

OECD Public Governance Reviews

# Strengthening Romania's Integrity and Anti-corruption Measures





OECD Public Governance Reviews

# Strengthening Romania's Integrity and Anti-corruption Measures

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

**Please cite this publication as:**

OECD (2023), *Strengthening Romania's Integrity and Anti-corruption Measures*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/ff88cfa4-en>.

ISBN 978-92-64-75501-7 (print)  
ISBN 978-92-64-61112-2 (pdf)  
ISBN 978-92-64-86280-7 (HTML)  
ISBN 978-92-64-95047-4 (epub)

OECD Public Governance Reviews  
ISSN 2219-0406 (print)  
ISSN 2219-0414 (online)

**Photo credits:** Cover © Mihai-Daniel ANDREI

Corrigenda to OECD publications may be found on line at: [www.oecd.org/about/publishing/corrigenda.htm](http://www.oecd.org/about/publishing/corrigenda.htm).

© OECD 2023

---

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <https://www.oecd.org/termsandconditions>.

---

# Foreword

Romania has embarked on multiple reforms to bolster the stability and resilience of its public governance framework, including the strengthening of its integrity and anti-corruption system through several National Anti-corruption Strategies (NAS). Despite these efforts and the growing number of anti-corruption investigations, corruption is still perceived to be one of the major obstacles to obtaining quality public services in Romania. While the detection, investigation and sanctioning of corruption cases has increased, more in-depth preventive and strategic actions are needed to address systemic and structural weaknesses. Identifying high-impact integrity interventions in specific sectors will help ensure that national integrity policies have a greater impact within the public administration and in society more broadly.

This report considers the integrity measures included in the NAS 2021-2025 in three at-risk sectors: health, education and state-owned enterprises (SOEs). It provides recommendations for mainstreaming central-level policies into concrete actions at sector level and to improve the implementation of the NAS 2021-2025 as well as future strategies. The report looks at the strategy's achievements to date as well as the challenges that remain, including addressing structural issues such as political engagement, the role and placement of ethics offices and the design and review of integrity plans. The assessment is based on the standards set out in the 2017 OECD Recommendation on Public Integrity and the OECD Public Integrity Indicators.

While the NAS 2021-2025 is a milestone in building a comprehensive integrity system, Romania could take further action, including to strengthen the implementation of the ethics management model, improve co-ordination and ownership of integrity policies, and establish a clear strategy to apply many of its central policies at sector level. Key stakeholders within the integrity system, like the Ministry of Justice (MoJ) and the National Integrity Agency (ANI), could also increase the use of practical tools and recommendations for mainstreaming integrity policies through the whole of society.

The report was reviewed by the OECD Working Party of Senior Public Integrity Officials (SPIO) on 17 May 2023. It was approved by the Public Governance Committee on 16 June 2023 and prepared for publication by the Secretariat.

The action was funded by the EEA / Norway Grants and implemented by the OECD.

# Acknowledgements

The report was prepared by the OECD Directorate for Public Governance (GOV) under the leadership of Elsa Pilichowski, Director for Public Governance, and the direction of Julio Bacio Terracino, Head of GOV's Public Sector Integrity Division. Under the guidance of Frédéric Boehm, this report was co-ordinated by Alice Berggrun with support from Viktoriya Minovska, Hans Christensen and Emeline Denis. A first draft of Chapter 2 was written by Karen Hussmann and Stephen Heyneman. Meral Gedik prepared the report for publication. Administrative assistance was provided by Aman Johal and Samantha Sanchez.

The OECD expresses its gratitude to the Romanian Government, in particular to representatives of the Directorate for Crime Prevention, Ministry of Justice. The OECD thanks public officials from the Ministry of Health, the Ministry of Education and the Ministry of Finance. Other stakeholders that contributed to the report were the National Anti-Corruption Directorate (DNA), National Integrity Agency (ANI), National Agency of Civil Service (NACS), the General Anti-Corruption Directorate (GAD) and the National Agency for the Management of Seized Assets (ANABI). Private sector representatives included, AMCHAM Romania, the Romanian Association of Banks, and the Romanian Chamber of Commerce. Furthermore, the OECD would like to thank the anti-corruption non-governmental organizations (NGO) as well as local public administration for their availability.

The OECD thanks the EEA and Norway Grants Initiative for its financial support.

# Table of contents

Foreword	3
Acknowledgements	4
Executive summary	7
<b>1 Integrity arrangements in Romania: Towards the consolidation of its legal and institutional framework</b>	<b>9</b>
Sectorial Policies in OECD Public Integrity Indicators (PII)	10
Integrity actors and their responsibilities at the national level in Romania	11
Legal framework for public integrity in Romania	13
Progress and challenges in the integrity system in Romania	14
The 2021-2025 NAS: consolidating an integrity and anti-corruption policy framework	14
Crosscutting issues affecting the public integrity system in Romania	16
Proposals for action	24
References	26
<b>2 The 2021-2025 NAS through the horizontal lens: Effectiveness of measures to enhance integrity on strategic sectors in Romania</b>	<b>29</b>
Stocktaking and recommendations for integrity measures in the health sector	30
Stocktaking and recommendations for integrity measures in the Education sector	42
Stocktaking and recommendations for integrity measures in State Owned Enterprises (SOE)	50
Proposals for action	64
References	68
Note	71

## FIGURES

Figure 1.1. Romania's OECD PII for the 2016-2021 NAS	11
Figure 1.2. Summary of the 2021 OECD survey of co-operation platforms responses on the work of the MOJ	21
Figure 2.1. Financial indicators for large SOEs and private companies (not traded in stock markets)	51
Figure 2.2. Status of board and executive appointments in the 50 largest SOEs as of 2021	56

## TABLES

Table 1.1. Legal framework for anti-corruption and integrity in Romania	13
Table 1.2. Integrity Functions	16
Table 2.1. Romania 2016-2021 Global Corruption Barometer Comparison	30

Table 2.2. Selected criminal investigations involving SOEs over the past five years	52
Table 2.3. Specific objective no. 4.5 of the 2021-2025 NAS: “Increasing integrity, reducing vulnerabilities and the risk of corruption in the business environment”	53

## BOXES

Box 1.1. Relevant stakeholders of the Integrity System in Romania	12
Box 1.2. Participative development of shared values in Brazil and Colombia	18
Box 1.3. Integrity Plans in Romania’s National Anti-Corruption Strategy (NAS): mainstreaming integrity through the entire public administration	19
Box 1.4. Guidance provided by the MoJ on “integrity plans”	21
Box 1.5. Austria: Network for Integrity advisors/officers (Integritätsbeauftragten-Netzwerk)	23
Box 2.1. INVIMA/ACTUE in Colombia	37
Box 2.2. Health sector corruption typologies and measures during the COVID-19 pandemic	38
Box 2.3. Public campaign to disseminate integrity measures in the health sector in Romania	39
Box 2.4. Romanian Sunshine Act	41
Box 2.5. The Independent Schools Inspectorate in the United Kingdom	47
Box 2.6. Independence requirements for board members	55
Box 2.7. OECD best practices on exercising ownership for integrity	57
Box 2.8. Selected approaches setting and communicating high expectations regarding corruption and integrity in SOEs	59
Box 2.9. Croatia’s anti-corruption programme	61
Box 2.10. US Department of Justice – Evaluation of Corporate Governance Programmes	62
Box 2.11. Compliance with transparency requirements as provided by Law no. 111/2016	63

### Follow OECD Publications on:



<https://twitter.com/OECD>



<https://www.facebook.com/theOECD>



<https://www.linkedin.com/company/organisation-eco-cooperation-development-organisation-cooperation-developpement-eco/>



<https://www.youtube.com/user/OECDiLibrary>



<https://www.oecd.org/newsletters/>



# Executive summary

Romania's National Anti-Corruption Strategy (NAS) 2021-2025 lays the foundations for mainstreaming integrity policies through the entire public administration, including at sector level. This report considers the integrity measures included in the strategy for three at-risk sectors: health, education and state-owned enterprises (SOEs) where the development of sector-level preventive policies is still ongoing and in need of fine-tuning. Public institutions in these three sectors need to take greater ownership of the national anti-corruption and integrity framework and adapt it to their particular context.

The OECD has assessed the NAS 2021-2025 in several priority areas and makes the following recommendations for the remaining implementation period.

## Key findings

In line with the 2017 OECD Recommendation on Public Integrity, the NAS 2021-2025 identifies and consolidates integrity policies using a risk-based approach. A risk-based approach will enable Romania to focus their resources and take enhanced measures in situations where the risks are higher.

Across sectors, the OECD looked at the need to promote co-operation among integrity actors and to mainstream integrity policies at sector level. The OECD assessment highlighted both challenges and opportunities for future strategies.

- Integrity strategies and reforms are inconsistently implemented at sector level due to a lack of leadership support. Ethics counsellors, in charge of mainstreaming integrity policies at sector level, have limited capacity to promote integrity policies throughout the public administration and “integrity plans” have become an increasingly formal exercise.
- The health and education sectors are yet to develop a solid and explicit diagnosis of integrity problems, taking into account corruption risks as well as actual cases of corruption and capture, in their respective sectors.
- The health and education sectors underutilise integrity tools. For example, they could carry out risk analyses of common conflict-of-interest situations in each sector, implement *ex ante* procurement controls, and systematically analyse declarations of interests to identify and address alleged misconduct or instances of institutional capture.
- Weak integrity management systems and organisational integrity cultures in the health sector undermine fair processes. This happens mainly through distorting procurement processes, extorting shares of hospital employee salaries, diverting patients to costly private sector practices (in particular for diagnostics), or extorting bribes for services.
- Even though the education sector has several integrity mechanisms, many of them are not effective and uncoordinated.
- Weak ownership arrangement and inadequate implementation of risk-management and internal control mechanisms make State-owned enterprises (SOEs) particularly prone to corruption risks.

## Key recommendations

To address the challenges identified, the report provides concrete recommendations to support the government of Romania in developing and improving integrity measures in key strategic sectors.

- Increase political engagement in the design phase (and, eventually, implementation) of the NAS while supporting and empowering ethics counsellors to spearhead the application of ethics frameworks.
- Provide further guidance to institutions on integrity plans and risk assessments, including developing a national study of specific types of integrity breaches, the actors likely to be involved and the likelihood or expected impact of corruption risks.
- Identify the bottlenecks and resource gaps hindering the implementation of “integrity plans” and, based on these, develop tailored guidelines for embedding risk assessments at sector level, providing concrete examples from the organisation’s day-to-day business.
- Develop a robust diagnosis of integrity problems in at-risk sectors, such as health and education. This diagnosis should assess integrity and corruption risks and identify cases of corruption and clientelism. An independent analysis, by civil society or academia, could complement the diagnosis to ensure credibility and legitimacy.
- Promote integrity tools at sector level, including making the sectors responsible and accountable for identifying and managing conflicts of interest while providing guidance on typical cases of conflict of interest in the sectors.
- Strengthen integrity management systems and organisational integrity cultures in health institutions by creating a network of sector-specific ethics counsellors and developing more stringent processes throughout the sector.
- Conduct an analysis of integrity needs in the education sector. This analysis could include the following three areas: (i) mandatory education; (ii) examinations and standardised testing; and (iii) higher education.
- Strengthen ownership arrangements of SOEs, including by establishing clear expectations around integrity and safeguarding the autonomy of SOEs decision-making bodies.
- Promote integrity tools across SOEs, including internal and external controls, ethics and compliance measures and disclosure requirements to prevent, detect and mitigate corruption-related risks.

# **1 Integrity arrangements in Romania: Towards the consolidation of its legal and institutional framework**

---

This chapter starts by providing an overview of the integrity system in Romania, including the various actors involved and their responsibilities. The chapter includes key recommendations towards the strengthening of the upcoming legislative framework on conflict of interest, the role of ethics counsellors within the integrity system and the mainstreaming of risk assessment in at risk sectors.

---

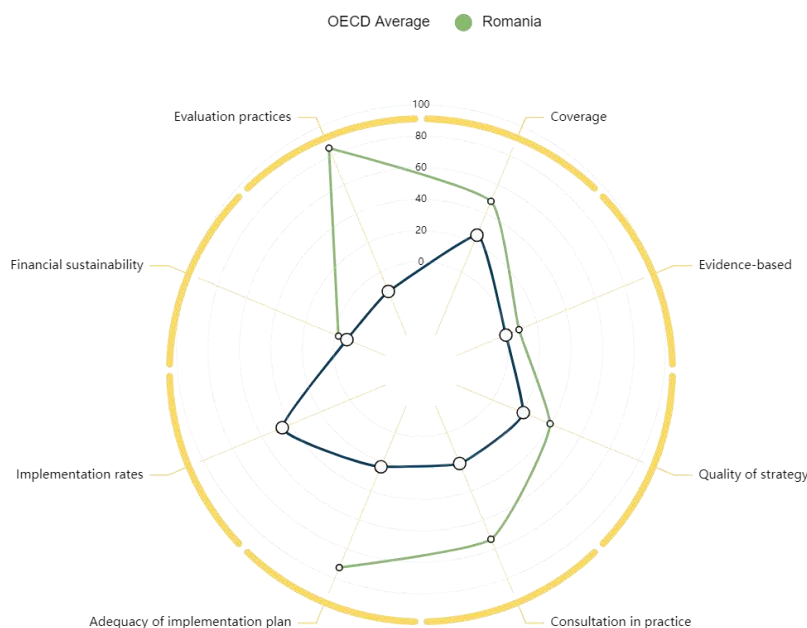
Integrity is essential for building strong institutions and assures citizens that the government is working in their interest, not just for the select few. Integrity is not just a moral issue; it is also about making economies more productive, public sectors more efficient, societies and economies more inclusive. It is about restoring trust, not just trust in government, but also trust in public institutions, regulators, banks, and corporations. A system of sound public governance reinforces fundamental values, including the commitment to a pluralistic democracy based on the rule of law and the respect for human rights, and is one of the main drivers for trust in government (OECD, 2017<sup>[1]</sup>; Murtin et al., 2018<sup>[2]</sup>).

In Romania, integrity policies have often followed a narrow legalistic approach focused on anti-corruption. Research and interviews carried out for this report showed a consensus amongst stakeholders, that although legislation and public policies have rapidly evolved, actual implementation remains stalled. Furthermore, while anti-corruption public messages have been broadly promoted, the actual implementation of such programmes has not received equal footing. This is particularly true, given the national clientelist environment, where social norms outmanoeuvre legal constraints. Despite the growing number of anticorruption investigations and trials involving high-level officials, corruption is still perceived to be one of the major obstacles to obtain quality services. Furthermore, while cases of corruption need to be detected, investigated and sanctioned, more in-depth preventive actions are necessary to address systemic and institutional integrity weaknesses that facilitate corruption and other unethical practices in the first place. Put differently, countries face the challenge to move from a merely reactive “culture of cases” to a proactive “culture of integrity”, defined as a culture where there is a consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritising the public interest over private interests (OECD, 2017<sup>[3]</sup>).

## Sectorial Policies in OECD Public Integrity Indicators (PII)

The OECD Recommendation on Public Integrity provides policymakers with a vision for a public integrity strategy. It shifts the focus from ad hoc integrity policies to a context dependent, behavioural, risk-based approach with an emphasis on cultivating a culture of integrity across the whole of society. Since the adoption of the OECD Recommendation, the Public Integrity Indicators (PII) applies a mixed methods approach, drawing on both administrative data and big data provided directly by governments and surveys to measure key aspects of the implementation of the Recommendation (OECD, 2017<sup>[3]</sup>). Romania was assessed in 2021 on Principle 3 (Quality of Strategic Framework) to benchmark the 2016-2021 NAS against OECD country practice. Amongst the issues covered by the PII is whether strategies for any of the following sectors: (a) infrastructure, (b) housing, (c) health, (d) education, (e) taxation, (f) customs have at least one first-level objective aimed at mitigating public integrity risks (“coverage”). In it, Romania scored 71.43, well above OECD average. This is partly the result of including sectorial policies within its National Anticorruption Strategy (NAS) (OECD, 2022<sup>[4]</sup>).

Figure 1.1. Romania's OECD PII for the 2016-2021 NAS



Source: (OECD, 2022<sup>[4]</sup>)

## Integrity actors and their responsibilities at the national level in Romania

Integrity actors are at the “core” of any integrity system. In Romania, the main actors of the current integrity system can be divided into prevention and enforcement. On the enforcement side is the Romanian National Anti-Corruption Directorate (*Direcția Națională Anticorupție*, DNA), the General Anti-corruption Directorate (*Direcția Generală Anticorupție*, GAD) and regular prosecutor’s offices who investigate cases of petty corruption. DNA is one of the most trusted institutions in Romania with a responsibility for medium and high-level corruption cases (World Bank, 2017<sup>[5]</sup>). On the prevention side, the National Integrity Agency (*Autoritatea Națională de Integritate*, ANI) conducts verification of declarations of assets and interests and has oversight and sanctioning functions over unjustified wealth cases. The Ministry of Justice is in charge of policies, strategies, and action plans in the field of justice, as well as preventing and combating corruption and other serious forms of crime. Thus, the Ministry of Justice oversees the technical secretariat of the National Anticorruption Strategy (NAS), which monitors and supports the implementation of the NAS. The General Secretariat of the Government is subordinated to the Prime Minister, with the role of ensuring the development of technical and strategic operations related to government acts. Furthermore, it represents the Government and the Prime Minister before the courts. Furthermore, co-ordinates issues such as open government, lobbying and the law on transparency and access to information. Even though said institutions implement somewhat co-ordinated efforts, interviews conducted for this report showed that the streamlining of preventive policies is still on a development phase and harmonisation between bodies is strongly needed (Box 1.1).

Integrity cannot be a function delegated only to integrity or anti-corruption agencies. In Romania, stakeholders were of the view that more should be done with respect to the role and engagement of prevention agencies in mainstreaming integrity policies through the entire public administration. Although many agencies have tried to trickle-down policies through the sectors, integrity initiatives seem to lack a horizontal or cross-sector approach. This may be partly because, besides the ANI, most of these agencies

have no leverage to implement integrity measures across the administration. This could be related to a limited interest of some sectors/ areas/ institutions in implementing many of these measures and an overly legalistic perspective where many actors only comply with the minimum requirements stated in legislation.

### Box 1.1. Relevant stakeholders of the Integrity System in Romania

Main stakeholders of the Romanian Integrity System are:

- **Technical Secretariat for the 2021-2025 NAS at the Ministry of Justice:** The Technical Secretariat, embedded in the Department for Crime Prevention, assumes responsibility for central co-ordination of the National Anti-Corruption Strategy. It is charged with driving forward the implementation, monitoring, reporting and evaluation of the Strategy. Its responsibilities include producing annual monitoring reports, organising on-site evaluation missions and integrity training for both central institutions and local public administrations, convening the stakeholder platforms, providing methodological support for corruption risk assessments and integrity plans, and commissioning surveys and background research.
- **National Anti-Corruption Directorate (DNA):** Established in 2002, the DNA is a prosecutor's office structure that focuses on tackling medium and high-level corruption cases. An independent entity operates at arm's length from courts and other public authorities.
- **National Integrity Agency (ANI):** The National Integrity Agency was set up in 2007 with the primary goal of conducting administrative verification of asset and interest declarations. It is responsible for collecting, monitoring and verifying these declarations to identify conflicts of interest, unjustified wealth and incompatibilities. The ANI is operationally autonomous and refers irregularities to the competent authorities to impose sanctions. The ANI is also in charge of the administration of the PREVENT system. In this system, more than 33 000 procurement procedures have been analysed and many integrity warnings issued that amount to hundreds of millions of euros worth of contracts (SGI, 2020<sup>[6]</sup>).
- **General Anti-Corruption Directorate (DGA):** The DGA is a judicial policy unit in the Ministry of Interior is charged with investigating suspected corruption perpetrated by staff subordinated to the Ministry of Interior, including police, gendarmerie and border units. It supports the DNA in investigating complex criminal cases, acting as the Judicial Police. It also conducts preventive activities, including training and risk assessments for Ministry of Interior bodies.
- **National Agency of Civil Service (NACS):** The National Agency of Civil Servants (NACS) was established by the Law Nr. 188/1999 on the Civil Servants Statute, with the purpose of ensuring the management of civil service and that of civil servants. It elaborates the frameworks of competence, policies and strategies, as well as draft normative acts in the field. It also has a permanent collaboration with public institutions and authorities in Romania by providing specialised assistance to human resources departments in the application of specific legislation, but also by monitoring and controlling the manner of its application.
- **Superior Council of Magistracy (CSM):** The Superior Council of Magistracy is responsible for guaranteeing judicial independence. It is divided into two parts, one section dealing with judges, and another with prosecutors. It has exclusive competence to recruit and manage the careers of judges and prosecutors and can act as a disciplinary court.

Source: (Government of Romania, 2021<sup>[7]</sup>)

## Legal framework for public integrity in Romania

Over the past years Romania has adopted measures aimed at consolidating its legal framework to enhance integrity in the country (Table 1.1). Crucial provisions on post-employment prohibitions, integrity mechanisms and whistle-blower protection have been in place since a significant number of years. Law 571 regulated the protection of whistle-blowers in 2004 and some post-employment restrictions have been introduced since 1996 all the way until 2016. Regulations on conflict of interest, accountability, declarations of gifts, assets and interest have been a part of the Romanian legal framework enhancing Romania's commitment to the strengthening of its integrity framework.

**Table 1.1. Legal framework for anti-corruption and integrity in Romania**

Provisions	Legal basis
Ethics counsellors	According to GEO no. 57/2019 on the Administrative Code, heads of public authorities and institutions appoint an ethics advisor (usually a civil servant from the human resources department) responsible for monitoring the implementation of the principles and norms of conduct by civil servants.
Declaration of gifts	The declaration of gifts is required as per Law no. 251/2004 and GD no. 1126/2004 regarding the goods received free of charge on the occasion of some protocol actions in the exercise of the mandate function.
Declaration of assets and interests	The declaration of assets and interests is regulated by the provisions of Law no. 176/2010 on integrity in the exercise of public functions and dignities.
Conflicts of interest	Law no. Regulation (EC) 161/2003 defines conflict of interest as the situation in which the person exercising public dignity or public office has a personal interest of patrimonial value which could influence the fulfillment with objectivity of the attributions incumbent on it. The conflicts of interest of a criminal nature are defined by article 301 of the Criminal Code, while the existence of a conflict of interest of an administrative nature does not presuppose the automatic existence of an act of corruption.
Incompatibility	The issue of incompatibilities is regulated by Law no. 176/2010 on integrity in the exercise of public functions and dignities. Of note, while the existence of a conflict of interest requires public persons to make a decision that influences a personal interest, for a situation of incompatibility to arise, public officials do not have to make any decision, as the simultaneous exercise of two or more functions whose accumulation is prohibited by law is sufficient.
Revolving doors ("pantouflage")	Provisions on post-employment prohibitions are contained in various normative acts: Law no/ 98/2016 on public procurement, Law no. 99/2016 on sectoral public procurement, Law no. 672/2002 regarding internal public audit, Law no. 161/2003 on some measures to ensure transparency in the exercise of public dignity, public office and in the business environment, GEO no. 66/2011 on the prevention, ascertainment and sanctioning of irregularities in obtaining and using European funds and/or national public funds related to them, Competition no. 21/1996, Law no. 100/2016 on works concessions and service concessions, GEO no. 87/2020 on the organisation and functioning of the Prime Minister's Control Corps.
Transparency in the decision-making process	Law no. 52/2003 establishes the minimum procedural rules applicable for decision-making transparency within the central and local authorities, which can be developed according to the specifics of the authority.
Access to information of public interest	According to Law no. 544/2001, any person has the right to request and obtain from public authorities and institutions information of public interest, and the public authorities and institutions are obliged to provide the persons, at their request, with the information of public interest requested in writing or orally.
Whistle-blower protection	The protection of whistle-blowers is provided by Law no. 571/2004 on the protection of personnel from public authorities, public institutions and other units that report violations of the law. Further, EU Directive 2019/1937 has been transposed into the national law by Law no. 361/2022.
Integrity handling mechanisms and sensitive functions	According to OSGG no. 600/2018, a function is considered "sensitive" when it presents a significant risk of affecting the objectives of the entity through the improper use of human, material, financial and information resources or corruption or fraud. According to OSCG no. 600/2018, the head of the public entity orders the identification of sensitive functions based on risk factors, their centralisation at the level of the public entity, and the establishment of an adequate management policy by developing measures so that the negative effects on activities carried out within the public entity be minimal. "Corruption offenses" and "offenses of services" are regulated by regulated by the Criminal Code, adopted by Law no. 286/2009, which entered into force in 2014.
Risk management and analysis of integrity incidents	Government Decision 599 of 2018 requires all central public institutions to establish a specific anti-corruption strategy using the approved methodology. This entails adhering to the prescribed format of the corruption risk register and using indicators to estimate the likelihood and impact of each identified risk. It also sets out a standardised approach to assessing integrity incidents, as well as the reporting format for these incidents. The list of integrity incidents is reviewed annually by the Ministry of Justice and the five co-operation platforms, before being uploaded as an annex to the yearly monitoring reports.

