluvial, railway, air and ground); banking; financial market infrastructure; the health sector (including health service facilities); the provision and distribution of potable water; and digital infrastructure. However, although essential services are defined by the legislation, there is still no law to regulate access by (vulnerable) consumers to these services.

There is no subnational definition of any additional or different type of essential service which might trigger some specific social rights or entitlements.

### 1.2 Definition of “low-income people” used in the context of access to services

The definition of “**low-income**” used to assess eligibility for heating assistance (GEO<sup>3</sup> 70/2011, amended by GO27/2013 and GEO 114/2018) refers to a per capita income below a certain level (according to either 9 or 11 income brackets), varying according to the type of heating system and fuel used. For those using central heating systems, 11 income brackets are defined, for which subsidies range from 5% to 100% of the total monthly heating costs. The upper monthly income limit was, for the winter 2019-2020, 1,082 Lei (€226) for a single person, or 786 Lei (€165) for each household member. For natural gas, electricity and firewood, the upper monthly income limit was 750 Lei (€157) for both single people and individual household members (with nine income brackets defined); see Annex 2, Table C1.

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<sup>1</sup> The EPSR was jointly proclaimed by the European Parliament, the European Council and the European Commission on 17 November 2017. For more information on the EPSR, see: [https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles\\_en](https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles_en).

<sup>2</sup> The SDGs and their targets seek to realise the human rights of all, by promoting an integrated notion of sustainable development aimed at creating synergies between economic, environmental and social policies and objectives. For more information on the SDGs, see: <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>.

<sup>3</sup> Government Emergency Ordinance.

The **eligibility threshold for single people/households for the Minimum Income Guarantee (MIG)**<sup>4</sup> (see Annex 2, Table C2), along with the income brackets used to assess eligibility for heating assistance, is used to provide local authorities with a benchmark for the reduced tariffs for some public services (e.g. **local public transport**, in some cases) or for cash benefits to compensate for the price of potable **water and sewerage services** (according to a 2018 law; see further Section 1.3.1). Some municipalities use these thresholds to waive the **waste collection** tax for low-income households.

**Vulnerable clients in regard to electricity and natural gas usage.** The law regarding *electrical energy and natural gas* (Law No 123/2012, amended by Law No 167/2018) defines **vulnerable clients** as those clients “*who belong to a category of domestic clients which, due to age, health status or low income, find themselves at risk of social marginalisation and which benefit, for the prevention of this risk, of social protection measures, including financial benefits. Social protection measures, as well as the eligibility criteria for these measures are established through special laws*” (Art. 3.16). The National Energy Regulatory Agency (NERA) defines low-income clients as those with an income lower than the minimum gross salary per month (currently 2,080 Lei/€435.40, corresponding to a net salary of 1,263 Lei/€264.40)<sup>5</sup>.

Measuring the vulnerability of clients solely on the basis of the three criteria of age, health status and income does not capture the entire spectrum of energy poverty<sup>6</sup> and only partially overlaps with it. Energy poverty is not defined in primary legislation, leaving out of account low-income households that are not connected to any electrical grid. In Romania, studies carried out in 2016 estimated that about 30,000 households were not connected to electricity, whereas in 2012 the government estimated a total number of almost 99,000<sup>7</sup>.

Finally, the law on comparability of banking fees and basic services associated with debit accounts defines **financially vulnerable users** as those “*consumers with a monthly income that does not exceed 60% of the gross average salary*<sup>8</sup>, as projected by the last macro-economic forecast, respectively the fall forecast published by the National Commission for Prognosis, for the next year, or with a monthly income during the last 6 months which does not exceed 60% of the gross average salary” (Law No 258/2017, Art. 4 (e)).

### 1.3 Measures for facilitating access for low-income people to services

#### 1.3.1 Access to water

The provision of households with potable water and sewerage services is regulated by Law No 214/2006<sup>9</sup>. Service providers are defined by Law No 51/2006 and these are licensed by the National Authority for the Regulation of Community Public Utility Services (NARCS<sup>10</sup>), according to the abovementioned law (Art. 26).

Tariffs are established at the regional level by licensed providers, and checked/approved by NARCS. Tariffs vary regionally, depending on the nature of the water source and the

<sup>4</sup> The law regarding the MIG (Law No 416/2001, amended by Law No 192/2018) establishes eligibility using a combination of low income, employment search activity (for the unemployed) and completion of community work.

<sup>5</sup> <https://www.anre.ro/ro/info-consumatori/faq/energie-electrica1386850595/masuri-sociale>.

<sup>6</sup> Fuel-related poverty is defined by GazDeRomania.ro, an online information and discussion platform, as being related to the incapacity to pay for energy and/or not having the means to maintain the dwelling heated during the cold season at affordable prices.

<sup>7</sup> <https://www.gazderomania.ro/saracia-energetica>.

<sup>8</sup> The National Prognosis and Strategy Commission forecasts for 2020 an average gross salary of 5,429 Lei (€1,136.40), which corresponds to a net salary of 3,324 Lei (€696).

<sup>9</sup> Republished in the official law journal (monitorul oficial) No 679/2015, and amended by Law No 215/2018.

<sup>10</sup> Autoritatea Națională de Reglementare pentru Serviciile Comunitare de Utilități Publice, ANRSC.



available infrastructure and technology; they are not differentiated according to any other criteria.

Until 2018, there were no clear-cut measures at the national level aimed at facilitating access by low-income people to potable water (or sewerage). Local authorities were responsible for social protection measures for those consumers who exceeded the "affordability rate" for the service, as defined by the National Strategy for accelerating the development of community-level public utilities (Government of Romania, 2006).

In 2018, the law regarding the provision of potable water and sewerage was amended (Law No 215/2018) and additional regulations for increased access to services for low-income groups were adopted. According to this law (Art. 12), monthly cash benefits to help pay water and sewerage bills should be granted from local budgets<sup>11</sup> to households with an average monthly net income per person less than the eligibility threshold for the MIG<sup>12</sup> (see Annex 2, Table C2) or on a proportionate basis according to the income brackets used for heating assistance (see Annex 2, Table C1). The benefit level represents a percentage of the cost of the services, and is limited to a consumption of 75/litres/person/day of potable water respectively of the evacuated wastewater. For MIG beneficiaries the cash benefit has to cover at least 50% of the bill.

In addition, the law stipulates that local authorities have to ensure, from local budgets or other legal financing sources, the necessary funds to cover the total or partial costs associated with connecting low-income households to the potable water and sewerage networks. There is no in-kind benefit for access to water/sewerage service beyond that, and there are no specific policies for informing/advising low-income groups regarding their rights, available options and consumption patterns.

Although the national law regarding the provision of potable water and sewerage services stipulates the need to protect low-income households by providing cash benefits and (partial or full) coverage of connection costs, the social benefits system, as well as the provision/subcontracting of these services, is decentralised. Local authorities are autonomous, elected bodies, and their responsiveness is rather low whenever a law is passed which places financial responsibilities on local budgets, in the absence of any other specific income source. As a result, their responses have varied, with some local authorities introducing the benefits and others not. The municipality of Slatina (Olt county), for example, introduced compensation (ranging from 20% to 100%) in accordance with the recommendation in the law, using four income brackets up to the minimum gross salary/person<sup>13</sup>. On the other hand, in Vaslui county, in August 2019 (one year after the law was passed), no municipality had granted the benefit, despite the fact that the price for potable water there is the highest in the whole country<sup>14</sup>.

