

TOWARDS A RESILIENT AND SUSTAINABLE EMERGING ROMANIA

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Abstract: A bold future requires a generation of leaders who will look for solutions together in order to reach the EU goals for the 2021-2027 programming period, faster and more effectively. The scope of this paper is to raise awareness that a new transformational approach for emerging Romania is required in order to take advantage of the opportunities offered by the quick EU response to the pandemic crisis and the EU's traditional financial support for its member states. This paper used a desk-research analysis of EU documents. Investments, funds, and financing available for Romania in the 2021-2027 programming period should be used wisely in order to contribute to the country's sustainable growth. Multilevel governance and coordination are the key factors to foster sustainable growth and the implementation of environmental, social, and governance practices. A positive change within the framework of new financing opportunities for the 2021-2027 programming period is possible, only if leaders from different levels of governance collaborate, create, and share best practice on different topics of general interest in order to foster the social, economic, and democratic growth in Romania, achieving in this way the economic convergence with the western half of EU. The predictability of the politico-social climate is a must, as well for business environment and also for investors, if the aim is to build a Romania that offers a secure, prosperous and inclusive future to all its citizens.

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1. INTRODUCTION

The coordination of the economic policies of the Member States is a matter of *common interest* in order to promote the harmonious development of the entire European Union.

The 'European Semester' is the framework for identifying national reform priorities and monitoring their implementation, in order to coordinate economic policies. Thus, Member States are developing their own multi-annual national investment strategies in support of these reforms identified as necessary on the occasion of the 'European Semester', while considering the implementation of the *European Green Pact*, the *European Pillar of Social Rights* and of the UN's *Sustainable Development Goals*.

The starting of the COVID pandemic in early 2020 have disturbed the social-economic and budgetary prospects of the European Union, requiring a coordinated response at both the EU and the national level to deal with the unexpected consequences, such as the spread of negative effects and shocks between Member States.

The medium and long-term consequences of the pandemic crisis on convergence and cohesion at the EU level depend to a large extent on the speed of recovery of the Member States' economies and societies. The speed of recovery is, in turn, influenced by the financial availability of the countries to undertake the necessary measures to alleviate the social-economic impact, as well as to strengthen the resilience. The asymmetric impact of the pandemic crisis on the existing inequalities and divergences within the EU requires rapid reforms and sustainable and growth-boosting investments that address the structural weaknesses of Member States' economies and strengthen resilience (ability to cope with economic, social, and environmental shocks or

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persistent structural changes in a fair, sustainable, and inclusive way), increase productivity, and increase the competitiveness of the Member States.

Lessons from the past show that investment is drastically reduced during crises. But for a rapid recovery, to develop a functioning internal market that ensures a fair, inclusive, and sustainable growth of the European economy and to achieve EU climate neutrality by 2050, the European Union has decided to set up a temporary financial instrument #NextGenerationEU, worth 750 billion euros (2018 prices), separate from the EU's long-term budget, the Multiannual Financial Framework (MFF), for the period 2021-2027. Its main purpose is to provide support to the Member States in meeting the challenges posed by the COVID-19 pandemic and its economic consequences. The Recovery and Resilience Mechanism (RRM) is the mainstay of #NextGenerationEU and has a total budget of 672.5 billion euros (2018 prices). This innovative instrument - the Recovery and Resilience Mechanism - was created to provide direct financial support to the Member States to address the negative effects and consequences of the COVID-19 crisis, to accelerate recovery, and to strengthen long-term growth potential.

The scope of this paper is to raise awareness that a new transformational approach for emerging Romania is required in order to take advantage of the opportunities offered by the quick EU response to the pandemic crisis and the EU's traditional financial support for its member states. This paper used a desk-research analysis of EU documents.

