

ROMANIA'S CONSTRUCTION SECTOR MOVES A STEP NEARER DIGITALISATION

Projects will move from planning to development phase more quickly

Covid-19 brought some good news for real estate investors and developers in Romania. Projects can now be more easily moved from planning to development due to the pandemic-driven digitalisation measures for construction, architecture and urbanism.

Last year, the country saw an increase in the use of digital solutions by public authorities, triggered mostly by the need to cope with the challenges of the pandemic, such as lockdowns or social distancing measures. In less than a year, legislative changes in several areas, including construction planning and design, moved Romania closer to digitalisation than any other measures taken over the years.

What's new?

In August 2020, the Romanian government passed an emergency ordinance regulating the use of electronic signatures in relation construction, architecture and urbanism, followed in December by a set of technical norms adopted for the application of this ordinance.

Prior to these changes, a general legislative framework regarding the use of electronic signatures did already exist, in the form of EU Regulation No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market. Also, Romania had a general set of national rules on the use of electronic signatures in place.

Yet, the term electronic signature was nowhere to be found in the national legislation governing constructions, architecture and urbanism. For beneficiaries of construction works, liaising with the authorities involved in the various phases of their projects meant facing an extremely bureaucratic process. This called for many of the documents used in the administrative procedures to be not only submitted in hard copy, but also to bear the signature and stamp or professional seal of the relevant expert who issued them. According to the former legislation, the lack of such stamps or seals would render the documents invalid, failing to prove the expert's professional certification.

The new legislation cuts red tape by introducing the possibility for the documentation to be signed and submitted electronically, eliminating the need to apply written signatures and stamps or professional seals.

How does it work in practice?

Several categories of professionals involved in real estate planning and permitting can now use the electronic

signature on the documentation they issue. This allows for all documentation (both narratives and plans) of the procedural circuit for construction works to be filed online, including planning, design, permitting, execution, reception and commissioning.

The professionals who are allowed to use electronic signatures under the new rules include architects, urban and territorial planning experts, technical verifiers, site coordinators, engineers involved in drawing up technical projects, energy efficiency experts and others.

As of January 2021, these professionals can start using the electronic signature on the documentation issued in connection with their professional activity during the planning, permitting and construction phases. The procedural formalities setting forth the requirements to gain access to and use individual electronic signatures are detailed in the technical norms adopted for the application of the new rules.

What's in it for the real estate investors, developers and beneficiaries?

The main benefits of the newly adopted digitalisation facilities for developers and investors are reduced bureaucracy, cost savings and shorter timelines.

These are a natural result of eliminating the need to prepare the documents in hard copy (stamping each page) and submitting them to various authorities in person or by mail.

This is only one in a series of legislative measures passed last year with the aim of speeding up public services and moving interactions with the authorities into the digital era. Romania ranked 26th out of the 28 EU member states in the 2020 Digital Economy and Society Index (DESI) report released by the European Commission. There is room for improvement.

Nonetheless, last year's legislative changes do represent a step forward, especially considering that, according to data released by the National Institute of Statistics, the volume of construction works in Romania increased by over 16 per cent in the first 11 months of 2020 compared to the same period in 2019, despite the pandemic.



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