



# Romania

## Investor Presentation

August 2022



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## Overview



# Snapshot of Romania's Economy



## Overview

## Response to Covid-19

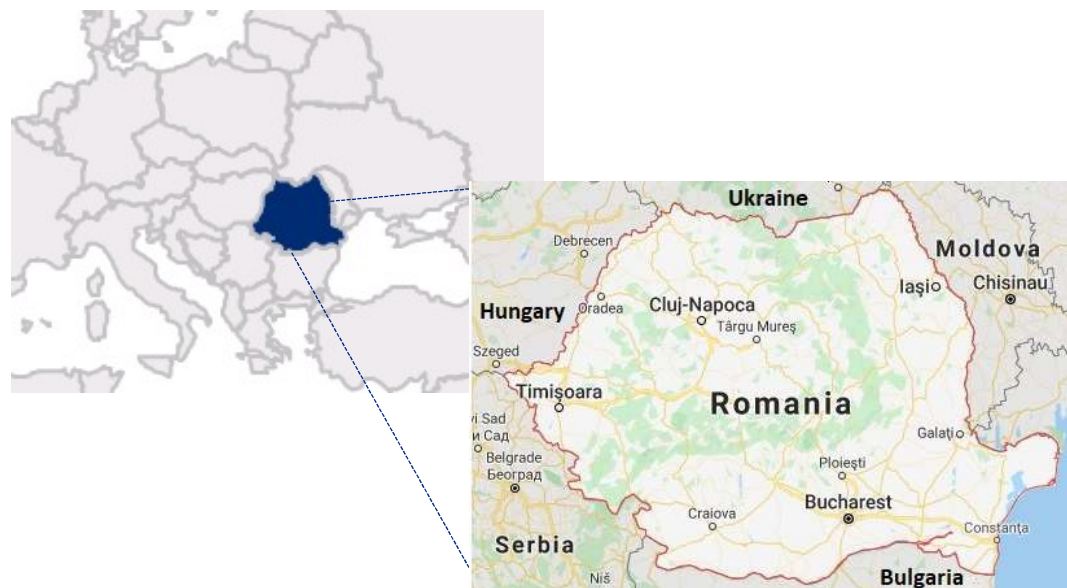
## Long Years of Uninterrupted GDP Growth

## Sustainable Fiscal Policy

## Prudent Public Debt Management

## EU Funding

Area	238,391 sq. km
Population (2021)	~ 19.16 <sup>(1)</sup> mn
Average RON/EUR rate (January-July 2022)	4.9447
GDP (2021 current prices)	RON 1,181.9 <sup>(2)</sup> bn
GDP (2021 current prices)	EUR 240.2 <sup>(2)</sup> bn
GDP per Capita (2021)	EUR 12,532.4 <sup>(2)</sup>
GDP Growth (2021, y-o-y)	5.9% <sup>(2)</sup>
Average Inflation (2021)	5.05%
Annual Inflation Rate (July 2022)	14.96%
Unemployment <sup>3</sup> (June 2022)	2.55%
Public Debt / GDP <sup>4</sup> (May 2022)	50.0%



## Current Credit Ratings

**S&P Global**

**BBB- / Stable**

*since May 16, 2014;  
rating affirmed on  
April 15, 2022*

**FitchRatings**

**BBB- / Negative**

*since July 4, 2011;  
rating affirmed on  
April 8, 2022*

**MOODY'S**

**Baa3 / Stable**

*since October 6,  
2006; rating affirmed  
on October 15, 2021*

Source: National Institute of Statistics ("NIS"), Eurostat, National Bank of Romania, Map data ©2020 Google, GeoBasis-DE/BKG (©2009).

(1) Estimate data; (2) Provisional data according to Press Release No. 85 from 8 April 2022. National Institute of Statistics ("NIS"); (3) Registered unemployment rate; (4) According to EU methodology

# Key Features of Romania's Credit Profile



## Overview

## Response to Covid-19

## Long Years of Uninterrupted GDP Growth

## Sustainable Fiscal Policy

## Prudent Public Debt Management

## EU Funding

### Strong Macroeconomic Framework

- After joining the EU, real convergence expressed in GDP per capita in PPS significantly improved from 39% in 2006 to 72.8%<sup>(1)</sup> in 2021 of EU average.
- In 2021, compared to 2020, the GDP registered an increase of 5.9% (provisional<sup>(2)</sup> estimates data), representing an increase of 1.9 percentage points over the level of 2019. The advance of the economy is due to the increase in domestic demand by 7.0% (private consumption increased by 7.9%, and gross fixed capital formation by 2.3%).
- In the first half of 2022, compared to the first semester of 2021, the GDP registered an increased of 5.8% (signal<sup>(3)</sup> estimates data).

### Well Capitalized and Liquid Banking Sector

- NPL ratio<sup>(4)</sup> showed a sustained downward trend (from 9.6% at end 2016 to 4.09% at end of 2019, 3.8% at the end of 2020, 3.4% at the end of 2021 and 3.0% in June 2022).
- To date, the Romanian government has not used public money to support local banks and their recapitalization has been entirely a responsibility of the shareholders.
- Very well capitalized banking sector, with a total capital adequacy ratio of 25.1%<sup>(5)</sup> as of December 2020, 23,3% as of December 2021 and 21.4% as of March 2022.
- Relatively stable exchange rate.

### Improving Financial Sector

- FDI growth: In the first six months of 2022 FDI reached EUR 4.4 bn (21.5% above the level of the similar period of 2021) and covered 35.6% of the current account deficit.
- A slight increase of the share of foreign currency denominated deposits and loans.

### Sustainable Public Debt

- 50.0% of GDP government debt according to EU methodology at end May 2022, compared to 48.8% at the end of 2021<sup>(6)</sup> mainly due to the COVID-19 crisis, the energy crisis and the geopolitical situation related to the Russia-Ukraine conflict.
- Sustainable debt management policy continued.

(1) Source: Eurostat; (2) Provisional data according to National Institute of Statistics Press Release no. 85 from 8 April 2022 (3) Signal data according to National Institute of Statistics Press Release no. 207 from 17 August 2022 (4) Under the EBA Methodology; (5) National Bank of Romania, "Aggregate Indicators for Credit Institutions"; (6) Eurostat News release no. 47/22.04.2022, EU methodology

# Nominal Convergence Criteria



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Convergence Criteria	Maastricht Requirements	Romania	Fulfilment of the criteria
Inflation rate (HICP) (% , annual average)	$\leq 1.5$ pp above 4.1% (the average of the three best-performing EU Member States) <sup>(1)</sup>	7.9% <sup>(1)</sup> (Jun. 2022)	No
Long-term interest rates (% p.a., annual average) <sup>(2)</sup>	$\leq 2$ pp above 1.9% (average of the three best-performing EU Member States in terms of price stability)	9.3% (Jul. 2022)	No
Exchange rate vs the euro <sup>(3)</sup> (2-year maximum percentage change)	$\pm 15\%$	+0.1 / -2.3% (Jul. 2022)	Yes
General government deficit (% of GDP) <sup>(4)</sup>	$\leq 3\%$	9.4%	No
Government debt (% of GDP) <sup>(5)</sup>	$\leq 60\%$	50.0%	Yes

(1) The reference value for June 2022 was calculated by the National Bank of Romania taking into account France, Portugal, and Finland based on Eurostat data.

(2) Eurostat: the reference value for July 2022 was calculated by the NCSP, taking into account France, Portugal and Finland

(3) The level for Romania was calculated by the National Bank of Romania, based on Eurostat data ([https://ec.europa.eu/eurostat/databrowser/view/ert\\_bil\\_eur\\_m/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/ert_bil_eur_m/default/table?lang=en)). Maximum percentage deviations of the bilateral exchange rate against the euro from its July 2020 average level in August 2020 to July 2022 (based on daily data at business frequency). An upward (+) /downward (-) deviation implies that the currency was stronger/weaker than the average exchange rate in July 2020.

(4) Eurostat press release 119/2021 as of 21 October 2021 for 2020, ESA methodology.

(5) Government debt according to EU methodology as at the end of May 2022. Source: Monthly Report of the Ministry of Finance.

Source: Eurostat, NBR and NCSP calculations.

# Russia-Ukraine geopolitical situation



Overview

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Prudent Public Debt Management

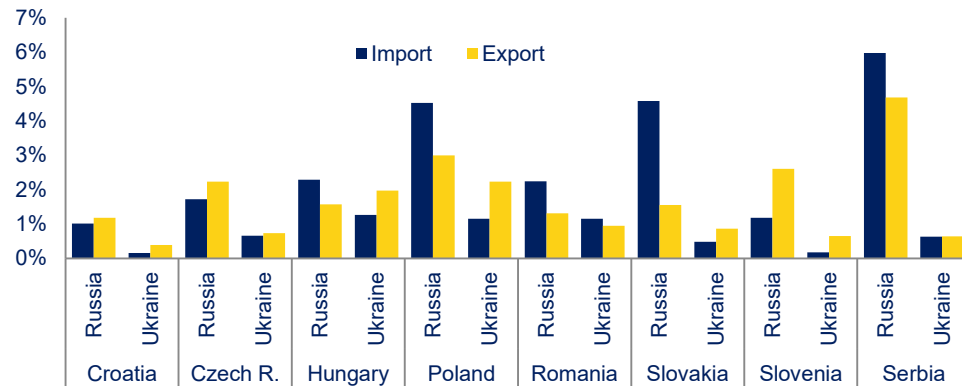
EU Funding

The geopolitical situation in Ukraine might affect the Romanian economy through different channels.

## The Trade Channel

Low impact, due to very limited trade with RU & UA.  
 ~ **4.2%**<sup>(3)</sup> - Romania's imports from RU+UA in total imports (RU - fuel imports prevail; UA - raw materials hold a higher share)  
 ~ **2.2%**<sup>(3)</sup> - Romania's exports to RU+UA in total exports (slightly higher weights were recorded for chemicals).