Other municipalities, such as Cernavoda, a city in Constanta county, started to introduce benefits in 2014, through a local council decision. The benefits only cover a limited amount of water (between two and four cubic metres of water per person per month) and only households without any income<sup>15</sup>. The municipality of Bucharest covers all costs

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<sup>11</sup> Although the provision of benefits is legally binding, local authorities are autonomous and the level/ conditions under which the benefit is finally granted are decided by the local council.

<sup>12</sup> Since 2014, the eligibility threshold for a single person is 142 Lei (€30) per month; it increases with the number of members in the household, reaching 527 Lei (€110) for households of five persons. Over five persons, the eligibility threshold increases by 37 Lei (€8) for each additional person in the household.

<sup>13</sup> <http://www.olttv.ro/olt-tv-new/anunturi/utile/2019/07/23/ajutorul-lunar-pentru-plata-serviciului-de-alimentare-cu-apa-si-de-canalizare.-337>.

<sup>14</sup> Radio Romania Iasi, news from 29 August 2019, available at: <http://www.radioiasi.ro/stiri/regional/vaslui-problema-neacordarii-subventiilor-pentru-serviciul-de-apa-si-canalizare-discutata-in-colegiul-prefectural>. The prices used for the comparisons are from November 2019, and provided by NARCS (available at <https://www.anrsc.ro/avizare-preturi>).

<sup>15</sup> <http://www.primaria-cernavoda.ro/Machete/Macheta2.aspx?machetaID=2&paginaID=515&detaliuID=2338&lang=ro>.

for households with an income per capita equal to or less than 500 Lei (€105) per month and started to do so even before national legislation was issued in 2018 in this regard<sup>16</sup>.

### 1.3.2 Access to sanitation

Sewerage services are regulated along with those for the provision of water and are covered by the same policies and measures. Thus, similar to the provision of potable water to households, sewerage services (including wastewater collection and treatment) are subject to cash benefits for low-income households. Data show that a huge proportion of households have neither a bath nor shower, nor a flushing toilet, in their dwellings, indicating a high probability that these households are not connected to any sewerage/wastewater system. A quarter of the Romanian population, and almost two thirds of the population at risk of poverty, find themselves in this situation<sup>17</sup>, and only 51.1% of the population is connected to a wastewater treatment system<sup>18</sup>.

Waste management and rubbish collection services are regulated by Law No 101/2006 regarding sanitation services, Law No 249/2005 regarding the management of packaging and Law No 211/2011 regarding waste disposal, amended by the more recent GEO 74/2018. The latter stipulates the need to introduce a tariff system for sanitation services based on volume, proportion of dry waste and frequency of collection – in other words, bills should depend on the quantity and quality of waste, with the aim of encouraging less waste and promoting recycling.

The level of the waste collection tax, or, more recently, the “habitat tax” (as per GEO 74/2018), is established by local councils. There is no national legislation that targets low-income groups by waiving or reducing tariffs for this segment of the population. In isolated cases, local councils waive the tax for MIG beneficiaries<sup>19</sup>, while others waive it for low-income invalidity pensioners, disabled persons and veterans.

In-kind benefits are provided by a few local councils, in the form of free garbage bags for selective waste collection, given to all households or owners’ associations (for example the municipality of Cluj, or the rural municipality of Domnesti, Ilfov county). As a general rule, those municipalities that try to enforce the new legislation and to incentivise households to dispose of waste more selectively are also those that make sustained extra effort to provide information to the population.

Household waste generation is lower than in most EU countries, but waste disposal is mainly based on landfill, rather than incineration or recycling. This especially affects marginalised communities, most of which grew up around landfill sites.

### 1.3.3 Access to energy

The supply of electrical energy is regulated by Law No 123/2012, amended in 2018 (Law No 167/2018). As mentioned in Section 1.2, vulnerability is defined by reference to age, health status and income. A low income is defined by NERA as an income lower than the minimum gross salary<sup>20</sup>. Social protection measures and concrete eligibility criteria are left to other laws to regulate.

Still not completely liberalised<sup>21</sup>, electricity tariffs are either regulated by NERA and fixed for a period of time (differentiated across the eight regions, and according to the voltage level) or are determined by the free market and therefore variable. Since 2018, there has

<sup>16</sup> <https://www.dgas.ro/scutire-de-la-plata-serviciilor-furnizate-de-apa-nova>.

<sup>17</sup> Eurostat database, ilc\_mdho05, 2018 data.

<sup>18</sup> Eurostat database, env\_ww\_con, 2017 data.

<sup>19</sup> As for example in the commune of Doicesti (Dambovitza county), as the local council decision shows (available at: <http://www.primariadoicesti.ro/wp-content/uploads/2019/12/img01344.pdf>).

<sup>20</sup> Currently, for 2020, the gross minimum salary/month is established at 2,080 Lei (€435.40), or 1,263 Lei (€264.40) in net terms.

<sup>21</sup> For information on the timetable for liberalisation, see Section 3.

been no social tariff available to those consumers choosing a regulated tariff<sup>22</sup>. Thus, tariffs are not differentiated according to any socio-demographic or economic characteristic of the consumer.

NERA is the agency in charge of customising facilities for all categories of vulnerable clients, with the exception of financial benefits, for which the government is in charge (according to Law No 123/2012, Art. 64). Financial benefits for electricity are not specified in a concrete manner by any law – unless electricity is the only source for heating the dwelling, in which case heating assistance is granted during the cold season, in accordance with GEO 70/2011. Heating assistance is targeted at low-income individuals, using a multiple income bracket eligibility system as described in Section 1.2 and Annex 2, Table C1. Heating assistance covers a higher proportion of the population than any other means-tested benefit, yet its coverage has decreased significantly since 2009/2010, from 45% to a mere 1.2% of all households in 2019 (this followed the introduction of means-testing procedures in 2011 and the tightening of eligibility rules in 2013; see also Annex 2, Figure C1 and Tables C4 and C5).

In addition, vulnerable groups are entitled to free-of-charge connection to the electricity grid or centralised heating system, where available. In fact, the law bans the disconnection of vulnerable clients from the grid, even in situations of energy crisis (Art. 64.3). In addition, the law leaves to the government's discretion the possibility of establishing, along with the Competition Council, a solidarity fund for the financial support of vulnerable clients, financed from contributions from, or an additional tax on the unexpected profits of, electricity/gas producers and suppliers (Art. 201.3). Currently, however, there is no fund available and financial benefits are limited to temporary heating assistance based on means-testing.

Apart from this, financial benefits and in-kind benefits are offered to households and owners' associations for thermic rehabilitation of their dwellings. Most of the big municipalities have carried out thermic insulation and rehabilitation of apartment buildings, using EU-financed projects. According to the legislation (GEO 18/2009), eligible buildings are those built between 1950 and 1990; co-financing by the owners is 25% of the total costs. Beneficiaries of social assistance have to pay at least 3.5% of the costs. An additional programme is thermic rehabilitation loans with a government guarantee (GEO 69/2010 and GD 736/2010) for privately owned dwellings. But this programme does not target low-income people and does not provide any help to this group.

Few in-kind benefits are available. Companies providing electricity do offer some additional protection to those vulnerable consumers whose health is dependent on electrical devices. Non-financial benefits, as adopted by NERA, are scarce, and limited to the right of vulnerable consumers to be informed about available options and to be billed according to their actual consumption.

