

# Romania's National Recovery and Resilience Plan

## Latest state of play



### OVERALL RESOURCES

Recovery and Resilience Facility (RRF): **€28.5 billion**

Grants: **47.6 %**      Loans: **52.4 %**



Share of total EU RRF  
**3.8 %**



Share of national GDP  
**12.8 %**

#### Major objectives

Green transition: **€12.6 billion**      **44.1 %**

RRF target: 37 %

Digital transformation: **€5.8 billion**      **20.3 %**

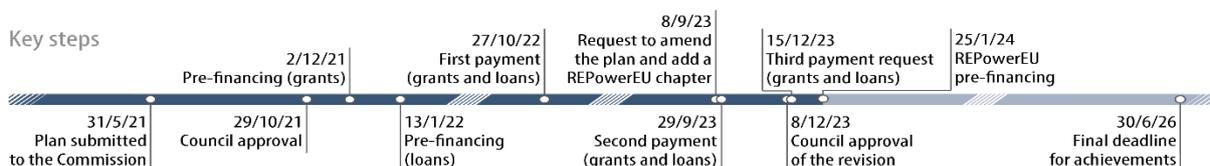
RRF target: 20 %  
(21.9 % excluding REPowerEU chapter)

Payments so far: **€9.5 billion**      **33.3 %**

Romania's national recovery and resilience plan ([NRRP](#)) represents an ambitious agenda of reforms and investment aimed at mitigating the socio-economic effects of the COVID-19, energy and cost-of-living crises. The amended plan – approved by the Council on 8 December 2023 – amounts to €28.5 billion or 12.8 % of the country's 2019 gross domestic product (GDP).<sup>1</sup> This includes the Recovery and Resilience Facility (RRF) grants of €12.1 billion (cut by 14.9 % following the June 2022 revision of the allocation), [REPowerEU](#) grants worth €1.4 billion, the transfer of Romania's share (€43.2 million) from the [Brexit Adjustment Reserve](#) to its NRRP, and the RRF loan allocation already fully committed under the initial version of the plan (€14.9 billion). The measures in the plan, to be implemented by 2026, also seek to facilitate the country's green and digital transition.

The new REPowerEU chapter comes with seven investment and two reform measures, which – together with the remaining NRRP measures – devote €12.6 billion (44.1 % of the plan) to the green transition. Digital projects have been endowed with 21.9 % of the NRRP resources (excluding the REPowerEU chapter). Romania has so far received €9.5 billion of RRF resources, including two payments and the pre-financing. On 15 December 2023, the country submitted its [third payment request](#) of €2 billion (net of pre-financing); the European Commission is currently assessing it. According to the Commission's evaluation in the [2023 European Semester](#), implementation of the NRRP is under way, albeit with a rising risk of delays.

The European Parliament continues to guarantee transparency and provide accountability for EU citizens by engaging in interinstitutional dialogues on the implementation of the RRF and scrutinising the Commission's work.



*This briefing is one in a series covering all EU Member States.*

## EPRS | European Parliamentary Research Service

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## Country-specific challenges

The Council has been adopting country-specific recommendations (CSRs) annually since the introduction of the European Semester, with the Commission assessing Member States' progress in addressing the identified challenges. Member States were asked to address at least a significant subset of the 2019-2020 recommendations through measures laid down in their NRRPs in order to benefit from RRF funding.

The Council recommended a variety of measures to ensure the post-pandemic recovery and support the green and digital transition in Romania. The [2019](#) and [2020](#) CSRs were concentrated around eight domains: (i) public finances and taxation; (ii) pension system and long-term fiscal sustainability; (iii) health; (iv) public administration, business environment and labour market; (v) poverty reduction and social inclusion; (vi) education; (vii) research, development and innovation (R&D&I); and (viii) green and digital transition.

Relative to green policies in particular, the government was recommended to contribute to sustainable transport, low carbon energy usage, improved energy and resource efficiency, and enhanced environmental infrastructure (including in the coal regions). On digital, the recommendations focus on the development of digital service infrastructure.

In the area of public administration, business environment and the labour market, the Council recommended enhancing the quality and effectiveness of public administration and ensuring legal certainty, as well as strengthening the corporate governance of state-owned companies. It also recommended improving social dialogue, ensuring minimum wage setting with objective criteria, and developing flexible working arrangements and job activation measures.

Fiscal CSRs called for Romania to correct the excessive budgetary deficit and the deviation from the adjustment path towards the medium-term budgetary objective, comply fully with the fiscal framework and reinforce tax collection and compliance. The recommendations also aimed to reduce the risks relative to the sustainability of public finances in the medium and long term, and the sustainability of the pension system, including the long-term viability of the [second-pillar pension funds](#).

Several other recommendations concern the health system, such as improving the accessibility and cost-efficiency of healthcare (including outpatient care) and increasing the resilience of the overall system (specifically linked to health workers and medical products). Other recommendations asked for an introduction of the minimum inclusion income, and ensuring liquidity support for businesses and households, particularly for small and medium-sized enterprises (SMEs) and the self-employed. In the education sector, which happens to be a major focus of the Romanian NRRP, the CSRs called for the strengthening of skills and digital learning and ensuring equal access to education, including vocational education and training and higher education.

