

**REPORT ON THE IBRD LOAN ACCOUNT**

**OF THE MINISTRY OF NATIONAL EDUCATION**

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

**FOR THE PERIOD STARTING FROM OCTOBER 14<sup>th</sup>, 2015 UP TO DECEMBER 31<sup>th</sup>, 2016**

MINISTRY OF NATIONAL EDUCATION  
LOAN (8481 – RO) FOR THE SECONDARY EDUCATION PROJECT  
31 DECEMBER 2016 – *all the amounts are expressed in EUR, unless otherwise stated*

---

<b>Contents</b>	
<b>INDEPENDENT AUDITOR'S REPORT .....</b>	<b>3</b>
<b>LIST OF ABBREVIATIONS .....</b>	<b>6</b>
<b>GENERAL INFORMATION .....</b>	<b>7</b>
<b>1. STATEMENT OF RESOURCES AND USES OF FUNDS .....</b>	<b>12</b>
<b>2. STATEMENT OF EXPENDITURES .....</b>	<b>14</b>
<b>3. FINANCIAL STATEMENT OF THE LOAN .....</b>	<b>15</b>
<b>4. PROJECT COMMITMENTS AS AT 31 DECEMBER 2016 .....</b>	<b>16</b>
<b>5. ACCOUNTING POLICIES AND RECORDS .....</b>	<b>19</b>
<b>6. BANK ACCOUNTS UTILIZED WITHIN THE PROJECT, STATEMENT OF DESIGNATED ACCOUNT .....</b>	<b>20</b>
<b>NOTES TO THE PROJECT FINANCIAL STATEMENTS .....</b>	<b>22</b>

## INDEPENDENT AUDITOR'S REPORT

To the Ministry of National Education – Unit for the Management of Externally Financed Projects (UMEFP)- The Secondary Education Project financed by IBRD Loan 8481-RO

### *Opinion*

- 1 We have audited the attached financial statements of the Secondary Education Project for the period October 14, 2015 – December 31, 2016. The project is funded the International Bank for Reconstruction and Development (IBRD) through the Loan no. 8481 – RO signed on April 17, 2015. The audited financial statements for the year ended as at December 31, 2016 comprise: the statement of resources and uses of funds, statement of expenditures, financial statement of loan, statement of treasury account and other explanatory notes.
- 2 In our opinion, the accompanying project financial statements for the period from October 14, 2015 – December 31, 2016 are prepared, in all material respects, in accordance with the generally accepted accounting principles and practices and relevant World Bank guidelines.

### *Basis for opinion*

- 3 We conducted our audit in accordance with International Standards on Auditing (ISAs) and with the corresponding requirements of the World Bank. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Ministry of National Education, in accordance with the 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.

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

- 4 Management is responsible for the preparation of the financial statements in accordance with the the generally accepted accounting principles and practices and relevant World Bank guidelines, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- 5 In preparing the financial statements, management is responsible for assessing the project's capacity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease the project or the operations, or has no realistic alternative but to do so.
- 6 Those charged with governance are responsible for overseeing the UMEFP's financial reporting process

## *Auditor's Responsibilities for the Audit of the Financial Statements*

- 7 Our objectives are to obtain reasonable assurance about whether the 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 the basis of these financial statements.
- 8 As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the 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 UMEFP'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 UMEFP'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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the UMEFP to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 9 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.

*Basis of Accounting and Restriction on Distribution and Use*

10 Without modifying our opinion, we draw attention to Note 5 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist UMEFP to comply with the financial reporting provisions as per the World Bank guidelines. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for UMEFP and World Bank and should not be distributed to or used by parties other than UMEFP or World Bank.

**For MOORE STEPHENS KSC ASSURANCE S.R.L.:**

Registered on the Romanian Chamber of Financial Auditors

no. 1266/7.09.2015

**STAN ANDREI MARIUS**

Registered on the Romanian Chamber of Financial Auditors

no. 5145/7.11.2016



Bucharest, 28 June 2017

**MINISTRY OF NATIONAL EDUCATION  
LOAN (8481 – RO) FOR THE SECONDARY EDUCATION PROJECT  
31 DECEMBER 2016 – *all the amounts are expressed in EUR, unless otherwise stated***

---

**LIST OF ABBREVIATIONS**

**MoNE - Ministry of National Education**

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

**ROSE - Romania Secondary Education Project**

**IBRD - International Bank for Reconstruction and Development**

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

**MoPF – Ministry of Public Finance**

**GoR – Government of Romania**

**MINISTRY OF NATIONAL EDUCATION  
LOAN (8481 – RO) FOR THE SECONDARY EDUCATION PROJECT  
31 DECEMBER 2016 – *all the amounts are expressed in EUR, unless otherwise stated***

---

## **GENERAL INFORMATION**

### *Reporting entity*

The Loan Agreement is implemented by the Ministry of National 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 Bucharest on April 17, 2015 and ratified by law 234/12 October 2015. The subsidiary agreement between Ministry of Public Finance and Ministry of National Education was signed on December 23, 2015.

