

REPORT ON THE IBRD LOAN ACCOUNT

**OF THE MINISTRY OF ENVIRONMENT
WATER AND FOREST**

**LOAN (8597 - RO) FOR THE INTEGRATED NUTRIENTS POLLUTION CONTROL
PROJECT**

**FOR THE PERIOD STARTING FROM JANUARY 01th, 2020 UP TO DECEMBER 31st,
2020**

**MINISTRY OF ENVIRONMENT, WATER AND FOREST
LOAN (8597 – RO) FOR THE INTEGRATED NUTRIENTS POLLUTION CONTROL
31 DECEMBER 2020 – *all the amounts are expressed in EUR, unless otherwise stated***

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31 DECEMBER 2020 – *all the amounts are expressed in EUR, unless otherwise stated***

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INDEPENDENT AUDITOR'S REPORT

LIST OF ABBREVIATIONS

GoR – Government of Romania

INPCP - Integrated Nutrients Pollution Control Project

INPCP-AF - Integrated Nutrients Pollution Control Project Additional Financing

IBRD - International Bank for Reconstruction and Development

Loan - the IBRD Loan (8597 – RO) for the Integrated Nutrients Pollution Control Project

MoPF – Ministry of Public Finance

MoEFW - MINISTRY OF ENVIRONMENT, WATERS AND FORESTS

PMU – Project Management Unit established within MoWF for the implementation of the INPCP

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GENERAL INFORMATION

Reporting entity

The Project is implemented by the Ministry of Environment, Water and Forest of Romania by means of the PMU within the entity.

Loan Agreement

The Government of Romania implemented starting with 2008 the "Integrated Nutrients Pollution Control Project" – the Original Project (INPCP), having a total value of EUR 60 million, financed through an International Bank for Reconstruction and Development loan, a Global Environmental Facility grant and local funds. The INPCP became effective on December 8, 2008 for a total IBRD loan of EUR 50 million (LN 4873-RO) and GEF Grant of US\$5.5 million (WBTF058040-RO), respectively. The Project Development Object is to support the Government of Romania to meet the European Union (EU) Nitrates Directive requirements by (a) reducing nutrient discharges to water bodies, (b) promoting behavioral change at the commune level, and (c) strengthening institutional and regulatory capacity.

After the first loan, no. 4873-RO, ratified by law 228/2008, Romania has received the Additional Loan, no. 8597-RO in amount of 48 million Euros from the International Bank for Reconstruction and Development (IBRD) to support the implementation of the "Integrated Nutrients Pollution Control Project-Additional Financing". The Loan agreement no. 8597 RO between Romania and IBRD was signed at Bucharest on April 14, 2016 and ratified by law no. 46/03.04.2018. The subsidiary agreement between Ministry of Public Finance and Ministry of Environment, Water and Forest was signed on May 08th, 2017.

The Integrated Nutrients Pollution Control Project – Additional Financing (financed by the IBRD loan no. LN8597-RO) continues to support the scaling up of activities initiated under the original Project. The Project remains highly relevant for Romania's obligations related to the implementation of the requirements of EU Nitrates Directive, in light of continued challenges Romania is facing with nutrient pollution countrywide, and successful experiences gained by the original Project; it continues to be the only project in Romania that finances direct investments in rural communities, bringing, at the same time important environmental as well as social-economic benefits. INPCP-AF helps with promoting environmentally-friendly, sustainable development of natural resources and agriculture in rural areas and strengthening Romania's institutional and regulatory capacity for meeting EU requirements.

The Project Development Objective (PDO) is to support the Borrower with a view of meeting the requirements of the EU Nitrates Directive at national level. This shall be accomplished by:

- a) Investment promotion in local communities for reducing nutrient discharges in water courses;
- b) Enhancing institutional capacity and coordination within ministries, institutions, agencies and all relevant stakeholders at local and national level for the regulation, implementation, monitoring and inspection of the requirements of the EU Nitrates Directive, and
- c) Promoting behavioral changes and good agricultural practice at local community level.

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The Loan was declared effective on April 13, 2017, and has a closing date of March 31, 2022 and a four-month grace period ending on July 31, 2022. The Borrower requested the World Bank an extension of the closing date with 12 months, extension that should be officially approved by Governmental Decision.

Destination of Borrowed Funds

The Project is structured in four parts, as described below:

- Part I: Investments in Local Communities to Reduce Nutrient Pollution (EUR 35 million)
- Part II: Institutional Strengthening and Capacity Building (EUR 5.5 million)
- Part III: Public Awareness and Information Support (EUR 3.5 million)
- Part IV: Project Management (EUR 4 million).

The aforementioned parts of the Project are further presented below:

Part I: Investments in Local Communities to Reduce Nutrient Pollution.

