

Implementation of Obligations Related to Funding Under the National Recovery and Resilience Plan. Case Study on Financing the Construction of a Photovoltaic Power Plant

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Abstract

The time remaining until the implementation of projects funded under the NRRP, the allure of funding perceived as easily accessible, and the diverse range of opportunities have all encouraged both public and private entities to pursue numerous infrastructure projects in the areas of digitalization, healthcare, and the green component. The study's objectives are to ease the success in implementing the European financed projects. In this context, the purpose and the results of the study is to draw the participants' attention to become increasingly focused on strictly adhering to the commitments outlined in the specific guidelines, the application, and the funding agreement, all of which constitute the basis for the obligations of European fund beneficiaries. Probably one of the most important factors driving the idea of a project funded by European funds is money. Thus, the availability of grant funding is one of the reasons why prospective beneficiaries embark on this path. The implication of this study is to underline why the financial implementation component of any project is essential to its success.

Keywords: *funding, project, NRRP, photovoltaic, power, plant.*

JEL Classification: K11, K23

*“Lay beside me, tell me what they've done
Speak the words I want to hear, to make my demons run
The door is locked now but it's open if you're true
If you can understand the me, then I can understand the you.”*

Metallica, The Unforgiven II

1. Preamble

The first verse of the song “The Unforgiven II” seems to suggest the same kind of relationship as that between Romanian society and the National Recovery and Resilience Plan (hereinafter, NRRP). Constantly invoked in public statements and presented as the hope for economic development through European funds, the legal relationship between participants in NRRP-funded projects and the state must be properly understood and not perceived solely from the perspective of appearances.

Artificial Intelligence (AI) has already changed our lives, the commerce and industry, offering unprecedented capabilities in data processing and automation. However, this digital revolution comes with a significant environmental cost: massive energy consumption. The training and inference of Large Language Models (LLMs) and advanced AI systems require immense computational power, largely provided by data centres that consume vast amounts of electricity.²

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² Alex de Vries, “The Growing Energy Footprint of Artificial Intelligence,” *Joule* 7, no. 10 (2023): 2191–

I wrote previously that “the NRRP has become part of our daily lives, a subject of legislation, doctrine, and, inevitably, the courts. The repayable and non-repayable external funds under the Recovery and Resilience Facility are necessary, useful, and eagerly awaited, hence the rush to submit projects. Can we hope, however, that we have become more rigorous in preparing documentation, complying with regulations, and, by extension, more effective in executing and implementing projects compared to the older European funds-PHARE, ISPA, and SAPARD?”

The deadline for submitting funding applications was December 31, 2023. On November 11, 2025, the Council of the European Union issued the Council Implementing Decision amending the Implementing Decision of October 29, 2021, approving the assessment of Romania’s Recovery and Resilience Plan. In this decision, the Council of the European Union noted that “the amended Recovery and Resilience Plan contain measures that contribute significantly (grade A) to the green transition, including biodiversity, or to addressing the challenges posed by this transition.” The deadline for implementing NRRP projects is August 31, 2026, but it could be extended until the end of the year.

The time remaining until the implementation of projects funded under the NRRP, the allure of funding perceived as easily accessible, and the diverse range of opportunities have all encouraged both public and private entities to pursue numerous infrastructure projects in the areas of digitalization, healthcare, and the green component. At the same time, the certainty of easy success in implementing the projects was quickly replaced by the reality of difficulty, especially given the failure to meet the targets and milestones set by the funder. Consequently, we were informed that the second payment request was not fully approved by the European Commission due to the failure to meet all the pre-established conditions precedent; now, the prospect of partially squandering the opportunities seems just as relevant as the discussion regarding the utility of using the funds. In this context, participants have become increasingly focused on strictly adhering to the commitments outlined in the specific guidelines, the application, and the funding agreement, all of which constitute the basis for the obligations of European fund beneficiaries.

2. The general and specific³ legal framework governing financing with funds allocated through the NRRP

The general legal framework consists of all public law provisions that ensure the implementation of projects funded under the NRRP and comprises applicable European legislation and the legislation governing loan and financial contribution agreements. This general legal framework applies to all public law legal relationships that arise, are modified, and are terminated in connection with accessing, carrying out, and completing the implementation of European projects funded through the NRRP.⁴

2194, <https://doi.org/10.1016/j.joule.2023.09.004>.

