



EUROPEAN  
COMMISSION

Brussels, 20.10.2022  
C(2022) 7599 final

**COMMISSION IMPLEMENTING DECISION**

**of 20.10.2022**

**on the authorisation of the disbursement of the first instalment of the non-repayable support and the first instalment of the loan support for Romania**

(Only the Romanian text is authentic)

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## **on the authorisation of the disbursement of the first instalment of the non-repayable support and the first instalment of the loan support for Romania**

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility<sup>1</sup>, and in particular Article 24(5) thereof,

Whereas:

- (1) According to Article 4(2) of Regulation (EU) 2021/241, the specific objective of the Recovery and Resilience Facility is to provide Member States with financial support with a view to achieving the milestones and targets of reforms and investments as set out in their recovery and resilience plans.
- (2) Council Implementing Decision of 3 November 2021 on the approval of the assessment of the recovery and resilience plan for Romania<sup>2</sup> (the ‘Council Implementing Decision’) provides that the Union is to release instalments in accordance with the Financing Agreement and the Loan Agreement conditional on a decision by the Commission, taken in accordance with Article 24(5) of Regulation (EU) 2021/241, that Romania has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the recovery and resilience plan.
- (3) On 31 May 2022, Romania submitted a request for payment, accompanied by a management declaration and a summary of audits. The request concerned the first instalment of the non-repayable support and the first instalment of the loan support. Pursuant to Article 24(3) of Regulation (EU) 2021/241, the Commission assessed on a preliminary basis whether the relevant milestones and targets set out in the Council Implementing Decision had been satisfactorily fulfilled. For the purpose of this assessment, the operational arrangements concluded between the Commission and Romania<sup>3</sup> in accordance with Article 20(6) of Regulation (EU) 2021/241, were taken into account.
- (4) The Commission made a positive preliminary assessment of the satisfactory fulfilment of all 14 relevant milestones and targets related to the non-repayable support and all 7 relevant milestones related to the loan support and, in accordance with Article 24(4) of Regulation (EU) 2021/241, provided its findings to the Economic and Financial

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<sup>1</sup> OJ L 57, 18.2.2021, p. 17.

<sup>2</sup> ST 12319/21; ST 12319/21 ADD 1, not yet published.

<sup>3</sup> Recovery and Resilience Facility Operational arrangements between the European Commission and Romania, entered into force on 25 May 2022.

Committee asking for its opinion on the satisfactory fulfilment of the relevant milestones and targets. In accordance with Article 25(4) of that Regulation, the Commission provided the competent committee of the European Parliament with an overview of its preliminary findings concerning the satisfactory fulfilment of the relevant milestones and targets. The Economic and Financial Committee agreed with the Commission's positive preliminary assessment and was of the opinion that Romania has satisfactorily fulfilled all the milestones and targets associated with the payment request. The Commission has taken the opinion of the Economic and Financial Committee into account for its assessment.

- (5) Section 2.1.1. of the Annex to the Council Implementing Decision lays down the relevant milestones and targets that are to be satisfactorily fulfilled for the first instalment of the non-repayable support for an amount of EUR 2 037 146 414.

Milestones and targets related to the non-repayable support:

- (6) Milestone 69 provides for the adoption of the strategy for the development of the railway infrastructure by the Government Decision no. 985/2020 (secondary legislation), adoption of the action plan and start of implementation. The evidence provided by Romania demonstrates that the adoption of the strategy, the action plan and start of implementation are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (7) Target 113 provides for the decommissioning of 1 695MW of coal-fired power-production capacity. The evidence provided by Romania demonstrates that 1 695MW of coal/lignite-fired installed electricity production capacity have been decommissioned, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (8) Milestone 142 provides for the entry into force of the Ministerial Order for the establishment of a temporary task force to implement and monitor Digital Transformation reforms and investments. The evidence provided by Romania demonstrates the creation of a temporary task force for the implementation period of the recovery and resilience plan, formed by specialists and entrusted with the monitoring and implementation of all digital-related measures in the Romanian recovery and resilience plan, in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (9) Milestone 146 provides for the entry into force of the 5G network security law. The evidence provided by Romania demonstrates that the 5G network security law has entered into force in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (10) Milestone 150 provides for the adoption of the National Cybersecurity Strategy 2021-2026 by the government. The evidence provided by Romania demonstrates that the strategy, including the action plan, was approved, in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (11) Milestone 211 provides for the signature of a technical assistance contract with an entity selected according to the national public procurement legislation, for the reform of the public pension system. The evidence provided by Romania demonstrates that