2. EU GOALS FOR 2021-2027 PROGRAMMING PERIOD

The EU financial assistance available for the period 2021-2027, cumulated, through the MFF and #NextGenerationEU, will be distributed as follows:

- ↳ ≈ 50% toward *new and strengthened EU priorities* (research and innovation, through Horizon Europe; climate and digital fair transition, through the Fair Transition Fund and the Digital Europe program; preparedness, recovery and resilience, through the Recovery and Resilience Mechanism (2021-2026), EU Civil Protection Mechanism (RescEU) and EU4Health);
- ↳ ≈ 30% toward *fighting against climate change* (it is the largest allocation of funds in this segment, the financing being in correlation with the European major investment plan to promote the green economy, a plan that will contribute to achieving the goal of climate neutrality by 2050);
- ↳ ≈ 20% toward *digital transformation* (state-of-the-art hardware infrastructure, use of artificial intelligence, cybersecurity, advanced digital skills, widespread use of digital technologies in the economy and society);
- ↳ ≈ 10% toward *halting the decline of biodiversity and the regeneration of ecosystems* (these funds will be allocated in the period 2026-2027 to contribute to the regeneration of forest, soil, and water, as well as, the creation of green spaces in large cities, as measures to combat the effects of climate change and the achievement of climate neutrality targets).

As a working principle, the EU budget encompass several categories of expenditure and programs supporting different policy areas and beneficiaries, but there are also transversal priorities that will be financed from several programs such as:

- ↳ *Green Transition*, financed from Funds of Cohesion Policy, European Agricultural Guarantee Fund and European Agriculture Fund for Rural Development, Fair Transition Fund, Horizon Europe, Recovery and Resilience Mechanism, Life Program as well as by Connecting Europe Facility;
- ↳ *Digital Transition*, financed by Horizon Europe, Digital Europe Program, Connecting Europe Facility, Funds of Cohesion Policy, as well as , by Recovery and Resilience Mechanism
- ↳ *Human Capital*, financed by European Social Fund+, Erasmus + Programme, European Solidarity Corps, Horizon Europe, Creative Europe;
- ↳ *Stimulation of investment* supported by Invest EU, Cohesion Policy, the new European Fund for Sustainable Development, Single Market Program , as well as by the Recovery and Resilience Mechanism
- ↳ *Strategically open autonomy*, supported by European Defense Fund, European Space Program, Military mobility, EU4Health, Horizon Europe, as well as by Common Foreign and Security Policy.

The programs financed by MFF 2021-2027 are divided into seven categories of expenditure, each category being allocated to a specific policy area, as follows:

1. *The single market, innovation and the digital sector* – covers investment linked to research and innovation, digital transformation, strategic infrastructure and single market, as these areas could guarantee the further development. The Programs under these heading are dedicated to address common challenges (decarbonization, demographic provocations, etc.) and stimulate the competitiveness of enterprises (including SMEs).

TABLE 1. THE SINGLE MARKET, INNOVATION AND THE DIGITAL SECTOR

Priority policy area	Financial instrument
Research and innovation	€ Horizon Europe € Euratom € ITER
European strategic investments	€ InvestEU € Connecting Europe Facility € Digital Europe program
Single market	€ The Single Market Program € EU anti-fraud program € FISCALIS (Fiscal Cooperation Program) € CUSTOMS (Customs Cooperation Program)
Space	↗ The European Space Program

Source: Own representation.

2. *Cohesion, resilience, and values* – Expenditure under this heading aims to strengthen resilience and cohesion between the EU Member States. To this end, funding contributes to reducing intra and inter regional disparities, as well as development disparities between Member States, thus contributing to the EU's sustainable territorial development. Furthermore, the programs under this heading aim to make the EU more resilient, with various areas (the green and digital transition, youth, health, and actions to protect EU values) being eligible for investment in order to meet current and future challenges. Programs such as the Recovery and Resilience Mechanism and REACT-EU, funded under #NextGenerationEU, support major investments and reforms in the Member States.

