<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Romania</td>
<td></td>
</tr>
<tr>
<td>Population</td>
<td>19,587,491</td>
</tr>
<tr>
<td>Area (km²)</td>
<td>238,400</td>
</tr>
<tr>
<td>GDP per capita (USD)</td>
<td>10,792.96</td>
</tr>
<tr>
<td>TPES (Mtoe)</td>
<td>31.74</td>
</tr>
<tr>
<td>Energy intensity (toe/10³ 2010 USD)</td>
<td>0.16</td>
</tr>
<tr>
<td>CO₂ emissions - energy (MtCO₂)</td>
<td>67.90</td>
</tr>
</tbody>
</table>

Sources:
1. The World Bank 2017
Romania’s overall risk level against the assessed areas is **low**.

Among the three EIRA risk areas, *breach of State obligations* continues to be lower compared to *discrimination between foreign and domestic investors* and *unpredictable policy and regulatory change*.

Romania has a very good performance on two of the EIRA indicators. It has a good performance on one indicator and a moderate performance on one. It has maintained a score of 88 on the indicators *rule of law*, and 81 on *regulatory environment and investment conditions*. Management of decision-making processes is again at 80, while foresight of policy and regulatory change is at 59.

On a more detailed level, Romania’s overall sub-indicator performance is also good. *Respect for property rights* and *restrictions on FDI* remain the highest-scoring sub-indicators with 100 and 90 points, respectively. *Institutional governance* stands again at 88 and *management and settlement of investor-State disputes* at 75. A good score has been obtained for *transparency and regulatory effectiveness*, both with 72 points. Performance on *robustness of policy goals and commitments* is good with 68 points. Communication of vision and policies remains the lowest-scoring sub-indicator with 50 points.

Romania provides attractive conditions for investors and is working in the right direction. Attention should be given to better communicating the country’s vision and policies.

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**YEAR-ON-YEAR COMPARISON**

<table>
<thead>
<tr>
<th>RISK AREAS</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unpredictable policy and regulatory change</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Discrimination between foreign and domestic investors</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Breach of State obligations</td>
<td>13</td>
<td>13</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INDICATORS</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foresight of policy and regulatory change</td>
<td>59</td>
<td>59</td>
</tr>
<tr>
<td>Management of decision-making processes</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>Regulatory environment and investment conditions</td>
<td>81</td>
<td>81</td>
</tr>
<tr>
<td>Rule of law</td>
<td>88</td>
<td>88</td>
</tr>
</tbody>
</table>

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**SUB-INDICATOR PERFORMANCE**
The Energy Strategy 2007-2020 continues to be the main energy strategy document in force. The draft of the first National Energy and Climate Plan sets the national targets for 2030 regarding the reduction of GHG emissions, the share of renewable resources in the final energy consumption, and the increase of energy efficiency. Romania ratified the Paris Agreement in 2017 and submitted its NDC together with all Member States of the EU.

Romania has achieved a balanced and diversified electricity mix. The policy targets in terms of energy transformation are stated in the Energy Strategy 2007-2020. Significant progress has been achieved in the renewables sub-sector with the 2018 revisions in the relevant regime (“E-Res Promotion Act”). Provisions have been drafted on prosumers, the process for supplying the network with the produced energy, as well as on exemptions from tax obligations. The latest initiative for supporting the transition to a low-carbon economy is the establishment of a Specialised Energy Efficiency Investment Fund. This comes in addition to existing financing options, such as the Operational Programme for Large Infrastructure 2014-2020 and the Regional Operational Programme 2014-2020.

The Ministry of Energy maintains its role as the lead authority for monitoring the implementation of the overall energy strategy. The National Authority for Energy Regulation (ANRE) monitors the implementation of the National Energy Efficiency Action Plan and the Law no. 121/2014 on energy efficiency. It submits an annual report to the Government and the European Commission on the progress made towards the national energy efficiency objectives. According to the data presented by the ANRE in the 2018 report, Romania is on track with its renewable energy target for 2020.

### AREAS FOR IMPROVEMENT

The energy policies should be comprehensively reviewed to meet the current challenges and fill in gaps in the country’s vision for the energy sector. The adoption of the draft Energy Strategy 2019-2030 will provide clarity about the prospects of the national energy sector. The new Energy Strategy should be supplemented by secondary legislation that is aligned with the EU 2030 framework for climate and energy.

