

The new European multi-annual financial framework MFF 2028-2034

*Building synergies to deliver for
all - A business perspective
from Romania*

April 2026



EXECUTIVE SUMMARY

A new architecture for the Multiannual Financial Framework for 2028-2034 is on the table. The ambition is right: Europe faces a genuine competitiveness challenge and must be more ambitious with addressing them on the Union scale, with strategic investment and more streamlining across fragmented instruments.

Concordia's engagement with this proposal is constructive and forward-looking — we want the MFF to succeed, because Romania's prosperity and the EU's competitiveness are, in the deepest sense, interdependent.

What this paper argues, across all the instruments it examines, is a single underlying proposition: that the MFF will only deliver on its ambitions if it mobilizes the Union's full economic geography, engages the private sector as a genuine partner from design through delivery, and avoids the recurring failure mode of EU funding — instruments that are strategically coherent on paper but operationally inaccessible in practice, particularly for SMEs, for companies in less-developed regions, and for member states still building the institutional capacity to compete on equal terms. Reforms should happen, but they should be implemented in a manner that allows for sustainable change.

The European Competitiveness Fund, cohesion policy, the Connecting Europe Facility and the new own resources framework are not four separate policy conversations. These are four dimensions bridging the same question: how does the EU invest its collective resources in a way that strengthens the whole Union, not only its most advanced parts? Europe needs its economic champions to the same extent it needs economic security at its borders and to deliver to its citizens. The cohesion policy must deliver to the people economic opportunities where they are rooted. The transport investments must link the Eastern border to the Single Market. And a new own resources package must ensure resources match the ambitions but without imposing regressive fiscal burdens on the companies the rest of the MFF is trying to strengthen.

Concordia's proposals throughout this paper are designed to address these tensions — these policies and investments should work in synergy to strengthen the European Union in the long-term. Excellence must remain the organizing principle of competitive funding; but excellence is best served by evaluation frameworks, governance structures and access mechanisms that draw on the Union's full breadth of capabilities. Simplification must be real and operational, not merely declared, serving all beneficiaries but particularly the SMEs. The lessons of the NRRP must be integrated and structural reforms should be pursued but balancing them with the regional needs and realities that could prove more effective. Any new instruments to generate more resources must be tested against their effect on the companies that generate the economic activity the EU budget ultimately depends on. The long negotiations ahead must ensure solid consultations at national and EU levels, with the most legitimate actors at the forefront, and be continued throughout implementation.

In July 2025, the Commission put forward its proposal for an ambitious and dynamic Multiannual Financial Framework (MFF) for 2028 – 2034 totaling almost €2 trillion — equivalent to an average of 1.26% of EU gross national income over the 2028–2034 period.

The framework is designed to equip Europe with a long-term investment budget commensurate with its ambitions to remain an independent, prosperous, secure, and thriving society and economy over the coming decade.

While it aims to respond to an increasing number of challenges the EU as a block is facing without a significant budget increase, it brings several new features into funds allocation and management.

In September 2025, the Commission adopted a second package of sectoral proposals, completing the legislative architecture.

The new MFF is built around **five key features**:

1. **greater flexibility across the budget**, enabling Europe to act — and react — swiftly when circumstances change unexpectedly or when new policy priorities emerge.

We believe that, while the recent COVID outbreak and invasion of Ukraine have shown the value of an agile response, flexibility must also be calibrated in relation to predictability over funds availability for major projects, particularly under ECF.

2. **simpler, more streamlined, and better-harmonized EU funding programs**, making it easier for citizens and businesses to identify and access available opportunities.

Simplification and streamlining of funds are much welcomed by the business community in Romania; we expect this to be implemented in a practical manner and with dedicated assistance to SMEs, to allow companies of all sizes to access EU funding.

3. **a budget calibrated to local needs**, delivered through National and Regional Partnership Plans for investments and reforms, designed to maximize impact where it matters most and to accelerate support for greater economic, social, and territorial cohesion across the Union.

While we acknowledge structural reforms are needed to ensure sustainable development across all territories, the lessons of NRRP implementation should be embedded in the MFF and ensure regional realities are not overlooked by a strong centralization. A link between reforms and investments is more realistic and effective, in our view, and will be presented further on.

4. **a significant competitiveness boost**, positioning Europe to secure its supply chains, scale up innovation, and compete at the frontier of clean and smart technology.

The focus on competitiveness is very positive and should be implemented in a manner that will not only deliver for the invested budget but will attract more private investment and further strengthen the European economic security. A strategic approach should double on excellence, ensuring also a fair share and integration of all member states in the process and strengthen local supply chains. This will also be further elaborated on this paper.