Measures for increasing access to energy are mostly financial benefits and measures aimed at preventing disconnection from the grid; policies ignore issues related to consumption/consumption patterns, such as encouraging responsible consumption, or information about/subsidies for investment that increases the efficiency of energy consumption. Secondly, energy poverty is not defined in the primary legislation, leaving out of account low-income households that are not connected to any electrical grid or heating system.

#### **1.3.4 Access to public transport**

Regulations regarding public transport facilities are different as between interurban and local public transport.

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<sup>22</sup> Social tariffs (with a lower unit price for a certain level of consumption, but exceeding the regular price for higher consumption) were meant to protect low-income groups, but anyone could choose to pay them. Many customers gave up the social tariff as they ended up paying more than with the regular tariff.

For **interurban transport**, there is no measure which specifically applies to low-income categories. Only pre-university students and pensioners benefit from a 50% reduction in the price of train tickets (limited in the case of pensioners to a certain number of tickets; and in the case of both categories to economy class tickets), while students up to age 35, apprentices, disabled persons and veterans/politically persecuted persons benefit from a number of free tickets annually<sup>23</sup>.

The law regulating **local public transport** (Law No 92/2007, amended by Law No 328/2018) recently introduced an additional reference to vulnerable groups. The law stipulates that public transport benefits need to be introduced for students, apprentices and other categories of disadvantaged persons (defined by other, unspecified laws), and that these benefits should be supported from local budgets or the budgets of other institutions if necessary. However, the law is not very explicit in this regard, thus leaving the nature of the benefits, as well as the categories of disadvantaged beneficiaries, at the discretion of local authorities. Many municipalities had introduced benefits for students, pensioners, disabled persons and veterans/politically persecuted persons before the amendment of the national legislative framework (either free travel or a 50% reduction in tariffs). However, since 2018 most local authorities have tried to adopt some measures in response to the new legislation.

Only a few municipalities target low-income groups (e.g. beneficiaries of some means-tested benefits, such as the MIG and unemployment benefits); and a few others have decided to provide free public transport for all residents (e.g. the municipality of Baia-Mare, starting in January 2020) or free bike-sharing (e.g. Resita, Constanta and Cluj).

### 1.3.5 Access to digital public services

Romania adopted in 2015 the Strategy for the Romanian Digital Agenda (Government of Romania, 2015a), emphasising, among other things, the need to address **e-inclusion**, through "a series of multi-dimensional measures in the areas of social protection, employment, housing, education, health, information-communication, mobility, security, justice and culture, aimed at addressing social exclusion and ensure active participation of persons to economic, social, cultural and political aspects of society". In strategic terms, two significant means to address e-exclusion are emphasised: (a) the need to extend internet provision and increase access, especially by vulnerable groups, to computers; and (b) an increased level of e-skills and e-literacy, and especially outreach to vulnerable groups.

In 2016, the Ministry for Communications and the Information Society issued a monitoring and evaluation handbook for the National Strategy regarding the digital agenda<sup>24</sup>, proposing four indicators for monitoring the implementation of e-inclusion. These are: (a) regular use of the internet (at least once a week) for the whole population; (b) regular use by those who are either aged 55-74, of low education, unemployed or retired/inactive; (c) the proportion of those never using the internet; and (d) the number of public information access points. These indicators are rather general, not taking into account low-income groups and their access to the internet or skill improvements.

Thus, the effect of the adoption of the national strategy was an increase in EU-financed programmes for improving digital skills in disadvantaged communities<sup>25</sup>, and improvements in the content and infrastructure of e-governance systems. In addition, in 2016 the methodology for providing public information was amended, stipulating the

<sup>23</sup> See <https://regiocalatori.ro/termeni-conditii/reglementari-proprie-regio-calatori/facilitati-de-calatorie-pe-calea-ferata>.

<sup>24</sup> Available at [https://www.comunicatii.gov.ro/wp-content/uploads/2016/02/Manual\\_Monitorizare\\_Evaluare\\_v2.0-BM.pdf](https://www.comunicatii.gov.ro/wp-content/uploads/2016/02/Manual_Monitorizare_Evaluare_v2.0-BM.pdf).

<sup>25</sup> Human capital operational programme, Axis 4 – social inclusion and fighting poverty; and regional operational programme, Axis 9 – economic and social regeneration of urban disadvantaged communities.

requirement for public information access points. Otherwise, there is no direct benefit or tariff reduction targeting vulnerable/low-income groups to facilitate e-inclusion.

Despite the fact that the indicators have improved since 2015, Romania still comes last in the EU in terms of home access to the internet, use of the internet and internet skills. In 2018, the proportion of Romanian households with home access to the internet (regardless of the devices used), was among the lowest in the EU, at 81%, compared with an average of 89% in the EU28. The rate of internet use by individuals – incidental, frequent or regular – is the lowest in the EU, at only 53%<sup>26</sup>.

Despite the high demand for e-governance services<sup>27</sup> (sixth place among EU countries), the use of such services is the lowest in the EU (an index score below 70 out of 100); the same holds true for the use of key-enablers (eID, edocs, base registries, digital post) with a score below 20 points, compared with the EU28 average of 60-.

To conclude, access to online public services is low, not only by low-income individuals but also of the population as a whole and has not changed substantially in recent years. National policies to address the situation, especially for low-income groups, are on the whole lacking; regional/local programmes, especially those targeting marginalised/disadvantaged communities, to some extent address access to the internet and e-skills. Local authorities mostly provide public information access points, with urban areas covered better than rural ones. Another facility provided by some local authorities, mainly in big cities, is free internet access in some public areas, such as parks or city centres.

#### 1.4 Access to financial services (Directive 2014/92/EU)

In 2017, Romania adopted a law regarding the “*comparability of banking fees associated with debit accounts, the change of debit accounts and debit bank accounts with basic services*” (Law No 258/2017) in response to the EU Directive 2014/92, with a delay of more than a year in accordance with the Directive. The law focuses on reducing the costs associated with debit accounts for a category of users considered as vulnerable, as a means to increase access by low-income categories to this financial instrument.

**Financially vulnerable users** are defined as those “*consumers with a monthly income that does not exceed 60% of the gross average salary (see footnote 5), as projected by the last macro-economic forecast, respectively the fall forecast published by the National Commission for Prognosis, for the next year, or with a monthly income during the last 6 months which does not exceed 60% of the gross average salary (see footnote 5)*” (Law No 258/2017, Art. 4 (e)). For these consumers the fees for basic services associated with a debit (payment) account (opening and maintaining an account, ATM withdrawal, card payments etc.) are zero, according to the law.

The low level of access by low-income groups to basic bank accounts becomes obvious from the data provided by the Romanian Court of Auditors (see Annex 2, Table C3). Starting in 2014, unemployed people received the unemployment indemnity on a prepaid card, without any bank costs. The system was introduced through an EU co-financed project regarding the modernisation of public employment services (human resources development, 2007-2013).

Unfortunately, there are no recent data which would allow an assessment of the impact of the law on the financial inclusion of low-income groups. Increasing financial inclusion is

<sup>26</sup> Eurostat database, individuals who have basic or above basic overall digital skills by sex (TEPSR\_SP410), available at: [https://ec.europa.eu/eurostat/databrowser/view/tepsr\\_sp410/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/tepsr_sp410/default/table?lang=en). Overall, Romania scores very low, next to Bulgaria, on the digital economy and society index (DESI), with very low values for all indicators regarding availability of a home internet connection (despite the good performance in providing high-speed broadband services), internet usage and literacy, and (especially) e-government use by all categories, in particular low-income groups.