Source: (Government of Romania, 2021<sup>[8]</sup>)



## Progress and challenges in the integrity system in Romania

Romania has taken significant steps to achieve progress and improved co-ordination in its public integrity system. However, to further consolidate it, it needs to work towards the integration and implementation of its anti-corruption and integrity legislation, reinforce institutions, and engage in further efforts to mitigate corruption risks. Indeed, the 2021-2025 NAS requires committed political support to spearhead technocratic reforms and progress its implementation.

In the past, a number of reforms have put in question Romania's ability to maintain a robust integrity system. Amongst those, a few attempted reforms in the area of criminal law have had repercussions on the functional independence of the judiciary (GRECO, 2021<sup>[9]</sup>). More recently, Romania approved Law 49 of 2022, which puts in place a new structure for the investigation of criminal offences within the judiciary. However, this law has taken some criticism, particularly by the Venice Commission, who in Opinion 1079/2022 listed the advantages of calling on specialised prosecutors to investigate corruption offences, showing that the new mechanism may be more vulnerable in terms of its functional independence than the DNA (UNIO, 2023<sup>[10]</sup>). Other international organisations are of the view that the new arrangements would allow the transfer of cases to capable and able institutions (GRECO, 2023<sup>[11]</sup>). Since the new law entered into force less than a year ago, is still premature to assess its impact on Romania's ability to investigate and sanction corruption.

Romania can also count on several positive benchmarks that have strengthen its integrity system. Investigation and judicialisation of high-level corruption cases has had increased attention since the establishment of DNA. Similarly, the strengthening of ANI, both institutionally and legally, has allowed Romania to accomplished progress in its conflict of interest and asset's declarations regime (Ministry of Justice of Romania, 2021<sup>[12]</sup>). Finally, by the end of 2022, the European Commission adopted the latest report on steps taken by Romania to meet its commitments on judicial reform and the fight against corruption under the Cooperation and Verification Mechanism (CVM). The report positively notes Romania's significant efforts to implement these recommendations through new legislation, policies, and tools to strengthen the judiciary and combat corruption (Council of Europe, 2022<sup>[13]</sup>) (European Commission, 2022<sup>[14]</sup>).

## The 2021-2025 NAS: consolidating an integrity and anti-corruption policy framework

### ***Romania could develop a strategy to increase support from top leadership in implementing the NAS***

The 2021-2025 National Anticorruption Strategy (*from now on* 2021-2025 NAS) states that there is a “need to strengthen integrity and corruption prevention across the public sector in the country at all levels and puts emphasis on priority sectors for which special measures have been identified in addition to the cross-cutting nation-wide ones”. This stocktaking is based on the analysis of the measures of institutional integrity and corruption prevention anchored in the 2021-2025 NAS.

The Romanian government introduced its first national anti-corruption strategy for the period 2001-2004, in the context of widespread corruption concerns. Anti-corruption strategies are approved by government decision but stand under the overarching responsibility of the MoJ. Each strategy includes set of objectives, performance indicators and associated risks. Since 2012, strategies are subject to a “self-evaluation” conducted by the MoJ monitoring the progress made on individual objectives, as well as to an external evaluation aiming to assess the impact, efficiency and effectiveness of the implemented measures, and to propose recommendations for the next strategy (European Commission, 2021<sup>[15]</sup>).



In accordance with the interviews conducted for this report as well as reports from several international organisations, the following issues were identified by key stakeholders as challenges to the implementation of the current 2021-2025 NAS.

- A consistent implementation of strategies has always been weak in Romania, even if driven by good intentions (Bertelsmann Foundation, 2020<sup>[16]</sup>).
- There are continuous changes in politically appointed public officials, including ministers, as well as a high turn-over of staff associated with party affiliations.
- Romania is characterised by a lack of evidence-based policymaking (OECD, 2022<sup>[17]</sup>).
- The (too) many national and local strategies tend to have weak links with the budget process and thus “remain wish lists decoupled from reality” (OECD, 2022<sup>[17]</sup>; World Bank, 2017<sup>[5]</sup>; Council of Europe, 2010<sup>[18]</sup>).

However, there seems to be an increased trust in the latest measures taken by Romanian authorities to counteract these trends. As observed by international stakeholders:

- On the fight against corruption, state institutions are joining forces to implement a new national anti-corruption strategy, and a positive track record in the effectiveness of the investigation and sanctioning of high-level corruption has continued through 2021 and 2022.
- Important reforms include the recently adopted Justice Laws and a new strategy for the development of the judiciary. The Commission also notes Romania's commitment to take utmost account of the opinion of the Venice Commission, on the Justice Laws and more generally, if further actions are necessary.
- Romania's objectives under the Recovery and Resilience Facility, and further opportunities for assistance under other relevant EU programmes, in particular the Technical Support Instrument, will also help ensure that ongoing reforms, such as on the Criminal Codes, bridge existing gaps in the legislation and strengthen the effectiveness of the fight against corruption (Council of Europe, 2022<sup>[13]</sup>).

Furthermore, the 2021-2025 NAS was developed in a context of a recognised lack of political support for anticorruption (OECD, 2022<sup>[17]</sup>). Despite this, the technical capacity and committed leadership of the NAS secretariat in the Ministry of Justice (MoJ) allowed to pull the NAS together at technical level with inputs from all sectors and institutions. This included a broad public consultation effort lead by the MoJ and that included a fair amount of representation of civil society and academia. However, due to the lack of high-level political leadership, the NAS fails to address some major current structural problems of corruption and capture. As stated by several stakeholders during the interviews for this report, the “ambition” of the measures proposed and the potential of the instrument to deal with structural underlying issues remains an issue. Similarly, interviews conducted for this report showed a generalised perception that the issue of lack of political engagement in the design phase of the NAS cannot unfortunately be fully compensated by political leadership during its implementation phase, trickling down into implementation shortcoming over time. At any rate, support from top leadership in implementing the strategy is even less visible. Therefore, Romania could benefit from top leadership endorsement, especially at sector level.

Moreover, even in its sixth edition, the NAS continues to lack an explicit theory of change (OECD, 2022<sup>[17]</sup>). The underlying assumptions on how the integrity measures will achieve to prevent corruption in a context of systemic corruption as well as institutional and policy capture are not made explicit. Additionally, even though the NAS recognises the role of organised crime and has attempted a systemic approach on integrity, it does not include actions to fight corruption-related organised networks at a sector level. The dynamics and actions of the corrupt networks can negatively affect and capture inter-institutional decision-making and resource allocation processes in the Romanian public administration. In line with this, it is crucial to develop a systems' approach which recognises and addresses corrupt networks in all upcoming NASs. In any case, if Romania achieves a stronger level of political commitment combined with a willingness to increase its systemic

analysis of underlying issues affecting integrity, Romania could consider amending the current NAS and including a more systemic analysis to start addressing some of these issues.

The current National Anti-Corruption Strategy contains an explicit matrix of performance indicators attached to the different objectives as well as an overall monitoring system. Most of the performance indicators, though, are numeric and outputs are focused on specific actions, instead of the expected change those actions will contribute to. This situation seriously limits accountability for results of the political leadership of Ministries, local authorities, and public entities at all levels of government. Notwithstanding this shortcoming, Romania has developed a few mechanisms to strengthen monitoring and reporting of, albeit as mentioned before, these only cover specific actions and do not include desired outcomes. For example, the current monitoring system, through the five co-operation platforms and peer reviews (where quantitatively data is assessed against qualitative data) can be used as a backstopping mechanism to monitor implementation. Similarly, perception surveys such as the Eurobarometer or integrity incidents found in annual reports, represent an important tool to understand the institutional context. However, the absence of performance and outcome indicators remains a problem, as these can be quite useful when assessing perceptions, experience, and views of the public in general as well as organised non-state actors, including business, professional associations, civil society organisations and the media.

### Crosscutting issues affecting the public integrity system in Romania

The promotion of public integrity would typically involve many different stakeholders that cover the various functions of an integrity system as defined in the 2017 OECD Recommendation on Public Integrity (OECD, 2017<sup>[3]</sup>) (Table 1.2). As explained in the following chapter, Romania is facing issues in the co-ordination of its integrity system that are partly a consequence of the disjointed and fragmented legal framework for integrity. As stated in the fact-finding mission by Romania's officials, cohesiveness and guidance are necessary for institutions to navigate regulations. Not less because such fragmentation is the entry door for corruption practices. Furthermore, Romania needs to increase co-ordination mechanisms, beyond the cross-sector co-operation provided by the NAS platforms, since most institutions are now working in silos. An integrating perspective has been one of the most significant aims of the NAS's, but as the interviews conducted showed this is far from accomplished. Similarly, Romania could benefit from making more visible success stories in integrity plans, as a way to inspire change in other sectors and areas.

**Table 1.2. Integrity Functions**

SYSTEM	CULTURE	ACCOUNTABILITY
<ul style="list-style-type: none"> <li>• Assigning clear responsibilities</li> <li>• Ensuring mechanisms to support horizontal and vertical co-operation</li> <li>• Designing and implementing the integrity strategy or strategies</li> <li>• Monitoring and evaluating the integrity strategy or strategies</li> <li>• Setting integrity standards</li> </ul>	<ul style="list-style-type: none"> <li>• Integrating integrity into human resource management (e.g. assessing the fairness of reward and promotion systems) and personnel management (e.g. integrity as criterion for selection, evaluation and career promotion)</li> <li>• Building capacity and raising the awareness of public officials</li> <li>• Providing advice and counselling</li> <li>• Implementing measures to cultivate openness</li> <li>• Opening channels and implementing mechanisms for complaints and whistleblower protection</li> <li>• Raising awareness in society</li> <li>• Conducting civic education programmes</li> <li>• Implementing measures to support integrity in companies</li> <li>• Implementing measures to support integrity in civil society organisations</li> </ul>	<ul style="list-style-type: none"> <li>• Assessing and managing integrity risks</li> <li>• Applying internal audit</li> <li>• Implementing enforcement mechanisms</li> <li>• Applying independent oversight and audit</li> <li>• Applying access to information and implementing open government measures</li> <li>• Engaging stakeholders across the policy cycle</li> <li>• Preventing and managing conflict of interest</li> <li>• Implementing integrity measures for lobbying</li> <li>• Implementing integrity measures in financing of political parties and election campaigns</li> </ul>

Source: (OECD, 2020<sup>[19]</sup>)

When assessed against the 2017 OECD Recommendation, the integrity system in Romania could be improved in terms of coherence and scope. Even though the National Anticorruption Strategy (NAS) has provided a policy framework and actions to address systemic corruption, as well as some co-ordination, the system is fragmented, and policies disjointed. Interviews conducted for this report showed that closer co-ordination between actors especially in the preventive field could be further enhanced. Similarly, there is also need for more co-ordination between entities within the same sector under the stewardship of the lead sector authority, usually a Ministry. Evidence of this are the disjointed efforts between the NACS and ANI to promote preventive measures through the central administration. Integrity in human resource management has been challenging and officials mentioned that more training was needed on integrity tools, such as the PREVENT system (National Integrity Agency, 2022<sup>[20]</sup>). Moreover, even though integrity plans have helped shape integrity policies in the public administration, ANI could do more to work closely with HR offices to provide support for the management of integrity issues as well as with prioritised sectors and their lead entities. The interiorisation of ethical standards or the management of conflict-of-interest situations for resolving ethical dilemmas are at the core of developing a culture of integrity in the public sector. As further chapters will explain, this could be especially useful in at-risk sectors as well as local administrations. The mainstreaming of integrity policies through a culture of integrity might also require additional attention from both ANI and the Ministry of Justice. For example, Romania does not have a central authority to advice and counsel on integrity issues through the public administration.

As seen in Table 1.2, opening channels and implementing mechanisms for complaints and whistleblower protection is also part of the culture pillar of the 2017 OECD Integrity Recommendation. Unfortunately, in Romania, whistleblower protection measures are set-up formally, but not properly implemented. A situation that may be remedied once the EU Whistleblowers Directive (Directive (EU) 2019/1937) is transposed into national legislation. Overall, and as stated through this report, Romania could consider several measures to improve co-ordination in its integrity system as well as meaningful action to mainstream such actions at the selected at-risk sectors (health, education, SOEs).

***Romania could consider using the upcoming legislative framework on conflict of interest as a way to mainstream ethics through the entire public administration, with a special focus on at-risk sectors***

The upcoming legislative framework on conflict of interest might provide an opportunity to address some of the co-ordination and fragmentation problems mentioned above. In Romania this is being done by way of re-organising the existing framework of ethics and compiling disperse legislation on the issue of conflict of interest in a unified Code of Ethics. Codes of Ethics are an essential tool in guiding the behaviour of public officials in line with and complementing the official legal integrity framework. Codes of Ethics make clear what kind of behaviour is expected of public officials and where the boundaries of behaving with integrity are even in grey areas, where legal frameworks are inexistent or ambiguous. To be effective, Codes of Ethics should clearly articulate the core values governing the public service. As with other OECD countries (Box 1.2), concentrating on selected principles achieves more clarity. For example, in 2013 the Australian Public Service reduced the number of Public Service Values from fifteen to five, with the aim of enshrining a smaller set of core values that are meaningful, memorable and effective in driving change.

## Box 1.2. Participative development of shared values in Brazil and Colombia

### Brazil

With support from the OECD, the Office of the Comptroller General of the Union (*Controladoria Geral da União, CGU*) led in 2020 a participative process to identify the core Values of the Federal Public Service in Brazil (Valores do Serviço Público Federal). After an extensive consultation process, civil servants identified which are today the seven Values of the Federal public service: Integrity, Professionalism, Impartiality, Justice, Engagement, Kindness and Public Vocation. Each value comes along with a brief description of what the value means, which provided the opportunity to add similar values that pointed into the same direction.

### Colombia

In 2016, the Colombian Administrative Department of Public Administration (*Departamento Administrativo de la Función Pública, DAFP*) initiated a process to define a General Integrity Code. Through a participatory exercise involving more than 25 000 public servants through different mechanisms, five core values were selected: Honesty; Respect; Commitment; Diligence; Justice. In addition, each public entity has the possibility to integrate up to two additional values or principles to respond to organisational, regional and/or sectorial specificities.

Source: Departamento Administrativo de la Función Pública, Colombia <https://www.funcionpublica.gov.co/web/eva/codigo-integridad>.

A code can also provide guidance to public officials on ethical dilemmas and on circumstances and situations qualifying as a conflict-of-interest situation. On the basis of the Code of Ethics, in interaction with primary laws, a regulatory integrity framework can be built which promotes public ethics and managing conflict-of-interest situations in a coherent manner across the public sector (OECD, 2017<sup>[3]</sup>). Indeed, Romania is at a critical junction in the developing of such a code and could strengthen this process by involving all relevant actors, including NACS, and providing them with a more relevant role in the development and execution of integrity measures.

In addition, international stakeholders have stated that the integrity legal framework needs to be further consolidated. For instance, the Cooperation and Verification Mechanism (CVM) Progress Report from November 2018 noted that “(...) a need for clarity on the rules on incompatibilities and conflict of interests in a way which fulfils the CVM benchmark of securing mandatory decisions on the basis of which dissuasive sanctions can be taken is required” (GRECO, 2015<sup>[21]</sup>) (European Commission, 2018<sup>[22]</sup>). Previous CVM reports had highlighted the continued challenges to the legal framework for integrity and the need for stability and clarity. For example, the fact that in the last 2 years, 5 legislative proposals modifying the integrity framework have been adopted, enhancing the fragmentation of the system (Lacatus and Sedelmeier, 2020<sup>[23]</sup>).

Although the latest CVM reports notes that work is well underway to prepare a comprehensive legislative framework on integrity to be adopted in 2023 (Council of Europe, 2022<sup>[13]</sup>), to develop a culture of integrity, further efforts are needed. In particular, to reinforce merit in the public sector and to build an open and trusting environment to encourage public officials to raise concerns and report corruption. Such efforts should be integrated into public management and not perceived as an add-on, stand-alone exercise (OECD, 2019<sup>[24]</sup>). Codes of Ethics can also be a useful tool for this integration because they are an essential tool in guiding the behaviour of public officials. As in other OECD countries, Romania could consider using the process of designing the upcoming legislative framework on conflict of interest as an opportunity for a participative assessment and promotion of public ethics in the public administration. This could include a consultation process that brings together all relevant stakeholders and takes into

consideration the vision and opinions of public officials. Further guidelines, derived from upcoming legislation, could provide guidance on managing conflict-of-interest and could be adapted to sectorial needs. Similarly, as explain in consequent chapters, the upcoming legislative framework on conflict of interest may support and empower the role of ethics counsellors as spearheads in the implementation of the legislation and subsequent implementation tools and guidelines. As stated during the fact-finding mission, this is of particular importance in at risk sectors, where the role of the ethic counsellor has been weakened. Lastly, the SIPOCA 63 project, intended for including ethical competences in performance evaluations, has been left defunded and could be pick-up again to reinforce ethical competences in Romania's public administration. Overall, one key component for the success of the integrity framework is high-level leadership, reinforced by support and leadership examples. Romania could aim at this by making all ministers and directors further responsible and accountable for the integrity frameworks of their respective institutions.

***Romania could consider strengthening its “integrity plans” by enacting clearer guidance on risk assessments and consider establishing dedicated teams in institutions to enact and monitor its implementation***

“Integrity plans” have been key to set the foundation for implementing integrity policies throughout the Romanian public administration. These include identification the management of possible remedies for corruption risks and vulnerabilities. To advance an organisational integrity environment, institutions ideally set up priorities and objectives in their respective agendas. This in turn, provides the milestones to be considered when drafting the specific integrity plans. The “integrity plans” are then approved by legal acts, such as orders or decisions issued by the management of the institution (Government of Romania, 2021<sup>[25]</sup>). In some sectors, these are well-developed exercises (Box 1.3).

**Box 1.3. Integrity Plans in Romania’s National Anti-Corruption Strategy (NAS): mainstreaming integrity through the entire public administration**

GRECO noted the measures taken as part of the 2016-2020 Integrity Plan for the Judiciary, including training events for managers at courts and prosecution offices, as well as checks on 70 potential integrity incidents in courts. GRECO also appreciated the strengthening of supervisory powers of the Supreme Council of Magistracy (SCM) and the Judicial Inspectorate and the apparent intention to dissolve the Department for Investigating Judicial Offences (the SIJ). Nonetheless, the GRECO Report expressed a desire to see more specific measures to mitigate integrity risks in courts and prosecutor’s offices. Some activities were implemented during this period to address these concerns. This included the adoption of a multi-annual integrity plan for the judiciary, as well as the publication by the SCM of guidance material for magistrates on appropriate relations with lawyers, journalists and conduct on social media. In addition, the SCM reports providing guidance to magistrates on potential incompatibilities for judges and prosecutors, as well as delivering training on ethics to 194 magistrates.

Source: (GRECO, 2019<sup>[26]</sup>); (Ministry of Justice of Romania, 2018<sup>[27]</sup>)

The 2016-2020 and 2021-2025 NAS's included the strengthening and approval of "integrity plans" as part of the envisaged activities. In accordance with the strategy and Government Decision 599 of 2018, these plans should be "based on risk analysis" and a periodic self-assessment. Furthermore, the NAS 2016-2020 was insistent that the emphasis and evaluation of the plans and revisions must include "newly occurred risks and vulnerabilities". The 2020 NAS Monitoring Report notes that during the period 2016 to 2020, the Ministry of Justice received and centralised a total of 780 integrity plans, of which:

- 10 came from independent authorities and anti-corruption institutions
- 74 came from central public administration
- 623 came from local public administration
- 74 came from state owned enterprises.

Similarly, during 2021, the Ministry of Justice received and centralised a total of 1 108 integrity plans, of which:

- 9 came from independent authorities and anti-corruption institutions
- 502 came from the central public administration (25 developed by central institutions and 477 developed by subordinate structures)
- 489 came from local public administration (163 developed by Local Administration Units and 226 developed by structures subordinate to Local Administration Units)
- 108 came from SOEs.

The process of drafting the "integrity plans" runs in a very similar way for most institutions. It starts with a self-assessment, followed by the documents being sent to Ministry of Justice, who will then provide technical advice on these. Afterwards, a process of annual monitoring will be triggered. This annual report must include:

- a narrative report on the status of the implementation of measures
- an inventory of the measures of institutional transparency and corruption prevention
- the list of integrity incidents and of the measures taken to remediate the situation that allowed the integrity incidents to occur
- an update on the development and implementation of the process
- a further analysis of the status of measures that are being implemented or partially implemented, for the updating every two years of the integrity plans
- a thematic mission of internal public audit.

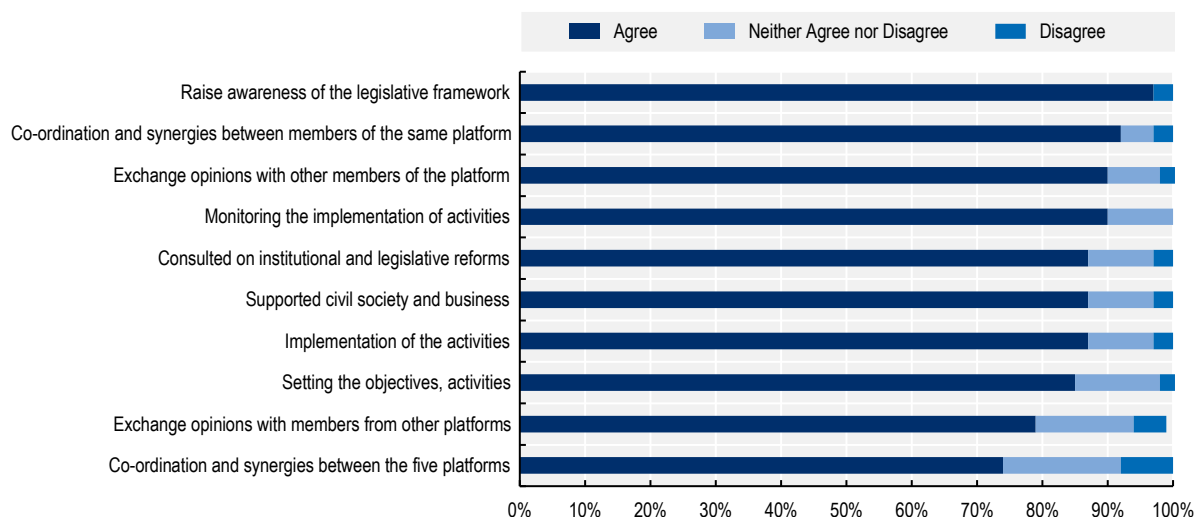
As stated, the MoJ provides feedback on these plans, on demand or following a prioritisation exercise. It also provides methodological support for the corruption risk assessments, when requested by entities and has developed some guidance for institutions to rely on (Box 1.4). The 2021 OECD survey of co-operation platforms showed overwhelming approval of the leadership and role of the Technical Secretariat (Figure 1.2) (OECD, 2022<sup>[17]</sup>). Overall, respondents were particularly satisfied with the provision of methodological support (92% satisfied) and provision of ad-hoc advice and guidance for those involved in implementing the NAS (90%). The lowest level of satisfaction relative to others, although still very high at 77%, was "ensuring the training of the institutions involved in the implementation of the NAS".

