

**REPORT ON THE IBRD LOAN ACCOUNT**

**OF THE MINISTRY OF EDUCATION**

**LOAN (8481 - RO) FOR THE ROMANIA SECONDARY EDUCATION PROJECT**

**FOR THE PERIOD STARTING FROM JANUARY 1<sup>st</sup>, 2020 UP TO DECEMBER 31<sup>st</sup>, 2020**

**MINISTRY OF EDUCATION  
LOAN (8481 – RO) FOR THE ROMANIA SECONDARY EDUCATION PROJECT  
31 DECEMBER 2020 – all the amounts are expressed in EUR, unless otherwise stated**

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## INDEPENDENT AUDITORS' REPORT

To the management of  
Ministry of National Education – Project Management Unit with External Financing - The  
Secondary Education Project financed through the IBRD Loan 8481-RO

### Report on the Project Financial Statements

#### Opinion

We have audited the accompanying Project financial statements of the Secondary Education Project which comprise the Project Sources and Uses of Funds for the period January 01, 2020 – December 31, 2020 (“the Financial Schedules”). The Project financial statements consisted of statement of resources and uses of funds, Statement of expenditures, Financial statement of the loan, Project commitment, Accounting policies and records, Bank Accounts Utilized within Project, Statement of designated accounts and Notes to project financial statements. The project is financed by the International Bank for Reconstruction and Development (IBRD) through the Loan no. 8481 – RO signed on April 17, 2015.

In our opinion, the accompanying Project Financial Statements for the period 1 January 2020 to 31 December 2020 are prepared, in all material respects, in accordance with the Cash basis of accounting principles, practices and relevant World Bank guidelines issued for the IBRD Loan-8481 (Romania Secondary Education Project).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) including ISA 800 “*Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*” and according to the corresponding requirements of the World Bank. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Project Financial Statements* section of our report. We are independent of the Project in accordance with ethical requirements that are relevant to our audit of the financial statements in Romania, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 5 to the Project Financial Statements which describes the going concern basis of preparation. Financing has been reduced compared to planned budget for the project. The objectives of the project are delayed due to the aforementioned issue. Our opinion is not modified in respect of this matter.

### Emphasis of Matter

We draw attention to Note 4 to the Project Financial Statements which describes the basis of accounting. The Project Financial Statements are prepared in accordance with Cash basis of accounting principles, practices and relevant World Bank guidelines issued for the IBRD Loan-8481 (Romania Secondary Education Project), to assist the Project in complying with the financial reporting provisions of the contract referred to above. As a result, the Project Financial Statements may not be suitable for another purpose. Our report is intended solely for the UMEFP and IBRD. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Those Charged with Governance for the Financial Schedules

Management is responsible for the preparation of the Project Financial Statements in accordance with cash basis of accounting and the General Conditions for the loans issued by IBRD and for such internal control as management determines is necessary to enable the preparation of the Project Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Project Financial Statements, management is responsible for assessing the UMEFP's ability to continue as a going concern, disclosing, as applicable matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the UMEFP or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the UMEFP's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Schedules

Our objectives are to obtain reasonable assurance about whether the Project Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on a basis of these Project Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Project Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Project Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.

- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**MAMAS KOUTSOYIANNIS**

Registered in the Electronic Public Register of Financial Auditors and  
Audit firms number AF1515



On Behalf of **MOORE STEPHENS KSC ASSURANCE S.R.L.:**



Registered in the Electronic Public Register of Financial Auditors and  
Audit firms number AF1266

Bucharest, 15 October 2021

Appendix 1

No	Beneficiaries	Grant no/ approval date	Approved grant amount (RON)	Grant Spent in 2020	Amount Tested
1	COLEGIUL TEHNIC " ARMAND CALINESCU" PITESTI	SGL/RI/10 DIN DATA 27.06.2017	450.041	148,918	6,936
2	Liceul Tehnologic „Trandafir Cocârță,	SGL/RT/97 DIN 27 06 2017	589.971	243,572	57,669
3	LICEUL TEHNOLOGIC "HOREA" MARGHITA	595/SGL/Runda II	451.290	154,856	49,296
4	COLEGIUL TEHNIC DE ELECTRONICA SI TELECOMUNICATII "GHEORGHE MĂRZESCU", IAȘI	SGL/R I / 186	450.050	187,444	104,995
5	LICEUL TEORETIC "SILVIU DRAGOMIR"ILIA	415/SGL/RII	315.903	147,497	34,942
6	LICEUL TEHNOLOGIC NR. 1 CADEA, judetul BIHOR	48/SGL/RV/27.06.2017	450.050	163,044	59,005
7	LICEUL CU PROGRAM SPORTIV AVRAM IANCU	744/SGL/RII/02.10.2018	315.903	146,148	69,283
8	COLEGIUL TEHNIC "VALERIU D. COTEA" FOCSANI	SGL/R II/566 din 01.10.2018	688.217	154,887	48,169
9	COLEGIUL ECONOMIC "DELTA DUNARII" TULCEA	SGL/RI/236/26.06.2017	445.000	161,110	15,587
10	COLEGIUL NAȚIONAL "EMIL RACOVITA", IAȘI	SGL/RT/187 DIN 27.06.2017	686.322	203,116	32,389
11	LICEUL TEORETIC " ION CONSTANTIN BRATIANU" HATEG	416/SGL/RUNDA II	451.290	138,840	50,907
12	LICEUL TEHNOLOGIC "ELECTROMUREȘ" TÎRGU- MUREȘ	SG2/R II/493/01.10.2018	451.290	170,000	71,546
13	LICEUL TEHNOLOGIC ION VLASIU	497/SGL/RII/01.10.2018	451.071	177,137	88,052
14	LICEUL TEHNOLOGIC „MIHAI VITEAZUL" ZALĂU	SGL/R2/749 /02.10.2018	451.290	167,538	98,469
15	Liceul Tehnologic "George Barițiu" Livada, județul Satu Mare	739/SGL/RII/02.10.2018	451.289	141,137	60,353
16	COLEGIUL TEHNIC RADAUTI	758/SGL/RII dim data 02.10.2018	688.216	154,885	70,652
17	LICEUL TEHNOLOGIC TOPOLOG	237/R 1/27.06.2017	450.000	165,070	68,109
18	Liceul Teoretic „Mihai Eminescu" Bârlad	540/SGL/R II / 1.10.2018	688.217	174,645	101,297
19	Liceul Tehnologic "Domokos Kazmer" Sovata	490 SGL II	451.290	172,593	44,381
20	Liceul Tehnic Buzau	SGL/RI/78 din 27.06.2017	686.326	154,436	83,757
21	Liceul Tehnologic Agricol Bistrita	610/SGL/RII	688.216	242,532	48,383
22	Colegiul Tehnic „Radu Negru" Galați	SGL/R I/146 din 27.06.2017	686.326	146,279	18,227
23	Liceul Teoretic nr 1 Bratca	590/SGL/TII din 02.10.2019	451.290	155,993	83,254
24	Liceul Tehnologic "Haralamb Vasiliu"	SGL/RI/181 Din data 27.06.2017	451.044	169,360	75,419
25	LICEUL "ALEXANDRU ODOBESCU" LEHLIU-GARA	334/SGL/Runda II	688.216	165,152	74,141
26	Liceul Agricol Dr.C.Angelescu	669/SGL/RII/02.10.2018	688.217	261,772	105,106
27	COLEGIUL TEHNIC ANGHIEL SALIGNY	649/SGL/R II/02.10.2018	688.216	176,087	73,264
28	Colegiul Tehnic "Transilvania" Deva	413/SGL/RII/01.10.2018	451.290	140,400	56,035
29	LICEUL TEHNOLOGIC DE INDUSTRIE ALIMENTARA FETESTI	433/SGL/RII/01.10.2018	450.000	156,492	37,090
30	Colegiul Tehnic de Arte și Meserii „Constantin Brâncuși"	371/SGL/RUNDA II	688.250	147,404	99,239
31	Liceul Pedagogic Ștefan Bănulescu	335/SGL/RII/01.10.2018	451.290	141,091	119,009
32	COLEGIUL TEHNIC "GHEORGHE ASACHI", IAȘI	SGL/RI/183/27.06.2017	686.326	311,813	134,212