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

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

MoNE would use pre-financing from State Budget funds and then the MoPF 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 title number 65 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 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. It is structured in three components, as described below.

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

### *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.

## **GENERAL INFORMATION (CONTINUED)**

### Sub-component 1.2 – Systemic Interventions

This sub-component finances: (i) revision of the upper secondary education curriculum, with specific consideration for the needs of disadvantaged students including Roma; (ii) training of teachers and public school directors on implementing the revised curriculum, on adapting the curriculum to the needs and abilities of different students (inclusive education), student-centered teaching approaches, intercultural competence and on formative assessment; (iii) improving teaching conditions within Teachers Houses; (iv) revising and updating Grade 8 and Bacalaureate exam banks of items, and providing training and improvement of existing information and technologies platform; (v) development and implementation of a Grade 10 learning assessment, to be administered at the end of the compulsory education cycle; (vi) development of digital teaching and learning materials; (vii) development and implementation of campaigns to raise student and teacher awareness, which could be tailored for Roma students; and (viii) strengthening of MoNE's capacity to use educational information to monitor upper secondary education and the transition of students into tertiary education.

This sub-component will also finance the development and evaluation of interventions aimed at improving socio-emotional skills of students in high schools supported by the ROSE Project in order to increase retention and promotion to post-secondary education.

### 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. It finances three grant schemes – one non-competitive and two competitive – for public faculties/universities that serve these at-risk students. Approximately 85 percent of Romanian public faculties would benefit from this component.

### 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 MoNE'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 is also financing the costs of the ROSE Project audits.

The following table sets forth the Categories of items to be financed out of the proceeds of the Loan, the allocation of the amounts of the Loan to each Category and the percentage of expenditure for items so to be financed in each Category:



MINISTRY OF NATIONAL EDUCATION  
LOAN (8481 – RO) FOR THE SECONDARY EDUCATION PROJECT  
31 DECEMBER 2016 – *all the amounts are expressed in EUR, unless otherwise stated*

---

GENERAL INFORMATION (CONTINUED)

*Loan allocation*

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

<i>Component</i>	<i>Component Description</i>	<i>Amount allocated from the loan_EUR</i>
1	School-based and Systemic Interventions	144,500,000
2	University-Level Interventions and Bridge Programs	49,100,000
3	Project Management, Monitoring and Evaluation	6,400,000
	<b>Total project financing</b>	<b>200,000,000</b>

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

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) the term "Operating Costs" means: expenditures incurred by the UMEFP, on account of Project implementation, including:
- salaries of the staff (other than civil servants) of the UMEFP;
  - office supplies and equipment;
  - fuel costs for vehicles;
  - communication expenditures and travel expenditures of the UMEFP staff (including mobile phones, telephone lines, fax, internet);
  - domestic and abroad travel expenditures including daily allowance and accommodation;
  - office software;
  - advertising and translation services;
  - bank charges;
  - operating, maintenance and insurance costs for vehicles and office equipment;
  - rent of office spaces;

**GENERAL INFORMATION (CONTINUED)**

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 MoNE is receiving the requested money from the Ministry of Public Finances. The Ministry of Public Finance 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.