³ Government Decision No. 1,155/2014 approving the Strategy for the Development of the Judicial System 2015–2020, Official Gazette of Romania, Part I, no. 19 (January 12, 2015). The classification used here follows the distinction between the general and specific legal frameworks outlined in that strategy.

⁴ Bruno De Witte, “The European Union’s COVID-19 Recovery Plan: The Legal Engineering of an Economic Policy Shift,” *Common Market Law Review* 58, no. 3 (2021): 635–682.

On the other hand, the specific legal framework applicable to each individual public law relationship established for the purpose of implementing a particular project consists of the general public law provisions of our domestic legislation applicable to public law relationships, the specific public law provisions governing each individual project, including specific guidelines that outline the evaluation stages and eligibility criteria for the approval or rejection of funding applications, the funding application itself, and the funding contract-which serve as the sources of the rights and specific obligations assumed. Of particular interest are the clauses regarding eligibility criteria⁵, as well as those concerning the rights, obligations, and liabilities of the parties to the funding agreement⁶.

The practical guide combines provisions from both the general and specific legal frameworks. This documentation can be considered to represent the general conditions of the project. In support of this interpretation, we cite the relevant legal provisions: "Eligibility criteria must be met by the applicant/partners at the time of project submission, contracting, and implementation, as well as throughout the project's sustainability period, under the conditions stipulated in the funding agreement."⁷

The provisions of the application and the grant agreement may be considered specific terms and conditions of the project, as they refer to the applicant's/beneficiary's specific rights and obligations.

2.1. Specific guide

The specific guide⁸ is a unilateral administrative act, binding on all parties, issued by the reform and/or investment coordinators in accordance with the general rules for financing European projects, adapted to the category of the call for proposals, and setting out the rules, criteria, and conditions applicable to that type of funding. The annexes to the specific guide consist of the funding application (template), the checklist for administrative compliance and eligibility (essentially a "roadmap"), the specific contractual clauses (an indicative but somewhat adaptable template), as well as other document templates required for the procedure, which we will not elaborate on here.

From a legal standpoint, the specific guide constitutes a public offer to enter a NRRP financing agreement, which is to be implemented in accordance with specific stages and procedures, under predetermined terms and conditions that have been made public for the information of interested parties. Even from the perspective of our national legislation, the specific guide is a public proposal containing sufficient elements to lead to the formation of a financing contract between the public authority and the beneficiary⁹.

⁵ Here, the eligibility criteria are treated as the general terms of the contractual relationship.

⁶ Here, the parties' rights, obligations, and liabilities are treated as the specific terms of the contractual relationship.

⁷ Order of the Minister of Environment, Waters and Forests No. 1,675/2023 amending and supplementing the annex to Order No. 2,367/2022 approving the Specific Guide for call NRRP/2022/C3/S/I.1.A, "Establishment of Collection Centres through Voluntary Contributions," Official Gazette of Romania, Part I, no. 555 (June 20, 2023).

⁸ Government Emergency Ordinance (GEO) No. 124/2021 establishing the institutional and financial framework for managing funds allocated to Romania through the Recovery and Resilience Facility, art. 2(1) (cc), Official Gazette of Romania, Part I, no. 1178 (December 14, 2021), approved with amendments by Law No. 178/2022, Official Gazette of Romania, Part I, no. 576 (June 14, 2022).

⁹ Romanian Civil Code, Law No. 287/2009, republished in Official Gazette of Romania, Part I, no. 505 (July

Its classification as a public offer is also supported by the statement within it that participation in the aforementioned projects will be determined on a “first come, first served” basis; therefore, it is important to comply with all aspects established by the specific guide.

Essentially, to apply for a project funded through the NRRP, it is necessary to strictly follow the specific guide¹⁰ published in accordance with the call for proposals for which it serves as a guide. This guide contains standardized general chapters applicable to all types of projects within the respective funding component, but is tailored and customized, as appropriate, for each individual call for proposals. For example, the specific guide contains a range of information, rights, obligations, deadlines, and conditions detailed in chapters such as (i) a description of the component to which the project belongs, (ii) information regarding the call for projects, (iii) state aid, (iv) application conditions, namely the eligibility criteria for investment expenditures, (v) instructions for completing funding applications, (vi) provisions regarding the verification, contracting, and implementation of projects, (vii) amendments to the specific guide, (viii) transparency, (ix) prevention of serious irregularities and double funding¹¹, (x) the actual beneficiary, (xi) the investment’s contribution to the objectives set for achieving the indicators, (xii) and the annexes.