Although the energy transition is an ongoing process and targets for renewable energy have been achieved, regulatory coherence is imperative. Achieving affordability and security of supply by investing in the fossil-based industries can undermine the country’s de-carbonisation efforts. In light of this, the Government may consider creating sustainable strategies that will help Romania fully exploit its potential for wind and solar energy.

### STRENGTHS

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INDICATOR 3  Regulatory environment and investment conditions

QUICK FACTS
The ANRE regulates the electricity, heat (produced in cogeneration) and natural gas sub-sectors under Law no. 160/2012 for the approval of Government Emergency Ordinance no. 33/2007 on the organisation and functioning of ANRE, as further amended by Law no. 1/2018.

The ANRM regulates and supervises upstream oil and gas operations.

The equal treatment of domestic and foreign investors is provided in the Government Emergency Ordinance no. 92/1997 on the stimulation of direct investment.

STRENGTHS
Amendments to Law no. 123/2012 on electricity and gas have created new rights and obligations for the electricity and gas sub-sectors. The concept of “natural gas trader” as a physical or legal person purchasing and selling natural gas exclusively on the wholesale gas market has been introduced. Regulations detailing the issuance of natural gas trading licences were enacted in 2019 by the ANRE. Through these, entities with a gas supply licence will be able to trade gas on the wholesale market without obtaining a separate trading licence. Moreover, an EU licensed entity may carry out gas trading or supply activities in Romania without holding a gas trading or supply licence issued by the ANRE.

The legal regime for foreign investment continues to provide access in all areas of the Romanian economy. Under the Government Emergency Ordinance no. 85/2008 on fostering investments, energy investors can be granted certain facilities subject to prior approval by the European Commission. For example, non-reimbursable financial support from European and national funds is granted to investments related to the production of energy from biomass, biogas and geothermal energy.

AREAS FOR IMPROVEMENT
In 2019, the Government increased the quota of non-EU/EEA workers admitted in Romania. This measure contributes to a higher mobility of foreign workers. The Government should pay attention to some remaining practices that may be perceived as burdensome, such as the three-year limitation on the stay of ICT workers holding leadership positions and the one-year limitation for trainees assigned in Romania.

In light of the growing need for investment in clean and cost-effective new capacities, the Government should consider employing additional mechanisms for tendering new wind and PV power projects. These mechanisms may include contracts for difference and power purchase agreements that are available for all participants in the electricity market, along with additional norms and instruments to handle energy price volatility and mitigate contractual risks.

SCORE 81

INDICATOR 4  Rule of law

QUICK FACTS
With the entry into force of Law no. 18/2017 on the termination of Bilateral Investment Treaties concluded between Romania and European Union Member States, Romania has moved to gradually phase out all its intra-EU BITs.

Romania ratified the Energy Charter Treaty in 1996.

Romania ratified the Convention on the Settlement of Investment Disputes between States and Nationals of Other States in 1975.

Romania acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards in 1961.

STRENGTHS
Disputes between foreign investors and Romania may be settled, at the investor’s choice, by the national courts or an arbitral tribunal without prior exhaustion of local remedies. The Civil Procedure Code 2013 provides the possibility of mediation in civil and commercial matters. The Romanian courts enforce foreign judgments and foreign arbitral awards.

The current legal system continues to offer adequate protection of private property. Guarantees against expropriation, nationalisation and other measures of equivalent effect are provided by legal acts and international treaties on investment protection. Moreover, national laws define “public interest” and enumerate various public utility projects of national, regional or local interest as legitimate grounds for expropriation. The procedure and the calculation of compensation are also described in these laws. The determination of the value of expropriated assets and the amount of compensation can be challenged before the competent courts. Intellectual property rights constitute a form of protected investment. Currently, there are no restrictions on the transfer of technology.

AREAS FOR IMPROVEMENT
In line with last year’s suggested area of improvement, an investment ombudsman may be established to promote cost-effective and swift extra-judicial resolution of complaints against public authorities.

The introduction of binding time limits for all stages of a trial and the delivery of final judgments will further expedite court proceedings.

SCORE 88