<sup>27</sup> See the European Commission’s digital connectivity report for 2019 at: <https://ec.europa.eu/digital-single-market/en/digital-public-services-scoreboard>.

possible only through state action to enforce the current legislation, sustained financial education of low-income groups regarding the benefits of using basic financial instruments, and efforts by the state to increase the proportion of payments via bank transfer.

To conclude, despite the law requiring all banks to provide free-of-charge debit accounts for low-income groups, access is not facilitated by any information campaign or counselling services.

## 2 National/subnational policy frameworks and reforms

All public utilities are locally provided by decentralised local authorities, either directly or through subcontracts. Although the regime for the provision of these services is provided by national legislation and enforced by national regulatory agencies, the services are provided locally and the social protection measures against increased/liberalised prices are locally designed, based on the national legislation and guidance. When making decisions on social protection measures, local authorities also use county-level strategic documents as policy frameworks. Counties design their own strategies, based on the national strategic documents, but customising them in response to regional needs and characteristics. The following sections will provide information on national legislation and national strategic documents, as county-level strategies are too diverse and vary in scope. However, it is important to acknowledge that the latter have a significant influence over the decisions of local councils.

### 2.1 National/subnational policy frameworks

**Water** The 2018 law (No 215/2018), amending Law No 214/2006 regarding the provision of households with potable water and sewerage services, changes the character of the social protection measures targeting low-income groups. Prior to 2018, social protection measures for those consumers who exceeded the affordability rate for the services (defined under the National Strategy for accelerating development of community-level public utilities: Government of Romania, 2006) were the sole responsibility of local authorities. Starting with 2018, the legislation introduces possible criteria for assessing vulnerable consumers, and alternatives ways to calculate the level of cash benefits to compensate for the costs of potable water and sewerage (including wastewater treatment) services.

The new legislation creates a policy framework for local authorities, many of which had some protection measures in place even before 2018. However, although the law specifies the obligation of local authorities to put in place measures targeting low-income groups, local authorities are decentralised structures with political autonomy. Enforcing measures which require funding from local budgets is not straightforward; responses are therefore slow and vary from municipality to municipality. The National Strategy for community-level public utilities has not been updated since 2006, despite the fact that it is still the main national strategy document addressing the vulnerability of consumers of public services other than electricity, natural gas and centralised heating systems.

The law regarding community-level public utilities, Law No 51/2006, has not been modified since its adoption, and provides the institutional basis for the local provision of public utilities: local authorities or intercommunity development associations are responsible for providing or contracting public utility services, and the national regulatory agencies are charged with approving regional tariffs and accrediting service providers. According to this law, local authorities are responsible for developing social protection measures, complementary or additional to the ones granted at the national level and paid for from the state budget.

**Sanitation** Sewerage services fall under the same legislative framework as the provision of potable water. Current social protection measures by local authorities which target low-income groups are a response to the amended legislation regarding the provision of households with potable water and sewerage services.

Waste management policies do not directly address low-income groups. In fact, only a few local authorities decided to waive the habitat tax for those categories who are exempt from most local or even national taxes (persons with disabilities, veterans etc.). Only a very few decided to provide all residents with bags, free of charge, for selective collection of waste, in order to discourage behaviour which has been subject to penalties since 2018 (GEO 74/2018, amending Law No 211/2011 regarding waste disposal). The National Strategy for the management of waste 2014-2020 (GD 870/2013) addresses, to

only a limited extent, the protection of the population, through a strategic objective aiming at improving the quality of the environment and protecting people's health, by increasing the proportion of the population covered by sanitation services and selective collection services. In 2017, the Ministry of Environment released a report aimed at grounding the National Plan for the management of waste and the National Plan for the prevention of waste generation<sup>28</sup>; this only specifies a target for 2018 of extending the coverage of sanitation services to the entire population.

**Energy** The number of measures currently in place that address energy poverty is rather limited and meagre, with little impact on a significant proportion of low-income households.

The only cash benefits currently in place are the heating assistance granted to low-income households. Heating assistance covers a wide range of low-income groups, through a system of either 9 or 11 income eligibility brackets. The benefit level depends on both the per capita household income level and type of heating system/fuel used. The current version of the benefit has been in place since 2011, when eligibility criteria were strengthened as part of the social assistance reform (GEO 70/2011, amended by GEO 27/2013; GD 920/2011 methodological norms for the implementation of GEO 70/2011).

The benefit is also related to the strategic objective of strengthening social transfers under the national social inclusion and poverty strategy for 2015-2020<sup>29</sup>. The protection of poor and vulnerable consumers against increased tariffs for electricity and natural gas is pursued by the strategy only through seasonal heating assistance. Despite the fact that the strategy also mentions the need to prevent poorer neighbourhoods (including social housing in particular) from being disconnected from public utilities due to the inability of households to pay their bills, and suggests that some housing benefits should be introduced, no concrete measure has been yet adopted.

Measures to increase the affordability of energy are also part of the "strategic responsibility" of the government, as stated in the energy strategy for 2019-2030 (Government of Romania, 2018). The strategy emphasises (on the one hand) the need to increase the rights and information available to consumers, so they can actively manage their own consumption and become a "prosumer", and (on the other hand) the re-introduction of the social tariff along with the adoption of other alternative measures of social protection for vulnerable consumers. Although the last (April 2019) draft of the strategy is the fourth attempt by the government to come up with a non-controversial strategy, the strategy has still not been adopted. Currently, vulnerable consumers and social protection measures are defined (more or less in concrete terms) by Law No 167/2018 (an amendment of Law No 123/2012 regarding electricity and national gas). In addition, the National Plan for the thermic rehabilitation of apartment buildings (GEO 18/2009) provides the framework for the (mostly EU-financed) annual programmes for thermic rehabilitation.

**Public transport.** The national law regulating local public transport, amended in 2018 (Law No 328/2018), contains some references to facilities for students, apprentices and, more vaguely, "other disadvantaged groups". Facilities are to be granted by local councils, from the local budgets. Many local councils introduced either reduced tariffs or free fares for students, pensioners, persons with disabilities or veterans, but only few municipalities targeted low-income groups (unemployed people receiving unemployment benefit or MIG beneficiaries). Local measures are adopted by decision of the local council, in accordance with local public administration Law No 215/2001.

**Digital public services** The Strategy for the Romanian Digital Agenda (adopted in 2015) and the handbook for monitoring and assessing the strategy (adopted in 2016) represent two important documents guiding measures on access to digital public

<sup>28</sup> [http://www.mmediu.ro/app/webroot/uploads/files/RM\\_SEA\\_PNGD\\_v4.pdf](http://www.mmediu.ro/app/webroot/uploads/files/RM_SEA_PNGD_v4.pdf).

<sup>29</sup> Government of Romania (2015b), available at: [http://www.mmuncii.ro/j33/images/Documente/Familie/2016/StrategyVol1EN\\_web.pdf](http://www.mmuncii.ro/j33/images/Documente/Familie/2016/StrategyVol1EN_web.pdf).



services. Currently there is no national policy addressing low-income groups; the strategy and the handbook provide general references to vulnerable groups and propose, for the monitoring of e-inclusion, three categories considered more vulnerable: unemployed/retired/inactive people, people with low educational levels, or those aged 55-74. E-inclusion is also briefly mentioned by the National Strategy for social inclusion and poverty reduction 2015-2020, in regard to the need to address marginalised communities.

