

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 1st, 2022 UP TO DECEMBER 31st, 2022

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INDEPENDENT AUDITORS' REPORT

To the management of

Ministry of 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

1. 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, 2022 – December 31, 2022 (“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.
2. In our opinion, the accompanying Project Financial Statements for the period 1 January 2022 to 31 December 2022 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

3. 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

4. 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

5. 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.
6. We draw attention to Note 6 to the Project Financial Statements which describes the Subsequent Events. Amendment No.3 to the IBRD loan-8481 was approved by the World Bank and endorsed by the Ministry of Finance on 21 July 2022 . The period for the project has been extended until 30 November 2024. The Government decision approving this amendment is approved. Our opinion is not modified in respect of this matter.

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

7. 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.
8. 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.
9. Those charged with governance are responsible for overseeing the UMEFP's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Schedules

10. 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 and 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.
11. 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 and 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.

12. 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

Registered at the Authority for Public Supervision of Statutory Audit (ASPAAS) under
the nr. 38272/ 20 June 2023


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

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

Registered at the Authority for Public Supervision
Of Statutory Audit (ASPAAS)
Under the nr. 138460/ 20 June 2023



Bucharest, 29 September 2023

Appendix 1

No.	Beneficiaries	No, Grant/ date of approval	County	Grant approved amount	Grant payments in 2022	Value tested
1	ASTRA TECHNOLOGICAL HIGH SCHOOL PITESTI	SGL/R.I./16 of 27.06.2017	AG	686.200,00	95.803,11	32.126,00
2	TECHNOLOGICAL LYCEUM CHISINAU CRIȘ	SGL/R I/25 din 27.06.2017	AR	684.974,00	66.036,00	66.036,00
3	SEBIS THEORETICAL HIGH SCHOOL	304/SGL/Ru nda II/01.10.201 8	AR	451.290,00	102.913,00	4.990,00
4	TECHNOLOGICAL HIGH SCHOOL "STEFAN HELL" SÂNTANA	310/SGL/RII / 01.10.2018	AR	451.290,00	90.224,00	59.365,00
5	"PETRU PONI" TECHNOLOGICAL HIGH SCHOOL BUCHAREST	SGL/R. I/31/27.06.2 017	B	686.300,00	165.071,62	93.930,00
6	"DIMITRIE GUSTI" TECHNOLOGICAL HIGH SCHOOL	SGL / RI / 33 din 27.06.2017	B	686.325,00	232.169,04	86.427,04
7	CAROL I TECHNICAL COLLEGE	SGL/R I/39 your data 27.06.2017	B	686.176,00	211.139,09	136.127,09
8	"PETRU MAIOR" TECHNICAL COLLEGE BUCHAREST	/SGL/R II/651 din 02.10.2018	B	688.212,00	28.987,00	6.880,00
9	TECHNICAL COLLEGE GRIGORE COBALCESCU MOINEȘTI	SGT/R I / 42 / 27.06.2017	BC	686.250,00	75.003,00	42.153,00

10	THEORETICAL HIGH SCHOOL "ION BORCEA" BUHUȘI	/SGL/Runda II/569/01.10.2018	BC	451.280,00	45.239,45	24.917,41
11	TECHNICAL COLLEGE "IOAN CIORDAȘ" BEIUȘ	49/SGL/R I/27.06.2017	BH	450.050,00	30.225,96	5.941,00
12	COLEGIUL NATIONAL PETRU RARE BECLEAN	/SGL/RII/608/02.10.2018	BN	451.256,00	95.775,01	68.409,00
13	"NICOLAE TITULESCU" TECHNOLOGICAL HIGH SCHOOL CONSTANTA	/SGL/RII/328 of 01.10.2018	BR	451.290,00	99.990,00	51.269,19
14	HIGH SCHOOL "DEMOSTENE BOTEZ" TRUSESTI	SGL/Runda I/63/27.06.2017	BT	450.000,00	104.380,01	38.500,00
15	COLLEGE FOR AGRICULTURE AND FOOD INDUSTRY "BARSA COUNTRY" PREJMER	SGL/RI/70/27.06.2017	BV	449.895,00	79.928,42	47.579,00
16	TECHNICAL COLLEGE OF TRANSPORT BRASOV	631/SGL/RII of 02.10.2018	BV	451.290,00	46.160,04	20.158,00
17	"GEORGE MOROIANU" THEORETICAL HIGH SCHOOL. BAGS	633/SGL/RII /02.10.2018	BV	315.903,00	72.131,72	16.900,00
18	TECHNICAL COLLEGE "DR. ALEXANDER, MALE"	642/SGL/RII /02.10.2018	BV	451.290,00	99.935,01	32.899,51
19	"MIHAIL SĂULESCU" THEORETICAL HIGH SCHOOL PREDEAL	643/SGL/RII /02.10.2018	BV	315.902,00	145.765,16	59.649,92

20	TECHNOLOGICAL HIGH SCHOOL "GRIGORE C, MOISIL". BUZAU	SGL/R1/80 din 27.06.2017	BZ	450.000,00	75.175,42	29.505,80
21	HIGH SCHOOL WITH SPORTS PROGRAM "IOLANDA BALAS SOTER" BUZAU	666/SGL/RII /02.10.2018	BZ	451.290,00	44.047,00	14.193,00
22	CONSTANTIN BRANCUSI DEJ TECHNOLOGICAL HIGH SCHOOL	337/SGL/RII /01.10.2018	CJ	451.290,00	124.858,99	108.953,00
23	PONTICA TECHNOLOGICAL HIGH SCHOOL CONSTANȚA	SGL/R1/106 /27.06.2017	CT	450.000,00	179.559,96	57.260,00
24	GHEORGHE "MIRON COSTIN" TECHNOLOGICAL HIGH SCHOOL CONSTANȚA	SGL/R I/107 din data de 27.06.2017	CT	450.005,00	75.600,64	40.660,00
25	"DIMITRIE LEONIDA" TECHNOLOGICAL HIGH SCHOOL CONSTANTA	SGL/RI/109/ 27.06.2017	CT	450.050,00	169.796,28	58.353,08
26	TECHNOLOGICAL LYCEUM "CARSIUM" HIRSOVA	SGL/RI/110/ 27.06.2017	CT	450.000,00	16.029,46	4.281,08
27	COBADIN HIGH SCHOOL	SGL/RI/111/ 27.06.2017	CT	450.000,00	116.117,99	35.821,28
28	TECHNOLOGICAL HIGH SCHOOL "AXIOPOLIS" CERNAVODA	/SGL/RII/68 3/02.10.2018	CT	451.290,00	100.000,00	7.415,43
29	THEORETICAL LYCEUM.. NICOLAE BALCESCU" MEDGIDIA	/SGL/RII/ 686 dated 02.10.2018	CT	451.290,00	100.282,00	48.438,00

