

Executive Summary of the ALIPRO National Report Romania

ALIPRO objective

ALIPRO¹ aims at supporting the alignment of the NMS' national and regional research programmes with the European IST research in the area of mobile technologies, applications, and services.

Purpose of the document

The national report endeavors to present the findings of ALIPRO carried out in Romania. It comprises an overview on mobile IST situation and a detailed description of R&D programmes together with their evaluation. It contains also the conclusions drawn from the evaluation of the R&D funding system in Romania. It is meant for institutions and individuals active in the field of mobility.

The mobile sector in Romania

Romania with population of over 21 million has the second biggest ICT market of all CEE countries. The ICT sector in Romania is entirely private and the big international telecoms play a leading role on the national market while genuinely Romanian enterprises usually cooperate with the big players as subcontractors or enter market niches. Romanian mobile IST market will continue to grow rapidly over the next years, especially in view of recent launch of UMTS/3G. The stable and fast growth of the sector is accompanied by the market-oriented policy, regardless of political changes.

Regulatory background

The Telecommunications Act of 1996 (Law No. 74/1996) was replaced in the summer of 2002 by Emergency Government Ordinance No. 79/2002 and the Government Ordinance No. 591/2002 Law Regarding The General Regulatory Framework in Communications, as well as numerous supplementary regulations governing, among other things, access and interconnection, data protection, numbering, and significant market power designation and obligations

The market of telecommunications in Romania is regulated by the Emergency Government Ordinance No. 79/2002 provided for "the establishment of the general regulatory

¹ ALIPRO is an EU research project under Framework Programme 6. For more information on ALIPRO, please refer to <http://alipro.eurescom.de>.

framework for the activities related to electronic communications networks and services, by defining the objectives and attributions of the ANRC in the field of electronic communications, the authorization regime for such activities, as well as the specific rules governing competition in the market of electronic communications networks and services".

ANRC =National Regulatory Authority for Communications.

The new legislation primarily concerned itself with laying the foundations for the liberalization of the Romanian telecommunications market and establishing guidelines to monitor anti-competitive forces within the market. Consequently, with effect from January 1, 2003, ROM Telecom's exclusive rights to offer public fixed-line voice telephony, telegraphy, and telex services at the local, interurban, and international levels, along with the exclusive right to provide leased cable lines, was terminated. At the same time, Radiocom had its exclusive right to provide leased radio lines with a capacity exceeding 2Mbit/s terminated.

The general regulatory framework established in Ordinance No. 79/2002 was modified the following year when the Universal Service Law entered force, while the Decision of ANRC President No. 1333/2003 on the general authorization framework for providing electronic communications networks and services - which includes the Universal Service regulations - came into force in November 2003.

The provisions of the general authorization framework encompass public fixed networks, public mobile networks, public satellite networks, private networks that make use of frequencies (mobile networks such as public mobile access radio (PMAR), TETRA, radio paging, fixed satellite networks, mobile satellite networks, etc) and public electronic communications services (telephony, leased lines, data transmission, Internet access, PMR, and radio paging).

Also, within the terms of the Universal Service Law, the ANRC can impose on the providers of electronic communications networks and services the payment of a financial contribution for the Universal Service Fund.

Within the mobile communications sector the ANRC imposed maximum interconnection termination rates on the basis of the long run incremental cost (LRIC) model thereafter. The SMP operators are required to publish their interconnection rates and adopt accounting separation methods to ensure transparency.

On July 14, 2004, ANRC signed a collaboration protocol with the Competition Council. The document establishes the terms under which the institutions coordinate their efforts with a view to promoting competition in the sectors of electronic communications and postal services as well as with a view to protecting the end-users' rights and interests.

In 2004, in the program CERES, few of the main IT research organizations have developed a project entitled "Strategy for research and technological development in the field of IT&C in the view of integration in ERA". The main goal of the project was to develop a strategy in the IT&C domain in order to adapt the priorities of the new National Plan for Research-Development and Innovation who will start in 2007 and will last for 6 years (in the same period of time with FP7).

The S&T Romanian policies objectives oriented towards the participation in the EU RTD FPs and in the implementation of ERA are mainly achieved using the following instruments:

- The National Plan for RTD and Innovation;
- The National Programme for EU Accession.

The National Plan for RTD and Innovation includes at present 14 RTD programmes. The programme for International S&T cooperation and partnership (CORINT) supports the participation in RTD programmes active in the EU space. Those sub programmes which support the participation of Romanian researchers in other RTD programmes active in the EU space, namely: COST, NATO, EUREKA, as well as a sub programme dedicated to bilateral S&T cooperation (with EU member states in first place).

Referring to the National Programme for EU Accession, we mention that it includes a section dedicated to the RTD sector, where the general objective is the "Integration of the Romanian scientific and technical community into the European S&T system

Romanian system of R&D financing

The total contribution of Romania to the Framework Programme 5 was cca.45 mil EUR from state budget and PHARE programme. In this context the Romanian Government involvement was not limited to this contribution. By launching the National Plan for Research and Development the possibility of co-financing the winning projects was created. The EU-RO sub-programme, as integrant part of the CORINT programme was created in order to give financial support to the Romanian researchers partners in FP5 and FP5-EURATOM.