**MINISTRY OF NATIONAL EDUCATION  
LOAN (8481 – RO) FOR THE SECONDARY EDUCATION PROJECT  
31 DECEMBER 2016 – *all the amounts are expressed in EUR, unless otherwise stated***

---

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

**Project Financial Statements  
for the period starting from October 14<sup>th</sup> 2015 up to December 31<sup>th</sup> 2016**

MINISTRY OF NATIONAL EDUCATION  
 LOAN (8481 – RO) FOR THE SECONDARY EDUCATION PROJECT  
 31 DECEMBER 2016 – *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 National Education as at 31 December 2016 - not disbursed amounts

Loan No 8481 RO – The Secondary Education Project

	<u>31-Dec-16</u>	<u>31-Dec-15</u>
Loan amount approved	200,000,000	200,000,000
Less: Total drawings from loan	107,740	-
Loan amount not disbursed	199,892,260	200,000,000
<b>IBRD loan</b>	<u>31-Dec-16</u>	<u>31-Dec-15</u>
<b>Opening disbursed amounts</b>	-	-
Disbursements	107,740	-
<b>Closing disbursed amounts</b>	<b>107,740</b>	-
Net amounts	200,000,000	200,000,000
<b>Not disbursed amounts in balance</b>	<b>199,892,260</b>	<b>200,000,000</b>

1.2 Statement of the IBRD Loan Account of the Ministry of National Education as at 31 December 2016 – disbursed amounts

<i>Sources - IBRD contribution per component</i>	<i>Transferred Sources October 14, 2015 December 31, 2015</i>	<i>Transferred Sources January 01, 2016 December 31, 2016</i>	<i>Cumulated Sources until December 31, 2016</i>
Component 1	-	-	-
Component 2	-	-	-
Component 3	-	107,740	107,740
<b>TOTAL</b>	-	<b>107,740</b>	<b>107,740</b>

During the year 2016 the withdrawal application No.1 for the period 01.06.2016-30.06.2016 in amount of EUR 107,739.73 was disbursed, the withdrawal application No.2 in amount of EUR 528,369.32 has been disbursed from IBRD in 2017 for expenses related to period July 1, 2016 - December 31, 2016.

MINISTRY OF NATIONAL EDUCATION  
 LOAN (8481 – RO) FOR THE SECONDARY EDUCATION PROJECT  
 31 DECEMBER 2016 – *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

<i>Description</i>	<i>October 14, 2015 - December 31, 2015</i>	<i>January 01, 2016 - December 31, 2016</i>	<i>Cumulative at December 31, 2016</i>
<b>Opening cash balance</b>	-	-	-
<b>Add: cash receipts</b>	-	<b>636,109</b>	<b>636,109</b>
Funds pre-financed by MoPF and disbursed by IBRD in 2016	-	107,739	107,739
Funds pre-financed by MoPF and disbursed by IBRD in 2017	-	528,369	528,369
<b>Less: project expenditures related to:</b>	-	<b>636,109</b>	<b>636,109</b>
School-based and Systemic Interventions - Component 1	-	372,334	372,334
University-Level Interventions and Bridge Programs - Component 2	-	-	-
Project Management, Monitoring and Evaluation - Component 3	-	263,775	263,775
<b>Closing cash and cash equivalents balance</b>	-	-	-

MINISTRY OF NATIONAL EDUCATION  
 LOAN (8481 – RO) FOR THE SECONDARY EDUCATION PROJECT  
 31 DECEMBER 2016 – *all the amounts are expressed in EUR, unless otherwise stated*

---

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</i>	<i>Period end at December 31, 2015</i>
Payments through treasury account	636,109	-
<b>Total</b>	<b>636,109</b>	<b>-</b>

2.2 Uses of funds – IBRD contribution

<i>Using of funds - IBRD contributions per component</i>	<i>Period end at December 31, 2016</i>	<i>Period end at December 31, 2015</i>
Payments through Treasury account		
Component 1	372,334	-
Component 2	-	-
Component 3	263,775	-
<b>Total</b>	<b>636,109</b>	<b>-</b>

---

MINISTRY OF NATIONAL EDUCATION  
 LOAN (8481 – RO) FOR THE SECONDARY EDUCATION PROJECT  
 31 DECEMBER 2016 – *all the amounts are expressed in EUR, unless otherwise stated*

---

3. FINANCIAL STATEMENT OF THE LOAN

<b>Total disbursements as at 31 December 2016</b> <i>Loan IBRD 8481 – RO</i>	<i>December 31,</i> <b>2016</b>	<i>December 31,</i> <b>2015</b>
Opening disbursed amounts	-	-
<b>Total Opening disbursed amounts</b>	-	-
Disbursements	107,740	-
<b>Total Disbursements</b>	<b>107,740</b>	-
Closing disbursed amounts	107,740	-
<b>Total closing disbursed amounts</b>	<b>107,740</b>	-
Net amount - loan amount	200,000,000	200,000,000
<b>Unused loan account</b>	<b>199,892,260</b>	<b>200,000,000</b>

During the year 2016 the withdrawal application No.1 for the period 01.06.2016-30.06.2016 in amount of EUR 107,739.73 was disbursed, the withdrawal application No.2 in amount of EUR 528,369.32 has been disbursed from IBRD in 2017 for expenses related to period July 1, 2016 - December 31, 2016.