30	TECHNOLOGICAL HIGH SCHOOL "NICOLAE ISTRATOIU" DELENI	/SGL/Runda II/690/02.10.2018	CT	451.290,00	96.399,87	31.890,00
31	HIGH SCHOOL "KŐRŐSI CSOMA SÁNDOR" FROM COVASNA. COVASNA COUNTY	350/SGL/R II your data 2018-10-01	CV	451.290,00	85.576,59	32.117,57
32	TECHNOLOGICAL HIGH SCHOOL "APOR PETER"	355/SGL/R II of 01.10.2018	CV	688.217,00	206.570,52	61.599,52
33	THEORETICAL HIGH SCHOOL "IANCU C, VISSARION". TITU. DAMBOVITA	126/27.06.2017	DB	450.050,00	61.210,00	61.210,00
34	MIHAI VITEAZUL VISINA THEORETICAL HIGH SCHOOL	358/SGL/R II /01.10.2018	DB	451.290,00	76.276,46	33.746,47
35	NATIONAL COLLEGE.. NICOLAE TITULESCU"PUCIO ASA	933/11.11.2020	DB	332.619,00	164.604,40	56.908,46
36	TECHNOLOGICAL HIGH SCHOOL "ALEXANDRU MACEDOSKI" MELINEȘTI	374/SGL/R II of 01.10.2018	DJ	451.290,00	100.055,50	62.103,50
37	THEORETICAL HIGH SCHOOL "MIHAI VITEAZUL" BĂILEȘTI	377/SGL/Ro und II/01.10.2018	DJ	451.000,00	127.091,00	48.859,40
38	"GHEORGHE CHITU" NATIONAL ECONOMIC COLLEGE CRAIOVA	384/SGL/R II/01.10.2018	DJ	688.217,00	100.006,00	98.139,00
39	CRAIOVA TECHNOLOGICAL	385/SGL/R II /01.10.2018	DJ	688.216,00	25.853,75	5.586,18

	HIGH SCHOOL OF CAR TRANSPORT					
40	DANUBE THEORETICAL HIGH SCHOOL GALATI	SGL/RI/141/27.06.2017	GL	450.050,00	137.498,74	21.993,00
41	LICEUL DE ARTE "DIMITRIE CUCLIN" GALAȚI	SGL/RII/702 / 02.10.2018	GL	315.903,00	49.223,00	18.034,00
42	ORTHODOX THEOLOGICAL SEMINARY "ST. ANDREI" GALATI	SGT/R II/708/02.10.2018	GL	315.903,00	83.555,98	54.000,00
43	DIMITRIE BOLINTINEANU TECHNOLOGICAL HIGH SCHOOL	SGL/RI/148/27.06.2017	GR	686.326,00	142.811,00	24.288,00
44	NICOLAE CARTOJAN THEORETICAL LYCEUM	391/SGL/RII /01.10.2018	GR	688.216,00	44.320,00	16.183,00
45	GRIGORE MOISIL DEVA TECHNOLOGICAL HIGH SCHOOL	152/27.06.2017	HD	450.050,00	7.068,00	3.068,00
46	REGINA MARIA DEVA NATIONAL PEDAGOGICAL COLLEGE	421/SGL/R II/01.10.2018	HD	315.903,00	51.361,30	24.198,88
47	"AVRAM IANCU" NATIONAL COLLEGE BRAD	422/SGL/R II /01.10.2018	HD	315.903,00	58.181,00	28.070,00
48	TECHNICAL COLLEGE "CONSTANTIN BRÂNCUȘI" PETRILA	425/SGL/RII dated 01.10.2018	HD	451.290,00	274.097,27	50.842,46
49	KOS KAROLY TECHNOLOGICAL HIGH SCHOOL	SGL/RI/167/27.06.2017	HR	450.000,00	137.052,05	98.691,73

50	BATTHYANY IGNAC GHEORGHENI TECHNICAL COLLEGE	SGL/RII/406 /01.10.2018	HR	450.000,00	99.031,70	43.355,00
51	"VINTILĂ BRĂTIANU" TECHNOLOGICAL HIGH SCHOOL	SGL/RI/173/ 27.06.2017	IF	686.250,00	99.970,00	52.241,00
52	HOT TECHNOLOGICAL HIGH SCHOOL FAIR	SGL/RT/176 /27.06.2017	IL	450.000,00	214.400,32	111.584,56
53	THEORETICAL HIGH SCHOOL "MIRON COSTIN" PAȘCANI	SGL/RI/185/ 27.06.2017	IS	450.050,00	46.141,58	24.320,43
54	TECHNOLOGICAL HIGH SCHOOL OF MECHATRONICS AND AUTOMATION	448/SGL/ RII/01.10.20 18	IS	688.217,00	110.080,00	34.680,00
55	TECHNOLOGICAL HIGH SCHOOL "MATEI BASARAB" STREHAIA	SGL/RII/486 / 01.10.2018	MH	688.217,00	199.661,00	25.338,00
56	GHEORGHE ȘINCAI TECHNOLOGICAL HIGH SCHOOL TÂRGU MUREȘ	SGL/RI/202/ 27.06.2017	MS	684.075,00	38.352,90	29.197,90
57	CAROL I BICAZ HIGH SCHOOL. NEAMȚ COUNTY	SGL/RII/499 /01.10.2018	NT	451.290,00	153.975,64	62.271,00
58	TECHNOLOGICAL HIGH SCHOOL "VASILE SAV" ROMAN	502/SGL/RII /01.10.2018	NT	451.290,00	105.223,68	33.959,60
59	"DIMITRIE PETRESCU" TECHNOLOGICAL HIGH SCHOOL	SGL/RI/211/ 27/06/2017	OT	686.195,00	202.623,23	24.080,70
60	SAT CIORANII DE JOS TECHNOLOGICAL HIGH SCHOOL.	SGL/RII/714 /02.10.2018	PH	315.903,00	88.869,00	24.100,00