No	Beneficiaries	Grant no/ approval date	Approved grant amount (RON)	Grant Spent in 2020	Amount Tested
33	LICEUL NAȚIONAL DE INFORMATICĂ	305/SGL/R/II/01.10.2018	451.290	186,038	89,525
34	Liceul Tehnologic "Iuliu Maniu" Carei, Satu Mare	741/SGL/R/II din 02.10.2018	451.290	145,413	40,108
35	Liceul Tehnologic Agricol Smeeni	667/SGL/R II din 02.10.2018	451.290	176,294	15,985
36	Colegiul Economic "Gheorghe Dragoș" Satu Mare	740/SGL/II/02.10.2018	450.805	139,647	63,250
37	LICEUL TEHNOLOGIC DE INDUSTRIE ALIMENTARA ARAD	SGL/R/II/293/01.10.2018	688.217	157,510	35,991
38	LICEUL TEHNOLOGIC NR. 1	707/SGL/R/II din data 02.10.2018	315.903	152,338	73,740
39	Liceul Tehnologic "Paul Dimo" Galați	705/SGL/R II/02.10.2018	451.290	191,889	119,329
40	LICEUL TEHNOLOGIC "EREMIA GRIGORESCU" TG. BUJOR	699/SGL/R/II/02.10.2018	315.903	172,018	113,095
41	COLEGIUL TEHNIC GHEORGHE ASACHI	SGL/R/II/662/02.10.2018	451.242	154,846	45,781
42	LICEUL TEORETIC "TRAIAN"	654/SGL/R/II din 02.10.2018	687.807	213,736	73,216
43	Colegiul Național Economic Andrei Barseanu Brasov	637/SGL/R/II/02.10.2018	688.216	154,893	66,338
44	COLEGIUL TEHNIC "ANGHEL SALIGNY" BACAU	571/SGL/Runda II	451.290	154,757	91,251
45	LICEUL TEHNOLOGIC „CĂPITAN NICOLAE PLEȘOIANU"	552/SGL/R/II/01.10.2018	451.270	180,655	79,653
46	Liceul Tehnologic Nr.1 Luduș	488/SGL/R II	688.216	158,223	45,992
47	LICEUL TEHNOLOGIC FORESTIER SIGHETU MARMATIEI	475/SGL/R/II/01.10.2018	688.216	154,596	92,754
48	LICEUL TEHNOLOGIC "DIMITRIE LEONIDA" IASI	449/SL2/R/II/1.10.2018	688.216	141,603	85,323
49	LICEUL TEHNOLOGIC EDMOND NICOLAU	326/SGL/RUNDA II / 01.10.2018	688.217	205,656	10,464
50	Liceul Tehnologic Agromontan "Romeo Constantinescu"	SGL /RI / 218 / 27.06.2017	686.326	165,633	107,907
51	Liceul Tehnologic „Lazăr Edeleanu " Năvodari	SGL/R/II/105/27.06.2017	686.326	160,368	77,605
52	LICEUL TEHNOLOGIC TOPRAISAR	SGL/R/II/104	315.036	169,349	85,748
53	LICEUL TEHNOLOGIC „Gheorghe K.CONSTANTINESCU"	SGL/R/II/57 din 27.06.2017	686.250	273,538	156,417
54	LICEUL TEORETIC PANAIT CERNA	SGL/R/II/58 din 27.06.2017	450.000	180,889	77,603
55	Colegiul Aurel Vijoli Făgăraș	SGL/R/II/639/02.10.2018	449.785	139,995	97,826
56	Colegiul Tehnic Media"	SGL/R/II/37/27.06.2017	683.653	172,822	56,448
57	LICEUL TEHNOLOGIC "OVID CALEDONIU" TECUCI	SGL/R/II/143 DIN 27.06.2017	450.050	142,610	18,986
58	COLEGIUL NATIONAL GRIGORE MOISIL URZICENI	SDL/R/II/174/27.06.2017	450.050	170,908	33,961
59	Liceul Tehnologic "Ovid Densusianu" Călan	414/SGL/R/II/01.10.2018	451.290	148,224	61,858
60	LICEUL TEORETIC "ION LUCA" VATRA DORNEI	752/SGL/Runda II	451.288	180,404	70,944
61	LICEUL GHEORGHE SURDU BREZOI	46/SGL/Runda II	315.896	152,938	70,522
62	Liceul de Arte "Aurel Popp" Satu Mare	736/SGL/R/II/02.10.2018	315.036	168,599	40,708
63	Liceul Tehnologic "Petru Rares" Targu Frumos	446 / SGL / R II- 01.10.2018	449.588	157,840	43,946
64	Colegiul Tehnic de Industrie Alimentară "Dumitru Motoc"	655/SGL/R/II/02.10.2018	688.177	202,211	26,585
65	LICEUL TEHNOLOGIC "SFANTUL PANTELIMON"	660/SGL/R/II /02.10.2018	451.290	180,588	9,919
66	Liceul "Regina Maria" Dorohoi	620/SGL/R II DIN 2.10.2018	688.217	178,521	13,596

