



1. CAS/CPS Data		
Country: Romania		
CAS/CPS Year: FY14	CAS/CPS Period: FY14-FY17 (CPS), FY14-18 (PLR)	
CLR Period: FY14 – FY18	Date of this review: June 7, 2018	
2. Ratings		
	CLR Rating	IEG Rating
Development Outcome:	<i>Moderately Satisfactory</i>	<i>Moderately Satisfactory</i>
WBG Performance:	<i>Good</i>	<i>Good</i>
3. Executive Summary		
<p>i. This review of the World Bank Group’s Completion and Learning Report (CLR) covers the Country Partnership Strategy (CPS) and the Performance and Learning Review (PLR) dated November 3, 2016. The original CPS period (FY14-17) was at the PLR stage extended by one year to cover FY14-18. The CLR and this review cover this extended period.</p> <p>ii. Romania is an upper middle-income country with a GNI per capita of \$9,480 in 2016 and a population of 19.7 million. Romania’s per capita GDP had grown rapidly up to 2009, reducing poverty, but the global financial crisis of 2008 triggered a severe recession. The IMF Article IV report (May 2017) notes that Romania strengthened its economy considerably after the global financial crisis. Romania registered an average annual GDP growth of 3.9 percent during the review period (2014-2016). Public debt and fiscal and current account imbalances are moderate compared to many emerging markets, but significant challenges remain and the momentum of progress in policies has waned. Income convergence with the EU has slowed and poverty is among the highest in the EU. Romania has a Human Development Index (HDI) of .802 in 2015, placing the country in the very high human development category and ranking 50 (of 188) in HDI in 2015. Its Gini coefficient is 28.3 in 2016 (from around 35 in 2010) and its poverty headcount ratio based on the national poverty line is 25.4 percent (average 2014-2016).</p> <p>iii. At the time of the CPS, the country’s medium-term strategy was articulated through its 2013 National Reform Program with a Convergence Program (2013-16) and associated program of actions for economic, social and political reforms. The government’s medium-term strategy was framed within the broader context of economic convergence with the European Union (EU), the EU’s country specific recommendations, and the ability to access available EU funds. The WBG’s overarching CPS objective - to reduce poverty and foster sustainable income growth for the bottom 40 percent of the population - fit well within both the National Reform Program and the EU context. The CPS was structured around three pillars (or focus areas): (i) improving government effectiveness (“creating a 21st century government”), (ii) growth and job creation, and (iii) social inclusion. These were aligned within the context of Romania’s economic convergence process with the EU and its EU2020 “smart, sustainable and inclusive” agenda.</p>		

CLR Reviewed by:	Panel Reviewed by:	CLR Review Manager/Coordinator
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iv. On balance, IEG rates the overall development outcome as **Moderately Satisfactory**. Of the 14 objectives, three were rated Achieved, five Mostly Achieved, five Partially Achieved and one Not Achieved. Focus Area I was Moderately Satisfactory. Good progress was made in improving debt management, strengthening strategic planning, and improving governance and organizational functioning and strategy formulation; but limited progress on health service delivery, and revenue and expenditure administration. Focus Area II was Moderately Satisfactory. There was good progress in aligning with EU requirements on environment and climate action, improving business entry and exit, and improving RCC performance in promoting and enforcing market competition (although this is still work in progress). However, there was limited progress on strengthening skills and education programs, creating an improved business environment and improving energy efficiency. Focus Area III was Moderately Unsatisfactory. Several process steps were completed and under implementation in support of the government's program to tackle poverty and social exclusion while measures for a more streamlined, better targeted and more cost efficient social protection system were not achieved.

