Romania

Investor Presentation

July 2022

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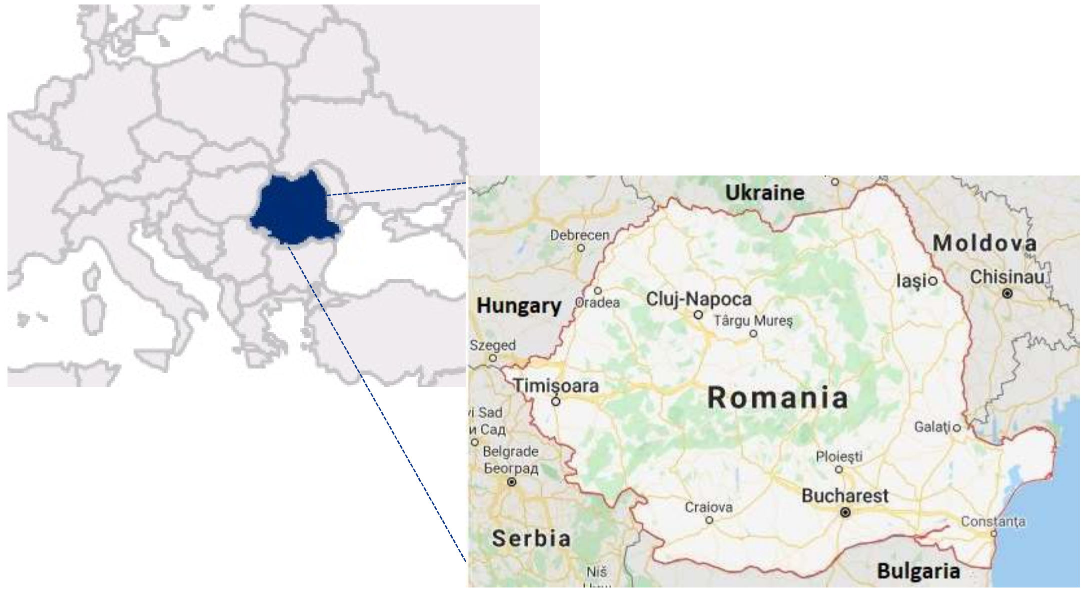
Overview

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[1] mn
Average RON/EUR rate (2021)	4.9204
GDP (2021 current prices)	RON 1,179.4[2] bn
GDP (2021 current prices)	EUR 239.7[2] bn
GDP per Capita (2021)	EUR 12,505[1]
GDP Growth (2021, y-o-y)	5.9%[2]
Average Inflation (2021)	5.05%
Annual Inflation Rate (June 2022)	15.05%
Unemployment[3] (May 2022)	2.55%
Public Debt / GDP[4] (April 2022)	49.2%



Current Credit Ratings

S&P Global	Fitch Ratings	Moody's
BBB- / Stable	**BBB- / Negative**	**Baa3 / Stable**
since May 16, 2014; rating affirmed on April 15, 2022	*since July 4, 2011; rating affirmed on April 8, 2022*	*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) Semifinal data; (2) Semifinal data- according to Press Release No. 332 from 21 December 2021. 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%(1) in 2021 of EU average.
- In 2021, compared to 2020, the GDP registered an increase of 5.9% (provisional(2) 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 7.1% (private consumption increased by 7.8%, and gross fixed capital formation by 4.0%)

Well Capitalized and Liquid Banking Sector

- NPL ratio(3) 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 3.4% in January 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%(4) as of December 2020 and 22.3% as of December 2021 (prudential data).
- Relatively stable exchange rate.

Improving Financial Sector

- FDI growth: in 2021 FDI strongly recovered, reaching EUR 7.3 bn, 2.4 times higher as compared to 2020 and over 40% higher than in 2019.
- A slight decrease of the share of foreign currency denominated deposits and loans.

Sustainable Public Debt

- 49.2% of GDP government debt according to EU methodology at end April 2022, compared to 48.8% at the end of 2021(5) 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. 54 from 8 March 2022 (3) Under the EBA Methodology; (4) National Bank of Romania, "Aggregate Indicators for Credit Institutions"; (5) Eurostat News release no. 47/22.04.2022, EU methodology

Nominal Convergence Criteria

Convergence Criteria	Maastricht Requirements	Romania	Fulfilment of the criteria
Inflation rate (HICP) (%, annual average)	≤ 1.5 pp above 1.6% (the average of the three best-performing EU Member States)(1)	5.0%(1) (Feb. 2022)	No
Long-term interest rates (% p.a., annual average)(2)	≤ 2 pp above 0.7% (average of the three best-performing EU Member States in terms of price stability)	3.4% (Sept. 2020)	No
Exchange rate vs the euro(3) (2-year maximum percentage change)	± 15%	- / -3.4% (Feb. 2022)	Yes
General government deficit (% of GDP)(4)	≤ 3%	9.4%	No
Government debt (% of GDP)(5)	≤ 60%	49.2%	Yes

(1) The reference value for February 2022 was calculated by the National Bank of Romania taking into account Greece, Malta and Portugal based on Eurostat data.
(2) Eurostat: the reference value for May 2020 was calculated by the NCSP, taking into. account account Ireland, Greece and Cyprus
(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). Maximum percentage deviations of the bilateral exchange rate against the euro from its February 2020 average level in March 2020 to February 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 February 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 April 2022. Source: Monthly Report of the Ministry of Finance.

Source: Eurostat, NBR and NCSP calculations.

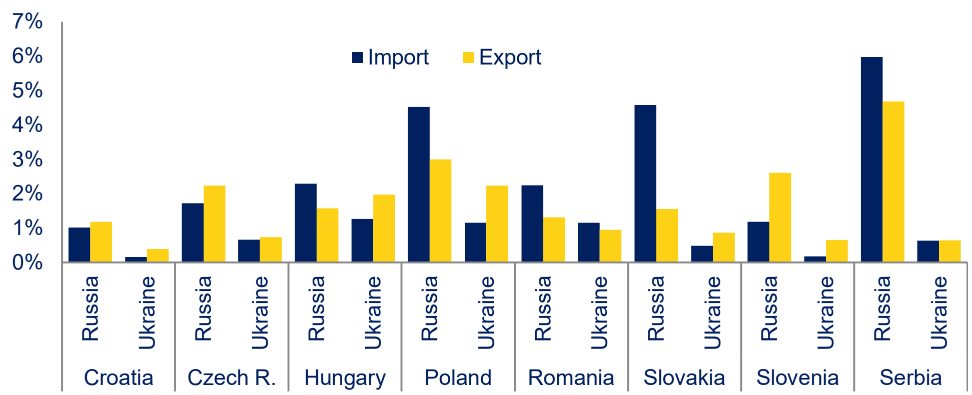
Russia-Ukraine geopolitical situation

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%[(3)] - Romania's imports from RU+UA in total imports (RU - fuel imports prevail; UA - raw materials hold a higher share)
~ 2.2%[(3)] - Romania's exports to RU+UA in total exports (slightly higher weights were recorded for chemicals).

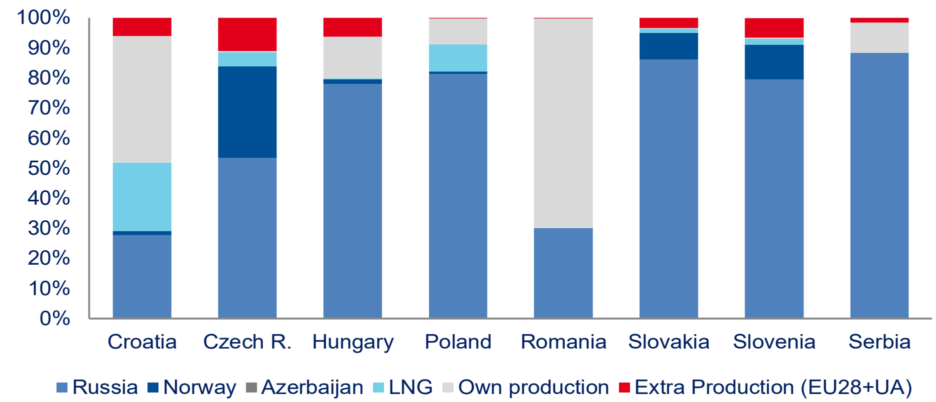
Share of Russia and Ukraine in Foreign Trade[(1)]



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[(2)]



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.