TABLE 2. COHESION, RESILIENCE, AND VALUES

Priority policy area	Financial instrument
Regional development and cohesion	€ European Regional Development Fund € Cohesion Fund € REACT-EU € Support for the Turkish Cypriot community
Recovery and resilience	€ Recovery and Resilience Mechanism € Technical support tool € Protecting the Euro against counterfeiting € EU Civil Protection Mechanism and RescEU € EU4Health
Investing in human capital, social cohesion and values	€ European Social Fund + € Erasmus + € European Solidarity Corps € Creative Europe € Justice, citizens, equality, rights and values

Source: Own representation.

3. *Natural resources and the environment* – The EU budget is a driving force for sustainable development, by investing in agriculture and the maritime sector, but also in actions to combat climate change, environmental protection, food security, and rural development. Through these programs the EU supports the competitiveness of agricultural and fisheries sectors (e.g. CAP and the European Fisheries and Aquaculture Fund) as well as, the ambitious EU's climate and environmental objectives (such as the LIFE program and the Fair Transition Fund).

TABLE 3. NATURAL RESOURCES AND THE ENVIRONMENT

Priority policy area	Financial instrument
Agriculture and maritime policy	€ European Agricultural Guarantee Fund
	€ European Fund for Agriculture and Rural Development
	€ European Maritime, Fisheries and Aquaculture Fund
Environment and climate actions	€ Environment and Climate Action Program (LIFE)
	€ Just Transition Fund

Source: Own representation.

4. *Migration and border management* – The programs under this heading aim to address the challenges of migration and the management of the EU's external borders. Under the long-term budget 2021-2027, support for strengthening the EU's external borders is increased to protect the EU's asylum system, and at the same time, the Member States are receiving more EU funding to better manage migration to the EU.

TABLE 4. MIGRATION AND BORDER MANAGEMENT

Priority policy area	Financial instrument
Migration	€ Asylum, Migration and Integration Fund
Border management	€ Integrated Border Management Fund (visa and border management instrument and instrument for customs control equipment)

Source: Own representation.

5. *Security and defense* – It is an important goal of the EU because it concerns the protection of its citizens. The EU must therefore strengthen its strategic autonomy and build well-designed and user-friendly defense tools. The programs in this section focus on three main areas: improving the security and safety of EU citizens, strengthening the EU's defense capacity and providing the tools needed to jointly address internal and external security challenges that the Member State cannot face individually.

TABLE 5. SECURITY AND DEFENSE

Priority policy area	Financial instrument
Security	€ Internal Security Fund
	€ Nuclear decommissioning (Lithuania)
	€ Nuclear safety and decommissioning (including Bulgaria and Slovakia)
Defense	€ European Defense Fund
	€ Military mobility

Source: Own representation.

6. Neighborhood and the whole world

TABLE 6. NEIGHBORHOOD AND THE WHOLE WORLD

Priority policy area	Financial instrument
External actions	€ Neighborhood, Development, and International Cooperation Instrument - Global Europe
	€ Humanitarian Aid
	€ Common foreign and security policy
	€ Overseas states and territories
Pre-accession assistance	€ Instrument for Pre-accession Assistance

Source: Own representation.

7. *European public administration* –The European public administration is relatively small compared to national administrations or even many regional and local administrations. This heading refers to the administrative expenditure of all EU institutions and also covers the pensions of EU officials; the budget allocated is generally stable over the years, below 7% of long-term budget expenditure.

TABLE 7. EUROPEAN PUBLIC ADMINISTRATION

Priority policy area	Financial instrument
	€ European schools and European pensions
	€ Administrative expenditure of the institutions

Source: Own representation.

Note: Some sections are funded both by MFF 2021-2027 and by the #NextGenerationEU instrument. In addition, several programs will benefit from additional allocations that will be established annually.

3. MARKING THE DEMARCATION LINE OF EUROPEAN FUNDING AVAILABLE DURING 2021-2027

In order to avoid double funding, there should be a demarcation line in the use of Community financial assistance through the various instruments available in the 2021-2027 programming period.