The access points for public information are regulated by Law No 544/2001 regarding free access to public information, and its 2016 amendment (GD 478/2016).

**Financial services** Financially vulnerable users are defined and addressed by Law No 25/2017 regarding the comparability of banking fees and basic services for debit accounts. However, financial inclusion is not the subject of any piece of legislation, and is not included, or even mentioned, by any national strategy. However, after the National Agency for Payments and Social Inspection took over the payment of most social assistance benefits, the preoccupation with increasing transfers via bank accounts or debit cards intensified and the proportion of the population receiving these benefits via a bank account has increased. Among low-income groups receiving social benefits, the group with the lowest access is still MIG beneficiaries.

## 2.2 Ongoing or announced reforms

**Water and sanitation** The 2018 amendment of the law regarding the provision of potable water and sewerage (Law No 215/2018) introduced new cash benefits to compensate low-income groups for water and sewerage/wastewater treatment costs. However, the national legislation makes the decentralised local administrations responsible for these benefits. The consequence is a slow and geographically uneven development in protecting low-income groups from increasing utility bills.

**Energy** The Energy Strategy for Romania, with a 2030 time horizon and perspectives for 2050, was finalised in 2019 (for the fourth time since 2016), but has not been adopted yet. Still pending is the implementation of law on the minimum inclusion benefit, which is supposed to unify, under the same benefit, the MIG, means-tested family support allowances and heating assistance. Thus, no major reform addressing energy poverty has been announced, despite the fact that the national strategy on social inclusion refers to the need to rethink the legislative framework and the system of benefits (especially for inhabitants of marginalised communities) and 2020 is the last year with regulated energy prices.

**Public transport** The 2018 amendment to the law on local public transport refers to disadvantaged groups without defining these. Since then local public administrations have started to redefine the target groups for facilities and benefits regarding public transport. The process is ongoing and increasingly covers low-income groups. Another significant trend, especially in bigger municipalities, is the trend towards combining free public transport with measures to reduce pollution, either by introducing "green" buses or by providing free bicycle-sharing.

**Digital access to public services** In the field of digital public services, as shown in Section 1.3.5, Romania scores rather low in regard to both digital infrastructure, especially in some areas as healthcare and education, and levels of use of these services<sup>30</sup>. Thus, one of the main priorities of the digital agenda has been to improve these aspects, combined with improved access to digital public services by the entire population. Access by low-income groups in this area remains a secondary priority.

**Financial services** Currently there is no reform planned in this area, and the only ongoing effort is towards increasing the proportion of transfers of social benefits,

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<sup>30</sup> According to the European Commission 2019 DESI report, available at <https://ec.europa.eu/digital-single-market/en/desi>.

especially means-tested benefits, via bank accounts. Besides the advantages associated with it for the beneficiaries, transfer costs are significantly reduced and the transparency of transfers is increased, according to both the Ministry of Labour and Social Protection and the Romanian Court of Auditors.

### 3 A focus on access to energy

Romania continues to record high levels of energy poverty – despite the fact that it is among the last EU countries to liberalise energy prices, and the fact that cash benefits to compensate for heating costs are the only national cash benefits granted to increase access to a public service.

An approximate estimate of energy poverty, as it relates to price affordability, can be derived from the incidence of arrears on utility bills and the inability to keep houses adequately warm. In 2018, 14.4% of the Romanian population had arrears on utility bills (compared with the EU28 average of 6.6%), and 9.6% were unable to keep their home adequately warm (EU28 average 7.3%).

On both indicators, Romania scores higher than the EU28 average for all household types with dependent children. For example, in 2018, 23% of individuals living in single-parent households (compared with the EU28 average of 13.8%), and 38% of individuals at risk of poverty (AROP) living in single-parent households (compared with the EU28 average of 22.3%), had arrears on utility bills. Thus, not only AROP single-parent households but all single-parent households experienced a higher than average exposure to energy poverty.

However, in 2018, the comparative situation of the overall AROP population in Romania was better than that of the overall population; whereas 20% of the AROP population were not able to pay their bills, compared with the EU28 average of 16%, at the level of the overall population 14% found themselves in this situation, compared with an EU28 average of only 7%<sup>31</sup>.

The same holds true for the inability to keep homes adequately warm – with the exception of households with more than three children, which are worse off both in the overall population and in the AROP population. In 2018, whereas 9.6% of the Romanian population were not able to keep their homes adequately warm over the winter, compared with 7.3% at the EU28 level, the incidence among the AROP population in Romania was 18%, the same as the EU28 average<sup>32</sup>.

Although the situation improved after 2013-2014 for all categories of households, the proportion of households with two parents and three or more children, and that of households with single parents, show greater annual fluctuations, thus indicating a higher vulnerability of these households to changes in social benefits and the minimum salary.

In 2018 Romania made an attempt to liberalise prices for electricity and gas but ended up reverting to regulated prices (by NERA, as stipulated by GEO 114/2018). At the end of 2019, Romania faced the threat of an EU infringement lawsuit. In January 2020, the Romanian government issued an emergency ordinance once again adopting the timetable for liberalising electricity and natural gas prices (GEO 1/2020). In accordance with this, in April 2021 the energy market will be entirely liberalised, including for household consumers. The social tariffs were abolished in 2018, as prices continued to be regulated by NERA. However, according to NERA, the number of domestic electricity consumers who migrated during 2017 and 2018 from the regulated market to the free market exceeded 1.2 million (about 16% of all households), due to better offers.

Romania has had a cash benefit to compensate for heating costs since 2004, targeting a broad range of incomes and types of heating system/fuel (see Section 1.3.3, and Annex 2, Table C1). But the coverage of the benefit has decreased significantly since 2011, when means-testing was introduced for the benefit, from 3.3 million households (45% of all households) in 2009 to about 92,000 (1.2% of all households) in 2019. Thus, the number of beneficiary households fell by a factor of 37 during the period 2010-2019 (see Annex 2, Figure C1 and Table C4). The biggest drop in beneficiaries was among wood/coal users, with a drop of 99% between 2010 and 2019, followed by natural gas

<sup>31</sup> Eurostat, SILC, ilc\_mdcs07.

<sup>32</sup> Eurostat, SILC, ilc\_mdcs01.

users, with a decrease of 94%. Overall, the number of beneficiary households dropped by 97% during this period.

In 2019, the maximum income threshold for heating assistance increased by 22%, from 615 Lei (€131) to 750 Lei (€159); the argument for the increase was the number of pensioners who lost the benefit due to the increase in pensions; no regard was paid to households with children or the increase in the minimum salary. The number of beneficiaries in 2019 continued to fall, despite the increase in the benefit.

A study carried out by the Centre for the Study of Democracy (2018) shows that fewer than 30% of those who would qualify, based on income, were receiving the benefit in 2017. Based on field research, the study shows that the main problems are related to: (a) increases in income, due to increases in social transfers and the minimum salary; (b) creation of disincentives regarding the use of electricity for heating purposes (for these a social inquiry is required, to prove that households do not use wood/coal for heating purposes as well); and (c) the low benefit granted for wood/coal burning. In addition, the study points to a series of regional disparities, due to different local practices and the low number and level of specialisation of social workers, especially in rural communities.

The study also shows that users of electricity, gas or centralised heating systems prefer the direct payment made by local authorities towards covering the bill, while wood/coal users favour a one-time cash payment per cold season. Most local authorities supplement the cash benefit with either cash or in-kind benefits, such as firewood or even materials for the thermic insulation of dwellings.