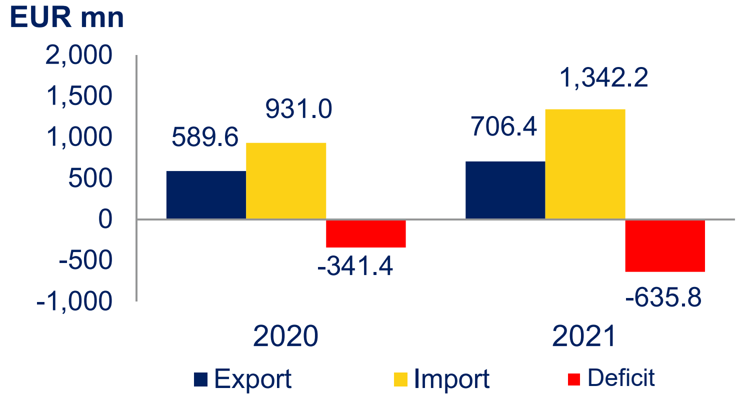
- Moreover, the share of FDI with country of origin Russia is reduced, about 0.2% (according to the criteria of the immediate investor) of the total FDI in the last 5 years. Slightly higher exposure (1.3%) from the perspective of the final beneficiary of the investment[(4)].

(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/ ; (3) Data as of Nov. 2021, cumulative last 12M; (4) Source: Eurostat and the NBR FDI reports, published on the NBR website (https://www.bnr.ro/PublicationDocuments.aspx?icid=14364)

Trade Relations with Ukraine

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 2021, **exports to Ukraine** had a value of EUR 706.4 million, **accounting for 0.9% of the total Romanian exports**, increasing by 19.8% compared to 2020.
  - The largest contribution to exports was made by the groups: transport machinery and equipment (EUR 298.5 million), manufactured goods classified chiefly by material (EUR 151.2 million) and chemicals and related products (EUR 107.9 million).



- **Imports from Ukraine** have been growing slightly in recent years, from EUR 561 million in 2015 to EUR 931 million in 2020, while in 2021 imports registered a level of EUR 1,342.2 million, exceeding by EUR 410.4 million the achievements of the previous year.
  - The most important values recorded for products purchased in Ukraine were for: manufactured goods classified chiefly by material (EUR 406.2 million), crude materials, inedible, except fuels (EUR 313.3 million), and transport machinery and equipment (EUR 232.3 million).
- Trade relations with Ukraine resulted in a **deficit** of more than half a billion euro (EUR 635.8 million) at the end of 2021, mainly generated by crude materials, inedible, except fuels (EUR 284,5 million), manufactured goods classified chiefly by material (EUR 255.0 million) and food and live animals (EUR 91.2 million).

Source: National Commission for Strategy and Prognosis calculations based on National Institute of Statistics data – Statistical Bulletin of International Trade no. 12/2021 – https://insse.ro/cms/sites/default/files/field/publicatii/buletin_statistic_de_comert_international_nr.11_2021.pdf

Response to COVID-19

Romania Reacted Early and Adequately to Covid-19

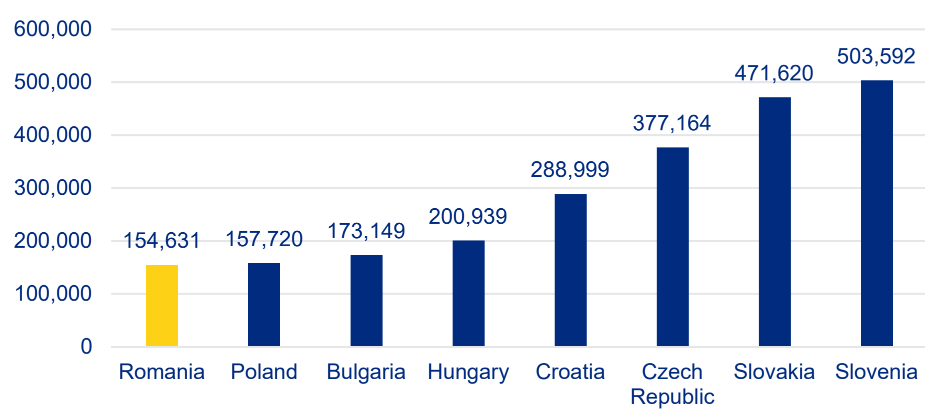
- Romania managed to contain the immediate spread of the virus due to a timely announcement of a state of emergency on March 16, 2020 and parallel implementation of a wide range of restrictive and pre-emptive measures. The state of emergency ended on midnight of May 14, 2020 and the state of alert started 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 July 21, 2022 the cumulative uptake of at least one dose in Romania was 50.8% of total adult population (18 years and above).

Protective Measures during the State of Emergency

- National curfew, closing of schools, cultural institutions, restaurants,public businesses, suspension of sports, religious activities, etc.
- Restrictions on domestic movement
- Increased testing of suspected cases
- Suspension on international flights and closure of borders with Hungary, Moldova, Ukraine and Serbia

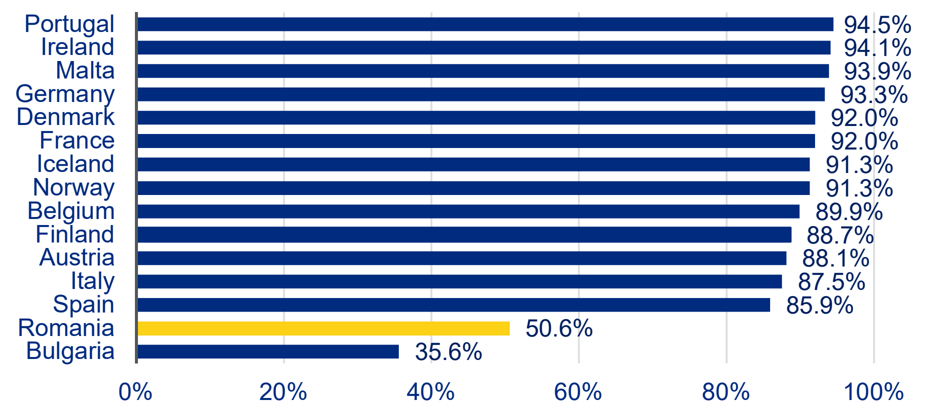
Combined COVID-19 infection numbers as of July 21, 2022[1]:

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



Full vaccination uptake as of July 21, 2022[1]