Thus, each EU Member State is free to decide what kind of investments fall under the auspices of the *Recovery and Resilience Mechanism* (RRM) and which are assigned to *cohesion policy*. This demarcation is differentiated from state to state according to a series of criteria on eligibility, amounts allocated, national and/or regional competences, availability of mature projects, and the size of investments.

Specifically, the strategic decisions of each Member State on funding under the *National Recovery and Resilience Plan* or under the auspices of the *Partnership Agreement* are influenced by the following criteria:

↳ **eligibility** - What are we allowed to finance?

RRM is used to finance investments ineligible for cohesion policy, either because of the thematic concentration conditions, the regional eligibility status, or the type of project.

↳ **absorption capacity** - What are we able to co-finance and control?

In the case of NRRP, the binding links between planned investments and systemic reforms must be pursued.

↳ **management capacity** - What major investment projects have priority?

Are there adequate legal competences to guarantee the milestones and objectives?

↳ **availability of funds** - How quickly can we access the funds in the allotted time?

Some investments are financed under the NRRP in the first part of the programming period and subsequently through cohesion policy.

Therefore, the diversity of situations encountered at the level of the 27 Member States requires the need for a different and customized approach, considering the needs and development capacity of each country.

Thus, depending on the size and type of investment, in the case of countries with low allocations under cohesion policy, the economic recovery process will be stimulated with priority through RRM, which is intended to finance national reforms and major large-scale investment projects, while the structural funds will be used for smaller projects. Another important factor in determining the type of investment is the category of beneficiary (public or private; SMEs or large companies), RRM focusing more on the financial support of large companies, while the structural funds support SMEs as a priority.

4. NEW FINANCING OPPORTUNITIES FOR ROMANIA DURING 2021-2027

In the case of Romania, the Partnership Agreement, which will cover the 2021-2027 programming period, sets out the strategic priorities of the European funds specific to EU cohesion policy (ERDF; ESF +; JTF). Being in the updating stage, as a result of the first iteration with the services of the European Commission, the Partnership Agreement, proposed by Romania, creates the necessary framework for synergistic support with NRRP. Through the Partnership Agreement, Romania has assumed its **6 major objectives**, 5 representing the EU's policy objectives, and the sixth is a specific one and focuses on the implementation of the Fair Transition Fund.

During the 2021-2027 programming period, the following *operational programs* are foreseen in the Partnership Agreement, which will be active under the auspices of cohesion policy and the common fisheries policy:

- ↗ 'Intelligent Growth, Digitization, and Financial Instruments';
- ↗ 'Health';
- ↗ 'Education and Employment';
- ↗ 'Inclusion and Social Dignity';
- ↗ 'Sustainable Development';
- ↗ 'Transport';
- ↗ 8 'Regional Operational Programs';
- ↗ 'Aquaculture and Fisheries Program';
- ↗ 'Fair Transition';
- ↗ 'Technical Assistance'.

Romania will also receive funding under the auspices of cross-border cooperation programs:

- ↗ Interreg VI- A Romania-Bulgaria program;
- ↗ Interreg VI- A Romania-Hungary program;
- ↗ Interreg IPA III Romania-Serbia Program;
- ↗ Interreg NEXT Romania-Republic of Moldova Program 2021-2027;
- ↗ Interreg NEXT Romania-Ukraine Program 2021-2027;
- ↗ Interreg NEXT Black Sea Basin Program 2021-2027;
- ↗ Interreg NEXT Hungary-Slovakia-Romania-Ukraine Program 2021-2027;
- ↗ Transnational Danube Program 2;
- ↗ Interreg Europe 2021-2027 Program;
- ↗ URBACT IV Program;
- ↗ Interact IV Program;
- ↗ The ESPON program.