#### Box 1.4. Guidance provided by the MoJ on “integrity plans”

- Comparative analysis on whistleblower protection legislation providing proposals and recommendations.
- Comparative analysis on pantouflage providing proposals and recommendations.
- Infographics on integrity standards (Annex no. 3 to the National Anticorruption Strategy 2021-2025).
- General training material on “integrity plans” in an e-learning format.

Source: Information provided by the MoJ of Romania

Figure 1.2. Summary of the 2021 OECD survey of co-operation platforms responses on the work of the MOJ



Source: (OECD, 2022<sub>[17]</sub>) – Stakeholders Survey, 2021

However, different organisations face different contexts and may also be faced with a variety of ethical dilemmas. Although the NAS Secretariat has always encouraged all public entities to develop custom made “integrity plans” and highlighting the risks of replicating documents, several issues still impede its correct functioning. First, a lack of commitment in the timely identification and assessment of risks has proved to be an issue. Although the NAS stresses that institutional integrity plans should be “based on risk analysis” they do not provide an assessment of public integrity risks nor does it identify specific types of relevant integrity breaches, the actors likely to be involved, or the expected likelihood or impact should the risks materialise (OECD, 2022<sub>[17]</sub>). Similarly, no inter-institutional body has prepared and published an analytical report on public integrity risks that formulates recommendations and sets priorities for the whole public integrity system, as requested by the OECD Public Integrity Indicator (OECD, 2022<sub>[17]</sub>). Second, fact-finding mission participants were of the view that enormous disparities existed on integrity plans and risk assessment at a sectorial level, in particular in the three sectors subject to this study. Stakeholders expressed the view that most sectors do only a tick-the-box exercise when it comes to identifying risk and the probability of its occurrence. Furthermore, a desire for further and more targeted training of public officials in charge of the integrity plans and guidance on how to cater to the specific needs of the sector was seen as a priority. Concerns also were raised about the general knowledge in different entities within



the sector of the existence and use of the integrity plans. Third, there seems to be a lack of proper resources at the institutional level (human and technological) to properly identify, assess and follow-up on their implementation. Finally, the MoJ lacks the capacity to review the majority of plans, being the current practice to review them only every two years and rely on additional peer reviews for further guidance.

Considering this, Romania may consider conducting further awareness raising activities with entities on the identification and assessment of risks. Similarly, it could conduct an exercise to identify bottlenecks and resources needed to address the existing gaps in implementation, including the much-needed identification of necessary resources. Furthermore, Romania could consider developing custom-made guidelines that help ground the general framework of risk assessments at sector level. This will provide organisational contexts and an opportunity to include relevant and concrete examples from the organisation's day-to-day business to which the employees can easily relate (OECD, 2017<sup>[28]</sup>). Each institution developing their own "integrity plan", with the appropriate guidance, can help safeguard the achievement of other public policy goals, such as goals related to health, defence, education or infrastructure. In this endeavours, public entities could ask for the technical assistance of the MoJ, both in the use and adaptations of complementing tools.

The MoJ could also consider providing institutions with further guidance on integrity plans and their risk assessments, including by developing a national-wide study regarding specific types of relevant integrity breaches, the actors likely to be involved and the expected likelihood or impact of corruption risks (OECD, 2022<sup>[17]</sup>). Furthermore, consulting and actively involving external stakeholders – such as suppliers or users of the public services – in the process of identifying risks helps expands the universe and improve the quality of the assessment, so that it meets both public employees' and citizens' expectations. Similarly, Romania could consider establishing robust teams within Ministries (at the central level) and provide these as guidance to other sector-specific institutions. These teams could be in charge of conducting risk assessments, enacting the plan and then monitor implementation. In doing so, they could also provide sector specific guidance, training and awareness raising.

Finally, integrity plans at the subnational level should also be bolstered. In particular, the Ministry for Development, Public Works and Administration could provide further guidance in the design and implementation of these plans. The MoJ has supported the adaption and called for flexibility its design and execution as well as calling for local entities to go beyond a mere copying exercise. In any case, Romania could consider developing incentives for the subnational governments to ensure that local governments do not treat them as a tick-box, technocratic exercise and on the contrary, create incentives for a significant implementation of commitments. Furthermore, considering that capacities at local levels vary significantly, Romania could consider bringing back the "Champions network for the local public administration", that promoted the exchange of good practices on integrity issues. Finally, Romania could consider developing awareness raising activities with a selected group of local administrations to encourage them to make further use of these plans and existing planning methodologies provided by both the MoJ and the Ministry for Development, Public Works and Administration.

***Romania could further develop the role of ethics counsellors, in particular by providing them with regular guidance, resources and tailor-made training in at risk sectors***

Integrity actors at organisational level contribute to mainstreaming integrity policies. Experience shows that goals that are not included explicitly into the organisational planning, budgets and internal accountability mechanisms are unlikely to be taken seriously by managers (OECD, 2019<sup>[24]</sup>). Furthermore, ethics counsellors may be a fundamental ally in the management of public ethics and in particular, of conflict-of-interest situations. While the individual public official is ultimately responsible for recognising the situations in which conflicts may arise, most OECD countries have tried to define those areas that are most at risk and have attempted to provide a contact point that can provide guidance to the public official (Box 1.5). For example, in Brazil, the established Public Integrity System of the Federal Executive Branch (SIPEF)



aims at mainstreaming integrity policies with the Office of the Comptroller General (CGU) as a central organ and Integrity Management Units (UGI) in all entities of the federal executive branch.

### Box 1.5. Austria: Network for Integrity advisors/officers (Integritätsbeauftragten-Netzwerk)

In Austria, the Federal Bureau to prevent and fight corruption (Bundesamt zur Korruptionspraevention und Korruptionsbekaempfung, BAK) created the Austrian Integrity Network (Integritaetsbeauftragten-Netzwerk) with the purpose to strengthen integrity by firmly anchoring integrity as a fundamental element in public sector.

To this end, the BAK trains integrity advisors to become experts in the field of integrity and corruption prevention within the framework of the Integrity Network. These integrity officers provide advice and guidance in their entities to strengthen integrity within specific entities.

The integrity officers can access further information on compliance, corruption, ethics, integrity and organisational culture. In addition to the Internet platform, the BAK also offers regular follow-up meetings for integrity officers on specific topics such as risk management and ethics and values.

Source: <https://integritaet.info/>

During the fact-finding mission, interviewees were of the opinion that in Romania, the role of the ethics counsellors in practice has become weakened over the last few years, with few resources, training, or decision-making powers within an entity. Furthermore, institutions seem to struggle to find the right person and giving him/her the time to fulfill its work properly, as this person usually has other functions within the institution. This, in turn, has limited the role they play when assessing and managing conflict of interest situations by public officials. Considering that some public officials operate in sensitive sectors with arguably a higher risk for conflict of interest, such as health, defence, education, police and SOEs, the situation becomes increasingly urgent. In Romania, guidance on management of conflict of interest is key, as there are frequent confusions between the subject of incompatibilities and that of conflicts of interest.

Similarly, conflicts of interest need to be actively managed and should be part and parcel of each entity. The ANI could / should be an organ for complaints or redress in case that public entities do not manage conflicts of interest correctly. However, the identification of conflict of interest is currently only centralised in the ANI, taking away the responsibility of the different sectors for the implementation of the management system. Furthermore, the law on conflict of interest does not expressly differentiate between potential conflict of interests (an official has personal interests that might lead to a conflict of interests on the occasion of a public decision) or actual conflict of interests (the official has to make/or makes a decision that generates a benefit for him/her or a relative) (GRECO, 2019<sup>[26]</sup>).

Considering these difficulties brought by the legislative framework and institutional realities, Romania could provide guidance on concrete sectorial cases. Instead of providing generic guidance, a sector approach allows to provide very concrete and realistic situations of conflict of interest (perhaps even based on examples from real life) that public officials can recognise and relate to their day-to-day work. Similarly, the identification and management of conflict of interest could be further decentralised, making the different sectors responsible and accountable for the implementation of their management system. Additionally, ANI could provide guidance to both HR offices and ethics counsellors on the identification and management of conflict-of-interest situation per sector. This could be discussed and later mainstreamed through the five (5) co-operation platforms of the NAS. Romania could also consider introducing a requirement to report ad-hoc disclosures to ethics counsellors when a conflict between specific private interests emerge or in other work related to their mandate. Finally, Romania could consider strategy for empowering the role of ethics counsellors within institutions and doubling up on the efforts of engaging senior officials to facilitate implementation and raise awareness of public ethics and values in practice. For

example, ethics counselling could benefit from further support from NACS, both in terms of strengthening of their roles and tailor-made training, especially in at risk sectors. Similarly, Romania could consider incentivising ethics counsellors' networks as a way to share good practices and difficulties amongst peers.

## Proposals for action

The recommendations detailed in this chapter provide input on ways through which Romania could develop and improve its integrity measures. These recommendations can inform current and ongoing reforms and strengthen Romania's capacity to respond to corruption. Romania could consider taking steps to further strengthen its integrity system by:

### ***Romania could develop a strategy to increase support from top leadership in implementing the NAS***

- Increasing political engagement in the design phase of the NAS and trickling down into implementation, especially at sector level.
- Conducting a more systemic analysis to start addressing structural issues at sector level within the NAS, including a systemic analysis of underlying issues affecting integrity.
- Making more visible success stories in integrity plans, as a way to inspire change in other sectors and areas.
- Increasing co-ordination, including between ANI and HR offices to provide support for the management of integrity issues as well as with prioritised sectors and their lead entities.

### ***Romania could consider using the upcoming legislative framework on conflict of interest as a way to mainstream ethics through the entire public administration, with a special focus on at-risk sectors***

- Consider using the process of designing the upcoming legislative framework on conflict of interest as an opportunity for a participative assessment and promotion of public ethics in the public administration. This could include a consultation process that brings together all relevant stakeholders and takes into consideration the vision and opinions of public officials.
- Enacting further guidelines, derived from upcoming legislation, could provide guidance on managing conflict-of-interest and could be adapted to sectorial needs.
- Supporting and empowering the role of ethics counsellors as spearheads in the implementation of ethics frameworks and subsequent implementation tools and guidelines.
- Build on the efforts and activities of the SIPOCA 63 project to increase ethical competences in performance evaluations.
- Consider making all ministers and directors further responsible and accountable for the integrity frameworks of their respective institutions.

### ***Romania could consider strengthening its "integrity plans" by enacting clearer guidance on risk assessments and consider establishing dedicated teams in institutions to enact and monitor its implementation***

- Conducting an exercise to identify bottlenecks and resources needed to address the existing gaps in implementation of integrity plans, including the much-needed identification of necessary resources.

- Developing custom-made guidelines that help ground the general framework of risk assessments at sector level. This will provide organisational contexts and an opportunity to include relevant and concrete examples from the organisation's day-to-day business to which the employees can easily relate.
- Providing institutions with further guidance on integrity plans and their risk assessments, including by developing a national-wide study regarding specific types of relevant integrity breaches, the actors likely to be involved and the expected likelihood or impact of corruption risks.
- Establishing robust integrity teams within Ministries (at the central level) and provide these as guidance to other sector-specific institutions. These teams could be in charge of conducting risk assessments, enacting the plan and then monitor implementation. In doing so, they could also provide sector specific guidance, training and awareness raising.
- Providing further guidance in the design and implementation of these plans to local entities to go beyond a mere copying exercise.
- Developing incentives for the subnational governments to ensure that local governments do not treat integrity plans as a tick-box, technocratic exercise and on the contrary, create incentives for a significant implementation of commitments.
- Bringing back the "Champions network for the local public administration", that promoted the exchange of good practices on integrity issues.
- Developing awareness raising activities with a selected group of local administrations to encourage them to make further use of these plans and existing planning methodologies provided by both the MoJ and the Ministry for Development, Public Works and Administration.

***Romania could further develop the role of ethics counsellors, in particular by providing them with regular guidance, resources and tailor-made training in at risk sectors***

- Enhancing the identification and management of conflict of interest by making the different sectors responsible and accountable for the implementation of their management system.
- Provide training and awareness raising on the different types and situations that may trigger a conflict of interest, including potential, actual and perceived conflicts.
- Providing guidance on conflict of interest in concrete sectorial cases. Instead of providing generic guidance, a sector approach allows to provide very concrete and realistic situations of conflict of interest (perhaps even based on examples from real life) that public officials can recognise and relate to their day-to-day work.
- Providing guidance to both HR offices and ethics counsellors on the identification and management of conflict-of-interest situation per sector. This could be discussed and later mainstreamed through the five (5) co-operation platforms of the NAS.
- Introducing a requirement to report ad-hoc disclosures to ethics counsellors when a conflict between specific private interests emerge or in other work related to their mandate.
- Developing a strategy for empowering the role of ethics counsellors within institutions and doubling up on the efforts of engaging senior officials to facilitate implementation and raise awareness of public ethics and values in practice, especially in at risk sectors.
- Incentivising ethics counsellors' networks as a way to share good practices and difficulties amongst peers.

## References

- Bertelsmann Foundation (2020), *The Transformation Index*, <https://www.bertelsmann-stiftung.de/en/publications/publication/did/transformation-index-bti-2020-all-1> (accessed on 19 July 2022). [16]
- Council of Europe (2022), *Romania: Sufficient progress made*, [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_7029](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_7029) (accessed on 16 January 2023). [13]
- Council of Europe (2010), *GRECO Third Evaluation Round: Evaluation Report on Romania on Incriminations*, <https://rm.coe.int/16806c7cc4> (accessed on 19 July 2022). [18]
- European Commission (2022), *2022 Rule of Law Report - Country Chapter on the rule of law situation in Romania*, [https://ec.europa.eu/info/sites/default/files/52\\_1\\_194026\\_coun\\_chap\\_romania\\_en.pdf](https://ec.europa.eu/info/sites/default/files/52_1_194026_coun_chap_romania_en.pdf) (accessed on 25 August 2022). [14]
- European Commission (2021), *Report From the Commission to the European Parliament and The Council: On Progress in Romania under the Cooperation and Verification Mechanism*, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021DC0370&from=en> (accessed on 26 July 2022). [15]
- European Commission (2018), *Report on developments in Romania on judicial reform*, [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_2881](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_2881) (accessed on 17 October 2022). [22]
- Government of Romania (2021), “About the National Anti-Corruption Strategy”, <https://sna.just.ro/> (accessed on 19 July 2022). [7]
- Government of Romania (2021), *National Anti-Corruption Strategy 2021-2025*, <https://sgg.gov.ro/1/strategia-nationala-anticoruptie/>. [8]
- Government of Romania (2021), *National Anti-Corruption Strategy 2021-2025*, <https://sna.just.ro/docs/pagini/79/NAS%202021-2025.pdf>. [25]
- GRECO (2023), *Fourth Evaluation Round Corruption prevention in respect of members of parliament, judges and prosecutors, Third Interim Compliance Report*, <https://rm.coe.int/fourth-evaluation-round-corruption-prevention-in-respect-of-members-of/1680a9c84f> (accessed on 8 June 2023). [11]
- GRECO (2021), “Fourth Evaluation Round Second Interim Compliance Report Including Follow-up to the Ad Hoc (Rule 34) Report Romania”, <http://www.coe.int/greco> (accessed on 20 September 2021). [9]
- GRECO (2019), “Fourth evaluation round interim compliance report: Romania”, <http://www.coe.int/greco> (accessed on 25 August 2022). [26]
- GRECO (2015), *Romania - Roumanie*, <https://www.coe.int/en/web/greco/evaluations/romania> (accessed on 17 October 2022). [21]
- Lacatus, C. and U. Sedelmeier (2020), “Does monitoring without enforcement make a difference? The European Union and anti-corruption policies in Bulgaria and Romania after accession”, *Journal of European Public Policy*, Vol. 27/8, <https://doi.org/10.1080/13501763.2020.1770842>. [23]

- Ministry of Justice of Romania (2021), *Romania's experience in implementing articles 9, 10 and 13 of the UN Convention against Corruption*, <https://www.unodc.org/unodc/en/corruption/COSP/session9.html> (accessed on 26 July 2022). [12]
- Ministry of Justice of Romania (2018), *Strategia Națională Anticorupție*, <https://sna.just.ro/> (accessed on 25 August 2022). [27]
- Murtin, F. et al. (2018), "Trust and its determinants: Evidence from the Trustlab experiment", *OECD Statistics Working Papers*, No. 2, <https://doi.org/10.1787/869ef2ec-en>. [2]
- National Integrity Agency (2022), *Prevent*, <https://www.integritate.eu/prevent.aspx> (accessed on 25 August 2022). [20]
- OECD (2022), *Evaluation of the Romanian National Anti-corruption Strategy 2016-2020*, OECD, Paris, <https://www.oecd.org/gov/ethics/evaluation-romanian-national-anti-corruption-strategy-2016-2020.pdf> (accessed on 13 May 2022). [17]
- OECD (2022), *OECD Public Integrity Indicators*, <https://oecd-public-integrity-indicators.org/>. [4]
- OECD (2020), *OECD Public Integrity Handbook*, OECD Publishing, Paris, <https://doi.org/10.1787/ac8ed8e8-en>. [19]
- OECD (2019), *OECD Integrity Review of Argentina: Achieving Systemic and Sustained Change*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/g2g98ec3-en>. [24]
- OECD (2017), *Government at a Glance 2017*, OECD Publishing, Paris, [https://doi.org/10.1787/gov\\_glance-2017-en](https://doi.org/10.1787/gov_glance-2017-en). [28]
- OECD (2017), "Recommendation of the Council on Public Integrity", *OECD Legal Instruments*, OECD, Paris, <https://www.oecd.org/gov/ethics/OECD-Recommendation-Public-Integrity.pdf> (accessed on 26 April 2022). [3]
- OECD (2017), *Trust and Public Policy: How Better Governance Can Help Rebuild Public Trust*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/9789264268920-en>. [1]
- SGI (2020), *SGI 2020 | Romania | Executive Accountability*, [https://www.sgi-network.org/2020/Romania/Executive\\_Accountability](https://www.sgi-network.org/2020/Romania/Executive_Accountability) (accessed on 20 September 2021). [6]
- UNIO (2023), *The system of investigation of offences committed by judges and prosecutors in Romania, once again under the attention of the CJEU – Official Blog of UNIO*, <https://officialblogofunio.com/2023/01/20/the-system-of-investigation-of-offences-committed-by-judges-and-prosecutors-in-romania-once-again-under-the-attention-of-the-cjeu/> (accessed on 19 May 2023). [10]
- World Bank (2017), *Anti-Corruption in Romania The Way Forward*, <https://openknowledge.worldbank.org/bitstream/handle/10986/34191/Anti-corruption-in-Romania-the-way-forward.pdf?sequence=4&isAllowed=y> (accessed on 26 July 2022). [5]



## **2 The 2021-2025 NAS through the horizontal lens: Effectiveness of measures to enhance integrity on strategic sectors in Romania**

---

This chapter assesses three key areas of Romania's NAS: health, education and SOEs. It provides an overview of the context of corruption within each sector, particularly drawing on the main achievements and challenges of the 2021-2025 Romanian Anti-Corruption Strategy. Additionally, concrete recommendations are made to bolster integrity and anti-corruption efforts in each sector.

---

This part of the report considers the measures proposed by the Romanian government to increase integrity in at risk-sector, specifically, the health, education and SOEs sectors. The aim of this chapter is not to assess each and every integrity safeguard through the sectors, but to provide an overlook of what has been prioritised in the 2021-2025 NAS and its effectiveness in enhancing the existing integrity frameworks. Furthermore, two general principles apply for the chapter. First, that even though the co-ordination of the NAS falls within the MoJ, the successful mainstreaming and implementation of the measures depends largely on policy leaders, such as the MoE, MoH and the MoF. Therefore, ownership by key institutional stakeholders is crucial. Furthermore, a compilation and simplification of existing integrity standards in each sector might provide useful in the implementation phase. Second, a system-wide strategic approach, such as the NAS, will also have primary strategic objectives aimed at mitigating integrity risks in sector strategies – for example health, education, housing, taxation, customs and infrastructure. The importance of such an approach relies on the fact that a strategic framework continues beyond the public sector and recognises the role of the private sector, civil society, and individuals in respecting public integrity values in their interactions with the public sector, as stated in the principle of whole-of-society (OECD, 2020<sup>[1]</sup>).

Therefore, this chapter provides an overview of the challenges in each sector, the actions proposed in the NAS to address them and tailor-made recommendations for each. This stocktaking takes into consideration the risk assessment analysis made by each sector as well as the procurement risk maps. It is worth noting, that both the 2016-2020 and the 2021-2025 NAS are dedicated to strengthening preventive measures in six “corruption-prone” sectors. Overall, the activities planned seem to have contributed to some positive outcomes. In particular, an improvement of the perception of bribery by citizens can be observed across the board between 2016 and 2021 (Table 2.1).

**Table 2.1. Romania 2016-2021 Global Corruption Barometer Comparison**

	Romania 2016	Romania 2021	EU 2021
Bribery Rate in Education	23%	11%	6%
Bribery Rate in Health	33%	22%	3%
Citizens who think most or all MPs are involved in corruption	54%	51%	28%
Citizens who think most or all local government representatives are involved in corruption	38%	33%	19%
Overall corruption	17%	20%	N/A

Source: (Transparency International, 2021<sup>[2]</sup>)

## Stocktaking and recommendations for integrity measures in the health sector

### ***Integrity issues in the Romanian health sector***

The Romanian health sector has been affected by a serious and systemic corruption problem and it is in urgent need for leadership, incentives and external pressure to contribute to effective developments (OECD, 2022<sup>[3]</sup>). In the absence of a recent comprehensive national and/or health sector corruption diagnostic, a series of available international and national data sources indicate a rather serious situation of systemic corruption. In a 2020 study from the MoJ called “*Causes and Determining Factors of Corruption*”, 39% of the public officials questioned felt that corruption was widespread in the health system (Ministry of Justice of Romania, 2020<sup>[4]</sup>). In addition, although the [Global Corruption Barometer](#) shows that bribery in public health centres declined substantially (from 33% in 2016 to 22% in 2021), this is still the



highest healthcare bribery rate in the EU and more than 3 times the EU average of 6% (Transparency International, 2021<sup>[5]</sup>). Similarly, the BTI 2022 identifies as the main risk for health sector performance political clientelism and corruption, with clientelism being the main reason of doctors and nurses to migrate to other European countries.

Furthermore, the virtual interviews conducted for this report pointed to a range of serious vulnerabilities to corruption, as well as actual corrupt practices in the health sector, specifically with regards to health care funding. Amongst those, several stakeholders mentioned:

- Meritocracy in higher-level appointment: non-transparent appointment of hospital managers and other key staff, with influence from political parties, is seen as an avenue for stealing from hospital budgets. This is done mainly through distorting procurement processes, extorting shares of the salaries of hospital employees, diverting patients to costly private sector practice (in particular for diagnostics), or extorting bribes for services.
- Referral of patients where doctors may have received an informal payment in most health care settings. In general, this may include not only informal payments, but overprovision; overbilling; phantom care; misuse of resources; absenteeism and payroll fraud.
- Budget control by health sector elites: Policy and institutional capture by a reportedly small and fairly closed health sector elite with close to the political and economic interests is a key challenge within the health sector. This in turn, provides room for non-transparent and relationship-based allocations of funds which are then subject to rent-seeking activities. Local politicians are considered as often unduly influencing hospital funding and management, in particular through the National Health Insurance House (NHIH), given that most public hospitals are “owned” by their local authorities (Romania Insider, 2019<sup>[6]</sup>).
- Opacity: Interviewees with specialised knowledge in health sector financing observed that the lack of transparency in health care spending can hamper the monitoring and assessing of public spending. Additionally, opacity leads to overpriced procurement of medical drugs and devices as well as hospital construction (the latter being a big pending issue). In addition, the opacity in health care spending leads to a non-transparent budget allocations from central or local authorities to hospitals.
- Fragmentation and asymmetric information: the sector is characterised by a high degree of fragmentation and decentralisation of responsibility among the various actors involved in the delivery of services, financing and regulation. The combination of uncertainty, asymmetric information and fragmentation makes it difficult to standardise services, monitor behaviour and ensure transparency in the health care system. These non-financial adverse impacts of integrity violations, have a notable impact on access and quality of healthcare (OECD, 2017<sup>[7]</sup>).