5. **balanced package of new own resources** that generates adequate revenues for the Union's priorities while limiting additional pressure on national public finances.

While ambitious goals require ambitious financing, any new resources should not hurt EU competitiveness by adding supplementary fiscal burden on European companies.

1. EUROPEAN COMPETITIVENESS FUND

The European Competitiveness Fund, proposed by the European Commission, consolidates 14 existing EU programs into a single investment vehicle of €234 billion, which together with a doubled Horizon Europe allocation reaches a total package of €409 billion.

Structured around four thematic windows, ECF represents a decisive break with the fragmented landscape that the Draghi Report identified as one of Europe's principal structural weaknesses.

1. Resilience and Security
2. Digital Leadership
3. Clean Transition
4. Health and Bioeconomy

The diagnosis that Europe is falling behind in the global innovation race is correct. The investment direction of consolidation, scale, and strategic focus is sound, as much as the emphasis on technological sovereignty, supply chain resilience, and defense industrial capacity, with encompassing thematic windows. However, the ECF's selection logic — primarily merit-based competition evaluated against excellence criteria — will, in the absence of complementary access measures, produce a geographic distribution that mirrors and entrenches existing innovation hierarchies. And while cohesion policy is designed to address some of these gaps, the ECF should not ignore them but ensure it creates synergies that would strengthen EU competitiveness all across its value chains, mobilising the Union's full economic geography and resources and strengthen its resilience. Competitiveness must be built with economic security and that can only work for the EU if the entire block is growing at its potential. The interdependence works the other way around, Romania could stay prosperous if the EU strengthens its competitiveness.

To strengthen the current ECF proposal, we put forward a set of proposals that reflect the current competitiveness challenges faced by our region with an outward look at the EU competitiveness.

Mobilise competences from across Europe's diverse innovation ecosystems and value chains.

By integrating technological, research and industrial capacities from every corner of the Union, the Fund can unlock underutilised talent pools and niche expertise — without compromising the ranking of proposals based on quality and expected impact.

The experience of previous European programmes shows that, in the absence of explicit corrective measures, pure competition at EU level leads to the disproportionate capture of funds by states with superior administrative, financial and technological capacity. This phenomenon is particularly pronounced in areas such as digital, deep tech and scale-up, where barriers to entry are high and existing networks play a decisive role.

The introduction of an explicit objective of reducing innovation and industrialisation disparities in the internal market is necessary to ensure that the Fund contributes to economic cohesion and real convergence between Member States. Without such an approach, there is a risk of creating highly geographically concentrated 'European champions', while maintaining large regions of the Union in a position of technological and industrial dependence.

A monitoring and geo-correction mechanism would not undermine the principle of excellence, but would allow the Commission to adapt the design of future calls when excessive concentrations of funding are found. Adjusting themes, project size, eligibility or funding rates is a legitimate European public policy tool to maximise the systemic impact of the fund.

Harnessing this collective potential is not optional – it is essential for Europe's long-term competitiveness. Projects must continue to be selected on the basis of overall quality and expected technological, industrial and societal impact, with the highest-scoring proposals prioritised for funding, but operate as a structured tiebreaker within a quality-driven evaluation process.

Where proposals reach comparable levels of overall quality and expected impact, evaluators must give meaningful weight to the extent to which a consortium actively integrates capabilities and partners from across Europe and builds robust cross-border collaborative structures.

Consortia that bring together a diverse range of complementary competences from varied innovation landscapes across multiple Member States should be recognised as delivering greater systemic European value and contributing to a more integrated and resilient Single Market.

- Ensure integration through evaluation - supplementary points in the evaluation if the consortium encompasses capabilities from a variety of countries, depending on their intensity, builds synergies with cohesion or strengthens critical supply chains.
- Off-set rules to ensure rollout of innovation spillovers and supply-chain investment across the EU. This could be done also through a geographical balancing mechanism monitored by the EC that could then adjust the following calls (topics, eligibility, instruments, financing, etc.) for adjustment.
- Widening calls embedding the experience of the Horizon Europe calls during the current financing, that should target particularly capacity development for industrial deployment and manufacturing and supporting scale-up in less developed ecosystems.
- Bonus systems to encourage multi-country projects including countries with lower capacity, to be determined based on their value contribution to the projects.
- Design evaluation committees that reflect this diversity, drawing on scientific, technological and industrial expertise from across the Union while preserving the primacy of competence, independence and rigour.