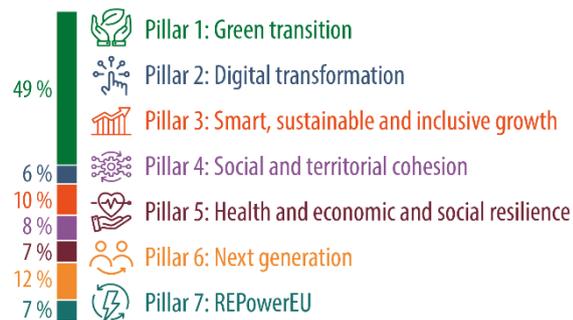
In the context of the Commission's [2022 spring package](#), the Council issued new CSRs. For [Romania](#), the first (fiscal) recommendation reiterates the Council's [recommendation](#) under the excessive deficit procedure and calls for a reduction of the excessive deficit by 2024 at the latest. The second CSR stresses the need to continue with the implementation of the NRRP and finalise the negotiations with the Commission on the 2021-2027 cohesion programmes. Finally, the third CSR is energy-related and calls for less reliance on fossil fuels, deployment of renewables, improvements in energy efficiency, and upgrades to energy transmission grids and increased interconnection with neighbouring Member States. The [2023](#) CSRs stroke a similar tone as the previous round of recommendations, with additional emphasis on the need to strengthen the administrative capacity and to swiftly finalise the REPowerEU chapter. The Commission deemed the [implementation](#) of the plan as 'under way', while also highlighting a growing risk of delays.

## Objectives and structure of the plan

Romania officially submitted its original NRRP, worth €29.2 billion, to the European Commission on 31 May 2021. The two main **objectives** embedded in the plan reflect the need to ensure Romania's socio-economic recovery and long-term development post-COVID-19, while addressing structural deficiencies and vulnerabilities. The country also put a major focus on youth – under 'Next generation', the second most funded pillar of the plan – thereby laying the ground for structural reforms and investment in the education sector. In line with the [RRF Regulation](#), Romania submitted on [8 September 2023](#) an amended NRRP containing a REPowerEU chapter. While not removing any of the existing measures, the amendment brought about changes to 56 measures, notably downsizing investment to account for the reduced grant allocation, supply chain disruptions and inflation, as well as transferring some investments to the REPowerEU chapter (see Table 3 below). Romania also corrected 17 clerical errors identified in the [original](#) Council implementing decision, which affected 16 measures. The overall worth of the amended plan equals **€28.5 billion** (for more details on the financials, see 'Council approval and pre-financing').

The overall structure of the plan consists of seven pillars that are broken down into 16 components, to be implemented through [114 investments and 66 reforms](#).<sup>2</sup> The pillars of the NRRP are described below, while a more granular view of the plan is shown in Table 1.

Figure 1 – Breakdown of funding by pillar



1. **'Green transition'** aims to decarbonise the energy and transport sectors by focusing on renewables, energy efficiency, water and waste management, biodiversity and sustainable mobility. The latter, in particular, represents roughly half of the pillar's cost, as it includes investments in railway and the trans-European transport network (TEN-T). This pillar will support the green transition in all sectors of the economy.



2. **'Digital transformation'** focuses on the development of digital public services benefiting both citizens and businesses. The planned reforms and investment address challenges relative to connectivity, cybersecurity and digital skills.



3. **'Smart, sustainable and inclusive growth'** includes measures concerning tax administration, the tax system, the budgetary framework and the sustainability of the pension system. The pillar also looks to improve the business climate, specifically in the R&D&I sector.



4. **'Social and territorial cohesion'** seeks to introduce green and digital policies in the area of urban mobility, as well as in the tourism and cultural and creative sectors. The measures also focus on boosting territorial cohesion.



5. **'Health and economic and social resilience'** envisages measures that will increase the quality of and access to healthcare, and upgrade health infrastructure. Reforms and investments in public administration are also envisaged, notably in relation to the effective functioning of the justice and anti-corruption systems, and better governance of state-owned enterprises.



6. **'Next generation'** puts forward reforms and large-scale investments in the education and training sector. The measures are expected to improve the quality of education and training while being aligned with labour market needs.



7. **'REPowerEU'** promotes Romania's green transition by focusing on renewable energy, diversifying the country's energy supplies, boosting its energy efficiency, and reskilling and upskilling its workforce in the field of green energy. It also aims to end dependency on fossil fuels.

As displayed in the 'Overall resources' graphic on page 1, 44.1 % of Romania's revised plan is devoted to **green actions** (+ 3.1 percentage points from the original plan), thus exceeding the minimum threshold of 37 % warranted under the RRF Regulation. **Digital actions** constitute 21.9 % of the planned expenditure excluding the REPowerEU chapter, which is almost 1.5 percentage points more compared with the plan's original version and almost 2 percentage points above the minimum RRF threshold of 20 %. Several measures in the NRRP are expected to contribute to horizontal priorities, namely to safeguarding equality and [social inclusion](#) (i.e. [gender equality](#), [minorities](#), vulnerable people such as [people with disabilities](#), and [elderly people](#)).

Table 1 – Components of Romania's NRRP

Pillar (P)	Component (C)	RRF funding (€ billion)	Share of NRRP
P1: Green transition	C1: Water management	1.4	5.0 %
	C2: Forests and biodiversity protection	0.9	3.2 %
	C3: Waste management	1.2	4.3 %
	C4: Sustainable transport	7.4	25.9 %
	C5: Renovation wave	2.2	7.7 %
	C6: Energy	0.8	2.7 %
P2: Digital transformation	C7: Digital transformation	1.8	6.4 %
P3: Smart, sustainable and inclusive growth	C8: Tax and pension reforms	0.5	1.6 %
	C9: Business support, R&D&I	2.4	8.6 %
P4: Social and territorial cohesion	C10: Local fund	1.8	6.4 %
	C11: Tourism and culture	0.4	1.6 %
P5: Health and economic and social resilience	C12: Healthcare	1.7	6.0 %
	C13: Social reforms	0.2	0.7 %
	C14: Good governance	0.2	0.6 %
P6: Next generation	C15: Education	3.5	12.3 %
P7: REPowerEU	C16: REPowerEU chapter	2.0	7.1 %
	<b>Total</b>	<b>28.5</b>	<b>100 %</b>

Data source: European Commission, [SWD\(2021\) 276](#) and [SWD\(2023\) 382](#).