This overview on the context shows that addressing corruption and strengthening integrity in the Romanian health sector is a daunting challenge. In line with this, strong and high-level leadership in the health sector as well as a well-crafted strategic approach based on an in-depth understanding of the present problems is required.

### ***Health sector challenges in the scope of the 2021-2025 NAS***

#### *Lack of cohesive public policy diagnosis and strength of problem analysis*

The current 2021-2025 NAS contains vital elements of continuity from the prior NAS (2016-2020). Specifically, its approach and priority sectors, as well as a set of measures for the health sector. However, an assessment of strengths and weaknesses in the health sector has not yet been conducted. Nor at the central level nor in key health institutions or from the national perspective, to inform both the design and

implementation of the current NAS. Therefore, the Ministry of Justice designed a supplementary co-ordination mechanism to push the integrity agenda in this sector (“Health Sector Working Group”).

Within the 2021-2025 NAS, a clear diagnostic of the corruption challenges, its dynamics, manifestations as well as structural and systemic aspects is missing in Romania’s health sector. The lack of a solid diagnosis of corruption and the absence of a more holistic approach to address certain priority problems undermines integrity efforts. Only a solid in-depth corruption and integrity risk diagnosis for the health sector would provide the basis for a strategic approach to address the identified problems, define the expected objectives and results. As evidenced during the interviews conducted for this report, this risks identification could be further improved. Integrity plans, which must be approved by the Heads of the Institutions, as well as the identification of integrity incidents, which represent management failures, could potentially be used as a pressure point for the health sector to address this exercise in a more meaningful way.

Moreover, the dedicated working group that monitors the implementation of the 2021-2025 NAS includes civil society, as a means to increase the peer-pressure momentum in the field. Therefore, a strategic approach which takes into consideration incentives for co-operation could be beneficial to strengthen integrity objectives in view of improving sector performance and health outcomes. Interviews conducted for this report showed that particular attention is required in the area of health care CSOs, which requires strong technical capacities. Most interviewees alerted to the need to ensure the existence and/or survival of specialised health CSOs in order to perform the watch dog function and promote/sustain demand for reform.

#### *Weak co-ordination and institutional capacity*

The NAS contains several integrity and corruption prevention measures relevant for the health sector. However, many of these measures seem to be disconnected and implemented in “silos”. Each integrity or anti-corruption institution performs its functions independently. There are no clear links, information sharing, joint monitoring of results, and analysis of trends or tendencies, between these specialised agencies, not at the national or at sector levels, including health. For example, ANI, ANAP and ADR do not seem to jointly analyse the relationships between managing of conflict of interest and procurement. The same applies for transparency and digitalisation initiatives. Similarly, lead institutions at sector level, like the Ministry of Health (MoH), the NHIH or the Ministry for Internal Affairs (Dept of Emergency Situations) do not seem to do this either. According to Romanian authorities, this may be partly a result of the limited involvement of the MoH in the drafting process of the strategic document. Additionally, integrity would ideally be linked to institutional performance, including the identification of a few relevant institutional and integrity performance indicators and its embedding on long term policy plans that measure performance. However, this is still not the case in Romania’s health sector. Finally, following up on recommendations considered in Chapter 1, the development of meaningful institutional integrity plans in health sector institutions requires a process with an initial injection of technical expert facilitation and a phased approach to work gradually through the large spending entities and those with regulatory and oversight functions.

#### *Mainstreaming a differentiated approach through different levels*

The NAS is applicable to all public institutions at all administrative levels in the country, including in the health sector. This follows general guidance from international organisations and under national law all public institutions are bound by the same legal obligations. However, taking into consideration the great differences in size, structure, dynamics, functions, etc. of public institutions (e.g. central level versus local level, large urban municipality versus smaller village administration, high-complexity hospital versus first-level rural hospital). When it comes to methodological support, the MoJ has developed several instruments that help institutions apply integrity standards (methodology for the assessment of corruption risks, a draft

procedure regarding pantouflage and infographics regarding all the preventive measures from the NAS 2021-2025). However, Romania does not have methodological guidance with a differentiated sectorial approach to adapt existing instruments developed by the MoJ to varying degrees of institutional complexity and resource availability and thus, avoid an integrity “overkill” or simple “tick-the-box” exercises. Consequently, the various health public institutions will need an individualised approach instead of a general guidance to better suit the divergent needs and objectives through the different levels. According to Romanian authorities, line ministries could be well positioned to develop sectorial guidelines, when certain institutions lack the maturity level to apply the general methodological guides provided by the MoJ.

### *Lack of political engagement at the highest level*

The 2021-2025 NAS has the potential to incrementally improve certain parts of public integrity at the institutional level. In its current form, it is unclear whether the NAS has the potential to strengthen the overall public integrity system or to achieve the prevention of corruption in the health sector in any meaningful way. This state of affairs seems to be largely due to the lack of political engagement in the health sector in the design and implementation of the healthcare specific NAS measures. Thus, without highest-level leadership in the health sector and a lack of resources for implementation and monitoring of NAS commitments, in particular in the MoH, NHIH, and large spending hospitals (both specialised and at regional level), the hope for change will be elusive.

### ***Strengthening integrity measures in the health sector***

To develop a “meaningful integrity compliance” approach at the institutional level integrity plans, anticorruption risk assessments and the anticorruption strategies need to be combined. The participatory development of these instruments could be the basis to define priority areas for action at institutional level (e.g. the budgeting, procurement, or human resource management process, part of these, or a combination of them) and the implementation of existing rules could have a special focus on generating desired change in these priority areas. As this chapter explains, this would require pulling together different internal and external sources of information and data, ensuring feedback and communication channels, as well as identifying or creating a simple but effective internal integrity co-ordination mechanism. Furthermore, co-ordination at the highest level becomes a prerequisite in the context of Romania’s health sector. In this sense, this stock-taking proposes measures that go from assigning a high-level integrity official to the establishment of an ethics co-ordination group within the sector’s institutions. The fundamental rationale behind it is that the fragmented integrity measures with no real “owner” in the sector will not prosper or lead to change unless there is a clear and well-located and well-respected driving force with enough political weight and power. As it relates the integrity advisor, such a person could even report to the highest sector level authority, ideally directly, and have amongst its tasks the: i) identifying priority areas for concrete action in the health sector; ii) suggesting concrete actions to the Minister; iii) co-ordinate or oversee co-ordination of integrity implementation at sector level; iv) develop regular monitoring reports; and v) create spaces for exchange between the integrity people at institutional level, the ethics counsellors, etc. This approach could be piloted, the methodology tested, and ideally good practice examples would emerge serving as reference for a phased scaling up. Pilots for this measure could include the MoH, NHIH, the National Agency of Medicines, two or three national level large, specialised hospitals as well as three or four large regional hospitals.

*Romania could consider special integrity measures for the health sector, including the development of a coherent and all-encompassing health sector anticorruption policy, that takes into consideration sector-specific risks and procurement risk maps*

The World Bank stated in its 2017 anti-corruption report on Romania: “one finding is that piecemeal interventions generally fail, while integrated approaches are much more likely to succeed. Another important finding is that these integrated approaches should aim to change the rules (alter the social norms) for sustainable and effective results.” (World Bank, 2017<sup>[8]</sup>). Likewise, the OECD assessment of the 2016-2020 NAS identified the need to move beyond institutional integrity and look at the public integrity system (OECD, 2022<sup>[3]</sup>).

Thus, in view of the results of this stock-taking exercise, the current approach of NAS could be used by the Ministry of Health, as a basis to develop a coherent health sector integrity and anticorruption strategy, which could be endorsed by the top leadership through the revised sectorial integrity plan. Reasonably, this would ideally be done once the before mentioned sector diagnosis is available. However, if the latter is not produced within a reasonable time frame or not at all, the present recommendation could still be pursued.

Such an exercise could draw on the comments and recommendations made above for each specific measure and put special emphasis on the following:

- Develop a strong and explicit problem statement for the health sector based on available information and data, including reference to the well-known high-level structural issues.
- Define the overall goals to achieve integrity and corruption prevention in the health sector.
- Develop a theory of change applicable to integrity issues in the health sector and identify underlying assumptions.
- Define the expected results and explain how the foreseen measures will contribute to their achievement, including the pursuit of external incentives or pressure points.
- Develop the associated performance indicators following guidance for SMART criteria as indicated by the OECD (OECD, 2022<sup>[3]</sup>).

In line with the 2017 Integrity Recommendation such an integral health sector “strategy” could include a tangible, specific and publicly available action plan in which deadlines and level of implementation for the various actions are registered (OECD, 2017<sup>[9]</sup>). Furthermore, such an exercise would require the active participation of different stakeholders in the health sector, including public sector, civil society, academia and the private sector. For example, this could include the establishment of a cross-departmental or cross-institutional working group for integrity policies in the health sector. In addition, a small sub-working group of relevant public sector institutions of the central government could be established, including ANI, NAPP, the National Digitalisation Agency, among others, in order to define the necessary linkages for an integral approach.

Finally, the newly established “Health Sector Working Group” within the NAS’s platforms will play an important role. Similarly, as part of this strategy, special consideration should be given to newly establish international funds to support the sector. For example, the National Recovery and Resilience Plan of the EU, provides an opportunity to channel efforts and resources into integrity issues in the health sector, such as human resource management or digitalisation of sector processes (European Commission, 2022<sup>[10]</sup>). Another example is the envisaged investment of 2 billion Euros in hospital infrastructure by the EU that could potentially be linked to integrity indicators and public procurement milestones in these institutions. Finally, for a policy to develop successfully, it is crucial to identify incentives which would ensure high-level leadership. The frequent changes of the Minister of Health make this a challenge (Reuters, 2021<sup>[11]</sup>). Therefore, Romania could consider empowering the “health sector working group” in their overseeing of

the NAS implementation as well as entrusting it with the monitoring of the integrity and anti-corruption policy for the for the health sector.

As mentioned previously, one of the main weaknesses of the healthcare integrity system, is the absence of a solid corruption and integrity risk assessment. The development of specific corruption risk strategies has been made mandatory since 2018 and a methodology was provided by the MoJ. Interviews conducted for this review point to a modest interest and participation of Romanian health sector institutions in NAS implementation and design, so it is to be considered that these have been implemented as “tick-the-box-exercises”. Furthermore, despite reiterated advocacy of the NAS secretariat to call for high-level leadership and tone at the top, in many key health entities this top leadership is missing. However, future plans seem encouraging. At the level of the Ministry of Health, an adequate analysis of the integrity risk assessment and its impact assessment is underway, and its activities will be carried out through the “Monitoring commission for the implementation of internal managerial control standards”. The MoH is developing a participatory methodology in order to be able to identify the specific types of integrity violations, the actors involved, the motivations, the probability of materialisation and the impact. The aim is to obtain feedback from all involved and capitalise on it in future preventive actions. However, this assessment seems to focus on analysing compliance with existing standards. It is crucial for Romania to first assess and diagnose how corruption manifests in the sector, alongside other forces, such as the political and economic dimensions and a network mapping. In doing so, integrity violations will become even more clear.

Thus, at the moment, integrity plans are likely to be “purely” compliance oriented instead of selecting from the menu of available measures those that are most likely to prevent and/or counteract in a mutually reinforcing way specific irregularities. Overall, besides the co-operation platforms, which have more general discussions and do not go into the detail of risk assessment plans, it is not clear to what extent and how internal and external stakeholders are involved in the crafting and regular evaluations of the institutional integrity plans in the health sector. This was confirmed by the interviews conducted for this report with civil society and academic representatives who states that the participation and feedback and their interaction with specific health sector entities would be a relevant element for this assessment.

In principle, the thematic evaluations in four health sector entities (MoH, National Agency for Medicines, National Public Health Institute, and Public Health Directorate of Bucharest) conducted by the NAS secretariat of the MoJ focused on reviewing the implementation of three priority measures (declaration of gifts; whistle-blowing protection, sensitive positions). According to the MoJ, the review team did not limit themselves to the three measures and several general recommendations were formulated. In any case, a holistic approach to evaluate integrity and anticorruption plans it is not present, nor there is clarity on whether or not the integrity plans have been developed in a meaningful way, if corruption risks have been adequately identified and if the measures to confront them are adequate. Even though the “working group on health” has the participation of internal as well as external stakeholders to assess and provide support for this exercise, the NAS rightly identifies the risk of this becoming a merely formal exercise. Finally, it is unclear how the monitoring of integrity incidents is used to make necessary adjustments to the institutional integrity system. While it is good that the NAS foresees an annual evaluation of integrity and anticorruption plans, it is not clear how and by whom this is done.

In the hope to improve in the implementation of this integrity plans, the current NAS envisions the implementation of strong integrity measures at the national level. In order to strengthen these exercises, Romania could consider a solid, explicit and frank problem diagnosis of integrity issues in the Romanian health sector. Such an exercise should assess integrity, corruption and opacity risks and identify actual practice of corruption and clientelistic capture. In this process, an independent analysis, by civil society or academia, could be consider as a complement, to ensure credibility and legitimacy, albeit in close co-ordination with the MoH and NHIH. As a matter of fact, an independent analysis is at the moment under consideration by the MoH.

Even though the Health Integrity Plan was submitted for consultation to some stakeholders, the process could be further enlarged, involving all relevant stakeholders from within the system and public entities as well as its providers and users. Furthermore, the assessment could be focused on a selection of priority areas of the Romanian health system to make it more manageable, and priorities could be collectively defined between actors from the public sector, civil society, academia, and the private sector. The purpose of such a health sector integrity, corruption and opacity assessment would be several-fold in laying the foundation for:

- the selection of priority areas for action
- the development of a theory of change as recommended by the OECD assessment of the prior NAS (OECD, 2022<sup>[3]</sup>)
- the definition of interventions needed to generate change, expected results, measurable indicators and the underlying assumptions to monitor progress
- a shared understanding of the problem and pathway(s) for action
- the generation of buy-in from the different health sector actors.

Moreover, Romania could consider a rapid review of the development and implementation of anticorruption strategies in a selection of key health sector institutions (e.g. MoH, NHIH, MDA, large spending hospitals (either specialised or regional hospitals)). In this endeavour, issues of contents as well as process (involving internal and external stakeholders) could be reviewed. Based on the results and contrasting with good practice from elsewhere, improvement measures could be identified. Additionally, taking into consideration experience from other countries, the introduction of meaningful corruption risk assessments and the associated development of appropriate corruption strategies requires an initial injection of intermittent technical assistance or facilitation.

Thus, the NAS secretariat in co-ordination with the MoH, NHIH and local authorities would be well advised to develop a phased approach for this measure in health entities and linking this exercise with the development of integrity plans. Notwithstanding the 2015 protocol between ANI and the MoH, Romania could make further use of ANI to develop sector-focused lines of action, starting with the priority sectors of NAS and within them with certain key institutions. Following up on the experience of other OECD countries (Box 2.1) a conflict of interest analysis, the *ex ante* controls of procurement through PREVENT (ANI, 2016<sup>[12]</sup>) and an analysis of the declarations of interests could be oriented to identify and address some of the alleged misconduct and institutional capture in the health sector in a more systematic way.

Similarly, integrity strengthening should ideally be linked to institutional performance, including the identification of a few relevant institutional performance indicators. The development of meaningful institutional integrity plans in health sector institutions requires a process with an initial injection of technical expert facilitation based on a phased approach to work gradually through the large spending entities and those with regulatory and oversight functions.

### Box 2.1. INVIMA/ACTUE in Colombia

In Colombia, the body which is responsible for integrity and transparency is the National Institute of Surveillance of Drugs and Food (*Instituto Nacional de Vigilancia de Medicamentos y Alimentos; INVIMA*). INVIMA had the responsibility of transforming the 'Anti-corruption and Citizen Service Plan' into a planning instrument with a focus on corruption prevention. Corruption risk identification and development of mitigating institutional measures and policies were highlighted as key commitments to institutional strengthening and consolidation of integrity and transparency. Consequently, four strategic areas are prioritised, namely:

- Updating, validation and socialisation, in a participatory manner, of the risk map and the anti-corruption plan with actions and high standards in conflict-of-interest policy, transparency, access to public information and accountability.
- Mapping of a new strategy for accountability based on a concept that makes this a permanent exercise, oriented to dialogue with stakeholders and citizens.
- Design and implementation of a communications plan with the aim of bringing the entity closer to its stakeholders as well as the citizen for the purpose of transparency around undertaken actions to combat illegality, smuggling and corruption.
- Development and implementation of a comprehensive transparency and integrity mechanism that collects and articulates the above activities. Through consolidation, a comprehensive management tool of institutional policies of transparency and integrity is being established for the promotion of a cultural change within the entity.

INVIMA's efforts towards a transversal policy of 'zero tolerance to corruption' resulted in an increased awareness across civil servants on the existence and of corruption risks. Furthermore, exercises to identify risks and further prevent and control them, have been initiated.

Source: (ACTUE, 2020<sup>[13]</sup>); (Hussmann, 2020<sup>[14]</sup>); (Ximena and Flórez, 2017<sup>[15]</sup>)

Finally, Romania would benefit of meaningful institutional monitoring mechanism in some priority areas. According to the above-mentioned information about corruption in the Romanian health sector, priority areas for change could include:

- evidence-based allocation of funds
- transparent appointments and contracting of leading health sector staff as well as accountability for institutional performance
- hospital recruitment of doctors
- procurement of medical inputs and hospital infrastructure
- integrity in service delivery.

Considering the vulnerabilities to corruption in health sector procurement, special attention could be paid to this issue. Overall, the NAS measures proposed for public procurement in the health sector are a list of relevant, but seemingly unconnected activities. They do not allow to deduce an underlying theory of change, and they do not seem to address complex schemes of corruption, rent seeking, and institutional capture. In view of the well-known allegations of corruption in health sector procurement, which have been exacerbated during the pandemic (Box 2.2), the NAS could have considered a stronger, more comprehensive and coherent approach to addressing systemic problems (Agerpres, 2015<sup>[16]</sup>). Initiatives to strengthen procurement safeguard in the health sector, such as increasing hospitals' administrative

capacity to navigate medical device procurements, have stalled despite private sector efforts to share and transfer best practices on value-based procurement.

### Box 2.2. Health sector corruption typologies and measures during the COVID-19 pandemic

In 2021, the prosecutors specialised in preventing and combating corruption within the DNA conducted investigations and ordered the referral to court for the commission of acts of corruption against 25 people, including 4 hospital managers, a clinical institute director, 4 doctors, 6 nurses, an ambulance, 2 stretcher bearers, a head of the hospital procurement service, 6 veterinarians.

The facts were related to public procurement, human resources and pensions. This is why, the Ministry of Health approved the introduction of a performance indicator for hospitals to assess hospital managers on the issue of integrity. This included the measurements of performance on integrity in any of the fields of competence (acquisitions, human resources, medical activity) and its failure could lead to the dismissal of hospital managers.

Source: information provided by the Romanian MoH, 2022

It is unclear to what extent did the 2016-2020 NAS contributed to addressing the problem and whether the activities planned for such period were sufficient. In particular, the activity related to “evaluating the performance of the centralised procurement system of the Ministry of Health and the possibilities for its extension” seems to have missed the mark as it comes to achieving the desired impact. Additionally, it is unclear why this activity was not carried over to the current NAS as basically all other health sector measures were and why does the current NAS not include anymore a specific focus on corruption in health sector procurement.

Considering this, the foreseen development of a risk map of corruption in public procurement could be an important step and include sub-sections for priority sectors. Ideally, this could be done as pilots in the health and education sectors. Furthermore, these endeavours need to be closely co-ordinated with the current development of the new public procurement policy led by National Public Procurement Agency (ANAP) with the support of the World Bank (World Bank, 2020<sup>[17]</sup>).

*Romania could strengthen its integrity management systems by creating a network of sector specific ethics counsellors, developing a more stringent meritocratic process through the sector as well as innovative tools to detect integrity violations*

Public entities have an obligation to implement a plethora of integrity rules from national legislation, regulations and guidelines, this includes codes of ethics and conflict of interest management, asset declarations, accountability, engaging civil society, and reporting channels (OECD, 2017<sup>[9]</sup>). As said above and identified by the 2021-2025 NAS, these measures can easily remain at the level of formal “tick-the-box” exercises for a variety of reasons, including outright resistance to reform and lack of practical value vis-à-vis many competing priorities and expectations. In order to address this mismatch between intended and perceived usefulness, the implementation of guidelines for ethics counsellors in the health sector could generate added value.

The 2021-2025 NAS aims at consolidating a national network of ethics counsellors. However, considering the number of stakeholders present in the health sector and the already consolidated practice of sharing good practices between ethics counsellors (lead by the Integrity Service of the MoH), Romania may also consider creating sector specific networks of ethics counsellors in the health sector. This would allow the bring together ethics counsellors from entities that pursue the same objectives (e.g. health sector performance, ensuring access to quality services, etc.) and that are likely to face similar integrity challenges



(e.g. hospitals). Thus, a more specialised exchange and support between health sector ethics counsellors could be assured.

According to the interviews conducted for this report, Romania's health sector has been permeated by a culture of "rewards" (in the form of gifts over the table or in the form of bribes under the table). A 2020 study by the Romanian MoJ "*Causes and determining factors of corruption*" assessed that one in five respondents (18%) who were interviewed for the study consider offering gifts or money for a doctor's services as acceptable (Ministry of Justice of Romania, 2020<sup>[4]</sup>). Therefore, the activity to "*increase the level of anti-corruption education of citizens and public officials*" within the NAS acquires special relevance. Currently numerous public education campaigns seem to be implemented in parallel, for example, during the pandemic, the MoJ organised tailor-made trainings with the medical personnel (Box 2.3). These campaigns seem to lack a coherent messaging. Moreover, the problem does not seem to be lack of knowledge about anti-corruption measures and existing integrity frameworks, but rather in officials being confronted with ethical dilemmas.

### Box 2.3. Public campaign to disseminate integrity measures in the health sector in Romania

According to the Ministry of Health of Romania, several activities have been part of the efforts to mainstream integrity in health institutions:

- Mock-ups materials with anti-corruption messages are disseminated quarterly, to be displayed in easily visible places with heavy traffic.
- Through the Ethics Councils within the hospital units, preventive anti-corruption messages are permanently transmitted.
- The reports drawn up by the ethical councils are published on the website [www.ms.ro](http://www.ms.ro), to ensure the transparency of anti-corruption activities.
- Similarly, during the last meeting of the specialised "working group on health", the representatives of the Ministry of Health launched an invitation to civil society to jointly work on a preventive campaign.

Source: Information provided by the MoH, 2022

Additionally, health sector institutions, as all other public entities, are also mandated to address the issue of "petty corruption". In the case of hospitals, the patient feedback mechanism is one of the instruments used for this purpose. According to the interviews conducted, even though the MoJ requested the Ministry of Health information regarding the patient feedback mechanism to inform the 2021-2025 NAS, none was provided. Therefore, the NAS does not assess if adequate action has been taken to address the underlying problems of reported misconduct provided by this mechanism. However, in late 2021, the MoH started a project with the technical assistance of the World Bank to improve the capacity of the MoH to evaluate its institutional capacity to respond to patient needs. Monitoring of results and frank communication on progress and obstacles, including with the NAS Secretariat in the MoJ, will be key to generate trust. Furthermore, the indicators for the objective of the NAS covering meritocratic processes in the health sector are only numeric and do not allow to assess the quality of appraisals, whether or not these are done objectively, nor if recruitment procedures are free from political or other interference. Strengthening the professionalism of public sector staff through performance appraisal mechanisms and transparency of the recruitment procedures is crucial given the allegations of nepotism, clientelism and fraud in appointments and hiring processes in health sector institutions.