Of particular importance are details regarding the deadline for submitting proposals/projects, the submission procedure, the maximum eligible project amount, eligible applicants, and project-specific requirements. All of this information constitutes eligibility criteria that are also included in the grant agreement; any violation of these criteria, whether total or partial, may result in the suspension of the grant or even the termination of the agreement.

2.2. Funding application

The funding application is a unilateral legal act subject to notification¹² and undertaken by the applicant, through which the applicant provides the authority with information, responses, and supporting documents regarding the description, content, and scope of the obligations assumed by the applicant, within the limits specified by the coordinator. The funding application is subject to notification not only as a condition for the validity of the procedure, but also because it constitutes the applicant’s acceptance of the specific correlative rights of analysis, verification, monitoring, and control in favour of the reform/investment coordinators.

Funding applications must be completed in full of all required data and information, including details regarding the applicant’s financial situation or any real rights held over movable and/or immovable property, in Romanian, and must be duly

15, 2011), art. 1188.

¹⁰ Order of the Minister of Environment, Waters and Forests No. 2,605/2022 approving the Specific Guide for Component C1 — Water Management, Investment 3, “Supporting the Connection of Low-Income Populations to Existing Water Supply and Sewerage Networks,” Official Gazette of Romania, Part I, no. 993 bis (October 13, 2022).

¹¹ Order of the Minister of Education No. 6,253/2022 approving the de minimis aid scheme and the model funding agreement for enterprises participating in regional consortia for dual education, Official Gazette of Romania, Part I, no. 1142 (November 28, 2022).

¹² Romanian Civil Code, art. 1326.

signed, either by hand or electronically.

The submission of the funding application to the authority has the legal effect of accepting the public offer¹³, especially since the funding agreement is included as an annex to the documentation. The specific guide, the completed funding application, and the funding agreement signed by the parties constitute the basis for the obligations they have assumed and serve as evidence for verifying the validity and legality of the approval or rejection of the funding application¹⁴. The applicant whose application for funding under the NRRP has been approved and with whom a funding agreement has been concluded becomes the beneficiary of European funding. The applicant shall ensure that all steps taken to implement the project are carried out in an open, transparent, and non-discriminatory manner.

The beneficiary is required to comply with the obligation to prevent irregularities and avoid double funding, under penalty of early termination of the project, followed by the applicant's obligation to reimburse any amounts unduly paid, which serves as a serious warning to the applicant.

2.3. The grant agreement

The grant agreement is “concluded between the reform and/or investment coordinators and the grant applicant whose grant application has been approved”¹⁵ and forms the basis for the rights, obligations, and subsequent procedures carried out for the purpose of funding the project in question.

Under current legislation¹⁶, the legal basis for the relationship between reform and/or investment coordinators – whether they are responsible for implementing specific investments, agencies, or implementing bodies – on the one hand, and the beneficiaries of European funds, on the other, is the NRRP financing contract. This document is classified as a legal act subject to public law¹⁷, “a contract for consideration, of adhesion, commutative, and mutual, establishing the correlative rights and obligations of the parties for the implementation of the reforms and/or investments provided for under the NRRP.”¹⁸

The funding agreement gives rise to mutual and interdependent obligations regarding the duration and disbursement of funding, the rights and obligations of the parties, joint commitments, the procedure for amending and supplementing the agreement, project contracting, project implementation and monitoring, recovery of funding, and the liability of the parties.

Most of the provisions of this source of rights and obligations are predetermined in accordance with the financier's wishes, a consequence of the fact that “the procedure

¹³ Romanian Civil Code, art. 1196.

¹⁴ High Court of Cassation and Justice of Romania, Administrative and Fiscal Litigation Division, Decision No. 1548 of March 12, 2021, *Precedentia* legal database.

¹⁵ Order No. 2,605/2022 and the annexed Specific Guide, Official Gazette of Romania, Part I, no. 993 bis (October 13, 2022).

¹⁶ GEO No. 124/2021.

¹⁷ By “rules of public law,” this article means the substantive and procedural rules specific to public law—primarily administrative and tax law—which take precedence in the legal relationships they govern and serve a public purpose or interest.