No	Beneficiaries	Grant no/ approval date	Approved grant amount (RON)	Grant Spent in 2020	Amount Tested
67	Colegiul Tehnic Energetic Remus Radulet Brasov	635/SGO/RII/2.10.2018	449.860	139,112	68,722
68	LICEUL TIMOTEI CIPARIU DUMBRAVENI	530/SGL/R II/ 01.10.2018	315.903	165,874	96,793
69	LICEUL TEHNOLOGIC "ION CREANGĂ" COMUNA PIPIRIG	SGL/RI/204 din 27.06.2017	450.050	180,680	38,394
70	COLEGIUL TEHNIC "ION CREANGĂ"	SGL/RI/206 DATA 27.06.2017	686.326	140,473	55,209
71	LICEUL TEOLOGIC ORTODOX "SFINȚII IMPĂRAȚII CONSTANTIN ȘI ELENA"	513/SGL/RII/01.10.2018	315.903	145,849	43,675
72	LICEUL TEHNOLOGIC AVRAM IANCU SIBIU	SGL/RI/221/27.06.2017	450.050	190,094	107,358
73	LICEUL DE ARTA SIBIU	528/SGL/RII din 01.10.2018	315.903	166,238	127,475
74	COLEGIUL TEHNIC "LORIN SĂLĂGEAN" DR.TR. SEVERIN	478/SGL/RII din 01.10.2018	688.217	203,439	126,831
75	Liceul „DIMITRIE CANTEMIR,, BABADAG	238/27.06.2017	440.000	162,640	100,865
76	Liceul Tehnologic Gh Ruset Roznovanu	SGL/RI/205/27.06.2017	449.895	194,247	79,479
77	LICEUL TEHNOLOGIC „NICOLAE DUMITRESCU” CUMPĂNA	SEL/RI/117 din 27.06.2017	450.050	156,962	84,241
78	LICEUL TEHNOLOGIC „IOAN N. ROMAN”	SGL/RI/114	686.246	143,954	49,676
79	Liceul Tehnologic Special Nr. 3 Bucuresti	648/ SGL/RII din 02.10.2018	450.920	150,950	22,981
80	LICEUL TEHNOLOGIC "ELIE RADU"	644/SGL/RII din data de 2.10.2018	688.000	146,825	2,015
81	LICEUL TEHNOLOGIC "FERDINAND I"	317/SGL/Runda II	315.903	140,828	87,584
82	LICEUL TEHN REGELE MIHAI I	SGL/R I /11 din 27.06.2017	685.690	153,656	97,728
83	Colegiul Tehnic AL.I.CUZA Suceava	754/SGL/RII din 07.10.2018	688.217	145,005	73,431
84	LICEUL CU PROGRAM SPORTIV MIRCEA ELIADE	653/SGL/RII/02.10.2018	451.280	172,493	46,194
85	COLEGIUL TEHNIC DE INDUSTRIE ALIMENTARA CRAIOVA	SGL/RI/132 din 27.06.2017	686.120	212,979	59,953
86	LICEUL TEHNOLOGIC NR.1 SUNCUIUS	581/SGL/Runda II	688.216	141,152	32,615
87	LICEUL TEHNOLOGIC "CLISURA DUNĂRII" MOLDOVA NOUĂ	99 din 27.06.2017	688.250	232,930	62,210
88	Universitatea Politehnica Timișoara, Timișoara, județul Timiș	AG 61/SGU/NC/I	666.630	241,781	175,621
89	Universitatea Babeș-Bolyai	78 / SGU/CI/18.12.2017	908.034	238,185	75,888
90	Universitatea "Alexandru Ioan Cuza" din Iași	82/SGU/CI/II din 18.12.2017	900.900	270,998	78,176
91	Universitatea din Craiova, Facultatea de Automatică, Calculatoare și Electronică	112/SGU/PV/II/25.04.20 19	560.132	179,301	27,067
92	Universitatea Nationala de Educatie Fizica Si s Sport	146 /SGU/CI/II din data de 25.07.2019	932.425	273,654	273,654
93	Universitatea POLITEHNICA din Bucuresti	147/SGU/NC/II	350.474	176,267	58,205
94	Universitatea din Oradea	152/SGU/NC/II/10.09.20 19	667.360	249,316	83,167
95	Universitatea "Alexandru Ioan Cuza" din Iași	AG159/ SGU/NC/II	700.360	233,160	33,979
96	Universitatea de Vest din Timisoara- Facultatea de Chimie, Biologie, Geografie	169/SGU/NC II/10.09.2019	699.800	305,305	70,998
97	Universitatea de Vest din Timișoara / Facultatea de Matematica si Informatica	170/SGU/NC/III DIN 10.09.2019	351.188	191,140	18,860
98	UNIVERSITATEA DIN CRAIOVA– Facultatea de Drept	171/SGU/NC/II din data de 10.09.2019	699.909	228,067	95,702
	Universitatea Tehnică "Gheorghe Asachi" din Iași	185/SGU/NC/IV/11.09.20 19	699.789	248,792	83,896
99	Universitatea de Științe Agricole și Medicină Veterinară a Banatului "Regele Mihai I al României" din Timișoara	189 /11.09.2019	700.153	273,687	68,324



<b>No</b>	<b>Beneficiaries</b>	<b>Grant no/ approval date</b>	<b>Approved grant amount (RON)</b>	<b>Grant Spent in 2020</b>	<b>Amount Tested</b>
100	Colegiul Tehnic AL.I.CUZA Suceava	754/SGL/RII din 07.10.2018	688.217	247,566	70,638
101	Universitatea de Științe Agricole și Medicină Veterinară a Banatului "Regele Mihai I al României" din Timișoara	AG/192/SGU/NC/II /12.09.2019	700.150	231,795	52,663
102	UNIVERSITATEA DIN CRAIOVA- Facultatea de Automatica, Calculatoare și Electronica	193/SGU/NC/II din data de 12.09.2019	700.053	224,591	84,534
103	Universitatea Tehnică "Gheorghe Asachi" din Iasi, Facultatea Inginerie Chimica și Protecția Mediului "Cristofor Simionescu"	195/SGU/NC/II	700.497	337,241	55,789
104	Academia de Studii Economice din București	220/SGU/NC/II / 18.09.2019	700.488	366,280	132,335
105	UMF „Grigore T. Popa” Iași	AG228/SGU/NC/II din 25.11.2019	700.370	266,958	93,334
106	Universitatea Babeș-Bolyai/Facultatea de Psihologie și Științe ale Educației	251 SGU/NC / II/25.11.2019	700.515	335,976	158,197
107	Universitatea Babeș-Bolyai (Facultatea de Litere)	252/SGU/NC/II din 25.11.2019	700.515	156,962	84,241
108	UNIVERSITATEA DIN CRAIOVA- Facultatea de Științe Sociale	253/SGU/NC/II din data de 25.11.2019	350.255	180,887	30,783
109	UNIVERSITATEA DIN CRAIOVA- Fac. De Mecanica	254/SGU/NC/II din data de 25.11.2019	697.841	248,907	101,580
110	UNIVERSITATEA DIN CRAIOVA, Facultatea de Horticultură	AG 255/SGU/NC/II/25.11.20 19	700.306	241,331	79,064
111	UNIVERSITATEA DIN CRAIOVA- Facultatea de Economie și Administrarea Afacerilor	256/SGU/NC/II din data de 25.11.2019	692.346	250,763	73,009
112	UNIVERSITATEA DIN CRAIOVA- Facultatea de Agronomie	AG 257/SGU/NC/II din data de 29.11.2019	700.418	249,931	83,373
113	Universitatea din Oradea	262/SGU/NC/II/25.11.20 19	636.249	231,506	82,536
114	Academia de Studii Economice din București	272/SGU/NC/II / 25.11.2019	700.160	328,002	93,962
115	Universitatea "Alexandru Ioan Cuza" din Iași	286/18.12.2019	1.418.573	205,794	145,264
116	Universitatea de Medicină, Farmacie, Științe și Tehnologie "George Emil Palade" din Tîrgu Mureș	287/SGU/CI/III din 18.12.2019	1.417.630	986,091	701,147
117	Universitatea Tehnică "Gheorghe Asachi" din Iași	288/ SGU/CI/III	1.419.630	496,873	356,614
118	UNIVERSITATEA DIN CRAIOVA	289/SGU- CI/III/18.12.2019	1.418.721	337,989	273,449
119	Universitatea „Vasile Alecsandri” Din Bacău	290/SGU/CI/III	554.124	364,684	264,298
120	UNIVERSITATEA DE ȘTIINȚE AGRICOLE ȘI MEDICINĂ VETERINARĂ A BANATULUI III "REGELE MIHAI I AL ROMÂNIEI" DIN TIMIȘOARA	291/SGU/CI/III din 18.12.2019	1.419.630	655,955	580,844
121	Universitatea "Lucian Blaga" din Sibiu	293/SGU/CI/III din 18.12.2019	1.417.944	1,284,496	1,263,318
122	Universitatea din Oradea	294/SGU/CI/III/18.12.20 19	1.414.403	379,014	191,583
123	Facultatea de Științe Aplicate	AG 295/SGU/CI/III/18.12.20 19	1.418.014	533,060	488,825
124	Universitatea de Vest din Timișoara / Facultatea de Fizică	296/SGU/CI/III DIN 18.12.2019	1.419.630	627,425	552,384
125	Universitatea Babeș-Bolyai	297/SGU/CI/III/19.12.20 19	1.418.517	229,183	146,740
126	Universitatea Babeș-Bolyai/ Facultatea de Psihologie și Științe ale Educației	AG307/SGU/PV/III din 18.06.2020	567.852	196,647	132,279
	Total		<b>79,478,624</b>	<b>27,961,776</b>	<b>13,227,049</b>