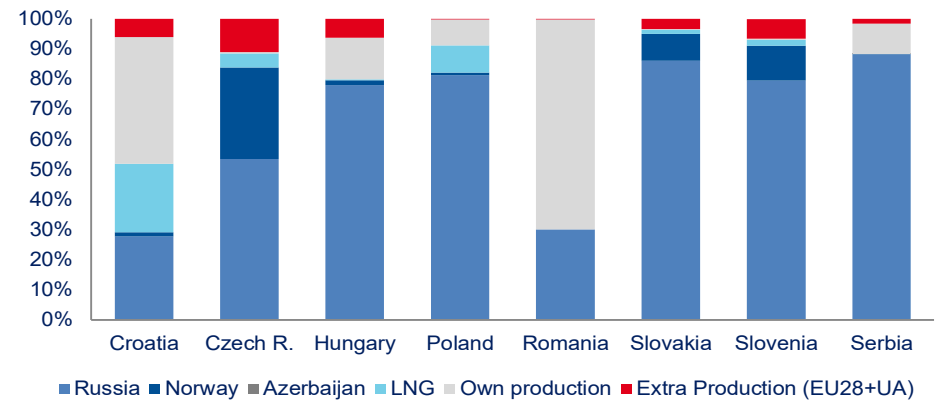
### Share of Russia and Ukraine in Foreign Trade<sup>(1)</sup>



## The Commodities Channel

The surge in energy and agri-food prices globally in the context of reopening the economies and the RU-UA conflict, with significant indirect impact on Romania's economy.  
 ~ **30%** - Romania's imports of fuels and raw materials from Russia in total fuels and raw material imports. Limited dependency on Russian gas by Romania

### Exposure to Individual Gas Sources<sup>(2)</sup>



## The Banking Sector Channel

- **The Romanian banking sector is not directly exposed to the risks associated with RU-UA conflict, and there is no direct shareholding from Ukraine and Russia.**
- **The indirect exposure could manifest via the contagion risks** through the channels of the international banking groups present in Russia and Ukraine that are also active in Romania or through the companies with RU/UA ownership and trade relations.

- Moreover, the share of FDI with country of origin Russia is reduced, about 0.2% (according to the criteria of the immediate investor) of the total FDI in the last 5 years. Slightly higher exposure (1.3%) from the perspective of the final beneficiary of the investment<sup>(4)</sup>.

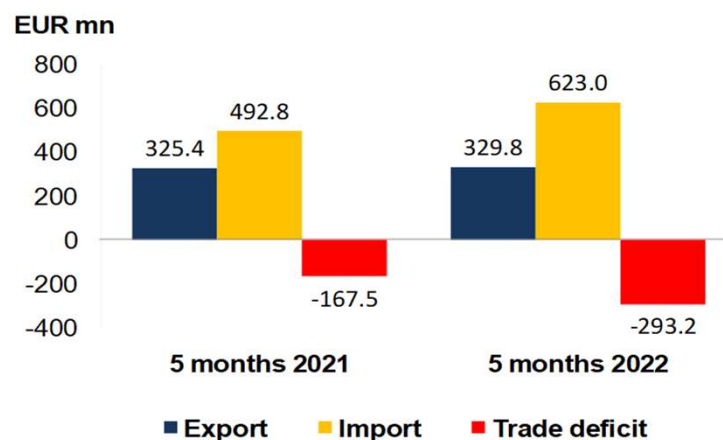
(1) Source: UN Comtrade, data as of 2020, <https://comtrade.un.org/data/>; (2) Source: Bruegel based on Entso-G and Eurostat' For gas production, UK and UA data from government agencies, data as of 2021; [www.bruegel.org/2022/02/preparing-for-the-first-winter-without-russian-gas/](http://www.bruegel.org/2022/02/preparing-for-the-first-winter-without-russian-gas/); (3) Revised data for 2021 as of end March 2022; (4) Source: Eurostat and the NBR FDI reports, published on the NBR website (<https://www.bnrr.ro/PublicationDocuments.aspx?icid=14364>)





## Romania's trade relations with Ukraine

- Trade in goods between Romania and Ukraine represents a small share in the total foreign trade of our country, therefore the conflict between the Russian Federation and Ukraine will not have significant effects, from this perspective.
- In the first five months of 2022, **exports to Ukraine** had a value of EUR 329.8 million, **accounting for 0.9% of the total Romanian exports**, increasing by 1.4% compared to the similar period of 2021.
  - The largest contribution to exports was made by the groups: miscellaneous manufactured articles (EUR 70.6 million), transport machinery and equipment (EUR 70.3 million), mineral fuels, lubricants and derived materials (EUR 69.4 million).



- Imports from Ukraine** have been growing in recent years, from EUR 561 million in 2015 to EUR 1342.2 million in 2021, while in the first five months of 2022 imports registered a level of EUR 623.0 million, exceeding by EUR 130.2 million the achievements of the similar period of previous year.
  - The most important values recorded for products purchased in Ukraine were for: manufactured goods classified chiefly by material (EUR 190.3 million), crude materials, inedible, except fuels (EUR 139.8 million) and transport machinery and equipment (EUR 85.7 million).
- Trade relations with Ukraine resulted in a **trade deficit** of EUR 293.2 million at the end of last five months 2022, mainly generated by manufactured goods classified chiefly by material (EUR 132.6 million), crude materials, inedible, except fuels (EUR 125.9 million) and food and live animals (EUR 42.5 million).

# Romania's reaction to the Russia-Ukraine conflict



## Overview

## Response to Covid-19

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**The Romanian authorities adopted the following measures in order to counter the negative effects of the energy crisis, which was triggered by the Russia-Ukraine conflict:**

- Regarding the impact of high prices of energy for households, business and industry, the Government adopted on March 18, 2022 additional support measures, in the form of:
  - temporary price limits, both for gas and energy consumption, for one year, applied as of April 1<sup>st</sup>, 2022;
  - tax measures on windfall profits;
  - a state aid scheme for large consumers.
- The measures apply both for household and non-household consumers with final prices for electricity being capped between RON 0.68/kWh or RON 0.8/kWh, VAT included, for household consumers and RON 1/kWh, VAT included, for non-household consumers.
- Prices for natural gas were also capped at RON 0.31/kWh, VAT included, for household consumers, respectively RON 0.37/kWh, VAT included, for non-household consumers.
- The Romanian Parliament adopted on May 18, 2022 the normative act for the amendment and completion of Law no. 256/2018 (“The Offshore Law”), which will allow the exploitation of natural gas from the Neptun Deep field in Black Sea. This will further reduce Romania’s moderate dependence on Russian oil and gas.
- On June 30, 2022 the Government adopted the Emergency Ordinance for the approval of the SME INVEST PLUS state aid scheme and its components - SME INVEST ROMANIA, AGRO SME INVEST, SME PROD, GARANT CONSTRUCT, INNOVATION and RURAL INVEST, which is intended to support the SME sector access financing, in the exceptional circumstances created by the global manifestation of the effects generated by the crisis caused by Russia's aggression against Ukraine.
- On July 1, 2022 entered into force the Government Emergency Ordinance which granted a RON 0.50/liter compensation on fuel prices until September 30, 2022, in order to counteract the effect of the increase in the prices of gasoline and diesel. From the total reduction of RON 0.50/liter, RON 0.25 will be supported from the state budget, through the Ministry of Finance, and RON 0.25 from the companies, being a deductible expense.



## Response to COVID-19

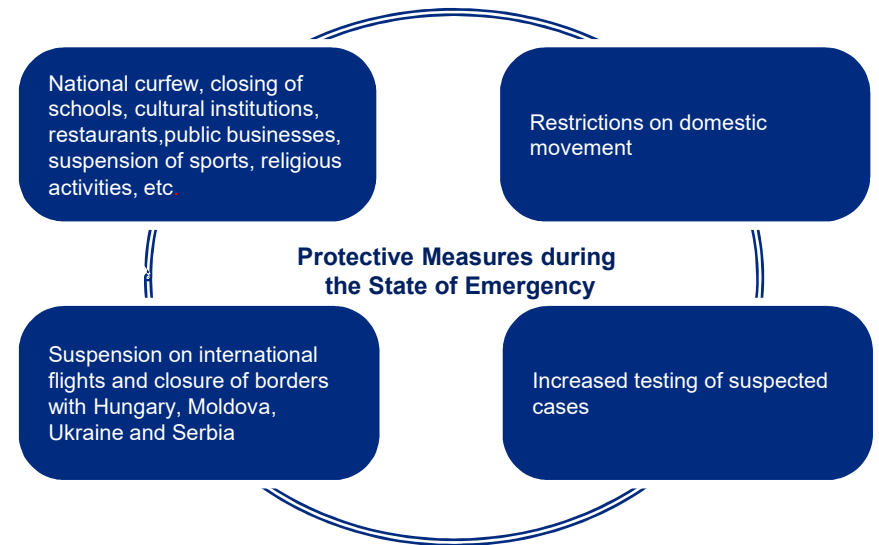


# Romania Reacted Early and Adequately to Covid-19



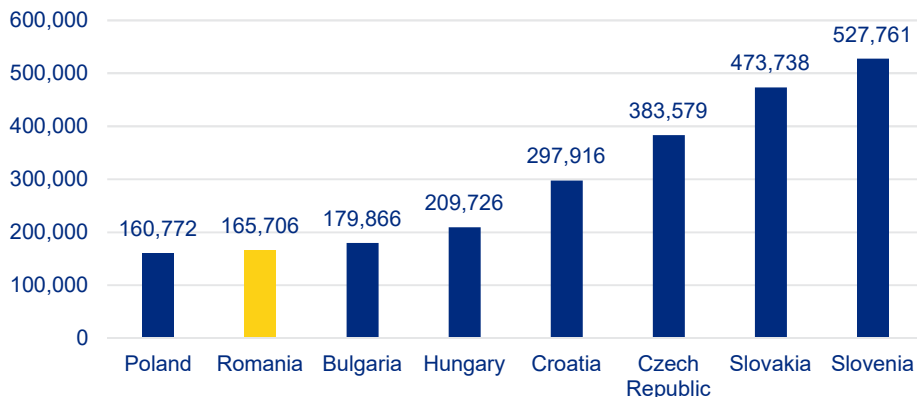
Overview | **Response to Covid-19** | Long Years of Uninterrupted GDP Growth | Sustainable Fiscal Policy | Prudent Public Debt Management | EU Funding

- Romania managed to contain the immediate spread of the virus due to a timely announcement of a state of emergency on March 16, 2020 and parallel implementation of a wide range of restrictive and pre-emptive measures. The state of emergency ended on midnight of May 14, 2020 and the state of alert started on May 15, 2020. On March 8, 2022 the state of alert ended in Romania and all COVID 19 related restrictions were lifted.
- On December 27, 2020, Romania officially started the vaccination campaign against the SARS-CoV-2 coronavirus. On March 15, 2021, the vaccination of the general population commenced. On September 27, 2021, the vaccination with the booster / third dose started.
- As of August 25, 2022 the cumulative uptake of at least one dose in Romania was 50.9% of total adult population (18 years and above).