the contract was signed in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (12) Milestone 212 provides for the entry into force of a common ministerial order setting up a monitoring committee in charge of reviewing, with the support of the technical assistance provider, the pension system and the policy interventions in the pension system. The evidence provided by Romania demonstrates that the Joint Ministerial Order issued by the Ministry of Finance and Ministry of Labour and Social Solidarity has entered into force and that it sets up the monitoring committee, in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (13) Target 220 provides that at least 150 000 cash registers are connected to the National Agency for Fiscal Administration IT system. Romania has reported that 515 278 cash registers are connected. On the basis of the evidence provided by Romania for a sample of 60 units, a statistical analysis has been carried out comparing the reported 515 278 cash registers and the target of 150 000 cash registers with the sample, out of which all 60 units have been considered as connected and functional. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (14) Milestone 366 provides for the adoption of the Manual of Integrated Community Centres, including guidelines for the prioritisation of investments in Integrated Community Centres through an order of the Minister of Health. The evidence provided by Romania demonstrates that the manual and the guidelines have been adopted in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (15) Milestone 426 requires the entry into force of the government decision indicating the adoption of the new Anti-Corruption Strategy. The evidence provided by Romania demonstrates that the government decision has entered into force, in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (16) Milestone 450 provides for the set-up and operationalisation of a repository system for monitoring the implementation of Romania's recovery and resilience plan. The evidence provided by Romania demonstrates that the functionalities of the repository system are in line with the milestone requirements and that the repository system ensures the electronic collection, recording and storage of data relating to each component of Romania's recovery and resilience plan, including the collection and storing of data required by Article 22(2)(d) of the RRF Regulation. Romania adopted guidelines establishing that investment and reform coordinators cannot proceed with signing contracts unless they have verified the completeness of the data in the repository system. In order to ensure continuous compliance with the milestone and its obligations under the Financing and Loan Agreements, Romania committed to continue to develop the system to improve its functionalities and efficiency. This commitment includes ensuring the collection and reliability of data on beneficial owners of foreign companies, for both past signed and future contracts. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (17) Milestone 451 requires the entry into force of a Government Emergency Ordinance on the financial, implementation, control and audit mechanism, including a clear mandate

to the Ministry of Investments and European Project (MIPE), Ministry of Finance (MoF) and the Audit Authority (AA). The evidence provided by Romania demonstrates that the Government Emergency Ordinance has entered into force in line with the requirements of the milestone. Specifically, the Government Emergency Ordinance enacting the institutional framework for the national recovery and resilience plan and the activities carried out by the constituent institutions entrust MIPE with the power and mandate to exercise all the tasks of monitoring, verification, control and recovery, drawing up and signing payment applications submitted to the European Commission, the management declaration and the audit summary. The same framework also entrusts the Ministry of Finance with the duties to sign the loan agreement and the financing agreement together with MIPE, and to specify the activities that the audit authority shall perform as part of its mandate for the national recovery and resilience plan. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (18) Milestone 462 requires the entry into force of a Government Decision establishing the National Programme to reduce early school leaving. The evidence provided by Romania demonstrates that Government Decision has entered into force in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (19) Milestone 464 provides for the publication of the call for projects for the support of students for the transition from lower to upper secondary education, on the basis of 5 indicators defined in the Early Warning Mechanism in Education (MATE). The evidence provided by Romania demonstrates that the call was published in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (20) Section 2.2.1. of the Annex to the Council Implementing Decision lays down the relevant milestones that are to be satisfactorily fulfilled for the first instalment of the loan support for an amount of EUR 907 669 494.

Milestones related to the loan support:

- (21) Milestone 1 requires the entry into force of the amendments to Law No. 241/2006 on water supply and sewerage. This milestone requires amendments to the Law in order to enable the approval of tariff strategies by the general meeting of the Intercommunal Development Associations, to impose obligations regarding the record keeping of persons that do not discharge wastewater into the public sewerage network and send the list of such persons to the National Environmental Guard annually, to prohibit direct discharge of untreated wastewater and to require persons that do not have an appropriate individual collection and treatment system to connect to existing public sewerage systems. The evidence provided by Romania demonstrates that the amendments to the Law No. 241/2006 have entered into force in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (22) Milestone 78 requires the entry into force of the Law No. 50/2021 for the approval of the Government Emergency Ordinance No. 55/2016 on the reorganisation of the National Company of Highways and National Roads in Romania - S.A. (C.N.A.I.R) and the establishment of the National Road Investment Company - S.A. (C.N.I.R). Along with the entry into force of this legislation, milestone 78 requires the adoption of a regulatory package for the purpose of ensuring a solid corporate governance and performance of the two state-owned enterprises C.N.A.I.R and C.N.I.R. The evidence