	CIORANI COMMUNE					
61	TECHNOLOGICAL HIGH SCHOOL "CONSTANTIN ISTRATI". CÂMPINA MUNICIPALITY	SGL/R/II/724 /02.10.2018	PH	451.290,00	86.908,18	11.900,00
62	ADMINISTRATIVE AND SERVICE TECHNOLOGICAL HIGH SCHOOL "VICTOR SLAVESCU". PLOIESTI MUNICIPALITY	SGL/R/II/732 /02.10.2018	PH	451.290,00	119.329,24	21.982,80
63	MEDIENSIS TECHNICAL COLLEGE. MEDIAS	SGL/R/II/534 /01.10.2018	SB	451.290,00	118.084,48	27.537,79
64	TECHNOLOGICAL HIGH SCHOOL "IOACHIM POP" ILEANDA. SĂLAJ COUNTY	SGL/R/II/750 /02.10.2018	SJ	451.290,00	68.523,90	28.738,00
65	TECHNOLOGICAL HIGH SCHOOL "VASILE GHERASIM" MARGINEA	SGL/R I/231/27.06. 2017	SV	450.000,00	66.523,38	43.016,38
66	TECHNOLOGICAL HIGH SCHOOL "OLTEA DOAMNA" DOLHASCA	SGL/R I/232/27.06. 2017	SV	449.475,00	200.860,59	109.476,01
67	MIHAI BACESCU TECHNICAL COLLEGE FĂLTICENI	SGL/RI/233/ 27.06.2017	SV	686.326,00	181.529,60	53.557,60
68	TENOLOGICAL LYCEUM "VASILE COCEA" MOLDOVITA	SGL/RI/235/ 27.06.2017	SV	315.000,00	181.507,72	30.702,60
69	TECHNICAL COLLEGE .. SAMUIL	SGL/R/II/761 /02.10.2018	SV	451.290,00	112.993,92	41.604,10

	ISOPESCU" SUCEAVA					
70	"ALEXANDRU CEL BUN" COLLEGE GURA HUMORULUI	845/13.10.2 020	SV	507.243,97	183.285,97	29.747,60
71	HIGH SCHOOL WITH SPORTS PROGRAM SUCEAVA	848/13.10.2 020	SV	332.619,00	189.041,46	77.577,16
72	BRAD SEGAL COLLEGE TULCEA	SGL/RI/239/ 27.06.2017	TL	450.000,00	135.894,53	10.594,79
73	"HENRI COANDA" TECHNOLOGICAL HIGH SCHOOL TULCEA	790/SGL/R II/02.10.201 8	TL	450.000,00	30.938,00	12.206,00
74	TEHOLOGICAL HIGH SCHOOL "TRAIAN GROZĂVECU" NĂDRAG	SGL/RI/247/ 27.06.2017	TM	450.050,00	96.671,40	44.215,00
75	TECHNOLOGICAL HIGH SCHOOL "CRISTOFOR NAKO" SANNICOLAU MARE	SGL/RI/248/ 27.06.2017	TM	682.250,00	63.156,07	10.652,84
76	THEORETICAL HIGH SCHOOL TRAIAN VUIA FAGET	766/SGL/RII / 02.10.2018	TM	688.217,00	99.428,00	77.495,00
77	TECHNOLOGICAL HIGH SCHOOL "ROMULUS PARASCHIVOIU" LOVRIN	/773/SGL/R 2/02.10.201 8	TM	315.900,00	100.120,20	54.891,00
78	THEORETICAL LYCEUM "IULIA HASDEU"	775/SGL/RII /02.10.2018	TM	451.188,00	106.054,00	37.691,00
79	TECHNOLOGICAL HIGH SCHOOL .. AUREL VLAICU.. LUGOJ	780 /SGL/RII /02.10.2018	TM	685.420,00	102.275,00	30.523,50

80	UNIREA NATIONAL COLLEGE	SGL/RI/257/27.06.2017	TR	450.000,00	72.264,00	42.270,00
81	ALEXANDRU GHICA THEORETICAL HIGH SCHOOL	SGL/RI/258/27.06.2017	TR	450.050,00	82.245,00	31.321,00
82	THEORETICAL HIGH SCHOOL. MĂCIUCA COMMUNE	561/SGL/RII/01.10.2018	VL	451.290,00	99.995,75	13.929,75
83	"IOAN CORIVAN" TECHNOLOGICAL HIGH SCHOOL HUSI	SGL/RI/270/27.06.2017	VS	450.050,00	98.264,26	25.584,00
84	FACULTY OF ECONOMICS AND BUSINESS ADMINISTRATION OF GALATI	60/SGU/NC/I	GL	679.320,00	197.543,68	133.112,45
85	UNIVERSITY OF BUCHAREST	90_SGU_NC_I	B	340.565,00	147.973,34	15.267,00
86	"ALEXANDRU IOAN CUZA" UNIVERSITY OF IASI	111/SGU/PV/II DIN 24.04.2019	IS	555.460,19	144.445,70	39.411,46
87	UNIVERSITY OF CRAIOVA-FACULTY OF SOCIAL SCIENCES	113/SGU/PV/III/25.04.2019	DJ	601.744,71	202.290,33	66.388,00
88	"GHEORGHE ASACHI" TECHNICAL UNIVERSITY OF IASI	114/SGU/PV/II	IS	609.891,00	223.021,56	51.701,50
89	"ALEXANDRU IOAN CUZA" UNIVERSITY OF IASI	121/SGU/PV/11 din 07.05.2019	IS	1.088.199,54	197.505,61	40.204,93
90	UNIVERSITY.. ALEXANDRU IOAN CUZA " IAȘI	124/SGU/PV/11 din 07.05.2019	IS	1.140.065,00	209.713,97	70.619,50
91	"ALEXANDRU IOAN CUZA" UNIVERSITY OF IASI	127/SGU/PV/II din 09.05.2019	IS	1.148.044,85	215.402,81	35.809,78

92	UNIVERSITY OF ORADEA	137/SGU/PV /III/13.05.2019	BH	657.564,00	134.924,25	27.725,26
93	"GHEORGHE ASACHI" TECHNICAL UNIVERSITY OF IASI	142/SGU/PV /II	IS	548.230,50	125.739,27	21.602,72
94	"ALEXANDRU IOAN CUZA" UNIVERSITY OF IASI	AG160/SGU /NC/II of 10.09.2019	IS	699.790,00	146.781,87	39.786,40
95	"DUNAREA DE JOS" UNIVERSITY OF GALATI / FACULTY OF ENGINEERING AND AGRONOMY OF BRĂILA	AG177/SGU /NC/II of 10.09.2019	BR	351.191,00	189.911,08	50.926,16
96	MARITIME UNIVERSITY OF CONSTANȚA	AT 187/SGU/NC II/11.09.2019	CT	693.140,00	133.083,50	90.712,56
97	"LUCIAN BLAGA" UNIVERSITY OF SIBIU	199/SGU/NC/II/13.09.2019	SB	350.720,00	154.070,74	85.748,70
98	"GHEORGHE ASACHI" TECHNICAL UNIVERSITY OF IASI. FACULTY OF MACHINE BUILDING AND INDUSTRIAL MANAGEMENT	215/SGU/NC/II	IS	700.511,00	194.985,40	68.187,00
99	ALEXANDRU IOAN CUZA UNIVERSITY OF IASI	216 / SGU/NC/II/18.09.2019	IS	338.503,00	145.384,03	33.067,27
100	UNIVERSITY OF BUCHAREST. FACULTY OF ADMINISTRATION AND BUSINESS (FAA)	234/SGU/NC/II dated 25.11.2019	B	700.375,00	319.104,34	53.467,36

