



# COMPREHENSIVE REDESIGN OF THE LICENSING SYSTEM IN ROMANIA

Project implemented in collaboration with the Romanian Competition Council, funded by the European Union via the Structural Reform Support Programme, and carried out by the OECD in co-operation with the European Commission's DG REFORM

Bucharest, 23 May 2022

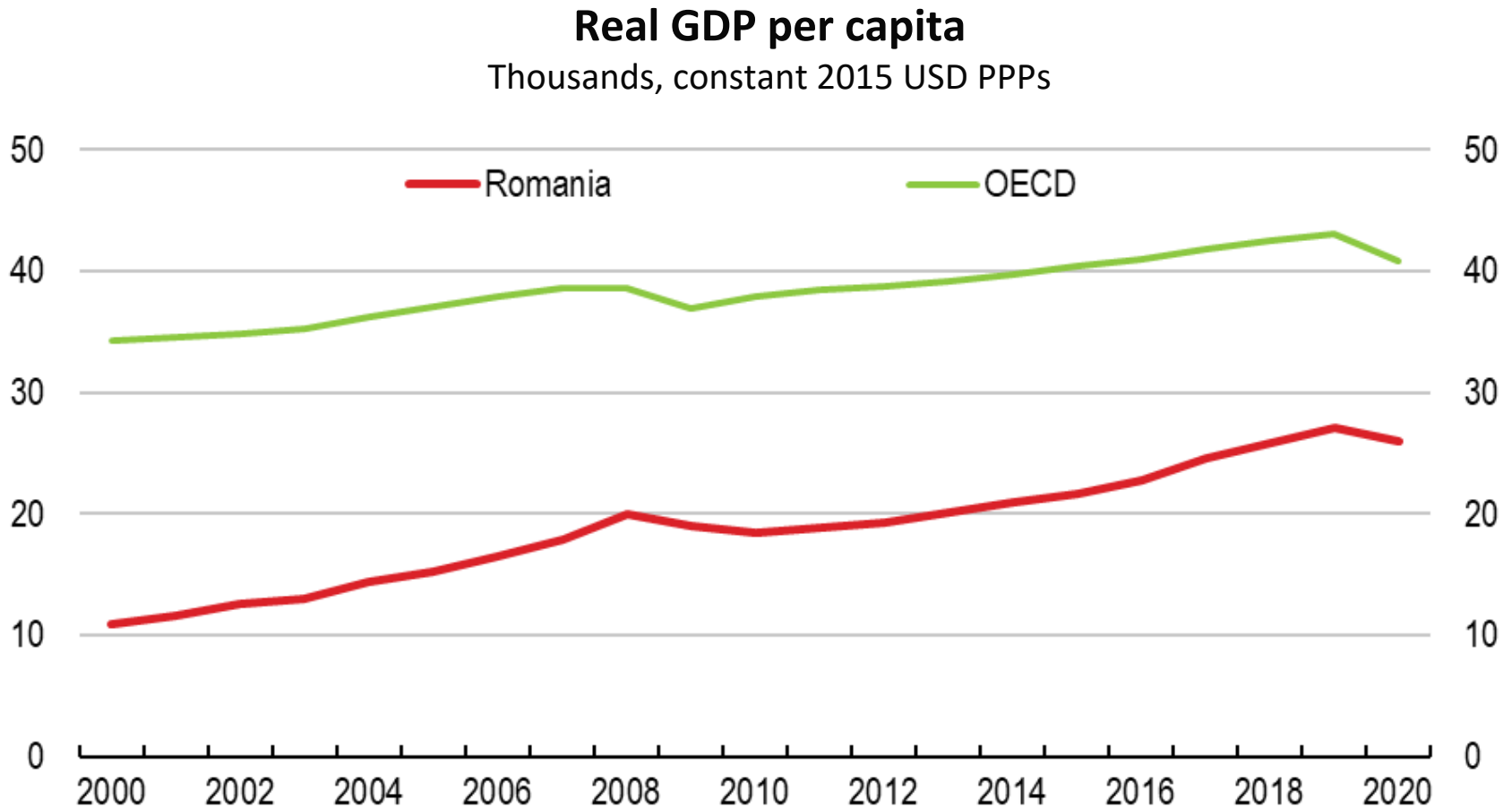


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**Business environment reforms  
are key to strengthen  
productivity and resilience**