**LIST OF ABBREVIATIONS**

MoE - Ministry of Education

UMEFP - Unit for the Management of Externally Financed Projects, which ensures the implementation of the Romania Secondary Education Project

ROSE - Romania Secondary Education Project

IBRD - International Bank for Reconstruction and Development

Loan - the Loan Agreement (8481 – RO) for the Romania Secondary Education Project

MoF – Ministry of Finances

GoR – Government of Romania

**MINISTRY OF EDUCATION  
LOAN (8481 – RO) FOR THE ROMANIA SECONDARY EDUCATION PROJECT  
31 DECEMBER 2020 – all the amounts are expressed in EUR, unless otherwise stated**

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**GENERAL INFORMATION**

*Reporting entity*

The Loan Agreement is implemented by the Ministry of Education of Romania by means of the UMEFP within the entity.

*Loan Agreement*

Romania has received the loan no. 8481-RO in amount of 200 million Euros from the International Bank for Reconstruction and Development (IBRD) to support the implementation of the Secondary Education Project.

The Loan agreement no. 8481 RO between Romania and IBRD was signed at Washington on April 17, 2015 and ratified by law 234/08 October 2015. The subsidiary agreement between Ministry of Public Finance (MoPF) and Ministry of Education and Research (MoER) was signed on December 24, 2015. The Project Development Objectives (PDO) are to improve the transition from upper secondary into tertiary education and increase the retention in the first year of tertiary education in project-supported education institutions.

The project was restructured by Amendment no. 2, approved on July 28, 2020. The amendment approved the introduction, within subcomponent 1.2 Systemic Interventions, of a new procurement activity for high schools eligible to receive grants - IT equipment (laptops, educational licenses, interactive whiteboards, cameras for video conferencing), to increase the capacity of schools to use digital content and applications, including the possibility of providing online teaching-learning. (more details in Note no. 5)

The Project expenditures are initially pre-financed from State Budget funds and, later, the eligible expenditures are reimbursed from the loan.

MoE would use pre-financing from State Budget funds and then the MoF would disburse funds from the loan using the reimbursement method for Project eligible payments. The Treasury makes the monthly budgetary openings as requested, and the Project would receive its allocations in the Treasury system. IBRD loan funds would reimburse the Project eligible expenses pre-financed from the State Budget funds. The Borrower would submit withdrawal applications for the eligible expenditures. The supporting documentation for disbursements would include summary sheets and statement of expenditures. No designated account would be used.

The project will be implemented by the UMEFP within the Ministry of Education.

The Project was declared effective on October 14, 2015, and will be implemented by MoE until 22 December 2022, through the UMEFP.

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LOAN (8481 – RO) FOR THE ROMANIA SECONDARY EDUCATION PROJECT  
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*Destination of Borrowed Funds*

The Project is structured in three components, as described below:

Component 1 – School-based and Systemic Interventions

This component finances supply-side interventions at the school and system levels to address the academic and personal factors hindering Romanian students from transitioning from upper secondary to tertiary education, including dropping out, declining to take the Bacalaureate, or scoring a low mark on the Bacalaureate.

Sub-component 1.1 – School-based Interventions

This sub-component supports the transition of students from upper secondary into tertiary education using a decentralized approach based on non-competitive grants to low-performing public high schools.

Sub-component 1.2 – Systemic Interventions

This sub-component finances: (i) revising of the upper secondary education curriculum; (ii) in person and/or virtual training of teachers and school directors on adapting the curriculum to the needs and abilities of the students, applying student-centered methods and using digital technologies for teaching-learning-assessment; (iii) improving the teaching conditions within the teacher training institutions through provision of goods; (iv) revising and updating Grade 8 and Bacalaureate exam banks of items and associated training, including the strengthening of the institutional capacity of the National Center for Policy and Evaluation in Education (NCPEE); (v) improving the information technologies platforms used for learning assessments and exams of upper secondary school education students, through provision of goods; (vi) development and implementation of a Grade 10 learning assessment to be administered at the end of the compulsory education cycle; (vii) development of digital teaching and learning materials; (viii) development and implementation of campaigns to raise student and teacher awareness, including, when applicable, for Roma students; (ix) strengthening of the MoE's capacity to support informational communications of educational institutions for online learning, and use educational information to monitor upper secondary education and the transition of students into tertiary education, including by providing goods; (x) supporting the participation of Romanian students at international assessments through financing of associated costs, including management, administration, participation fees; (xi) improving the teaching-learning conditions in the high school units eligible to receive grants by providing goods, including digital devices and hygiene/sanitation supplies to prevent COVID-19 contagion and increase the education system resilience.

Component 2 – University-Level Interventions and Bridge Programs

This component supports activities designed to address the needs of students who are at risk of dropping out of faculties in the first year of study in tertiary education, as well as summer bridge programs for high school students to familiarize them with the university context. It finances four grant schemes – one non-competitive and three competitive – for public faculties/universities that serve at-risk students. Approximately 85 percent of Romanian public faculties would benefit from this component.

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**Component 3 – Project Management, Monitoring and Evaluation**

This component finances day-to-day project management activities, Monitoring and Evaluation (M&E) activities, as well as incremental operational and staffing costs of the MoE's UMEFP. This component also finances the carrying out of: (i) surveys concerning high school students attending bridge programs; (ii) an impact evaluation of the high school grants program to assess improvements in student outcomes and school management processes; (iii) a revision of the existing student loan scheme developed for tertiary education students; (iv) an analysis of existing demand-side programs addressing the needs of disadvantaged upper secondary students that are currently under implementation; and (v) other M&E studies, as needed.

This component also finances the cost of ROSE Project audit.

**GENERAL INFORMATION (CONTINUED)**

The following table shows the categories of items to be financed from the loan amounts and the related financing percentage, in accordance with the concluded loan agreement:

Category	Amount of the Loan Allocated expressed in Euro	Percentage of Expenditures to be financed inclusive of Taxes
(I) Goods, non-consulting services, consultants' services, (including audits), Training, Grants, and Incremental Operating Costs for the Project	200,000,000	100%
<b>TOTAL AMOUNT</b>	<b>200,000,000</b>	

*Loan allocation*

In compliance with the Loan Agreement, the categories of expenditures financed through IBRD loan proceeds comprise of the following:

<b>Component</b>	<b>Component Description</b>	<b>Amount allocated from the loan (EUR)</b>
1	School-based and Systemic Interventions	143.689.597
2	University-Level Interventions and Bridge Programs	49.057.500
3	Project Management, Monitoring and Evaluation	7.252.903
	<b>Total project financing</b>	<b>200.000.000</b>

The Project is pre-financed from the State Budget through the State Treasury. The MoF makes withdrawals from the Loan based on the statement of expenditures (SOEs). All expenditures are 100% eligible from the Loan.