Implementation of Sub-projects proposed by Beneficiaries in any of the areas set forth in the Operational Manual, including the following: (i) developing local community storage, composting and handling systems, packing/pelleting stations and biogas facilities, all to promote better management of livestock and household waste; (ii) planting of vegetative buffer strips, including tree planting and afforestation; (iii) sewage and wastewater treatment activities; and (iv) provision of equipment to upgrade the existing manure storage and/or composting facilities

Part II: Institutional Strengthening and Capacity Building.

1. Providing support to:
 - (a) ANAR to monitor and report to the MEWF and EU on the quality of surfacewater and groundwater under the EU Nitrates Directive and the EU Water Framework Directive, through *inter alia*:
 - (i) the acquisition of equipment for groundwater wells;
 - (ii) the construction of groundwater wells;
 - (iii) the acquisition of laboratory equipment and related software; and
 - (iv) the provision of technical assistance for, *inter alia*, the carrying out of studies and the development of software; and
 - (b) institutions represented in the Inter-Ministerial Committee for Application of the EU Nitrates Directive (ICA).
2. Carrying out of a comprehensive training program for the staff of the relevant national, regional and county level agencies on monitoring, control and reporting under the EU Nitrates Directive and EU Water Framework Directive.
3. Improving the capacity building system able to support the scaling up, at the national level, of the implementation process of the EU Nitrate Directive and Water Framework Directive.
4. Providing technical assistance to: (i) update the Code of Good Agricultural Practices and revise action programs; and (ii) carry out activities to promote the adoption by the farmers of the improved nutrient management practices set forth in the Code of Good Agricultural Practices.

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5. Developing knowledge and training activities (through providers), and supporting on-farm demonstrations to improve the adoption and compliance by farmers of the Code of Good Agricultural Practices.

Part III: Public Awareness and Information Support.

1. Carrying out of public awareness activities at the local, river basin, national and regional levels, including meetings, workshops, field trips, study tours and mass media events and products, to introduce the Project and its benefits, to promote improved rural sanitation and implementation of good agricultural practices.
2. Providing training and support to potential Beneficiaries during the preparation and implementation of Sub-projects.

Part IV: Project Management

Supporting the PMU in connection with Project implementation, monitoring, reporting, evaluation and impact assessment through the provision of: (i) funds for Incremental Operating Costs and for the acquisition of goods (including cars); and (ii) non-consultant services and consultants' services including, *inter alia*, audit and social surveys; and (iii) training.

The Loan has only one disbursement category

The following table sets forth the types of items to be financed out of the proceeds of the Loan under the single disbursement category and the percentage of expenditure to be financed from the Loan:

Loan allocation

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

Code	Category Description	Amount allocated from the loan EUR	Amount allocated from the loan RON
1	Goods, works, non-consulting services, consultants' services (including audits), training and incremental operating costs for the parts of the Project set out in Schedule 1 to the Agreement.	48.000.000	216.873.600
	Total project financing	48.000.000	216.873.600

Disbursement is monitored in the Loan currency - Euro.

Note: For the purposes of determining the value of the loan, the euro / lei rate used was that registered on 13 April 2017, the date of entry into force of the project, at the NBR exchange rate 4,5182 lei / euro.

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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) and documentation provided by the PMU within MoWF. All eligible expenditures are 100% financed from the Loan, tax included.

For the purposes of this report:

- a) the terms "Statement of Expenditures" and "Summary Sheets" mean expense pre-defined reports prepared by the PMU and used by the Borrower to submit to the IBRD with the applications for reimbursement of payments made by the PMU for project purposes.
- b) the term "State Treasury Account" means: a bank account opened at the State Treasury of Bucharest where MoEWF is receiving the requested financing from the MoPF. No Designated Account is used for the project. MoEWF would use pre-financing from State Budget funds and then the MoPF would disburse periodically funds from the IBRD loan using the reimbursement method for project eligible payments incurred. The Treasury makes the monthly budgetary openings as requested, and the Project would receive its allocations in title number 65 in the Treasury system. The Borrower would submit withdrawal applications for the eligible expenditures. The supporting documentation for disbursements would include summary sheets and statement of expenditures

The account in commercial bank used for foreign expenditures under the project is:

- RO25RNCB0484154021370004 for Euro currencies
- RO41RNCB0484154021370007 for USD currencies

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**GOVERNMENT OF ROMANIA – MINISTRY OF ENVIRONMENT, WATER AND
FOREST**
**IBRD LOAN (8597-RO) FOR THE INTEGRATED NUTRIENTS POLLUTION CONTROL
PROJECT**

Project Financial Statements
for the period starting from January 01th 2020 up to December 31th 2020

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1. STATEMENT OF RESOURCES AND USES OF FUNDS

