

An S&P Global Ratings Post-Issuance Review (PIR) includes S&P Global Ratings' assessment of an Issuer's post-issuance sustainable financing reporting, where proceeds are allocated to environmental and/or social use-of-proceeds projects. A PIR provides a point-in-time opinion, reflecting the information provided to us at the time the PIR was created and published, and is not surveilled. We assume no obligation to update or supplement the PIR to reflect any facts or circumstances that may come to our attention in the future. A PIR is not a second party opinion (SPO) on pre-issuance financing, or a comment on the alignment of allocations with third-party published sustainable finance principles. A PIR is not a credit rating, and does not consider credit quality or factor into our credit ratings. See [Analytical Approach: Sustainable Financing Post-Issuance Reviews](#).

Post-Issuance Review: Allocation Reporting

Government of Romania Allocation Report

July 25, 2025

Assessment Summary

Consistency Opinion [\(jump to section\)](#)

✓ Allocations are consistent with pre-issuance commitments.

Allocation Analysis [\(jump to section\)](#)

At the allocation report's publication, allocations consisted of a portfolio of projects across five of the green bond framework's eight project categories: sustainable water and wastewater management, clean transportation, climate change adaptation, environmentally sustainable management of living natural resources and land use, and pollution prevention and control projects.

The portfolio consists of a balance of Dark (37%), Light (42%), and Medium to Light green (21%) projects. We consider Dark green representative of clean transportation and adaptation projects, Medium to Light green of natural resources and land use projects, and Light green of water and wastewater and pollution prevention projects.

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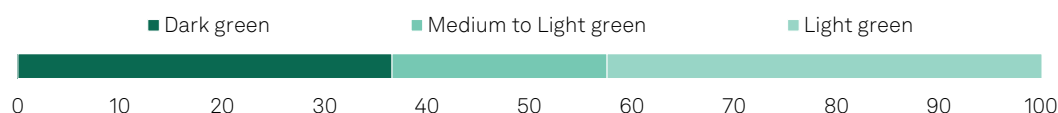
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[Read Second Party Opinion >](#)

Information:

Issuer's green bond framework, dated Dec. 2023, obtained a Medium green.

Environmental: Allocations to projects at the date of the report (% of allocation per shade)



Reporting Quality Assessment [\(jump to section\)](#)

✓ The report meets the requirements for allocation reporting contained in the Green Bond Principles and firm commitments in the green bond framework relating to allocation reporting.

In our view, it is good practice that, despite adopting a portfolio approach, the report includes a separate document with more information on projects, although it could include more details on water and wastewater projects.

Strengths

The report contains novel reporting approaches that add to its comprehensiveness. For example, it compares estimated allocations provided to investors pre-issuance and actual allocation, as well as financing and refinancing information by project category.

Weaknesses

No weaknesses to report.

Areas to watch

The portfolio includes several animal welfare programs, which might have uncertain or varying environmental benefits. Specific and nuanced reporting in upcoming impact reporting is therefore crucial.

Entity Description

Location: Romania	Sector: Sovereign
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Romania, an EU country in southeast Europe, has a population of about 19 million and GDP per capita of €20,000.

It published a green bond framework dated December 2023, with a second party opinion from S&P Global Ratings, but has not previously published an allocation report under the framework.


Consistency Opinion

This section provides our opinion on the consistency of allocations described in the report with the issuer’s commitments made at pre-issuance.

Relevant issuances

Type	Identifier	Name	Date	Maturity	Amount issued (Mil. RON)	Portfolio value (Mil. RON)
Bond	Reg S: XS2770921315 144A: XS2771480139	Delta	Feb. 2024	Feb. 2036	9,948.2	11,902
Bond	JP564200AQA4	Makuake – Tranche 1	Oct. 2024	Oct. 2027	670.1	
Bond	JP564200BQA2	Makuake – Tranche 2	Oct. 2024	Oct. 2029	109.6	
Bond	JP564200CQA0	Makuake – Tranche 3	Oct. 2024	Oct. 2031	225.4	

Source: Government of Romania Allocation Report, S&P Global Ratings. Delta bond was issued in Euros, valued at €1.98 billion. Makuake bond was issued in Japanese yen (JPY), totaling JPY 32.93 billion. Exchange rates taken from Government of Romania Allocation Report. RON--Romanian leu.