101	"STEFAN CEL MARE" UNIVERSITY OF SUCEAVA	246/SGU/N C/II of 25.11.2019	SV	350.958,00	152.178,34	63.037,85
102	"GHEORGHE ASACHI" TECHNICAL UNIVERSITY OF IASI	260/25.11.2019	IS	653.812,00	158.933,00	19.794,00
103	"LUCIAN BLAGA" UNIVERSITY OF SIBIU	AG/265/SGU/NC//II	SB	344.664,96	169.721,40	114.510,72
104	"LUCIAN BLAGA" UNIVERSITY OF SIBIU	266 / SGU/NC/II/2 5.11.2019	SB	351.100,00	247.110,84	221.312,84
105	"ION IONESCU DE LA BRAD" UNIVERSITY FOR LIFE SCIENCES OF IASI	281/SGU/N C/II dated 12.12.2019	IS	350.719,86	138.050,36	31.934,00
106	UNIVERSITY OF CRAIOVA. FACULTY OF ORTHODOX THEOLOGY	301/SGU/PV /III /18.06.2020	DJ	333.405,00	212.512,67	95.713,59
107	UNIVERSITY OF CRAIOVA. FACULTY OF PHYSICAL EDUCATION AND SPORTS	304 / SGU/PV/III/1 8.06.2020	DJ	666.415,62	218.174,34	39.491,00
108	BABEȘ-BOLYAI UNIVERSITY CLUJ	306/SGU/PV /III/18.06.2020	CJ	283.926,00	146.155,59	32.083,45
109	BABES-BOLYAI UNIVERSITY	310/SGU/PV /III din 18.06.2020	IS	653.314,98	169.724,10	74.788,10
110	"GHEORGHE ASACHI" TECHNICAL UNIVERSITY OF IASI	311/SGU/P U/III	IS	914.617,00	217.101,41	57.232,38

111	"ION IONESCU DE LA BRAD" UNIVERSITY FOR LIFE SCIENCES OF IASI	316/SGU/PV /III DIN DATA DE 18.06.2020	IS	662.220,00	444.256,22	275.905,00
112	"STEFAN CEL MARE" UNIVERSITY OF SUCEAVA. FACULTY OF HISTORY AND GEOGRAPHY	AG317/SGU /PV/III / 18.06.2020	SV	566.026,34	438.990,10	120.915,00
113	FACULTY OF PHYSICAL EDUCATION AND SPORTS. "DUNAREA DE JOS" UNIVERSITY OF GALATI	RE 318/SGU/PV /III/18.06.20 20	GL	864.297,06	185.721,83	23.431,86
114	FACULTY OF ECONOMICS AND BUSINESS ADMINISTRATION. "DUNAREA DE JOS" UNIVERSITY OF GALATI	RE 319/SGU/PV /III/18.06.20 20	GL	860.361,66	183.299,63	106.753,77
115	UNIVERSITY OF ORADEA	AG320/SGU /PV/III din data 18.06.2020	BH	476.640,00	230.415,80	115.787,00
116	BANAT UNIVERSITY OF AGRICULTURAL SCIENCES AND VETERINARY MEDICINE "KING MICHAEL I OF ROMANIA" OF TIMIȘOARA	323 / SGU/PV/III	TM	189.284,00	174.566,10	53,660.25
117	"GHEORGHE ASACHI" TECHNICAL UNIVERSITY OF IASI	324/SGU/PV /III	IS	428.047,00	221.352,50	65.462,62

118	"GHEORGHE ASACHI" TECHNICAL UNIVERSITY OF IASI	331/SGU/P U/III	IS	415.745,67	262.979,32	115.896,08
119	NATIONAL SCHOOL OF POLITICAL STUDIES AND ADMINISTRATIVE STUDIES. FACULTY OF POLITICAL SCIENCE	334/SGU/PV /III/22.06.20 20	B	463.910,00	197.116,00	16.989,00
120	UNIVERSITY OF PITEȘTI	AG335/SGU /PV/III/22.06 .2020	AG	159.800,00	143.758,15	46.039,45
121	BABES-BOLYAI UNIVERSITY	AG336/SGU /PV/III/26.06 .2020	CJ	302.215,50	142.047,36	25.200,00
122	TRANSILVANIA UNIVERSITY OF BRASOV	340/SGU/PV /III/16.07.20 20	BV	333.405,00	145.675,62	69.231,00
			Total	62.794.627,41	16.553.102,67	6.171.916,12

Note: The above appendix represents a selection of 10% of the grant beneficiaries, verified in terms of compliance with the POM procedures, the Loan Agreement and the Grant Manuals according to the requirements of the terms of reference.

LIST OF ABBREVIATIONS

MEd - Ministry of Education

U.M.P.F.E - Management Unit of Externally Funded Projects of MEd, which ensures the implementation of the Project on secondary education

ROSE - Secondary Education Project

IBRD - International Bank for Reconstruction and Development

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

MF - Ministry of Finance

GoR - Government of Romania

GENERAL INFORMATION

Reporting entity

The loan agreement is implemented by the Ministry of Education through its UMPFE.

Loan agreement

Romania received loan no. 8481-RO worth 200 million euros from the International Bank for Reconstruction and Development (IBRD) to support the implementation of the Secondary Education Project. Loan Agreement No. 8481-RO between Romania and IBRD was signed in Washington on April 17, 2015 and ratified by Law nr. 234/8 October 2015. The subsidiary agreement between the Ministry of Public Finance and the Ministry of Education and Research was signed on 24 December 2015.

The development objectives of the project (ODP) are to improve the transition from upper secondary to tertiary education and to increase retention in the first year of tertiary education in educational institutions supported by the project.

The project was restructured by Amendment nr. 3, approved on July 4, 2022. The amendment extended the implementation period of the ROSE Project until November 30, 2024, thus allowing high schools and universities to carry out grant activities postponed during the COVID-19 pandemic period and UMEFP to implement new systemic activities focusing on teacher training and assessment, and included Ukrainian displaced students in the target group of the ROSE Project. (more details in Note no. 5).

Project expenses are initially pre-financed from funds allocated from the state budget and subsequently eligible costs are settled from the loan.

MEd uses pre-financing from the state budget and then MF recovers loan amounts using the settlement method of eligible payments within the project. The Treasury makes monthly budget openings upon request, and the project receives its allocations in the treasury system. The funds from the IBRD loan settle the eligible costs of the project pre-financed from the state budget. The borrower will submit requests for reimbursement for eligible costs. The settlement support documentation will include summaries and expense statements. No special account is used for the project.