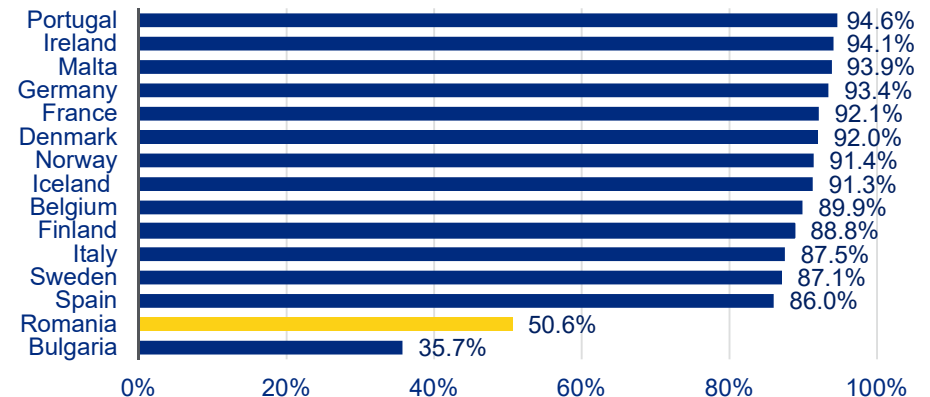
## Combined COVID-19 infection numbers as of August 25, 2022<sup>1</sup>:

Combined number of COVID-19 infections per 1 mn people:



## Full vaccination uptake as of August 25, 2022<sup>1</sup>

Full vaccination uptake among adults (18 years and above) in EU/EEA countries:



Sources: Ministry of Finance, ECDC, Oxford University, Ministry of Health, National Institute of Public Health



Series of support measures have been introduced by the European Commission and are available to Romania and other Member States



## Lines of EU Support and Implementation by the Ministry of Investments and European Projects

- EUR 3.1-3.9 bn in transfers from the EU budget to Romania (part of the EU Coronavirus Response Investment Initiative).
- Additional funds to be received from the SURE financial instrument (up to EUR 100 bn), the EU Solidarity Fund (in support of public expenditures on employment), the European Economic Recovery Fund and the EIB.

### Measures Aimed at Increasing Funds' Absorption Flexibility and Avoiding Decommitment of Funds

- Launch of calls for proposals within the Coronavirus Response Investment Initiative
- Continuation, postponement or suspension of projects' implementation
- Increase of pre-financing from 10% to 30% of contract values
- Extension of pre-financing deadlines
- Extension of works' execution and reimbursement deadlines
- Suspension of various activities during the state of emergency: submission deadlines, execution of debt securities, monitoring visits
- Electronic registration of documents

### Administration of State Aid

- In line with the temporary state aid framework of the EU, the MIEP<sup>2</sup> is carrying out analysis of financial statements of relevant entities and will relocate funds within OPs to enhance financing measures, where needed;
- Government Emergency Ordinance no. 29/2020 regarding implementation of SME INVEST ROMANIA was drafted on the basis of the Temporary Crisis Framework for Covid-19. Until June 30, 2022 a number of more than 56.000 guarantees were issued in a total amount of more than RON 31 billion.
- Government Emergency Ordinance no. 99/2022 regarding the approval of SME INVEST PLUS State Aid Scheme and its components - IMM INVEST ROMANIA, AGRO IMM INVEST, IMM PROD, GARANT CONSTRUCT, INNOVATION and RURAL INVEST was drafted on the basis of the Temporary Crisis Framework for State Aid Support Measures of the economy as a result of Russia's aggression against Ukraine. The guarantee ceiling for 2022 for the six components amounts to RON 17.75 billion.

(1) Operational Programme; (2) Ministry of Investments and European Projects



**Long Years of Uninterrupted  
GDP Growth**



# Romania's Economy: Macroeconomic Indicators



Overview	Response to Covid-19	Long Years of Uninterrupted GDP Growth			Sustainable Fiscal Policy	Prudent Public Debt Management	EU Funding	
		2016	2017	2018	2019	2020	2021	2022
<i>Macroeconomic Indicators</i>							<i>Estimate</i>	<i>Forecast</i>
Real GDP (% y-o-y)		4.7	7.3	4.5	4.2	(3.7)	5.9 <sup>e</sup>	3.5 <sup>b</sup>
Inflation rate (% , e.o.p.)		(0.5)	3.3	3.3	4.0	2.1	8.2	12.9 <sup>b</sup>
Inflation rate (% , annual average)		(1.5)	1.3	4.6	3.8	2.6	5.1	12.6 <sup>b</sup>
Budget balance (% GDP, cash)		(2.4)	(2.8)	(2.8)	(4.6)	(9.6)	(6.7)	(5.8)
Budget balance (% GDP, ESA 2010)		(2.6)	(2.6)	(2.9)	(4.3)	(9.4)	(8.0)	(6.2)
Government debt (% GDP, EU methodology)		37.3	35.1	34.7	35.3 <sup>a</sup>	47.2 <sup>a</sup>	48.8 <sup>a</sup>	47.7 <sup>c</sup>
Exports of goods (% , y-o-y)		5.1	9.2	8.1	1.9	(9.9)	20.1 <sup>e</sup>	22.0 <sup>b</sup>
Current account balance (% GDP)		(1.6)	(3.1)	(4.6)	(4.9)	(5.0) <sup>d</sup>	(7.0) <sup>e</sup>	(7.9) <sup>b</sup>
<i>Interest And Exchange Rates</i>								
NBR policy rate (% , e.o.p)		1.75	1.75	2.50	2.50	1.50	1.75	5.50
Credit facility rate		3.25	2.75	3.50	3.50	2.00	2.50	6.50
Deposit facility rate		0.25	0.75	1.50	1.50	1.00	1.00	4.50
Average exchange rate (RON/EUR)		4.49	4.57	4.65	4.75	4.84	4.92	4.95 <sup>b</sup>
<i>Labor Market Indicators</i>								
ILO unemployment rate (%)		5.9	4.9	4.2	3.9	6.1 <sup>e</sup>	5.6 <sup>b</sup>	5.4 <sup>b</sup>

Source: NIS (for 2016-2019 data are according to Press Release No. 260 from 11 October 2021; for 2020 data are according to Press Release No. 332 from 21 December 2021; for 2021 - provisional data according to National Institute of Statistics Press Release No. 54 from 8 March 2022  
 Notes: Budget balance (% of GDP cash and ESA2010) for the 2018-2019 period is estimated at the moment of the 2018 Budget adoption. 2020 estimates are part of budget planning for 2020 and the medium-term. Revised 2013 – 2019 data in the context of common European benchmark revision 2019; (a) Eurostat Newsletter no. 46/22.04.2022; (b) NCSP Summer Forecast, July 2022; (c) For 2022 estimates, GDP according to NCSP summer forecast, July 2022; (d) Provisional data according to NIS press release no. 54/08.03.2022; (e) Revised data

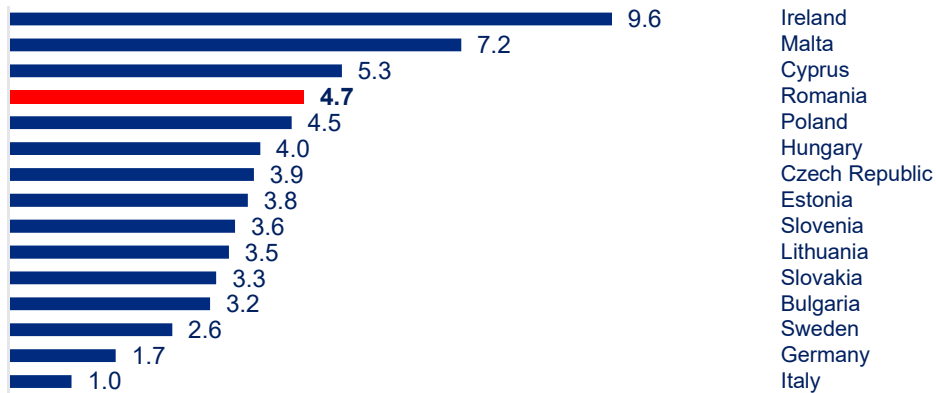
# Growth Supported by Domestic Demand and Capital Formation



Overview | 
 Response to Covid-19 | 
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 EU Funding

## Romania is One of the Fastest Growing Economies in the EU

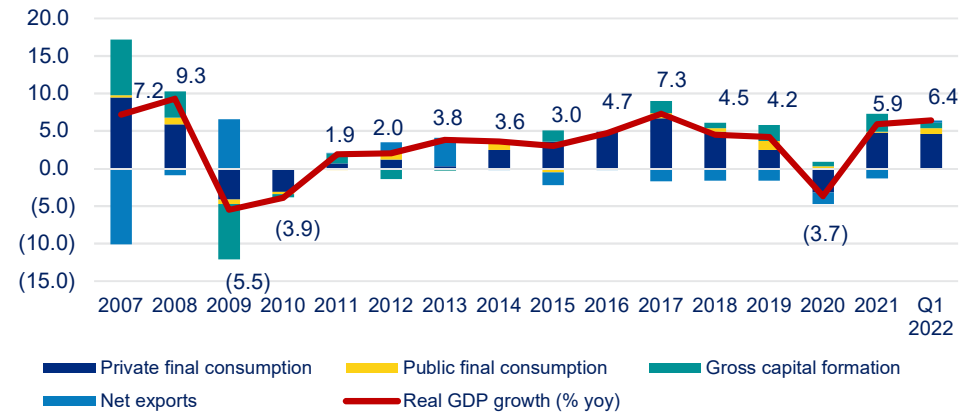
% GDP Growth, Average 2015–2019



Source: Eurostat

## GDP Growth is Underpinned by Domestic Demand

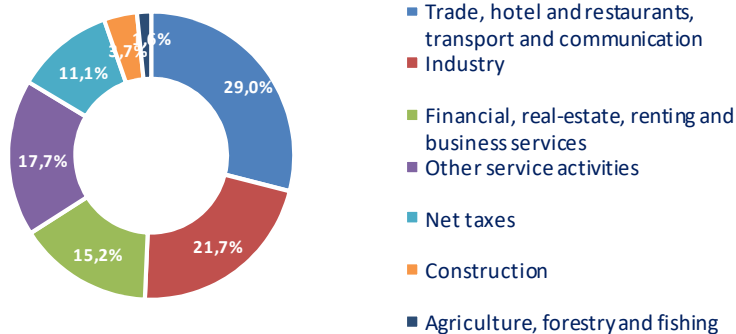
GDP Components, %



Source: NIS

## The Romanian Economy is Diversified

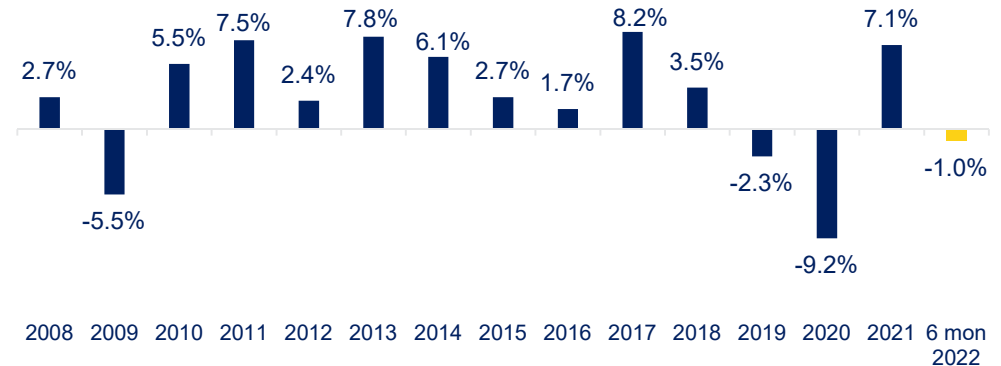
Structure of Gross Domestic Product by Sectors in Q1 2022, %