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

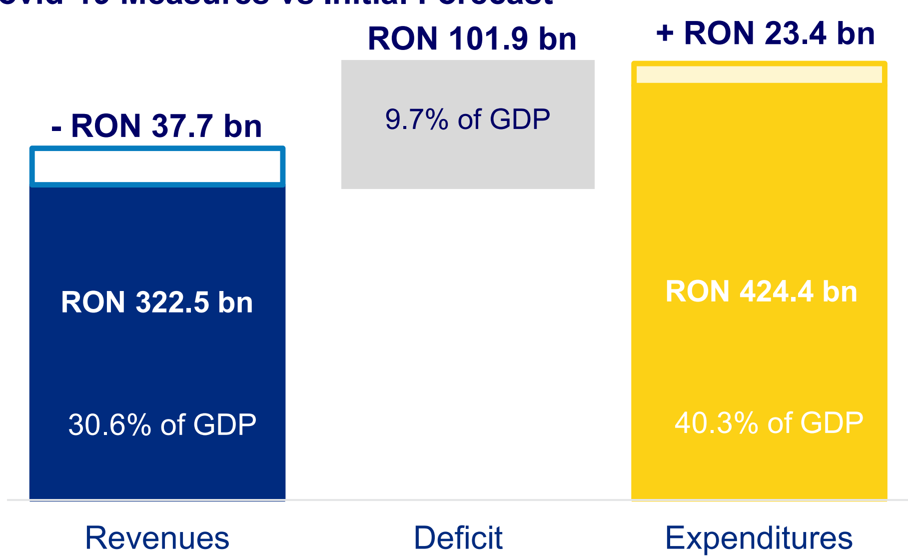


Sources: Ministry of Finance, ECDC, Oxford University, Ministry of Health, National Institute of Public Health, Ministry of Internal Affairs – Strategic Communication Group

Impact of Covid-19 on the Consolidated Budget 2020

- The budget for 2020 was significantly impacted by the COVID-19 pandemic, which decreased demand and internal and external trade.
- In the context of the **initially forecasted economic growth for 2020 of 4.1% of GDP**, the budget targets were set at:
  - the forecasted **revenues of 31.9% of GDP,**
  - **expenses of 35.5% of GDP**,
  - a target **government deficit of 3.6% of GDP** (compared to 4.6% of GDP in 2019).
- **April 2020** - The first budget amendment in 2020 was based on a macroeconomic forecast of the National Commission of Strategy and Prognosis („NCSP"), considering the measures, stimulating the economic growth and restricting the spread of the pandemic.
- **August 2020** – With the resurgence of Covid-19 pandemic in July, the second rectification was enacted through Government Emergency Ordinance to address the revision of GDP growth forecast, from negative 1.9% to negative 3.8% (real growth) and the need to reflect the additional measures taken in the public health, education and social protection sectors, as well as measures to limit the negative effects caused by the limitation or interruption of socio-economic activities in the budget.
- **November 2020** – One of the two main objectives of the third budget rectification was to ensure the necessary funding in the fields of health, social assistance and education. The main supplemented amounts considered the budget of the National Health Insurance Fund as well as the payment of active measures approved to combat the negative effects of the COVID-19 pandemic.

Changes of the Consolidated Budget for the year 2020 due to Covid-19 Measures vs Initial Forecast



- The increase of the budgetary deficit by 6.1% of GDP, from 3.6% of GDP established during the initial budget construction for 2020 at 9.7% of GDP, incurred due to the:
  - Decrease of activity in the economic sectors affected by the COVID-19 pandemic and, as a result the decrease of the income tax revenues by 9.8% and the decrease of other taxes on income, profit and capital gains by 15.4% y-o-y;
  - Increase of social and investment expenditures and expenditures for supporting the economy in order to prevent and fight the effects of the COVID-19 pandemic. Expenditures on social assistance increased by 20.8% y-o-y, whereas the expenditures on goods and services increased by 7.0% determined mainly by additional payments for medicines, sanitary materials, reagents and other products necessary for diagnosing and treating patients infected with COVID-19.
- Key components of the revised deficit estimate included expenditures related to labour and social protection, health programs, SMEs support, local development, police force, agriculture and rural development, food safety, sanitizing measures, medical equipment, etc.

Source: Ministry of Finance

Wide-Ranging Economic Stimuli Counter the Effect of the Pandemic

Restarting the Economy After Covid-19 is a Key Priority for the Romanian Government and specific measures have been introduced to address the challenges and mitigate the effects of the crisis

Decisive Fiscal and Economic Measures for about 3% of 2019 GDP

- Increased funds allocated to the healthcare system
- The State pays 75% of the individual gross wage (with a cap) for technical unemployment, in case of employees affected by Covid-19
- Employees with suspended contracts receive for three months 41.5% of their gross basic salary from the unemployment insurance budget
- The State pays 50% of salaries of employees 16-29 years and >50 years old
- Wage benefits for parents staying home with children
- Corporate tax discount of 10% in Q1-Q3 2020, if tax is paid by 25 April 2020
- Property tax dues postponed by three months
- 2020 tax exemption for hospitality sector taxpayers with restricted activities
- Cancellation of interest and penalties for late fiscal dues and installments
- Faster VAT reimbursement and settling of negative VAT amounts as well as VAT exemption for supplies, imports and purchases of masks and equipment
- Debt moratorium of up to nine months (but no later than December 31, 2020) on loans for certain debtor categories, with incomes directly or indirectly affected by Covid-19
- Social security contributions delayed for affected companies
- Suspension of foreclosures affecting debtors with overdues
- RON 20 bn guarantees for loans of SME's and micro-enterprises: up to 80-90% of loan, with a cap. (For 2021 the guarantee ceiling is established at RON15 bn).
- Subsidised interest for investments and deferred utility bills of SMEs

Response of the National Bank of Romania

I. Monetary Policy Measures

- Monetary policy rate was cut from 2.50% to 1.25% (Jan.2021)
- The symmetrical corridor defined by interest rates on standing facilities around the monetary policy rate was narrowed to ±0.5 percentage points from ±1.0 percentage points. Thus:
  - the deposit facility rate was reduced successively to 0.75% from 1.50%
  - lending facility rate was lowered successively to 1.75% from 3.50%
- Leu-denominated government securities purchased on the secondary market
- Carried out repo operations, providing liquidity to credit institutions
- EUR 4.5 bn repo line with ECB for high-quality collateral activated

II. Operational Measures

- Measures supporting the smooth functioning of settlements and payments in RON
- Credit institutions provided with continuous cash flow and liquidity
- Flexibility in the use of macroprudential capital buffers (temporarily, in line with similar action in other EU countries; except for institutions paying dividends)
- Liquidity coverage ratio < 1.0, if needed
- Recommendation to avoid dividend distribution or reduce capital
- Cap on pension funds' investments in government securities lifted till 2021
- IFRS reporting for non-financial institutions postponed from 2022 to 2023

Sources: National Bank of Romania, IMF

Multi-Layer Economic Support Extended by the EU

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.
- Adoption of Government Emergency Ordinance (43/2020) treating EU financed support measures, i.e. expenses and costs covered via:

Most Deprived OP[1]

- distribution of aid to affected individuals, elderly people, people with disabilities

Large Infrastructure OP

- reimbursements for medical equipment, devices and related expenses

Human Capital OP

- reimbursements of costs of staff in the social assistance sector
- reimbursements of monthly risk remunerations paid to doctors and medical staff
- reimbursements of compensations granted to Covid-19 hit businesses

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[2] is carrying out analysis of financial statements of relevant entities and will relocate funds within OPs to enhance financing measures, where needed

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

Long Years of Uninterrupted GDP Growth

Romania’s Economy: Macroeconomic Indicators

	2016	2017	2018	2019	2020	2021	2022
Macroeconomic Indicators						***Estimate***	***Forecast***
Real GDP (% y-o-y)	4.7	7.3	4.5	4.2	(3.7)	5.9 [e]	3.5 [b]
Inflation rate (%, e.o.p.)	(0.5)	3.3	3.3	4.0	2.1	8.2	12.9 [b]
Inflation rate (%, annual average)	(1.5)	1.3	4.6	3.8	2.6	5.1	12.6 [b]
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 [a]	47.2 [d]	48.8 [c]	49.4 [c]
Exports of goods (%, y-o-y)	5.1	9.2	8.1	1.9	(9.9)	20.1 [f]	22.0 [b]
Current account balance (% GDP)	(1.6)	(3.1)	(4.6)	(4.9)	(5.0) [d]	(7.0) [f]	(7.9) [b]
Interest And Exchange Rates							
NBR policy rate (%, e.o.p)	1.75	1.75	2.50	2.50	1.50	1.75	4.75
Credit facility rate	3.25	2.75	3.50	3.50	2.00	2.50	5.75
Deposit facility rate	0.25	0.75	1.50	1.50	1.00	1.00	3.75
Average exchange rate (RON/EUR)	4.49	4.57	4.65	4.75	4.84	4.92	4.95 [b]
Labor Market Indicators							
ILO unemployment rate (%)	5.9	4.9	4.2	3.9	6.1 [f]	5.6	5.4 [b]