## Reforms

Romania's NRRP includes **66 reforms** spread across seven pillars (see Figure 1) that, together with the planned investment, aim to make the country's economy more resilient, green and digital.

Most of the reforms (around 29 %) are planned within the 'Health and economic and social resilience' pillar (P5). Some of these measures refer to capacity building in the health sector (health management and human resources), reforming the protection system for adults with disabilities, and the fight against corruption.

The 'Green transition' pillar (P1) comes with roughly 23 % of the total intended reforms and includes measures to strengthen the regulatory framework for sustainable management within the water and wastewater sector, develop a new national forest strategy (thus reforming the forest management and governance systems), and improve corporate governance of the state-owned enterprises in the energy sector.

Roughly 17% of reform measures belong to the 'Smart, sustainable and inclusive growth' pillar (P3), which includes actions in fiscal and pension systems, and those enhancing the business climate.

The rest of the reform measures are distributed among the four remaining pillars (P2, P4, P6 and P7). The REPowerEU chapter (P7) brings about two new reforms, namely creating a legal framework for the use of state land as acceleration areas for investment in renewable energy sources (RES) and setting up one-stop shops (OSS) to provide energy advisory services for energy efficiency renovations and energy production from renewable sources for prosumers. Additional reform examples across the NRRP are presented in Table 2.

Table 2 – Examples of reforms to receive support under Romania's NRRP

	 Pillar 1	 Pillar 2	 Pillar 3	 Pillar 4	 Pillar 5	 Pillar 6	 Pillar 7
No of projects	15	4	11	8	19	7	2
Examples of reforms	<ul style="list-style-type: none"> <li>- Improving waste management governance and transitioning to a circular economy</li> <li>- Road decarbonisation in line with the 'polluter pays' principle</li> <li>- Electricity market reform</li> <li>- Green budgeting</li> <li>- Strategic, legislative and procedural framework to support seismic resilience of buildings</li> <li>...</li> </ul>	<ul style="list-style-type: none"> <li>- Framework for defining the architecture of a government cloud system</li> <li>- Transition to EU 2025 connectivity targets and stimulating private investment to very high capacity networks</li> <li>- Cybersecurity of public and private entities owning critical-value infrastructure</li> <li>- Increasing digital competence for public service and digital education for citizens</li> </ul>	<ul style="list-style-type: none"> <li>- Digitalisation of the National Agency for Fiscal Administration (ANAF)</li> <li>- Introduction of electronic customs</li> <li>- Review of the tax framework</li> <li>- Establishment of the National Development Bank</li> <li>- Legislative transparency, and simplification of bureaucracy and procedures for businesses</li> <li>...</li> </ul>	<ul style="list-style-type: none"> <li>- Developing the sustainable urban mobility framework</li> <li>- Creating the framework for sustainable rural transformation</li> <li>- Improving housing quality</li> <li>- Framework for destination management organisations (DMOs)</li> <li>- Reforming the funding system for the cultural sector</li> <li>...</li> </ul>	<ul style="list-style-type: none"> <li>- Framework for preventing children's separation from their families</li> <li>- Introduction of work cards (vouchers) to boost formal employment</li> <li>- Ensuring a minimum wage</li> <li>- Reforming the national procurement system</li> <li>- Increased capacity for the management of public health funds</li> <li>...</li> </ul>	<ul style="list-style-type: none"> <li>- Improving access to and quality of the early-childhood education system</li> <li>- Framework for developing digital competencies for pupils and professionals</li> <li>- Updating the regulatory framework ensuring environmentally friendly design, construction and endowment standards in the pre-university education system</li> <li>...</li> </ul>	<ul style="list-style-type: none"> <li>- Creating a legal framework for the use of state land as acceleration areas for RES investment</li> <li>- Setting up OSS to provide energy advisory services for energy efficiency renovations and energy production from renewable sources for prosumers</li> </ul>

Data source: [Annex](#) to the Council implementing decision.