**GENERAL INFORMATION (CONTINUED)**

For the purposes of this Schedule:

- a) the term "foreign expenditures" means: expenditures in the currency of any country other than that of the Borrower for goods or services supplied from the territory of any country other than that of the Borrower;
- b) the term "local expenditures" means: expenditures in the currency of the Borrower or for goods or services supplied from the territory of the Borrower;
- c) "operational costs" means: additional expenses incurred for the implementation, management and monitoring of the project (including grants) such as: rental of office space, utilities and consumables, bank fees, communications, maintenance of buildings and equipment, advertising expenses, translations, fuel, travel and supervision expenses (including Project-related supervision activities, salaries of contract and temporary staff, but excluding salaries, fees of members who are civil servants of the Borrower);
- d) the term "Statement of Expenditures" means: expense reports used by the Borrower to forward to the IBRD the application for reimbursement of payments already made.
- e) the term "State Treasury Account" means: a bank account opened at the State Treasury of Bucharest where MoE is receiving the requested money from the Ministry of Finances. The Ministry of Finances advances the required amounts for the implementation of the Project and withdraws amounts from the IBRD based on application for disbursement of payments already made.

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**GOVERNMENT OF ROMANIA – MINISTRY OF EDUCATION  
IBRD LOAN (8481-RO) FOR THE ROMANIA SECONDARY EDUCATION PROJECT**

**Project Financial Statements  
for the period starting from January 01<sup>st</sup> 2020 up to December 31<sup>st</sup> 2020**

**MINISTRY OF EDUCATION  
LOAN (8481 – RO) FOR THE ROMANIA SECONDARY EDUCATION PROJECT  
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**MINISTRY OF EDUCATION  
LOAN (8481 – RO) FOR THE ROMANIA SECONDARY EDUCATION PROJECT  
31 DECEMBER 2020 – all the amounts are expressed in EUR, unless otherwise stated**

**1. STATEMENT OF RESOURCES AND USES OF FUNDS**

**1.1 Statement of the IBRD Loan Account of the Ministry of Education as of 31 December 2020**

**Loan No 8481 RO – The Secondary Education Project**

	<b>31 decembrie, 2017</b>	<b>31 decembrie, 2018</b>	<b>1 decembrie, 2019</b>	<b>31 decembrie, 2020</b>
Loan amount approved	200.000.000	200.000.000	200.000.000	200.000.000
Less: Total drawings from loan	3.396.025	5.836.681	19.661.833	45.229.728
Loan amount not disbursed	196.603.975	194.163.319	180.338.167	154.770.272

	<b>31 decembrie, 2017</b>	<b>31 decembrie, 2018</b>	<b>31 decembrie, 2019</b>	<b>31 decembrie, 2020</b>
<b>IBRD loan</b>				
Opening disbursed amounts	107.740	3.396.025	5.836.681	19.661.833
Disbursements	3.288.285	2.440.656	13.825.153	25.567.895
Closing disbursed amounts	3.396.025	5.836.681	19.661.833	45.229.728
Net amounts	200.000.000	200.000.000	200.000.000	200.000.000
Not disbursed amounts in balance	196.603.975	194.163.319	180.338.167	154.770.272

**1.2 Statement of the IBRD Loan Account of the Ministry of Education as of 31 December 2020**

<b>Sources - IBRD contribution per component</b>	<b>Transferred Sources January 01, 2016  December 31, 2018</b>	<b>Transferred Sources January 01, 2019  December 31, 2019</b>	<b>Transferred Sources January 01, 2020  December 31, 2020</b>	<b>Cumulated Sources until  December 31, 2020</b>
Component 1	2.314.777	6.527.973	14.435.179	23.277.929
Component 2	2,798.716	6.620.019	10.370.547	19.789.282
Component 3	723.188	677.161	762.169	2.162.518
<b>TOTAL</b>	<b>5,836.681</b>	<b>13.825.153</b>	<b>25.567.895</b>	<b>45.229.729</b>

**1. STATEMENT OF RESOURCES AND USES OF FUNDS (continued)**

During the year 2020, the withdrawal application no. 13 for the period 01.06.2019-30.09.2019, for annexes 4a and 4c, and 27.06.2017- 31.07.2019, for annex 4b, in amount of Euro 4.852.611,57 was disbursed, the withdrawal application no. 14, for the period 01.10.2019 – 31.03.2020, for annexes 4a and 4c, for annex 4b, in amount of Euro 5.246.682.64, the withdrawal application no. 15, for period 01.04.2020 – 30.05.2020, for annexes 4a and 4c, and 27.06.2017- 10.02.2020 for annex 4b, in amount of Euro 3.502.478,04, the withdrawal application no. 16, for the period 01.06.2020 – 11.06.2020,for annexes 4a and 4c, and 27.06.2017 - 31.03.2020, for annex 4b, in amount of Euro 1.354.369,25, the withdrawal application no. 17, for the period 12.06.2020 – 31.10.2020, for annexes 4a and 4c, and 27.06.2017- 31.07.2020, for annex 4b, in amount of Euro 6.810.000,03, the withdrawal application no. 18, for the period 01.11.2020 – 30.11.2020, for annexes 4a and 4c, and 27.06.2017- 30.09.2020, for annex 4b, in amount of Euro 3.801.753,07.

**MINISTRY OF EDUCATION**  
**LOAN (8481 – RO) FOR THE ROMANIA SECONDARY EDUCATION PROJECT**  
**31 DECEMBER 2020 – all the amounts are expressed in EUR, unless otherwise stated**

**1. STATEMENT OF RESOURCES AND APPLICATION OF FUNDS (CONTINUED)**

**1.3 Summary of Funds Received and Uses of Funds as at 31 December 2020**

<i>Description</i>	<i>January 1, 2016 - December 31, 2018</i>	<i>January 01, 2018 - December 31, 2019</i>	<i>January 01, 2020- December 31, 2020</i>	<i>Cumulative at December 31, 2020</i>
<b>Opening cash balance</b>	-	-	-	-
<b>Add: cash receipts</b>	<b>19.840.600</b>	<b>17.072.705</b>	<b>27,447,630</b>	<b>64.360.935</b>
Funds pre-financed by MoPF and disbursed by IBRD in 2016	107.740	-	-	107.740
Funds pre-financed by MoPF and not disbursed by IBRD in 2016	-	-	-	-
Funds pre-financed by MoPF and disbursed by IBRD in 2017	3.288.285	-	-	3.288.285
Funds pre-financed by MoPF and not disbursed by IBRD in 2017	1.362.007	-	-	1.362.007
Funds pre-financed by MoPF and disbursed by IBRD in 2018	2.440.656	-	-	2.440.656
Funds pre-financed by MoPF and not disbursed by IBRD in 2018	4.766.011	-	-	4.766.011
Funds pre-financed by MoPF and disbursed by IBRD in 2019	7.875.901	5.949.252	-	13.825.153
Funds pre-financed by MoPF and not disbursed by IBRD in 2019	-	4.852.715	-	4.852.715
Funds pre-financed by MoPF and disbursed by IBRD in 2020	-	6.270.738	19.297.155	25.567.893
Funds pre-financed by MoPF and not disbursed by IBRD in 2020	-	-	3.640.909	3.640.909
Funds pre-financed by MoPF and disbursed by IBRD in 2021	-	-	4.509.566	4.509.566
<b>Less: project expenditures related to:</b>	<b>19.840.600</b>	<b>17.072.705</b>	<b>27.447.630</b>	<b>64.360.935</b>
Component 1 - School-based and Systemic Interventions	11.881.092	12.011.799	17.420.297	41.313.188
Component 2 - University-Level Interventions and Bridge Programs	6.773.527	4.539.038	9.521.049	20.833.614
Component 3 - Project Management, Monitoring and Evaluation	1.185.981	521.868	506.284	2.214.133
<b>Closing cash and cash equivalents balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: The total value of the payments made through the project, from 15.10.2015 to 31.12.2020, is 303,885,437 Lei. The value of 64,360,935 euros represents the equivalent value of the payments made in the project in the period from 15.10.2015 to 31.12.2020. This value is composed of:

- 45,229,728 euros disbursed between 15.10.2015-31.12.2020

- 4,509,566 euros disbursed in 2021-14.621.641 euros not disbursed. This amount is calculated using the average annual NBR exchange rate for each year.