v. On balance, IEG rates the WBG performance as **Good**. The CPS addressed important development challenges in Romania in the areas of improving government effectiveness, growth and job creation, and social inclusion. The original program design was based on a "selective approach" that would use in a flexible manner the full range of WBG instruments including financing, advisory services and analytics (ASA), reimbursable advisory services (RAS), and IFC operations; with positive synergy between advisory services and other WBG instruments. This design was ambitious but appeared appropriate at the time. The original program design was focused and selective, and was closely aligned with the twin corporate goals. The program that the Bank implemented was significantly different from what had been envisaged in the CPS and in the PLR, with a sharp reduction in lending due to changing government priorities, strong preferences for RAS, and some administrative weaknesses. However, the Bank demonstrated significant flexibility and attention to shifting government priorities in accommodating effectively the government's desire for RAS. Close collaboration with European development partners and with the EU has been essential for the Bank's work in the country. At the PLR, the results framework was revised, by increasing the number of objectives (from seven to 14) and indicators (from 16 to 43). The revised results framework had significant shortcomings. It had too many objectives and indicators, with unclear links to WBG interventions, had issues of WBG attribution for some indicators, and more focused on process indicators. Overall, the closed and active portfolio of Romania showed variable performance. The Bank and IFC in Romania worked independently of each other, with no significant areas of attempted or realized synergy. During the review period, there were no safeguards issues. INT substantiated three cases that have resulted in sanctions and referrals.

vi. IEG concurs with some of the CLR lessons which are summarized as follows: i) WBG can continue to serve as a stable, neutral convener and knowledge broker in Romania to help identify development solutions and provide support for their implementation; (ii) Careful deliberation is needed for the right selection of WBG instruments to achieve development objectives;(iii) Continuous attention should be paid to implementation support under the new CPF. (iv) In the next CPF cycle it will be critical to undertake the PLR in a timely manner to assess implementation and implement the recommendations.

vii. IEG adds the following lesson:

- In countries with large RAS program, it is critical to be more careful and realistic in designing the results framework to ensure strong linkages between RAS, CPS objectives, and results; and ensuring appropriate monitoring and reporting of results. In the case of Romania, the results framework was drastically revised at the PLR and suffered from several cases of weak linkages between the stated objectives and their related indicators.

4. Strategic Focus

Relevance of the WBG Strategy:

1. **Congruence with Country Context and Country Program.** Romania is an upper middle-income country with a GNI per capita (2016) of \$9,480 and a population of 19.7 million. Romania's per capita GDP had grown rapidly up to 2009, reducing poverty, but the global financial crisis of 2008 triggered a severe recession. The IMF Article IV report (May 2017) notes that Romania strengthened its economy considerably after the global financial crisis. Romania registered an average annual economic growth of 3.9 percent during the review period (2014-2016). The country ranks 50 (out of 188) on the Human Development Index in 2016. Its Gini coefficient is 28.3 in 2016 (from around 35 in 2010) and its poverty headcount ratio based on the national poverty line is 25.4 percent (average 2014-2016).
2. At the time of the CPS, the government had produced a 2013 National Reform Program (NRP), a Convergence Program (CP) for 2013-16, and an associated Government Program (GP) of actions, covering economic, social and political reforms. The country's medium-term strategy was framed within the broader context of economic convergence with the EU, the EU's country specific recommendations, and the ability to access available EU funds. The WBG's overarching CPS objective— to reduce poverty and foster sustainable income growth for the bottom 40 percent of the population - fit well within this context, and the three focus areas and objectives were within the context of Romania's economic convergence process with the EU and its EU2020 "smart, sustainable and inclusive" agenda.
3. **Relevance of Design.** The proposed WBG interventions were expected to contribute to the achievement of the CPS objectives. The original program design was based on a "selective approach" that would use the full range of WBG instruments including financing through two DPFs and several IPFs and advisory services and analytics (ASA), including reimbursable advisory services (RAS). It was also assumed that IFC would contribute to the achievement of the CPS objectives through its long-term financing (with focus on growth and job creation), and that there would be synergies between RAS and other WBG instruments. Changes in government priorities led to a shift in the composition of WBG interventions that relied heavily on RAS. Accordingly, at the November 2016 PLR, the Bank had shifted its focus from lending to the RAS program that had expanded considerably. However, while the program remained largely unchanged in substance, there were many changes to the results framework, including increasing the number of objectives and indicators that were more process oriented. In addition, the expected IFC AS contributions and synergy with IFC's lending instruments and other WBG interventions did not materialize. Overall, the changes at the PLR weakened the links between the WBG interventions, CPS objectives and results.