The FP6 and the EURATOM FP6 budget amounts to 17.5 billion of EUR, while the Romanian contribution is annually calculated in accordance with the proportionality report resulting from the ratio between the Romanian GDP and the sum of the Romanian GDP and the European Union GDP applied to the FP6 budget. This calculation method is the same for all candidate countries.

The international acknowledgement of the results confirms the positive trend of the Romanian research activity after the year 2000 when the MER – Research realistically and with coherence took all the necessary measures for the implementation of the established projects based on the Government Program.

The funds allocated for CORINT represent more than 10% of the total budget for the National RTD Plan, while the funds allocated for participation in the international RTD programmes running in the European space - FPs, COST, NATO, Eureka – represent more than 75% of the total budget for CORINT.

Romania will become a EU Member State in 2007 and projects within all Operational Programmes will be launched in 2007 so the projects preparation has to start in 2006.

Ministry of European Integration The Ministry (according to Government Decision no. 734/2003 establishing its organisation and functioning) co-ordinates the preparation of the strategy for Romania's accession to the European Union and ensures the co-ordination of the pre-accession instruments and of the external assistance programmes. It will ensure proper programme monitoring through the Directorate for Coordination and Monitoring of the pre-accession assistance, and the work carried out by the secretariat of the sectoral sub-monitoring committee.

The Sectoral Operational Programme – “Improvement of Economic Competitiveness” is the principal instrument for achieving the first priority axis of the Romanian National Development Plan 2007 – 2013, i.e. **Improvement of Economic Competitiveness and Development of Knowledge Based Economy.**

The SOP's **General Objective** is the increase of Romanian companies' productivity compared with the EU's by reducing the disparities to the average productivity of European Union.

The research-development in Romania is characterized as a system in which prevails the creative applied activity.

The research-development activity develops on *three main segments* with various sizes of the amount of the RD activity at a national level, and that is: **technological research**, which represents about 85% of the total amount of RD activity, **the research oriented towards the natural, exact and social and humanistic sciences** that represents 10% of the total amount of RD activities; **the research performed in the universities** which represents 5% of the amount of RD activity.

In 2001, the Romanian Government launched the extension of the National Plan for Research, Development and Innovation (PNCDI), through programs for priority domains (10 new thematic programs). The Plan for 2001-2005 stipulates that 30% of the total budget of PNCDI should be allocated to "Cooperation and innovation in support of developing the new, knowledge-based economy". Four programs with themes very related to the priority domains defined for the Framework Program VI belong to this last category, namely:

- information society (INFOSOC)
- new materials, micro-and nano-technologies (MATNANTECH)
- biotechnologies (BIOTECH)
- technologies for aeronautics and spatial activities (AEROSPATIAL).

Programme evaluation:

INFOSOC – Information Society

The National Research - Development and Innovation Programme "Information Society" – INFOSOC is part of the national R&D and Innovation Plan for 2001-2005. The aim of the programme is to stimulate a wide and coherent development of the information society in Romania in the general context evolution to a society based on knowledge and communication.

In Romania the development of infrastructures, communication and information systems and services is a compulsory condition for the economic general development and in the same time for the integration process in a globalise economy and in the EU economic and social space. Research teams are provided with funds as a contribution towards the cost of implementation of new projects and technologies prior to their application in information society.

The National Institute for R&D in Informatics, Bucharest (ICI) is the leader of the management team of INFOSOC Programme. The other members are University of Bucharest, The Academy of Economics Studies, Bucharest (ASE) and The Training Center in Informatics (S.C. CPI S.A.), Bucharest. The director of the programme is prof. Doina Banciu.

The programme is correlated with the medium term National Strategy of Economic Development in Romania, The National IT Strategy and with the request of European Union latter documents concerning "e-Europe+"

Annual budget of the programme amounts for approximately E 1.700.000 and it finances about 25 R&D projects per year.

The development of Information Society and especially of the knowledge-based economy is the main objective of the programme. The programme aims at developing infrastructures, communication and information systems and services for implementing Information Society in Romania. An objective of the programme is to obtain ready for implementation technologies / services / products.

Information on the programme can be found at Infosoc website, acquired through the programme officer. These information are complete and consistent. It is easy to get necessary information and the staff of the Infosoc team is helpful. Infosoc's website is user friendly and there is plenty of information: documents, programme's descriptions, contact, reports.

Availability of information sources in foreign languages Infosoc's website is only in Romanian, but there are future plans of making it bilingual.

Support granted to programme beneficiary on project management and procedure handling. There is no support granted, and the grant does not preview management costs. All information can be obtained from the programme officer or documents provided on the website.

Conclusions and recommendations

Generally, the system of science financing in Romania requires improvement, especially in view of mobility development. For its effective and dynamic development a separate mobility financing programme or a respective mobile IST priority within existing national R&D programmes is a necessity. Development of such a programme should be carried through consultations with the main actors of the Romanian mobile IST market. It is critical to increase the effectiveness of the financial means spent within the programmes and quality of their management. It is critical to set relevant goals within Romanian R&D programmes and constantly adapt them to the market situation. The goals can undergo a proper revision only if the founder is able to monitor the effectiveness of the programme. Finally, an increase of transparency is indispensable and demanded especially in case of programmes distributing national budget-deriving resources. This increase of transparency is critical also for the improvement of programmes' financial efficiency and quality of management.