¹⁸ GEO No. 124/2021, art. 2(1)(s).

for utilizing the European Union's financial resources is permeated by public procurement rules in all its aspects, with a systemic organization centered on the concept of the financing contract being the preferred approach."¹⁹ Certain projects for financing significant investments ratify the model of the financing contract by law²⁰, while others are approved by government decision, hence the classification of the contract as an adhesion contract.

The annexes to the grant agreement include initial, interim, and final progress reports, charts tracking the progress of operations, the payment mechanism, expenditure statements, conflict of interest checks, and various declarations of compliance and liability. Legislation regarding the verification and detection of irregularities and double funding must not be overlooked²¹.

3. The financial implementation of a project to build a photovoltaic power plant

Probably the most important factor driving the idea of a project funded by European funds is money. In and of itself, the availability of grant funding is one of the reasons why prospective beneficiaries embark on this path. That is precisely why the financial implementation component of any project is essential to its success.²²

Beyond the general structure of a funding project, what are the specific steps a solar park developer must take? And what about the risks?

Some of the most complex and costly projects involve the production of energy from renewable sources (wind and solar power). To this end, a bidding process for such projects was launched under NRRP /2022/C6/M ENERGIE/I1. Following the launch of this procedure, interested legal entities had the opportunity to submit projects at a specific requested value, in accordance with the project details.

The submitted documentation is very extensive and includes, for example, the submission form, title deeds for the land on which the photovoltaic power plant is to be located, a site plan and zoning map, a soil study, an implementation schedule, the project budget, corporate documents, and the company's financial statements, declarations regarding the absence of disputes concerning the land on which the photovoltaic power plant is to be located, an institutional analysis, an information and publicity plan, a declaration regarding the avoidance of double financing, a declaration regarding the purpose of producing electricity from renewable sources, a declaration of eligibility, a declaration of commitment, a declaration of compliance, and a bid form.

After verifying the compliance and legality of the documentation and approving the financing project, the final step is the signing of the financing contract between the applicant and the Ministry of Energy.

¹⁹ Ioana Maria Costea and Despina-Martha Ilucă, "Regimul de condiționalitate pentru protejarea bugetului Uniunii Europene: între dialog și monolog instituțional" [The Conditionality Regime for the Protection of the European Union Budget: Between Institutional Dialogue and Monologue], *Dreptul* no. 5 (2023): 78–98.

²⁰ Law No. 113/2022 approving the Financing Contract (Cluj Regional Emergency Hospital) between Romania and the European Investment Bank, Official Gazette of Romania, Part I, no. 470 (May 11, 2022).

²¹ Order No. 6,253/2022 and the annexed model funding agreement, Official Gazette of Romania, Part I, no. 1142 (November 28, 2022).

²² Bjarne Steffen, "The Importance of Project Finance for Renewable Energy Projects," *Energy Economics* 69 (2018): 280–294, <https://doi.org/10.1016/j.eneco.2017.11.006>.

Following this, the actual implementation phase begins, during which preliminary administrative procedures are carried out to issue the building permit, including but not limited to obtaining a decision to remove the land from agricultural use (full or partial) for extra-urban land, obtaining environmental permits, obtaining the technical connection permit (ATR), and approvals from authorities such as the Ministry of National Defence (MAPN). Furthermore, in accordance with the technical design and material requirements, public procurement procedures will be conducted for construction materials, photovoltaic components, and other accessories necessary for operation. Since funding is provided through European funds, the public procurement procedure is competitive, with the award criterion being the best value for money.

Although it is not a requirement for the reimbursement of expenses from European funds, beneficiary applicants apply for the connection certificate – which is issued after the completion of the work and on-site inspections by the grid operator – as well as the producer's license (ANRE), in order to be able to sell the energy produced on the open market or through direct contracts.

Payment of expenses incurred for the implementation of the project is made based on a transfer request prepared by the beneficiary, after the completion of the commissioning report for the photovoltaic plant, except in cases where the beneficiary has already made advance payments for the project, specifically between the date of submission of the bid and the entry into force of the contract, in which case the beneficiary has a 15-business-day deadline to submit the transfer request to the authority. In this regard, “beneficiaries shall submit to the project implementation agencies, as applicable, transfer requests for the payments to be made.”²³

The Ministry of Energy is bound by strict deadlines for making payments of authorized amounts within 10 business days of the date of submission, provided, of course, that the supporting documents have been submitted along with the transfer request.