1.1. Statement of the IBRD Loan Account as at 31 December 2020 - disbursed amounts

Loan No 8597 RO – INPCP

	<u>EUR</u> <u>31-Dec-19</u>	<u>EUR</u> <u>31-Dec-20</u>
Loan amount approved	48.000.000	48.000.000
Less: Total drawings from loan	9.087.941	18.259.528
Loan amount not disbursed	38.912.059	29.740.472

	<u>31-Dec-19</u>	<u>31-Dec-20</u>
IBRD loan		
Opening disbursed amounts	5.608.303	9.087.941
Disbursements	3.479.638	9.171.587
Closing disbursed amounts	9.087.941	18.259.528
Net amounts	9.087.941	18.259.528
Not disbursed amounts in balance	38.912.059	29.740.472

	<u>RON</u> <u>31-Dec-19</u>	<u>RON</u> <u>31-Dec-20</u>
Loan amount approved	216.873.600	216.873.600
Less: Total drawings from loan	42.629.504	86.922.093
Loan amount not disbursed	174.244.096	129.951.507

	<u>31-Dec-19</u>	<u>31-Dec-20</u>
IBRD loan	26.154.544	42.629.504
Opening disbursed amounts	16.474.960	44.292.589
Disbursements	42.629.504	86.922.093
Closing disbursed amounts	42.629.504	86.922.093
Net amounts	174.244.096	129.951.507
Not disbursed amounts in balance		

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1.2.Statement of the IBRD Loan Account as at 31 December 2020 – disbursed amounts

<i>Sources - IBRD contribution per component</i>	<i>Transferred Sources January 01, 2019 - December 31, 2019 EUR</i>	<i>Transferred Sources January 01, 2020- December 31, 2020 EUR</i>	<i>Cumulated Sources until December 31, 2019 EUR</i>	<i>Cumulated Sources until December 31, 2020 EUR</i>	<i>Project Allocation EUR</i>
Part I	1.413.120	7.344.968	3.313.481	10.659.330	35.000.000
Part II	520.627	1.134.877	3.226.727	4.352.432	5.500.000
Part III	956.496	2.594	1.077.909	1.085.194	3.500.000
Part IV	589.395	689.148	1.469.824	2.162.572	4.000.000
TOTAL	3.479.638	9.171.587	9.087.941	18.259.528	48.000.000

<i>Sources - IBRD contribution per component</i>	<i>Transferred Sources January 01, 2019 - December 31, 2019 RON</i>	<i>Transferred Sources January 01, 2020- December 31, 2020 RON</i>	<i>Cumulated Sources until December 31, 2019 RON</i>	<i>Cumulated Sources until December 31, 2020 RON</i>	<i>Project Allocation RON</i>
Part I	6.690.665	35.503.336	15.557.785	51.061.121	158.137.000
Part II	2.465.000	5.454.529	15.091.709	20.546.238	24.850.100
Part III	4.528.700	12.454	5.095.217	5.107.671	15.813.700
Part IV	2.790.595	3.322.270	6.884.793	20.207.063	18.072.800
TOTAL	16.474.960	44.292.589	42.629.504	86.922.093	216.873.600

During the year 2019 the withdrawal application No.10-15 for the period December 01th, 2018-October 31th, 2019 in amount of EUR 3.479.638 (RON 16.474.960) was disbursed; withdrawal applications no. 16-25 for the period 01.11.2019 – 30.11.2020 in amount of EUR 9.171.588 (RON 44.292.589) were disbursed in 2020; the withdrawal application no. 26 in amount of EUR 2.397.197 (RON 11.670.120) was disbursed by IBRD in 2021, for expenditures corresponding to 01.12.2020-31.12.2020.

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

1.3. Summary of Funds Received and Uses of Funds at December 31, 2020

<i>Description</i>	<i>January 01, 2019 - December 31, 2019 - EUR</i>	<i>01 January 2020- 31 December 2020 -EUR</i>	<i>Cumulative at December 31, 2019 - EUR</i>	<i>Cumulative at 31 December 2020- EUR</i>
Opening cash balance	-	-	-	-
Add: cash receipts	5.022.021	9.383.524	11.273.202	20.656.726
Funds pre-financed by MoPF and disbursed by IBRD	3.479.638	6.986.326	9.087.941	18.259.528
-of which afferent the previous year	-642.878	-2.185.261		-
Funds pre-financed by MoPF and disbursed by IBRD next year	2.185.261	2.397.198	2.185.261	2.397.198
Less: project expenditures	5.022.021	9.383.524	11.273.202	20.656.726
Closing cash and cash equivalents balance	-	-	-	-