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**2. STATEMENT OF EXPENDITURES**

**2.1 Uses of funds – IBRD contribution**

<i>Using of funds - IBRD contributions</i>	<i>Period end at December 31, 2016-2018</i>	<i>Period end at December 31, 2019</i>	<i>Period end at December 31, 2020</i>	<i>Cumulative at December 31, 2020</i>
Payments through treasury account	19.840.600	17.072.705	27.447.630	64.360.935
<b>Total</b>	<b>19.840.600</b>	<b>17.072.705</b>	<b>27.447.630</b>	<b>64.360.935</b>

**2.2 Uses of funds – IBRD contribution**

<i>Using of funds - IBRD contributions per component</i>	<i>Period end at December 31, 2016-2018</i>	<i>Period end at December 31, 2019</i>	<i>Period end at December 31, 2020</i>	<i>Cumulative at December 31, 2020</i>
Payments through Treasury account				
Component 1	11.881.092	12.011.799	17.420.298	41.313.188
Component 2	6.773.527	4.539.038	9.521.049	20.833.614
Component 3	1.185.981	521.868	506.284	2.214.133
<b>Total</b>	<b>19.840.600</b>	<b>17.072.705</b>	<b>27.447.630</b>	<b>64.360.935</b>

**3. FINANCIAL STATEMENT OF THE LOAN**

<i>Loan IBRD 8481 – RO</i>	<i>December 31, 2016-2018</i>	<i>December 31, 2019</i>	<i>December 31, 2020</i>
<b>Total disbursements as at 31 December 2020</b>			
Opening disbursed amounts	-	5.836.681	19.661.833
<b>Total Opening disbursed amounts</b>	<b>-</b>	<b>5.836.681</b>	<b>19.661.833</b>
Disbursements	5.836.681	13.825.153	25.567.895
<b>Total Disbursements</b>	<b>5.836.681</b>	<b>13.825.153</b>	<b>25.567.895</b>
Closing disbursed amounts	9.232.706	19.661.833	45.229.728
<b>Total closing disbursed amounts</b>	<b>9.232.706</b>	<b>19.661.833</b>	<b>45.229.728</b>
Net amount - loan amount	200.000.000	200.000.000	200.000.000
<b>Unused loan account</b>	<b>194.163.319</b>	<b>180.338.167</b>	<b>154.770.272</b>

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4. During the year 2020, the withdrawal application no. 13 for the period 01.06.2019-30.06.2019, for annexes 4a and 4c, and 27.06.2017- 31.07.2019, for annex 4b, in amount of Euro 4.852.611,57 was disbursed, the withdrawal application no. 14, for the period 01.10.2019 – 31.03.2020, for annexes 4a and 4c, in amount of Euro 5.246.682,64, the withdrawal application no. 15, for period 01.04.2020 – 31.05.2020, for annexes 4a and 4c, and 27.06.2017- 10.02.2020 for annex 4b, in amount of Euro 3.502.478,04, the withdrawal application no. 16, for the period 01.06.2020 – 11.06.2020, for annexes 4a and 4c, and 27.06.2017 - 31.03.2020, for annex 4b, in amount of Euro 1.354.369,25, the withdrawal application no. 17, for the period 12.06.2020 – 31.10.2020, for annexes 4a and 4c, and 27.06.2017- 31.07.2020, for annex 4b, in amount of Euro 6.810.000,03, the withdrawal application no. 18, for the period 01.11.2020 – 30.11.2020, for annexes 4a and 4c, and 27.06.2017- 30.09.2020, for annex 4b, in amount of Euro 3.801.753,07.

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**5. PROJECT COMMITMENTS AS OF 31 DECEMBER 2020**

**Commitments**

During 2020, the UMEFP has the following commitments for the concluded agreements:

Crt. No.	Contract Date	Supplier	Nationality	Contract currency	Contract value (Including VAT)	Contract value in Euro	Paid value (EUR) until 31 December 2020	Remaining value to be paid (EUR) at 31 December, 2020
1	3	4	5	6	7	9	10	11
1	13.01.2020	Service Auto Serus SRL	Romania	RON	933,11	195,25	195,25	0,00
2	14.02.2020	Auto K9 RMV SRL	Romania	RON	1.120	234,83	234,83	0,00
3	17.02.2020	BS ECO CLEANING SRL	Romania	RON	60.975,60	12.720,29	10.641,91	2.078,38
4	17.02.2020	ADVANS PRINT & PROMO SRL	Romania	EUR	14.379,96	14.379,96	14.379,96	0,00
5	24.02.2020	Fan Courier Express SRL	Romania	RON	26.360,88	5.489,11	1.473,84	4.015,27
6	24.02.2020	La Fantana	Romania	RON	5.402,60	1.124,98	1.124,98	0,00
7	24.02.2020	Sama Consul	Romania	RON	8.770,30	1.826,23	1.826,23	0,00
8	25.02.2020	Eurodidactica	Romania	RON	13.889,68	2.888,93	2.733,99	154,94
9	03.03.2020	Euroins Romania Asig. Reasig. SA	Romania	RON	808,24	168,12	168,12	0,00
10	06.03.2020	Eurolingua	Romania	RON	1.333,39	277,15	277,15	0,00

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Crt. No.	Contract Date	Supplier	Nationality	Contract currency	Contract value (Including VAT)	Contract value in Euro	Paid value (EUR) until 31 December 2020	Remaining value to be paid (EUR) at 31 December, 2020
1	3	4	5	6	7	9	10	11
11	11.03.2020	Stream Networks SRL	Romania	RON	93,42	19,39	19,39	0,00
12	20.03.2020	ASIROM	Romania	RON	2.035,70	420,22	420,22	0,00
13	20.03.2020	ISE	Romania	EUR	207.244,57	207.244,57	0,00	207.244,57
14	18.05.2020	Vodafone Romania SA	Romania	EUR	22.019,76	22.019,76	5.781,34	16.238,42
15	19.05.2020	Auto K9 RMV SRL	Romania	RON	6.543,58	1.352,12	1.352,12	0,00
16	27.05.2020	Sanito Distribution	Romania	RON	26.407,05	5.452,40	5.452,40	0,00
17	05.06.2020	Ilda Service Group SRL	Romania	RON	2.506,14	517,87	517,87	0,00
18	22.06.2020	Auto K9 RMV SRL	Romania	RON	1.920,75	396,73	396,73	0,00
19	24.06.2020	Certsign SA	Romania	RON	1.481,55	305,90	305,90	0,00
20	05.08.2020	OECD	Romania	EUR	410.000	410.000	205.000	205.000
21	18.08.2020	Stream Networks SRL	Romania	RON	3.210,62	664,05	664,05	0,00
22	27.08.2020	2M Training & Consulting SRL	Romania	RON	10.192,35	2.104,81	2.104,81	0,00
23	29.09.2020	Stream Networks SRL	Romania	RON	42.835,24	8.788,88	8.788,88	0,00
24	29.09.2020	Stream Networks SRL	Romania	RON	9.047,57	1.856,37	1.856,37	0,00
25	29.09.2020	Sama Consul	Romania	RON	2.510	515	515	0,00