# Income convergence has been fast



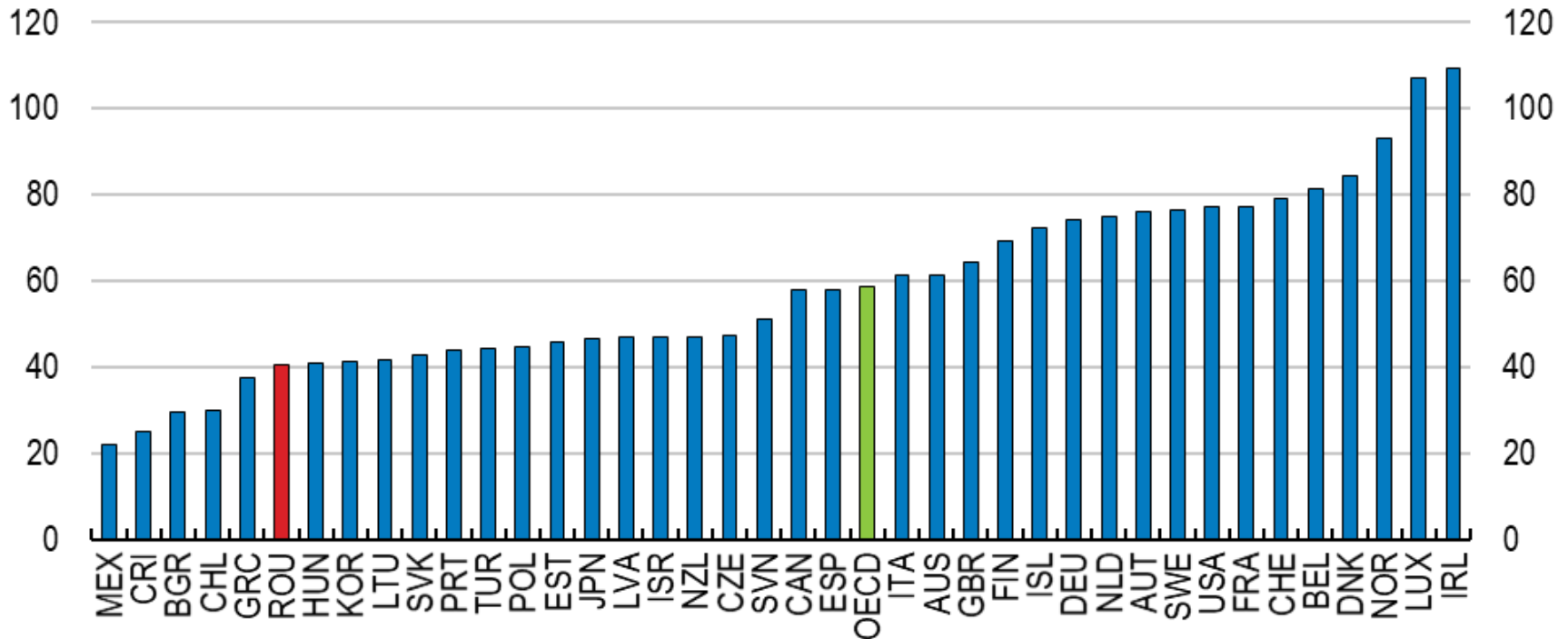
Source: OECD National Accounts Database.