<i>Description</i>	<i>January 01, 2019 - December 31, 2019 - RON</i>	<i>01 January 2020- 31 December 2020 -RON</i>	<i>Cumulative at 31 December 2019 - RON</i>	<i>Cumulative at 31 December 2020 -RON</i>
Opening cash balance	-	-	-	-
Add: cash receipts	23.918.170	45.526.693	53.065.519	98.592.212
Funds pre-financed by MoPF and disbursed by IBRD	16.474.960	33.856.574	42.629.504	86.922.093
-of which afferent the previous year	-2.992.804	-10.436.015		-
Funds pre-financed by MoPF and disbursed by IBRD next year	10.436.015	11.670.120	10.436.015	11.670.120
Less: project expenditures	23.918.170	45.526.693	53.065.519	98.592.212
Closing cash and cash equivalents balance	-	-	-	-

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2. STATEMENT OF EXPENDITURES		
2.1 Uses of funds – IBRD contribution		
	<i>Period end at December 31, 2019 -EUR-</i>	<i>Period end at December 31, 2020 -EUR-</i>
Payments through treasury account	5.022.021	9.383.524
Total	5.022.021	9.383.524
	<i>Period end at December 31, 2019 -RON-</i>	<i>Period end at December 31, 2020 -RON-</i>
Payments through treasury account	23.918.170	45.526.693
Total	23.918.170	45.526.693
2.2 Uses of funds – IBRD contribution		
<i>Using of funds - IBRD contributions per component</i>		
	<i>Period end at December 31, 2019 -EUR-</i>	<i>Period end at December 31, 2020 -EUR-</i>
Payments through treasury account		
Part 1 - Investments in Local Communities to Reduce Nutrient Pollution	2.790.434	8.098.435
Part 2 - Institutional Strengthening and Capacity Building	1.026.332	623.653
Part 3 - Public Awareness and Information Support	559.478	941
Part 4 - Project Management	645.777	660.495
Total	5.022.021	9.383.524
	<i>Period end at December 31, 2019 -RON-</i>	<i>Period end at December 31, 2020 -RON-</i>
Payments through treasury account		
Part 1 - Investments in Local Communities to Reduce Nutrient Pollution	13.289.886	39.315.971
Part 2 - Institutional Strengthening and Capacity Building	4.888.067	3.012.858
Part 3 - Public Awareness and Information Support	2.664.600	4.567
Part 4 - Project Management	3.075.617	3.193.297
Total	23.918.170	45.526.693

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3. FINANCIAL STATEMENT OF THE LOAN

Total disbursements as at 31 December 2020

<i>Loan IBRD 8597 – RO</i>	<i>December 31, 2019 – EUR-</i>	<i>December 31, 2020 – EUR-</i>
Opening disbursed amounts	5.608.303	9.087.941
Total Opening disbursed amounts	5.608.303	9.087.941
Disbursements	3.479.638	9.171.587
Total Disbursements	3.479.638	9.171.587
Closing disbursed amounts	9.087.941	18.259.528
Total closing disbursed amounts	9.087.941	18.259.528
Net amount - loan amount	48.000.000	48.000.000
Unused loan account	38.912.059	29.740.472
	<i>December 31</i>	<i>December 31</i>
	<i>2019 –RON-</i>	<i>2020 – RON-</i>
Opening disbursed amounts	26.154.544	42.629.504
Total Opening disbursed amounts	26.154.544	42.629.504
Disbursements	16.474.960	44.292.589
Total Disbursements	16.474.960	44.292.589
Closing disbursed amounts	42.629.504	86.922.093
Total closing disbursed amounts	42.629.504	86.922.093
Net amount - loan amount	216.873.600	216.873.600
Unused loan account	174.244.096	129.951.507

During the year 2019 the withdrawal application No.10-15 for the period December 01th, 2018-October 31th, 2019 in amount of EUR 3.479.638 (RON 16.474.960) was disbursed; withdrawal applications no. 16-25 for the period 01.11.2019 – 30.11.2020 in amount of EUR 9.171.588 (RON 44.292.589) were disbursed in 2020; the withdrawal application no. 26 in amount of EUR 2.397.197 (RON 11.670.120) was disbursed by IBRD in 2021, for expenditures corresponding to 01.12.2020-31.12.2020, and is not included in the table above.

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4. PROJECT COMMITMENTS AS AT 31 DECEMBER 2020

On December 31st, 2020, MWF – PMU had in place the following commitments for the signed contracts:

Data	Nume Contractor	Nationalitate	Moneda Contract	Valoare contract (partea MAP- UMP INPC) inclusiv TVA	Curs euro -din data seminarii contractului-	Valoare contract in EUR	Valoare platita (EUR) pana la 31 Decembrie, 2020	Valoarea ramasa de platit (EUR) la 31 Decembrie, 2020
1	2							
6-Sep-17	SC. Promoda International SRL	Romana	RON	16 969.40	4.5959	3 692.29	3 693.66	1.37
8-Dec-17	SC Laurentiu H SRL and SC Gavella Com SRL	Romana	RON	9 888 414.00	4.6327	2 134 481.84	2 121 589.13	12 892.71
8-Dec-17	SC EGIS ROMANIA SRL	Romana	RON	246 316.00	4.6327	53 168.99	52 938.98	230.01
23-Nov-17	JV Mott MacDonald SRL and Mott MacDonald Ltd UK	Romana	EUR	315 540.40		315 540.40	227 369.07	88 171.33
03-Nov-17	Heliosoly SRL	Romana	RON	129 472.00	4.5981	28 157.72	19 730.00	8 427.72
28-Nov-17	Anna Maria Mares (physical authorized person)	Romana	RON	178 200.00	4.6431 si 4.7569	38 073.48	31 685.11	6 388.37
28-Dec-18	SC Gradinariu Import Export SRL	Romana	EUR	741 597.00		741 597.00	741 549.97	47.03
14-Dec-18	JV NIER (leader)& Pro Agro& CBPE Poland& ICPA& ACOR& USAMV Iasi & UCV	Romana	EUR	795 574.25		795 574.25	449 667.94	345 906.31
14-Dec-18	JV NIER (leader)& Pro Agro& CBPE Poland& ICPA& ACOR& USAMV Bucharest	Romana	EUR	848 885.06		848 885.06	403 962.62	444 922.44
14-Dec-18	JV NIER (leader)& Pro Agro& CBPE Poland& ICPA& ACOR& UCV	Romana	EUR	771 000.67		771 000.67	241 391.70	529 608.97
07-Nov-18	JV ICPA and USAMV Bucuresti	Romana	EUR	83 859.30		83 859.30	45 439.19	38 420.11
16-Oct-18	SC MHS Bus & Truck SRL	Romana	RON	571 884.25	4.6663	122 556.25	120 042.87	2 513.38
23-Nov-18	EGIS Romania SA	Romana	RON	197 674.68	4.6553	42 462.29	41 584.86	877.43
23-Oct-18	Media One SRL	Romana	EUR	1 349 836.81		1 349 836.81	635 399.59	714 437.22
23-May-18	JV Deloitte Consultantia SRL & Ramboll South East Europe SR	Romana	EUR	190 340.50		190 340.50	190 325.63	14.87

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11-May-18	IT CLICK SERVICE SRL	Romana	RON	3 437.70	4.6397	740.93	740.93	0.00
07-Jun-18	SC Dendrio Solutions SRL	Romana	RON	32 201.40	4.6564	6 915.51	6 900.55	14.96
07-Jun-18	SC Graitec Roumanie SRL	Romana	RON	45 393.74	4.6564	9 748.68	9 727.58	21.10
18-Jun-18	SC MOBTECO SRL	Romana	RON	102 330.84	4.6618	21 950.93	22 126.54	175.61
07-Nov-18	Luiza Maria Ionescu (physical authorized person)	Romana	RON	260 100.00	4.6640	55 767.58	22 463.27	33 304.31
05-Apr-18	SHIMADZU HANDELSGESELLSCHAFT m.b.H	Germană	RON	1 323 042.00	4.6598	283 926.78	283 999.91	73.13
25-Jan-2018	SEBA HYDROMETRY	Germană	EUR	1 581 898.32		1 581 898.32	1 582 021.95	123.63
18-Jan-2018	SC HYDROMET SERVICE SRL	Romana	EUR	845 828.20		845 828.20	846 763.69	935.49
07-Mar-18	JV CURS SRL & NOVEL RESEARCH SRL	Romana	EUR	137 111.80		137 111.80	77 665.57	59 446.23
04-Apr-18	Moore Stephens KSC Assurance SRL	Romana	EUR	29 027.67		29 027.67	17 635.26	11 392.41
27-Feb-18	Renault Commercial Roumaine SRL	Romana	RON	82 952.13	4.6658	17 778.76	17 778.76	-
17-Apr-18	S.C. LUXOFFICE CENTER SRL	Romana	RON	16 454.25	4.6507	3 538.02	3 538.02	-
28-Mar-18	OBSIDIAN COM S.R.L.	Romana	RON	1 471.00	4.6502	316.33	316.33	-
28-Mar-18	OBSIDIAN COM S.R.L.	Romana	RON	1 471.00	4.6502	316.33	316.33	-
28-Mar-18	OBSIDIAN COM S.R.L.	Romana	RON	1 471.00	4.6502	316.33	316.33	-
28-Mar-18	OBSIDIAN COM S.R.L.	Romana	RON	211.00	4.6502	45.37	45.37	-
28-Mar-18	ECOPIER SRL	Romana	RON	619.00	4.6502	133.11	133.11	-
28-Mar-18	SC Manoprinting System SRL	Romana	RON	8 854.00	4.6502	1 904.00	1 904.00	-
04-Apr-18	MEDA CONSULT S.R.L.	Romana	RON	281.00	4.6585	60.32	60.32	-
25-Jan-19	SC PUBLI MIMS PRODUCTION SRL	Romana	RON	565.00	4.7569	118.77	119.00	0.23
26-Feb-19	SC STREAM NETWORKS SRL	Romana	RON	6 991.25	4.7594	1 468.94	1 467.76	1.18
6-Mar-19	SC Global Network SRL	Romana	RON	8 925.00	4.7506	1 878.71	1 875.16	3.55