MINISTRY OF NATIONAL EDUCATION  
 LOAN (8481 – RO) FOR THE SECONDARY EDUCATION PROJECT  
 31 DECEMBER 2016 – all the amounts are expressed in EUR, unless otherwise stated

4. PROJECT COMMITMENTS AS AT 31 DECEMBER 2016

Commitments

As at 31 December 2016, the UMEFP has the following commitments for the concluded agreements:

No.	Contract Date	Contractor Name	Nationality	Contract Currency	Contract value incl. VAT	Contract value in EUR	Amount paid to date (EUR) December 31, 2016	Amount remaining to be paid to date (EUR) December 31, 2016
1	28/02/2017	Croland	Romania	Lei	2,700	605	484	121
2	11/10/2016	Alina ROSU	Romania	euro	16,000	16,000	5,600	10,400
3	31/03/2017	Posta Romana SA	Romania	Lei	18,840	4,172	602	3,571
4	31/12/2016	COREDD Consulting SRL-D	Romania	Lei	11,000	2,468	481	1,987
5	31/12/2016	2M Training & Consulting SRL	Romania	Lei	27,000	6,059	675	5,384
6	07/10/2016	Promo Service	Romania	Lei	75,884	17,047	13,177	3,870
7	28/02/2019	Achihaitei Mihaela Cornelia	Romania	euro	13,986	13,986	-	13,986
8	28/02/2019	Badoiu Mihaela Catalina	Romania	euro	14,418	14,418	-	14,418
9	28/02/2019	Bertesteanu Cornelia	Romania	euro	14,418	14,418	-	14,418
10	28/02/2019	Bufnea Mariana Daniela	Romania	euro	13,554	13,554	-	13,554
11	28/02/2019	Cepan Alina Daniela	Romania	euro	12,258	12,258	-	12,258
12	28/02/2019	Cuibus Valentin Claudiu	Romania	euro	11,826	11,826	-	11,826
13	28/02/2019	Deac Vasile	Romania	euro	14,850	14,850	-	14,850
14	28/02/2019	Dragoi Rodica	Romania	euro	13,986	13,986	-	13,986
15	28/02/2019	Ghimigiu Ionela	Romania	euro	11,394	11,394	-	11,394
16	28/02/2019	Irimia Crisalinda Nona	Romania	euro	13,554	13,554	-	13,554
17	28/02/2019	Jugariu Simona Viorica	Romania	euro	12,258	12,258	-	12,258
18	28/02/2019	Motoc Chivari Elena	Romania	euro	11,394	11,394	-	11,394
19	28/02/2019	Negrutiu Florin	Romania	euro	11,394	11,394	-	11,394
20	28/02/2019	Nemes Crina Gratiela	Romania	euro	12,258	12,258	-	12,258
21	28/02/2019	Paraschiv Mirela Maria	Romania	euro	14,850	14,850	-	14,850
22	28/02/2019	Pataki Ildiko	Romania	euro	12,258	12,258	-	12,258
23	28/02/2019	Pop Mariana	Romania	euro	11,826	11,826	-	11,826
24	28/02/2019	Popa Mihaela	Romania	euro	14,850	14,850	-	14,850



**MINISTRY OF NATIONAL EDUCATION  
LOAN (8481 – RO) FOR THE SECONDARY EDUCATION PROJECT  
31 DECEMBER 2016 – all the amounts are expressed in EUR, unless otherwise stated**

