ROMANIA'S NATIONAL RECOVERY AND RESILIENCE PLAN – BETWEEN ASPIRATION AND REALITY

FEHER ANDREA*[1,2], TOADER COSMINA SIMONA[1], SÎRBULESCU CLAUDIA[1], BRAD IOAN[1], BĂNEȘ ADRIAN[2], RAICOV MIROSLAV[2], ȘUSTER GABRIEL[1,2]
[1]University of Life Sciences "King Mihai I" from Timisoara, Faculty of Management and Rural Tourism, Timișoara, Romania
[2]Romanian Academy-Timisoara Branch, Research Centre for Sustainable Rural Development of Romania, Timișoara, Romania
*Corresponding author's e-mail: andreafeher@usvt.ro

Abstract: *Romania's National Recovery and Resilience Plan (NRRP) is part of a broader framework established at the European Union level, aimed at supporting post-pandemic economic recovery. It is closely aligned with the Recovery and Resilience Facility (RRF), the primary financial instrument of the NextGenerationEU programme. Through the NRRP, Romania has been allocated a total of €28.5 billion, comprising €14.9 billion in grants and €13.6 billion in loans. To date, the country has received approximately €9.4 billion in pre-financing and approved payments. Access to these funds is contingent upon the fulfilment of predefined milestones and targets, which are subject to monitoring at the European level. As of February 2025, Romania ranked in the lower half of EU Member States in terms of NRRP implementation, with an absorption rate of 33% of the total available funds. Delays in execution have necessitated adjustments and renegotiations, highlighting the need to accelerate reforms to prevent the loss of funding. Consequently, the NRRP is a crucial instrument for Romania's development, yet its success depends on the authorities' ability to adhere to the agreed-upon milestones and targets.*

Keywords: *National Recovery and Resilience Plan (NRRP), Recovery and Resilience Facility (RRF), NextGenerationEU, milestones, targets, reforms*

INTRODUCTION

In 2020, the European Union experienced one of the most severe economic and social crises in its history, triggered by the COVID-19 pandemic [3]. In response, the European Union introduced the **NextGenerationEU** financial package, valued at €807 billion (in current prices), to support Member States in their recovery efforts and enhance their preparedness for future challenges [1].

At the core of this package is the Recovery and Resilience Facility (RRF), designed to mitigate the economic repercussions of the pandemic and stimulate the recovery of the European economy [10]. The RRF provides financial assistance through a combination of loans and grants, facilitating the implementation of reforms and investments across EU Member States. As revised in 2023, the facility has a total allocation of €648 billion, distributed as follows: €291 billion in loans and €357 billion in grants [4].

Each EU Member State was invited to develop a **National Recovery and Resilience Plan (NRRP)**, aligned with the objectives of the RRF. These plans are designed to support economic recovery, accelerate the green and digital transitions, and enhance the economic and social resilience of Member States [11].

MATERIALS AND METHODS

The methodology used in this study is based on a documentary analysis of official sources, including reports published by the European Commission, the European Parliament, the Council of the European Union, and the Government of Romania. Additionally, studies conducted by economic research institutes and relevant scientific articles were reviewed to provide a comprehensive perspective.

To evaluate Romania's progress in implementing the NRRP, the milestones and targets set within the plan were analysed and compared to those of other EU Member

States. The interpretation of these data followed a comparative approach, employing infographics and summary tables to illustrate the stage of implementation and the distribution of allocated funds.

Furthermore, the methodology incorporated an analysis of the key risks and challenges encountered by Romania in the fund absorption process. This assessment was based on official reports as well as expert opinions from the field of European finance.

.

RESEARCH RESULTS

Presentation of Romania's National Recovery and Resilience Plan (NRRP)

Romania's National Recovery and Resilience Plan (NRRP) is a comprehensive reform and investment programme designed to mitigate the socio-economic consequences of recent crises while facilitating the country's green and digital transition. This strategic document enables Romania to access financial support through the Recovery and Resilience Facility (RRF) [2,14].