GENERAL INFORMATION (CONTINUED)

The project is implemented by UMPFE within the Ministry of Education.

The project entered into force on 14 October 2015 and will be implemented by MEd until 30 November 2024, through UMPFE.

Destination of borrowed funds

The project is structured in three components, as presented below:

Component 1 – High school interventions and systemic interventions

This component funds interventions at school and system level to address academic and personal factors that prevent Romanian students from moving from upper secondary to tertiary education, including dropping out, refusing to participate in the bacculaureate or achieving poor results in the bacculaureate exam.

Subcomponent 1.1 - Interventions at school level

This subcomponent supports the transition of upper secondary students to tertiary education, using a decentralized approach based on awarding non-competitive grants to low-performing public high schools.

Subcomponent 1.2 - Systemic interventions

This sub-strand finances: (i) the revision of the curriculum for upper secondary education; (ii) training teachers and public school leaders, face-to-face and/or online, to adapt the curriculum to pupils' needs and abilities, to use student-centred teaching approaches and to use digital technologies for teaching-learning-assessment; (iii) improving teaching conditions within the Teaching Staff Houses, through the provision of goods; (iv) reviewing and updating the bank of evaluation items for the National Evaluation and Bacculaureate exams, providing appropriate training, including increasing the institutional capacity of the National Center for Education Policies and Evaluation; (v) improving the existing IT platform for assessment and examinations of upper secondary students through the provision of goods; (vi) developing and implementing an assessment for grade 10 pupils to be carried out at the end of compulsory education; (vii) development of digital teaching and learning materials; (viii) development and implementation of awareness-raising campaigns for pupils and teachers, including Roma pupils;

GENERAL INFORMATION (CONTINUED)

(ix) strengthening the capacity of MEd to support information communication of educational institutions for e-learning and to use educational information to monitor upper secondary education and pupils' transition to tertiary education, including through the provision of goods; (x) supporting the participation of Romanian students in international assessments by financing associated costs, including management, administration, participation fees; (xi) improving teaching and learning conditions in eligible high schools by providing goods, including digital equipment and sanitary materials to prevent COVID-19 disease and increase the resilience of the education system.

Component 2 - Interventions at the level of universities in the public education system

This component supports activities aimed at addressing the needs of students at risk of dropping out of university in their first year of tertiary education, as well as bridge summer programmes for secondary school students to familiarize them with the university environment. It funds four grant schemes – one non-competitive and three competitive – for public faculties/universities that educate at-risk students.

Approximately 85% of public faculties in Romania benefit from this component.

Component 3 - Project management, monitoring and evaluation

This component finances ongoing project management activities, monitoring and evaluation (M&E) activities, as well as operational and personnel costs of the MEd UMPFE. This strand also finances the achievement of studies on the participation of high school students in Summer Bridge programs; assessing the impact of the high school grant scheme on improving student outcomes and school management processes; and other M&E studies, as appropriate.

This component also finances the costs of ROSE project audits.

GENERAL INFORMATION (CONTINUED)

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

Category	Allocated loan (expressed in euro)	Percentage of expenditure to be financed (including Taxes)
(1) Goods, non-consulting services, consulting services (including audit), trainings, grants, additional operational costs for the project.	200.000.000,00	100%
TOTAL VALUE	200.000.000,00	

GENERAL INFORMATION (CONTINUED)

Loan allocation

In accordance with the concluded loan agreement and subsequent amendments, the components of expenditure financed by the IBRD loan comprise the following:

<i>Cod</i>	<i>Component Description</i>	<i>Loan allocation (EUR)</i>
1	High school interventions and systemic interventions	144.288.547,00
2	Interventions at the level of universities in the public education system	48.811.150,00
3	Project management, monitoring and evaluation	6,900,303.00
	<i>Total project funding</i>	<i>200.000.000,00</i>

The project is pre-financed from the state budget through the State Treasury.

Drawdowns on the loan are made by the MF on the basis of the statement of expenditure (SOE) prepared by the UMPFE. All eligible expenses of the project are 100% financed by the loan.

For the purposes of this Annex:

- a) The term "external expenditure" means: expenditure in the currency of any country other than that of the borrower for goods or services provided from the territory of any country other than that of the borrower;
- b) The term "local expenditure" means: expenditure in the currency of the borrower or on goods or services provided from the borrower's territory;

GENERAL INFORMATION (CONTINUED)

- c) "Operational costs" means: additional expenses incurred for project implementation, management and monitoring (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 supervision activities related to the Project, salaries of contract staff, and temporarily, but excluding salaries, fees and bonuses of members who are civil servants of the Borrower);
- d) The term 'statement of expenditure' means: expenditure reports used by the borrower to submit to the IBRD the request for reimbursement of payments already made;
- e) The term "state treasury account" means: a bank account opened with the State Treasury in Bucharest, where MEd receives the requested money from the Ministry of Finance. The Ministry of Finance advances the amounts necessary for the implementation of the project and withdraws the amounts from the IBRD based on the request for payment of payments already made.

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

**Financial reports of the project
for the period from 01 January 2022 to 31 December 2022**

MINISTRY OF EDUCATION
 LOAN (8481 - RO) SECONDARY EDUCATION PROJECT
 31 December 2022 - all amounts are expressed in EUR, unless otherwise specified

1. STATEMENT OF FUNDS RECEIVED AND FUNDS USED

1.1 Statement of the IBRD loan account of the Ministry of Education as at 31 December 2022

Loan No. 8481-RO – Secondary Education Project

	31 December, 2019	31 December, 2020	31 December, 2021	December 31, 2022
Approved loan amount	200.000.000	200.000.000	200.000.000	200.000.000
Minus: Total loan drawdowns	19.661.833	45.229.728	94.305.894	118.511.413
Unused loan amount	180.338.167	154.770.272	105.694.106	81.488.587
IBRD loan				
Initial amount used	5.836.681	19.661.833	45.229.728	94.305.894
Drawdown	13.825.153	25.567.895	49.076.166	24.205.519
Final amount used	19.661.833	45.229.728	94.305.894	118.511.413
Net sum to	200.000.000	200.000.000	200.000.000	200.000.000
Undrained amount of balance	180.338.167	154.770.272	105.694.106	81.488.587