Set-up a Project Preparation Facility

Unequal access to advanced project preparation expertise is one of the main causes of the low participation of companies from countries with weaker ecosystems in competitive European instruments.

Although the current proposal provides for advisory services, they function mainly as reactive helpdesk mechanisms. In order to have a real impact, it is necessary to create an explicit Project Preparation Facility, with a proactive role, financed from the European Competitiveness Fund.

This facility should benefit from:

- a clearly defined minimum annual budget;
- a balanced geographical distribution or coverage criteria across all Member States;
- extended eligible services for companies, including feasibility studies, due diligence, financial and state aid advice, procurement, intellectual property, partner identification and bankability assessments.

Such a facility would be an investment in increasing the quality and maturity of projects, implicitly contributing to increasing the efficiency of the use of European funds and broadening the base of competitive beneficiaries.

Strengthen access for SMEs

ECF must be designed to embed SMEs structurally at every stage of the investment journey — from research and innovation through to industrial deployment and market access — ensuring continuity of support for SME-led projects, dedicated bridging instruments between grants, guarantees and equity, and a simplification agenda that goes beyond institutional consolidation to deliver measurable, operational change: radically reduced administrative burdens, wider use of lump sums and standardised costs, faster contracting timelines and a single point of contact throughout the project lifecycle.

Beyond access, the ECF must shift from a project-centric funding logic to a genuinely ecosystem-oriented approach in which large-scale beneficiaries are required to demonstrate meaningful SME integration as a condition of significant public support.

Increased leverage of the EU budget

The ECF can only be successful if sufficient private investments are mobilised. This requires a strong role for financial instruments. Therefore, the ECF InvestEU instrument should be a favoured means of implementation and make up a significant part of the ECF. It should also enhance the risk-capacity for high-potential projects under the ECF InvestEU, to ensure that support is structured to leverage private investment, thereby maximising the overall impact and ensuring the efficient use of public funds. InvestEU has proven effective in mobilising private capital, and we should build on these results and its synergies with the Savings and Investment Unions through a market gap assessment as a basis for allocation.

Digital leadership across

Treating digital leadership as one window only risks creating a silo where the enabling potential of digital technologies is ring-fenced rather than amplified across the Fund's full investment portfolio.

Instead, mainstreaming digital objectives across MFF programs to steer the deployment of technology in key sectors of the economy will create synergies and multiplier effects such as boosting productivity, competitiveness and resilience. All programmes under every policy window must include a digital dimension, ensuring that Europe's investments in clean industry, energy, security, and health simultaneously advance its digital sovereignty and that no major project funded by the ECF leaves Europe's digital competitiveness gap unaddressed.

Ensure technological neutrality

ECF must be grounded in the principle of technological neutrality, ensuring that public investment does not pre-emptively crown winners among competing technological pathways before markets, science and industrial practice have determined which solutions will prove most effective at scale. Europe's history of backing specific technologies through regulatory or funding lock-in — at the expense of alternatives that subsequently proved more viable — is a cautionary lesson the ECF cannot afford to repeat, particularly in sectors such as clean energy, advanced manufacturing and mobility where multiple technology trajectories remain genuinely open. Technological neutrality does not mean the absence of strategic priorities; the ECF rightly focuses on areas of structural market failure and geopolitical urgency. It means that within those priority areas, evaluation frameworks should reward ambition, scientific quality and industrial credibility rather than adherence to a predetermined technological prescription. This approach broadens the pool of eligible innovators, reduces the risk of costly stranded investments, and preserves the competitive diversity that has historically been Europe's greatest source of industrial resilience. In addition, we must build flexibility into the future MFF to respond to emerging technological trends and challenges and ensure funding mechanisms are able to quickly adapt to new strategic needs and enable cutting-edge innovation.

Energy coherence

Energy must be treated within the ECF not merely as a clean transition objective but as an urgent industrial competitiveness and security imperative, reflecting the structural damage that chronically high and volatile energy prices have inflicted on European industry since 2021 and the strategic vulnerabilities exposed by the abrupt end of cheap Russian gas supplies and the recent war in Iran.

The ECF must therefore finance energy across multiple dimensions simultaneously with a medium-term perspective of strengthening EU's energy resilience. For CEE countries, where energy security concerns are most acute and where significant indigenous resources — Romania's offshore gas, the region's renewable potential, its nuclear capacity — remain underexploited or poorly integrated into EU-wide markets, projects that strengthen energy infrastructure connectivity, develop domestic resources and strengthen energy efficiency are highly valuable. The decarbonization, resilience and competitiveness imperatives must be addressed together.