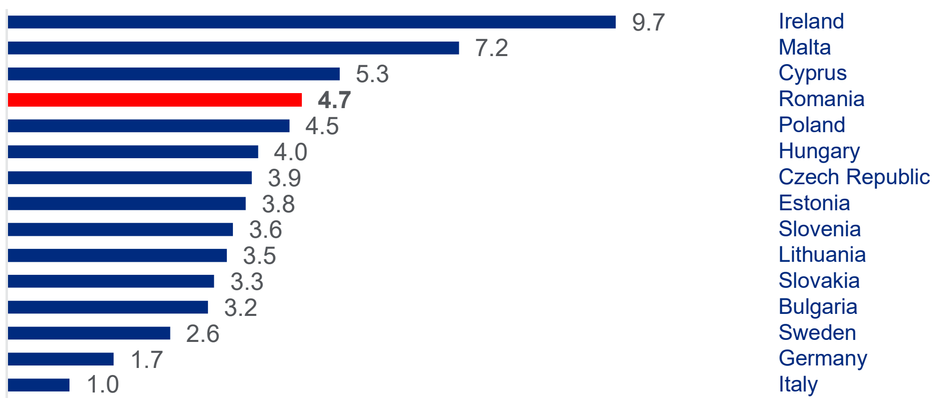
Source: NIS (for 2016-2019 data are according to Press Release No. 260 from 11 October 2021; for 2020 data are according to Press Release No. 332 from 21 December 2021; for 2021 - provisional data according to National Institute of Statistics Press Release No. 54 from 8 March 2022

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 2021 data according to EUROSTAT Newsletter 46/22.04.2022, EU methodology, for 2022 estimates, GDP according to NCSP summer forecast, July 2022; (d) Eurostat Newsletter no. 46/22.04.2022; (e) Provisional data according to NIS press release no. 54/08.03.2022; (f) Revised data

Growth Supported by Domestic Demand and Capital Formation

Romania is One of the Fastest Growing Economies in the EU

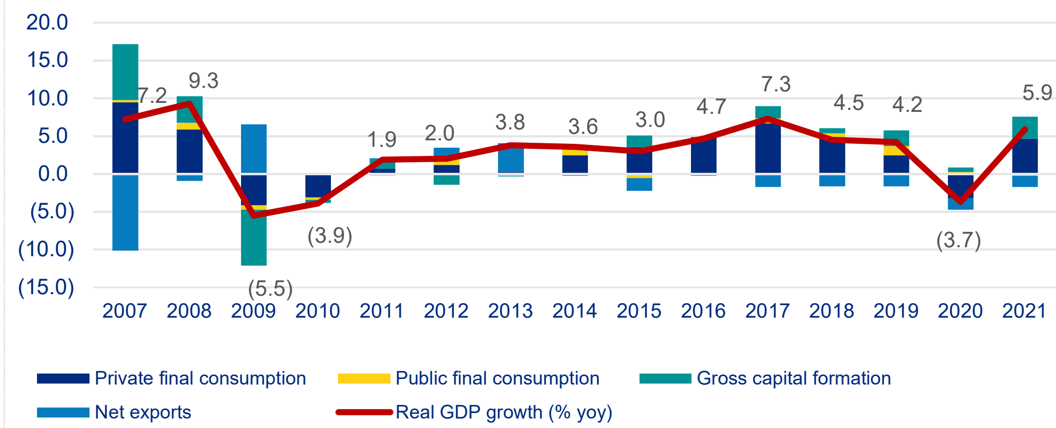
% GDP Growth, Average 2015–2019



Source: Eurostat

GDP Growth is Underpinned by Domestic Demand

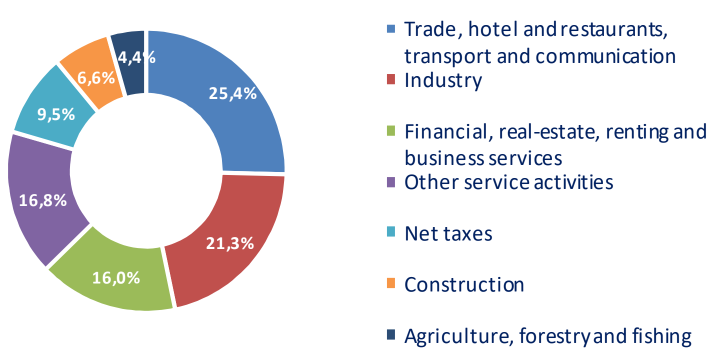
GDP Components, %



Source: NIS

The Romanian Economy is Diversified

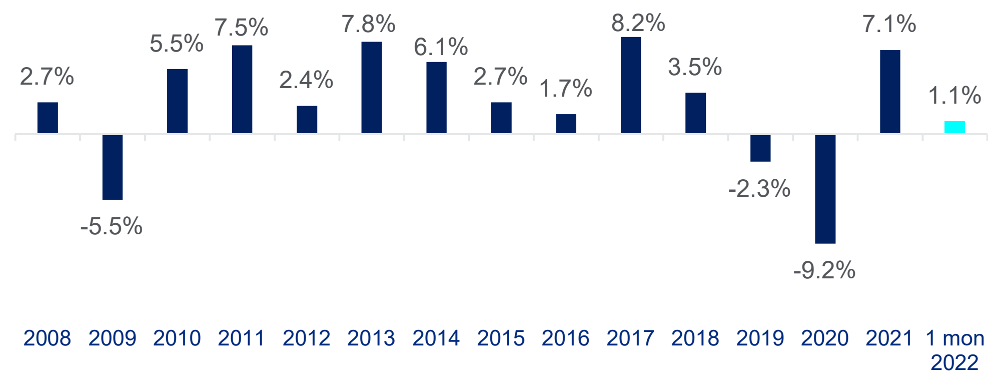
Structure of Gross Domestic Product by Sectors in 2021, %



Source: NIS

Industry in a recovery process

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



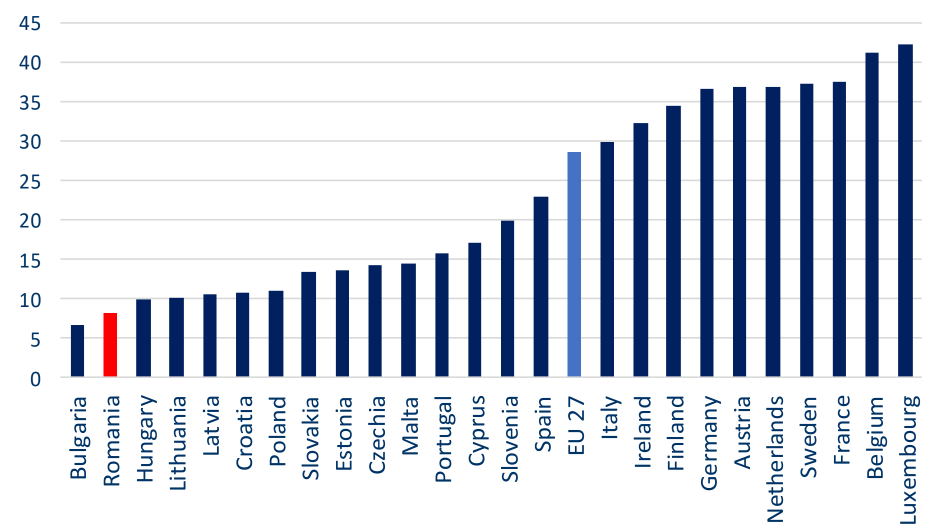
Source: NIS

Labour Market Conditions Supportive of Long-Term Growth

- 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 5.7% in January 2022.