No.	Contract		Contractor	Nationality	Contract	Contract value		Amount paid to date (EUR) December 31, 2016	Amount remaining to be paid to date (EUR) December 31, 2016
	Date	Name				incl. VAT	In EUR		
1	3	4		5	Currency	7	9	10	11
25	28/02/2019	Popa Monica	Romania	6	euro	12,690	12,690	-	12,690
26	28/02/2019	Rapa Marilena	Romania	euro	euro	14,418	14,418	-	14,418
27	28/02/2019	Rosu Elisaveta	Romania	euro	euro	13,986	13,986	-	13,986
28	28/02/2019	Seres Raluca	Romania	euro	euro	12,258	12,258	-	12,258
29	28/02/2019	Vasile Ion	Romania	euro	euro	14,418	14,418	-	14,418
30	28/02/2019	Apostoiu Toni-Marcela	Romania	euro	euro	10,530	10,530	-	10,530
31	28/02/2019	Besleaga Camelia	Romania	euro	euro	10,098	10,098	-	10,098
32	28/02/2019	Buzuriu Mariana	Romania	euro	euro	8,802	8,802	-	8,802
33	28/02/2019	Calineci Marcela	Romania	euro	euro	10,962	10,962	-	10,962
34	28/02/2019	Catinean Iolanda	Romania	euro	euro	10,530	10,530	-	10,530
35	28/02/2019	Chirila Constantin	Romania	euro	euro	10,530	10,530	-	10,530
36	28/02/2019	Chitu Eugenia	Romania	euro	euro	10,962	10,962	-	10,962
37	28/02/2019	Constantin Nicoleta	Romania	euro	euro	10,962	10,962	-	10,962
38	28/02/2019	Craciun Marian	Romania	euro	euro	10,098	10,098	-	10,098
39	28/02/2019	Cuta Nicolae	Romania	euro	euro	10,530	10,530	-	10,530
40	28/02/2019	Durus Ligia	Romania	euro	euro	9,666	9,666	-	9,666
41	28/02/2019	Gotcu Mihaela	Romania	euro	euro	9,234	9,234	-	9,234
42	28/02/2019	Grigoras Nicoleta	Romania	euro	euro	10,098	10,098	-	10,098
43	28/02/2019	Grigerescu Livia	Romania	euro	euro	10,530	10,530	-	10,530
44	28/02/2019	Ianculescu Florina	Romania	euro	euro	10,530	10,530	-	10,530
45	28/02/2019	Iliea Mariana	Romania	euro	euro	9,666	9,666	-	9,666
46	28/02/2019	Lupulescu Mihaela	Romania	euro	euro	10,530	10,530	-	10,530
47	28/02/2019	Mate Marta	Romania	euro	euro	10,098	10,098	-	10,098
48	28/02/2019	Mihnevi Landiana	Romania	euro	euro	10,962	10,962	-	10,962
49	28/02/2019	Muresan Mihaela	Romania	euro	euro	10,098	10,098	-	10,098
50	28/02/2019	Murga Violeta	Romania	euro	euro	7,938	7,938	-	7,938
51	28/02/2019	Neagu Mihaela	Romania	euro	euro	9,666	9,666	-	9,666
52	28/02/2019	Negrea Gabriel	Romania	euro	euro	8,802	8,802	-	8,802
53	28/02/2019	Novac Madalina	Romania	euro	euro	8,802	8,802	-	8,802
54	28/02/2019	Olteanu Constanta	Romania	euro	euro	9,234	9,234	-	9,234
55	28/02/2019	Ostaci Crina	Romania	euro	euro	9,666	9,666	-	9,666
56	28/02/2019	Pavelescu Maria	Romania	euro	euro	10,098	10,098	-	10,098
57	28/02/2019	Paun Claudia	Romania	euro	euro	9,666	9,666	-	9,666
58	28/02/2019	Rabontu Carmen	Romania	euro	euro	10,098	10,098	-	10,098
59	28/02/2019	Stan Maria	Romania	euro	euro	10,962	10,962	-	10,962
60	28/02/2019	Stancu Rodica	Romania	euro	euro	10,962	10,962	-	10,962
61	28/02/2019	Solomon Violeta	Romania	euro	euro	9,234	9,234	-	9,234
62	28/02/2019	Seulean Luminita	Romania	euro	euro	8,802	8,802	-	8,802

MINISTRY OF NATIONAL EDUCATION  
 LOAN (8481 – RO) FOR THE SECONDARY EDUCATION PROJECT  
 31 DECEMBER 2016 – all the amounts are expressed in EUR, unless otherwise stated