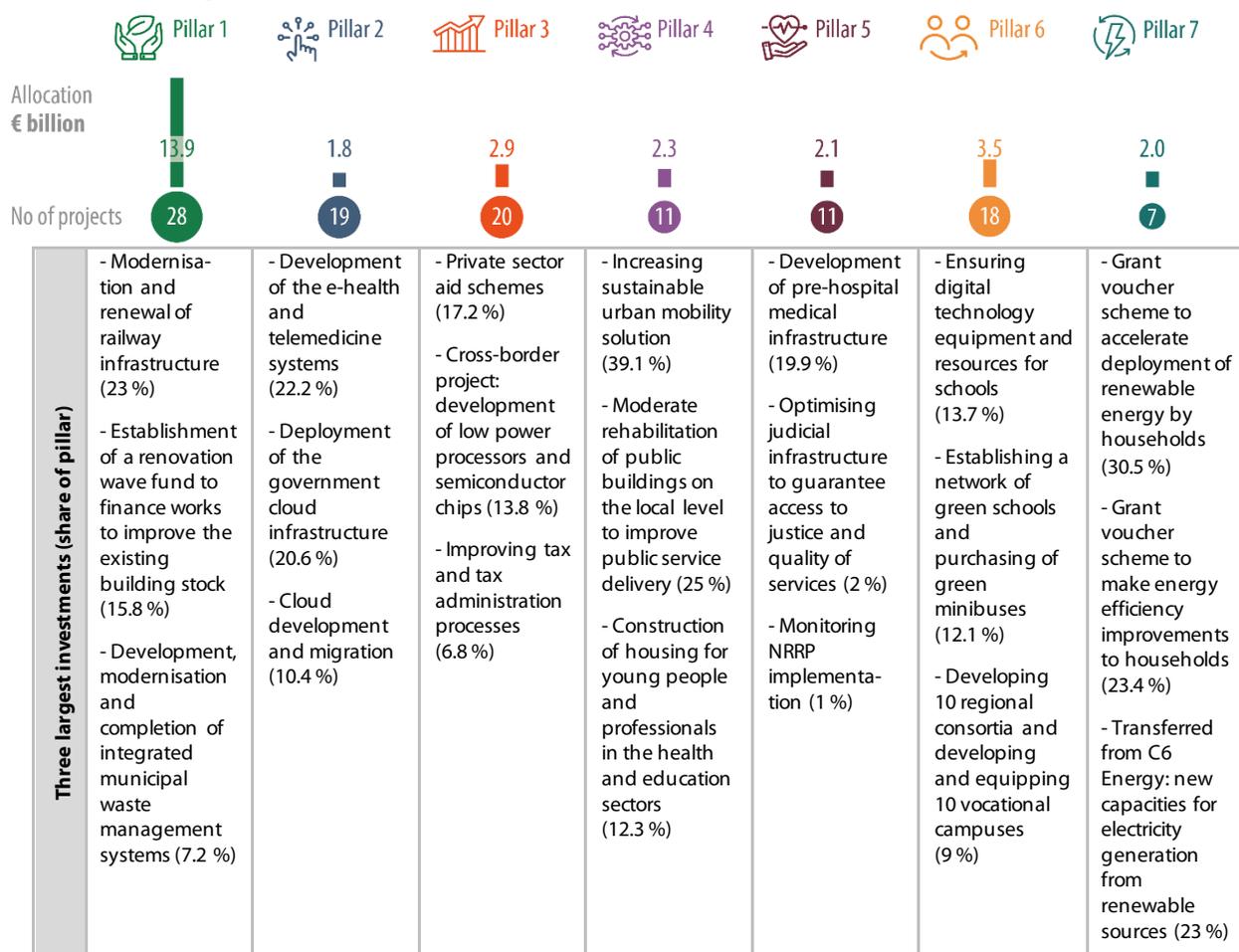
## Investment

The Romanian NRRP contains **114 investment measures**. The 'Green transition' pillar (P1) is the leading pillar with respect to both the absolute number of planned projects (around 25% of the planned investment) and the funding needs (49% of the entire financial allocation). Likewise, most large investment endeavours – such as the modernisation of the railway infrastructure or the development of the TEN-T network's sustainable road infrastructure – is concentrated within that same pillar.

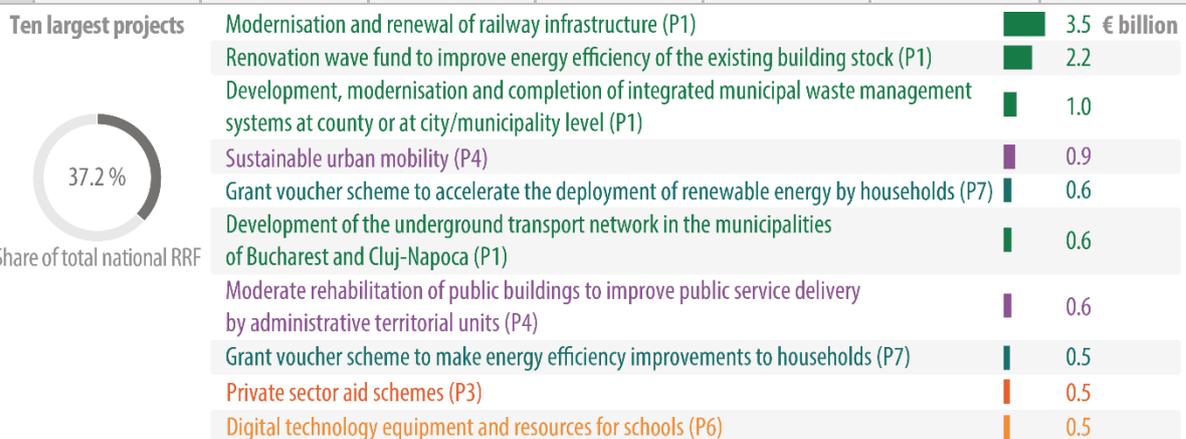
In terms of endowed resources, the 'Next generation' (P6) and 'Smart, sustainable and inclusive growth' pillars (P3) follow, with respective shares of more than 12% and 10%. The two pillars combined represent over 33% of all investment projects (in absolute figures). The planned investment under the novel REPowerEU chapter focuses on projects that aim to accelerate the deployment of RES, foster energy efficiency renovations and boost the requalification of the

workforce towards green skills. The remaining investments and financing are distributed among pillars P2, P4 and P5. Table 3 below lists the largest investment projects per pillar and their corresponding RRF funding, with examples of activities to be undertaken. It is followed by an overview of the 10 largest projects.

Table 3 – Largest measures to be supported under each pillar of Romania's NRRP



Examples of activities						
- Rail replacement, increasing train speeds, electrification and construction of bridges	- Mapping the available infrastructure and existing gaps relative to e-health and telemedicine systems	- Launching the guidelines for calls for projects on digitalising SMEs	- Signature of contracts for building electric-vehicle recharging points	- Renovating and/or equipping at least 2 000 associations of practices or practices of family doctors	- Modernising at least 4 300 informatics laboratories, developing over 1 100 technological hubs, and ensuring the infrastructure and digital equipment for 3 600 schools	- Installation of new solar panels systems with a net capacity of at least 3 kilowatts
- Launching calls for integrated projects (seismic consolidation and energy efficiency)	- Construction of tier IV and tier III data centres	- Securing intellectual property and accelerating the application of advanced technologies in key sectors	- Renovating 1 015 481 square metres of local-level public buildings	- Construction of three new court buildings	- Relying on 1 218 school minibuses to transport pupils to and from isolated localities in rural areas	- Carrying out renovations achieving at least 30 % primary energy savings compared with the pre-renovation state
- Establishing voluntary waste collection centres to ensure separate collection of household waste for a number of waste streams	- Upgrading the technologies used in public institutions	- Applying the Commission's technical guidance on sustainability proofing for the <a href="#">InvestEU</a> programme	- Signature of all public contracts for the construction of housing for young people from vulnerable communities and groups	- Collection of data for reporting purposes as envisaged in the RRF scoreboard	- Increasing by at least 60 % the number of pupils enrolled in the full dual route	- Installation of 950 megawatts new renewable power production capacity
...	...	...	...	...	...	...