Source: NIS

## Industry in a Recovery Process

Real Change in Industrial Production, y-o-y, (base year 2015)



Source: NIS



# Labour Market Conditions Supportive of Long-Term Growth



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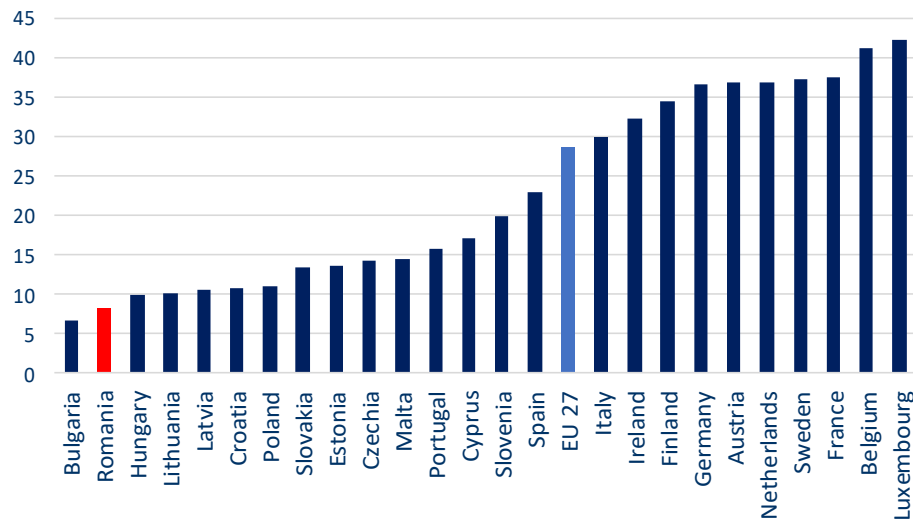
Prudent Public Debt Management

EU Funding

- Highly educated workforce as evidenced by the United Nations' Human Development Indicators 2020: skilled employees constitute 81.7% of the Romanian labour force and 70.7% of the population are internet users. The country ranked **#49 / #189**, according to the current Human Development Index.
- Romanian labour costs per hour remain among the most competitive in the EU.
- The EU implemented Covid-19 measures, influencing the unemployment in the Union. Romania's unemployment rate (ILO methodology) is nevertheless below the EU27 average and remains one of the lowest among the member states to date, respectively 5.3% in June 2022.

## Labour Costs in Romania are Sustained at one of the Lowest Levels in the EU

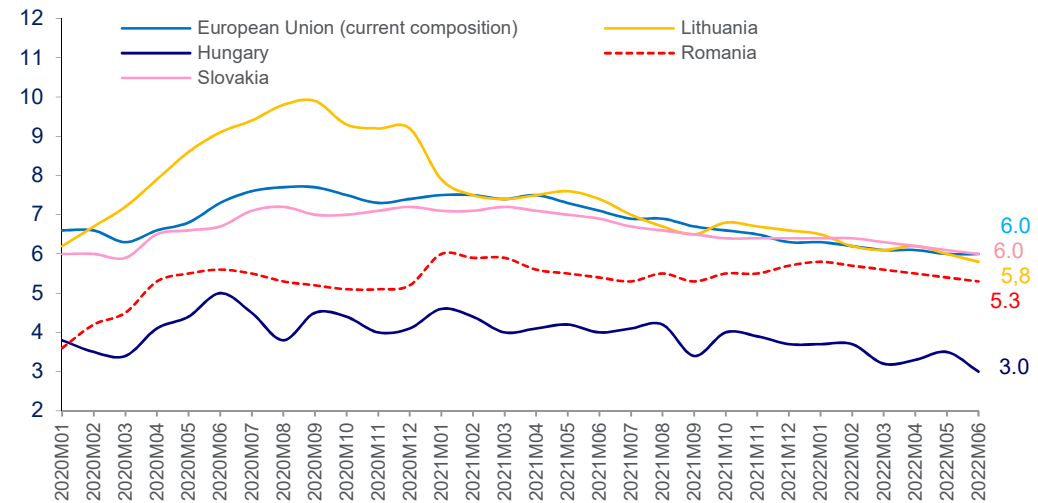
Annual data as of 2020, EUR



Source: Eurostat. Data according to ESA 2010 methodology

## Unemployment Rate Below the EU Average

Unemployment rate (monthly, seasonally adjusted), %



Source: Eurostat, ILO Methodology



## Sustainable Fiscal Policy



# 2021 Budget: Overview and Key Assumptions



Overview

Response  
to Covid-19

Long Years of Uninterrupted  
GDP Growth

Sustainable Fiscal  
Policy

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## 2021 Budget Execution

- Revenues to the general consolidated budget, in the amount of RON 379.61 bn, increased by 17.7% in nominal terms compared to 2020.
  - Increase in the collection of: social contributions (+13.6%), personal income tax (+15.1%). Personal income tax revenues amounted to RON 28.02 bn, while social contributions revenues were RON 127.49 bn;
  - Increases were also registered in the collection of: corporate income tax (+25.4%), excises (+12.3%), VAT (+30.5%), non-tax revenues (+6.6%). VAT revenues amounted to RON 79.35 bn, while excises revenues were RON 34.48 bn in 2021.
  - Reimbursements from the EU amounted to RON 38.41 bn (+14.5% increase compared to the level registered in 2020).
- The expenditures of the general consolidated budget, in the amount of RON 459.63 bn, increased in nominal terms by 8.3% YoY compared to 2020.
  - Personnel expenditures which amounted to RON 111.91 bn increased by 1.8% compared to 2020;
  - Expenditures on goods and services amounted to RON 64.04 bn, while expenditure for social assistance amounted to RON 147.25 bn which represents an increase by 12.2%, respectively by 6.3% compared to 2020;
  - Investment expenditure amounted to RON 59.27 bn, increased in nominal terms by 11.5% compared to 2020 (RON 6.1 bn higher than in 2020). Subsidies expenditure amounted to RON 8.65 bn in 2021.

**The execution of the general consolidated budget for 2021 ended with a cash deficit of RON 80 bn (6.72% of GDP), which represents a decrease compared to the deficit registered in 2020 (RON 101.8 bn or 9.61% of GDP).**

	Macroeconomic Assumptions for the 2021 Budget	First Budget Revision - September 2021	Second Budget Revision - November 2021
GDP (RON bn)	1,116.8	1,174.9	1,190.3
<b>Real Growth Rate (%)</b>	<b>4.3</b>	<b>7.0</b>	<b>7.0</b>
Inflation / end of year (%)	2.5	5.0	7.7
Inflation / annual average (%)	2.4	4.2	5.0
Average number of employees ('000s)	5,158	5,162	5,104
No. of unemployed persons registered as at the end of year ('000s)	310	287	265
- Rate of registered unemployment (%)	3.6	3.3	3.0
Gross average salary (RON / month)	5,380	5,520	5,608
Goods exports – growth rate (%)	7.7	13.4	17.6
Goods imports – growth rate (%)	9.7	13.4	20.0

Source: Ministry of Finance, National Commission of Strategy and Prognosis

# 2022 Budget: Overview and Key Assumptions



Overview

Response  
to Covid-19

Long Years of Uninterrupted  
GDP Growth

Sustainable Fiscal  
Policy

Prudent Public Debt  
Management

EU Funding

## The new measures that impact the budget spending in 2022 reflect a prudent budget policy

- Revenues to the general consolidated budget, were estimated at RON 440.0 bn (33.4% of GDP);
- Increasing the funds allocated for investments (from RON 66.6 bn in 2021 to RON 88.5 bn in 2022), reaching 6.7% of GDP;
- Increase of revenues from EU related to the Multiannual Financial Framework 2021-2027 and the Recovery and Resilience Mechanism which finance reforms and investments established in the National Recovery and Resilience Plan;
- Measures to improve tax collection and the digitalisation of the tax administration;
- Supporting the business environment by continuing public guarantees programs (SME Invest, SME Agro Invest, SME Leasing and SME Factor);
- Minimum wage increase to RON 2,550 starting 1 January 2022, representing an increase of 10% compared to December 2021.
- The expenditures of the general consolidated budget were estimated at RON 517.0 bn (39.2% of GDP);
- Starting with January 1, 2022, the amount of wages in the public sector are maintained at the level of December 2021;
- the amount of bonuses, allowances and compensations are maintained at the level of December 2021 (e.g.: food allowance, merit allowance, etc.);
- public sector employees will not be granted gift or cultural vouchers and awards.
- Compensation of overtime for public sector employees only with appropriate free time;
- Holiday vouchers granted for public sector employees in 2022 (RON 1,450 per employee);
- Starting with January 1, 2022, the pension point increases by 10% (from RON 1,442 to RON 1,586), while the amount of the state allowance for children is increased by 13.6 per cent. as compared to December 2021 (from RON 214 to RON 243).

### Macroeconomic Assumptions for the 2022 Budget

### First Budget Rectification - August 2022

GDP (RON bn)	1,317.3	1,372.5
<b>Real Growth Rate (%)</b>	<b>4.6</b>	<b>3.5</b>
Inflation / end of year (%)	4.7	12.9
Inflation / annual average (%)	6.5	12.6
Average number of employees ('000s)	5,205	5,175
No. of unemployed persons registered as at the end of year ('000s)	258	220
- Rate of registered unemployment (%)	2.9	2.5
Gross average salary (RON / month)	6,095	6,157
Goods exports – growth rate (%)	8.2	22.0
Goods imports – growth rate (%)	9.0	25.5

Source: Ministry of Finance, National Commission of Strategy and Prognosis



## July 2022 Budget Execution – Deficit of 1.94% of GDP

- Revenues to the general consolidated budget, in the amount of RON 258.46 billion, increased by 22.4% in nominal terms compared to the same period of last year.
  - Increases in the collection of: personal income tax (+17.6%), social security contributions (+9.1%), corporate income tax (34.8%), non-tax revenues (+52.9%) and excises (+6.4%), YoY compared to the same period of last year.
  - Revenues from VAT amounted to RON 52.41 billion in the first seven months of 2022 (22% more than the level recorded in the same period of last year).
  - Reimbursements from the EU: RON 17.57 billion, up by 23.3% compared to the level registered in the same period of the previous year.
- The expenditures of the general consolidated budget, in the amount of RON 285.15 billion, increased in nominal terms by 16.3% YoY compared to the same period of last year.
  - Personnel expenditure increased by 4.6%, compared to the same period of last year.
  - Goods and services expenditure increased by 16.2%, while the expenditure for social assistance increased by 18.6%.
  - Interest expenditure amounted to RON 16.34 billion.
  - Subsidy expenditure amounted to RON 7.28 billion.
  - Expenditure on projects financed from non-reimbursable external funds (including subsidies from the European Union related to agriculture) amounted to RON 18.68 billion.
  - Investment expenditure amounted to RON 26.44 billion for the first seven months of 2022, up by 4.6% compared to the same period of last year.