The reality and validity of the investments are demonstrated by the payment commitments and supporting documents for payments made to suppliers; the beneficiary is responsible for both their accurate preparation and the risk of any errors. It is important to note that “beneficiaries of projects funded by European funds are required to maintain separate accounting records for each project, using separate analytical accounts.”²⁴

The final transfer request is of particular importance to the beneficiary because it concerns the settlement of non-reimbursable funds, and the Ministry of Energy reviews whether certain conditions precedent for payment have been met, such as proof of achieving the technical and economic performance targets set out in the feasibility study, the existence of an independent final audit report, the fulfilment of the indicators agreed upon in the contract, the signing of the minutes of the investment's commissioning, and, of course, the proper submission of supporting documents for the expenses.

Of course, as with all other projects funded by the European Union, any breach of contractual obligations by the beneficiary results in the obligation to repay the funds, based on administrative and fiscal documents that constitute a debt instrument and enjoy all the legal effects of such a document, primarily enforceability upon the expiration of

²³ Government Decision No. 209/2022 approving the Methodological Norms for the application of GEO No. 124/2021, Official Gazette of Romania, Part I, no. 154 (February 15, 2022), art. 13(1).

²⁴ Government Decision No. 209/2022, art. 7(1).

the payment deadline.

4. Determining eligible and ineligible expenses for project implementation and the option of attracting investors for private financing

One of the most important aspects of project implementation is the contractual definition of eligible expenses. These are expenses incurred for the purpose of the project, in accordance with the investment estimate provided for in national legislation. Conversely, the following are considered ineligible: expenses related to in-kind contributions, depreciation expenses, expenses for the acquisition of land and already constructed buildings, expenses related to the acquisition of goods through leasing, rental expenses other than those included in general administrative expenses, expenses for the purchase of transportation vehicles, general administrative expenses, interest, commissions, and other costs for various activities.

It is important to note that, with regard to a photovoltaic power plant, the following do not constitute eligible expenses: costs associated with connecting to the electrical substation, costs for obtaining permits and authorizations, and the preparation of feasibility studies, including from a technical perspective, so these costs must be financed from the beneficiary's own resources and/or loans from third-party lenders.

This is the point at which, following the signing of the financing agreement, the beneficiary has the option to diversify its sources of financing; one of the most common solutions is to invite a third-party financier, investment fund, or any other type of entity to acquire an equity stake in the company. Of course, it is preferable that the analysis of potential investors be rigorous and that the selection of those to be accepted be well-considered and appropriate for the successful completion of the project in question.

The involvement of new investors can be formalized through a transfer of shares, whereby a portion of the beneficiary's equity is transferred to these third parties. In their capacity as partners/shareholders of the beneficiary, the investors will be part of the governing body of the general meeting and, depending on their share of the share capital, will be able to influence the adoption of decisions regarding the implementation of the project.

5. The consequences of non-performance or improper performance of obligations by recipients of European funds from the perspective of European and national case law. The principle of proportionality

According to Article 5.2.4 of the Specific Guide on the Conditions for Accessing European Funds under the National Recovery and Resilience Plan, Component C1 – Water Management, Investment 3. Supporting the connection of low-income populations to existing water supply and sewerage networks²⁵, “the activity of preventing, verifying, and identifying irregularities shall be carried out throughout the entire implementation and sustainability period of the projects by the authorities responsible for verification and control, namely those with competence in managing non-reimbursable/reimbursable external funds allocated to Romania through the Recovery and Resilience Facility, in compliance with the provisions of Government

²⁵ Order No. 2,605/2022 and the annexed Specific Guide, sec. 5.2.4.

Emergency Ordinance No. 70/2022²⁶ on the prevention, verification, and detection of irregularities/double funding, of serious irregularities arising in the acquisition and use of non-reimbursable/reimbursable external funds allocated to Romania through the Recovery and Resilience Facility and/or related national public funds, and the recovery of resulting claims.”