Data source: Romania's NRRP; [annex](#) to the Council implementing decision of 5 December 2023.

## Governance

The European Commission [deemed](#) that the Romanian NRRP brings about a robust governance system that ensures the implementation, monitoring and oversight of the plan. The functions and tasks are properly defined and segregated between and within different bodies, and in accordance with their sectoral competences.

The Inter-ministerial Committee for Coordination ([CIC PNRR](#)) is the body responsible for coordinating the NRRP and following up its implementation at **central level**. The Committee works closely with the Ministry of Investment and European Projects ([MIPE](#)), which acts as the **national coordinator** for the development, negotiation, approval and implementation of the plan.

MIPE is in charge of signing the loan and financing agreements, control and monitoring of the plan, verification of milestones and targets, and dealing with irregularities. It is also responsible for drafting and sending the payment requests and verifying claims from the beneficiaries. The Ministry of Public Finance ([MFP](#)) assists MIPE with financial management tasks, while the line ministries

guarantee the implementation of the reforms and investments within their remit and execute financial planning and reporting as agreed with MIPE.

Moreover, on 22 May 2022, MIPE started [establishing](#) a **Monitoring Committee** for the NRRP comprised of non-governmental organisations (NGOs). The Ministry [concluded](#) the selection process by selecting 15 NGOs whose competencies are in accordance with the six pillars of the plan.

The [Audit Authority](#) is independent from the coordinating bodies and the implementing ministries. The **audit and control tasks** include systems and substantive audit, thus ensuring (i) the prevention, detection and correction of irregularities, and (ii) the correctness of pre-defined milestones and targets respectively.

The Romanian Parliament and its technical committees have been included in the consultation process prior to the official adoption of the NRRP. The plan's components were first presented to the [European Affairs Committee](#) on 9 March 2021. A final presentation of the NRRP and a discussion in the Romanian Parliament to accommodate the views of the opposition took place on [26 May 2021](#) before the plan was officially submitted to the European Commission.

## Commission assessment

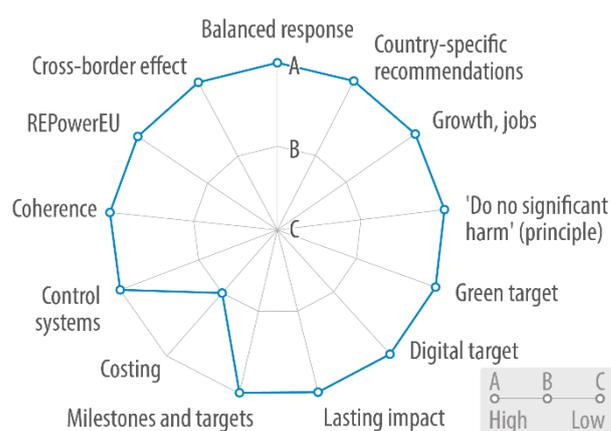
The Romanian NRRP received a positive assessment from the European Commission on 27 September 2021. All the criteria set out in the [RRF Regulation](#) were graded with the highest possible rating (A), except for the costing criterion, which – similar to other countries' NRRPs – received the medium score (B). The latter was due to providing cost estimates of a higher range compared with the costs of similar projects, and lacking explanations for a limited number of measures on how the cost references were used as the basis for the estimates. After Romania submitted an amended plan, the Commission issued its [second](#) positive assessment on 21 November 2023. The criteria and their corresponding ratings are shown in Figure 2.

The Commission has judged the Romanian plan to be largely comprehensive, with a fair balance of investment and reforms addressing all six RRF pillars.<sup>3</sup> The measures enshrined in the plan adequately respond to the challenges identified under the CSRs, including the fiscal aspects (see 'Country-specific challenges'), thus warranting the same high grading. The revised NRRP comes with a strong focus on education, digitalisation and the greening of the economy, as well as on the social dimension. The growth and jobs potential is therefore relatively high, which reflects the A rating for the related criterion.

The NRRP is expected to have a positive lasting impact on the economy (A rating), especially on account of investment in and reform of public administration and institutions, including at the lower levels of governance. The lasting effects will also stem from various other structural policies that aim to regulate the use of natural resources and the environment, sustainable transport, competitiveness and innovation, education, healthcare and social protection and inclusion.

The green and digital objectives of the plan likewise come with the highest rating, as they surpass the minimum required thresholds for such actions as defined in the RRF Regulation (see 'Objectives and structure of the plan'). Such measures refer, for example, to the construction or modernisation of electrified or zero-emission railways, and developing e-health and telemedicine systems. Adding

Figure 1 – Commission ratings by criteria



Source: European Commission, [SWD\(2023\) 382](#).

to the green transition, no measure included in the plan is set to contradict the '[do no significant harm](#)' criterion relative to the environmental objectives ([Taxonomy Regulation](#)).