The NRRP was officially submitted to the European Commission on 31 May 2021 and received approval on 29 October 2021, followed by a rectified version approved on 5 December 2023. The plan's total budget amounts to €28.51 billion, representing 12.8% of Romania's 2019 Gross Domestic Product (GDP), with €14.94 billion allocated as loans and €13.57 billion as grants (Figure 1).

Figure 1. Romania's allocation through the Recovery and Resilience Facility (RRF), revised 2023 version

Source: Developed based on European Council, Council of the EU, 2023[7]

The general structure of the National Recovery and Resilience Plan (NRRP) is organised around seven pillars, further subdivided into 16 components, and implemented through 114 investments and 66 reforms [8]. The main strategic directions of the plan are as follows:

1. **Green Transition**. This pillar focuses on the decarbonisation of the energy and transport sectors**,** promoting the use of renewable energy sources, enhancing energy efficiency**,** and improving water and waste management, biodiversity, and sustainable mobility. Approximately half of the allocated budget under this pillar is dedicated **to** rail transport and the Trans-European Transport Network (TEN-T).
2. **Digital Transformation**. This component aims to advance the digitalisation of public services, develop connectivity infrastructure, strengthen cybersecurity, and enhance digital literacy among the population.

3. **Smart, Sustainable, and Inclusive Growth**. This pillar encompasses measures for tax administration reform, fiscal and budgetary system improvements, pension system sustainability, and enhancing competitiveness in research, development, and innovation (RDI).
4. **Social and Territorial Cohesion**. This component supports the integration of green and digital policies in areas such as urban mobility, tourism, and the cultural and creative sectors, while also striving to reduce regional disparities.
5. **Health, Economic, and Social Resilience**. This pillar is dedicated to modernising healthcare infrastructure, improving access to medical services, optimising public administration, and strengthening the judiciary and anti-corruption measures. Additionally, it seeks to increase the efficiency of state-owned enterprises.
6. **Next Generation**. This component focuses on reforms and investments in the education system, aligning it with labour market demands and enhancing the quality of the educational process.
7. **REPowerEU**. As an extension of the green transition, this pillar aims to enhance Romania's energy security by investing in renewable energy, diversifying supply sources, increasing energy efficiency**,** and fostering skills development in the green energy sector. It also seeks to reduce dependence on fossil fuels.

The seven pillars of the National Recovery and Resilience Plan (NRRP) are further structured into 16 components. Approximately 44.1% of the revised NRRP is allocated to green components, surpassing the 37% minimum threshold established by the Recovery and Resilience Facility (RRF) regulation. Simultaneously, the digital transition accounts for 21.8% of the total funds, exceeding the 20% minimum regulatory requirement [5].

The National Recovery and Resilience Plan (NRRP) includes 66 reforms**,** structured into 158 milestones and targets. The largest proportion of these reforms (approximately 29%) falls under *Pillar 5 – Health, Economic, and Social Resilience*, which aims to strengthen the healthcare sector through measures focused on modernising infrastructure and improving human resource management.

Pillar 1 – Green Transition accounts for approximately 23% of the total reforms and includes measures aimed at enhancing sustainable water and wastewater management, as well as reforms in forest management and protection. Additionally, this pillar seeks to strengthen corporate governance in state-owned enterprises within the energy sector.

Pillar 3 – Smart, Sustainable, and Inclusive Growth comprises around 17% of the reforms, encompassing initiatives to optimise the tax and pension system and support the business environment. The remaining reforms are distributed across Pillars 2, 4, 6, and 7.

Furthermore, the *REPowerEU Chapter (Pillar 7)* introduces two key new reforms: i) the establishment of a legislative framework to facilitate the use of state-owned land as designated areas for accelerating investments in renewable energy sources, and ii) the creation of one-stop shops to provide guidance for prosumers regarding energy efficiency and renewable energy production.

Status of the National Recovery and Resilience Plan (NRRP) implementation

Given the scale and strategic importance of the investments included in the National Recovery and Resilience Plans (NRRPs), the European Parliament has repeatedly emphasised the necessity of strict monitoring of the NextGenerationEU programme. To ensure the transparency of this complex financial mechanism, the European Parliamentary Research Service (EPRS) has developed an interactive infographic illustrating the status of NRRP implementation in each EU Member State [9]. The version used in this analysis reflects data available as of February 2025.