# Productivity should improve further

## Productivity

GDP per hour worked, 2019, USD current PPPs



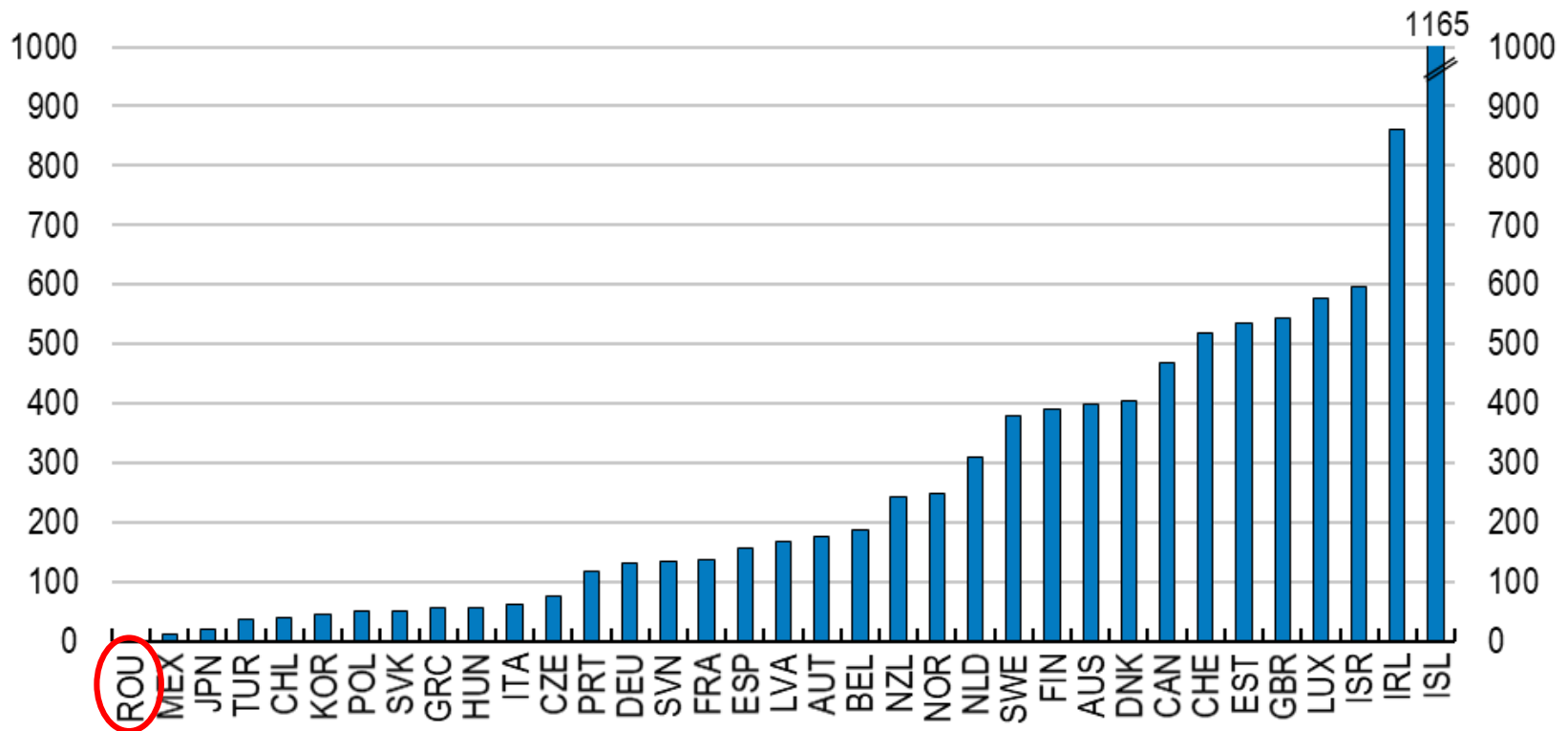
Source: OECD Productivity Indicators.