1.2 Statement of the IBRD loan account of the Ministry of Education as at 31 December 2022

Sources - IBRD contribution by components	Sources Transferred		Sources Transferred		Sources Aggregate	
	01 January, 2016 - 31 December, 2020	01 January, 2021 - 31 December 2021	01 January, 2022 - 31 December 2022	until 31 December 2022	01 January, 2022 - 31 December 2022	until 31 December 2022
Component 1	23.277.929	43.243.841	14.470.376	80.992.146	80.992.146	80.992.146
Component 2	19.789.282	5.390.280	9.197.200	34.376.761	34.376.761	34.376.761
Component 3	2.162.518	442.045	537.943	3.142.506	3.142.506	3.142.506
TOTAL	45.229.729	49.076.166	24.205.519	118.511.413	118.511.413	118.511.413

1. STATEMENT OF FUNDS RECEIVED AND FUNDS USED (continued)

In 2022, SOE no. 25, for the period 01.11.2021-31.12.2021, Annexes 4a and 4c, and 01.08.2018-31.10.2021, for Annex 4b, amounting to EUR 7,087,939.59, were collected; SOE No. 26, for the period 01.01.2022-31.03.2022, Annexes 4a and 4c, and 01.01.2019-31.12.2021, for Annex 4b, amounting to EUR 2,876,518.30; SOE No. 27, for the period 01.04.2022-31.10.2022, Annexes 4a and 4c, and 16.06.2018-30.06.2022, for Annex 4b, amounting to EUR 14,241,060.65. Total SOE collected in 2022: EUR 24,205,519.

1.3 Summary of Funds Received and Uses of Funds as at December 31, 2022

Description	1 January 2016 – 31 December 2020	January 1, 2021 – December 31, 2021	01 January 2022 – 31 December 2022	
				Cumulative at 31 December 22
Initial balance	-	-		
Plus: funds received	64.360.935,00	53.743.408,00	19.691.108	137.795.451
Amounts pre-financed by MF and recovered from IBRD in 2016	107.740,00	-		
Amounts pre-financed by MF and not recovered from IBRD in 2016	-			

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Amounts pre-financed by the MF and recovered from the IBRD in 2017	3.288.285,00	-	
Amounts pre-financed by MF and not recovered from IBRD in 2017	1.362.007,00		
Amounts pre-financed by the MF and recovered from the IBRD in 2018	2.440.656,00	-	
Amounts pre-financed by the MF and not recovered from the IBRD in 2018	4.766.011,00		
Amounts pre-financed by the MF and recovered from the IBRD in 2019	13.825.153,00		
Amounts pre-financed by MF and not recovered from IBRD in 2019	4.852.715,00		
Amounts pre-financed by the MF and recovered from the IBRD in 2020	25.567.893,00		
Amounts pre-financed by the MF and not recovered from the IBRD in 2020	3.640.909,00		
Amounts pre-financed by the MF and recovered from the IBRD in 2021	4.509.566,00	44.566.600,00	

**MINISTRY OF EDUCATION
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Amounts pre-financed by the MF and not recovered from the IBRD in 2021		9.176.808,00		
Amounts pre-financed by MF and recovered from IBRD in 2022			10.836.191	
Amounts pre-financed by MF and not recovered from IBRD in 2022			8.854.917	
Minus: project expenses related to:	64.360.935,00	53.743.408,00	19.691.108	
Component 1 - High school interventions and systemic interventions	41.313.188,00	45.568.518,00	12.428.808	
Component 2 - Interventions at the level of universities in the public education system	20.833.614,00	7.691.126,00	6.775.326	
Component 3 - Project management, monitoring and evaluation	2.214.133,00	483.764,00	486.974	
Final balance cash and cash equivalents	-	-	-	

Note:

The total value of payments made through the project, from 15.10.2015 to 31.12.2022, is 677,040,798.72 Lei. The value of 137,795,451 euros represents the equivalent value of payments made in the project during the period from 15.10.2015 to 31.12.2022. This value is composed of:
- 118,511,413 euros disbursed between 15.10.2015 and 31.12.2022;

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 LOAN (8481 - RO) SECONDARY EDUCATION PROJECT
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- 10,429,121 euros disbursed in 2023, for expenses related to the period from 15.10.2015 to 31.12.2022;
 - 8,854,917 euros undisbursed. This amount is calculated by using the NBR annual average exchange rate for 2023.

2. STATEMENT OF EXPENDITURE

2.1 Use of funds to finance eligible expenditure

IBRD

	31 December, 2016-2020	December 31, 2021	December 31, 2022	December 31, Cumulative as of December 31, 2022
Payments by treasury account	64.360.935	53.743.408	19.691.108	137.795.451
Total	64.360.935	53.743.408	19.691.108	137.795.451

2.2 Use of funds to finance eligible expenditure

IBRD by component

	31 December, 2016-2020	31 December, 2021	31 December, 2022	Cumulated on 31 December, 2022
Payments by treasury account	41.313.189	45.568.518	12.428.808	99.310.515
Component 1	20.833.614	7.691.126	6.775.326	35.300.065
Component 2	2.214.133	483.764	486.974	3.184.871
Component 3				
Total	64.360.935	53.743.408	19.691.108	137.795.451

3. FINANCIAL SITUATION OF THE LOAN

Total draws as at 31 December 2022

<i>Loan IBRD 8481 – EN</i>	<i>31 December, 2016-2019</i>	<i>31 December, 2020</i>	<i>31 December, 2021</i>	<i>December 31, 2022</i>
Initial balance drawn amounts	-	19.661.833	45.229.728	94.305.894
Total Initial balance drawn amounts	-	19.661.833	45.229.728	94.305.894
Drawdown	19.661.833	25.567.895	49.076.166	24.205.519
Total Drawdowns	19.661.833	25.567.895	49.076.166	24.205.519
Sold final trageri	19.661.833	45.229.728	94.305.894	118.511.413
Total sold final trageri	19.661.833	45.229.728	94.305.894	118.511.413
Loan amount	200.000.000	200.000.000	200.000.000	200.000.000
<i>Unused loan account</i>	180.338.167	154.770.272	105.694.106	81.488.587

In 2022, SOE no. 25, for the period 01.11.2021-31.12.2021, Annexes 4a and 4c, and 01.08.2018-31.10.2021, for Annex 4b, amounting to EUR 7,087,939.59; SOE No. 26, for the period 01.01.2022-31.03.2022, Annexes 4a and 4c, and 01.01.2019-31.12.2021, for Annex 4b, amounting to EUR 2,876,518.30; SOE No. 27, for the period 01.04.2022 to 31.10.2022, Annexes 4a and 4c, and 16.06.2018 to 30.06.2022, for Annex 4b, amounting to EUR 14,241,060.65.