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

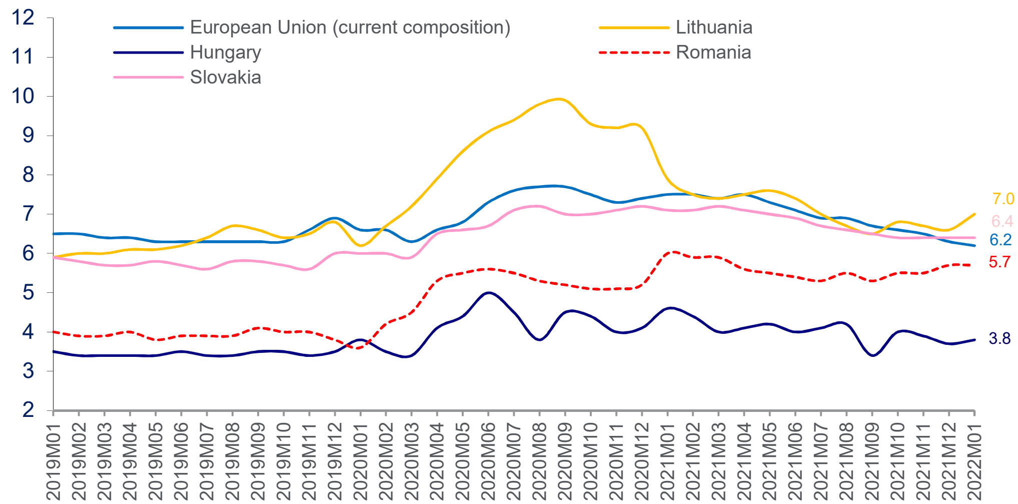
Annual data as of 2020, EUR



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

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
Real Growth Rate (%)	**4.3**	**7.0**	**7.0**
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

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	
GDP (RON bn)	1,317.3
Real Growth Rate (%)	**4.6**
Inflation / end of year (%)	4.7
Inflation / annual average (%)	6.5
Average number of employees (‘000s)	5,205
No. of unemployed persons registered as at the end of year (‘000s)	258
- Rate of registered unemployment (%)	2.9
Gross average salary (RON / month)	6,095
Goods exports – growth rate (%)	8.2
Goods imports – growth rate (%)	9.0

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

2022 Budget: Execution

June 2022 Budget Execution – Deficit of 1.71% of GDP

- Revenues to the general consolidated budget, in the amount of RON 216.70 billion, increased by 22.9% in nominal terms compared to the same period of last year.
  - Increases in the collection of: personal income tax (+18.4%), social security contributions (+9.7%), corporate income tax (27.5%), non-tax revenues (+62.7%) and excises (+0.7%), YoY compared to the same period of last year.
  - Revenues from VAT amounted to RON 45.50 billion in the first half of 2022 (26.6% more than the level recorded in the same period of last year).
  - Reimbursments from the EU: RON 14.89 billion, up by 19.4% compared to the level registered in the same period of the previous year.

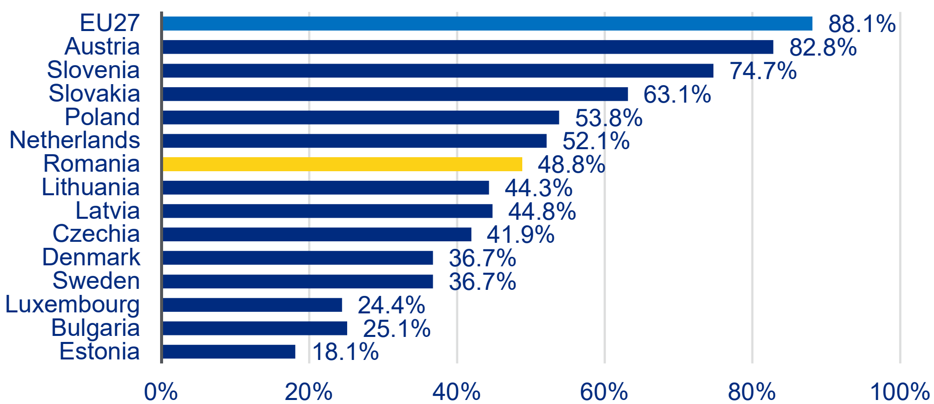
- The expenditures of the general consolidated budget, in the amount of RON 240.2 billion, increased in nominal terms by 14.3% YoY compared to the same period of last year.
  - Personnel expenditure increased by 4.7%, compared to the same period of last year.
  - Goods and services expenditure increased by 16.4%, while the expenditure for social assistance increased by 16.8%.
  - Interest expenditure amounted to RON 13.12 billion.
  - Subsidy expenditure amounted to RON 5.64 billion.
  - Expenditure on projects financed from non-reimbursable external funds (including subsidies from the European Union related to agriculture) amounted to RON 16.08 billion.
  - Investment expenditure amounted to RON 21.01 billion for the first half of 2022.

Prudent Public Debt Management

Public Debt is on a Sustainable Path

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

General Government Debt / GDP, Q4 2021



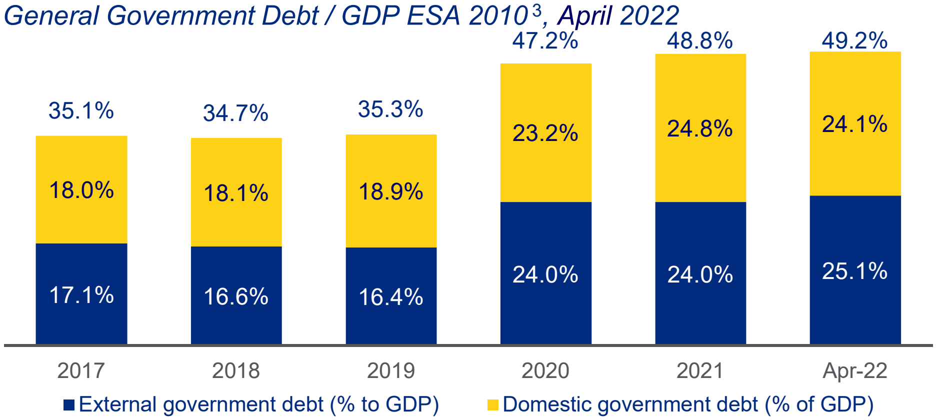
Source: Eurostat press release no. 47/22.04.2022

(% of GDP)	2017	2018	2019	2020	2021P	2022 F
Gross Financing Need, Out of which[1]:	7.6%	7.4%	8.6%	14.1%	11.2%	11.0%
– Budgetary Deficit	2.8%	2.8%	4.6%	9.6%	6.8%	5.8%
– Refinancing of Public Debt[1]	4.8%	4.6%	4.0%	4.5%	4.4%	5.2%
Foreign Currency Buffer	2.9%	2.6%	1.8%	3.1%	1.6%	1.6%
Net Government Debt[2]	32.2%	32.1%	33.5%	44.1%	47.2%	47.8%

(P) Provisional. (F) Forecasted.