# More should be done to encourage innovative start-ups

## Highly-innovative start-ups

Per million inhabitants, 2018



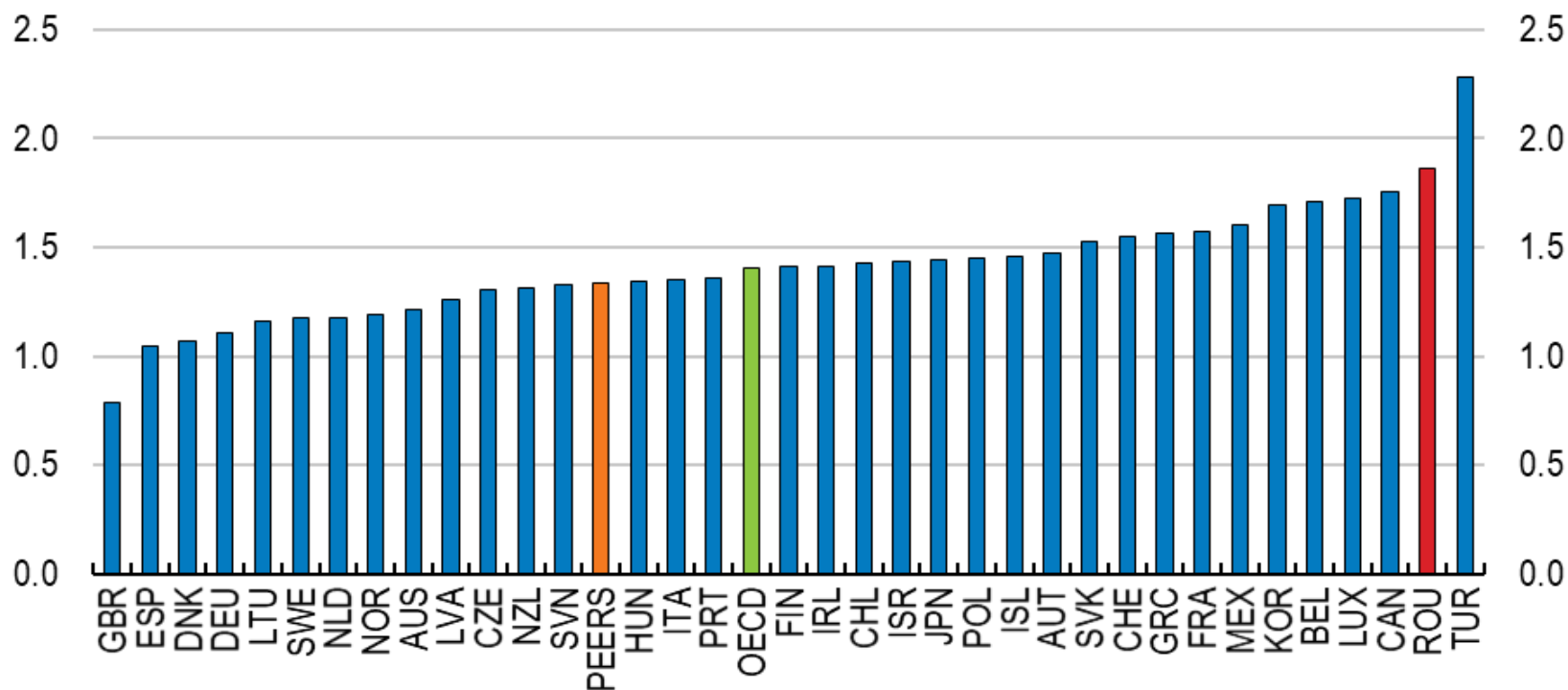
Source: OECD calculation based on Crunchbase.



# Romania's business environment needs further improvements

## OECD Indicators of Product Market Regulation

2018, index scale 0-6 from least to most restrictive



Note: PEERS comprises the Czech Republic, Hungary, Lithuania, Latvia, Slovakia, Slovenia, and Poland.

Source: OECD (2018), Product Market Regulation Database.



## Supporting Romania in addressing some of these challenges through licensing reform

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- Taking **stock of business licensing to simplify procedures for starting and operating a business**
  - First inventory of 111 licences under the responsibility of 43 public institutions
- Identify **adequate measures to simplify unnecessary burdensome procedures**
  - Avoid overlapping
  - Avoid multiple demands for business
- Developing a **legislative roadmap** with concrete implementation steps
  - Simplifying procedures in one economic sector
  - Creating potential benefits for other sectors of the economy