4. PROJECT COMMITMENTS AS AT 31 DECEMBER 2022

In 2022, MEd – UMPFE has made the following commitments for the contracts signed within the project

Contract No	Date of contract	Supplier Number	Contract Currency	Value of the contract (VAT incl.)	Value of the contract EUR	Amount paid (EUR) until 31.12.2022	Outstanding amount payable (EUR) at 31.12.2022
1	10/01/2022	Service Auto Serus SRL	RON	3.036,04	613,34	613,34	0
2	11/02/2022	Auto K9 RMV SRL	RON	1.074,99	217,17	217,17	0
3	23/02/2022	It's known	RON	11.381,16	2.299,22	2.299,22	0
4	03/03/2022	ETA2U	RON	103.877,90	20.985,43	20.985,43	0
5	09.03.2022	BS Eco Cleaning SRL	RON	64.260,00	12.981,82	12.981,82	0
6	09.03.2022	ADVANS	EURO	79.587,20	79.587,20	79.587,20	0
7	09.03.2022	Fan Courier Express SRL	RON	29.788,08	6.017,79	1.844,94	4.172,85
8	09.03.2022	Sama Consul	RON	10.524,36	2.126,13	1.594,60	531,53
12	02/05/2022	ICI Bucharest	RON	211,99	42,83	42,83	0
13	04/05/2022	Sodexo Pass Romania SRL	RON	0	0	0	0
14	04/05/2022	Chrome Computers	RON	68.258,40	13.789,58	13.789,58	0
15	04/05/2022	Chrome Computers	RON	29.500,10	5.959,62	5.959,62	0
16	04/05/2022	ETA2U	RON	27.624,43	5.580,69	5.580,69	0
19	09/05/2022	ADVANS	EURO	1.884,96	1.884,96	1.884,96	0
20	10/05/2022	Office Max	RON	271.257,53	54.799,50	54.799,50	0
21	23/05/2022	Auto K9 RMV SRL	RON	2.920,00	589,90	589,90	0
24	08/06/2022	Sama Consul	RON	26.541,55	5.361,93	5.361,93	0
25	22/06/2022	Triton Construct SRL	RON	17.302,60	3.495,47	3.495,47	0

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26	28/06/2022	2M Training & Consulting SRL	RON	3.986,50	805,35	805,35	0
27	28/06/2022	Autonomous Administration Monitorul Oficial	RON	1.161,44	234,63	234,63	0
28	08/07/2022	Travel Time D&R SRL	RON	2.289,74	462,57	462,57	0
29	30/08/2022	BSD	RON	43.018,21	8.690,55	8.690,55	0
30	05/09/2022	Auto K9 RMV SRL	RON	960,00	193,94	193,94	0
31	30/09/2022	Vodafone	EURO	25.061,40	25.061,40	1983,14	23.078,26
32	12/10/2022	Travel Time D&R SRL	RON	1.485,95	300,19	300,19	
33	04/11/2022	2M Training & Consulting SRL	RON	11.959,50	2.416,06	2.416,06	0
34	07/12/2022	Omniasig	RON	2.970,84	600,17	600,17	0

5. ACCOUNTING POLICIES AND RECORDS

Training basics

Special purpose financial statements are prepared according to the historical cost convention, in accordance with the methodology agreed with the World Bank. The amounts presented in these financial statements are expressed in EUR. These amounts were obtained by applying the RON / EUR exchange rate at the time of payment for domestic payments, using the NBR exchange rate, and, for external payments, through the exchange rate offered by the Bank (Raiffeisen Bank).

Fixed assets

Fixed assets are recognized at acquisition cost in the category of property, plant and equipment. Following their accounting transfer to beneficiaries on the basis of the delivery-receipt report, they are recognized on cost (after submission of all documents by the supplier).

5. ACCOUNTING POLICIES AND RECORDS (continued)

Debt

i) Loan registration

The loan will be recorded as a use of funds as withdrawals take place. The entire loan amount will not appear as a debt item in the accounting of project management units.

ii) Purchase of goods and services

The purchase of goods and services is recorded as an asset or expense at the time of payment and is allocated between the different components and activities to which it relates.

Financing

PMU does not record the amounts received from the IBRD, this registration being carried out at MF level. UMPFE receives the annual budget for the ROSE Project from the state budget.

Use of funds

The use of funds represents the amounts paid for the purpose of the Project by UMPFE, having as source the pre-financing received from the Ministry of Finance. The amounts paid refer both to the openings of budget appropriations for the grant scheme for high schools and to the direct payments made by UMPFE for the grant scheme for universities and for contracts, operational costs, etc.

Foreign currency

The Project expenses are pre-financed from the State Budget, and subsequently the eligible expenses are reimbursed from the Loan. The amounts in RON were converted into EUR at the RON/EUR exchange rate in force on the date of payment of the service/goods providers.

6. BANK ACCOUNTS USED IN THE PROJECT

All funds are received through the state treasury account. Internal payments are made through this account, and for external payments funds are transferred to the bank account at Raiffeisen Bank.

Based on the Order of the Ministry of Finance no. 2004/2013, starting with 01.01.2014, UMPFE is not a separate entity from the Ministry of Education in relation to the treasury account and will use only the following treasury account for reimbursable funds:

6. BANK ACCOUNTS USED IN THE PROJECT (CONTINUED)

Account no.	RO97TREZ23A650100650100X
Bank	State Treasury
Branch	Treasury and public accounting activity of Bucharest
Address	Șplaiul Unirii, N5. 6-8, District 4, 040032
Loan number	Loan no. 8481-RO
Account currency	RON

State Treasury Account 31 December 2022

	IBRD	Total
<u>Initial balance as at 1 January 2016</u>	-	-
Funds received from MF related to funds approved by funders	-	-
Other funds received from MF:	-	-
- Pre-financing payments financed by IBRD loan	636.109	636.109
-Others	-	-
Total funds received	636.109	636.109
Total payments made from the treasury account	636.109	636.109
<u>Final balance at 31 December 2016</u>	-	-
<u>Initial balance as at 1 January 2017</u>	-	-
Funds received from MF related to funds approved by funders	-	-
Other funds received from MF:	-	-
- Pre-financing payments financed by IBRD loan	6.562.579	6.562.579
-Others	-	-
Total funds received	6.562.579	6.562.579
Total payments made from the treasury account	6.562.579	6.562.579
<u>Final balance at 31 December 2017</u>	-	-
<u>Initial balance as at 1 January 2018</u>		
Funds received from MF related to funds approved by funders	-	-