Strengthen dual-use

Dual-use financing should be supported under a clear legal and financing framework, including a common definition of dual use, clear rules on eligible beneficiaries, robust governance for managing mixed civilian–defence funding. Moreover, if the ECF promotes a “dual-use by design” approach, appropriate support mechanisms, such as a dedicated advisory platform, should help companies address the regulatory and operational implications of dual-use R&D, especially for SMEs.

Embed a skills component into ECF

No investment in advanced technology, clean industry or digital infrastructure delivers its full potential without the skilled workforce to deploy, operate and continuously improve it, and the ECFund must reflect this reality by requiring skills development to be an integral component of the projects it finances rather than an afterthought addressed through separate instruments. The persistent mismatch between the competences that Europe's labour force currently holds and those that strategic industries urgently require, represents a structural bottleneck that no amount of capital investment alone can resolve. Projects funded through the ECF should therefore be required to include a skills dimension as part of their design, embedding workforce training, reskilling pathways and apprenticeship structures directly into project budgets and timelines, with skills outcomes included alongside technological and industrial metrics in evaluation and monitoring frameworks.

Effective and transparent governance

The centrepiece of the ECF's governance architecture is the proposed Strategic Stakeholder Board, tasked with advising on long-term competitiveness trends, identifying market failures and recommending strategic project portfolios across the Fund's policy windows. There is potential for the Board to fulfill its mission but its composition criteria need to be improved — including balance across sectors, organisation types, expertise, geography, etc., and must be accompanied by genuine transparency in the selection of members, and that it must not remain purely consultative but must play a meaningful governance role with a clear mandate that actually influences funding decisions.

Meaningful participation in the Competitiveness Coordination Tool, designed to identify strategic priorities and link them to ECF funding, is required to ensure a diversity of relevant perspective, national-level business organisations must be also included.

The absence of fully defined award criteria in the current proposal is particularly problematic because it leaves open the question of how much weight will be given to strategic relevance as determined by Commission discretion versus objective scientific and industrial quality as assessed by independent evaluation. The Commission's flexibility to set strategic priorities through Work Programmes must be exercised transparently, with meaningful involvement of the other EU institutions, and with structured private sector input through permanent steering committees for

each policy window, and must not extend to individual project selection decisions where the primacy of excellence-based evaluation must be absolute and verifiable. Flexibility at the level of strategic programming is legitimate and necessary; discretion at the level of individual funding decisions is not.

A coherent implementation and governance of the ECF in synergy with Horizon Europe.

This includes a strategic steering role for the Member States in the programming of the ECF. We need an ECF that provides clear strategic focus and long-term investment certainty, not least to enable commercialisation and scaling up of research and innovation in an efficient way. We need an ECF that avoids duplications and reduces the administrative burden for our companies. We support the principles of simplification and easy access to Union funding opportunities. This will support the central role of innovative startups, scaleups and SMEs across the EU in increasing EU competitiveness.

2. COHESION POLICY

The European Commission proposal for the cohesion policy under the 2028-2034 MFF, representing roughly one-third of the MFF (€392 billion out of €1.1 trillion for 2021-2027), marks a significant shift in both architecture and ambition. The new framework replaces the current system of separate structural funds with integrated National and Regional Partnership Plans — single, country-level investment and reform agreements negotiated between each member state and the Commission, consolidating what were previously fragmented funding streams into a more coherent and strategically aligned instrument. It aims to reduce regional disparities and ensure all regions benefit from the EU Single Market.

Enrico Letta, in his 2024 report on the future of the Single Market, articulated a principle that cohesion policy has always implied but rarely stated directly: the freedom to move and the right to stay are part of the same freedom, and a single market that functions only as a mechanism for pulling talent toward its most developed nodes is not a complete single market — it is an extraction mechanism. Romania is the most vivid illustration in the EU of what that one-way flow looks like at scale, having lost an estimated 20% of its population since accession. Cohesion policy exists, in its deepest rationale, to close that gap and give people and businesses a credible economic future where they are rooted also.

From a business perspective, **cohesion policy financing continuity is vital for balancing convergence and competitiveness in complementarity with the ECF.** Companies benefit from a well-functioning policy that fosters stability and innovation. To effectively contribute to EU strategic objectives and regional competitiveness, cohesion policy under the next MFF requires not only adequate funding but modernization, including simplification, stronger private sector and regional involvement, and ensuring funds are invested in quality projects.