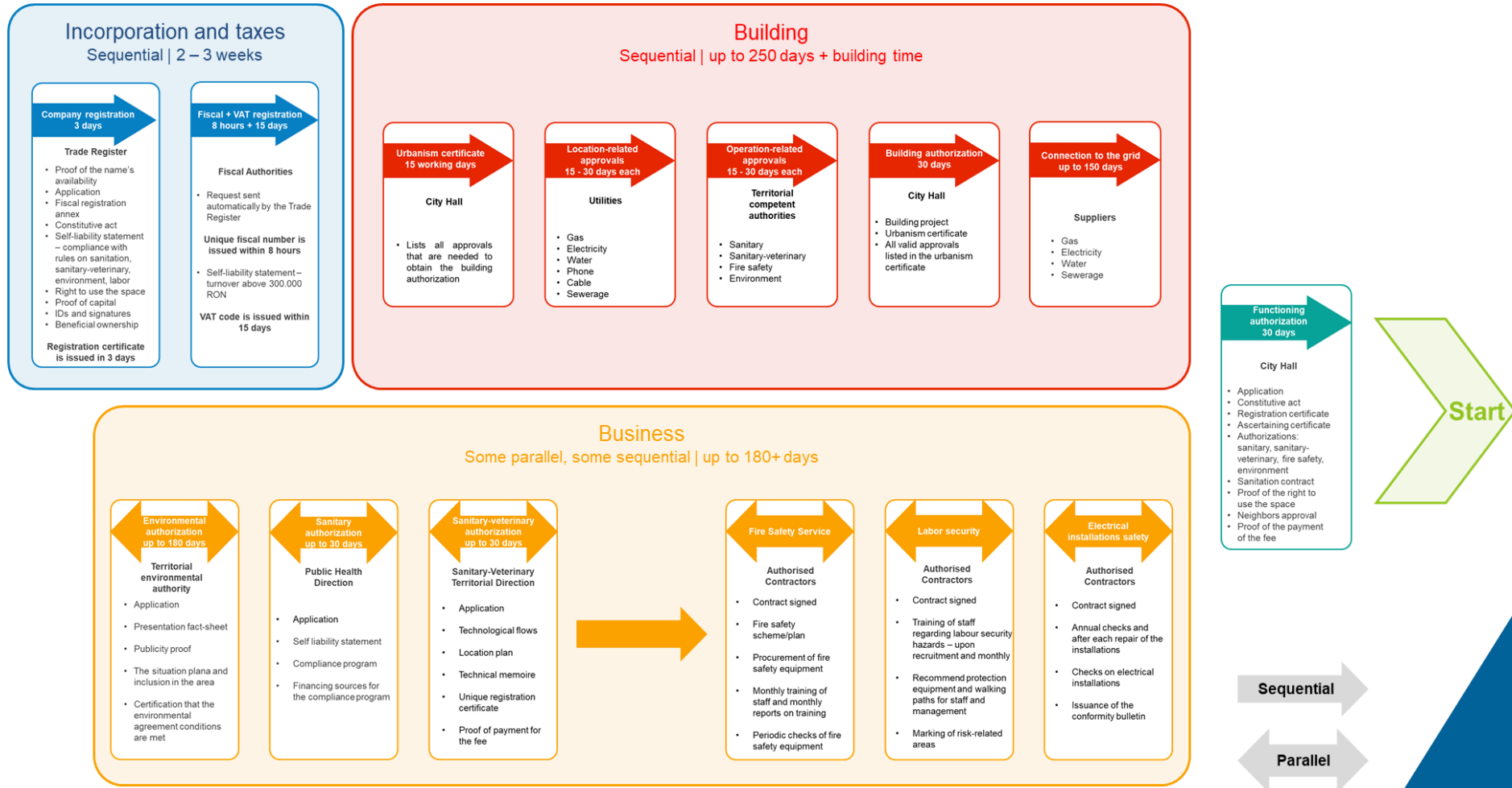
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**Romania can significantly  
simplify licensing procedures**





# Obtaining a licence in Romania is complex and long





# Main recommendations to improve licensing procedures for starting a business

Mechanism	Measures
1. Establish a Single Industrial Licence	<ul style="list-style-type: none"><li>• Integrate existing scattered licences into one <b>single industrial licensing (SIL) procedure</b></li><li>• Establish the <b>zero-licensing regime</b> for low risk activities</li><li>• Enable a <b>Coordinating Body</b> to overview and manage the whole licensing journey</li></ul>
2. Adopt rules that prevent complexity and excessive bureaucracy	<ul style="list-style-type: none"><li>• Implement the <b>Silence is consent principle</b></li><li>• Adopt the <b>once-only principle</b></li><li>• Establish a Taxonomy of industrial licences</li><li>• <b>Eliminate requirements to periodically renew licences</b> or to obtain stamps that are merely bureaucratic</li></ul>
3: Implement tools for a modernisation of the licensing framework	<ul style="list-style-type: none"><li>• Develop the existing <b>Electronic Point of Single Contact</b></li><li>• Create a <b>licence simulator</b></li><li>• Implement the recently adopted <b>Public Policy for E-Government</b></li><li>• Develop implementation <b>monitoring, assessment and evaluation mechanisms</b> and tools</li></ul>