The new REPowerEU criterion received the highest rating (A), since all the measures presented in the REPowerEU chapter are expected to contribute effectively to energy security, the diversification of the EU's energy supply, an increase in the uptake of renewables, energy efficiency, an increase in energy storage capacities, and the reduction of dependency on fossil fuels before 2030. The criterion on cross-border or multi-country dimension or effect likewise received the highest rating, since 96.5 % of the total cost of the REPowerEU chapter comes with a multinational character.

Milestones and targets have also been assessed with the highest rating, as these, together with their underlying qualitative and quantitative indicators, allow for the efficient follow-up of the NRRP's implementation. Finally, the set-up control systems come with a robust structure and clear distribution of roles and responsibilities, therefore meriting the A grading.

## Council decision and pre-financing

The Council of the EU endorsed the initial Romanian NRRP by issuing its [implementing decision](#) on 26 October 2021. The [annex](#) to the Council implementing decision summarises all the reforms and investments presented in the Romanian plan, and describes the arrangements and the timetable for its monitoring and implementation. The underlying milestones and targets rest on qualitative and quantitative indicators respectively, as well as the other relevant metrics.

The plan envisages the use of both grants and loans. As provided for in the implementing decision, the part of the grant allocation for 2023 (roughly €4 billion) has been made provisional and subject to a recalculation, based on actual outturn data from Eurostat. The updated data, [released](#) on 30 June 2022, show that the 2023 allocation for Romania witnessed a downward revision to €1.9 billion (a 14.9 % decrease in overall grant resources). Moreover, the [amended](#) RRF Regulation as regards REPowerEU chapters<sup>4</sup> in the NRRPs has put roughly €1.4 billion in additional REPowerEU grants at the country's disposal.

In its request to amend its NRRP, Romania has factored in those circumstances, together with the transfer of Romania's share (€43.2 million) of the [Brexit Adjustment Reserve](#) to its NRRP, to which a REPowerEU chapter was also added. With these additional resources, the overall worth of Romania's amended plan amounts to €28.5 billion, which the Council approved on [8 December 2023](#) by adopting a new [implementing decision](#).

On 2 December 2021, the Commission paid Romania [€1.8 billion](#) in pre-financing under the grant allocation. The [€1.9 billion](#) pre-financing relative to the loan provision followed on 13 January 2022. The two pre-financing tranches – amounting to 13 % of both loan and grant initial allocations – allowed Romania to kick-start the plan's implementation, notably by financing projects such as railway infrastructure development, cyber and 5G network security, and increase in cash registers connected to the tax authority. The Council's second implementing decision on the amended plan provided for a further 20 % pre-financing of the REPowerEU resources.<sup>5</sup> Romania presented a request for this amount (roughly €0.3 billion) on 8 September 2023. The Commission [disbursed](#) the requested sum on 25 January 2024. All the pre-financing received (initial and REPowerEU) is being gradually cleared against each of the instalments.

On 25 May 2022, the Commission and Romania signed the [operational arrangements](#) for monitoring and implementation of milestones and targets presented in the NRRP, which is a pre-condition for submitting payment requests to the Commission. RRF funds can only be paid out to the Member States after they have successfully fulfilled milestones and targets embedded in a payment request.

## European Parliament

Following the outbreak of the pandemic, the European Parliament was a [major advocate](#) of launching a common EU recovery instrument, and established the RRF as co-legislator with the

Council. Based on the RRF Regulation and the [Interinstitutional Agreement](#) (IIA) on budgetary matters, Parliament can scrutinise the Commission's work in assessing national plans.

Within the Parliament, the Conference of Presidents has established a standing working group on scrutiny of the RRF, comprising the Committee on Budgets (BUDG) and the Committee on Economic and Monetary Affairs (ECON). This working group prepares and follows up on the recovery and resilience dialogue that Parliament holds every two months with Commission representatives.

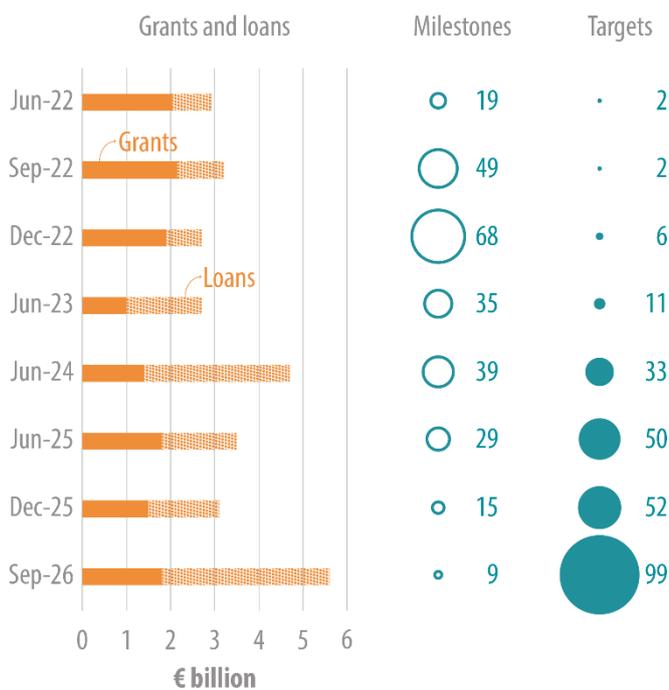
In addition, the IIA provides for dedicated interinstitutional meetings between Parliament, Council and Commission on the implementation of the broader Next Generation EU (NGEU) recovery instrument. These meetings are organised *in camera* at least three times a year. Through the [discharge procedure](#), Parliament also ensures democratic scrutiny of how NGEU resources are spent.

