

CMS | Romania unveils state aid scheme to boost private investments



The Romanian government has introduced a EUR 450 m state aid scheme to incentivise investments across key sectors of the Romanian economy.

The core objective of this initiative is to provide non-repayable funding to private enterprises undertaking investments with a substantial impact on the economy. These investments must surpass the threshold of RON 50 million (EUR 10 million) in eligible costs and focus on innovation and sustainability. The scheme is designed to stimulate economic growth by supporting ventures aligned with Romania's long-term development goals.

To qualify for funding, companies must meet specific eligibility criteria, including compliance with legal registration requirements and a commitment to invest in Romania within a specified time. Importantly, applicants must exhibit financial stability and should not be in financial distress or insolvency. In addition, applicants should not have received regional state aid for the same investment project nor should they be involved in relocation activities.

The application process follows a structured timeline with submission windows announced in advance. Evaluation of applications is based on predefined criteria, and payments are disbursed upon verification of eligible expenses.

Sectoral focus will be key with priority given to investments in sectors critical to Romania's economic diversification and resilience. Priority will also be given to applications that exclude Bucharest from funding in a bid to decentralise development efforts and promote balanced growth across the country. By incentivising investments in strategic sectors such as manufacturing, pharmaceuticals, and waste management, the scheme seeks to drive job creation, innovation, and long-term prosperity.

Financial support under the scheme will vary according to the geographical location of investments with funding intensity ranging from 30% to 60% of eligible expenses. Businesses are required to contribute a minimum percentage of eligible costs from their own resources along with all ineligible expenses.

The total budget of the scheme is RON 2.25 billion (EUR 450 million). Financing agreements will be completed by 31 December 2026 with the disbursement of state aid scheduled for the period 2025 to 2032.

Funding applications will be accepted between 29 July and 9 September 2024. Applications with supporting documents can be submitted online. The registration of funding agreements will occur during annual sessions announced at least 60 working days in advance with each session lasting 30 working days.

If you are interested in this application process, contact your CMS client partner or local CMS experts: Cristina Popescu, Laura Capata and Sorin Predescu.