Table 1.

Percentage of total funds available through the NRRP collected by each Member State

	Member State	Amounts paid (€ billion)	Total NRRP (€ billion)	Absorbtion rate	
1	France	30.9	40.3	77%	
2	Germany	19.8	30.3	65%	
3	Italy	122.1	194.4	63%	
4	Slovakia	3.5	6.4	55%	
5	Estonia	0.5	0.95	53%	
6	Portugal	11.4	22.2	51%	
7	Malta	0.17	0.34	50%	
8	Greece	18.2	36.7	50%	
9	Czechia	4.4	9.2	48%	
10	Lithuania	1.8	3.9	46%	
11	Croatia	4.5	10.0	45%	
12	Slovenia	1.1	2.7	41%	
13	Latvia	0.8	2.0	40%	
14	Poland	20.8	60.0	35%	
15	Cyprus	0.4	1.2	33%	
16	Romania	9.4	28.5	33%	
17	Spain	48.3	163.0	30%	
18	Austria	1.2	4.2	29%	
19	Belgium	1.5	5.3	28%	
20	Denmark	0.9	3.5	27%	
21	Finland	0.5	1.9	26%	
22	Bulgaria	1.4	5.7	25%	
23	Netherlands	1.3	5.4	24%	
24	Ireland	0.3	1.5	21%	
25	Luxembourg	0.03	0.24	13%	
26	Hungary*	0.92	10.4	9%	
27	Sweden**	0.0	3.5	0%	

*Sweden had no payment requests scheduled during the first two years of NRRP implementation and did not request pre-financing.

** Hungary's access to European funds is currently suspended; it has only received pre-financing, which was granted prior to the European Commission's decision.

Source: NRRP Monitor, NRRP Health Bulletin No. 12/2025 [12]

According to the most recent data, Romania has received €9.4 billion from the Recovery and Resilience Facility (RRF) to date, comprising two payment payments and pre-financing [13]. The NRRP funds consist of both grants and loans; however, some Member States have opted not to access the loan component. Romania, by contrast, has chosen to utilise this option, benefiting from favourable financing conditions - 30-year loans with an annual interest rate of 0.2%, which is significantly below market interest rates (currently close to 7%). This strategic decision enables Romania to access low-cost financing, contributing to the management of the budget deficit.

Table 1 illustrates the percentage of NRRP funds already collected by each European Union Member State as of February 2025 [12]. According to this analysis, Romania ranks in the lower half of the classification, with an absorption rate of 33% of the total available funds. This significant delay highlights persistent administrative challenges**,** delays in implementing the assumed reforms, and structural issues affecting the absorption process of European funds. Furthermore, complex bureaucratic procedures and the necessity for legislative amendments to meet the established milestones contribute to the slowing down of progress.

If Romania does not accelerate the implementation of reforms and the deployment of investments outlined in the NRRP, there is a considerable risk of losing a significant portion of the allocated funds. Such a scenario could have negative implications for the country's economic and social development, limiting opportunities for modernising infrastructure and enhancing public services.

On 15 December 2023, Romania submitted its third payment request, amounting to €2 billion (excluding pre-financing), which is currently under evaluation by the European Commission. However, the European Commission's 2023 bi-annual report identifies major risks of delays in the NRRP implementation, which could adversely affect the absorption rate of the available funds [6].

CONCLUSIONS

The analysis of Romania's National Recovery and Resilience Plan (NRRP) underscores the crucial role of this instrument in supporting strategic reforms and investments necessary for the country's economic and social development. However, its implementation faces major challenges, including significant delays and difficulties in meeting the assumed milestones [15].

The study's findings indicate that, although Romania had received approximately €9.4 billion by February 2025, its fund absorption rate (33%) remains below the European Union average. The main factors contributing to these delays include complex bureaucratic procedures, the absence of rapid structural reforms, and administrative inefficiencies.