According to Article 5.2.4 of the Specific Guide on the Conditions for Accessing European Funds under the National Recovery and Resilience Plan, Component C1 – Water Management, Investment 3. Supporting the connection of low-income populations to existing water supply and sewerage networks, “the activity of preventing, verifying, and identifying irregularities shall be carried out throughout the entire implementation and sustainability period of the projects by the authorities responsible for verification and control, namely those with competencies in managing non-reimbursable/reimbursable external funds allocated to Romania through the Recovery and Resilience Facility, in compliance with the provisions of Government Emergency Ordinance No. 70/2022 on the prevention, verification, and detection of irregularities/double funding, of serious irregularities arising in the acquisition and use of non-reimbursable/reimbursable external funds allocated to Romania through the Recovery and Resilience Facility and/or related national public funds, and the recovery of resulting claims.”

Serious irregularities²⁷ refer to fraud, corruption, and conflicts of interest related to measures supported by the mechanism, or a serious breach of an obligation set forth in the contract, agreement, decision, or financing order. Thus, on the one hand, there may be acts that give rise to criminal liability, classified as fraud, corruption, or conflict of interest, and on the other hand, acts that give rise to contractual civil liability, namely for a serious breach of an obligation set forth in the contract.

European Union case law consistently holds that, to the extent that procedures are vitiated by substantial errors, irregularities, or fraud, the institutions have the right – depending on the stage of the procedure — not to award the contract, to suspend its performance, or to terminate it, depending on the stage reached²⁸. Furthermore, where substantial errors, irregularities, or fraud are identified, the authorities have the right – and indeed the obligation – to recover the funds provided, in accordance with the principle that “in the system for granting Union financial assistance, the use of such assistance is subject to rules that may lead to the partial or total recovery of assistance already granted”²⁹.

Only the existence of such grounds may justify the rejection of a funding application, the suspension or termination of the contract, as well as a request for the repayment of the amounts that would have been the subject of the funding. If the

²⁶ Government Emergency Ordinance No. 70/2022 on the prevention, verification, and detection of irregularities and double funding under the Recovery and Resilience Facility, Official Gazette of Romania, Part I, no. 526 (May 27, 2022), approved with amendments by Law No. 227/2023, Official Gazette of Romania, Part I, no. 651 (July 17, 2023).

²⁷ GEO No. 124/2021, art. 2(1)(dd).

²⁸ General Court of the European Union, *Euroscript – Polska Sp. z o.o. v. European Parliament*, Case T-48/12, judgment of July 16, 2014.

²⁹ General Court of the European Union, *Universität Koblenz-Landau v. European Education and Culture Executive Agency (EACEA)*, Case T-108/18, judgment of February 24, 2021, para. 117, ECLI:EU:T:2021:104.

contractual requirements are fully met but subsequent circumstances arise that are independent of the contractual clauses — such as the beneficiary's insolvency—these cannot legally justify a request for the repayment of amounts funded from European funds.

Thus, a decision³⁰ of the High Court of Cassation and Justice held that, to the extent that the state of insolvency was not due to breaches of obligations under the financing agreement, the initiation of insolvency proceedings does not in itself constitute an irregularity. Conversely, in the different situation where the financing agreement expressly stipulates that the beneficiary's entry into insolvency proceedings constitutes a serious breach punishable by the automatic termination of the financing agreement, the occurrence of such an event constitutes a valid ground for terminating the agreement and repaying the financed amounts³¹.

The following constitute irregularities punishable by the termination or revocation of the contract, decision, or funding order: failure to comply with the time limit between the publication of the contract notice in the Official Journal of the European Union and the deadline for submitting bids for service contracts³²; failure to upload a document essential to the procedure³³; errors identified during the financial progress of the works contract³⁴, and intentional irregularities through inaccurate and incomplete statements by the funding applicant³⁵.

Once substantial errors, irregularities, or fraud have been identified, the reform and/or investment coordinators and those responsible for implementing the investments have both the right and the obligation to issue decisions to terminate or revoke the contract, decision, or funding order, specifying the amounts to be reimbursed by the beneficiaries as a result of the termination/revocation of the contract/decision/funding order, as applicable, under the conditions set forth in its terms³⁶. These amounts represent budgetary claims resulting from irregularities/serious irregularities and will be recovered following the detection of irregularities/serious irregularities in the acquisition and use of European funds and/or related national public funds³⁷.