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Crt. No.	Contract Date	Supplier	Nationality	Contract currency	Contract value (including VAT)	Contract value in Euro	Paid value (EUR) until 31 December 2020	Remaining value to be paid (EUR) at 31 December, 2020
	3	4	5	6	7	9	10	11
26	23.10.2020	Direct Global SRL	Romania	RON	417,45	85,64	85,64	0,00
27	23.10.2020	2M Training & Consulting SRL	Romania	RON	6.794,90	1.394	697	697
28	26.10.2020	Claudiu Popirlan	Romania	EUR	53.000	53.000	0,00	53.000
29	29.10.2020	Stream Networks SRL	Romania	RON	350	71,80	71,80	0,00
30	02.11.2020	Auto K9 RMV SRL	Romania	RON	989,99	203,52	203,52	0,00
31	06.11.2020	Laura Marinas	Romania	EUR	60.000	60.000	0,00	60.000
32	06.11.2020	Laurentiu Droj	Romania	EUR	60.000	60.000	0,00	60.000
33	06.11.2020	Cotet Costel	Romania	EUR	60.000	60.000	0,00	60.000
34	10.11.2020	Sama Consul	Romania	RON	29.254,84	6.011,23	6.011,23	0,00
35	19.11.2020	Stream Networks SRL	Romania	RON	511,70	105,01	0,00	105,01
36	20.11.2020	La Fantana SRL	Romania	RON	1.080,52	221,74	0,00	221,74
37	20.11.2020	Sanito Distribution SRL	Romania	RON	7.173,32	1.472,05	1.472,05	0,00
38	08.12.2020	City Insurance	Romania	RON	3.272	671,39	671,39	0,00
39	10.12.2020	Eta2u SRL	Romania	EUR	3.788.198,71	3.788.198,71	0,00	3.788.198,71
40	10.12.2020	Eta2u SRL	Romania	USD	4.829.502,82	3.989.804,90	0,00	3.989.804,90
41	10.12.2020	Net Brinel	Romania	EUR	9.148.011,75	9.148.011,75	810.594,32	8.337.417,42



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Crt. No.	Contract Date	Supplier	Nationality	Contract currency	Contract value (Including VAT)	Contract value in Euro	Paid value (EUR) until 31 December 2020	Remaining value to be paid (EUR) at 31 December, 2020
1	3	4	5	6	7	9	10	11
42	10.12.2020	Net Brinel	Romania	USD	9.919.181,63	39.900.900,03	39.900.900,03	0,00
43	23.12.2020	Telekom	Romania	EUR	4.062,37	4.062,37	0,00	4.062,37
44	23.12.2020	Sama Consul	Romania	RON	1.754,06	360,14	0,00	360,14
45	28.12.2020	Eurodidactica	Romania	RON	11.865.824,39	2.434.764,42	0,00	2.434.764,42
46	29.12.2020	JV ICE EEIG	Romania	EUR	1.427.386,95	1.427.386,95	0,00	1.427.386,95

## **6. ACCOUNTING POLICIES AND RECORDS**

### **Basis of preparation**

The special purpose Project Financial Statements are prepared under the historical cost convention, in accordance with and complying with relevant World Bank guidelines. The amounts presented in these financial statements are expressed in EUR. These amounts have been derived by applying the RON/EUR exchange rate as at the time of payment, for the internal payments using NBR exchange rate and for the external payments using auctions exchange rate given by the Bank (Raiffeisen Bank).

### **Fixed assets**

Fixed assets are recognized at acquisition cost under property, plant and equipment category. Following their accounting transfer to the beneficiaries on the basis of the handover minutes, they are recognized on costs (after all documents have been submitted by the vendor).

### **Liabilities**

#### *i) Recording the loan*

The loan will be recorded as a use of funds as the withdrawals take place. The entire amount of the loan will not appear as a debt element in the accounting of the Project Management Units.

#### *ii) Acquisition of goods and services*

The acquisition of goods and services is recorded as assets and expenditures respectively at the time of the payment, and is allocated between the different components and activities to which they refer.

### **Funding**

PMU does not record the loan amounts received from the IBRD, this being done at MF level. UMEFP receives the annual budget for the ROSE Project from the state budget.

### **Use of funds**

Using of funds represents the amounts paid for the purpose of the Project by the UMEFP, funds pre-financed by the Ministry of Finances. The amounts paid include both the credit openings for the high school grant scheme and the direct payments made by UMEFP for the university grant schemes and for contracts, operational costs etc.

### **Foreign currency translation**

Project expenditures are pre-funded from the State Budget, and then the eligible expenses are reimbursed from the Loan. The RON amounts were converted into EUR at the exchange rate RON/EUR in force at the date of payment of services/goods suppliers.

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**7. BANK ACCOUNTS UTILIZED WITHIN THE PROJECT, STATEMENT OF DESIGNATED ACCOUNT**

All the funds are received through the State Treasury Account. The internal payments are done through this account and for the external payments the funds are transferred to the bank account from Raiffeisen Bank.

Based on the Order of the Public Finance Ministry no 2004/2013, starting with 01<sup>st</sup> of January 2014 the UMEFP does not represent a separate entity from the Ministry of Education in relation to the Treasury account and will only use the following treasury account for the reimbursable funds:

Account No.	RO97TREZ23A650100650100X
Depository Bank	State Treasury Treasury Activity and Public Accounting of the Bucharest Municipality
Branch	Bucharest Municipality
Address	No. 6-8, Splaiul Unirii, 4 <sup>th</sup> District, 040032
Related loan/credit	Loan no. 8481 – RO
Account Currency	RON

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**7. BANK ACCOUNTS UTILIZED WITHIN THE PROJECT, STATEMENT OF DESIGNATED ACCOUNT (CONTINUED)**

