

ROMANIA

MEASURES IN SUPPORT OF BUSINESS START-UP AND DEVELOPMENT

Out of the Unemployment Insurance Fund, the NAE grants **low-interest credits for creating new jobs** by setting-up or developing small and medium-sized enterprises, co-operative units, family associations, as well as for independent activities performed by authorised natural persons.

Such credits can also be granted, according to the law, to persons aged under 30, who are registered as first time students and go to daily classes to a state or private university, accredited and authorized by the law.

The unemployed who commit themselves to set up SMEs, cooperative units, family associations as well as to become authorised natural persons, are treated with priority.

The credits are granted based on feasibility studies, proportionally to the number of jobs to be created, for a maximum 3-year period for investments, including a maximum 6-month grace period, and 1 year for ensuring the production, with an interest rate equal to 50% of the official rate established by the National Bank.

The amounts allotted from the Unemployment Insurance Fund for granting low-interest credits are administered by banks or other agencies authorised according to the law, based upon contracts concluded with the National Agency for Employment. The bank or the loan agency that administers the funds bears the responsibility for the reimbursement of the amounts to the Unemployment Insurance Fund.

The beneficiaries of the credits granted out of the Unemployment Insurance Fund must meet the following requirements:

- a) to have up to 249 employees and/or co-operative members hired with working or service relations;
- b) to perform their main activity in production, services or tourism;
- a) to hire, on at least 60% of the jobs newly-created by setting-up or developing small and medium-sized enterprises or co-operative units, unemployed registered with the agencies for employment;
- b) to keep the staff hired for at least three years; if the persons hired from among the unemployed are dismissed before completing the 3-year period since the date of employment, the employer must hire other unemployed persons on that vacancies within 30 calendar days of dismissal;
- c) the jobs taken into account at the time of applying for credits should not be vacancies resulted from the termination of the working or civil service relation of other employees, in the 12 months prior to concluding the credit agreement.

If such requirements are not observed, the credit contract may be terminated and the company will be charged a penalty equal to the loan granted plus the related interest, being not eligible for other loans for a period of 3 years.

Within the context of the policy for encouraging the access to entrepreneurial activities, the NAE provides, upon request, **consultancy and assistance services to start an activity as self-employed or to start-up a business**, to the jobseekers, in the form of legal, marketing, financial services, efficient management methods and techniques etc.

Such services can be delivered either by the employment agencies or, where appropriate, by private companies, professional organisations, foundations and associations specialised in this field, with which the agencies conclude contracts according to the law.

The services are provided free of charge only once during each period of time when the persons receive unemployment benefits.