## Milestones and targets

The Romanian NRRP includes 180 measures, to be implemented through the successful completion of **263 milestones and 255 targets** – qualitative and quantitative goals, respectively. As shown in Figure 3, most milestones (65%) are set for the first half of the implementation period (2021-2023), while the considerably higher concentration of targets (92%) is observable in the second half (2024-2026). For both grants and loans, subsequent payments will be made in eight instalments subject to the satisfactory fulfilment of relevant milestones and targets.

More than half (52%) of the total grant allocation is set to be used by end-2023, while the reliance on loan resources is predominantly expected as of 2024 (i.e. roughly 70% of the total loan envelope).

Figure 2 – Envisaged instalment schedule



To date, Romania has received €9.5 billion in RRF resources (or 33.3% of Romania's revised NRRP): €4.1 billion in pre-financing (RRF grant and loans and REPowerEU grants) and €5.4 billion in regular payments (RRF grants and loans). The three payments were conditional on the successful achievement of 66 milestones and four targets. However, two milestones linked to the second payment request have been deemed non-fulfilled by the Commission, which led to a partial payment suspension of €53.4 million (see annex). The third payment request of €2.8 billion<sup>6</sup> in grants and loans was submitted to the Commission on [15 December 2023](#). The request is expected to include justifications for the achievement of 68 milestones and six targets across different sectors. The examples of milestones include signing 50% of work contracts linked to the investment 'Modernisation and renewal of railway infrastructure' (non-repayable support), and entry into force of legislative amendments to

streamline, simplify and fully digitalise business-related procedures linked to the reform 'Legislative transparency, de-bureaucratisation and procedural simplification for businesses' (repayable support). Examples of targets to be achieved refer to the selection of entities for participation in the cross-border, multi-country project on the development of low-power processors and semiconductor chips (investment; repayable support), and reaching 30% of desk audits by the tax administration (investment 'Improving tax and tax administration processes, including through the implementation of integrated risk management', non-repayable support).

## Views of Romanian stakeholders

The RRF Regulation stipulates that a summary of the consultation process conducted in line with the national legal framework must be included in the plan. In addition to opening the discussions on the NRRP in the Romanian Parliament (see 'Governance'), various stakeholders contributed to the plan's make-up. Since the launch of the consultations in February 2021, there have been [13 public debates](#) with 3 900 citizens. Overall, the Ministry of Investment and European Projects received 1 700 proposals for updating the NRRP, of which 1 470 came from the public debates.

The [Romanian Farmers' Club](#) have expressed their support for the reform programme proposals by the Ministry of Agriculture and Rural Development to be included in the NRRP. These referred to measures aimed at efficient water and soil management, namely through the rehabilitation and modernisation of irrigation and drainage systems, and combating soil erosion. The Club viewed these actions as an opportunity to contribute to the environmental goals of the EU as a whole, as well as boosting the resilience of Romanian companies in the sector.

The National Council for SMEs ([CNIPMMR](#)) appeared to be more critical of the plan, stressing that the measures enshrined in it are below the actual financing needs of the sector and that only some SMEs that need support would benefit from it. The [Coalition for Romanian Development](#) was also critical, calling for more transparency and consultation during the implementation of the fiscal measures embedded in the plan, as these continue to pose significant challenges.

The [American Chamber of Commerce in Romania](#) pointed out that the NRRP represents a historic opportunity to address various challenges the country is facing – from political and regulatory instabilities affecting all sectors, to pressure from inflation and interest rates. They see the plan as a tool to bridge the gaps in the country's strategic areas and to accelerate towards a sustainable development of Romania's economy and society. The Chamber also follows up the implementation phase of the plan and provides a platform for further [dialogue](#).

## Expert debate

[The World Bank](#) acknowledged the NRRP's potential to achieve post-pandemic recovery and render the Romanian economy greener and more digitalised. The Bank identified five key areas where reforms are pending: tax policy and administration; increased public investment; sustainability of the pension fund; restructuring of state-owned enterprises; and social protection and strategic investment in people's skills, infrastructure and public services. These challenges largely coincide with those identified by the Commission (see 'Country-specific challenges').

By the same token, the Organisation for Economic Cooperation and Development ([OECD](#)) called for effective implementation of the plan and echoed the need for reforms in the above-mentioned areas. In addition, the OECD stressed that the RRF resources should be funnelled towards measures aimed at productivity growth, job creation, strengthening the rule of law, and developing a stronger competition and regulatory framework to improve the business environment.

On public investment, in particular, the [European Bank for Reconstruction and Development](#) has already seen some RRF resources being invested in large infrastructure projects, notably the construction of the highway linking Bucharest with the Moldova region (to be completed by 2024).

The milestone covering the introduction of the law on whistle-blowers' protection, included in Romania's second payment request, has received some criticism. The [European Public Prosecutor's Office](#) claimed that the earlier drafts of the legal text offered little protection to whistle-blowers, thus further discouraging them from acting. While the passed law eliminated some of the contested rules, the [Follow the Money](#) platform<sup>7</sup> for investigative journalism argues that the law still cannot ensure a sufficiently effective response to anonymous reporting.

## EUROPEAN PARLIAMENT SUPPORTING ANALYSIS

[Economic and Budgetary Outlook for the European Union 2023](#), EPRS, January 2023.

[EU recovery instrument](#), EPRS infographic, updated weekly.

[National Recovery and Resilience Plans: Latest state of play](#), EPRS blog, last updated February 2024.

[Recovery and Resilience Facility](#), EPRS, 2021.

[Recovery and resilience plans in the 2023 European Semester: Progress and country-specific recommendations](#), EPRS, June 2023.

## OTHER SOURCES

[Plan de Relansare și Reziliență](#), National Recovery and Resilience Plan website, government of Romania.