Therefore, Romania could consider methodologies for assessing individual and collective behavioural change of public officials in key decision points of the health sector institutions. It would also be worthwhile

to co-ordinate with ANI's existing handbook ethics guidance for the central public administration that could potentially be complemented with examples and specific cases from Romania's health sector (National Integrity Agency (ANI), 2019<sup>[18]</sup>). Similarly, in order to ensure effective protection of citizens who report alleged integrity incidents, each institution needs to identify or develop its own reporting channels and assess internally what works or not and why. In any case, it would be useful for the health sector to assess the possibility and viability of a single "window" for receiving complaints and reports. Such a mechanisms could channel the complaints and reports of the relevant entity, oversee the effective handling of the allegations, analyse trends of misconducts, as well as the respective drivers and enablers for each institution.

The NAS also envisages *"carrying out continuous methodological guidance activities on issues related to transparency, ethics and integrity, dedicated to the staff of the institutions in the public health system."* This is a new activity that seems come from the recognition that many of the general and health sector specific measures do not automatically flow down through the health system entities but require continuous guidance. The MoH asserts that these activities are part of the regular operation of the Integrity and Public Policy Service within the Ministry and that by the first semester of 2022, the service sent continues guidance to public hospitals. The quality or effectiveness of this guidance remains to be assessed.

Similarly, the issue of detecting and treating integrity violations requires a more proactive approach. Fraud detection activities can be more or less pro-active. They can rely on simple audits, controls and/or the investigation of complaints, and systems may or may not be in place to encourage the reporting of integrity violations – for instance through hotlines. Other countries use analytical tools to detect integrity violations, including data mining. For example, in Belgium, the INAMI (the National Institute for Health and Disability Insurance) uses data mining to detect integrity violations and a stepwise strategy to deal with integrity violations. Essentially, data mining can be used to: i) identify patterns and deviations from them; and ii) screen cases that need to be further scrutinised for fraud and abuse (OECD, 2017<sup>[7]</sup>).

To address suspicious patterns that could result from integrity violations, practitioners highlight the importance of an enforceable response. This response should incorporate measures to prevent future occurrences of similar problems and engage the community of providers in a constructive dialogue, when abuse is present, rather than fraud. For example, the United States has expanded the scope or magnitude of sentences and penalties for integrity violations in health service delivery and financing. Organising and even formalising co-operation between health and judicial authorities is also a key deterrent of integrity violations. In 2009, the United States created a joint task force for combatting fraud on Medicare between the Department of Health and Human Services (DHHS) and the Department of Justice (DOJ) that is a multi-agency team of federal, states and local investigators (OECD, 2017<sup>[7]</sup>).

Therefore, Romania could, as part of its integrity management system, undertake a more effective approach to detect integrity violations and consider identifying patterns that can then be detected through the use of data mining to identify integrity violations, including those identified in para. 42. Furthermore, Romania could develop deeper investigation of specific cases and outliers is warranted and make use of its already well-crafted enforcement system to impose deterrent and effective administrative sanctions and/or initiate civil or criminal legal proceedings.

Finally, amongst the issues that have been dropped from the previous strategy (2016-2020 NAS) is the implementation of the "Romanian Sunshine Act" (Box 2.4), particularly, in the area of education for health professionals and their dependence on and influence by the pharma industry. Even though Romania asserts that the legal provisions adopted are clear in combating the influence of pharmaceutical companies, their application and impact remain to be assessed.

### Box 2.4. Romanian Sunshine Act

Reporting of payment legislation has become crucial to increase transparency and public trust by introducing regulations to publicly declare any financial relationship such as payments given to doctors to speak at conferences or research funding. Specifically, in the European Union, more cases of adoption of Sunshine Act-type legislation are apparent, with cases of country-specific as well as Eurozone-wide self-regulation (such as the EFPIA Code of Practice - formerly “Disclosure Code”, developed by the European Federation of Pharmaceutical Industries and Associations).

In Romania, there was a lack of clarity regarding how sponsoring activities in general and the reporting obligations around them were regulated and stipulated in the law. Consequently, there was an apparent high chance of undue influence and potential discrepancies in which provisions could have been applied by interest parties. As a result, regulation in Romania is being implemented since 2015, with some amendments having been executed in 2016 to reinforce the regulation. The regulation is governed by two ministerial orders: 874/2015 and 194/2015.

Under the regulation, the pharmaceutical and medical device sectors are obliged to publish information on the sponsorship and other benefits provided to HCPs and HCOs. In detail, the entities that fell under the regulation are manufacturers, marketing authorisation holders or their representatives to Romania, and wholesale and retail distributors of medicinal products, medical devices, and healthcare materials. The said entities are required to submit disclosures to the Ministry of Health and further report to the National Agency for Medicines and Medical Devices, until the 31st of March of each year. The disclosures are published on the Agency’s website with information on all sponsoring activities carried out in the previous year. Furthermore, member companies of the ‘*Asociația Română A Producătorilor Internaționali de Medicamente*’ (ARPIM) disclose information under a self-regulatory process.

Order no. 194/2015 approved and regulated the Norms on evaluation and approval of advertising for medicinal products for human use. Sponsoring activities are being controlled by the Norm as a form of advertising for medicines for human use, particularly with regard to the following activities:

- sponsoring promotional meetings with the participation of individuals qualified to prescribe or distribute drugs
- sponsoring scientific conferences to which individuals who are qualified to prescribe or distribute drugs participate, especially by payment of transport and accommodation costs.

The form (provided as a template in the Norm) stipulates that the following information has to be reported to the Agency:

- name of the reporting entity
- name of the beneficiary (health care professional, institutions in the medical field, organisations, etc.)
- specialty of the health care professional
- principal professional address
- nature of sponsorship
- description of the activity (e.g. conference, consultancy, advisory board, expert opinion, training, etc.)
- amount
- date of the agreement
- date of payment/ remittance of goods.

As an additional provision from the Norms, sponsoring activities intended for the general public are also being regulated. In detail, sponsoring activities cannot be linked to the name of the medicine (dispensed with or without a prescription) and further, cannot contain direct or indirect promotional messages for medicine, whether dispensed with or without a prescription. Moreover, a restriction on charity programmes requires that such programmes cannot be undertaken in the name of a medical product.

Fines connected to a failure to comply with the provisions related to medical products' advertisement are being enforced by the Agency with a range between RON 5 000 – 10 000 (approx. EUR 1 200 – 2 400).

Source: (Mental Health Europe, 2017<sup>[19]</sup>); (Rodzinka, Fallon-Kund; Marie and Marinetti; Claudia, 2019<sup>[20]</sup>)

## Stocktaking and recommendations for integrity measures in the Education sector

This part of the report provides context of corruption within the education sector in Romania, particularly drawing on the main achievements and challenges of the 2021-2025 NAS. Even though there was some progress in the implementation of the measures related to the education sector since the 2016-2021 NAS, there is varied degrees of involvement of institutions from the Romanian education system. Several recommendations are made for the school system, relating to school boards, the inspectorate, parent-teacher associations, and standardised testing. At the university level, the diversification of admission criteria and targeted anti-corruption activities are considered as means of strengthening integrity in this area.

### *Integrity issues in the Romanian Education sector*

Corruption in education threatens the well-being of society because it erodes social trust and worsens inequality. It sabotages development by undermining the formation of educated, competent, and ethical individuals for future leadership and the labour force. Corruption in primary and secondary education affects teacher conduct and policymaking in planning, school management and procurement. Examples include cheating and other academic violations; bribery, nepotism and favouritism in school admissions, teacher appointments, and licensing of education facilities; bid-rigging in the procurement of textbooks and school supplies; diversion of funds and equipment; teacher absenteeism; and exploitation of schoolchildren for sex or unpaid labour (Kirya, 2019<sup>[21]</sup>). In Romania, integrity violations in the education sector remain problematic. For example, despite recent reforms to increase their autonomy, schools' decision-making authority continues to be limited, there is frequent staff turnover and unstable funding limits capacity in central government. Furthermore, the politicisation of local and school leadership roles has limited their professional development (Kitchen et al., 2017<sup>[22]</sup>). Similarly, the profound shortage of resources for schools and very low teacher pay contribute to integrity breaches. Inspectorates have been given considerable power over teacher rewards and bonuses. The lack of quality education options and subsequent pressure for grade inflation is a response to the fact that good schools and universities are too few and therefore hard to get into. Finally, the publication of standardised data on education institutions' revenue, expenditure, procurement processes and sponsorships is incomplete and not fully compliant with the standard on the publication of information of public interest as set out in former strategies (OECD, 2022<sup>[3]</sup>).

Progress was made in several areas related to integrity education. Good examples include the introduction of the civic and ethics education into school curricula, as well as establishing graduate programmes on ethics and integrity, including a master's degree in Public Integrity and Anti-Corruption Policies. A Framework Code of Ethics was also adopted for secondary education, which clearly prohibits teachers

from offering private tuition to their own pupils (OECD, 2022<sup>[3]</sup>). Similarly, one of the biggest problems in Romania remains the political interference in the appointment of county school inspectors and school heads, and through this, the placement and promotion of teachers. Therefore, attempts to make the recruitment of CSIs and principals more transparent and independent – notably through the introduction of centralised exams – is significant (Kitchen et al., 2017<sup>[22]</sup>).

Combatting corruption in public procurement within the education sector has a different relevance as compared to other sectors. Unlike ports, highways, state-owned industries or public administration facilities, the dominant purpose of finance in the education sector is recurrent and not capital expenditures. Typically, only 10-15% of total education expenditures are allocated to construction. Textbooks, cleaning services and security might represent an even lower percentage. This suggests that problems of procurement, while present in the education sector, are a minor problem and one well within the bounds of procurement legislation and legal sanctions which apply to all public sectors.

Generally speaking, in the education sector, most corruption activities do not involve procurement related issues, but relate more to trading in influence or political interference. It is common for students to pay bribes for better grades or to gain access to selective programmes, student housing or library resources. Class grades may be raised based on personal relationships; favouritism may be shown toward students of the same ethnic groups as the teacher; sexual and other personal favours may be offered or extorted; employment may be available to faculty from specific graduate institutions; some universities may even require that new faculty be graduates of the same institution where employment is being sought (Heyneman, 2004<sup>[23]</sup>).

These are examples of an abrogation of professional conduct which are often not covered by legal statutes and rarely solvable through law enforcement mechanisms. Furthermore, as instruments of control, law enforcement mechanisms can be even counterproductive. With many competing issues to solve, the process is long and expensive. In combatting education corruption, effective action must be quick, certain and managed by the profession itself. In Romania mechanisms of control other than courts may create the necessary incentives so that educational institutions, will want to collaborate autonomously.

### ***Education sector challenges in the scope of the 2021-2025 NAS***

In Romania, the education system has several integrity mechanisms and standards set out in the legislation and in practice. Moreover, several of these have been put in place to strengthen its integrity system. For example, each higher education institution in Romania has an Ethics Commission (UEC) that includes teaching staff and students. Similarly, at the national level, the University Ethics and Management Council (CEMU) was established in 2016.

In turn, the NAS prioritises interventions and also foresees modifications of existing standards or the creation of new ones. Of high priority is the reduction of criminal behaviour. This includes promoting organisational integrity as well as interrupting the role of corrupt officials as a facilitator of organised crime groups (Government of Romania, 2021<sup>[24]</sup>). The success of Romania's efforts has been noted in reports of the European Commission's Cooperation and Verification Mechanism, though sustainability has yet to be firmly established (Council of Europe, 2022<sup>[25]</sup>). The current strategy emphasises continuity with previously successful initiatives for the prevention and combating corruption by mobilising the resources of the state in a coherent manner so that those who have been found to have participated in corrupt activities can be held accountable. The strategy also includes training activities for public officials who need to understand anti-corruption rules and their consequences. It includes efforts in a national framework to criminalise acts of corruption, the public's right of access to information, the transparency in decision-making, and the effects of small and large corruption acts. Furthermore, the 2021-2025 NAS has placed heavy emphasis on the problem of monetary corruption and the frequency of bribing. Public procurement, contracting, and the execution of contracts have received frequent attention with respect to new contracting data standards and

opening the data for public inspection consistent with the Open Contracting Data Standard of the OECD (Open Contracting Partnership, 2016<sub>[26]</sub>).

Complementary to sector standards and rules, the 2021-2025 NAS lays out the strategic vision of Romania's plans for integrity in the education sector. In detail, the NAS has stimulated five initiatives within the education sector:

- Under the auspices of the Collaborative Protocol on Legal Education in Schools, legal professionals visited schools to give lectures on legal education and introduce new curricula on ethics with the intention of raising the importance of ethical behaviour.
- A draft code of ethics for pre-university teachers was adopted.
- An additional Code of Ethics and Deontology (the study of duty and obligations) introduced by county school inspectorates was added to the Strategy.
- Attention has also been directed to the 'flash points' in the implementation of high stakes examinations and standardised testing. Video and audio monitoring has been added to the places where baccalaureate examinations and teacher tenure examinations are administered. Places of administration of the eighth-grade assessment have been randomly assigned to reduce the potential for compromise.

Out of 13 objectives in the NAS - four are related to teaching about ethics, two are related to the use of antiplagiarism and other technology solutions, and seven are related to transparency, assessing impact, and ensuring the correctness of teacher' assessments in accordance with curricular objectives. However, on these latest issue, there is no mention of the sources or definitions of standards, the mechanisms of control, the sanctions needed, or the frequency and coverage of reporting results to the public. According to the interviews conducted, even though the sector itself has a plethora of integrity mechanism, many of them are not functional nor made their way into the NAS. Therefore, Romania could consider strengthening integrity measures within the sector by assigning proper resources within the MoE for the implementation and monitoring of NAS. Furthermore, the MoE could conduct an analysis of needs in the sector, including guidance and training needed in the area of integrity and work alongside the MoJ to provide sector institutions with these.

Romania has also conducted additional efforts to increase integrity in the education system. The Ministry of Education, Research, Youth and Sports (*Ministerul Educației Cercetării Tineretului și Sportului, MoE*) has circulated an extensive list of actions taken to combat corruption. This list includes indicators of performance and risks involved if adherence is deficient. Amongst those, there are efforts to address victimisation and discrimination, the rule of law, the management of aggression and the prevention of corruption in the curricula of disciplines which target the development and diversification of social and civic competencies in pre-college education (Government of Romania, 2021<sub>[24]</sub>).

### ***Strengthening integrity measures in the education sector***

Integrity measures in Romania could be enhanced in the following three areas: (i) mandatory education, (ii) examinations and standardised testing, (iii) higher education and (iv) politicisation of local and school leadership roles. The suggestions and recommendations for improving Romania's anti-corruption policies could therefore follow the reforms already underway in term of the structures of authority and organisational responsibilities.

This chapter will dwell into existing action contained within the NAS and analyse them against international benchmarks. In any case, the following recommendation follow the premise that corruption in the education system gets controlled not by national legislatures or courts, but by universities and professors themselves. For this, further engagement by key stakeholders and increased ownership by the MoE and other institutions within the sector is key for the success of the implementation period. In this sense, the role of the MoE as a co-ordinator needs to be strengthened, as well as its co-ordination capacity with other

institutions within the sector. Ownership and commitment to implementing the wide range of integrity measures within the sector, not only those contain in the NAS, is key to the success of both the NAS and the enlarged integrity system in Romania.

*Romania could develop a culture of integrity at the education system by developing an all-encompassing integrity strategy and working alongside School Boards, Inspectorates, and Associations to mainstream through the sector*

Over the past years, Romania has introduced a number of regulations aimed at fostering a culture of integrity in the education system. In particular, Order 4183 of 2022 forbid practices such as fundraising for exams, amongst other measures. However, Corruption in Romanian schools is a reality and both parents and children are forced to face it daily. An “Eurofound” survey on the perception Europeans have on the quality of life in their countries, shows, among others, that Romania ranks first on perception of corruption across school units (Eurofound, 2017<sup>[27]</sup>). This may often be the case with small gifts or money given as bribe to teachers, and it even encompasses the private lessons taken by pupils with their own teachers to ensure better grades (RomaniaJournal, 2018<sup>[28]</sup>) (Romania Insider, 2014<sup>[29]</sup>).

Sector-specific approaches to anti-corruption reform enable stakeholders to target specific instances of corrupt behaviour and the incentives underlying them (Kirya, 2019<sup>[21]</sup>). For this, assessing corruption risks is a key feature of any anti-corruption strategy. Stakeholders should engage in dialogue and consensus building to agree on which problems to prioritise, taking into account their urgency and the political feasibility of different anti-corruption strategies. Monitoring, evaluation, and learning should be built into anti-corruption reforms so that measures can adapt to changing contextual realities.

In Romania, School Boards, the Inspectorate, Parent-Teacher Associations and the Romanian Agency for Quality Assurance in School Education (*Agenția Română de Asigurare a Calității în Învățământul Preuniversitar*, ARACIP) could engage in a dialogue with the MoE to build consensus on which problems to prioritise, considering their political feasibility. Furthermore, they can use as a starting point the objectives set forth in the 2021-2025 NAS and develop a bottom-up approach to develop this sectorial strategy. Similarly, anti-corruption strategies in the education can make use of different policy tools to build up momentum. Amongst those: transparency-promoting tools, participatory budgeting, and public expenditure tracking surveys. Moreover, accountability-promoting tools, such as performance-based contracting, teacher codes of conduct, community monitoring, complaints mechanisms, salary reform, procurement reform, and public financial management reforms may be use in the development of this strategic approach (Kirya, 2019<sup>[21]</sup>).

School boards also need to be strengthened to fulfil their role as mainstreamers of integrity policies. They are composed of school principals and their deputies; teaching and administrative staff; and representatives of the mayor, local council and parents. Under the 2011 law they acquired responsibilities previously held by Inspectorates, such as the recruitment of the school principal and deputy principal, and disciplinary sanctions of teaching staff. However, this has not happened in practice. In part, this reflects school boards’ limited capacity to take on these responsibilities – half of their members have no expertise or experience in education and they receive limited training on their role. Amendments to the 2011 Education Law subsequently transferred responsibility for human resource decisions back to the Inspectorates (Kitchen et al., 2017<sup>[22]</sup>).

In any case, School Boards, are strategically located to mainstream an integrity culture through the sector, by way of developing Codes of Conduct for teachers, students, and administrators, or leading investigation when infractions are identified. They might be empowered to render decisions like dismissal of the accusation in cases where no infraction occurred, suspension of duties for a fixed period of time in cases where the infraction was judged to be serious, and termination of employment in cases in which the infraction is repetitive or significantly serious to not be able to welcome the accused back to full employment.

According to Government Decision 994 of 2020, in Romania, there is a minimum requirement for each school regarding ethical behaviours. The requirement states that staff must promote and comply with all legal requirements with respect to ethics, integrity, conflicts of interest, fraud prevention and fraud reporting. The system includes a monitoring procedure for those schools that do not implement the envisaged measures. Similarly, the Inspectorate in Romania also has a major role as it comes to mainstreaming integrity through the education system. It has been described as the “*most strategic tool in the hands of the Ministry of Education, Research, Youth and Sports*” (World Bank, 2011<sup>[30]</sup>). It has two, quite divergent functions, both relevant to the management of integrity. One function is to provide support to schools and school boards in the better implementation of their responsibilities. Nowhere is this more important than the implementation of the codes of conduct and the adjudication of the instances in which those codes have not been followed. The second function, is to monitor and control the information over which it has responsibility and to report accurately and timely both to the public and to MoE.

Following up on other OECD countries practice, Romania could consider strengthening the reports of the Inspectorate by including statistics, highlight trends and encouraging ethical behaviours. For example, in the United Kingdom one of the responsibilities of the Inspectorate is to annually draw up a listing of performance results by each school (Box 2.5). Those results include tests of academic achievement but also instances of behavioural problems. Consequently, schools in Romania could be assessed by a value-added index, to signal schools that are improving or are doing well despite context. As a result, schools with the most problems may have the greatest opportunity for a high ranking in terms of improvement. Since the scores are available to the public, they act as incentives for the parents and families to utilise when they approach the school boards to demand improvements. This system helps provide the needed incentives for schools to work autonomously to higher academic performance, and an environment free of corruption (Heyneman, 2009<sup>[31]</sup>).



### Box 2.5. The Independent Schools Inspectorate in the United Kingdom

The Independent Schools Inspectorate (ISI) is a government-approved agency under section 106 of the Education and Skills Act 2008, responsible for the inspection of independent schools in England and overseas. After conducting the relevant inspections, the ISI communicates the results to the English Department of Education (DE) while assessing the extent to which schools meet the relevant Standards for British Schools Overseas and the ISI Framework requirements. Additionally, the ISI is conducting inspections of schools in membership of the Associations of the Independent Schools Council (ISC).

The ISI mandate includes the following responsibilities:

- Conducting reliable and objective inspection reports to assist schools to better recognise and build on their strengths and to further identify and tackle any weaknesses.
- Supporting schools to ameliorate the effectiveness and quality of pupils' education and welfare.
- Publishing reports to the public domain to raise awareness of the quality of British schools overseas and increase transparency.
- Providing timely reports to the DE to check compliance with the established Standards.
- Where applicable, assure ISC Associations that their member schools maintain the expected quality of provisions.

More than 1 200 schools are being inspected which account for around half a million children each year. The regular inspections include two routine inspections over a six-year inspection cycle: regulatory compliance; and an inspection of educational quality with a focus on compliance. Additionally, the ISI conducts non-routine inspections in cases of: a request for material change; at a request of the DE; or to follow up on previously unmet standards. Generally, boarding schools are under inspection more frequently than day schools. The ISI reports are public and accessible to governments, parents, and the wider community. The reports are being published on both the school and ISI's website. Following the next inspection cycle in September 2023, it is expected that the ISI will introduce a new inspection framework.

While undertaking inspections for British schools overseas, the ISI follows closely the framework and guidance for independent school inspection in England. However, regular compliance with the 2014 Education Regulations (Independent School Standards) are not legally applicable to schools outside the United Kingdom. Nevertheless, local requirements are taken under consideration where possible together with an extensive assessment of the British Government's Standards for British Schools Overseas. In detail, the Standards evaluate the following:

- The quality of education provided by the school (Curriculum, Teaching and Assessment).
- The spiritual, moral, social and cultural development of pupils.
- The welfare, health and safety of the pupils.
- The suitability of the proprietor and staff.
- The premises and accommodation.
- The provision of information for parents, carers and others.
- The school's procedures for handling complaints.
- The quality of provision for boarding.
- Leadership and management of the school.

Source: (ISI, 2016<sup>[32]</sup>)

Parent-Teacher Associations are often useful in the reduction of corruption, for two reasons. They help maintain a community consensus with respect to the perception that the schools are fair to all categories of children and these associations can help set the rules in which teacher support (which is to be encouraged) can be distinguished from bribery. Overall, professional committees on ethics within the educational structures, can be utilised by School Boards and teacher associations to consider local cases of ethical infractions and could even act to deter integrity violations because of their ability to withdraw the license to practice of any professional within their ranks who has committed a breach of ethics.

Access to elite training and other educational awards is a highly valued and scarce opportunity. In no country can these opportunities be available to everyone hence all countries need to select from among those who are most qualified. The key to having a fair system of student assessment is to make certain of three things:

- the items on selection tests are unbiased
- the test is administered in a way to guarantee that it is free of corruption
- there is a variety of important relevant non-academic information available on the applicant.

According to Romanian authorities, methods to avoid fraud in test takers are provided for in regulations at each higher education institution. The baccalaureate in Romania is regulated by clear methodologies and procedures whose aim, among other objectives, is to prevent corruption. Similarly, changes have been made to the administration of tests to reduce the chances of corruption. The testing site is chosen so that students may not be able use a known facility for purposes of cheating. Proctors may be chosen at random so that students may not know the supervisors. All these developments are considered as a good beginning to reduce cheating and ensure equality.