Debt / GDP Ratio is Stable…

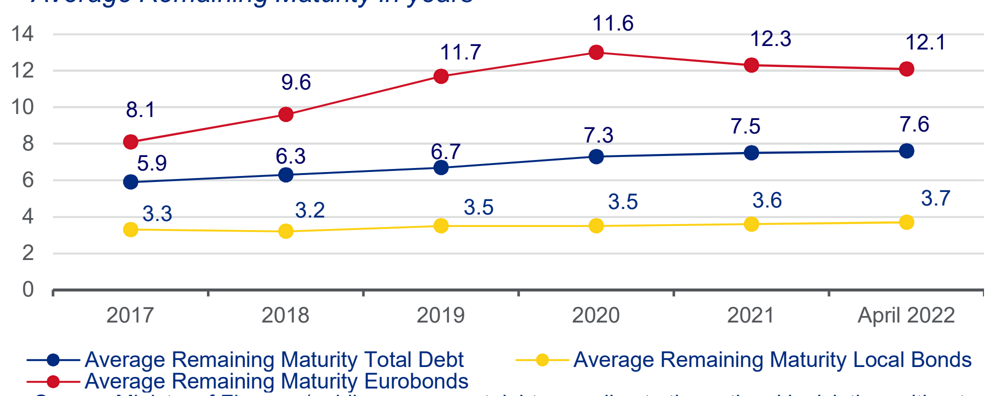
General Government Debt / GDP ESA 2010[3], April 2022



Source: Ministry of Finance – (EU Methodology).

…with a Prudent Maturity Profile

Average Remaining Maturity in years

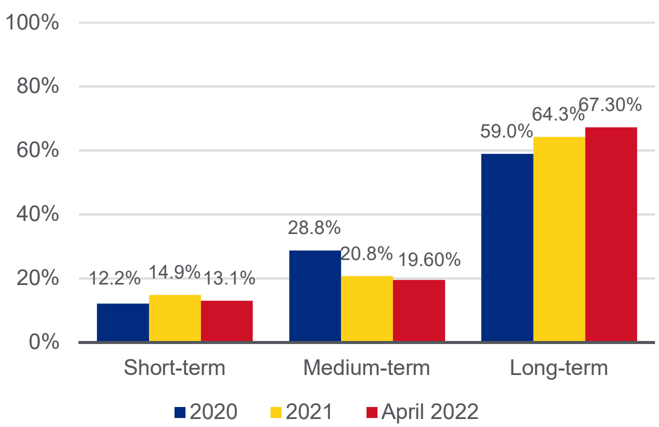


Source: Ministry of Finance (public government debt according to the national legislation, without temporary financing).

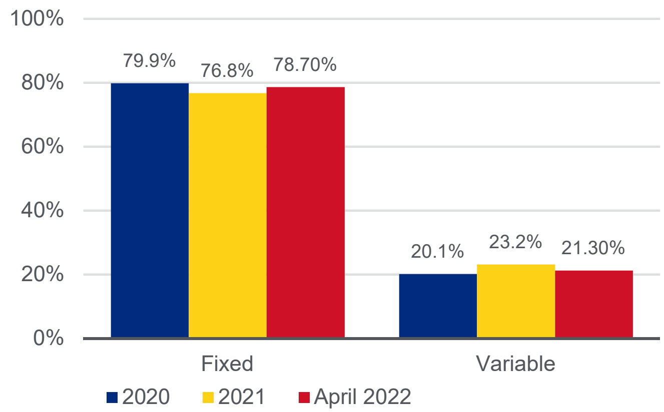
(1) Ministry of Finance (own calculation); (2) Ministry of Finance - historical compilation of the Public Debt Bulletin and projection of the Ministry of Finance for April 2022; Calculated as Gross government debt (EU Methodology) – Foreign currency buffer; (3) Ministry of Finance - according to EU methodology,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

Stable Government Borrowing Profile

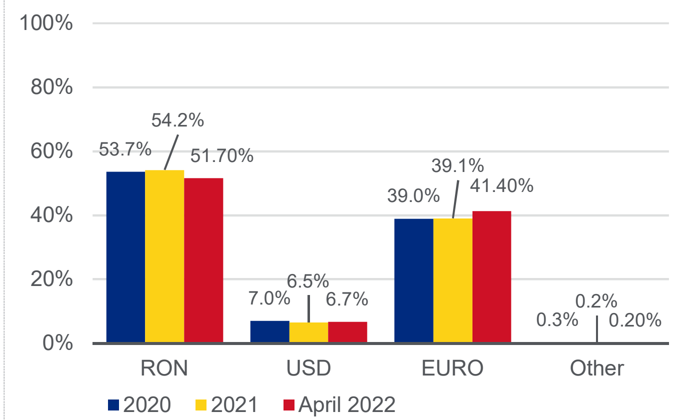
Increasingly Long Tenor Borrowings…



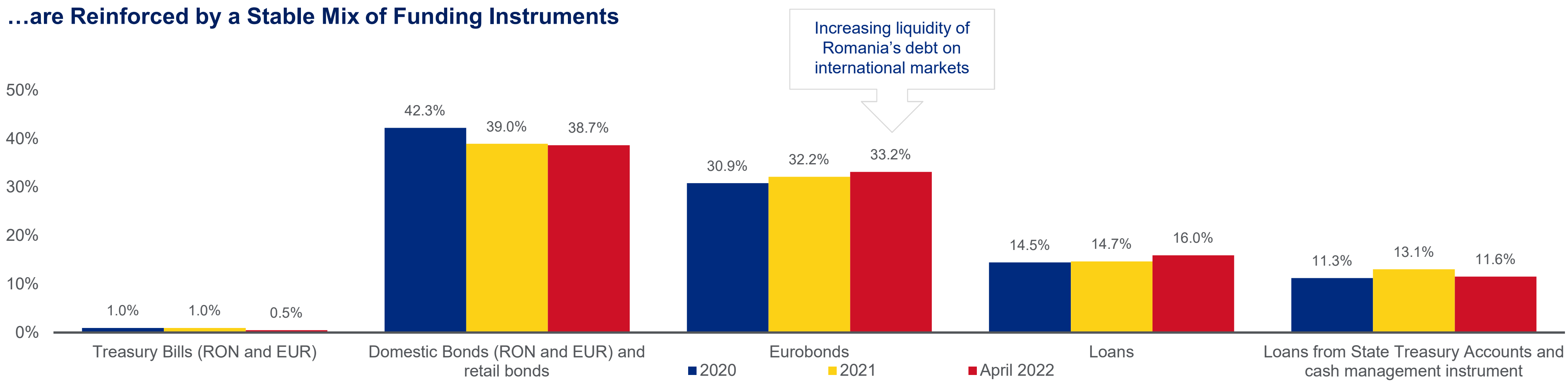
…Mostly Paying Fixed Interest…



…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 April 2022
Note: Based on national legislation.

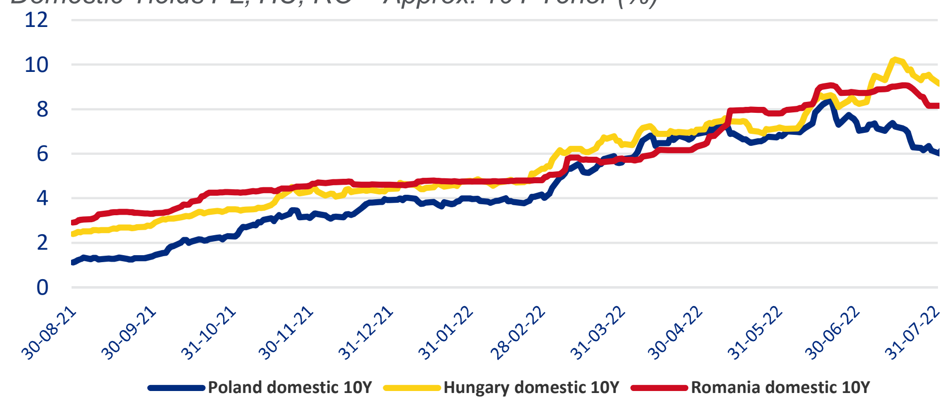
Investment Grade Ratings Underpin Strong Market Performance

- 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.