Both the low coverage of heating assistance and the lack of updating of benefit levels (despite the successive increases after 2013 in the prices of natural gas, as well as wood and centralised heating) create a significant problem. The 2018 ordinance increases only the upper limit of the highest income bracket of eligibility for natural gas, wood/coal and electricity users, and establishes an equal benefit for all individuals falling within this upper income bracket for all fuel users. Thus, the level of the lowest benefit for electricity users is reduced by 100% compared with the previous one, while the benefit for coal/wood users increases by 25%. All other benefits for the lower income brackets remained the same, at their 2013 value.

Another significant cause of continued energy poverty among low-income groups is energy inefficiency. Firstly, the use of coal, and especially wood, is energy-inefficient. Secondly, the proportion of dwellings which are insulated, especially those that are not part of urban apartment buildings, is rather small (as the study points out, from interviews with local authorities), with an insignificant number among the dwellings in which low-income groups live. Some municipalities try to help beneficiaries of heating assistance with insulation, but these are only isolated initiatives.

Another factor impeding access to more efficient heating systems is the high costs associated with connecting to natural gas networks. Many low-income groups continue to use either electricity or firewood/coal as they cannot afford to connect to natural gas distribution systems. Some of these households have been disconnected from centralised heating systems, others would switch to other more efficient heating means if they had some support to do so. Some other low-income consumers, with access/connection to the gas network, use both natural gas and firewood alternately in order to balance out their costs.

**Box 1. Number and dynamics of users of centralised heating systems, firewood and natural gas**

*According to a 2016 online article<sup>33</sup>, between 1989 and 2015 the number of cities using centralised heating systems fell by 79%, from 315 to 67, with the biggest fall in 2009 due to the economic crisis. In 2008, prior to the economic crisis, the number of households connected to centralised systems was about 1,647,880 (23% of total households in Romania); by July 2016 the number had fallen to 1,268,997 (about 17% of total households), a fall of about 23% overall. According to the same article, the reason that the disconnection rate slowed down is not related to increased efficiency of these municipal heating systems, but to the inability of consumers to connect to natural gas networks and adopt an alternative, individual home system.*

*About 47% of Romanian households, and over 85% of rural ones, use wood and coal for warming their houses, and about 250,000 households use both wood and natural gases. The proportion of natural gas users (personal heating systems) is about 30% (2.5 million households in 2015) and is expected to grow, in 2030, to 3.2 million households (according to the draft energy strategy: Government of Romania, 2018, p. 48).*

Marginalised communities, urban and rural, use inefficient heating means, if any. The proportion of households not connected even to electricity is also worrying. According to the report by the Centre for the Study of Democracy, in 2012 around 100,000 households were not reached by electricity grids. In 2011, according to the national census, 3.4% of all conventional dwellings had no electricity system, that is 287,434 dwellings. In addition, according to a Deloitte study in 2017, an estimated 5.7% (422,615 households) benefited from unauthorised access to the electricity grid, with 63,000 households in the Bucharest-Ilfov region alone (quoted in Centre for the Study of Democracy, 2018, pp. 66-68).

Although the government has shown more concern for pensioners' capacity to pay their bills, households of single parents and those with two parents and three or more children are more exposed due to increases in social benefits and the minimum salary. The way the heating assistance system is currently designed – with no mechanism for upgrading in line with inflation, and no account taken of the increase in other social benefits/minimum salary, as well as the increases in energy prices – means that it is not able to effectively protect low-income households with dependent children. Moreover, the assistance only covers heating costs, and leaves out the cost of electricity for other purposes.

In fact, the biggest problem is the lack of any policy that stimulates improvements in energy efficiency for low-income groups. Non-financial facilities, which by law should be decided by the NERA, are scarce and insufficient (for example, the right of vulnerable consumers to be billed according to their actual consumption, and the right of be informed about available options, according to NERA order 29/2016).

To conclude, the lack of non-financial and appropriate cash benefits (adequate heating assistance, adequate coverage of all types of energy costs, including electricity) leads to a vicious circle, keeping low-income households in energy poverty due to increased energy inefficiency or due to the impossibility of connecting to or using any heating system. Although the rate of disconnections from centralised heating systems has fallen, the capacity of low-income households to connect to natural gas networks or the electricity grid has not increased.

Thus, greater accent has to be placed on finding long-term sustainable solutions for low-income groups, with an emphasis on extending the scope of cash benefits (including those for thermic insulation of individual dwellings) and adopting additional non-financial facilities to target vulnerable groups.

<sup>33</sup> On profit.ro, available at <https://www.profit.ro/povesti-cu-profit/energie/incalzirea-centralizata-continua-sa-sangereze-pest-12-000-de-apartamente-s-au-debransat-in-primele-7-luni-15563192>.

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## Annex 1

**Table A1: Essential service – Water**

1) Definition of “low income” used in the context of the delivery of the service in the country:<sup>34</sup>

Households and single persons with an average monthly net income per person less than the eligibility threshold for the Minimum Income Guarantee (MIG) or households/single persons with an income per capita within the income brackets used to assess eligibility for heating assistance (Law No 215/2018, amending Law No 214/2006).

2) Measures aimed at facilitating access for low-income people to water (for hygiene purposes to cook) in the country:

	National (*)	Subnational	
		Regional (only if <i>no</i> for national) (**)	Local (only if <i>no</i> for national) (**)
<b>Reduced tariffs</b>	No	No	No
<b>Cash benefits</b>	No	No	Yes-most
<b>In-kind benefits</b>	No	No	Yes-most
<b>Advice/training or information services</b>	No	No	No
<b>Provision of a basic/uninterrupted supply</b>	No	No	No

(\*) For each measure: Does the measure exist in the country at national level (“Yes”/“No”)?

(\*\*) **Only** if the measure does not exist at national level **and** if the service is organised at subnational level: Does the measure exist at regional level (Yes in all regions; Yes in most regions; Yes but only in a few regions; No)? And at local level (Yes in all local entities; Yes in most local entities; Yes but only in a few local entities; No)? Important: if a measure exists as a **general social support measure**, not specifically aimed at facilitating access for low-income people, the answer is “No”.

<sup>34</sup> **National definition** used in this context (most frequently used definition if there is more than one definition). **Only if** there is no national definition **and if** the service is organised at subnational level, most common definition used in this context at regional (if any) or local (if any) level.

**Table A2: Essential service – Sanitation**

1) Definition of “low income” used in the context of the delivery of the service in the country:<sup>35</sup>

Sewerage system (the same as for water provision, according to Law No 215/2018):

- households and single persons with an average monthly net income per person less than the eligibility threshold for the Minimum Income Guarantee
- income per person/month within income brackets used to assess eligibility for heating assistance.

No definition in regard to waste collection taxes.

2) Measures aimed at facilitating access for low-income people to sanitation (i.e. systems for taking dirty water and other waste products away from dwellings in order to protect people's health) in the country:

Waste collection:

	National (*)	Subnational	
		Regional (only if <i>no</i> for national) (**)	Local (only if <i>no</i> for national) (**)
<b>Reduced tariffs</b>	No	No	No
<b>Cash benefits</b>	No	No	Yes-few
<b>In-kind benefits</b>	No	No	Yes-few
<b>Advice/training or information services</b>	No	No	No

(\*) For each measure: Does the measure exist in the country at national level (“Yes”/“No”)?