Embed the lessons of the RRF

The design of the NRPPs should be informed by the implementation of the RRF / NRRP, assessing both the opportunities and the risks of the proposed architecture. The implementation record reveals both what that model can achieve and where it systematically breaks down.

On the positive side, the existence of a single, high-visibility national plan with clear milestones and a direct Commission oversight did create stronger political accountability for reform commitments than the diffuse multi-programme cohesion architecture had previously generated, and several structural reforms. The concentration of programming authority at central level

reproduced exactly the bottlenecks that have characterised Romania's structural funds performance for two decades: slow tendering, frequent procurement challenges, inadequate project pipelines and a chronic inability to translate political commitments into shovel-ready investments within the timeframes that performance-based disbursement instruments demand. Moreover, reimbursements of funds for high-added value projects could be depending on a political decision only.

Reforms are critical, but a few will not solve all the problems

The business community is a strong supporter of reforms and Romania still needs plenty to be implemented to upgrade its economic model and further deliver on cohesion and competitiveness. The EC Country Reports and the Country Specific Recommendations have been well received and used as a compass in our advocacy work for key reforms. The alignment with the EU-wide priorities is positive to ensuring synergies with the ECF, Single Market integration and scale for European businesses. However, in order to address the RRF implementation challenges, and avoid major centralisation and political control, the reforms should be linked to investments. Under this approach, every significant investment component financed through the Partnership Plan would be paired at the design stage with a specific, operationally concrete reform commitment that directly removes the regulatory, administrative or market barrier preventing that investment from generating its full productive impact, having both the reform and the investment linked to EU priorities. It will make the plan more manageable and more efficient in relation to impact on the ground.

This approach would make the National Partnership Plans genuinely strategic instruments rather than administrative compliance exercises, aligning the incentives of government, business and European institutions around a shared interest in investments that actually deliver.

Future policy design must prioritize genuine simplification, not just consolidating rules

Key simplification measures include streamlining guidelines, controls, and burdens on beneficiaries; efficient application, reporting, and compliance processes; a single point of contact for beneficiaries; expeditious rules for eligible expenditure, including digital solutions; expanded use of simplified cost options; faster fund disbursement, postponing any more detailed verifications; national-level simplification; simplification of state aid rules and procedures; increased cooperation among managing authorities and intermediate bodies; more coordination among different funds in order to overcome possible overlaps; and simplification in the application of principles that could represent a burden for companies.

ESF+ should remain a core component

The anticipated demographic pressures facing Romania — a shrinking working-age population, persistent brain drain, and a significant share of the workforce in low-productivity, informally structured employment — make the effective deployment of ESF+ not a peripheral social policy concern but a core competitiveness challenge. In the same time, skills are the avenue for social cohesion. The ESF+ component must be designed with employers at the table from the outset, with funding tied explicitly to labour market outcomes, rather than to participation numbers and training hours, which have historically served as the default metrics of Romanian ESF programming without translating into measurable improvements in workforce competitiveness.

Embed the EU strategy for the EU eastern regions bordering Russia, Belarus and Ukraine

Next MFF's must recognize the disproportionate effects the war in Ukraine has had on EU's Eastern border, also Europe's most exposed territory and one of its most strategically significant areas for future growth and security. Allocation of specific resources for eastern border regions within the National Partnership Plans is necessary. Investment here is not compensatory — the border with Ukraine is becoming a gateway for reconstruction, new trade corridors, energy connectivity and industrial cooperation, positioning Romania as a pivotal node in the EU's relationship with a

reconstructing and eventually enlarging Ukraine. The EastInvest Facility must embed private sector involvement from the outset, with Romanian employers' organisations included in its governance, ensuring it generates real business investment rather than flowing primarily through public intermediaries.

Cohesion policy should not be treated as welfare instrument; it is the EU's primary tool for building the productive capacity, infrastructure and human capital in less-developed regions without which the single market remains structurally imbalanced and the ECF's competitiveness ambitions remain geographically incomplete.

3. CONNECTING EUROPE FACILITY

The Connecting Europe Facility has proven one of the most effective and strategically coherent instruments in the EU's funding architecture, and its continuation under the next MFF is essential for completing the Trans-European Transport Network by 2050, one of the backbones of the Single Market and one that must now also serve civil-military dual-use requirements

Reforms that should fill in the gaps

Concordia advocates continuity in CEF's functioning, with improvements targeted at specific gaps rather than structural redesign, and for a budget matching the objectives.