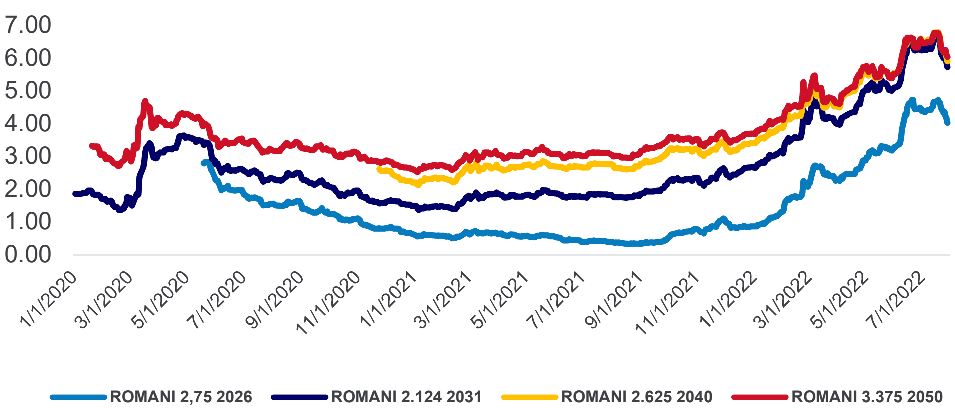
Yields have been relatively stable, on Romania's domestic debt…

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



…and on its foreign debt

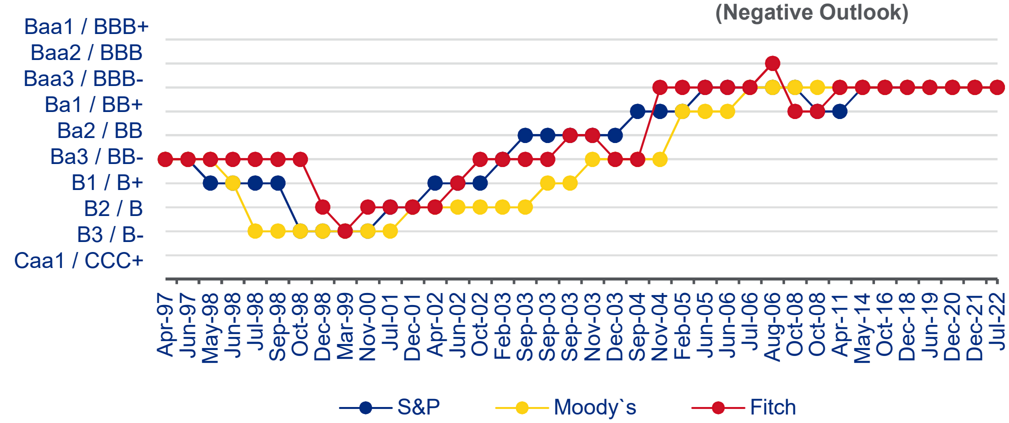
Bid Yields of Romanian Eurobonds, %



Romania has full investment grade status

Romania's Credit Rating History

BBB- / BBB- / Baa3
S&P and Moody's (Stable Outlook), Fitch (Negative Outlook)



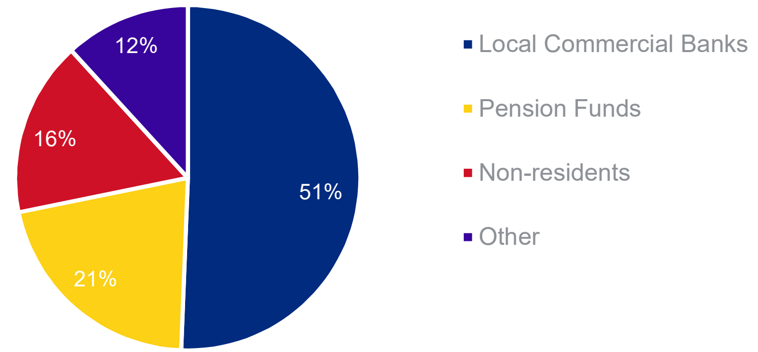
Source: Market data.

Fine-tuned instruments and diversified investor base

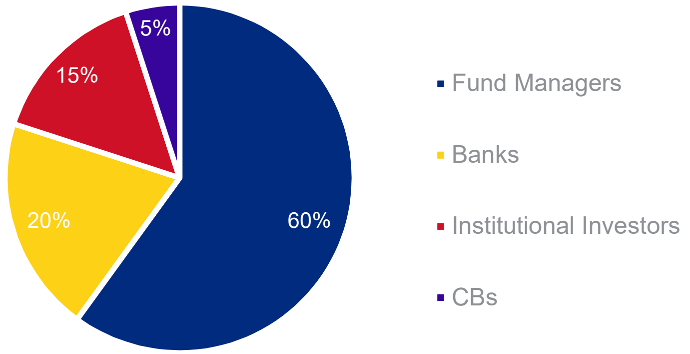
Domestic Capital Markets Instruments

- 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 will 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).

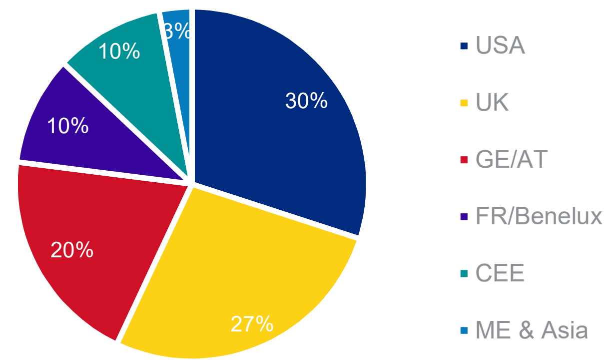
Holders of domestic market government securities(1)



Average Eurobonds Distribution by Investor Type(2)



Average Eurobonds Distribution by Geography(2)



Note: statistics for longer tenors,10Y+

(1) Source: Ministry of Finance. Public Debt Bulletin, end of April 2022
(2) Source: Ministry of Finance (own calculation).

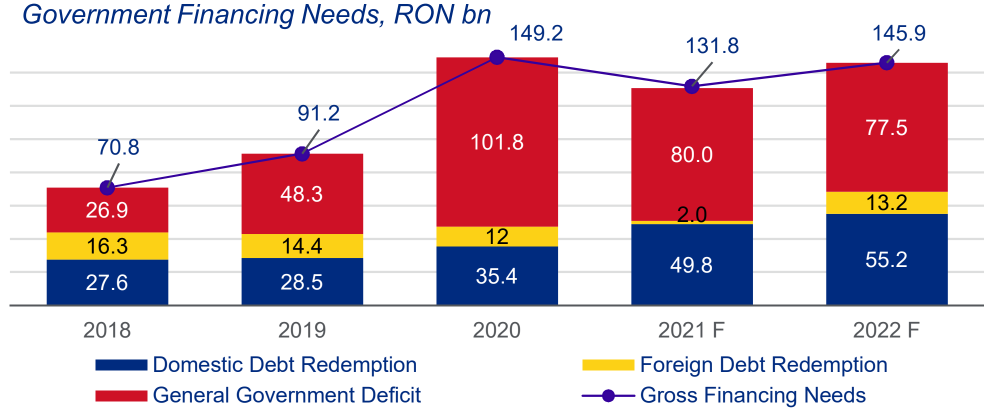
Prudent Debt Management Policy

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 145.9 bn out of which, around RON 77 billion represent the financing of the general budget deficit of 5.84% of GDP.