# Prudent Public Debt Management



# Public Debt is on a Sustainable Path



Overview

Response to Covid-19

Long Years of Uninterrupted GDP Growth

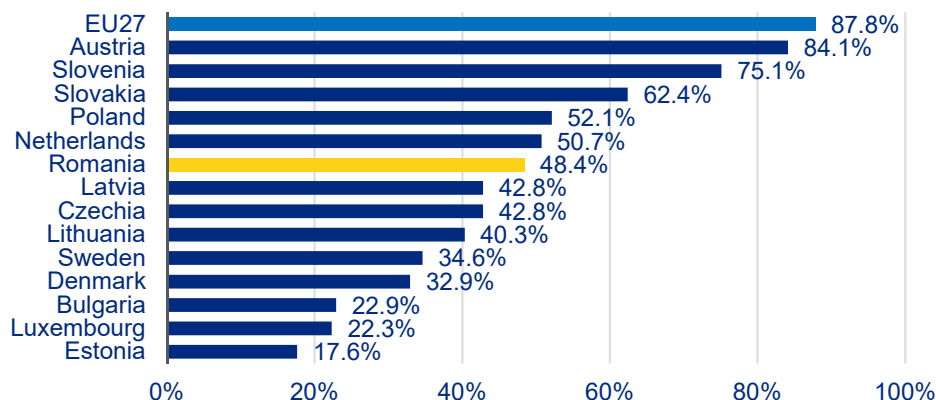
Sustainable Fiscal Policy

Prudent Public Debt Management

EU Funding

## Romania has one of the lowest Debt / GDP Ratios in the EU

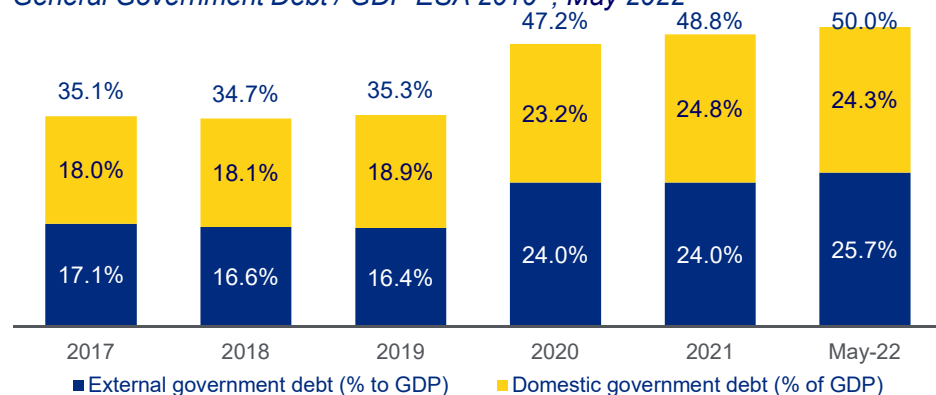
General Government Debt / GDP, Q1 2022



Source: Eurostat press release no. 83/21.07.2022

## Debt / GDP Ratio is Stable...

General Government Debt / GDP ESA 2010<sup>3</sup>, May 2022



Source: Ministry of Finance – (EU Methodology).

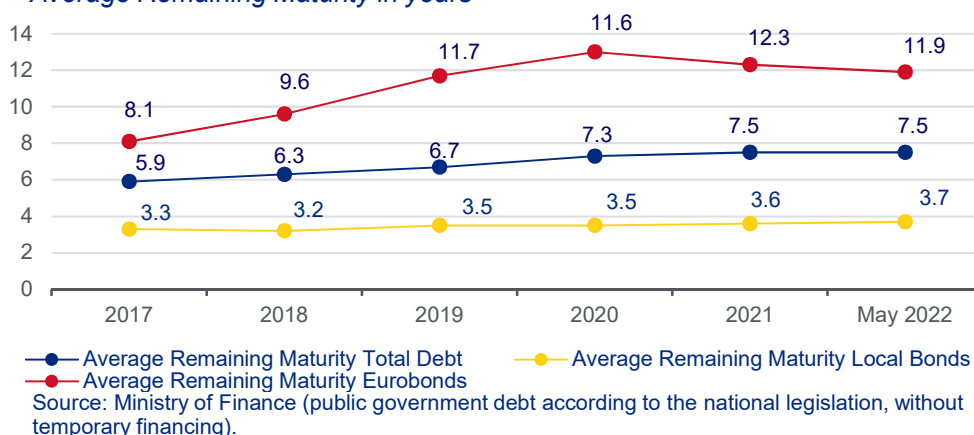
(1) Ministry of Finance (own calculation); (2) Ministry of Finance - historical compilation of the Public Debt Bulletin and projection of the Ministry of Finance for May 2022; Calculated as Gross government debt (EU Methodology) – Foreign currency buffer; (3) Ministry of Finance - according to EU methodology, the debt to GDP ratio was calculated taking into consideration the sum of GDP for the last four quarters. Preliminary data for May 2022.

(% of GDP)	2017	2018	2019	2020	2021P	2022 F
<b>Gross Financing Need, Out of which<sup>1</sup>:</b>						
– Budgetary Deficit	7.6%	7.4%	8.6%	14.1%	11.1%	10.8%
– Refinancing of Public Debt <sup>1</sup>	4.8%	4.6%	4.1%	4.5%	4.4%	5.0%
<b>Foreign Currency Buffer</b>	2.9%	2.6%	1.8%	3.1%	1.6%	1.6%
<b>Net Government Debt<sup>2</sup></b>	32.2%	32.1%	33.5%	44.1%	47.2%	46.1%

(P) Provisional. (F) Forecasted.

## ...with a Prudent Maturity Profile

Average Remaining Maturity in years



Source: Ministry of Finance (public government debt according to the national legislation, without temporary financing).

# Stable Government Borrowing Profile



Overview

Response to Covid-19

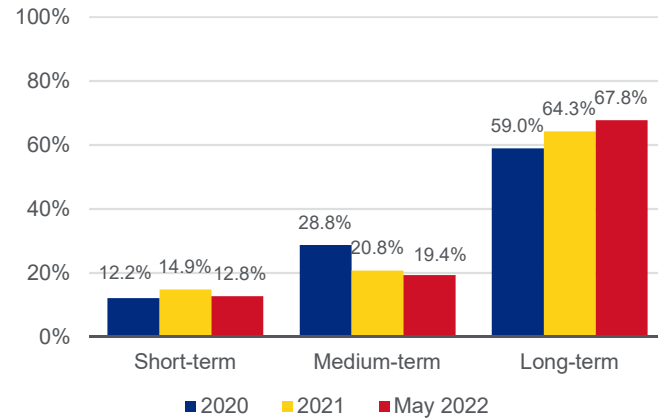
Long Years of Uninterrupted GDP Growth

Sustainable Fiscal Policy

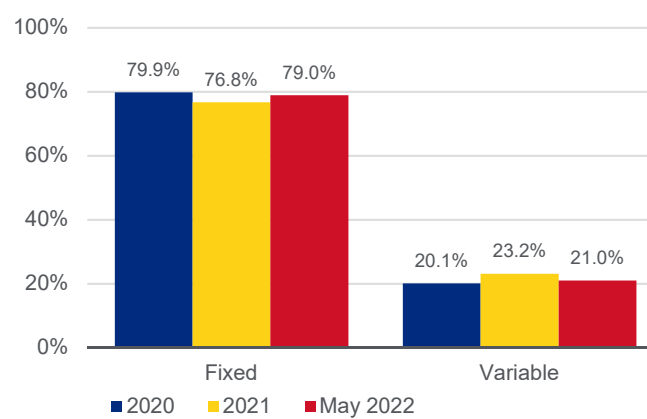
Prudent Public Debt Management

EU Funding

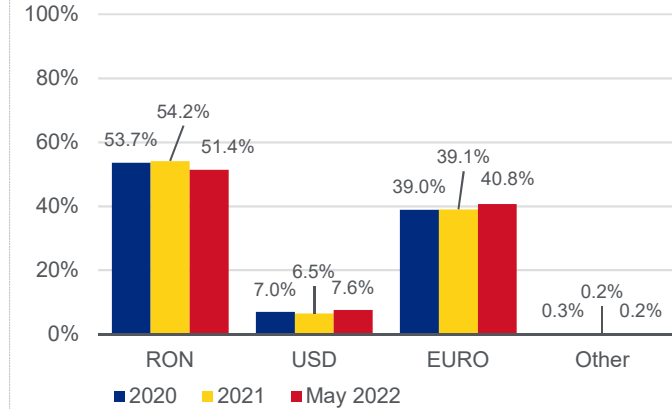
## Increasingly Long Tenor Borrowings...



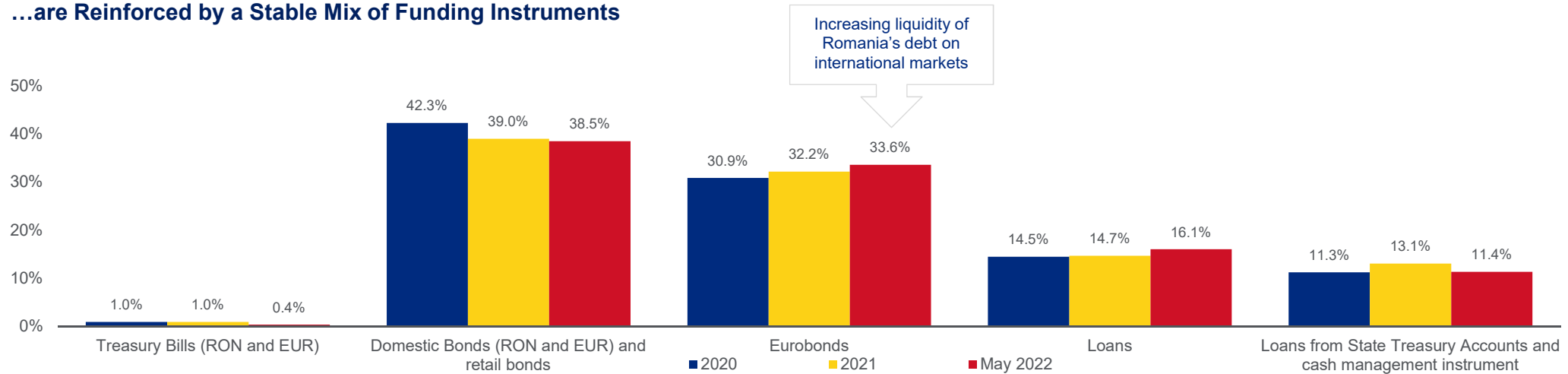
## ...Mostly Paying Fixed Interest...