Three guiding principles should apply consistently across CEF investment decisions: technological neutrality, a maintained balance between sustainability and competitiveness, and explicit recognition of the geographical, natural resource and economic differences between member states — since equal obligations applied to unequal starting points produce unequal outcomes.

Address missing links

For Romania, the treatment of missing links is a matter of strategic priority. The TEN-T has an inherently European dimension, and any project on this network should be eligible for CEF financing regardless of geographic location or member state absorptive capacity. Eligible costs should be clearly defined in the Regulation to prevent double counting in blending operations. Suspension or termination of financing under Article 10 should only proceed after the member state has had a formal opportunity to explain circumstances, including force majeure delays — a provision of relevance for border regions facing security-related disruptions.

Prioritize rail as a strategic and dual-use asset

The modernisation and electrification of rail lines — both freight and passenger — should be treated as a strategic priority, particularly for sections supporting critical logistics flows and industrial connections. Romania lacks dedicated freight rail infrastructure, making capacity upgrades, interoperability improvements and ERTMS integration essential rather than optional. Rail assets are inherently dual-use, making them eligible candidates for the military mobility component of CEF and therefore a significantly higher financing ceiling. CEF should also support the development of intermodal freight hubs and last-mile rail connectivity to industrial areas, logistics parks, ports and terminals — the missing links in Romania's supply chain integration that prevent existing infrastructure from generating its full economic value.

Formalize the dual-use classification of alternative fuels infrastructure

EV charging and alternative fuels infrastructure has direct military utility — supporting equipment recharging, providing resilience against fuel supply disruptions, and enabling battery storage that can sustain operations under grid discontinuation conditions. The EU should formalize this dual-

use classification to unlock access to the military mobility budget for these investments, considerably expanding the available financing envelope.

Support clean fuels with differentiated instruments

CEF should support sustainable aviation fuel and HVO production capacity across all transport modes, including harder-to-abate sectors. On green hydrogen, the EU Bank of Hydrogen is a welcome tool but insufficient at current scale. Additional support is needed for member states with lower renewable energy availability to offset the structural cost disadvantage they face in green hydrogen production compared to peers with more favorable natural conditions — a gap that, without correction, will deepen existing energy competitiveness disparities between member states.

4. OWN RESOURCES

Financing the growing number of EU's priorities aligned to its ambitions, at scale, requires adequate revenues, and Concordia acknowledges that the current GNI-based contribution system — might need to be revised. New own resources are a legitimate and necessary component of the MFF architecture, provided they are designed around the right principles: alignment with EU public goods objectives, administrative simplicity, fiscal fairness across member states, and a strict avoidance of additional burdens on European businesses already facing intense global competitive pressure.

The Commission's proposal puts forward five new revenue sources. Four of them — revenues from the EU Emissions Trading System, the Carbon Border Adjustment Mechanism, tobacco excise duties, and a levy on non-collected electrical and electronic equipment waste — rest on defensible policy rationales and deserve to proceed, subject to important design improvements. The fifth, the Corporate Resource for Europe (CORE), should be withdrawn entirely.

CORE to jeopardize the very essence of the new MFF

Framed as a contribution from companies that benefit from the Single Market, it is in practice a poorly designed tax that violates basic principles of sound fiscal policy and would directly harm European competitiveness at precisely the moment when the MFF is supposed to be boosting it. A turnover-based levy taxes gross revenues rather than profit or value added, creating tax cascading through supply chains — each production stage bears a fresh levy regardless of margin — encouraging vertical integration as an avoidance strategy and penalizing companies that operate within complex, multi-tier European value chains. This is the opposite of what a Single Market instrument should do. The levy is equally regressive: effective rates fall sharply as turnover increases, so the largest firms bear proportionally less burden, while companies just above each bracket threshold face a disproportionate and sudden cost increase.

The regressivity of CORE maps almost perfectly onto the EU's existing economic geography in a way that disadvantages Romania structurally. The levy is nominally uniform but effectively regressive across sectors, and Romania's corporate economy is disproportionately concentrated in precisely the low-margin, high-turnover sectors where the burden falls hardest.

Any other potential own resources should be measured against their regressive effect and ensure policy coherence.

Concordia Employers' Confederation is a cross-sectoral business organisation and national social partner in Romania, representing 20 of the most important sectors in the national economy that bring together more than 450,000 employees and have a total contribution of 30% to the national GDP.

Concordia is the only Romanian organization member of [BusinessEurope](#), the [International Organization of Employers \(IOE\)](#) and [Business at OECD \(BIAC\)](#).