Financing Needs

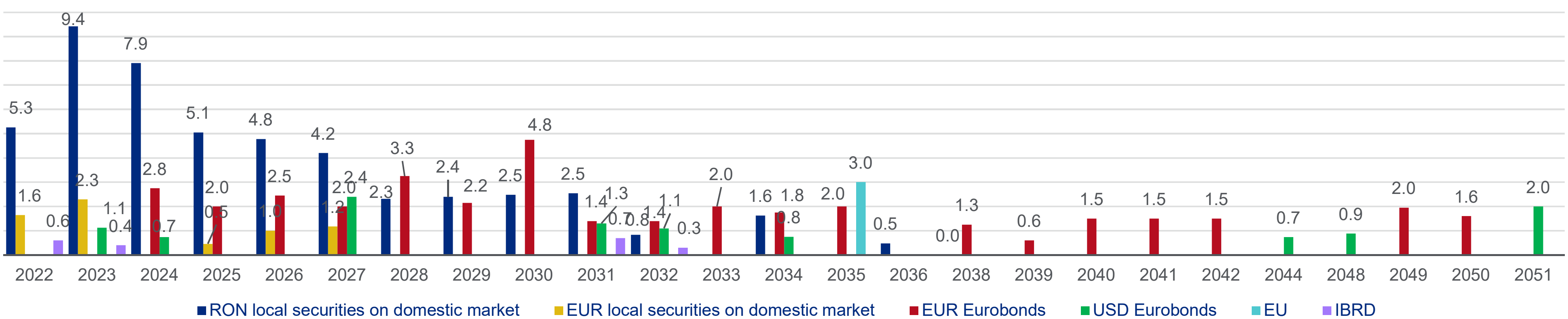
Government Financing Needs, RON bn



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 July 31, 2022.

Prudent Debt Management Policy (Cont'd)

Sovereign Debt Risk Management Targets

	Parameters[1]	Levels as of April 30, 2022	Levels as of December 31, 2021	Indicative Targeted Min / Max Ranges (2021–2023)[2]
Currency Risk	Share of domestic currency debt, % of total	45.4	48.9	45 (Min) – 60
	Share of EUR debt out of total foreign-currency denominated debt, %	85.7	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	15 – 25 (Max)
	ATM[3] for total debt, years	7.6	7.5	7.0 (Min) – 8.5
	ATM[3] 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	15 – 25 (Max)
	ATR[4] for total debt, years	7.6	7.5	7.0 (Min) – 8.5
	ATR[4] 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 2021–2023

- The net financing mainly in local currency to further facilitate the development of the domestic market of government securities and help mitigate foreign currency exposure, at the same time considering the domestic market absorption capacity and, in general, the demand for debt instruments denominated in lei, as well as the need for further diversification of the investor base of government securities.
- Pursue a smooth redemption profile
- Mitigate the refinancing risk and the liquidity risk by maintaining a foreign currency buffer at a comfortable level and possibly by using other instruments depending on the terms and conditions thereof.
- Maintain a presence on the international capital markets, through issuances of Eurobonds mainly in Euro, with opportunistic approach on other foreign currency markets
- In the implementation of the financing plan, the issuance of green bonds is considered, subject to completion of the Green Bond Framework.
- The domestic euro issuances will be considered based on local demand, depending on market conditions
- 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, 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 2021–2023; The Debt Management Strategy 2021-2023 was approved in May 2021; (3) ATM – average time to maturity; (4) ATR – average time to re-fixing.

Source: Ministry of Finance: Historic compilation of the Public Debt Bulletin and Government Public Debt Management Strategy.

EU Funding

EU Funds Absorption has Accelerated in the Past Years

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
		EUR bn	%	%	%	%	%	%	%	%	%	%
RO Program(1)	Economic, social, balanced and sustainable regional development	3.71	57	64	85	93	100	100	100	100	100	100
SOP(2) Environment	Protect and improve the environment and living standards	3.98	42	62	79	84	94	94	94	94	94	94
SOP Transport	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
SOP Increase of Economic Competitiveness	Fostering growth towards a knowledge-based economy	2.54	57	76	105[3]	100	100	100	100	100	100	100
SOP Human Resources Development	Open, knowledge-based society through provision of conditions facilitating human resources development	3.20	47	55	73	91	91	91	91	91	91	91
OP Administrative Capacity Development	Help increase the responsiveness of Romania's public administration and judicial system	0.21	72	89	99	100	100	100	100	100	100	100
OP Technical Assistance	Strengthening the capacity of beneficiaries to prepare and implement EU financed projects	0.17	55	81	113[3]	100	100	100	100	100	100	100
Total		**17.57[4]**	**52**	**63**	**83**	**89**	**95**	**95**	**95**	**95**	**95**	**95**

- 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

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
OP Technical Assistance	0.33	0	0	23.28	37.29	56.90	59.92	67.37	69.89	72.93
OP Competitiveness	2.38	0	0	6.48	17.01	25.38	23.31	25.82	26.68	35.73
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
OP Administrative Capacity	0.56	0	0	4.15	12.95	23.23	33.56	47.07	49.69	54.88
OP Large Infrastructure	9.34	0	0	10.13	17.77	25.24	38.85	52.85	53.53	61.74
OP Regional	6.86	0	0	0.41	12.78	22.86	34.86	49.83	50.70	57.23
*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
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
Total	**25.04**	**0**	**0.02**	**5.62**	**15.65**	**24.87**	**37.48**	**49.51**	**49.76**	**56.90**

- 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 June 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 22.3 bn (22 bn ESIF and 0.3 bn FEAD), which means. 62% 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 June 2022, Romania ranked 6th among the 27 Member States, in absolute values of EU funds received.
The contracting rate of 152% 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

MFF 2021 – 2027 & Next Generation EU

- **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 750 bn euro**, of which 390 bn euro will be provided to Member States in the form of grants and 360 bn euro in the form of loans.
- 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.

- According to the Multiannual Financial Framework (MFF) agreement for 2021-2027, this is an ambitious and comprehensive package combining the classical MFF with an extraordinary Recovery effort destined to tackle the effects of an unprecedented crisis in the best interest of the EU. The MFF, reinforced by Next Generation EU, will be **the main European tool for EU recovery**.

Operational Programs under NGEU:	Funds Allocated, EUR bn
Recovery and Resilience Facility	672.25
ReactEU	47.5
Horizon Europe	5
InvestEU	5.6
European Agricultural Fund for Rural Development	7.5
Just Transition Fund	10
RescEU	1.9
Total	**750**

Source: Ministry of Finance

MFF 2021 – 2027 & Next Generation EU

- 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(1)		Next Generation EU (NGEU) (1)	
Cohesion Policy*	EUR 29.2 bn	Recovery and Resilience Facility (RRF)	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
Total MFF	**EUR 49.9 bn**	**Total NGEU**	**EUR 32.6 bn**
Total allocated EU Funds			**~ EUR 82.5 bn (p)****

- The **NGEU amount** represents 4%(2) of the total value of this fund, Romania receiving the **5th highest allocation of all EU member states**.
- 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 from the Recovery and Resilience Plan, which consists both on grants and loans:
  - 70% of this amount is available to be legally committed by 31 December 2022,
  - the remaining 30% is available to be legally committed as of 1 January 2023 until 31 December 2023.

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/ National Plan.

- 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), being divided into 8 Regional Operational Programmes (ROP) and the following 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 estimated timeline for approval of the PA is mid of the current year, while for the OPs is the second semester 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

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**).

Source: Romania’s National Recovery and Resilience Plan, European Commission

Next Generation EU – Recovery and Resilience Facility

- The first payment request was sent to the EC on 31 st of May 2022 and includes the assessment on 21 milestones and targets. The first payment request from the grant amounts 2.037.146.414 EUR and from the loan amounts 907.669.494 EUR. 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: All milestones and targets have been achieved., and uploaded in FENIX in order to be assesed by Commison

Source: Ministry of Investments and European Projects

Thank you!