However, the interviews conducted for this report showed that their use varies and is in some cases non-existent. Therefore, Romania could also consider using a specific “Test Security Plan”<sup>1</sup> such as one suggested by the Guidelines on Test Security distributed by the International Test Commission. These guidelines detail the categories of both cheating threats and test theft threats. In details, such categories are using test content pre-knowledge, receiving expert help while taking the test, using unauthorised test aids, using a proxy test taker, tampering with answer sheets, or scored test results or copying answers from another test taker. In terms of test theft, they include stealing: actual test files or booklets, questions in tests through digital photography or copying devices, questions by recording test content electronically, memorising test content, transcribing questions verbally, or obtaining material from a programme insider. Overall, they ensure a fair and standardised testing and examination through the entire education system.

*Romania could consider reforms to strengthen the role of key integrity actors in the education system and tackle the issue of politicisation of school leadership*

At local and school levels, many roles have been historically politicised in Romania. Inspectors and school principals are often appointed mainly based on their political affiliation or connections to local officials. This raises concerns about schools’ independence and integrity and the quality of leadership while increasing instability, as key school actors may change with the government. Romania has recognised the importance of improving transparency and professionalism at the local level and in 2011 introduced merit-based open contests to appoint school leaders and school inspectors. Implementation was initially mixed, but in 2016 candidates for the principal, general inspector and deputy positions did compete in open competitions in all counties. Romania also adopted the Anti-corruption Strategy in Education to consolidate anti-corruption monitoring processes and raise awareness of the importance of tackling corruption in the education system (Kitchen et al., 2017<sup>[22]</sup>).

However, further reform is required to address the depoliticising of the approach to teacher pay, placement and reward which contributes to integrity breaches. Developing fairer and more equitable ways to recognise and reward teachers had been recommended by a previous OECD review. In particular, that

Romania considers ending its current merit grade salary bonus, and recognise and reward teachers in other ways instead, notably by developing a teacher career path where additional roles and responsibilities lead to higher remuneration. Using an appraisal process for career advancement into new roles, such as the one outlined above, would be a fairer and more equitable way to give teachers incentives to build competencies in many different areas associated with effective teaching (Kitchen et al., 2017<sup>[22]</sup>). Romania could also consider the reform of Inspectorates, envisaged under new legislation, to address the issue of its politisation. The inspectorates have historically been influenced by politics, which has implications for their ability to fulfil their tasks fairly and consistently. Political changes at the national level have resulted in high turnover in these roles; turnover for political reasons is also an issue among inspectors who work below the management level. Several steps have already been taken to address this situation, the 2011 Education Law established new transparent hiring procedures for inspectors and in 2016, open contests were held in all counties for the first time (Kitchen et al., 2017<sup>[22]</sup>). However, further reforms should include modifying their role in school inspection and in principal and teacher placement and reward. Linked to these reforms is the need to professionalise these core functions, so that the individuals involved are hired on the basis of competence.

*Romania could promote more targeted integrity initiatives at universities and increase its efforts to advertise such initiatives*

Multiple reports have provided evidence that university corruption is best reduced by actions within the university itself. Because universities have individual reputations, the incentives are in place for them to protect themselves and broadly advertise what they are doing. Both domestic and international students, incoming faculty, and potential business partners all look for a university with a stellar reputation. The level of tuition and the likelihood of contractual business opportunities are correlated with universities with reputations for having controlled the possibility of corruption. The implication for a university which controls corruption is that it can charge higher tuition and expect the business opportunities of its graduates to be higher (Heyneman and Anderson, 2008<sup>[33]</sup>). Virtually all the world's highly ranked universities advertise on their websites what they are doing to combat corruption, with many of them publicly noting the details of corruption infractions and what was done about them (Heyneman, 2014<sup>[34]</sup>). Nations in which universities ignore the issue of corruption tend to be lower in ranking and perceived to be of lower quality. The issue is how these activities are organised and what incentives there are to ensure that universities are aggressive about anti-corruption activities.

Evidently, universities differ in their anti-corruption approach. The University of Tokyo, London School of Economics, and Brandeis may attack corruption in divergent ways. They all do this, and they advertise what they are doing to attack corruption because their reputation depends on the public's confidence that their university is free of corruption. In the United States all universities, both public and private, must be accredited, and accrediting organisations pay careful attention to issues of ethics and honesty. A university which did not pass accreditation would be forced to cease operations. If this were the case in Romania, then the role of the Romanian Agency for Quality Assurance in Higher Education may be the appropriate organisation to perform the function of assessing a university's anti-corruption activities alongside other elements of university procedures which they normally include.

Therefore, Romania could consider establishing university's anti-corruption activities and organisational structures, which might include the following:

- Within each faculty (Education, Law, Medicine, Business etc.) a student committee elected by other students to hear cases of plagiarism. With a faculty advisor, this committee would be free to declare the student innocent of the charge, guilty but with a modest punishment, guilty with a significant punishment (e.g. expulsion for a year), or permanent expulsion.
- Within each faculty a committee to hear cases of faculty professional misconduct with a boarder spectrum of sanction options.

- Codes of conduct for members of faculty, students, and administrators published on the university website and signed each year.
- A university-wide committee on integrity which oversees and reports on the activities of each of these other committees, circulates the results, and encourages discussions about them.

Similarly, higher education systems could consider analysing admission criteria for universities as a way of mainstreaming integrity policies through the education system. For example, universities that use only a single criterion to determine entry struggle with both legitimacy and quality. Examples of multiple criteria to be considered could vary from artistic talent, athletic talent, charity activities, underrepresented category of applicant subgroup, amongst others. In general, having a sole criterion or faculties separately designing and administering entry tests have been known to create inefficiencies and raise the chances of corruption.

Similarly, scores on standardised tests generate continuing inequality problems of gender, ethnicity, social class, and other categories. One way to achieve diversity is to emphasise criteria other than scores on high stakes tests. Romania has traditionally employed class grades. The problem with class grades is that they are interpreted as being an alternative to standardised tests. However, class grades are more subjective than test scores, may vary in application, and may not correlate highly with test score performance. If grades in mathematics do not correlate highly with test scores in mathematics, it usually is a sign of inflation where grades are assigned for reasons of social norms instead of academic accomplishment. This problem can be modified in some instances by using grades which do correlate highly with test scores. Other criteria used in may be more effective in generating diversity among university students and, depending on the emphases, encourage students who may exhibit higher qualities of ethical behaviour.

## Stocktaking and recommendations for integrity measures in State Owned Enterprises (SOE)

This part of the report outlines the threats of corruption in the state-owned sector in Romania, including the main achievements that have been made in this area, as well as some of the remaining challenges. State capture of public enterprises has been reported as one of Romania's main governance problems throughout its transition to a market economy, with cases of extensive political interventions and use of public assets for personal gains (State capture, 2018<sup>[35]</sup>). This is likely to affect SOEs' economic performance as a going concern, and in the case of SOEs that are slated for privatisation it may negatively affect the sale conditions. Notwithstanding concluded cases of corruption involving SOEs, the mere perception of interference in SOEs can provide disincentive for investment. Overall, recommendations emphasise the need to establish high integrity expectations for SOEs, considering ownership arrangements, framework for accountability of SOE boards, and enhancing appropriate legal provisions and reporting channels. Attention is also drawn to the risk-management system in SOEs, and sanction provisions aimed to promote accountability.

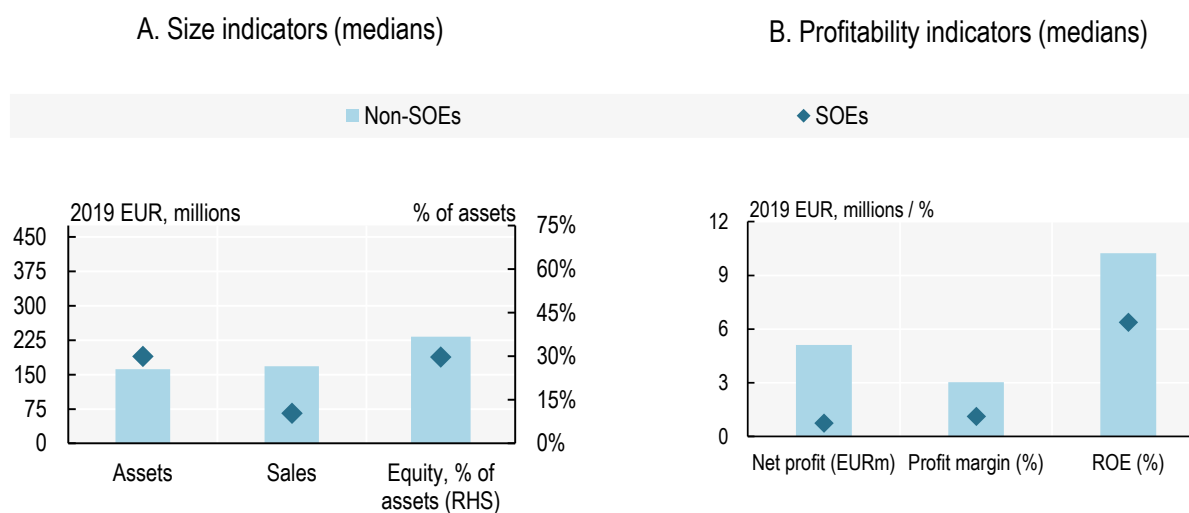
### *Integrity issues in Romania's State-Owned Enterprises*

The state-owned sector is substantial in Romania. As of end 2020, central government institutions owned stakes (between 1%-100%) in 860 enterprises, and 1 238 public enterprises were held at the sub-national level (Ministry of Finance of Romania, 2021<sup>[36]</sup>). While this makes for a relatively larger SOE sector than the OECD average, this is nonetheless in line with trends found in post-transition economies which tend to have large SOE portfolios, such as in Hungary where the central government owned 370 SOEs as of 2016, Bulgaria (350), the Czech Republic (133), Lithuania (128), Poland (126), and the Slovak Republic (113) (OECD, 2017<sup>[37]</sup>; OECD, 2019<sup>[38]</sup>).

SOEs play an important role in the Romanian economy – both in terms of their overall volume, and in particular because of their role in systemically important sectors such as energy and transportation, which concentrate most of the state-owned economy. While the transport sector represents close to a third of the overall SOE employment, the energy sector includes the most valuable companies, many of which are listed in stock markets, which tends to raise corporate valuation. Overall, the total central SOE sector is valued at approximately USD 19 billion and employs around 183 000 people (OECD, forthcoming<sup>[39]</sup>).

Overall, Romanian SOEs are characterised by relatively weak economic and financial performance, which may be attributed to a weak governance of the Romanian state-owned sector (European Commission, 2020<sup>[40]</sup>). A comparison of the respective size and indicators of financial performance of Romanian companies illustrates that while the median SOE is slightly larger than the median non-SOE in terms of asset size, SOEs underperform significantly both in terms of sales and profitability (Figure 2.1). While this is not necessarily a cause for concern as SOEs provide services that the private sector will not, or is not suited to, due to an inherently low profitability in the specific industry, in Romania the gap between SOEs and non-SOEs is very pronounced (OECD, 2022<sup>[41]</sup>).

**Figure 2.1. Financial indicators for large SOEs and private companies (not traded in stock markets)**



Source: (OECD, 2022<sup>[41]</sup>), based on data from the OECD-ORBIS Corporate Finance dataset.

Although corruption can take many different forms, several criminal investigations of corruption cases involving SOEs were initiated by the National Anticorruption Directorate in recent years (Table 2.2). Some of these cases relate to ongoing court proceedings; they are reported here without prejudice to the question of guilt and eventual outcomes of the cases. All the same, it is worth noting that several former Ministers and Secretaries of State are involved – mainly for influence peddling offences. When executive managers of state-owned enterprises have been indicted, it is mainly for taking bribes, abuse of office and money laundering.

**Table 2.2. Selected criminal investigations involving SOEs over the past five years**

Concluded investigation	Criminal investigation details
<a href="#">No. 916/VIII/3</a> (17 December 2020)	The former Secretary of State in the Ministry of Transport and adviser to the Minister (at the time of the facts) were investigated for traffic of influence and money laundering for crimes allegedly committed between June-September 2012. In particular, in the period immediately following the change of government, based on information that the new government would no longer be interested in investing in the expansion of the Bucharest subway network, defendants allegedly claimed a bribe from the company in charge of executing the works in exchange of use of influence at the decision-making level of the Ministry of Transport in June 2012. The defendants also allegedly received money transfers between July-September. The criminal investigation was completed in end 2020, and the indictment and plea agreements were then sent to court. Source: <a href="https://www.pna.ro/comunicat.xhtml?id=10122">https://www.pna.ro/comunicat.xhtml?id=10122</a>
<a href="#">No. 648/VIII/3</a> (2 October 2020)	The then CEO and head of sales of a SOE wholly owned by the Ministry of Health were sent to trial in June 2020 for taking bribes, abuse of office, complicity to traffic of influence and instigation to forgery in the context of the COVID-19 outbreak. These crimes occurred in the aftermath of the Government's issuance of Order no. 11/2020 on emergency medical stocks, as the SOE was assigned the purchase of such equipments. These purchases have occurred in violation of Law 98/2016 on public procurement, in exchange of bribes and traffic of influence. Source: <a href="https://www.pna.ro/comunicat.xhtml?id=10983">https://www.pna.ro/comunicat.xhtml?id=10983</a>
<a href="#">No. 904/VIII/3</a> (15 November 2019)	The then Minister of Finance and Secretary of State of the Ministry of Transport, along with a former member of parliament, a former employee of the Ministry of Finance and a person formerly close to the Romanian National Railway Company's management were charged with traffic influence and taking bribes for offenses committed from 2005 to 2017, in the context of a tender for the rehabilitation of a railway. Source: <a href="https://www.pna.ro/comunicat.xhtml?id=10707">https://www.pna.ro/comunicat.xhtml?id=10707</a>
<a href="#">No. 404/VIII/3</a> (3 March 2019)	Several people – including the then Minister of Communication and Information Society, state secretary within the ministry, and CEO of the National Company Poșta Română (CNPR SA) – were indicted for taking bribes, traffic of influence, complicity in abuse of office, and money laundering. These crimes were committed in 2010, in the context of the purchase of postage machines in violation of due procurement procedures (i.e. at an overestimated price). Of note, eight other cases were previously sent to trial for offences that caused damage to the Romanian Post National Company. In three of these cases, the courts ruled decisions of final conviction. Source: <a href="https://www.pna.ro/comunicat.xhtml?id=10969">https://www.pna.ro/comunicat.xhtml?id=10969</a>
<a href="#">No. 174/VIII/3</a> (20 February 2017)	The then CEO of a SOE in the air transport sector and the then administrator of a commercial company were indicted for respectively taking and giving bribes in 2011-2012, in the context of public tender procedures ignoring principles of competition and transparency. Source: <a href="https://www.pna.ro/comunicat.xhtml?id=10979">https://www.pna.ro/comunicat.xhtml?id=10979</a>

### ***Integrity challenges for SOEs in the scope of the 2021-2025 NAS***

In recent years, strategies have included provisions directly aimed at strengthening integrity in the business environment – including in the state-owned enterprise sector, which was identified as one of the “priority sectors” particularly prone to corruption risks. The development of integrity plans by SOEs was first recommended by the 2012-2015 NAS and reiterated by the following the 2016-2020 NAS due to implementation shortcomings. Provisions related to procurement and disclosure were also included the 2012-2015 NAS and 2016-2020 NAS, respectively (Government of Romania, 2016<sup>[42]</sup>).

Building on these measures, the 2021-2025 NAS, which was formally approved by government decision No. 1 269 in December 2021, mainly aims to further strengthen i) the use of integrity plans as managerial tools to promote organisational integrity in SOEs, as well as ii) disclosure requirements by SOEs. It also includes iii) compliance functions to be introduced by law in SOEs, along with a national compliance monitoring system at SOE-level, as well as iv) provisions to strengthen integrity in public procurement, through open contracting data standards and the uptake of anti-corruption contract clauses (Government of Romania, 2021<sup>[43]</sup>). The NAS also reiterates Romania's ambition to become an OECD member, and in particular to adhere to the OECD Working Group on Anti-bribery, which also implies accession to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. These objectives, along with their associated KPIs and identified risks, are described below (Table 2.3).



**Table 2.3. Specific objective no. 4.5 of the 2021-2025 NAS: “Increasing integrity, reducing vulnerabilities and the risk of corruption in the business environment”**

Specific objectives	KPI / performance indicator	Risks
1. Continue Romania's efforts to become a full member of the OECD and relevant working groups, especially the <b>Anti-bribery working group</b> , which also implies accession to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, adopted in 1997 and effective since 1999.	<ul style="list-style-type: none"> <li>- Completion of implementation projects jointly with the OECD Secretariat.</li> <li>- Business integrity projects / promotion activities.</li> </ul>	<ul style="list-style-type: none"> <li>- OECD reserves regarding the extension of the composition of the working group.</li> <li>- Failure to implement OECD recommendations.</li> </ul>
2. Regulate the introduction of the <b>compliance function</b> within public enterprises and create an occupational standard suitable for compliance officers.	<ul style="list-style-type: none"> <li>- Adoption of a normative act for regulation of the compliance function.</li> <li>- Development of occupational standards for compliance officers.</li> <li>- Number of public enterprises that have designated a compliance officer.</li> </ul>	<ul style="list-style-type: none"> <li>- Delays in adopting the normative act.</li> <li>- Failure to implement the provisions of the new normative act.</li> <li>- Lack of knowledge/specialised skills of employees regarding the compliance environment.</li> </ul>
3. Develop a national <b>compliance monitoring system</b> from the perspective of integrity, at the level of public enterprises.	<ul style="list-style-type: none"> <li>- Functional compliance monitoring system.</li> <li>- Number of reporting SOEs.</li> </ul>	<ul style="list-style-type: none"> <li>- Delays in ensuring the functionality of the compliance monitoring system.</li> <li>- Lack of adequate human and financial resources.</li> </ul>
4. Consolidate the use of <b>integrity plans</b> as managerial tools for promoting organisational integrity frameworks within public enterprises	<ul style="list-style-type: none"> <li>- Number of integrity plans adopted by public enterprises.</li> </ul>	<ul style="list-style-type: none"> <li>- Adoption of plans non-adapted to the organisational integrity context.</li> <li>- Lack of financial and human resources to develop adequate integrity plans.</li> </ul>
5. <b>Exchange of good practices</b> in the implementation of integrity programmes between the private and public sectors.	<ul style="list-style-type: none"> <li>- Number of identified good practices.</li> <li>- Number of common professional training activities.</li> <li>- Degree of adoption of good practices.</li> </ul>	<ul style="list-style-type: none"> <li>- Low level of participation and involvement of representatives of the public sector and the business environment.</li> </ul>
6. <b>Publish economic and financial indicators in open format</b> (including budgets and grants received from public authorities) for enterprises in which the state is a shareholder.	<ul style="list-style-type: none"> <li>- Database available in open format containing the list of enterprises in which the state is shareholder (through central and local institutions) with the following indicators: financial data, KPIs, letter of expectations, the mandate contract, grants received.</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of information on enterprises in which state is the shareholder.</li> </ul>
7. <b>Elaborate a study</b> on integrity and security incidents, and remedy measures taken in the business environment in Romania.	<ul style="list-style-type: none"> <li>- Study developed and published.</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of adequate human and financial resources.</li> <li>- Failure to use the study developed by the group aim</li> </ul>
8. Implementation of <b>open contracting data standards</b> (OCDS).	<ul style="list-style-type: none"> <li>- Number of published datasets.</li> <li>- Institutions and public authorities that have implemented OCDS.</li> </ul>	<ul style="list-style-type: none"> <li>- Failure to implement OCSD public institutions.</li> <li>- Lack of adequate human and financial resources.</li> </ul>
9. Encourage private operators to enter in <b>anti-corruption contract clauses</b> , which stipulates that any contract is considered null if one party is convicted for corruption.	<ul style="list-style-type: none"> <li>- Number of awareness campaigns.</li> <li>- Number of presentations of good practice activities.</li> <li>- Number of disseminated educational materials.</li> </ul>	<ul style="list-style-type: none"> <li>- Low level of application of anti-corruption clauses.</li> </ul>

Source: Author, based on (Government of Romania, 2021<sub>[43]</sub>).

While the NAS currently includes some relevant provisions to prevent corruption and promote integrity in SOEs, evidence suggests that it could be strengthened with provisions to tackle corruption at both the state ownership and SOE level. Indeed, the concluded criminal investigations involving SOEs highlight that corruption involving SOEs can stem both from governance fallacies and inadequate mechanisms at SOE-level: while corruption at the state level can lead to exploitation of SOEs, lack of effective internal controls at enterprise level can also be detrimental to prevent corruption.

Overall, the assessment of the Romanian framework for anti-corruption and integrity in SOEs reveals two sets of issues. On one hand, some shortcomings seem to exist with regard to ownership arrangements, which, as currently established, may not be conducive to integrity in SOEs. On the other hand, weaknesses seem to exist with regard to the implementation of anti-corruption and integrity mechanisms at enterprise level. A detailed description of these issues is provided below under associated recommendations, along with selected examples of how countries have attempted to address similar challenges.

### ***Strengthening the exercise of state ownership for integrity***

In order to reduce opportunities for corrupt behaviour, good practice calls for the state to provide a strong legal framework, robust ownership arrangements, clear expectations around integrity, as well as to safeguard the autonomy of SOEs' decision-making bodies. This would help prevent "state capture" and excessive political intervention in SOEs, whereby SOEs may be used, inter alia, as a conduit for private gain or in pursuit of political goals. While Romania has made substantial progress with regard to its ownership framework over the past decade, some weaknesses remain that continue to threaten the integrity of the SOE sector.

*Romania could strengthen ownership arrangements through clearly identifying ownership rights and ensuring adequate resourcing*

Romania has undergone significant reform since 2010 to strengthen its ownership arrangements, first through the adoption of Government Emergency Ordinance (GEO) no. 109/2011, which was amended and formally approved through Law no. 111/2016. In particular, while the law attributes a monitoring role to the Ministry of Finance, line ministries and other central government institutions responsible for SOE ownership are now each required to set up a "corporate governance structure" comprised of competent professionals to exercise the ownership function. Where effectively insulated, the existence of corporate governance structures could reduce the likelihood that regulatory processes are influenced by interests in SOEs, thereby increasing the likelihood that SOEs are not disadvantaged or advantaged compared to private firms.

However, while it seems that these corporate governance structures are not always established. In detail, as of 2020, two of the 16 central government institutions with a state ownership role reported not having put in place this dedicated structure (Ministry of Finance of Romania, 2021<sup>[36]</sup>). Evidence also suggests some disparities with regard to their composition across line ministries, which can range from including three (e.g. Ministry of Economy) to 11 people (e.g. Ministry of Transport). While this may be due to variations in the size of their respective portfolios, consideration could be given to ensure that these structures are properly staffed with independent and competent professionals and have an adequate budget. Indeed, while the risk of corruption increases if the state intervenes directly in the management of SOEs (i.e. through influence peddling), it can also increase if the state acts too passively as an enterprise owner (i.e. through weak state oversight). Overall, adequate resourcing underpins the active and informed exercise of their ownership responsibilities, which include those that are important to reducing the risk of influence in SOE operations – such as the board selection process, setting objectives and monitoring performance, monitoring conflicts of interest and approving related party transactions.

For ownership arrangements to be conducive to integrity, good practice calls for clearly identifying the exercise of ownership rights within state administration as centralised in a single ownership entity or, if



impossible, by a co-ordinating body that has the capacities and competencies to effectively carry out its duties. This would help ensure that the ownership function is effectively insulated from other conflicting roles of the state with regard to regulating markets and setting industrial policies, thus reducing the likelihood that regulatory policies be influenced by state interests in SOEs. Good practice also calls for individuals exercising ownership on behalf of the state to be held accountable for their conduct and be subject to anti-corruption and integrity mechanisms, including those addressing conflicts of interest and insider trading (Recommendations II.5 and II.2) (OECD, 2019<sup>[44]</sup>).