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12-Mar-19	SC GBT IMPEX SRL	Romana	RON	49 147.00	4.7516	9 812.46	9 812.46	-
11-Mar-19	Terra Romania Utilitaje Constructii SRL	Romana	EUR	596 071.00		596 071.00	595 680.26	390.74
26-Mar-19	Gradinariu Import-Export SRL	Romana	EUR	1 004 308.83		1 004 308.83	837 951.14	166 357.69
2-Jul-19	SC CONCAS SA	Romana	RON	864 143.22	4.7328	182 586.04	165 840.10	16 745.94
16-Jul-19	SC Just Consulting SRL	Romana	RON	1 675 000.00	4.7320	353 972.95	351 030.22	2 942.73
14-Aug-19	SC Interdevelopment SRL	Romana	RON	1 173 828.08	4.7216	248 608.12	124 743.46	123 864.66
3-Sep-19	SC SOCOT SA	Romana	RON	899 361.22	4.7230	190 421.60	181 871.07	8 550.53
12-Sep-19	SC CONPRIF SA	Romana	RON	1 924 707.01	4.7340	406 570.98	392 942.29	13 628.69
11-Sep-19	SC ROMOIL 2003 SRL	Romana	RON	1 183 861.76	4.7318	250 192.69	244 718.11	5 474.58
11-Sep-19	SC CONCAS SA	Romana	RON	3 196 938.76	4.7318	675 628.46	653 946.87	21 681.59
17-Sep-19	Terra Romania Utilitaje Constructii SRL	Romana	EUR	1 110 032.00		1 110 032.00	1 105 596.23	4 435.77
30-Sep-19	Gradinariu Import-Export SRL	Romana	EUR	1 532 346.04		1 532 346.04	1 213 046.66	319 299.38
25-Oct-19	SC SOCOT SA	Romana	RON	2 568 260.35	4.7528	540 367.86	527 263.46	13 104.40
25-Oct-19	SC CONPRIF SA	Romana	RON	2 748 712.90	4.7528	578 335.49	494 101.10	84 234.39
29-Oct-19	JV SC CASSAS SRL (Lider) și SC RODIAN SRL (Asociat)	Romana	RON	1 037 811.63	4.7569	218 169.74	198 349.33	19 820.41
14-Nov-19	SC SOCOT SA	Romana	RON	1 360 841.78	4.7635	285 681.07	279 262.50	6 418.57
15-Nov-19	CONPRIF SA BUZAU	Romana	RON	1 229 571.91	4.7669	257 939.52	162 937.44	95 002.08
27-Nov-19	SC Drum Construct SRL	Romana	RON	943 107.59	4.7765	197 447.42	187 660.69	9 786.73
18-Feb-20	Orizont Asistenta Tehnica SRL - Catalin Floarea	Romana	EUR	56 548.80		56 548.80	16 175.73	40 373.07
22-Apr-20	SC BRACO ENGINEERING SRL	Romana	RON	3 950 542.25	4.8345	817 156.32	459 277.56	357 878.76
22-Apr-20	SC IOMICAR SRL	Romana	RON	777 022.40	4.8345	160 724.46	157 232.05	3 492.41
22-Apr-20	SC Laurentiu H SRL	Romana	RON	3 606 884.11	4.8345	746 071.80	680 683.00	65 388.80
22-Apr-20	SC Reparatii Modernizari Retehnologizari Arges SRL	Romana	RON	964 386.90	4.8345	199 480.17	196 449.59	3 030.58