To maximise the benefits of the NRRP, Romania must accelerate the implementation of reforms, enhance administrative capacity, and ensure a stable and predictable legislative framework. Additionally, improving coordination between authorities and effectively monitoring milestones are essential to prevent the loss of crucial funds needed for the country's economic development.

In conclusion, the NRRP remains a fundamental tool for Romania's modernisation**,** yet its success depends on the ability of decision-makers to efficiently manage available resources and fulfil commitments made at the European level.

REFERENCES

[1]. ARMINGEON K., DE LA PORTE C., HEINS E., SACCHI S., 2022, Voices from the past: Economic and political vulnerabilities in the making of next generation EU. Comparative European Politics, 20(2), 144–165, https://doi.org/10.1057/s41295-022-00277-6

[2]. CREȚU C., 2023, Funding Opportunities for Romania through the National Recovery and Resilience Plan, Proceedings of the International Conference on Business Excellence, vol. 17(1), pp. 488-497, https://doi.org/10.2478/picbe-2023-0047

[3]. DE VINCENZO D., 2022, NextGenerationEU between pandemic, war, and energy transition, Documenti Geografici, vol.1, pp. 23-36. https://doi.org/10.19246/DOCUGEO2281-7549/202201_03

[4]. EUROPEAN COMMISSION, 2021, Recovery Plan for Europe**.** Available at: https://commission.europa.eu/strategy-and-policy/recovery-plan-europe_ro#principalele-elemente-ale-pachetului

[5]. EUROPEAN COMMISSION, 2024a, Romania's Recovery and Resilience Plan: Key figures. Available at: https://commission.europa.eu/document/download/6dd87264-8610-4112-9f28-1b722259c2d1_en?filename=Recovery_and_resilience_FS_RO.pdf

[6]. EUROPEAN COMMISSION, 2024b, Press Release: Commission endorses preliminary assessment of Romania's third payment request under the Recovery and

Resilience Facility. Available at: https://ec.europa.eu/commission/presscorner/detail/en/ip_24_5242

[7]. EUROPEAN COUNCIL, COUNCIL OF THE EUROPEAN UNION, 2023, Recovery Fund. Press Release, 8 December 2023. Available at: https://www.consilium.europa.eu/en/press/press-releases/2023/12/08/ recovery-fund-council-greenlights-amended-national-plans-for-13-member-states/

[8]. EUROPEAN PARLIAMENT, 2024, Briefing: Implementation of NextGenerationEU – How Are Member States Performing? Romania's National Recovery and Resilience Plan**.** Available at: https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/733641/EPRS_BRI(2022)733641_RO.pdf

[9]. EUROPEAN PARLIAMENT, RESEARCH SERVICE (EPRS), 2024. National Recovery and Resilience Plans: Latest State of Play**.** Available at: https://epthinktank.eu/2022/02/03/national-recovery-and-resilience-plans-latest-state-of-play/

[10]. FEHER A., 2025, Politici și programe de finanțare comunitară, Editura Pro Universitaria, București

[11]. GUIDI M., PICCINETTI M., VERZICHELLI L. 2023, NextGenerationEU and the European Semester: Comparing National Plans and Country-Specific Recommendations. Politics and Governance, 11(4), pp. 339-351, https://doi.org/10.17645/pag.v11i4.7351

[12]. NRRP MONITOR, 2025, NRRP Health Bulletin No. 12/2025. Available at: https://monitorpnrr.eu/buletin-de-sanatate-pnrr-12-2025/

[13]. THINK TANK EUROPEAN PARLIAMENT, 2024, Romania's National Recovery and Resilience Plan: Latest state of play. Available at: https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI(2022)733641

[14]. TODERAS N., 2024, The Path-Breaking Potential of the Recovery and Resilience Facility: An Analysis of the Shifts in EU's Distributional Policy Mode with Insights from Romania's Experience, Romanian Journal of European Affairs, vol. 24(1), pp. 47-67

[15]. VASILOIU I. N., 2022, Romania's National Recovery and Resilience Plan – a Set of Reforms and Investments for the Increase of the Nominal and Real Convergence, "Ovidius" University Annals, Economic Sciences Series Volume XXII, Issue 1, pp. 466-472