*Romania could revise and enforce the framework for accountability of SOE boards to promote board autonomy and integrity*

One of the main responsibilities of the state is to ensure that boards be composed in such a manner that enables them to carry out their function autonomously and with integrity. In order to address widespread concerns of politicised boards in Romanian SOEs, GEO no. 109/2011 introduced provisions regarding the selection and appointment of SOE board members and executive managers, in an effort to ensure that they have the appropriate qualifications for the position, and that they are independent enough to discern and promote the interests of the company. In particular, the Ordinance provides detailed rules and criteria-based procedures for the selection of directors and executive managers, which are to be applied by independent committees or human resources recruitment specialists, depending on the legal form and size of SOEs. Law no. 111/2016 also provides clear criteria for the nomination of independent board members (Box 2.6). Overall, these provisions seek to effectively limit political intervention with regard to board and executive appointments.

### Box 2.6. Independence requirements for board members

The nomination of independent board members should take into account the following criteria:

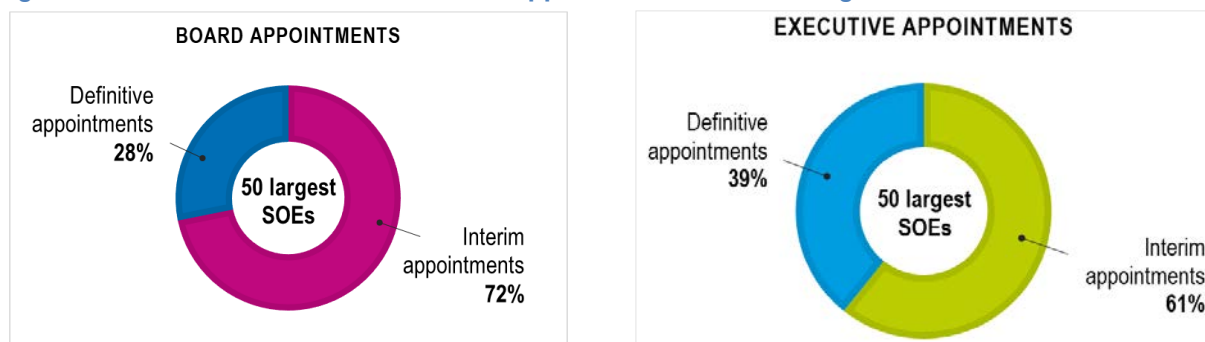
- a. that he/she is not a manager of the enterprise or of a company controlled by it and he/she has not held such a position in the last 5 years;
- b. that he/she is not an employee of the enterprise or of a company controlled by it and he/she has not had such a work relationship in the last 5 years;
- c. he/she should not receive or have received from the enterprise or from a company controlled by it an additional remuneration or other advantages, other than those corresponding to his/her capacity of non-executive administrator;
- d. he/she should not be a significant shareholder of the enterprise;
- e. he/she should not have or have had in the last year business relationships with the enterprise or a company controlled by it, either personally, or as shareholder, administrator, director or employee of a company which has such relationships with the company if, due to their significant nature, they could affect his/her objectivity
- f. he/she should not be or have been in the last 3 years a financial auditor or an employed shareholder of the current financial auditor of the enterprise or of a company controlled by the enterprise;
- g. he/she should not be a director in another company where a director of the enterprise is non-executive administrator;
- h. he/she should not have been a non-executive director of the company for more than 3 mandates;
- i. he/she should not have family relationships with a person who is in one of the situations provided under letter a) and d).

Source: (Government of Romania, 2016<sup>[45]</sup>).

While these provisions can be considered robust in theory in the aim of promoting autonomous boards, evidence suggests that they remain widely unimplemented in practice. This appears to be mainly due to a loophole in Law no. 111/2016 (which amended and approved GEO no. 109/2011), which allows for interim appointments of board members and executive managers in SOEs for a period not exceeding six months. It is also worth noting that these interim appointments can be directly proposed by the state. While this provision was aiming to create a transitory arrangement at the time of the promulgation of the law in addition to a stop-gap in case a board is hit by sudden resignations, it appears that many ownership entities continue to avail themselves of this provision, appointing directors without due procedure (OECD, forthcoming<sup>[39]</sup>).

According to data provided by the Romanian authorities, in 2021, out of the 271 board positions across the 50 largest SOE (in equity value and number of employees), 194 board members were temporary appointments, while only 76 appointments were definitive, following due process. As for executive managers, 48 were temporary appointments and 31 were definitive (Figure 2.2). As these interim appointments can bypass independence requirements, this practice raises concerns regarding the operational autonomy of boards.

**Figure 2.2. Status of board and executive appointments in the 50 largest SOEs as of 2021**



Source: Author, based on data provided by the Romanian authorities.

Overall, it is crucial to take into account several considerations regarding board selection, composition and conduct. Board members should be selected based on a set of clear criteria and subject to transparent procedures. Politicians who are in a position to influence materially the operating conditions of SOEs should not serve on their boards, and former politicians may only serve on SOE boards after the completion of a “cooling-off” period. Boards should be comprised of an adequate number of independent members (i.e. non-state and non-executive members), and apply high standard for hiring and conduct of top management and other executive members, who should also be appointed based on professional criteria (Recommendations IV.9.i-vii) (OECD, 2019<sup>[44]</sup>).

*Romania could set up high integrity expectations for SOEs and their management through appropriate legislative provisions and the establishment of reporting channels*

It is necessary for the state to clearly set and consistently communicate high expectations regarding anti-corruption and integrity for SOEs (Recommendation III.4) (OECD, 2019<sup>[44]</sup>). This can be done in various ways, including through laws, regulations and policies pertaining to SOEs on high-risk areas, such as conflicts of interest management, due diligence in procurement of goods and services, nepotism, accepting gifts, charitable donations and sponsorships. While there is no one-size-fits-all regarding the format and explicitness of the state’s expectations for anti-corruption and integrity, at a minimum, good practice calls for the adoption of laws criminalising bribery of public officials applying equally the representatives of SOE governance bodies, management and employees (Recommendation II.4.i) (OECD, 2019<sup>[44]</sup>).

While Romania is not signatory to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (“Anti-Bribery Convention”), its Criminal Code and Law no. 78/2000 on

preventing, discovering and sanctioning of corruption acts contain provisions criminalising corruption and bribery of domestic and foreign public officials. Romania has also made progress to strengthen integrity in procurement, notably through the adoption of Law 98/2016 on Public Procurement and Law 99/2016 on Sectoral Public Procurement, as well as the implementation of the computerised PREVENT system developed by the ANI designed to monitor and prevent conflict of interest in procurement at the national level.

Besides this, it is unclear how the state communicates expectations for integrity to SOEs other than what appears in seemingly fragmented legislation for the public sector more broadly. For example, it is unclear whether the ACI legal framework applicable to the public sector as a whole is also applicable to all SOEs equally, and applicable to all individuals within SOEs (as opposed to only those considered as civil servants). While provisions exist for public institutions and authorities regarding conflicts of interest, declaration of assets and gifts, incompatibility, revolving doors and whistleblowing, it is unclear whether these provisions apply to all SOEs equally, or concern only selected public enterprises (i.e. wholly, majority or partially owned) (Table 1.1). It is also unclear which individuals within SOEs are concerned (i.e. those in high-risk positions, only those considered public officials, or all board members and executive management equally). At a minimum, good practice calls for six policies to be considered which would address conflicts of interest, mitigate the risks of insider trading, and facilitate reporting about irregular practices (Box 2.7).

### Box 2.7. OECD best practices on exercising ownership for integrity

- 1. Restrict public officials exercising state ownership from holding shares in an SOE or in privately-owned companies in the same sectors of SOEs' operations (e.g. competitors or suppliers).**

In **Chile**, the ownership entity's (SEP) [Information Management Manual](#) establishes 'locking' periods where SEP officials cannot acquire securities linked to SEP companies or goods whose value can be influenced by the information that is taken from a SEP company. In **France**, representatives of the French ownership entity (APE) are prohibited from taking interest in a company under APE's control, directly or through other individuals, which could compromise their independence. In **Switzerland**, according to the [Federal Administration Code of Conduct](#), if federal employees are aware of information regarding SOEs that is not public knowledge and which is likely to influence the value of shares, these employees are not allowed to enter into transactions with such shares (Art. 94c).

- 2. Restrict public officials from becoming involved in the corporate governance of private sector enterprises (e.g. to work in or provide services).**
- 3. Implement confidential channels for public officials to report suspected instances of corruption or rule-breaking, involving SOEs, to responsible authorities that have the mandate and capacity to conduct investigations free from undue influence (e.g. specialised anti-corruption agencies and integrity institutions, law enforcement bodies, Court of Accounts).**

In **Chile**, the Ethics Code covering representatives of the ownership entity (SEP) establishes investigation procedures for complaints, which can be made anonymously through a form available on the SEP intranet that initiates an investigation procedure. In **Switzerland**, Article 22a of the Federal Personnel Act provides that all employees be obliged to report all crimes or misdemeanours to be prosecuted ex officio, which they have discovered in the course of their official duties or which have been reported to them, to the criminal prosecution authorities, their superiors or the Swiss Federal Audit Office (SFAO). Employees are entitled to report to the SFAO (e.g. via an online whistleblowing platform) other irregularities that they have discovered in the course of their official duties or that have been reported to them. Anyone who reports or reports in good faith or who has given evidence as a witness must not be disadvantaged in his professional

position as a result. The Federal Office of Personnel has published a [guide](#). The whistleblowing platform is open and accessible for everybody.

**4. Protect whistle-blowers from all types of unjustified treatments when reporting suspected instances of corruption or irregular practice.**

In the **United Kingdom**, the Public Interest Disclosure Act 1998, which protects whistle-blowers who make certain protected disclosures from detrimental treatment by their employer, is equally applicable to staff at the state level as it is to those working within SOEs. It is best practice in the UK for organisations in the public and private sector to have their own internal whistleblowing policies. For example, UK Government Investments (UKGI, which performs an ownership function) has its own whistleblowing policy applicable to its staff and expects the Board of its SOEs to regularly update their own whistleblowing policies. In addition, the UK Government has produced guidance (Whistleblowing: guidance for employers and code of practice) for employers to understand the law relating to whistleblowing, how to implement a whistleblowing policy and to recognise the benefits whistleblowing can bring to an organisation.

**5. Subject public officials to conflict of interests rules.**

In **Chile**, the ownership entity (SEP) has an Ethics Code for its advisers, officials, and directors. The Code reminds representatives that their job is to serve the state, putting general interest before that of individuals, performing work honestly and to the best of their abilities including being objective and transparent in decision-making. It disavows acceptance of any benefits that requires illegal or inappropriate behaviour, or non-compliance with established procedures, providing the explicit example of bribery. SEP representatives are obliged to note, and refuse to act on, any situation that could reduce their objectivity. In **France**, representatives of the French ownership entity (APE) must sign a Code of Ethics upon taking their duty, which includes provisions relating to the management of conflicts of interest, gifts and invitations offered by companies and the management of their financial instruments. They are moreover required to fill in a declaration of interest and, in certain cases, an asset declaration (art. 25 of 'Loi Le Pors'). Declarations of interest are transmitted to the relevant authorities in the nomination process. In cases of doubt regarding potential conflict of interest, the declaration can be transferred to the High Authority for Transparency in Public Life ("HATVP") to pronounce itself on the conflict.

**6. Subject public officials to provisions on handling sensitive information to mitigate risks of insider trading.**

Source: (OECD, 2020<sup>[46]</sup>)

In order to further limit the likelihood of undue influence on SOEs' operations, good practice also calls for the state to:

- clearly set SOE objectives and avoid redefining these objectives in a non-transparent manner, and
- provide SOEs with channels to seek advice or report when government representatives give instructions that appear irregular.

While the Romanian framework for setting SOE objectives was substantially improved in 2016 with Law no. 111/2016 and Government Decision (GD) no. 722/2016 which introduced provisions to align expectations from ownership entities and SOEs, it should be noted that this framework is intrinsically linked to the board and executive appointment process, which is itself often bypassed. As KPIs are not set for interim appointees, this makes the monitoring of specific objectives difficult, which can have implications for integrity.

As such, consideration could be given to establishing reporting channels through which SOEs would be able to seek advice or to report instructions given by representatives of government, including those of the ownership entity, which appear to be irregular (Recommendation III.3) (OECD, 2019<sup>[44]</sup>). For instance, in Chile, the Comptroller General has a unit for public enterprises through which they can make inquiries.

There is also a complaints channel available for SOEs to use as needed (OECD, 2020<sup>[46]</sup>). In the same vein, consideration could also be given to setting a transparent communication framework that would include maintaining accurate records of communication between the ownership entity and SOEs. This could entail setting rules mandating to keep copies of the written correspondence, minutes of telephone discussions and meetings between the ownership entity and the SOE by both the ownership entity and the SOE and make them available to the competent authorities on request. This would help deter illicit activities and facilitate investigations if the case arises (OECD, 2020<sup>[46]</sup>) (Box 2.8).

### Box 2.8. Selected approaches setting and communicating high expectations regarding corruption and integrity in SOEs

In **Finland**, the state ownership entity considers corruption and integrity matters to be the responsibility of companies and management. The state ownership entity considers it favourable that SOEs use internationally recognised guidelines and principles for corporate social responsibility in their activities, including for example, the OECD Guidelines for Multinational Enterprises, the UN Global Compact initiative, the ISO 26000 Social Responsibility Guidance Standard and the UN Guiding Principles on Business and Human Rights. A dialogue about the state's anti-corruption and integrity ownership expectations between the representatives of the state ownership entity and the Chairs of the boards takes place on a company-by-company basis at least once a year.

In **Italy**, the Ministry of Economy and Finance and anti-corruption authority (ANAC) set up a dedicated working group to create guidelines for partly or wholly owned SOEs, at the central and local level. Upon completion in 2015, the Ministry released a directive addressed to the companies controlled or partly owned by the Ministry itself. The directive illustrates the basic contents of the measures that should be adopted: introduction of codes of conduct or the integration of ethical codes already in force and establishment of a sanctions system; transparency; mechanisms to verify incompatibility and/or ineligibility for management; measures to protect whistleblower protection and avoid "revolving doors"; bans for employees who cease their positions, and; employee training and job rotations.

In **New Zealand**, Shareholding Ministries expect Crown Company boards to adhere to the 'no surprise policy' and be informed well in advance of everything considered potentially contentious in the public arena, whether the issue is inside or outside the relevant legislation and/or ownership policy. Examples of information that fall within the "no surprise" policy include: changes in CEOs; potential or actual conflicts of interest; potential or actual litigation by or against the company or its directors or employees; fraudulent acts; breaches of corporate social responsibility obligations; the release of significant information under the Official Information Act, and; imminent media coverage of activities that could raise criticism and beg for a response from shareholding ministries.

Source: (OECD, 2020<sup>[46]</sup>)

### ***Strengthening integrity and prevention of corruption at enterprise level***

Several tools exist for ownership entities to promote integrity and prevent corruption in SOEs. These include the promotion of effective internal and external controls, ethics and compliance measures, and disclosure requirements that can prevent, detect and mitigate corruption-related risks (OECD, 2020<sup>[46]</sup>). While Romania has made progress on this front with the adoption of relevant laws, regulations and standards in recent years, some lags in implementation exist.

*Romania could develop an integrated risk-management system in SOEs and review the adequacy of mechanisms for internal control and audit*

The risk management framework of a company is the cornerstone of corporate governance from which all internal controls could be derived, and ineffective internal control and risk management can stand as an impediment to integrity (OECD, 2020<sup>[46]</sup>).

In Romania, internal management control systems, risk management policies and risk monitoring are required to be implemented in SOEs as part of the “corporate governance indicators” set for individual board members and executive managers upon their appointment, as part of the objective-setting process. According to GD no. 722/2016, the degree of compliance with these corporate governance KPIs should determine between 50-75% of the variable remuneration of board members, and between 10-25% of the variable remuneration of executive managers. However, again, as this is linked to the appointment process which is itself often bypassed, KPIs – including corporate governance indicators – remain widely unused for individual SOE board and executive members (see section above). As such, it is unclear whether adequate risk management frameworks are actually established in SOEs.

In spite of this, all SOEs are subject to Law no. 672/2002 on internal public audit, which requires internal auditors to independently assess risk management, control and governance processes, and to report directly to the board. According to Law 162/2017, SOEs are also required to have an external audit under the co-ordination of the audit committee, which is responsible for selecting the external auditor, for ensuring his/her independence and objectivity, and for monitoring the external audit of financial statements. While this stands in line with good practice, some issues may exist with regard to the independence of the audit committee in some SOEs. Indeed, while SOEs are also required to establish an audit committee comprised of a minimum of three non-executive and independent members, for SOE boards with a majority interim appointees bypassing independence criteria, it may be inferred that the composition of the audit committee may not fully comply with independence requirements.

In addition, it is also worth noting that while all SOEs are required to submit their annual financial statements, and the consolidated statements with the auditor’s report, to the Ministry of Finance and their ownership entities and publish them on their website, as of 2020 only 67% had published their annual financial statements, and 62% had published the audit report.

In line with good practice, according to Law no. 94/1992, the Court of Accounts also carries out performance and compliance audits of majority owned SOEs (with more than 50% of state shareholding), using internal audit report to delve deeper into any issues that may be identified internally. If irregularities are found, a notice is sent to SOE’s management, as well as to the ownership entity, who are then required to take measures to address the issues identified according to a set deadline. The auditee can also challenge the decision before the court.

Romania could further encourage the adoption of integrated risk management systems in SOEs, which should be treated as integral to achieving SOE’s objectives and its strategy, instead of simply mitigating possible sanctions for non-compliance with laws (Recommendation IV.1.i) (OECD, 2019<sup>[44]</sup>). The government could review the adequacy of SOE mechanisms for internal control, risk management and internal audit, to ensure that controls envisioned by existing state legislation are implemented and, as would be called for by good practice, are tailored to the specific risks of each company. Consideration could also be given to ensure that there are processes and individuals or groups within the company that have sufficient autonomy to assess the adequacy of risk management processes more broadly, and well as related controls, and to raise concerns to the board. Anti-corruption related rules and controls within the company (e.g. integrity plans) could also be integrated into the overall system for internal controls and risk management (as detailed below). Of note, this is in line with one of the objectives set by NAS 2021-2025, namely: “develop[ing] a national compliance monitoring system from the perspective of integrity, at the level of public enterprises”.



*Romanian could better monitor the implementation of integrity measures and mechanisms at SOE-level*

While corruption or irregular practices may signal and absence of or weak internal controls, where internal controls exist, their relevance and effectiveness may need to be improved. This goes hand in hand with disseminating a culture of integrity across the company. Indeed, SOEs consider one of their greatest obstacles to integrity is a lack of awareness of SOE officials to the importance of integrity (OECD, 2020<sup>[46]</sup>).

Good practice calls for the state to encourage integrity mechanisms to be made applicable to all levels of corporate hierarchy and all entities over which a company has effective control, including subsidiaries (Recommendation IV.3) (OECD, 2019<sup>[44]</sup>). In Romania, the board of each SOE is required to establish a policy related to conflicts of interest and its implementation plan. In that aim, the board adopts, within 90 days of its appointment, a code of ethics, which should be revised annually, and be approved by the internal auditor. The code of ethics should be published by the chair of the board on the SOE's webpage within 48 hours of its adoption and, in case of revision, on 31 May of the current year. However, as of 2020, only 61% of centrally owned SOEs subject to this requirement had published the code of conduct and professional ethics (Ministry of Finance of Romania, 2021<sup>[36]</sup>). This may be due to the fact that its adoption is linked to the board appointment process, which is itself often bypassed.

Good practice also calls for SOE board and executive members to make declarations to relevant bodies regarding their investments, activities, employment and benefits from which a potential conflict of interest could arise (Recommendation III.9.iv) (Box 2.9) (OECD, 2019<sup>[44]</sup>). In Romania, board members and executive managers of SOEs are required to disclose declarations of assets and interests, which can be completed and submitted through the e-DAI platform administered by the National Integrity Agency. While SOEs are also required to disclose the CVs of each board member and executive manager, as of 2020, only around 70% of centrally owned SOEs had complied (Ministry of Finance of Romania, 2021<sup>[36]</sup>).

### **Box 2.9. Croatia's anti-corruption programme**

In Croatia, the Anti-Corruption Programme 2019-2020 for majority-owned companies requires that all majority state-owned enterprises adopt a Code of Ethics, which requires companies to define the procedures for implementing ethical policies, including rules and procedures for reporting corruption and other integrity violations. In particular, the Code should define procedures for implementing these ethical policies, as well as disciplinary actions to be taken in the case of their violation. One of the key requirements is that management board members, executives of the company and all other employees of the company at all levels and positions must adhere to this Code in the performance of their duties. Its primary purpose should be to integrate these principles within the company's business processes and work environment, so that these principles become regular behaviour for all employees of the company, in line with ethical and professional standards and the generally accepted societal values.

Source: (OECD, 2020<sup>[46]</sup>)

While elements for ensuring integrity and fighting corruption include codes of conduct, compliance function, integrated risk management, and internal and external controls, and are usually integrated into SOEs' corporate governance structure, they may also be integrated into specific "integrity programmes" (OECD, 2016<sup>[47]</sup>). In Romania, SOEs which adhere to the National Anti-Corruption Strategy (NAS) commit to developing "integrity plans" which contain, amongst others, measures identified by the company's management as remedies for the risks and institutional vulnerabilities to corruption. While these plans are actively recommended by the NAS, evidence suggests that their uptake remains the exception rather than the rule (and may be restricted to the largest SOEs only), as they are developed on a voluntary basis. Further, as stated through the text, while the NAS provides for a comprehensive definition of integrity plans

and what they should include, for SOEs that do not disclose their annual reports (as required by law), it is unclear if and how integrity plans are actually implemented (see Box 2.11 below).

As the NAS 2021-2025 seeks to further promote the use of integrity plans and the implementation of a compliance function in SOEs to oversee their implementation, it is important to note that good practice calls for risk management and control activities to not be siloed in stand-alone programmes, but truly integrated into company strategy and processes. In addition, it is important that those responsible for overseeing implementation of integrity programmes have, *inter alia*, adequate qualifications and autonomy, and take into consideration the questions outlined in Box 2.10 below.

### Box 2.10. US Department of Justice – Evaluation of Corporate Governance Programmes

- a. **Autonomy** – Have the compliance and relevant control functions had direct reporting lines to anyone on the board of directors? How often do they meet with the board of directors? Are members of the senior management present for these meetings? Who reviewed the performance of the compliance function and what was the review process? Who determines the compensation, bonuses, pay rises, hiring, or termination of compliance officers? Do the compliance and relevant control personnel in the field have reporting lines to headquarters? If not, how has the company ensured their independence?
- b. **Empowerment** – Have there been specific instances where compliance raised concerns or objections in the area in which the wrongdoing occurred? How has the company responded to such compliance concerns? Have there been specific transactions or deals that were stopped, modified, or more closely examined as a result of compliance concerns?
- c. **Stature** – How has the compliance function compared with other strategic functions in the company in terms of stature, compensation levels, rank/title, reporting line, resources, and access to key decision makers? What has been the turnover rate for compliance and relevant control function personnel? What role has compliance played in the company's strategic and operational decisions?
- d. **Experience and qualifications** – Have the compliance and control personnel had the appropriate experience and qualifications for their roles and responsibilities?
- e. **Funding and resources** – How have decisions been made about the allocation of personnel and resources for the compliance and relevant control functions in light of the company's risk profile? Have there been times when requests for resources by the compliance and relevant control functions have been denied? If so, how have those decisions been made?
- f. **Outsourced compliance functions** – Has the company outsourced all or parts of its compliance functions to an external firm or consultant? What has been the rationale for doing so? Who has been involved in the decision to outsource? How has that process been managed (including who oversaw and/or liaised with the external firm/consultant)? What level of access does the external firm or consultant have to company information? How has the effectiveness of the outsourced process been assessed?