## ...Primarily in RON and EUR...



## ...are Reinforced by a Stable Mix of Funding Instruments



Source: Ministry of Finance. Historical compilation of the Public Debt Bulletin, at the end of May 2022

Note: Based on national legislation.



# Investment Grade Ratings Underpin Strong Market Performance



## Overview

## Response to Covid-19

## Long Years of Uninterrupted GDP Growth

## Sustainable Fiscal Policy

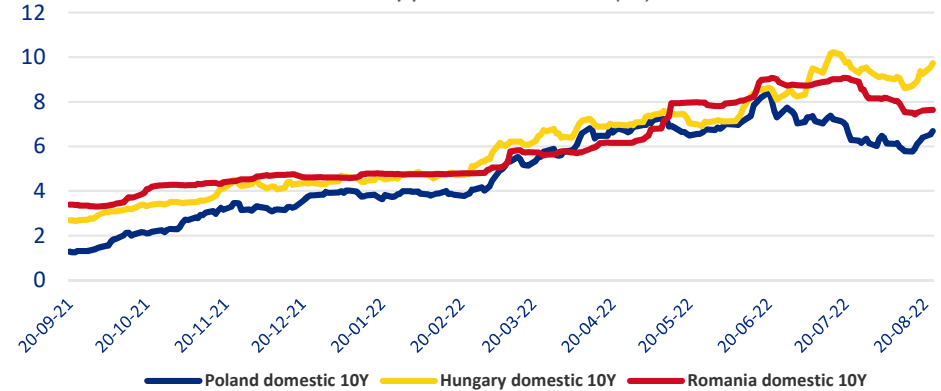
## Prudent Public Debt Management

## EU Funding

- Over 2021, after a period of minimal changes, the domestic yields have been increasing in a steady manner, similar with peer issuers, given the international environment of interest rate developments, policy rate decisions from the NBR and the COVID-19 pandemic evolution.
- From the beginning of 2022 until March, the domestic yield curve has increased consistently, mostly as a result of the Russia-Ukraine conflict. As of February 24, 2022 external yields have also registered significant increases in line with regional peer issuers.
- From the second half of June, 2022 the trend was reversed with a strong decrease in domestic yields for all maturities.

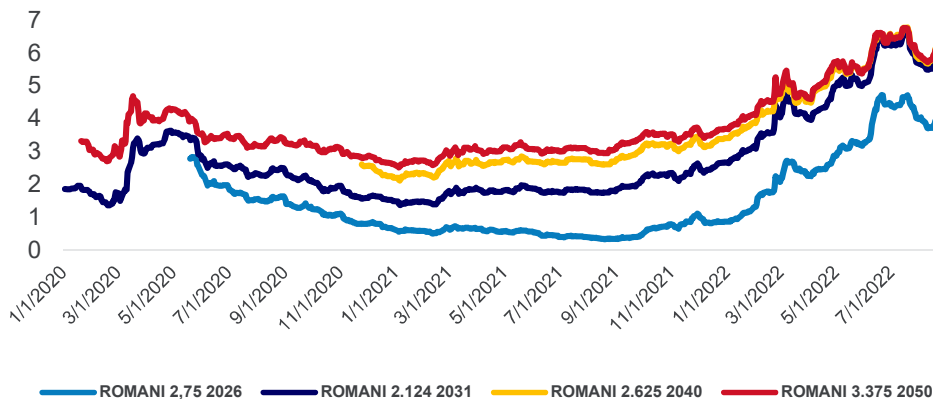
## Yields have been relatively stable, on Romania's domestic debt...

Domestic Yields PL, HU, RO – Approx. 10Y Tenor (%)



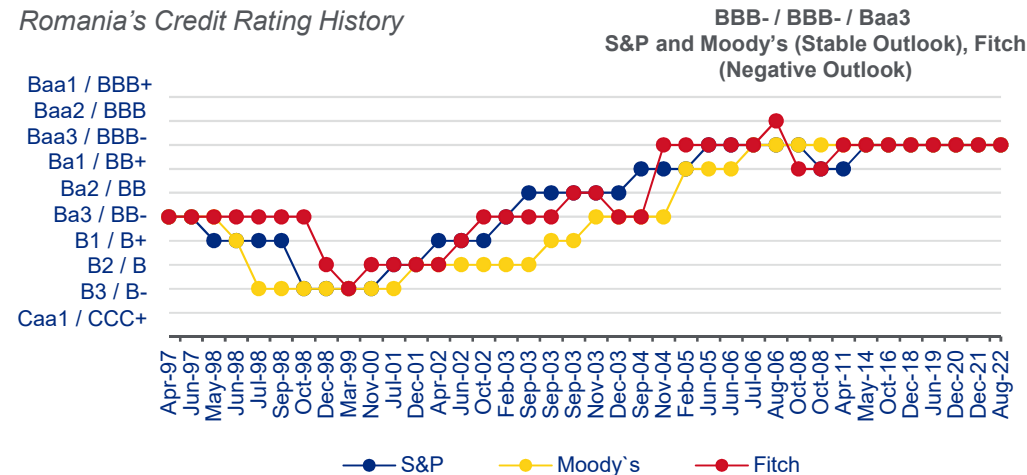
## ...and on its foreign debt

Bid Yields of Romanian Eurobonds, %



## Romania has full investment grade status

Romania's Credit Rating History



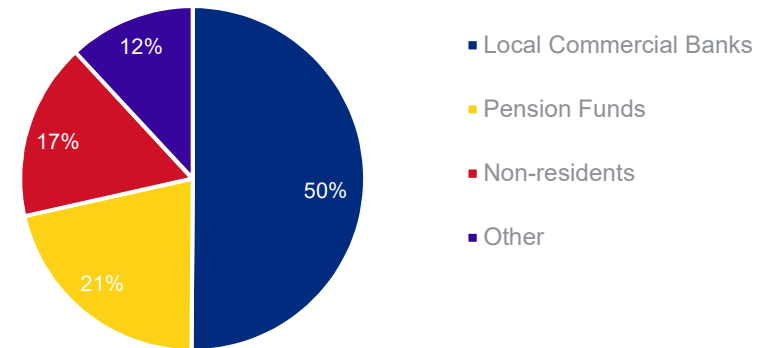
Source: Market data.



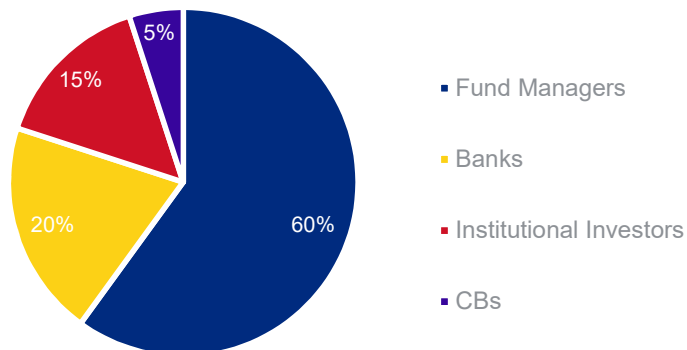
## Domestic Capital Markets Instruments

- On the domestic government securities market, Ministry of Finance intends to issue a wide range of maturities between 6 months and 15 years on the interbank market, building liquid benchmarks to an equivalent of about EUR 2.5 bn.
- In 2022 Ministry of Finance expects to continue to issue retail bonds with 1 to 5 years maturity via treasury offices, postal units and banks (via the Bucharest Stock Exchange in EUR and local currency).

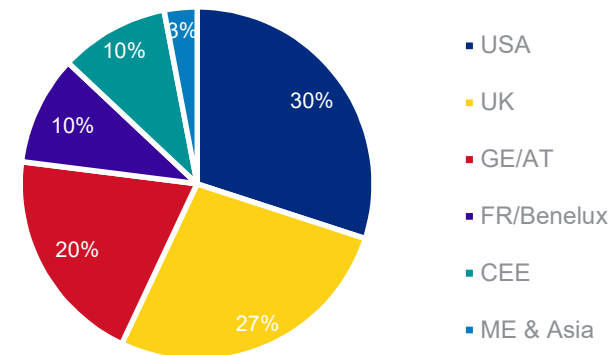
## Holders of domestic market government securities<sup>(1)</sup>



## Average Eurobonds Distribution by Investor Type<sup>(2)</sup>



## Average Eurobonds Distribution by Geography<sup>(2)</sup>



Note: statistics for longer tenors, 10Y+

(1) Source: Ministry of Finance. Public Debt Bulletin, end of May 2022

(2) Source: Ministry of Finance (own calculation).

# Prudent Debt Management Policy



Overview

Response to Covid-19

Long Years of Uninterrupted GDP Growth

Sustainable Fiscal Policy

**Prudent Public Debt Management**

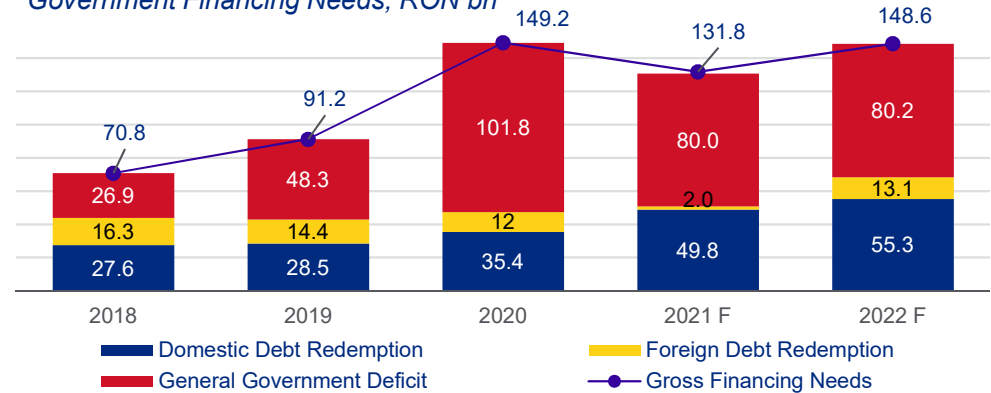
EU Funding

## Romania Enjoys Robust Market Access

- Romania's funding sources are well diversified:
  - Domestic market** via RON and EUR government securities issued on the interbank market and retail government securities;
  - External market** (Eurobonds, Institutional Loans from IFIs and government agencies).
- A hard currency buffer policy in place to cover up to four months of gross financing needs.
- In 2022, the government financing needs are estimated at RON 148.6 bn out of which, around RON 80.2 billion represent the financing of the general budget deficit of 5.84% of GDP.

