European Commission - Press release





Commission endorses preliminary assessment of Romania's third payment request under the RRF

Brussels, 25 March 2025

The Commission has given a positive preliminary assessment of the key milestone in Romania's third payment request regarding the reduction of the special tax regime for micro-enterprises. So far, **68 out of the 74 milestones and targets** have been positively assessed under this request which totals to €2 billion (net of pre-financing) under the <u>Recovery and Resilience Facility</u>, the centrepiece of <u>NextGenerationEU</u>.

Positive preliminary assessment of all but six milestones

Romania's third payment request includes key steps in **37 reforms** and **17 investments** aimed at driving positive change for citizens and businesses, focusing on green and digital transitions, sustainable transport, energy renovation, tax and pension, the business environment, urban mobility, tourism and culture, healthcare, social reforms, good governance, education as well as water waste and forestry management.

Flagship measures in this payment request include:

- **Electricity market reform: A new** legislative framework to boost energy efficiency investments in industry is now in effect. It removes barriers to energy performance contracting, introduces market surveillance and sets new standards for energy efficiency and green financial instruments.
- **Special tax regime reform for micro-enterprises:** A new law gradually reduces the special tax regime, creating a fairer, simpler and more transparent micro-enterprise tax system.

Building efficiency investments: Contracts were signed for the energy efficiency renovation and integrated renovation of residential and public buildings.

Activation of suspension procedure

Today, the Commission also found that milestone 215 (*Entry into force of the legislative framework for reducing expenditure on special pensions'*) is not fulfilled at this stage.

This milestone adds to five others from Romania's third payment request that the Commission assessed as unmet in its <u>Communication of 15 October 2024</u>.

These milestones include investments for upgrading railway infrastructure and developing the underground transport network in Bucharest and Cluj-Napoca, as well as reforms for performance-based management in transport, improving corporate governance of state-owned energy companies, and operationalising corporate governance policies for state-owned enterprises.

As a result, the Commission is activating the "payment suspension" procedure, as outlined in the RRF Regulation. This procedure gives Romania more time to meet these outstanding milestones while still receiving partial payment for the milestones that have been successfully completed.

Next steps

The Commission has sent its positive preliminary assessment of the fulfilled milestones and targets to the <u>Economic and Financial Committee</u> (EFC), which has four weeks to deliver its opinion.

At the same time, the Commission informed Romania why it considers milestone 215 unsatisfied. Romania has one month to submit its observations to the Commission. After receiving the EFC's opinion and reviewing Romania's comments, the Commission will adopt a payment decision, triggering the payment to Romania. If the Commission, after reviewing Romania's observations, maintains its assessment that certain milestones are unmet, part of the payment will be suspended.

The suspended amount will be determined by applying the Commission's methodology for payment suspensions (outlined in Annex II of the <u>Communication</u> published on 21 February 2023), which applies to all Member States. From that moment, Romania will have a period of six months to fulfil the outstanding milestones. At the end of this period, the Commission will assess whether these milestones have been satisfactorily fulfilled. If so, it will lift the suspension and proceed with the payment of the suspended amount.

Background

Romania's recovery and resilience plan includes a wide range of investment and reform measures. The plan will be financed by €28.5 billion, of which €13.6 in grants and €14.9 in loans. You can find more information on Romania's Recovery and Resilience plan on this page, which features an interactive map of projects financed by the RRF, as well as on the Recovery and Resilience Scoreboard. More information on the process of payment requests under the RRF can be found in this document of questions and answers.

For more information

Commission's preliminary assessment of Romania's third payment request

Commission's preliminary assessment

Romania's Recovery and Resilience plan

Plan overview, full plan and all other related documents

Country snapshot

Recovery and Resilience Facility

Recovery and Resilience Facility

Recovery and Resilience Facility project map

Recovery and Resilience Scoreboard

Recovery and Resilience Facility Regulation

EU as a borrower

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