Source: (US DoJ, 2017<sup>[48]</sup>)

Good practice also calls for the state to consider promoting the importance of internal controls, ethics and compliance measures in the SOEs through educational campaigns, including by organising joint training activities (Recommendation IV.4) (OECD, 2019<sup>[44]</sup>). In Romania, this is already the case as the state has set up a platform for exchange of information and good practice between the private sector and SOEs. In addition, the American Chamber of Commerce in Romania (“AmCham”) has developed guidelines in



recent years to share good practices on a number of integrity issues, including risk control, compliance officers, conflicts of interest, and third parties' anti-corruption due diligence. It is also worth noting that all AmCham members – including both public and private companies – are required to adhere to AmCham Romania Code of Corporate Governance (AmCham, 2010<sup>[49]</sup>) and AmCham Romania Anti-Corruption Guidelines (AmCham, 2012<sup>[50]</sup>).

*Romania could revise sanctions to better implement disclosure requirements to promote accountability of SOEs*

Disclosure and transparency play a critical role in promoting integrity in the SOE sector. Good practice calls for the state to require SOEs to publish annual reports on their performance with audited financial statements (Recommendation V.1) (OECD, 2019<sup>[44]</sup>). In Romania, in order to ensure access to information by all shareholders in an equal manner, as well as the general public, Law no. 111/2016 requires SOE boards to publish the following documents: board resolutions, annual financial statements, quarterly accounting reports, annual audit reports, a list of executive managers and members of the board, and their code of conduct. However, in 2020, only around three-fifth of SOEs complied with these requirements on average (Box 2.11).

Although the Ministry of Finance has sanctioning powers in case of non-compliance, these sanctions are generally very limited, involving mostly monetary fines that appear puny in the larger context of ministerial budgets, and which may not be sufficient to deter bad behaviour. As such, consideration could be given to revising the sanctioning system in order to secure greater compliance – for instance by increasing the amounts of fines or revising penalties altogether in order to implement a “gradual” enforcement system.

**Box 2.11. Compliance with transparency requirements as provided by Law no. 111/2016**

According to the Ministry of Finance, in 2020, out of the 151 SOEs required to abide by these obligations:

- 85% had their own website
- 67% had published their annual financial statements
- 62% had published the audit report
- 64% had published the half-yearly accounting reports
- 62% had published the report of directors
- 61% had published the code of conduct and professional ethics
- 69% had published the CVs of board members and executive managers
- 47% published information on board and executive remuneration
- 62% published the decisions of the general meeting of shareholders.

Source: (Ministry of Finance of Romania, 2021<sup>[36]</sup>)

Good practice also calls for the state owner to develop its practice of aggregate reporting. In Romania, based on the information collected from SOEs, the Ministry of Finance prepares an annual report on central and local SOEs reporting on their activities during the previous fiscal year. The report notably includes information on subsidies granted to both central and local SOEs from the state budget, dividends and payments distribution and transferred by SOEs, outstanding payments of SOEs, as well as economic and financial indicators of SOEs grouped by sector of activity. The report is submitted to government and made publicly available on the Ministry of Finance's website. In line with good practice, this effectively ensures highly accessible and transparent information about the evolution, size, value and performance of the state-owned sector.

## Proposals for action

The recommendations detailed in this chapter provide input on ways through which Romania could develop and improve in strategic sectors (health, education and SOEs). These recommendations can inform current and ongoing reforms and strengthen Romania's capacity to respond to corruption. Romania could consider taking steps to further strengthen its integrity system by:

### ***Strengthening integrity measures in the health sector***

*Romania could consider special integrity measures for the health sector, including the development of a coherent and all-encompassing health sector anticorruption policy, that takes into consideration sector-specific risks and procurement risk maps*

- Developing a coherent health sector integrity and anticorruption strategy, which could be endorsed by the top leadership through the revised sectorial integrity plan.
- Establishing a cross-departmental or cross-institutional working group for integrity policies in the health sector.
- Developing a small sub-working group of relevant health sector institutions, including ANI, NAPP, the National Digitalisation Agency and consider creating the role of a high-level integrity adviser within the MoH.
- Empowering the “health sector working group” in their overseeing of the NAS implementation as well as entrusting it with the monitoring of the integrity and anti-corruption policy for the for the health sector.
- Developing a solid, explicit and frank problem diagnosis of integrity issues in the Romanian health sector. Such an exercise should assess integrity, corruption and opacity risks and identify actual practice of corruption and clientelistic capture. An independent analysis, by civil society or academia, could be consider as a complement, to ensure credibility and legitimacy.
- Involving all relevant stakeholders from within the system and public entities as well as its providers and users in the diagnosis and monitoring of integrity policies. Furthermore, the assessment could be focused on a selection of priority areas of the Romanian health system to make it more manageable, and priorities could be collectively defined between actors from the public sector, civil society, academia, and the private sector.
- Conducting a rapid review of the development and implementation of anticorruption strategies in a selection of key health sector institutions (e.g. MoH, NHIH, MDA, large spending hospitals (either specialised or regional hospitals) and linked with the development of integrity plans.
- Developing sectorial guidelines on integrity plans, considering that certain institutions lack the maturity level to apply the general methodological guides provided by the MoJ.
- Developing sector-focused lines of action, including a conflict-of-interest analysis, the *ex ante* controls of procurement through PREVENT and an analysis of the declarations of interests to identify and address some of the alleged misconduct and institutional capture in the health sector in a more systematic way.
- Linking institutional and integrity performance, including in the identification of a few relevant institutional performance indicators as well as the development of meaningful institutional integrity plans in health sector institutions.
- Developing meaningful institutional monitoring mechanism in priority areas such as evidence-based allocation of funds, transparent appointments and contracting of leading health sector staff as well as accountability for institutional performance, hospital recruitment of doctors, procurement of medical inputs and hospital infrastructure and integrity in service delivery.

- Developing a risk map of corruption in public procurement and include sub-sections for priority sectors.

*Romania could strengthen its integrity management systems and integrity culture in health institutions by creating a network of sector specific ethics counsellors and developing a more stringent meritocratic process throughout the sector*

- Creating a sector specific networks of ethics counsellors in the health sector.
- Developing methodologies for assessing individual and collective behavioural change of public officials in key decision points of the health sector institutions.
- Make use of ANI's existing handbook for ethics guidance to be complemented with examples and specific cases from Romania's health sector.
- In order to ensure effective protection of citizens who report alleged integrity incidents, each health institution could identify or develop its own reporting channels and assess internally what works or not and why.
- Assessing the possibility and viability of a single "window" for receiving complaints and reports in the health sector. Such a mechanism could channel the complaints and reports of the relevant entity, oversee the effective handling of the allegations, analyse trends of misconducts, as well as the respective drivers and enablers for each institution.
- Considering strengthening the implementation of the "Romanian Sunshine Act", particularly, in the area of education for health professionals and their dependence on and influence by the pharma industry.

### ***Strengthening integrity measures in the education sector***

- Strengthening integrity measures by assigning proper resources within the MoE for the implementation and monitoring of NAS activities in their sector.
- Conducting an analysis of needs in the sector, including guidance and training needed in the area of integrity and work alongside the MoJ to provide sector institutions with the necessary tools to effectively implement them.
- Increasing ownership and commitment to implementing the wide range of integrity measures within the sector, not only those contained in the NAS but the enlarged integrity system in the education sector.

*Romania could develop a culture of integrity at the education system by developing an all-encompassing integrity strategy and working alongside School Boards, Inspectorates, and Associations to mainstream through the sector*

- Developing a bottom-up approach to an integrity policy in the education sector by engaging School Boards, the Inspectorate, and the Parent-Teacher Associations to build consensus on which problems to prioritise, taking into account their political feasibility.
- Making use of different policy tools to build up momentum on integrity policies in the education system. Amongst those: transparency-promoting tools, participatory budgeting, and public expenditure tracking surveys. Moreover, accountability-promoting tools, such as performance-based contracting, teacher codes of conduct, community monitoring, complaints mechanisms, salary reform, procurement reform, and public financial management reforms.
- Strengthening the reports of the Inspectorate by including statistics, highlight trends and encouraging ethical behaviours.
- Assessing schools in Romania by ranking them along several criteria.

- School Boards and teacher associations could consider local cases of ethical infractions and act to deter integrity violations.
- Developing and incentivising the use of “Test Security Plans” to ensure a fair and standardised testing and examination through the entire education system.

*Romania could promote more targeted integrity initiatives at universities and increase its efforts to advertise such initiatives*

- Establishing university’s anti-corruption activities and organisational structures with the following:
  - Within each faculty (Education, Law, Medicine, Business etc.) a student committee elected by other students to hear cases of plagiarism. With a faculty advisor, this committee would be free to declare the student innocent of the charge, guilty but with a modest punishment, guilty with a significant punishment (e.g. expulsion for a year), or permanent expulsion.
  - Within each faculty a committee to hear cases of faculty professional misconduct with a boarder spectrum of sanction options.
  - Codes of conduct for members of faculty, students, and administrators published on the university website and signed each year.
  - A university-wide committee on integrity which oversees and reports on the activities of each of these other committees, circulates the results, and encourages discussions about them.
- Analysing admission criteria for universities as a way of mainstreaming integrity policies through the education system.

### **Strengthening integrity measures in state-owned enterprises (SOEs)**

*Romania could strengthen the exercise of state ownership for integrity by setting up robust ownership arrangements, establishing clear expectations around integrity, and safeguarding the autonomy of SOEs’ decision-making bodies*

- Strengthening ownership arrangements through clearly identifying ownership rights and ensuring adequate resourcing. This could either entail better equipping the “corporate governance structures” established within line ministries to ensure that they are properly resourced – both in terms of budget and staff, or further centralising the state ownership function. Consideration could also be given to mandating that these structures, or central state ownership agency, include an ethics advisor or officer.
- Revising and enforcing the framework for accountability of SOE boards to promote board autonomy and integrity. In particular, board members should be selected based on a set of clear criteria and subject to transparent procedures, the majority of whom should be independent (i.e. non-state and non-executive members).
- Setting high integrity expectations for SOEs and their management through appropriate legislative provisions and the establishment of reporting channels. At a minimum, the state should have clear processes for communication between state representatives and SOEs so that illicit instructions cannot bypass proper channels of communication with board members or executive management.

*Romania could strengthen integrity and prevention of corruption at enterprise level, including through the promotion of effective internal and external controls, ethics and compliance measures, and disclosure requirements that can prevent, detect and mitigate corruption-related risks*

- Developing an integrated risk-management system in SOEs and review the adequacy of mechanisms for internal control and audit. This would ensure that controls envisioned by existing state legislation are implemented and tailored to the specific risks of each company.
- Consideration should also be given to ensure that there are processes and individuals or groups within the company that have sufficient autonomy to assess the adequacy of risk management processes more broadly, and well as related controls, and to raise concerns to the board.
- Monitoring the implementation of integrity measures and mechanisms at SOE-level, in particular for those SOEs which do not abide by disclosure requirements, and where it is unclear if and how integrity plans are actually implemented. Anti-corruption related rules and controls within the company (e.g. integrity plans) should also be integrated into the overall system for internal controls and risk management.
- Revising sanctions to better implement disclosure requirements to promote accountability of SOEs. While the Ministry of Finance currently has sanctioning powers in cases of non-compliance by both ownership entities and SOEs – including disclosure requirements – evidence suggests that they are insufficient to deter illicit behaviour. At a minimum, efforts could be made to ensure that sanctions are effective, proportionate and dissuasive. Consideration could also be given to revising the system altogether to implement “gradual” sanctions that would require monitoring to ensure effective enforcement and improved compliance over time.

## References

- ACTUE (2020), *Estrategia de transparenca en el INVIMA*, [13]  
<http://www.actuecolombia.net/index.php/lineas-estrategicas/accion-sectorial/salud/16-lineas-estrategicas/accion-sectorial/50-estrategia-de-transparenca-en-el-invima> (accessed on 7 September 2022).
- Agerpres (2015), *Secretary of State, detained by the DNA in a corruption case*, [16]  
<https://stirileprotv.ro/stiri/actualitate/secretar-de-stat-adus-la-dna-intr-un-dosar-de-coruptie-perchezitii-la-ministerul-sanatatii.html> (accessed on 1 August 2022).
- AmCham (2012), “AmCham Romania Anti-Corruption Guidelines”. [50]
- AmCham (2010), “AmCham Romania Code of Corporate Governance”. [49]
- ANI (2016), *PREVENT system – section designed to inform the persons with attributions in the implementation of the provisions of Law no. 184/2016*, [12]  
<https://www.integritate.eu/PREVENT.aspx> (accessed on 29 July 2022).
- Council of Europe (2022), *Romania: Sufficient progress made*, [25]  
[https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_7029](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_7029) (accessed on 16 January 2023).
- Eurofound (2017), *European Quality of Life Survey (EQLS)*. [27]
- European Commission (2022), *Recovery and resilience plan for Romania*. [10]
- European Commission (2020), *European Semester Country Report Romania 2020*, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0522&from=EN>. [40]
- Government of Romania (2021), *National Anti-Corruption Strategy 2021-2025*, [24]  
<https://sna.just.ro/docs/pagini/79/NAS%202021-2025.pdf>.
- Government of Romania (2021), *National Anti-Corruption Strategy 2021-2025*, [43]  
<https://sgg.gov.ro/1/strategia-nationala-anticoruptie/>.
- Government of Romania (2016), *LAW No 111 of 27 May 2016 approving Government Emergency Ordinance No 109/2011 on corporate governance of public enterprises*, [45]  
<http://www.monitoruljuridic.ro/act/lege-nr-111-din-27-mai-2016-pentru-aprobarea-ordonan-ei-de-urgen-a-guvernului-nr-109-2011-nbsp-privind-guvern-a-corporativ-a-ntreprinderilor-publice-emitent-178925.html> (accessed on 29 July 2022).
- Government of Romania (2016), *National Anti-Corruption Strategy 2016-2020*, [42]  
[https://static.anaf.ro/static/10/Anaf/Informatii\\_R/SNA\\_2016\\_2020\\_28112016.pdf](https://static.anaf.ro/static/10/Anaf/Informatii_R/SNA_2016_2020_28112016.pdf).
- Heyneman, S. (2014), “The Ethical Underpinnings of World Class Universities”, in Shin, J. and U. Teichler (eds.), *The Future of the Post-Massified University at the Crossroads*, Springer International Publishing, Cham, <https://doi.org/10.1007/978-3-319-01523-1>. [34]
- Heyneman, S. (2009), *An Education Bureaucracy that Works*, <https://www.educationnext.org/an-education-bureaucracy-that-works/> (accessed on 19 July 2022). [31]

- Heyneman, S. (2004), "Education and Corruption", *International Journal of Educational Development*, Vol. 24/6, pp. pp. 638-48. [23]
- Heyneman, S. and K. Anderson (2008), "The Cost of Corruption in Higher Education", *Comparative Education Review*, Vol. 51/2, pp. 1-25, <https://www.journals.uchicago.edu/doi/full/10.1086/524367> (accessed on 19 July 2022). [33]
- Hussmann, K. (2020), *Health sector corruption: Practical recommendations for donors*, <https://www.u4.no/publications/health-sector-corruption.pdf> (accessed on 7 September 2022). [14]
- ISI (2016), *Inspection Report on the British International School of Kuala Lumpur*, <https://static1.squarespace.com/static/6034e7931c7db250316a2913/t/6037c12b8767b32af3200285/1614266667525/British-International-School-of-Kuala-Lumpur-Report.pdf> (accessed on 25 August 2022). [32]
- Kirya, M. (2019), *Education sector corruption: How to assess it and ways to address it*, <https://www.u4.no/publications/education-sector-corruption-how-to-assess-it-and-ways-to-address-it> (accessed on 1 August 2022). [21]
- Kitchen, H. et al. (2017), *Romania 2017*, OECD Reviews of Evaluation and Assessment in Education, OECD Publishing, Paris, <https://doi.org/10.1787/9789264274051-en>. [22]
- Mental Health Europe (2017), *Shedding light on the relationship between Pharma and the healthcare profession: A mapping of Sunshine and transparency laws, regulations and codes in Europe*, <https://mhe-sme.org/wp-content/uploads/2017/09/Mapping-of-Sunshine-Laws-in-Europe.pdf> (accessed on 25 August 2022). [19]
- Ministry of Finance of Romania (2021), *Annual report on SOEs 2020*, <http://fiscalcouncil.ro/SOE%202020%20EN.pdf>. [36]
- Ministry of Justice of Romania (2020), *Causes and determining factors of corruption*, <https://sna.just.ro/docs/pagini/60/Raport%20cercetare%20studiu%20criminologic%20engleza.pdf> (accessed on 26 July 2022). [4]
- National Integrity Agency (ANI) (2019), *Guide on incompatibilities and conflicts of interest - Ghid privind incompatibilitățile și conflictele de interese*, [https://www.integritate.eu/Files/Files/Ghid\\_Incompatib\\_ConflicteInterese\\_2011/ghid%20incomp%20si%20conflicte%202019.pdf](https://www.integritate.eu/Files/Files/Ghid_Incompatib_ConflicteInterese_2011/ghid%20incomp%20si%20conflicte%202019.pdf) (accessed on 1 August 2022). [18]
- OECD (2022), *Evaluation of the Romanian National Anti-corruption Strategy 2016-2020*, OECD, Paris, <https://www.oecd.org/gov/ethics/evaluation-romanian-national-anti-corruption-strategy-2016-2020.pdf> (accessed on 13 May 2022). [3]
- OECD (2022), *OECD Capital Market Review of Romania 2022: Developing a Capital Market Strategy for Growth in Romania*, OECD Capital Market Series. [41]
- OECD (2020), *Implementation Guide: OECD Guidelines on Anti-Corruption and Integrity for State-Owned*, <http://www.oecd.org/corporate/anti-corruption-integrity-guidelines-for-soes.htm> (accessed on 29 August 2022). [46]
- OECD (2020), *OECD Public Integrity Handbook*, OECD Publishing, Paris, <https://doi.org/10.1787/ac8ed8e8-en>. [1]



- OECD (2019), *Guidelines on Anti-corruption and Integrity in State-Owned Enterprises*, OECD Publishing, Paris, <http://www.oecd.org/corporate/Anti-Corruption-Integrity-Guidelines-for-SOEs.htm>. [44]
- OECD (2019), *OECD Review of the Corporate Governance of State-Owned Enterprises in Bulgaria*, OECD, Paris, <https://www.oecd.org/daf/ca/oecd-review-corporate-governance-soe-bulgaria.htm#:~:text=Building%20on%20a%20rigorous%20review,transparently%20and%20in%20an%20accountable>. [38]
- OECD (2017), “Recommendation of the Council on Public Integrity”, *OECD Legal Instruments*, OECD, Paris, <https://www.oecd.org/gov/ethics/OECD-Recommendation-Public-Integrity.pdf> (accessed on 26 April 2022). [9]
- OECD (2017), *Tackling Wasteful Spending on Health*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264266414-en>. [7]
- OECD (2017), *The Size and Sectoral Distribution of State-Owned Enterprises*, OECD, Publishing, Paris, <https://doi.org/10.1787/9789264280663-en>. [37]
- OECD (2016), *Business Integrity in Eastern Europe and Central Asia*, OECD, Paris, <https://www.oecd.org/corruption/acn/Business-Integrity-in-Eastern-Europe-and-Central-Asia-ENG.pdf>. [47]
- OECD (forthcoming), *OECD Review of Corporate Governance of State-Owned Enterprises in Romania*. [39]
- Open Contracting Partnership (2016), *The Open Contracting Data Standard*, <https://www.open-contracting.org/data-standard/> (accessed on 1 August 2022). [26]
- Reuters (2021), *Romanian PM fires health minister over handling of COVID-19*, <https://www.reuters.com/world/europe/romanian-pm-fires-health-minister-over-handling-covid-19-2021-04-14/> (accessed on 1 August 2022). [11]
- Rodzinka, M., Fallon-Kund; Marie and Marinetti; Claudia (2019), *Shedding Light On Transparent Cooperation In Healthcare: The Way Forward For Sunshine And Transparency Laws Across Europe*, <https://mhe-sme.org/wp-content/uploads/2019/01/MHE-SHEDDING-LIGHT-REPORT-Final.pdf> (accessed on 25 August 2022). [20]
- Romania Insider (2019), *Bucharest hospitals lead the bribery ranking in Romania*, <https://www.romania-insider.com/romania-bribe-hospitals-ranking#:~:text=Eight%20hospitals%20in%20Bucharest%20are,report%20by%20Anti%2DBribery%20Synergy>. (accessed on 1 August 2022). [6]
- Romania Insider (2014), “Romanian authorities start crusade against corruption in education, after teacher recorded while asking for expensive Christmas gifts | Romania Insider”, <https://www.romania-insider.com/romanian-authorities-start-crusade-against-corruption-in-education-after-teacher-recorded-while-asking-for-expensive-christmas-gifts> (accessed on 23 January 2023). [29]
- RomaniaJournal (2018), *Romania ranks first in the EU on corruption in schools – The Romania Journal*, <https://www.romaniajournal.ro/society-people/romania-ranks-first-in-the-eu-on-corruption-in-schools/> (accessed on 19 October 2022). [28]



- State capture (2018), *State-owned companies: state capture, clientelism and corruption in Romania*, <http://www.statecapture.ro/raport-romania/>. [35]
- Transparency International (2021), *Global Corruption Barometer Romania*, <https://www.transparency.org/en/gcb/eu/european-union-2021/results/rou> (accessed on 1 August 2022). [2]
- Transparency International (2021), *Global Corruption Barometer - European Union - Transparency.org*, <https://www.transparency.org/en/gcb/eu/european-union-2021> (accessed on 17 September 2021). [5]
- US DoJ (2017), *Evaluation of Corporate Compliance Programs*, <https://www.justice.gov/criminal-fraud/page/file/937501/download>. [48]
- World Bank (2020), *Romania Public Procurement Strategy Support*, <https://www.worldbank.org/en/news/video/2020/09/23/romania-public-procurement-strategy-support> (accessed on 1 August 2022). [17]
- World Bank (2017), *Anti-Corruption in Romania The Way Forward*, <https://openknowledge.worldbank.org/bitstream/handle/10986/34191/Anti-corruption-in-Romania-the-way-forward.pdf?sequence=4&isAllowed=y> (accessed on 26 July 2022). [8]
- World Bank (2011), *Romania - Functional Review: Pre-university Education Sector (2nd Output): Final Report, Volume 1*, <https://openknowledge.worldbank.org/handle/10986/12280> (accessed on 19 July 2022). [30]
- Ximena, S. and O. Flórez (2017), *Fortalecimiento Institucional De La Capacidad Colombiana Para Aumentar La Transparencia Y La Integridad*, <http://www.actuecolombia.net/images/docs/InformeFinalInvima.pdf> (accessed on 7 September 2022). [15]

## Note

<sup>1</sup> [https://www.intestcom.org/files/guideline\\_test\\_security.pdf](https://www.intestcom.org/files/guideline_test_security.pdf)

**OECD Public Governance Reviews**

# **Strengthening Romania's Integrity and Anti-corruption Measures**

This report assesses Romania's efforts to strengthen its integrity and anti-corruption system. It looks at the achievements of the 2021-2025 National Anticorruption Strategy (NAS) as well as the challenges that remain, including addressing structural issues such as political engagement, the role and placement of ethics offices and the design and review of integrity plans. The report provides recommendations for mainstreaming central government integrity policies into practical and concrete actions at the sectoral level, with a view to improving implementation of the 2021-2025 NAS as well as future strategies.

**Iceland**  
**Liechtenstein**  
**Norway grants**



**PRINT ISBN 978-92-64-75501-7**  
**PDF ISBN 978-92-64-61112-2**