(\*\*) **Only** if the measure does not exist at national level **and** if the service is organised at subnational level: Does the measure exist at regional level (Yes in all regions; Yes in most regions; Yes but only in a few regions; No)? And at local level (Yes in all local entities; Yes in most local entities; Yes but only in a few local entities; No)? Important: if a measure exists as a **general social support measure**, not specifically aimed at facilitating access for low-income people, the answer is “No”.

<sup>35</sup> **National definition** used in this context (most frequently used definition if there is more than one definition). **Only if** there is no national definition **and if** the service is organised at subnational level, most common definition used in this context at regional (if any) or local (if any) level.



**Table A3: Essential service – Energy**

1) Definition of “low income” used in the context of the delivery of the service in the country:<sup>36</sup>

**Vulnerable consumer** (Law No 123/2012, amended by Law No 167/2018): clients “*who belong to a category of domestic clients which, due to age, health status or low income, find themselves at risk of social marginalisation and which benefit, for the prevention of this risk, of social protection measures, including financial benefits. Social protection measures, as well as the eligibility criteria for these measures are established through special laws*” (Article 3.16). The National Energy Regulatory Agency (NERA) defines **low-income vulnerable clients** as those with an income lower than the minimum gross salary per month.

2) Measures aimed at facilitating access for low-income people to energy (to light dwellings, heat or cool dwellings, or use home appliances) in the country:

	National (*)	Subnational	
		Regional (only if <i>no</i> for national) (**)	Local (only if <i>no</i> for national) (**)
<b>Reduced tariffs</b>	No	No	No
<b>Cash benefits</b>	Yes		
<b>In-kind benefits</b>	No	No	Yes-most
<b>Advice/training or information services</b>	No	No	No
<b>Provision of a basic/uninterrupted supply</b>	No	No	No

(\*) For each measure: Does the measure exist in the country at national level (“Yes”/“No”)?

(\*\*) **Only** if the measure does not exist at national level **and** if the service is organised at subnational level: Does the measure exist at regional level (Yes in all regions; Yes in most regions; Yes but only in a few regions; No)? And at local level (Yes in all local entities; Yes in most local entities; Yes but only in a few local entities; No)? Important: if a measure exists as a **general social support measure**, not specifically aimed at facilitating access for low-income people, the answer is “No”.

<sup>36</sup> **National definition** used in this context (most frequently used definition if there is more than one definition). **Only if** there is no national definition **and if** the service is organised at subnational level, most common definition used in this context at regional (if any) or local (if any) level.

**Table A4: Essential service – Public transport**

1) Definition of “low income” used in the context of the delivery of the service in the country:<sup>37</sup>

For local public transport: “disadvantaged groups, as specified by other laws”

2) Measures aimed at facilitating access for low-income people to public transport in the country:

	National (*)	Subnational	
		Regional (only if <i>no</i> for national) (**)	Local (only if <i>no</i> for national) (**)
<b>Reduced tariffs</b>	No	No	Yes-few
<b>Cash benefits</b>	No	No	No
<b>In-kind benefits</b>	No	No	No
<b>Advice/training or information services</b>	No	No	Yes-most

(\*) For each measure: Does the measure exist in the country at national level (“Yes”/“No”)?

(\*\*) **Only** if the measure does not exist at national level **and** if the service is organised at subnational level: Does the measure exist at regional level (Yes in all regions; Yes in most regions; Yes but only in a few regions; No)? And at local level (Yes in all local entities; Yes in most local entities; Yes but only in a few local entities; No)? Important: if a measure exists as a **general social support measure**, not specifically aimed at facilitating access for low-income people, the answer is “No”.

<sup>37</sup> **National definition** used in this context (most frequently used definition if there is more than one definition). **Only if** there is no national definition **and if** the service is organised at subnational level, most common definition used in this context at regional (if any) or local (if any) level.

**Table A5: Essential service – Digital public services**

1) Definition of “low income” used in the context of the delivery of the service in the country:<sup>38</sup>

National Strategy regarding the Romanian digital agenda 2020:

- generic term “vulnerable people”;
- categories with at least one of the three characteristics: (a) aged 55-74; (b) low educational level; or (c) unemployed/retired/inactive.

2) Measures aimed at facilitating access for low-income people to digital public services (e.g. digital post, digital fiscal services, digital social security services, digital healthcare appointments) in the country:

	National (*)	Subnational	
		Regional (only if <i>no</i> for national) (**)	Local (only if <i>no</i> for national) (**)
<b>Reduced tariffs</b>	No	No	No
<b>Cash benefits</b>	No	No	No
<b>In-kind benefits</b>	No	No	No
<b>Advice/training or information services</b>	No	No	Yes-most
<b>Provision of a basic/uninterrupted supply</b>	No	No	Yes-few

(\*) For each measure: Does the measure exist in the country at national level (“Yes”/“No”)?

(\*\*) **Only** if the measure does not exist at national level **and** if the service is organised at subnational level: Does the measure exist at regional level (Yes in all regions; Yes in most regions; Yes but only in a few regions; No)? And at local level (Yes in all local entities; Yes in most local entities; Yes but only in a few local entities; No)? Important: if a measure exists as a **general social support measure**, not specifically aimed at facilitating access for low-income people, the answer is “No”.

<sup>38</sup> **National definition** used in this context (most frequently used definition if there is more than one definition). **Only if** there is no national definition **and if** the service is organised at subnational level, most common definition used in this context at regional (if any) or local (if any) level.

**Table B1: Essential services – Summary table**

- 1) Measures aimed at facilitating access for low-income people to the different services that exist at national, regional and/or local level in the country.
- 2) Broader policy framework under which all or some of these measures are organised in the country.
- 3) Ongoing or announced reforms of the measures and/or related frameworks aimed at (further) enhancing effective access to the service for low-income people in the country.

	1. Measures (NAT, SUBNAT, BOTH, NONE) (* )	2. Policy framework (**)		3. Ongoing or planned reforms (Yes/No)
		National (Yes/No)	Subnational (Yes/No)	
<b>Access to water</b>	SUBNAT	Yes	Yes	Yes
<b>Access to sanitation</b>	SUBNAT	Yes	Yes	Yes
<b>Access to energy</b>	BOTH	Yes	Yes	No
<b>Access to public transport</b>	SUBNAT	Yes	Yes	Yes
<b>Access to digital public services</b>	NONE	No	No	No
<b>Access to basic financial services (***)</b>	Not applicable	Yes	No	No

(\*) This column summarises the response provided in Tables A1-A5 above. "NAT" means that all the measures that exist in favour of low-income people are national measures; "SUBNAT" means that there are no national measures but some of/all the measures that exist are subnational measures; BOTH means a mix of NAT and SUBNAT; "NONE" means that there are no measures, be it at national or subnational level.

(\*\*) Is there a broader national policy framework under which all or some of these measures are organised in the country for some of/all the services under scrutiny ("Yes"/"No")? **Only if** there is no such national framework for one service **and if** the service is organised at subnational level: Is there a broader subnational policy framework under which all or some of these measures are organised for this service ("Yes"/"No")?

(\*\*\*) Open and use payment accounts with basic features (Directive 2014/92/EU).