# A Single Industrial Licence would streamline and reduce the time needed to start a business

## Single Industrial Licence

	Types of projects	Documents and information	Integrated licences	Expected outcome
<b>Type 1</b>	<p><b>Supervised by Central Government</b></p> <ul style="list-style-type: none"> <li>- Potential high-risk facilities</li> <li>- Subject to high environmental requirements</li> <li>- Large-scale projects, of national interest</li> </ul>	<ul style="list-style-type: none"> <li>• One single application form for all integrated licences</li> <li>• Documents for all integrated licences (only one copy even if the document is needed for multiple purposes)</li> <li>• Self-liability statements</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Approval / Environmental Integrated Authorisation / Environmental Agreement</li> <li>• Authorisation for fire safety / Approval for fire safety</li> <li>• Specialized public health assistance</li> <li>• Accreditation of specialised service providers for stimulating employment</li> <li>• Notification of conformity certification</li> <li>• Functioning authorization (local)</li> </ul>	<ul style="list-style-type: none"> <li>• High technical complexity and many needed opinions from public stakeholders call for a full installation and operation procedure with prior inspection</li> <li>• Procedural conference mechanisms allow for a coherent decision from all stakeholders</li> <li>• Silence is consent applies if legal deadlines are not met</li> </ul>
		<p><b>Up to 180 days</b> (more, for very complex processes)</p>		
<b>Type 2</b>	<p><b>Supervised by sectorial authorities</b></p> <ul style="list-style-type: none"> <li>- Potential medium-risk facilities</li> <li>- Subject to significant environmental requirements</li> <li>- Medium-scale projects, of regional-level interest</li> </ul>	<ul style="list-style-type: none"> <li>• One single application form for all integrated licences</li> <li>• Documents for all integrated licences (only one copy even if the document is needed for multiple purposes)</li> <li>• Self-liability statements</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Authorisation</li> <li>• Authorisation for fire safety / Approval for fire safety</li> <li>• Specialized public health assistance</li> <li>• Accreditation of specialised service providers for stimulating employment</li> <li>• Notification of conformity certification</li> <li>• Functioning authorization (local)</li> </ul>	<ul style="list-style-type: none"> <li>• Medium technical complexity and needed opinions from public stakeholders call for the need to require a stand-still notice period procedure</li> <li>• Procedural conference mechanisms allow for a coherent decision from all stakeholders</li> <li>• After the stand still period, operations may start</li> </ul>
		<p><b>Max. 90 days</b></p>		
<b>Type 3</b>	<p><b>Supervised by Municipal Government</b></p> <ul style="list-style-type: none"> <li>- Low-risk facilities</li> <li>- Not subject to significant environmental requirements</li> <li>- Local-level interest</li> </ul>	<ul style="list-style-type: none"> <li>• One single application form for all integrated licences</li> <li>• Documents for all integrated licences (only one copy even if the document is needed for multiple purposes)</li> <li>• Self-liability statements</li> </ul>	<ul style="list-style-type: none"> <li>• Approval for fire safety</li> <li>• Accreditation of specialised service providers for stimulating employment</li> <li>• Notification of conformity certification</li> <li>• Functioning authorization (local)</li> </ul>	<ul style="list-style-type: none"> <li>• Low-risk operations justify a "zero licensing" prior notification procedure</li> <li>• After submitting the correct information and documents, operations may start immediately</li> </ul>
		<p><b>10 days</b></p>		



## Key success factors for implementation

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- ✓ Institutional co-ordination and leadership
- ✓ Establishment of a Implementation mechanism
- ✓ Continuous consultations with business
- ✓ Monitoring System
- ✓ Communicating objectives and benefits of reforms to business and investors



# THANK YOU

## DOWNLOAD THE REPORTS AT:

- [www.oecd.org/economy/romania-economic-snapshot/](http://www.oecd.org/economy/romania-economic-snapshot/)