## Financing Needs

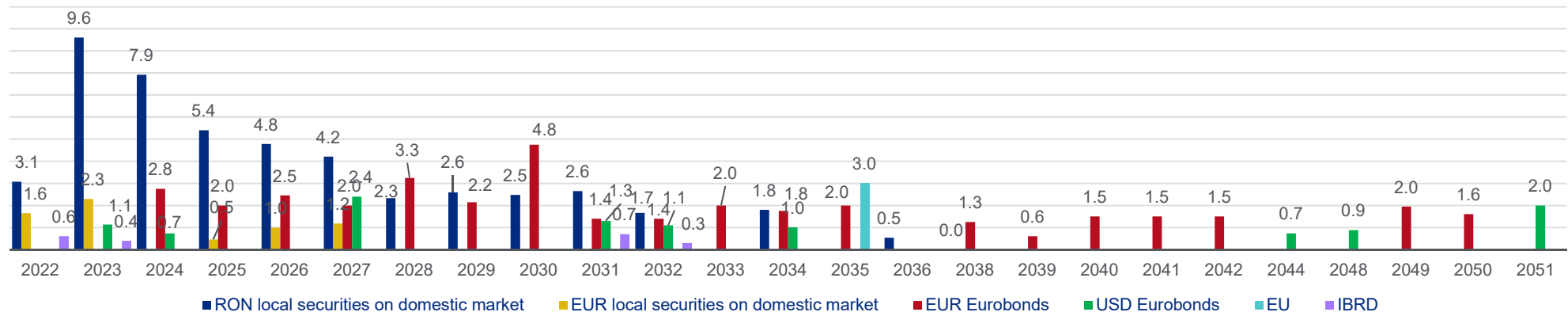
Government Financing Needs, RON bn



Source: Ministry of Finance (own calculation),

## Government Debt Maturity Structure is Well Distributed across a Long Horizon

Redemption Profile of Government Securities and External Loan Facilities, EUR bn



Source: Ministry of Finance. Data as of August 23, 2022.

# Prudent Debt Management Policy (Cont'd)



Overview

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## Sovereign Debt Risk Management Targets

	Parameters <sup>1</sup>	Levels as of May 31, 2022	Levels as of December 31, 2021	Indicative Targeted Min / Max Ranges (2022–2024) <sup>2</sup>
Currency Risk	■ Share of domestic currency debt, % of total	45.2	48.9	45 (Min) – 60
	■ Share of EUR debt out of total foreign-currency denominated debt, %	83.9	85.4	80 (Min) – 95
Refinancing Risk	■ Debt maturing in one year, % of total	10.0	12.0	10 – 20 (Max)
	■ Local currency debt maturing in one year, % of total	17.0	18.0	10 – 20 (Max)
	■ ATM <sup>3</sup> for total debt, years	7.5	7.5	7.0 (Min) – 8.5
	■ ATM <sup>3</sup> for local currency debt, years	4.2	4.2	4.0 (Min) – 6.0
Interest Rate Risk	■ Debt re-fixing in one year, % of total	11.0	14.0	10 – 20 (Max)
	■ Local currency debt re-fixing in one year, % of total	17.0	18.0	10 – 20 (Max)
	■ ATR <sup>4</sup> for total debt, years	7.6	7.5	7.5 (Min) – 8.5
	■ ATR <sup>4</sup> for local currency debt, years	4.2	4.2	4.0 (Min) – 6.0

## Objectives of the Debt Management Strategy

- Cover funding needs of the central government, while minimizing medium- and long-term debt costs
- Limit risks for the government public debt portfolio
- Develop the domestic market for government securities

## Strategic Guidelines During 2022–2024

- Financing to be raised mainly in national currency, with the objective of ensuring net financing (covering the budget deficit) mainly from domestic sources from 2024 onwards. Issuance in EUR on the domestic market will be considered in the context of the specific demand expressed by local investors, subject to market conditions and the appetite of the investment environment.
- Pursue a smooth redemption profile (liability management operations)
- Maintain a foreign currency buffer at a comfortable level to mitigate the refinancing risk and the liquidity risk
- On the external markets, debt to be raised mostly in EUR and USD, taking into account the cost and risk assessment
- In the implementation of the financing plan, the issuance of green bonds is considered, subject to the implementation of the Sovereign Green Bond Framework.
- Maintain the exposure to interest rate risk under control by monitoring the share of domestic debt re-fixing within the next year and the average time to re-fix for the total portfolio.
- The use of financing instruments offered by international financial institutions including those established in the European Union to support the recovery and resilience process at the level of the member states, to benefit from the favorable terms and conditions attached to those instruments.

(1) Relates to government public debt according to national legislation excluding temporary financing; (2) Risk indicators presented are calculated for public government debt according to national legislation, excluding loans from availabilities of the State treasury account (temporary financing), in line with the limits established in the Debt Management Strategy 2022–2024; The Debt Management Strategy 2022–2024 was approved in July 2022; (3) ATM – average time to maturity; (4) ATR – average time to re-fixing.



**EU Funding**



# EU Funds Absorption has Accelerated in the Past Years



Overview	Response to Covid-19	Long Years of Uninterrupted GDP Growth	Sustainable Fiscal Policy	Prudent Public Debt Management	EU Funding								
Operational Program	Development Objective	Allocation 2007–2013	Absorption Rate (Amount Requested to EC) (%)										
			Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	March 2022	June 2022	August 2022
		EUR bn	%	%	%	%	%	%	%	%	%	%	%
<b>RO Program<sup>(1)</sup></b>	Economic, social, balanced and sustainable regional development	3.71	57	64	85	93	100	100	100	100	100	100	100
<b>SOP<sup>(2)</sup> Environment</b>	Protect and improve the environment and living standards	3.98	42	62	79	84	94	94	94	94	94	94	94
<b>SOP Transport</b>	Modernization and development of European priority transport axes within Romania and the national transport infrastructure as a whole	3.76	57	62	77	81	92	92	92	92	92	92	92
<b>SOP Increase of Economic Competitiveness</b>	Fostering growth towards a knowledge-based economy	2.54	57	76	105 <sup>3</sup>	100	100	100	100	100	100	100	100
<b>SOP Human Resources Development</b>	Open, knowledge-based society through provision of conditions facilitating human resources development	3.20	47	55	73	91	91	91	91	91	91	91	91
<b>OP Administrative Capacity Development</b>	Help increase the responsiveness of Romania's public administration and judicial system	0.21	72	89	99	100	100	100	100	100	100	100	100
<b>OP Technical Assistance</b>	Strengthening the capacity of beneficiaries to prepare and implement EU financed projects	0.17	55	81	113 <sup>3</sup>	100	100	100	100	100	100	100	100
<b>Total</b>		<b>17.57<sup>4</sup></b>	<b>52</b>	<b>63</b>	<b>83</b>	<b>89</b>	<b>95</b>	<b>95</b>	<b>95</b>	<b>95</b>	<b>95</b>	<b>95</b>	<b>95</b>

- To assure the highest level of absorption, Romania implemented the following structural measures:
  - Strengthening and improving of the monitoring at the level of large infrastructure projects in order to speed up implementation
  - Active promotion by the Government of the alternative use of EU funds, through similar projects
  - Further reallocation among priority goals of various programmes
  - Increase the administrative capacity of programming departments through the use of European Investment Bank expertise
  - Extending the categories of eligible expenditures, allowing the reimbursement for expenditure already realised under the approved projects
  - Phasing of projects between the 2007–2013 and the 2014–2020 programming periods

Note: The final absorption rate can be calculated after the acceptance by the EC of the final documents for closure, that were submitted by the Member States up to March 31, 2017.

(1) Abbreviations: Regional Operational; (2) Abbreviations: Sectoral Operational Program; (3) Includes amount requested through top-up mechanism; (4) The 2007–2013 allocation was modified due to the amounts decommitted.

Source: Ministry of Investments and European Projects

# EU Funds Absorption under the 2014–2020 Programming Period



Overview	Response to Covid-19	Long Years of Uninterrupted GDP Growth	Sustainable Fiscal Policy	Prudent Public Debt Management	EU Funding						
Operational Program	Funds Allocated, EUR bn	Absorption Rate (Amount Requested to EC) (%)									
		Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	March 2022	June 2022	August 2022
OP Technical Assistance	0.33	0	0	23.28	37.29	56.90	59.92	67.37	69.89	72.93	73.18
OP Competitiveness	2.38	0	0	6.48	17.01	25.38	23.31	25.82	26.68	35.73	42.24
OP Human Capital (including Youth Employment Initiative: EUR 0.15bn)	4.60	0	0	0.09	14.87	25.28	43.00	52.75	50.06	56.57	58.53
OP Administrative Capacity	0.56	0	0	4.15	12.95	23.23	33.56	47.07	49.69	54.88	57.66
OP Large Infrastructure	9.34	0	0	10.13	17.77	25.24	38.85	52.85	53.53	61.74	67.23
OP Regional	6.86	0	0	0.41	12.78	22.86	34.86	49.83	50.70	57.23	60.38
OP for SME's Initiative*	0.10	0	0	93.09	-	-	-	-	-	-	-
OP's for European Territorial Cooperation	0.48	0	0.54	1.76	9.56	21.19	33.27	54.84	55.90	60.12	61.60
OP Aid for the Most Deprived	0.49	0	0.97	17.37	17.35	30.27	48.24	54.21	54.21	54.21	54.21
<b>Total</b>	<b>25.04</b>	<b>0</b>	<b>0.02</b>	<b>5.62</b>	<b>15.65</b>	<b>24.87</b>	<b>37.48</b>	<b>49.51</b>	<b>49.76</b>	<b>56.90</b>	<b>60.88</b>

- Cohesion funds are aimed at reducing disparities between the various regions and the lags of the least-favoured regions;
- Aside from cohesion funds, during the 2014–2020 period, Romania has additional available financings of approx. EUR 24 bn, under the **Common Agricultural Policy**;
- As of August 2022, the total amounts received from the European Commission, pre-financing and reimbursements related to the operational programs financed by the ESIF and Fund for European Aid to the Most Deprived (FEAD), are at approx. EUR 23.2 bn (22.9 bn ESIF and 0.3 bn FEAD), which means 65% of the EU allocation for these programs (about EUR 35.7 bn).

### Increased Focus on Controls

- **Performance Oriented:** There is a monitoring framework, including milestones and specific targets corresponding to each operational programme
  - Their completion is verified for 2018 and 2023
- **Improving efficiency of EU funds spending:** the EC is putting in place performance reserves in amounts ranging between 5 and 7% of (most of) the allocations under each priority within the operational programmes
  - The performance reserve amounts were released subject to the achievement of the milestones set for 2018
- **Ex-ante conditionalities** to ensure the conditions for effective cohesion policy investments and predictability of national sectorial policies

**As of August 2022, Romania ranked 6th among the 27 Member States, in absolute values of EU funds received. The contracting rate of 153.5% creates a prerequisite for an increase in the absorption rate in the upcoming period.**

Note: The allocations for 2014–2020 OP's were modified according to the last versions of the approved operational programmes. Consequently, some percentages have been diminished.