provided by Romania demonstrates that Law No. 50/2021 has entered into force in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (23) Milestone 247 provides for the signature of the contribution agreement between the European Commission and the Romanian Government, with the objective of addressing financial hurdles faced by Romanian enterprises in accessing finance. By way of signature of the contribution agreement between Romania and the EU, Romania is contributing dedicated funds to the InvestEU Programme, managed at EU level, which are then provided as a guarantee to attract private investments in the country via financial intermediaries. The evidence provided by Romania demonstrates that the contribution agreement was signed in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (24) Milestone 250 provides for the signature of the contribution agreement between the European Commission and the Romanian Government, with the objective of delivering finance and investments to companies and to the residential and building sector investing in energy efficiency improvements. By way of signature of the contribution agreement between Romania and the EU, Romania is contributing dedicated funds to the InvestEU Programme, managed at EU level, which are then provided as a guarantee to attract private investments in the country through financial intermediaries. The evidence provided by Romania demonstrates that the contribution agreement was signed in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (25) Milestone 253 provides for the signature of the financing agreement between the European Investment Fund (EIF) and the Romanian Government for the creation of the Recovery Risk Capital Fund (“the Fund”) and the adoption of the investment policy of the Fund. The objective is to provide equity support for SMEs, mid-caps, including start-ups, companies in early and advanced growth stages, and infrastructure projects focused on renewable energy and energy efficiency. The financing agreement allows the EIF to open the call of competition for financial intermediaries through which resources are then be channelled towards final beneficiaries. The evidence provided by Romania demonstrates that the financing agreement was signed in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (26) Milestone 259 provides for the signature of the contribution agreement between the European Commission and the Romanian Government, with the objective to deliver finance and investments for energy efficiency and renewable energy in the residential and buildings sector. By way of signature of the contribution agreement between Romania and the EU, Romania is contributing dedicated funds to the InvestEU Programme, managed at EU level, which are then provided as a guarantee to attract private investments in the country through financial intermediaries. The evidence provided by Romania demonstrates that the contribution agreement was signed in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (27) Milestone 270 provides for the adoption of a normative act for the operationalisation of a Policy Support Facility Reform Implementation Unit. This unit is tasked with coordinating all reforms and investments that aim at modernising the architecture and

functions of the R&D&I system in Romania. The evidence provided by Romania demonstrates that the normative act was adopted in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (28) Following the fully positive assessment concerning Romania's payment request, in accordance with Article 24(5) of Regulation (EU) 2021/241, the disbursement of the financial contribution for the first instalment of the non-repayable support and the disbursement of the loan for the first instalment of the loan support should be authorised.
- (29) In accordance with Article 2(3) of the Council Implementing Decision, as specified in the Financing Agreement, the pre-financing of the financial contribution shall be cleared by being proportionally deducted against the payment of the instalments. As Romania received 13% of the financial contribution as pre-financing, an amount of EUR 264 829 034 of the payment should be utilised to clear the pre-financing, equal to 13% of the instalment.
- (30) In accordance with Article 3(3) of the Council Implementing Decision, as specified in the Loan Agreement, the pre-financing of the loan shall be cleared by being proportionally deducted against the payment of the instalments. As Romania received 13% of the loan as pre-financing, an amount of EUR 117 997 034 of the payment should be utilised to clear the pre-financing, equal to 13% of the instalment.
- (31) This Decision should be without prejudice to procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty on the Functioning of the European Union. It does not override the requirement for Member States to implement the measures in accordance with Union and national law and, in particular, to notify instances of potential State aid to the Commission under Article 108 of the Treaty on the Functioning of the European Union.
- (32) The measures provided for in this Decision are in accordance with the opinion of the Committee established by Article 35(1) of Regulation (EU) 2021/241,

HAS ADOPTED THIS DECISION:

#### *Article 1*

##### *Authorisation of the disbursement of the non-repayable support*

The disbursement of the first instalment of the non-repayable support as laid down in Section 2.1.1. of the Annex to the Council Implementing Decision of 3 November 2021 on the approval of the assessment of the recovery and resilience plan for Romania for an amount of EUR 2 037 146 414 is authorised.

In accordance with the Financing Agreement concluded pursuant to Article 23(1) of Regulation (EU) 2021/241 between the Commission and Romania, EUR 264 829 034 shall be utilised to clear the pre-financing of the financial contribution and EUR 1 772 317 380 shall be provided to Romania by means of payment to the bank account indicated in the Financing Agreement.

*Article 2*  
*Authorisation of the disbursement of the loan support*

The disbursement of the first instalment of the loan support as laid down in Section 2.2.1. of the Annex to the Council Implementing Decision of 3 November 2021 on the approval of the assessment of the recovery and resilience plan for Romania for an amount of EUR 907 669 494 is authorised.

In accordance with the Loan Agreement concluded pursuant to Article 15(2) of Regulation (EU) 2021/241 between the Commission and Romania, EUR 117 997 034 shall be utilised to clear the pre-financing of the loan and EUR 789 672 460 shall be provided to Romania by means of payment to the bank account indicated in the Loan Agreement.

*Article 3*  
*Addressee*

This Decision is addressed to Romania.

Done at Brussels, 20.10.2022

*For the Commission*  
*Paolo GENTILONI*  
*Member of the Commission*