Other sources of funding are 'home affairs' programs:

- ↪ National Program 'Asylum, Migration and Integration Fund';
- ↪ National program 'Internal Security Fund';
- ↪ National Program 'Instrument for Border and Visa Management'.

At the time of this research, there was information about: *Recovery and Resilience Mechanism, REACT-EU, Cohesion policy, European Agricultural Guarantee Fund, European Fund for Agriculture and Rural Development, Just Transition Fund* - the amounts presented being approximate and indicative.

The *Recovery and Resilience Mechanism* aims to mitigate the economic and social impact of the COVID-19 pandemic and to prepare Member States to achieve the environmental and digital transformations needed for a more sustainable and resilient European society. Approximately 723.82 billion euros are allocated through #NextGenerationEU, 337.97 billion euros from grants, and 385.85 billion euros from loans. The Recovery and Resilience Mechanism supports public investment reforms and projects that address the challenges identified in the European Semester, as set out in the EU Member States' national recovery and resilience plans, in order to ensure a sustainable and inclusive recovery, promoting a green, digital and inclusive Europe. The Recovery and Resilience Mechanism is implemented by the European Commission through direct management, with funding in the form of grants and loans.

TABLE 8. RECOVERY AND RESILIENCE MECHANISM – AMOUNTS ALLOCATED, THROUGH RRM 2021-2027 AND #NextGenerationEU, BILLION EUROS

	2021-2027	
	2018 prices	current prices, year 2020
Romania	13.2	14.2
EU-27	312.5	338

Source: Own representation.

With a budget of approximately 50.62 billion euros, *REACT-EU* established by #NextGenerationEU aims to supplement funding, in the period 2020-2022, for cohesion programs 2014-2020. Basically, this program makes the transition from pandemic crisis response initiatives to the long-term recovery plan.

Being an instrument emerged as a rapid EU response to the health crisis and its impact (both social and economic, reflected mainly by the declining of citizens' living standards, high levels of unemployment, especially among young people, and also by the decrease of GDP), *REACT EU* package is allocated to the areas most severely affected and also to the regions dependent on economic sectors that were in lockdown, such as: tourism, hospitality, and cultural industries. The *REACT EU* expenditure incurred between February 1st, 2020 and December 31, 2023 is eligible under the legislative framework of 2014-2020 programming period and will be financed by the European Regional Development Fund (ERDF), the European Social Fund (ESF), and the European Aid Fund for the Most Deprived (EAFD), as well as through the Youth Employment Initiative (YEI). The transfers between the ERDF and the ESF are always possible. No national co-financing is required, EU providing 100% support and there is no ex-ante conditionality or thematic concentration. *REACT-EU* is delivered through shared management. Funding is paid as a reinforcement of cohesion policy funding 2014-2020, in the form of grants, procurement, and financial instruments.

TABLE 9. REACT-EU – AMOUNTS ALLOCATED THROUGH RRM 2021-2027 AND #NextGenerationEU, MILLION EUROS

	2021-2027	
	2018 prices	current prices, year 2020
Romania	1252	1329
EU-27	37500	39795

Source: Own representation.

Strengthening resilience and cohesion between EU Member States is achieved through funding designed to help reduce inter and intra-regional disparities within the European Union, as well as between Member States, thus promoting the sustainable territorial development of the whole community. In addition, the investments under *cohesion policy* aim to carry out important reforms in the Member States, making the EU more resilient to present and future challenges.

TABLE 10. COHESION POLICY - AMOUNTS ALLOCATED THROUGH RRM 2021-2027 AND #NextGenerationEU, MILLIONS OF EUROS

	2021-2027	
	2018 prices	current prices, year 2020
Romania	26.806	30.305
EU-27	330.235	372.573

Source: Own representation.