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26-May-20	JV CASSAS SRL & RODIAN SRL	Romana	RON	988 293.87	4.8396	204 209.83	200 514.66	3 695.17
26-May-20	JV SC Pavaaj Grup SRL si SC Wellhidromix SRL	Romana	RON	847 203.85	4.8396	175 056.59	165 890.92	9 165.67
26-May-20	SC RODIAN INVEST SRL	Romana	RON	1 683 124.06	4.8396	347 781.65	238 598.87	109 182.78
26-May-20	SC IMPA & I SRL	Romana	RON	2 462 773.80	4.8396	508 879.62	325 566.47	183 313.15
11-Jun-20	SC Drum Construct SRL	Romana	RON	1 844 179.09	4.8338	381 347.33	150 200.17	231 147.16
22-Jun-20	SC Drum Construct SRL	Romana	RON	2 278 819.29	4.8421	470 626.23	84 468.27	386 157.96
15-Sep-20	SC Conprif SA	Romana	RON	864 871.87	4.8573	178 056.09	-	178 056.09
21-Sep-20	SC Cassas SRL	Romana	RON	994 577.63	4.8582	204 721.43	-	204 721.43
21-Sep-20	SC Laurentiu H SRL	Romana	RON	1 070 396.55	4.8582	220 327.81	-	220 327.81
23-Sep-20	SC IMPA & I SRL	Romana	RON	1 061 784.44	4.8590	218 550.61	101 757.82	116 792.79
28-Sep-20	SC KESZ CONSTRUCTII ROMANIA SRL	Romana	RON	1 142 555.44	4.8750	234 505.04	189 425.55	45 079.49
1-Oct-20	SC Drum Construct SRL	Romana	RON	2 173 166.00	4.8735	445 914.85	-	445 914.85
5-Oct-20	SC Cassas SRL	Romana	RON	907 997.33	4.8718	186 366.73	-	186 366.73
8-Oct-20	SC ROMOIL 2003 SRL	Romana	RON	1 935 628.12	4.8729	397 117.09	-	397 117.09
8-Oct-20	SC BRACO ENGINEERING SRL	Romana	RON	939 610.04	4.8729	192 772.16	-	192 772.16
12-Oct-20	SC CONPRIF SA	Romana	RON	2 445 249.19	4.8720	501 682.19	-	501 682.19
12-Oct-20	SC Interdevelopment SRL	Romana	RON	1 795 886.12	4.8720	368 613.74	-	368 613.74
18-Nov-20	SC IMPA & I SRL	Romana	RON	1 183 917.94	4.8729	242 959.62	-	242 959.62
18-Nov-20	SC Mensajero SRL	Romana	RON	12 539.98	4.8729	2 573.41	2 575.69	2.28
17-Dec-20	SC IMPA & I SRL	Romana	RON	4 073 140.99	4.8684	836 648.79	-	836 648.79
9-Dec-20	SC Eco Star SRL	Romana	RON	794 270.26	4.8735	162 977.38	-	162 977.38
7-Dec-20	SC Conprif SA	Romana	RON	1 627 216.13	4.8725	333 959.19	-	333 959.19

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17-Dec-20	SC Prima Construct SRL	Romana	RON	2 399 795.81	4.8684	492 933.16	-	492 933.16
17-Dec-20	JV SC ANDRY CONS SRL & SC DRUM CONSTRUCT SRL	Romana	RON	963 918.50	4.8684	197 994.93	-	197 994.93
9-Dec-20	SC Concas SA	Romana	RON	1 745 422.57	4.8735	358 145.60	-	358 145.60
14-Dec-20	SC Cassas SRL	Romana	RON	762 350.34	4.8693	156 562.61	-	156 562.61

*Note: The balance amount is not represented by the difference between the value of existent commitments at December 31st, 2020 and the amount paid by the same date, because there are completed contracts with final values lower than the contracts.

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 (for monitoring the disbursement in the Loan currency) and RON (the currency of the expenses pre-financed from State Budget). The EUR 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 (Romanian Commercial Bank - BCR).

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 PMU as repayment is done by MoPF.

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.

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

Use of funds

The funds used represent the amounts paid for the purpose of the Project by the PMU, funds pre-financed by the MoPF and channeled through the budgetary mechanism and classification within MoEFW.

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 are converted into EUR at the exchange rate RON/EUR of the National Bank of Romania, in force at the date of payments.

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

All the funds are received through the Ministry's State Treasury Account. The internal payments are done through this account and for the external payments the funds are transferred to the Ministry's bank account from BCR (The Romanian Commercial Bank). No material balances are maintained in the commercial bank accounts which are used solely for external payments as Treasury cannot accommodate payments in foreign currencies.

Based on the Order of the Public Finance Ministry no 2004/2013, starting with 01st of January 2014 the PMU does not represent a separate entity from the MoEWF in relation to the Treasury account and only uses the following treasury account for the reimbursable funds:

Account No.	RO74TREZ23A700502650100X
Depository Bank	State Treasury Treasury Activity and Public Accounting of the Bucharest Municipality
Branch	Bucharest Municipality
Address	No. 6-8, Splaiul Unirii, 4 th District, 040032
Related loan/credit	Loan no. 8597 – RO
Account Currency	RON

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**State treasury account as at 31 December 2019 in
EUR**

	IBRD EUR	Total EUR	IBRD RON	Total RON
Opening balance 1 January 2019	5.608.303	5.608.303	26.154.544	26.154.544
Cash receipts from MoPF for funds approved by funds providers	3.479.638	3.479.638	16.474.960	16.474.960
Other cash receipts from MoPF:	-	-	-	-
- pre-financing for costs to be supported from IBRD funds	2.185.261	2.185.261	10.436.015	10.436.015
- other	-	-	-	-
Total cash receipts	11.273.202	11.273.202	53.065.519	53.065.519
Total payments from the State Treasury Account	11.273.202	11.273.202	53.065.519	53.065.519
Closing balance 31 DECEMBER 2019	-	-	-	-