## Annex 2: Data on access to essential services in Romania

**Table C1: Subsidies for expenditure on heating during the cold season, according to income bracket, type of household and type of heating system/fuel, 2019-2020**

	CENTRAL HEATING SYSTEM										
	HOUSEHOLD INCOME PER CAPITA										
	Up to 155 Lei	155.1-210 Lei	210.1-260 Lei	260.1-310 Lei	310.1-355 Lei	355.1-425 Lei	425.1-480 Lei	480.1-540 Lei	540.1-615 Lei	615.1-786 Lei	786.1-1,082 Lei
	<b>% of expenditure covered from the State budget</b>										
<b>For single people</b>	100%	90%	80%	70%	60%	50%	40%	30%	20%	15%	10%
<b>For households</b>	90%	80%	70%	60%	50%	40%	30%	20%	10%	5%	0%
	<b>% of heating expenditure (heating bill) up to which local authorities should cover, from local budgets</b>										
	7%	14%	20%	27%	33%	40%	46%	53	59	61	63
	INDIVIDUAL HEATING SYSTEMS BASED ON GAS										
	INCOME PER HOUSEHOLD MEMBER										
	Up to 155 Lei	155.1-210 Lei	210.1-260 Lei	260.1-310 Lei	310.1-355 Lei	355.1-425 Lei	425.1-480 Lei	480.1-540 Lei	540.1-750 Lei		
<b>State budget subsidy (Lei/month)</b>	262	190	150	120	90	70	45	35	20		
	HEATING SYSTEMS BASED ON ELECTRICITY										
	INCOME PER HOUSEHOLD MEMBER										
	Up to 155 Lei	155.1-210 Lei	210.1-260 Lei	260.1-310 Lei	310.1-355 Lei	355.1-425 Lei	425.1-480 Lei	480.1-540 Lei	540.1-750 Lei		
<b>State budget subsidy (Lei/month)</b>	240	216	192	168	144	120	96	72	20		
	HEATING SYSTEMS BASED ON COAL/FIREWOOD)										
	INCOME PER HOUSEHOLD MEMBER										
	Up to 155 Lei	155.1-210 Lei	210.1-260 Lei	260.1-310 Lei	310.1-355 Lei	355.1-425 Lei	425.1-480 Lei	480.1-540 Lei	540.1-750 Lei		
<b>State budget subsidy (Lei/month)</b>	54	48	44	39	34	30	26	20	20		

Data source: National legislation: GEO 70/2011 (amended by GO 27/2013 and GEO 114/2018), GD 920/2011.

Note: the conversion rate is €1 = Lei 4.76 (January 2020).

**Table C2: Eligibility threshold for MIG (from January 2014 until January 2020)**

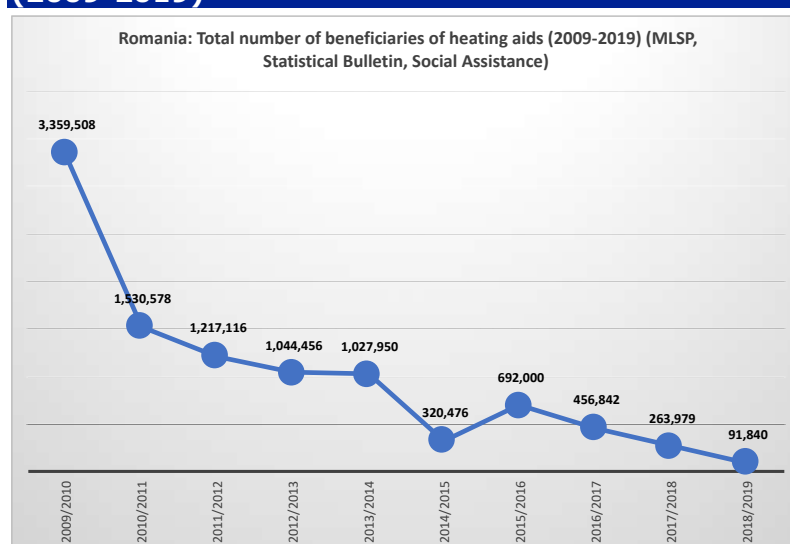
	Lei	Euro	% minimum net wage in January 2020 (according to GD 935/2019, 1,346 Lei/month)
<b>For a single person</b>	142	30	10.5%
<b>For a household of 2 persons</b>	255	54	18.9%
<b>For a household of 3 persons</b>	357	75	26.5%
<b>For a household of 4 persons</b>	442	93	32.8%
<b>For a household of 5 persons</b>	527	110	39.2%
<b>For each additional person over 5 persons</b>	37	8	2.7%

Data source: Law No 416/2001, amended by Law No 192/2018.

**Table C3: Proportion of social assistance benefits paid via bank transfers (2017)**

Type of social assistance benefit	% of payments made through bank accounts
<b>Universal child allowance (universal, non-contributory)</b>	49%
<b>Childrearing indemnity, insertion stimulus for parents returning earlier to work from childrearing leave (non-contributory, work conditional)</b>	82%
<b>Family support allowance (non-contributory, means-tested)</b>	7%
<b>Minimum income guarantee (non-contributory, means-tested)</b>	3%

Data source: Romanian Court of Auditors, 2018, p. 28, Table 9.

**Figure C1: Number of households benefiting from seasonal heating assistance (2009-2019)**

Data source: Ministry of Labour and Social Protection, Statistical Bulletins, Social Assistance.

**Table C4: Number of beneficiary households of heating assistance during the cold season, by type of heating system and fuel used (2009-2019)**

	Centralised heating	Natural gas	Wood/coal	Electricity	Total beneficiary households	% of total households
<b>2009/2010</b>	357,711	609,160	2,392,637		3,359,508	45.4%
<b>2010/2011</b>	200,810	333,915	995,853		1,530,578	20.6%
<b>2011/2012</b>	245,815	276,247	695,054		1,217,116	16.4%
<b>2012/2013</b>	206,205	239,397	598,854		1,044,456	14.0%
<b>2013/2014</b>	256,757	265,091	201	12,599	1,027,950	13.8%
<b>2014/2015</b>	112,768	148,295	50,499	8,914	320,476	4.3%
<b>2015/2016</b>	118,697	157,971	406,494	8,838	692,000	9.3%
<b>2016/2017</b>	71,012	90,782	288,274	6,774	456,842	6.1%
<b>2017/2018</b>	45,837	53,897	159,885	4,360	263,979	3.5%
<b>2018/2019</b>	29,647	33,866	25,817	2,510	91,840	1.2%
<b>Reduction 2009-2019</b>	-92%	-94%	-99%	-80%	-97%	

Data source: MLSPFE, Statistical Bulletin, Social Assistance

(<http://www.mmuncii.ro/j33/index.php/ro/transparenta/statistici/buletin-statistic/3276>).

**Table C5: Expenditure on heating assistance (2010-2019)**

	Lei, current prices	% GDP
<b>2010</b>	857,299,774	0.164%
<b>2011</b>	443,245,035	0.080%
<b>2012</b>	366,598,848	0.062%
<b>2013</b>	368,459,714	0.059%
<b>2014</b>	226,603,345	0.034%
<b>2015</b>	197,784,075	0.028%
<b>2016</b>	148,565,951	0.020%
<b>2017</b>	121,577,892	0.014%
<b>2018</b>	76,862,523	0.008%
<b>2019</b>	34,292,183	

Data source: MLSPFE, Statistical Bulletin, Social Assistance

(<http://www.mmuncii.ro/j33/index.php/ro/transparenta/statistici/buletin-statistic/3276>); Eurostat, nama\_gdp\_c; NIS, Consumption price index.

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