\* The OP for SME's Initiative was included in the OP Regional by EC approval from 16.10.2018.

Source: Ministry of Investments and European Projects



- **Next generation EU (NGEU)** is a new, temporary and exceptional instrument, intended exclusively to support Member States in recovering from the crisis.
- The **total value of this instrument is 806.9 billion (€750 billion in 2018 prices)** of which 407.5 billion euro will be provided to Member States in the form of grants and 385.8 billion euro in the form of loans, in current prices.
- Through the NGEU, a number of programs and instruments will be additionally funded to complement the allocations in the European budget, with a **focus on financing investments and reforms that will increase the resilience of the Member States and the Union.**
- All of the money raised through Next Generation EU and the new EU budget will be channeled through EU programs, across three pillars:
  - **The first pillar is support to Member States** for investment and reforms to address the crisis, by:
    - Recovery and Resilience Facility (RRF), who will support Member States to implement investments and reforms that are essential for a sustainable recovery.
    - REACT-EU, who will provide a top-up for cohesion support to Member States. This will be available from 2020 and will support workers and SMEs, health systems and the green and digital transitions and will be available across various sectors – from tourism to culture.
  - **The second pillar is about kick-starting the EU economy by incentivizing private investment:**
    - InvestEU
  - **The third pillar** is about learning the lessons of the crisis.
- The majority of funds from NextGenerationEU (€723.8 billion in current prices) will be spent through the Recovery and Resilience Facility (RRF) programme. The RRF consists of large-scale financial support to public investments and areas such as green and digital projects. The support will be given out in the form of grants (€338.0 billion) and loans (€385.8 billion), in current prices.

Operational Programs under NGEU:	Funds Allocated, EUR bn in current prices
Recovery and Resilience Facility	723.8
ReactEU	50.6
Horizon Europe	5.4
InvestEU	6.1
European Agricultural Fund for Rural Development	8.1
Just Transition Fund	10.9
RescEU	2.0
<b>Total</b>	<b>806.9</b>



# MFF 2021 – 2027 & Next Generation EU



Overview

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EU Funding

- The next **EU Multiannual Financial Framework (“MFF”)**, along with the new recovery instrument **Next Generation EU (“NGEU”)** are expected to play a central role in Romania’s economic recovery.

MFF 2021-2027 <sup>(1)</sup>		Next Generation EU (NGEU) <sup>(1)</sup>	
Cohesion Policy*	EUR 29.2 bn	<b>Recovery and Resilience Facility (RRF)</b>	EUR 29.2 bn: (EUR 14.2 bn in form of grants, EUR 14.9 bn in form of loans)
Common Agricultural Policy	EUR 20.7 bn	REACT-EU 2021/2022	EUR 1.5 bn (EUR 1.3 bn / 0.2 bn)
Just Transition Fund (EU Green Deal)	EUR 0.9 bn*	Just Transition Fund	EUR 1.2 bn (p)
		European Agricultural Fund for Rural Development	EUR 0.7 bn
<b>Total MFF</b>	<b>EUR 49.9 bn</b>	<b>Total NGEU</b>	<b>EUR 32.6 bn</b>
<b>Total allocated EU Funds</b>		<b>~ EUR 82.5 bn (p)**</b>	

- The **NGEU amount** represents 4%<sup>(2)</sup> of the total value of this fund, Romania receiving the **5<sup>th</sup> highest allocation of all EU member states**, taking into account the analysis made at the moment of launching the Next Generation EU through the **Recovery and Resilience Facility (RRF)**.
- In 2021 Romania received a pre-financing amount of 13% from the Recovery and Resilience Facility / RRF of EUR 1 851 159 668, from the grant RRP allocation and on January 13th, 2022 Romania received a pre-financing of EUR 1.942.479.890, from the loan RRP’s allocation.
- Romania aims to access the full RRF allocation of 29.2 billion euro both on grants and loans.

The payment requests are approved based on a satisfactory assessment on the fulfilment of milestones and targets for each reform and investment included in the Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Romania.

- Through the NGEU, Romania intends **to address investment needs in the private sector** by providing grants and support programs. The decision aims to ensure working capital measures, by financing:
  - investment needs; economic growth measures; companies digitalization schemes and measures to support employment growth.

\* Cohesion Policy funds are fair balanced through the Partnership Agreement (PA) and 8 sectorial/national operational programmes (OPs): OP Sustainable Development, OP Transport, OP Health, OP Education and Employment, OP Inclusion and Social Dignity, OP for Just Transition, OP for Smart Growth, Digitalization and Financial Instruments and OP for Technical Assistance.

- The PA was approved in 25 of July 2022, while the estimated timeline for approval of the OPs is the second half of 2022.

(1) Current prices; (2) According to current prices the total NGEU envelope amounts to EUR 808 billion; \*included in the Cohesion Policy amount; \*\*(p) Provisional data Source: Ministry of Investments and European Projects, Ministry of Finance

# Key measures of Romania's National Recovery and Resilience Plan



Overview

Response to Covid-19

Long Years of Uninterrupted GDP Growth

Sustainable Fiscal Policy

Prudent Public Debt Management

EU Funding

41% of the NRRP total allocation for reforms and investments supports climate objectives

- Railway modernisation: modernising railway infrastructure, including electrified or zero-emission railways and rolling stock (**EUR 3.9 billion**).
- Urban mobility: infrastructure for a green and more secure urban transport (**EUR 1.8 billion**).
- Clean energy production: phasing-out of coal and lignite power production, deployment of renewables as well as related production processes, and hydrogen (**EUR 855 million**).
- Energy efficiency of buildings: energy-efficient renovation and seismic renovation of buildings to reduce CO2 emissions by at least 0.15 million tons in private buildings and 0.075 million tons in public buildings (**EUR 2.7 billion**).
- Biodiversity and environmental protection: afforestation and reforestation and forest nurseries, as well as other biodiversity measures for ecological reconstruction and species protection (**EUR 1.1 billion**).

21% of the NRRP total allocation for reforms and investments supports digital objectives

- Digitalisation of public administration: digitalising public administration in key areas such as justice, employment and social protection, environment, civil service management and skills development, public procurement, cybersecurity, tax and customs, while building a secure government cloud infrastructure and supporting eID deployment (**EUR 1.5 billion**).
- Digitalisation of health: developing an integrated e-Health system, connecting over 25,000 healthcare providers and telemedicine systems (**EUR 470 million**).
- Digitalisation of education: improving digital pedagogical skills, educational content and equipment and resources, including in universities (**EUR 881 million**).

Measures to reinforce Romania's economic and social resilience

- Strengthening the public administration: measures reinforcing the effectiveness of the judicial system and fighting corruption will contribute to improving the quality and effectiveness of the public administration.
- Social and territorial cohesion: modernising the Romanian social benefits system by implementing the minimum inclusion income reform, a reform of the pension system, measures to improve the employment and digitising social protection digital systems.
- Fiscal sustainability: Reinforced budgetary framework, better expenditure control and review of taxation, pension system reform.
- Strengthened resilience of the health system: investing in modern hospital infrastructure to ensure patient safety and reduce the risk of healthcare-associated infections in hospital settings (**EUR 2 billion**).

# Next Generation EU – Recovery and Resilience Facility



Overview

Response  
to Covid-19

Long Years of Uninterrupted  
GDP Growth

Sustainable Fiscal  
Policy

Prudent Public Debt  
Management

EU Funding

- The first payment request was sent to the EC on 31 May 2022 and includes the assessment on 21 milestones and targets set to be achieved by Q4 2021. The first payment request from the grant amounts 2,037,146,414 EUR and from the loan amounts 907,669,494 EUR. At this moment, Romania's first payment request is at the Commission's services and the preliminary discussions with the member states will take place at the end of September. The following milestones and targets are included in this payment request:
  - 1 Entry into force of the amendments to the Law No 241/2006 on water supply and sewerage
  - 69 Adoption of the strategy for the development of railway infrastructure 2021-2025 and application of the action plan
  - 78 Entry into force of the Law no. 50/2021 for the approval of the Emergency Ordinance no. 55/2016 on the reorganization of the National Company of Highways and National Roads in Romania - S.A. (C.N.A.I.R.) and the establishment of the National Road Investment Company - S.A. (C.N.I.R.)
  - 113 Decommissioning of coal-fired power-production capacity
  - 142 Task-force to implement and monitor Digital Transformation reforms and investments established and operational
  - 146 Entry into force of the 5G network security law
  - 150 Adoption of the National Cybersecurity Strategy 2021-2026
  - 211 Contract technical assistance provided by an entity that shall be selected according to the national public procurement legislation
  - 212 Entry into force of a minister's order setting up a monitoring committee in charge of reviewing, with the support of the technical assistance provider the pension system and the policy interventions in the pension system
  - 220 Number of cash registers connected to the National Agency for Fiscal Administration IT system
  - 247 Signature of the contribution agreement between the European Commission and the Romanian Government.
  - 250 "Signature of the contribution agreement between the European Commission and the Romanian Government."
  - 253 "Signature of the financing agreement between the European Investment Fund and the Romanian Government for the creation of the Recovery Risk Capital Fund ("the Fund") and adoption of the investment policy of the Fund."
  - 259 Signature of the contribution agreement between the European Commission and the Romanian Government.
  - 270 Policy Support Facility (PSF) Reform Implementation Unit established and operational
  - 366 Adoption of criteria for prioritising investments in integrated community centres
  - 426 Entry into force of the legislative act approving new National Anti-Corruption Strategy
  - 450 "Audit and Controls: information for monitoring implementation of the recovery and resilience plan"
  - 451 "Entry into force of a Government Ordinance enacting the legal mandate of the Ministry of Investments and European Projects (MIPE), Ministry of Finance (MoF) and the Audit Authority (AA)"
  - 462 "Entry into force of the Government Decision establishing the implementation of the National Programme to reduce early school leaving"
  - 464 transition from lower to upper secondary education, on the basis of 5 indicators defined in the Early Warning Mechanism in Education

*Nota bene: With this request, the Romanian authorities provided detailed and comprehensive evidence demonstrating the fulfilment of all 21 milestones and targets. Currently, EC is assessing this information before endorsing the positive preliminary assessment of this payment request. The payment procedure involves the following steps: i. Approval of the EC inter-services for issuing the positive preliminary assessment; ii. Transmission of the payment request to the Economic and Financial Committee (ECFIN); iii. Adoption by the Commission of the decision on the disbursement of the financial contribution.*

Source: Ministry of Investments and European Projects



**Thank you!**