 Allocation consistency with pre-issuance commitments

Allocations to environmental projects are consistent with the issuer’s pre-issuance commitments. Except for two projects--one rail project and one animal welfare program, which total about 1% of the portfolio--allocations are to projects identified by the issuer at pre-issuance during the second-party opinion process. According to Romania, it included these two projects because other projects identified at pre-issuance were progressing slower than expected.

Allocation Analysis

This section provides information on the allocation of proceeds, incorporating the conclusions that led to our consistency opinion.

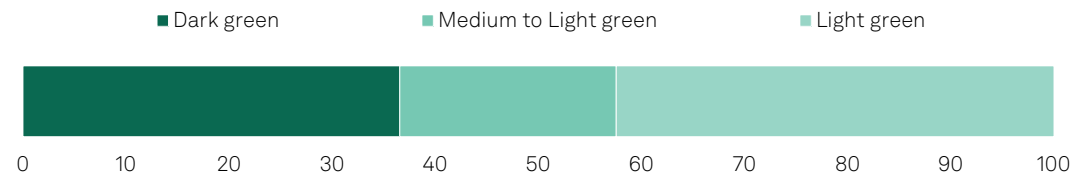
Environmental projects

- As of the report's publication, environmental allocations covered projects across five categories. Sustainable water and wastewater management projects account for about 40% of allocations, including investments in several wastewater treatment plants. Projects relating to clean transportation, climate change adaptation, and environmentally sustainable management of living natural resources and land use each account for about 20% of allocations. Pollution prevention and control projects are a negligible share.
- Allocations for clean transportation are almost exclusively to rail projects, including construction and rehabilitation, as well as the purchase of rolling stock. The investment in public modes of transport, rather than private, is crucial for the transportation sector's climate transition. One project is the construction of the metro to Bucharest's airport, meaning the project serves a high-emitting sector. The only nonrail project is the construction of cycle paths--cycling and walking are the most compatible modes of transport with a low-carbon future.
- The portfolio includes several animal welfare programs, which focus on bettering pig and poultry health through improved feeding, water and shelter. According to Romania, these practices, in turn, lead to environmental benefits, for example reduced emissions and water pollution. Given the environmental benefits' secondary nature, reporting the projects' impact in detail is crucial.
- The portfolio includes nationwide investments in adaptation projects, focusing on flood defense, as well as drainage and irrigation systems. This includes several sizable projects, for example relating to the Siret-Bărăgan Main Canal. Some projects focus on rehabilitating or upgrading existing infrastructure, which can reduce emissions and local environmental impacts compared to greenfield projects. Nature-based adaptation solutions--such as wetlands and natural water retention areas--are most compatible with a low-carbon future. While the report provides some information on measures taken to improve the sustainability of adaptation investments--for example, "green islands" to improve water quality in reservoirs--the extent to which nature-based projects are favored is not clear.
- Romania's green bond framework allows for investment in fossil fuel-based assets and infrastructure, specifically the retrofitting of gas transmission networks to enable the integration of hydrogen and low-carbon gases, and, where certain requirements are met, the conversion of thermal coal plants to combined heat and power natural gas ones. The portfolio does not contain any such investments to date, which aligns with Romania's expectation at pre-issuance that these would only represent minor share of allocations.

Shades of Green

- The portfolio consists of a balance of Dark (37%), Light (42%), and Medium to Light green (21%) projects. Allocations are representative of the Shades of Green assigned to their respective project categories at pre-issuance:
 - The financing of rail and cycling investments makes transportation investments representative of the Dark green assigned at pre-issuance, as are adaptation measures such as irrigation systems and flood defense.
 - Investment in pollution prevention and control, focusing on recycling; and environmentally sustainable management of living natural resources and land use, such as compensatory payments for agriculture, are representative of the Medium to Light green assigned at pre-issuance.
 - Investment in water projects, sewage systems, and wastewater treatment are representative of the Light green assigned at pre-issuance.