**6. BANK ACCOUNTS USED IN THE PROJECT
 (CONTINUED)**

Other funds received from MF:		
- Pre-financing payments financed by IBRD loan	12.641.912	12.641.912
-Others		
Total funds received	12.641.912	12.641.912
Total payments made from the treasury account	-	-
Total funds received	12.641.912	12.641.912
Final balance at 31 December 2018	-	-
Initial balance as at 1 January 2019		
Funds received from MF related to funds approved by funders	-	-
Other funds received from MF:		
- Pre-financing payments financed by IBRD loan	17.072.705	17.072.705
-Others	-	-
Total funds received	17.072.705	17.072.705
Total payments made from the treasury account	-	-
Total funds received	17.072.705	17.072.705
Final balance at 31 December 2019	-	-
Initial balance as at 1 January 2020		
Funds received from MF related to funds approved by funders	-	-
Other funds received from MF:		
- Pre-financing payments financed by IBRD loan	27.447.630	27.447.630
-Others	-	-
Total funds received	27.447.630	27.447.630
Total payments made from the treasury account	-	-
Total funds received	27.447.630	27.447.630
Final balance as at 31 December 2020	-	-
Initial balance as at 1 January 2021		
Funds received from MF related to funds approved by funders	-	-
Other funds received from MF:		
- Pre-financing payments financed by IBRD loan	53.743.408	53.743.408
-Others	-	-

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Total funds received	53.743.408	53.743.408
Total payments made from the treasury account	53.743.408	53.743.408
<u>Final balance as at 31 December 2021</u>	-	-
Initial balance as at 1 January 2022		
Funds received from MF related to funds approved by funders	-	-
Other funds received from MF:	-	-
- Pre-financing payments financed by IBRD loan	19.691.108	19.691.108
-Others	-	-
Total funds received	19.691.108	19.691.108
Total payments made from the treasury account	19.691.108	19.691.108
Final balance as at 31 December 2022	-	-

Note:

UMPFE uses a treasury account for several projects, including the current one. The MF provides funding according to the budgets requested by the UMPFE, therefore, if budgets are not used, the remaining available funding can be reallocated to other projects.

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT

Note 1. Amounts drawn from the loan to the treasury account of the MF during 2022

SOE	Payment details	Amount requested from IBRD through MF	Currency	Total
25	Treasury account	7.087.939,59	EUR	7.087.939,59
26	Treasury account	2.876.518,30	EUR	9.964.457,89
27	Treasury account	14.241.060,65	EUR	24.205.518,54

Note 2. Expenditure by component

Expenditure	January 1, 2016 – December 31, 2020	01 January 2021 – 31 December, 2021	01 January 2021 – 31 December 2022	Cumulative as of December 31, 2022
1. High school interventions and systemic interventions	41.313.188	45.568.518	12.428.808	99.310.515
2. Interventions at the level of universities in the public education system	20.833.614	7.691.126	6.775.326	35.300.065
3. Project management, monitoring and evaluation	2.214.133	483.764	486.974	3.184.871
TOTAL IBRD financing	64.360.935	53.743.408	19.691.108	137.795.451

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT (CONTINUED)

Note 3. Legislation and legal system in Romania

The legislation and tax environment in Romania and their implementation in practice change frequently and are subject to different interpretations. In recent years, Romanian legislation has undergone substantial changes in the legal and economic field.

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

Note 4. Presentation of the financial statements of the project

Special purpose financial statements are prepared on the basis of cash accounting. On this basis, sources of funds are recognized when they are received rather than obtained, and uses are recognized when they are paid for rather than when they are made. The project financial statements have been prepared to comply with loan requirements and based on appropriate World Bank instructions and are not intended to be a complete overview of project operations.

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT (CONTINUED)

Note 5. Continuation of activity

The special purpose financial statements are prepared based on the principle of business continuity. The 2022 budget received in January 2022 for the ROSE project was Lei 160,000,000, for both high school grants (Lei 60,000,000) and UMEFP (Lei 100,000,000). This allowed UMEFP to allocate, during the 1st semester, the necessary amounts to both high schools and faculties/universities for the approved tranche requests, to pay the advances for the summer bridge programs and to pay pending invoices.

During August 2022, the central budget of UMEFP was diminished with Lei 14,250,000, and the budget allocated to the high school grants was increased with the same amount, to allow payment of approved tranches for high schools in inspectorates with an insufficient ROSE grants budget. The budget rectification in August 2022 was negative for the ROSE Project and the budget was diminished with 40 million lei.

Though UMEFP requested 10,300,000 Lei supplementary budget in November 2022, it did not receive any amount at the budget rectification. To pay the pending invoices, all the HSGS unopened budget was withdrawn and moved to UMEFP.

The ROSE Project Loan Agreement RO-8481 was modified through the 3rd Amendment, approved on July 4, 2022. The 3rd Amendment extended the implementation period of the ROSE Project until November 30, 2024, thus allowing high schools and universities to carry out grant activities postponed during the COVID-19 pandemic period and UMEFP to implement new systemic activities focusing on teacher training and assessment, and included Ukrainian displaced students in the target group of the ROSE Project.

During the September 2022 Implementation and support mission, the World Bank and UMEFP representatives analyzed the progress of the different components of the project and, in particular, the need to allocate additional commitment and budget appropriations to the ROSE Project to allow the continuation of the smooth implementation of the grants and systemic activities. Following this mission, the World Bank representatives issued an aide-mémoire mentioning the relevance of the activities proposed in ROSE, issues related to the implementation status, including the delays observed, and presented recommendations for continuation of the project : extension of the high school grants implementation period, upon request of the beneficiaries, administration of a standardized assessment to 9th graders to identify learning gaps, procurement of hardware and software to offer digital support for assessment of papers in national examinations and competitions, training for high school teachers and principals, either in university professional conversion programs or in short term training courses on relevant subjects, extension of the summer bridge programs, as well as preparation of studies regarding the impact of the ROSE Project.

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT (CONTINUED)

Note 6. Subsequent events

SOE no. 28, (29.12.2018-31.03.2023 - Annex 4b), worth EUR 4,355,765.92, was sent to the Ministry of Finance and collected on 18.07.2023, SOE no. 29, (01.11.2022-30.06.2023 - Annex 4c), in the amount of EUR 4,779,624.17, was sent to the Ministry of Finance and collected on 13.07.2023, SOE no. 30, (01.11.2022-30.06.2023 - Annex 4a), and (01.01.2019-31.07.2022 - Annex 4b), in the amount of EUR 2,764,525.64, was sent to the Ministry of Finance and collected on 22.08.2023, SOE nr. 31, (01.01.2019-31.12.2022 - Annex 4c), amounting to EUR 3,952,085.82, was sent to the Ministry of Finance and collected on 22.08.2023, SOE 32, (01.07.2023-31.07.2023 - Annexes 4a and 4c) and (01.10.2018-30.06.2023 - Annex 4b), amounting to EUR 3,542,568.21, was sent to the Ministry of Finance and collected on 31.08.2023. Total value SOE 28-SOE 32 = 19,394,569.76 euros.

Date: September 29, 2023

Mrs. Liliana Preoteasa

Mrs. Tatiana Stuparu

Director UMEFP

Financial deputy director UMEFP

Stamp of the Ministry of Education

