POSITION PAPER

Multiannual Financial Framework 2028 - 2034

Romanian Water Association
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Position paper
Romanian Water Association (ARA)
on the future EU Multiannual Financial Framework

Content

European context and the current situation of Romania

Post-2027 multiannual financial framework

The public consultation for the future Multiannual Financial Framework (MFF) – the current European Union MFF ends at the end of 2027. In 2025, the European Commission proposed the new MFF (20282034) and the public consultation aims to define a "more focused, simpler and impactful" budget that reflects the EU's strategic priorities. The consultation covers funds managed jointly with Member States, in particular cohesion policy, common agricultural policy, fisheries policy, home affairs and trans-European networks.

Implications for the water sector – the future MFF will set out the resources allocated to investments in water and wastewater infrastructure, modernisation of wastewater treatment plants, digitalisation and adaptation to climate change. For Romania, which has to catch up with Western states, **maintaining funding through the Cohesion Fund, the European Regional Development Fund and the Recovery and Resilience Facility is essential**.

Member States that face **significant gaps in terms of water and sanitation infrastructure**, such as Romania, need to maintain and even **intensify non-reimbursable support** through cohesion policy, as only in this way can they reach the **standards imposed at European level**. The new obligations assumed by Directive (EU) 2024/3019 on urban waste water treatment, including the introduction of a fourth treatment stage for the removal of micropollutants, involve **considerable investments that cannot be supported exclusively from national sources or from tariffs paid by consumers**. Romania needs **more than 30 billion euros** just to **ensure access to basic services in rural areas**, and the investments needed to modernize wastewater treatment plants **in the context of the new directive are estimated at another 3 billion euros**. In addition, the ongoing infringement procedures indicate the need to **accelerate investments in non-compliant agglomerations**, **which cannot be achieved without non-reimbursable funds**. Excluding or reducing these States' access to funding would **jeopardise the Union's territorial cohesion and environmental objectives, exacerbating inequalities and affecting citizens' quality of life**. That is why non-reimbursable cohesion funds should not be seen as perpetual support, but as **an essential tool for correcting structural imbalances and achieving real convergence between Europe's regions**.

New Directive (EU) 2024/3019 on urban wastewater treatment

Adopted by the Council of the EU on 5 November 2024 and published on 12 December 2024, the directive recodes and replaces the old Directive 91/271/EEC. Its purpose is **to protect the environment** against the harmful effects of wastewater discharge, with a focus on industrial sectors such as the pharmaceutical and cosmetics industries.

Stricter conditions for micropollutants – the directive imposes stricter limits for micropollutants and provides for the addition **of a fourth stage of treatment** in treatment plants. This additional technology is needed to remove micropollutants from more than 90% of pharmaceuticals and cosmetics.

Extended Producer Responsibility (EPR) – manufacturers of medicines and cosmetics have to bear a significant share (80%) of the total costs of expanding and operating wastewater treatment plants, as well as monitoring and data collection. The obligation applies regardless of whether the producers are established in the EU or not; The criterion is the placement of the products on the market of a Member State.

Transposition timeline – the Directive enters into force on 1 January 2025 and Member States have 30 months to transpose. Extended producer responsibility measures will apply three years after their entry into force.

The new directive will **entail considerable additional costs for the modernisation of wastewater treatment plants and for the monitoring of micropollutants**; the financial programming in the future MFF must therefore reflect these requirements.

The position of the Romanian Water Association

1. Maintaining and increasing allocations for the water sector in the next MFF

Recognition of water and sanitation infrastructure as a strategic priority. ARA calls for water and sanitation to be explicitly included among the priority areas of the future MFF. The Cohesion Funds, the European Regional Development Fund (ERDF) and the Cohesion Fund must maintain consistent budget lines for the rehabilitation and expansion of water and sanitation networks, as Romania needs more than **€30 billion** in funding just to ensure access to basic services in rural areas.

Flexibility in the financing structure. In order to implement complex projects in the water sector, regional operators and local authorities need grants. National co-financing must be adapted to the financial capacity of the communities, so as to avoid situations where investments are delayed or ineligible.

Quick access to funds and avoidance of administrative bottlenecks. ARA calls for the future MFF to provide for clear deadlines and simplified procedures for reimbursement of expenditure and for compliance with favourable conditions. The lack of a national investment plan has led to the blocking of the reimbursement of over 2.2 bln. €; therefore, the association supports the rapid elaboration and assumption **of the National Investment Plan in the water/wastewater sector**, as well as the designation of an **institutional leader with executive power to coordinate the investments**.

2. Alignment with the new Urban Wastewater Treatment Directive

Financing advanced technologies. The introduction of the fourth stage of treatment and the reduction of micropollutants will require the modernization of most of the treatment plants in Romania. These investments cannot be supported only by the tariffs paid by consumers; therefore, ARA calls for dedicated programmes in the future MFF for **green infrastructure and advanced wastewater treatment technology**, including grants for research and innovation.

Applying extended producer responsibility. ARA supports the application of the polluter pays principle set out in the new directive. Manufacturers of medicines and cosmetics must contribute to the financing of wastewater treatment plants, and the extended responsibility system must be implemented transparently and uniformly in all Member States. The 80% contribution to the total costs for the expansion of wastewater treatment plants must be directed exclusively to the modernization of wastewater treatment systems and not to other budgetary needs. Investment needs are estimated at 3 bln euro.

Support for regional operators in the preparation of projects. The technical requirements of the new directive – monitoring micropollutants, digitalising systems and reducing energy consumption – involve know-how and human resources. ARA calls for funding for training and technical assistance programs for water operators, in order to prepare eligible projects and implement environmental standards.

3. Solving the infringement and strengthening the institutional system

Accelerating investments in non-compliant agglomerations. On November 14, 2024, the European Commission sued Romania (and Bulgaria) for failing to meet their collection and treatment obligations under the Urban Wastewater Treatment Directive. ARA calls for the allocation of specific funds for these agglomerations and the implementation of a realistic compliance schedule.

Institutional stability and clear governance. The fragmentation of responsibilities between ministries and agencies has led to delays and lack of coordination. ARA recommends the clear designation of a coordinating authority for the water/wastewater sector, which has planning, monitoring and reporting powers. Institutional stability is key to attracting funding and implementing reforms.

Integrating investments with climate and digitalisation objectives. The modernization of water infrastructure must be correlated with the reduction of water losses, energy efficiency and the digitization of operating systems. ARA supports the inclusion of these components in the MFF priorities, in order to increase resilience to climate change and reduce long-term operating costs.

Conclusions

The water sector in Romania is facing major challenges: insufficient access to services in rural areas, ongoing infringement procedures and strict new obligations imposed by Directive (EU) 2024/3019. The EU's future Multiannual Financial Framework is the main opportunity to mobilise the necessary financial resources to modernise infrastructure and improve services.

The Romanian Water Association recommends that the Romanian authorities and the European institutions make water infrastructure a political and financial priority; ensure adequate co-financing and institutional stability; apply the polluter pays principle; and to pursue timely compliance with the new legal obligations. Only through a coordinated effort between the state, operators, the private sector and the EU can the goal of providing all citizens with access to safe and sustainable drinking water and sanitation services be achieved.