In such a situation, tax claims benefit from the full range of specific recovery measures provided for in the Tax Procedure Code, primarily their enforceable nature, and beneficiaries have few effective legal means to delay or halt the process of recovering budgetary claims (applications to suspend enforcement proceedings, which are costly due to the requirement to post a bond, and limited chances of suspending or annulling administrative-tax acts). This is precisely why strict compliance with the

³⁰ High Court of Cassation and Justice of Romania, Administrative and Fiscal Litigation Division, Decision No. 1737 of March 28, 2019.

³¹ High Court of Cassation and Justice of Romania, Administrative and Fiscal Litigation Division, Decision No. 1711 of May 10, 2017, Sintact legal database. The source concerns the proportionality rule in art. 17 of GEO No. 66/2011; "66/2001" in the initial note was a typographical error.

³² High Court of Cassation and Justice of Romania, Administrative and Fiscal Litigation Division, Decision No. 2506 of June 13, 2018, Sintact legal database.

³³ Bucharest Court of Appeal, Decision No. 7272/2023, Sintact legal database.

³⁴ High Court of Cassation and Justice of Romania, Administrative and Fiscal Litigation Division, Decision No. 314 of February 3, 2017, Sintact legal database.

³⁵ High Court of Cassation and Justice of Romania, Administrative and Fiscal Litigation Division, Decision No. 271 of February 2, 2017, Sintact legal database.

³⁶ GEO No. 124/2021, art. 2(1)(x).

³⁷ GEO No. 124/2021, art. 2(1)(u).

provisions of the specific guidelines, applications, and financing agreements is the primary guarantee for the proper conduct of the process of accessing and utilizing NRRP European funds.

Of course, the recovery of European funds will be carried out by the Romanian State in accordance with the principle of proportionality, and the content and form of such action shall not exceed what is necessary to achieve the objectives of the Treaties³⁸.

6. Conclusions

The Stoics believed that there are two elements in nature from which everything originates: matter and cause. Matter is inert and inactive, yet ready for any action; cause — that is, reason — gives form to matter, determines its purpose, and produces various works from it³⁹.

The same applies to the relationship between the subject of this study and the actions of reform/investment coordinators, applicants, and beneficiaries. The justification for funding infrastructure projects - whether for digitalization, healthcare, or the green component - must be based not only on legality but also on the good faith of the underlying reasons for each individual project. The courts, however, will have sufficient means to verify all these aspects.

From this perspective, the effectiveness of NRRP financing depends on translating the general European and national framework into precise, verifiable obligations at project level. The specific guide, the funding application, and the grant agreement should therefore be read as an integrated normative and contractual system. Eligibility is not exhausted when the application is approved; it must be maintained throughout implementation and the sustainability period, while every procurement, payment, and reporting decision must be documented so that compliance can be demonstrated.

The photovoltaic power plant case illustrates that successful implementation rests on the coordination of legal, technical, and financial components. Beneficiaries must distinguish eligible from ineligible expenditure, secure complementary financing for uncovered costs, comply with permitting and grid connection requirements, maintain separate accounts, and anticipate the consequences of bringing new investors into the project company. A delay or deficiency in one component may affect the entire project and expose the beneficiary to the suspension or termination of financing and, where the legal conditions are met, to the recovery of funds.

Ultimately, the success of the NRRP should be measured not only by the rate of absorption, but also by the delivery of lawful, sustainable, and fully operational investments. The protection of the European Union's financial interests requires effective controls, but any corrective or recovery measure must remain connected to the seriousness and consequences of the breach and must comply with the principle of

³⁸ Paolo Mengozzi, "Ocotirea pe cale judecătorească a drepturilor individuale și principiul proporționalității în urma Tratatului de la Lisabona" [The Judicial Protection of Individual Rights and the Principle of Proportionality after the Lisbon Treaty], *Revista română de drept european* no. 6 (2011).

³⁹ Virgil Matei, *Dicționar de maxime, reflecții, expresii latine comentate* (Bucharest: Scripta, 1998), 61: "*Duo esse in rerum natura, ex quibus omnia fiant, causam et materiam. Materia iacet iners, res ad omnia parata, cessatura, si nemo moveat. Causa autem, id est ratio, materiam format et quocumque vult versat, ex illa varia opera producit.*"

proportionality. The case study therefore shows that funding is not an end in itself, but a disciplined process that requires legal accuracy, financial capacity, technical coordination, good faith, and continuous risk management from both beneficiaries and public authorities.

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