No.	Contract Date	Contractor Name	Nationality	Contract Currency	Contract value incl. VAT	Contract value in EUR	Amount paid to date (EUR) December 31, 2016	Amount remaining to be paid to date (EUR) December 31, 2016
1	3	4	5	6	7	9	10	11
64	28/02/2019	Tirca Anca Iuliana	Romania	euro	10,098	10,098	-	10,098
65	28/02/2019	Tont Simona	Romania	euro	8,370	8,370	-	8,370
66	28/02/2019	Visan Mihu Eliza	Romania	euro	10,098	10,098	-	10,098
67	30/08/2017	Zlate Vasile	Romania	euro	24,000	24,000	-	24,000
68	30/08/2017	Ciocoiu Elvis	Romania	euro	27,600	27,600	-	27,600
69	30/08/2017	Poparlan Claudiu	Romania	euro	30,000	30,000	-	30,000
70	18/10/2017	Alexandru Trica	Romania	euro	27,600	27,600	-	27,600
71	10/02/2017	Eta2U	Romania	euro	1,667,817	1,667,817	-	1,667,817
		<b>TOTAL</b>					<b>21,018</b>	<b>2,474,348</b>

## **5. ACCOUNTING POLICIES AND RECORDS**

### **Basis of preparation**

The special purpose Project Financial Statements are prepared under the historical cost convention, in accordance with and comply 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 sub-projects and activities to which they refer.

### **Funding**

PMU does not record the loan amounts received from the IBRD, this being done at MFP level.

### **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 Public Finances.

**MINISTRY OF NATIONAL EDUCATION  
LOAN (8481 – RO) FOR THE SECONDARY EDUCATION PROJECT  
31 DECEMBER 2016 – all the amounts are expressed in EUR, unless otherwise stated**

---

**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.

**6. 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 National 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

MINISTRY OF NATIONAL EDUCATION  
 LOAN (8481 – RO) FOR THE SECONDARY EDUCATION PROJECT  
 31 DECEMBER 2016 – *all the amounts are expressed in EUR, unless otherwise stated*

---

**State treasury account as at 31 December 2016**

	IBRD	Total
<b>Opening balance 1 January 2015</b>	-	-
Cash receipts from MoPF for funds approved by funds providers	-	-
Other cash receipts from MoPF:	-	-
- pre-financing for costs to be supported from IBRD funds	-	-
- other	-	-
<b>Total cash receipts</b>	-	-
<b>Total payments from the State Treasury Account</b>	-	-
<b>Closing balance 31 December 2015 Opening balance 1 January 2016</b>	-	-
Cash receipts from MoPF for funds approved by funds providers	-	-
Other cash receipts from MoPF:	-	-
- pre-financing for costs to be supported from IBRD funds	636,109	636,109
- other	-	-
<b>Total cash receipts</b>	636,109	636,109
<b>Total payments from the State Treasury Account</b>	(636,109)	(636,109)
<b>Closing balance 31 December 2016</b>	-	-

**Note**

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

MINISTRY OF NATIONAL EDUCATION  
 LOAN (8481 – RO) FOR THE SECONDARY EDUCATION PROJECT  
 31 DECEMBER 2016 – *all the amounts are expressed in EUR, unless otherwise stated*

---

**NOTES TO THE PROJECT FINANCIAL STATEMENTS**

**Note 1. Sources of funds**

<b>Application for withdrawal No.</b>	<b>Payment details</b>	<b>Amount requested from State Treasury Account</b>	<b>CCY</b>	<b>Total</b>
	1 State Treasury Account	107,740	EUR	107,740
	2 State Treasury Account	528,369	EUR	528,369
<b>TOTAL</b>				<b>636,109</b>

**Note 2. Expenditure by components**

<b>Expenses</b>	<b>Expenses made in October 14, 2015 - December 31, 2015</b>	<b>Expenses made in January 01, 2016 - December 31, 2016</b>	<b>Cumulative December 31, 2016</b>
A. School-based and Systemic Interventions	-	372,334	372,334
B. University-Level Interventions and Bridge Programs	-	-	-
C. Project Management, Monitoring and Evaluation	-	263,775	263,775
<b>TOTAL IBRD financed</b>	-	<b>636,109</b>	<b>636,109</b>

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

**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 by various Ministries of the Government. 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.

**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. Subsequent events**

Up to June 2017, a significant number of contracts (271) were concluded with high-school education institutions in order to receive grants through the project. Also, SOE 3 (01.03.2017- 31.03.2017) worth EUR 1,711,604.16 was sent to MFP and disbursed on 25 April 2017.

Date: 28 June 2017

Ms. Liliana Preoteasa

Director UMEFP

Ministry of National Education Stamp



Ms. Cristina Robu

Financial Director  
UMEFP

A handwritten signature in blue ink, likely belonging to Ms. Cristina Robu, is written over the text "Financial Director UMEFP".