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

	IBRD EUR	Total EUR	IBRD RON	Total RON
Opening balance 1 January 2020	9.087.941	9.087.941	42.629.504	42.629.504
Cash receipts from MoPF for funds approved by funds providers	9.171.587	9.171.587	44.292.589	44.292.589
Other cash receipts from MoPF:	-	-	-	-
- pre-financing for costs to be supported from IBRD funds	2.397.198	2.397.198	11.670.120	11.670.120
- other	-	-	-	-
Total cash receipts	20.656.725	20.656.725	98.592.213	98.592.213
Total payments from the State Treasury Account	20.656.725	20.656.725	98.592.213	98.592.213
Closing balance 31 DECEMBER 2020	-	-	-	-

Note :

PMU could use the Treasury account for several projects financed under reimbursable foreign loans, including the current one. The statement above represents only an extract of the project-related transactions channeled through the single Treasury account used by the Ministry. MoPF provides financing according to the budgets requested by the PMUs, therefore in case the budgets are not used, the remaining available financing may be reallocated to other projects. The expenses incurred are recorded separately under each project. Any remaining balances at the year-end are cancelled, as required by the budgetary legislation.

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NOTES TO THE PROJECT FINANCIAL STATEMENTS

Note 1. Sources of funds in EUR

Application for withdrawal No/year.	Payment details	Amount requested from State Treasury Account	CCY	Total
1/2017	State Treasury Account	165.237	EUR	165.237
2/2018	State Treasury Account	554.555	EUR	554.555
3/2018	State Treasury Account	411.437	EUR	411.437
4/2018	State Treasury Account	1.135.456	EUR	1.135.456
5/2018	State Treasury Account	524.062	EUR	524.062
6/2018	State Treasury Account	1.001.982	EUR	1.001.982
7/2018	State Treasury Account	884.031	EUR	884.031
8/2018	State Treasury Account	400.235	EUR	400.235
9/2018	State Treasury Account	531.309	EUR	531.309
10/2019	State Treasury Account	642.878	EUR	642.878
11/2019	State Treasury Account	448.617	EUR	448.617
12/2019	State Treasury Account	415.213	EUR	415.213
13/2019	State Treasury Account	1.064.216	EUR	1.064.216
14/2019	State Treasury Account	444.878	EUR	444.878
15/2019	State Treasury Account	463.835	EUR	463.835
16/2020	State Treasury Account	2.185.261	EUR	2.185.261
17/2020	State Treasury Account	597.906	EUR	597.906
18/2020	State Treasury Account	596.010	EUR	596.010
19/2020	State Treasury Account	581.935	EUR	581.935
20/2020	State Treasury Account	698.753	EUR	698.753
21/2020	State Treasury Account	949.335	EUR	949.335
22/2020	State Treasury Account	696.791	EUR	696.791
23/2020	State Treasury Account	638.757	EUR	638.757
24/2020	State Treasury Account	1.365.561	EUR	1.365.561
25/2020	State Treasury Account	861.279	EUR	861.279
26/2021	State Treasury Account	2.397.198	EUR	2.397.198
TOTAL		20.656.726	EUR	20.656.726

Note 2. Expenditure by components

Expenses	January 01, 2019- December 31, 2019	January 01, 2020 – December 31, 2020	Cumulative at December 31, 2019	Cumulative at December 31, 2020
	-EUR-	-EUR-	-EUR-	-EUR-
Part I	2.790.434	8.098.435	4.882.245	12.980.680
Part II	1.026.332	623.653	3.738.350	4.362.003
Part III	559.478	941	1.082.460	1.083.401
Part IV	645.777	660.495	1.570.147	2.230.642
TOTAL IBRD financed	5.022.021	9.383.524	11.273.202	20.656.726

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Expenses	January 01, 2019- December 31, 2019 -RON-	January 01, 2020 – December 31, 2020 -RON-	Cumulative at December 31, 2019 -RON-	Cumulative at December 31, 2020 -RON-
Part I	13.289.886	39.315.971	23.043.361	62.359.332
Part II	4.888.067	3.012.858	17.533.379	20.546.237
Part III	2.664.600	4.567	5.103.104	5.107.671
Part IV	3.075.617	3.193.297	7.385.675	10.578.972
TOTAL IBRD financed	23.918.170	45.526.693	53.065.519	98.592.212

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

The project's implementation has continued by launching new bidding procedures, according to the project's Procurement Plan and Implementation Plan. For 2021, the project's budget provides an amount of RON 36 Million in budgetary credits, and RON 58 Million in commitment credits, respectively.

Date:


 Mrs. NAIANA MILEA
 PMU Director


 Mrs. STEFANIA BURBEA
 Financial Manager, PMU

Stamp of the Ministry of Environment, Waters and Forests