Environmental allocations at the date of the report (% of allocation per shade)



Source: S&P Global Ratings.

Reporting Quality Assessment

This section provides an opinion on the quality of the issuer’s post-issuance allocation reporting.

✓ Alignment with reporting requirements

The report aligns with the requirements for allocation reporting contained in the Green Bond Principles. The report will be published more than 12 months after the first issuance under the green bond framework.

✓ Satisfaction of pre-issuance reporting commitments

The report satisfies the issuer’s pre-issuance commitments related to allocation reporting.

Additional reporting considerations













Comprehensiveness of allocation reporting

- We consider it good practice that, despite the issuer managing the green bonds on a portfolio basis, it will provide a separate document with more detailed information on projects, for example project descriptions and allocations per year. This provides additional transparency. Nevertheless, in our view, some more information on certain allowances could be illuminating. For example, while projects under the water and wastewater management projects account for about 40% of the portfolio, these are described in comparatively little detail (although some such projects are described in the report's case-study).
- The report contains certain novel approaches that add to its comprehensiveness. For example, it compares estimate allocations provided to investors pre-issuance and actual allocations, and provides explanations for the deviation. It also reports financing or refinancing on a project category and per-bond basis.
- The portfolio exceeds net proceeds by over RON1 billion (the portfolio totals RON11.92 billion, while net proceeds total RON10.85 billion). From the portfolio, Romania has identified expenditure that equal net proceeds and uses this as the basis of its reporting. More specifically, Romania considers the net proceeds to finance all expenditure in the portfolio from 2021, 2022, and 2024, and about 46.3% of this expenditure from 2023. The issuer explains that this breakdown limits the share of proceeds used for refinancing. The proceeds from future green bond issuances will fund the remaining 2023 expense.

Linking allocations and issuer level sustainability performance, targets, and strategy

- The report contains information on how the allocations align with its national and international objectives and targets. It includes reference in the executive summary to various national strategies (relating to topics such as emissions, forestry), while in the case study, it contains good information on how allocations to European Agricultural Fund for Rural Development programs will contribute to achieving EU objectives. However, we think these links could be explained more systematically in greater detail, as well as in light of potential developments.

S&P Global Ratings' Shades of Green

Assessments					
 Dark green	 Medium green	 Light green	 Yellow	 Orange	 Red
Description					
Activities that correspond to the long-term vision of an LCCR future.	Activities that represent significant steps toward an LCCR future but will require further improvements to be long-term LCCR solutions.	Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term LCCR solutions.	Activities that do not have a material impact on the transition to an LCCR future, or, Activities that have some potential inconsistency with the transition to an LCCR future, albeit tempered by existing transition measures.	Activities that are not currently consistent with the transition to an LCCR future. These include activities with moderate potential for emissions lock-in and risk of stranded assets.	Activities that are inconsistent with, and likely to impede, the transition required to achieve the long-term LCCR future. These activities have the highest emissions intensity, with the most potential for emissions lock-in and risk of stranded assets.
Example projects					
 Solar power plants	 Energy efficient buildings	 Hybrid road vehicles	 Health care services	 Conventional steel production	 New oil exploration

Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius (2 C), with efforts to limit it to 1.5 C, above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

Related Research

- [Analytical Approach: Sustainable Financing Post-Issuance Reviews](#), June 30, 2025
- [FAQ: Applying Our Analytical Approach for Post Issuance-Reviews](#), June 30, 2025
- [Analytical Approach: Second Party Opinions](#), March 6, 2025
- [FAQ: Applying Our Integrated Analytical Approach For Second Party Opinions](#), March 6, 2025
- [Analytical Approach: Shades Of Green Assessments](#), July 27, 2023

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Post-Issuance Review: Allocation Reporting: Government of Romania Allocation Report

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