TABLE 11. THE COHESION POLICY IN ROMANIA AMOUNTS DIVIDED BY FUNDS, MILLIONS OF EUROS

	2021-2027	
	2018 prices	current prices, year 2020
European Social Fund +	7.288	8.239
European Regional Development Fund	15.099	17.070
Cohesion Fund	4.094	4.628
<i>From which transfer to Connecting Europe Facility</i>	965	1.090
European Territorial Cooperation (Interreg)	326	367
Romania	26.806	30.305

Source: Own representation.

The *European Agricultural Guarantee Fund* has a budget of around € 291.09 billion which will be used to finance farmers so that they can provide the community with safe, healthy and affordable food. In other words, the main objective of the EAGF is to create a payment system for EU farmers to support small and medium-sized farmers to operate in their agricultural markets. Green direct payments will also be financed by the EAGF to promote the development of sustainable farming methods. Another category of farmers eligible for EAGF is those who work in areas facing natural constraints and / or in sectors facing difficulties. In addition, a special line of funding is allocated to young farmers. Summarizing, EAGF funds measures to support and stabilize agricultural markets. All payments are subject to compliance with EU rules on food safety, environmental protection, and animal welfare. These are crucial for keeping farmers in business, as agricultural incomes are significantly below the EU average income. The main beneficiaries of this financial instrument are farmers in the European Union and rural stakeholders. The EAGF is mainly implemented in shared management with the Member States.

TABLE 12. EUROPEAN AGRICULTURAL GUARANTEE FUND – AMOUNTS ALLOCATED THROUGH RRM 2021-2027 AND #NextGenerationEU, Millions of Euros

	2021-2027	
	2018 prices	current prices, year 2020
Romania	12420.6	13991.9
EU-27	258594	291088.7

Source: Own representation.

With a budget of 95.51 billion euros, of which 8.07 billion euros come from #NextGenerationEU, the *European Fund for Agriculture and Rural Development* (EAFRD) aims to support the transition to a fully sustainable agricultural sector and the development of rural areas. Thus, this fund ensures the EU contribution to the rural development programs of the Member States (NRDP), aiming at: achieving balanced socio-economic

development of rural areas and communities, encouraging the sustainable management of natural resources and climate action, and last but not the least, improving the competitiveness of EU agriculture. The projects funded by EAFRD aim to: stimulate the use of digital and technological tools by farmers and rural residents; improve the attractiveness of rural areas, including by creating jobs; innovation and diversification of farm activities; revitalization of the village; environmental and biodiversity protection; restoration, conservation, and improvement of ecosystems related to agriculture and forestry, with a positive impact on biodiversity, soil, water, and air. The main beneficiaries of this financial instrument are farmers in the European Union and rural stakeholders. The EAFRD is mainly implemented in shared management with the Member States.

TABLE 13. EUROPEAN FUND FOR AGRICULTURE AND RURAL DEVELOPMENT – AMOUNTS ALLOCATED THROUGH RRM 2021-2027 AND #NextGenerationEU, MILLIONS OF EUROS

	RRM 2021-2027		#NextGenerationEU 2021-2022	
	2018 prices	current prices, year 2020	2018 prices	current prices, year 2020
Romania	6217.3	6983.3	643.2	692.1
EU-27	77850	87441.3	7500	8070.5

Source: Own representation.

The *Just Transition Fund* aims to support the transition to climate neutrality by mitigating the socio-economic impact of the transition in the most affected regions. The budget of this fund is 19.32 billion euros, of which 10.87 billion euros are from the #NextGenerationEU instrument. The European Commission grants subsidies that are paid to the Member States in accordance with their fair transition territorial plans. These plans identify the eligible territories, i.e. those that are expected to be adversely affected by the green transition. The Fair Transition Fund supports economic diversification and the conversion of the territories concerned, which translates into investment in small and medium-sized enterprises, start-ups, research and innovation, environmental rehabilitation, green energy, training and retraining of workers, assistance in finding a job, the transformation of existing carbon-intensive facilities. Assistance may be provided to national and local authorities and businesses established in regions where the magnitude and impact of the climate transition are greatest. The budget is implemented through shared management, with funding paid in the form of grants, procurement, and financial instruments.