## ENDNOTES

- <sup>1</sup> The graphics and tables in this briefing are based on data from the revised [Romanian NRRP](#), the Commission's [assessment](#) of the revised plan, and the [annex](#) to the [Council implementing decision](#). Data used reflect their source at the time of extraction and there may be discrepancies between data from different sources and rounding differences.
- <sup>2</sup> The Commission [counted](#) 111 investments and 66 reforms.
- <sup>3</sup> The six RRF [pillars](#) are: (i) green transition; (ii) digital transformation; (iii) smart, sustainable and inclusive growth; (iv) social and territorial cohesion; (v) health, and economic, social and institutional resilience; and (vi) policies for the next generation.
- <sup>4</sup> On 18 May 2022, the Commission [proposed](#) the REPowerEU plan. The [agreement](#) between Parliament and Council includes amendments to the RRF Regulation that will top up the RRF grant envelope with an additional €20 billion for new REPowerEU chapters containing novel or reinforced energy-related measures. The distribution key for these new resources will consider cohesion policy, Member States' dependency on fossil fuels and the increase of investment prices. Moreover, Member States will be able to transfer voluntarily an additional €5.4 billion in grants from the [Brexit Adjustment Reserve](#). Sums still available for RRF loans can also be used to finance REPowerEU chapters.
- <sup>5</sup> The REPowerEU pre-financing can be paid out in maximum two instalments at the latest one year after the entry into force of the new Council implementing decision.
- <sup>6</sup> The Commission [reported](#) that the value of the third payment request (grants and loans) is equal to €2 billion (net of pre-financing, including the REPowerEU pre-financing).
- <sup>7</sup> See P. Teffer, '[Cash for reforms? Hard choices yet to come for EU's recovery fund](#)', FTM, 2023 (paywalled).

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Fourth edition. The 'NGEU delivery' briefings are updated at key stages throughout the lifecycle of the plans. The author would like to thank Lucia Sanchez Cabanillas, trainee in the Next Generation EU Monitoring Service, for her research assistance

## Annex – Payments received by Romania so far

Romania received €2.7 billion of pre-financing for grants and loans in two separate tranches. In addition, it has so far received two payments for both grants and loans (see Table 4 below for details), based on results linked to various reform and investment measures in areas such as energy efficiency, sustainable mobility, digital transformation, water management, healthcare, taxation and pensions, education, justice and the fight against corruption. Romania submitted the [first payment request](#) to the Commission on 1 June 2022. The request was conditional on successful achievement of 19 milestones and two targets. The latter involved decommissioning of the coal-fired power generation capacity and increasing the number of cash registers connected to the tax authority. Examples of milestones included the adoption of the strategy for railway infrastructure development (2021-2025), accompanied by the action plan for its implementation; the entry into force of the new national anti-corruption strategy; and the adoption of the national strategy on cybersecurity (2021-2026). After a [positive preliminary assessment](#) of the payment request from the Commission and subsequent endorsement by the Council's Economic and Financial Committee (EFC), Romania [received](#) the requested resources on 27 October 2022.

Romania submitted the [second payment request](#) of €2.8 billion (net of pre-financing), containing 49 milestones and two targets, on 16 December 2022. The grant part of that request, which is worth €1.9 billion (net of pre-financing), included one of the two targets, namely awarding educational establishments with grants. This target is linked to the investment measure aiming to reduce the risk of dropout students (NRRP component on education). One example of a grant-related milestone refers to the introduction of the law on whistle-blower protection, which concerns the reform on stepping up the fight against corruption (NRRP component on good governance).

The loan part of the request, worth €0.9 billion (net of pre-financing), is linked to the other target, i.e. defining sites to be included in the cultural routes as part of the investment on promoting 12 touristic and cultural routes (NRRP component on tourism and culture). One example of a loan-related milestone included in the request concerns the enactment of a legislative act on the implementation of the [national housing strategy](#) and an action plan to decrease severe housing deprivation. This milestone is linked to the reform designed to improve housing quality under the NRRP pillar on social and territorial cohesion.

The Commission endorsed a [partially positive assessment](#) of the payment request on 27 June 2023 – with two milestones ([129 and 133](#)) relating to energy investments under the loan request deemed unsatisfactory – and forwarded its assessment to the EFC for opinion. For the contested milestones, the Commission initiated the payment suspension procedure (Article 24(6) RRF Regulation), under which Romania had one month to send back its observations to the Commission. The Commission calculated that, according to its [methodology](#), [€53.4 million](#) needed to be suspended until the country makes sufficient progress towards achieving the two milestones (i.e. within the next six months). Otherwise, the suspended amount will be lost. After suspending that amount, the Commission [disbursed](#) €2.8 billion (rounded) in grants and loans to Romania on 29 September 2023. Romania [received](#) the REPowerEU pre-financing of €0.3 billion on 25 January 2024.

Table 4 – Romania's NRRP: Payments as of 25 January 2024

RRF allocation	Payment	Date	Net resources (€ billion)	Share of total
Grants	Pre-financing	2.12.2021	1.9	15.7 %
	1st instalment	27.10.2022	1.8	14.8 %
	2nd instalment	29.9.2023	1.9	15.7 %
	REPowerEU pre-financing	25.1.2024	0.3	2.3 %
	<b>Total grants paid so far</b>		<b>5.9</b>	<b>46.3 %</b>
Loans	Pre-financing	13.1.2022	1.9	12.7 %
	1st instalment	27.10.2022	0.8	5.4 %
	2nd instalment	29.9.2023	0.9	6.0 %
	<b>Total loans paid so far</b>		<b>3.6</b>	<b>24.1 %</b>
	<b>Total grants and loans paid so far</b>		<b>9.5</b>	<b>33.3 %</b>

Source: EPRS, based on European Commission data. Rounding differences apply. Pre-financing (grants and loans) is equivalent to 13 % of the initial allocation. REPowerEU pre-financing is equivalent to 20 % of the REPowerEU chapter resources.