**State treasury account as at 31 December 2020**

	IBRD	Total
<b>Opening balance 1 January 2016</b>	-	-
Cash receipts from MoF for funds approved by funds providers	-	-
Other cash receipts from MoF:	-	-
- pre-financing for costs to be supported from IBRD funds	636.109	636.109
- other	-	-
<b>Total cash receipts</b>	<b>636.109</b>	<b>636.109</b>
<b>Total payments from the State Treasury Account</b>	<b>(636.109)</b>	<b>(636.109)</b>
<b>Closing balance 31 December 2016</b>	-	-
<b>Opening balance 1 January 2017</b>	-	-
Cash receipts from MoF for funds approved by funds providers	-	-
Other cash receipts from MoF:	-	-
- pre-financing for costs to be supported from IBRD funds	6.562.579	6.562.579
- other	-	-
<b>Total cash receipts</b>	<b>6.562.579</b>	<b>6.562.579</b>
<b>Total payments from the State Treasury Account</b>	<b>6.562.579</b>	<b>6.562.579</b>
<b>Closing balance 31 December 2017</b>	-	-
<b>Opening balance 1 January 2018</b>	-	-
Cash receipts from MoF for funds approved by funds providers	-	-
Other cash receipts from MoF:	-	-
- pre-financing for costs to be supported from IBRD funds	12.641.912	12.641.912
- other	-	-
<b>Total cash receipts</b>	<b>12.641.912</b>	<b>12.641.912</b>
<b>Total payments from the State Treasury Account</b>	<b>12.641.912</b>	<b>12.641.912</b>
<b>Closing balance 31 December 2018</b>	-	-
<b>Opening balance 1 January 2019</b>	-	-
Cash receipts from MoF for funds approved by funds providers	-	-
Other cash receipts from MoF:	-	-
- pre-financing for costs to be supported from IBRD funds	17.072.705	17.072.705
- other	-	-
<b>Total cash receipts</b>	<b>17.072.705</b>	<b>17.072.705</b>
<b>Total payments from the State Treasury Account</b>	<b>17.072.705</b>	<b>17.072.705</b>
<b>Closing balance 31 December 2019</b>	-	-

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<b>Opening balance 1 January 2020</b>	-	-
Cash receipts from MoF for funds approved by funds providers	-	-
Other cash receipts from MoF:	-	-
- pre-financing for costs to be supported from IBRD funds	27,447,630	27,447,630
- other	-	-
<b>Total cash receipts</b>	<b>27,447,630</b>	<b>27,447,630</b>
<b>Total payments from the State Treasury Account</b>	<b>27,447,630</b>	<b>27,447,630</b>
<b>Closing balance 31 December 2020</b>	-	-

**Note**

UMEFP uses a treasury account for several projects including the current one. MoF provides financing according to the budgets requested by the UMEFP, therefore in case the budgets are not used, the remaining available financing may be reallocated to other projects.

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**NOTES TO THE PROJECT FINANCIAL STATEMENTS**

**Note 1. Sources of funds, collections through state treasury account during 2020**

<b>SOE No.</b>	<b>Payment details</b>	<b>Amount requested from State Treasury Account</b>	<b>CCY</b>	<b>Total</b>
13	State Treasury Account	4.852.612	EUR	4.852.612
14	State Treasury Account	5.246.683	EUR	10.099.295
15	State Treasury Account	3.502.478	EUR	13.601.773
16	State Treasury Account	1.354.369	EUR	14.956.142
17	State Treasury Account	6.810.000	EUR	21.766.142
18	State Treasury Account	3.801.753		25.567.895

**Note 2. Expenditure by components**

<b>Expenses</b>	<b>Expenses made in January 31, 2016 - December 31, 2018</b>	<b>Expenses made in January 01, 2019 - December 31, 2019</b>	<b>Expenses made in January 01, 2020 - December 31, 2020</b>	<b>Cumulative December 31, 2020</b>
1. School-based and Systemic Interventions	11.881.092	12.011.799	17.420.297	41.313.188
2. University-Level Interventions and Bridge Programs	6.773.527	4.539.038	9.521.049	20.833.614
3. Project Management, Monitoring and Evaluation	1.185.981	521,868	506.284	2.214.133
<b>TOTAL IBRD financed</b>	<b>19.840.600</b>	<b>17.072.705</b>	<b>27.447.630</b>	<b>64.360.935</b>

**Note 3. Legislation and Fiscal Environment in Romania**

The legislation and fiscal environment in Romania and their implementation into practice change frequently and are subject to different interpretations. Over recent years, Romania has undergone substantial legal and economic changes.

Therefore, it is not possible to estimate what changes may occur or the resulting effect of any such changes on the Project development or future results of its development.

**NOTES TO THE PROJECT FINANCIAL STATEMENT (CONTINUED)**

**Note 4. Project financial statements presentation**

The special-purpose Project Financial Statements are prepared on the cash basis of accounting. On this basis sources of funds are recognized when received rather than when earned, and uses are recognized when paid rather than when incurred. The special - purpose Project Financial Statements were prepared for complying with the Loan requirements and with the appropriate World Bank guidelines, and are not intended to be a complete presentation of the Project's operations.

**Note 5. Going concern**

The special purpose financial statements are prepared based on the principle of business continuity. At the beginning of 2020, 15,700,000 Euro budget appropriations and the same amount for commitment appropriations were allocated to the ROSE Project, which represents 30% of the necessary and requested budget. At the rectification in August 2020, 56,341,429 Euro commitment credits and 60,815,306 Euro budget credits were allocated.

The insufficient budget allocated at the beginning of 2020, both in terms of budget appropriations and commitment appropriations, has resulted in the impossibility of allocating the necessary tranches for the first and second round high school grants, on time and according to the amounts requested, the delay in signing the grants from the third round, both for high schools and universities, the impossibility of signing essential contracts for the development of the project (such as technical assistance for communication and awareness campaigns on the importance of education).

The project was restructured by Amendment no. 2, approved on July 28, 2020. The amendment approved the introduction, within subcomponent 1.2 Systemic Interventions, of a new procurement activity for high schools eligible to receive grants - IT equipment (laptops, educational licenses, interactive whiteboards, cameras for video conferencing), to increase the capacity of schools to use digital content and applications, including the possibility of providing online teaching-learning.

The positive budget rectification of August 2020 allowed the launch of the three procurement procedures for laptops, video cameras and interactive whiteboards, the signing of grant agreements in the third round of grants for both high schools and universities.

During 2020, UMPFE had two control missions from World Bank representatives, respectively May 2020, and November 2020, in order to analyze the progress of the project. During the May 2020 mission, the details of the Restructuring of the Project, subsequently approved by Amendment 2, were analyzed. Special mention was made of the need to allocate additional commitment and budgetary appropriations for the ROSE Project, which would allow both the acquisitions introduced by Amendment 2, as well as the continuation of the implementation in good conditions of the grants. Following these missions, World Bank representatives issued reports mentioning the status implementation, aspects regarding the found delays, which may lead to the non-fulfillment of the objectives established within the loan agreement and presented recommendations in order to achieve them. The main cause of the delays was the insufficient and late allocation of the budget for the ROSE Project, which had a negative impact on the progress of the project and, in particular, on the sub-projects financed by grants.

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**Note 6. Subsequent events**

SOE no. 19, (01.12.2020-31.12.2020 - annexes 4 a and 4c, and 27.06.2017-31.10.2020 - annex 4b), amounting to EUR 4,509,565.52, was sent to the Ministry of Finance and collected on of 18.05.2021, SOE no. 20, (01.01.2021-31.03.2021 - annexes 4 a and 4c, and 01.07.2018-31.01.2021 - annex 4b), amounting to EUR 10,059,899.67, was sent to the Ministry of Finance and collected on of 20.05.2021, SOE no. 21, (01.04.2021-30.04.2021 - annex 4 a, and 27.07.2017-28.02.2021 - annex 4b), amounting to EUR 7,564,135.52, was sent to the Ministry of Finance and collected on 28.05 .2021, SOE no. 22, (01.05.2021-14.05.2021 - annex 4 a, amounting to EUR 7,561,603.92, was sent to the Ministry of Finance and collected on 11.06.2021.

Date: October 15, 2021

Ms. Liliana Preoteasa

Director UMEFP

Ministry of Education Stamp



Ms. Tatiana Stuparu

Financial Deputy Director