TABLE 14. JUST TRANSITION FUND – AMOUNTS ALLOCATED THROUGH RRM 2021-2027 AND #NextGenerationEU, MILLIONS OF EUROS

	2021-2027		
	2018 prices	current prices, year 2020	Share %
Romania	1947	2149	11.1
EU-27	17500	19321	100

Source: Own representation.

5. FINAL REMARKS: COMPLEMENTARITY AND SYNERGY OF EUROPEAN FUNDING DURING 2021-2027

During the 2021-2027 programming period, we identify a significant thematic overlap between the Recovery and Resilience Mechanism and the cohesion policy. Although the objectives differ, the common themes addressed are mainly the *green transition* and the *digital transition*. In this context, maximizing the effects and efficient use of financial resources requires a **coherent strategic approach** that allows *investment coordination* and *greater impact* to be achieved.

The Recovery and Resilience Mechanism and cohesion policy are powerful instruments that have, cumulatively, a substantial investment power, provided that they are approached in an **integrated and coordinated manner** that allows the design of coherent public policies, essential in achieving the long-term development goals. In this context, a decisive factor for the successful use of these resources is the **quality of**

governance. The difference between cohesion policy and the Recovery and Resilience Mechanism is that cohesion policy has as a priority the realization of investments that stimulate long-term economic growth (investment in infrastructure, human capital, and innovation), while the Recovery and Resilience Mechanism is focused on carrying out the necessary reforms to implement the country-specific recommendations on the occasion of the European Semester, and implicitly, to improve the framework conditions for making investments, while also aiming to increase the effectiveness of the use of European funding. So, the success of economic policies depends on the **quality of the institutional and legislative framework**.

In this regard, in order to *ensure the synergy of the implemented activities, to avoid double financing and to promote the coherence and complementarity of the reforms and investments* made, it is recommended to ensure the coordination of the implementation of reforms through NRRP with cohesion policy interventions, by:

- ↳ implementation of inter-institutional cooperation mechanisms and creation of effective working relations where they do not already exist;
- ↳ synchronization of NRRP elaboration schedules and operational programs;
- ↳ harmonization of the institutional procedures for managing and implementing the cohesion policy with those related to the implementation of NRRP measures.

Differences in regulation between the Recovery and Resilience Mechanism and cohesion policy can lead to a fierce battle between the two instruments, both in terms of the speed of achieving the goals of climate neutrality and the digital transition of European society, and in terms of access to the necessary resources (*administrative capacity, co-financing capacity, implementation capacity*). Also, differences in the logic of governance between the Recovery and Resilience Mechanism and cohesion policy create uncertainties about the achievement of EU economic, social, and territorial cohesion.

In conclusion, European funding available during the 2021-2027 programming period creates opportunities and challenges in both regional and local development, with a long-term impact, strongly influenced by the specific way in which each state uses this Community support.

Regarding Romania, the financial opportunities available in the period 2021-2027 are multiple, both from the perspective of the number of available instruments and also in terms of the amounts allocated. The absorption rate of EU financial assistance available for 2014-2020 is around 52%, so we have to spend until 2023 a huge amount of money. Moreover, due to the pandemic crisis, supplementary financial support is available for Romania until 2023. On the other hand, NRRP has already been approved and Romania will benefit from community financial support, both in the form of grants (€ 14.2 billion) and 14.9 billion euros in the form of loans. But, we should be aware that the European assistance is linked to some reforms that our country assumed in a specific timetable that must be respected. At the time of writing (the end of 2021), the negotiations with the EU on the Partnership Agreement are blocked, due to the *political crisis* in our country, which brings **serious delays** in order to benefit from the EU financial support for the period 2021-2027. On the anniversary threshold, 15 years since the accession to the EU, Romania has not yet reached a degree of political maturity necessary to make the most of European technical and financial assistance, so necessary for socio-economic development.

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