Selectivity

4. The original program was selective, with three focus areas, seven objectives and 16 associated indicators, and was appropriate given the country context. The planned lending program was also selective in line with the WBG's comparative advantage. At the PLR, the number of focus areas remained unchanged, but the number of objectives increased from seven to 14, and the associated indicators were scaled up from 16 to 43. The expanded RAS program reflected the Bank's flexibility and responsiveness to country circumstances and government priorities, and was generally in line with the Bank's comparative advantage. However, the changes at the PLR made the program lose some of the earlier focus and selectivity.

Alignment

5. The overarching objective of the CPS was to reduce poverty in Romania and foster sustainable income growth for the bottom 40 percent of the population. This was an appropriate goal in light of the country's high rate of poverty, and the focus areas on growth and job creation and social inclusion were well aligned with the twin goals. Specific objectives for improved health service delivery, program to tackle social inclusion and poverty reduction, and an improved social protection system supported the twin goals. However, as the CLR points out, the revised PLR framework was

developed to some extent in response to short term government priorities and needs, and this may have diluted somewhat the direct focus on the twin goals.

5. Development Outcome

Overview of Achievement by Objective:

6. Following the IEG-OPCS Shared Approach (SA) for Country Engagement, the assessment of the development outcome is based on the updated results framework at the PLR stage. In line with the approach, this review applies the following nomenclature: focus areas and objectives corresponding to the CLR's pillars and outcomes, respectively.

Focus Area I: Creating a 21st Century Government.

7. This Focus Area had six objectives: (i) revenue and expenditure administration improved; (ii) strengthened debt management; (iii) improved strategic planning, prioritization and evidence-based policy making; (iv) enhanced strategy formulation, operationalization, monitoring and evaluation in preparation for the 2014-2020 period and beyond; and (vi) improved health service delivery.

8. **Objective 1: Revenue and expenditure administration improved.** This objective was supported primarily by the Revenue Administration Modernization Project (RAMP/FY13), the First and Second Fiscal Effectiveness and Growth DPLs (FY14/FY15) the IFC project Timisoara Municipality and an IFC AS project. This objective had four indicators:

(i) Revenue Management System is procured. *Not Achieved.* The FY13 project has stalled since completing the first stage of the procurement of the Integrated Revenue Management System (IRMS). Hence, the IRMS has not been procured.

(ii) Framework for introducing results informed budgeting (RIB) by 2018. *Partially Achieved.* The framework for RIB had been drafted by the end of 2017 and was in the process of clearances and approvals within the government. Additional information provided by the region indicates that the framework was revised in March 2018 and is now following the clearance process in the Ministry of Finance before being published for public consultation.

(iii) Centralized procurement introduced for health medicine. *Achieved.* The procurement of centrally procured antibiotics and oncology drugs started after the Ministry of Health (MOH) had approved a centralized procurement plan for 2016 that included 31 antibiotics and 12 widely used oncology drugs. This indicator was also used in Objective 6.

(iv) IFC investments in sub-nationals. *Achieved.* IFC has invested in two municipality projects (supporting the rehabilitation of transport and social infrastructure in a municipality, and in another the rehabilitation of heating systems and the construction of a new cogeneration plant and heat boilers). This indicator is not an appropriate measure for this objective.

9. Two of the above indicators, while achieved, were not appropriate measures for the objective. The two relevant indicators were either not achieved or partially achieved. On balance, this Objective was **Partially Achieved**.

10. **Objective 2: Strengthened debt management.** This objective was added at the PLR. It was supported primarily by the First and Second Fiscal Effectiveness and Growth DPL (FY14/FY15), and by a RAS to the Ministry of Finance for Strengthening Debt Management (FY14). This objective had one indicator:

(i) Debt management strategy adopted and updated yearly in line with best practice. *Achieved.* A Debt Management Strategy (2014-2016) was approved and significant progress has been made in debt management practices. The Debt Management Strategy (2017-2019) was published in 2017 as a continuation of the 2016-2018 Debt Management Strategy and is in line with international practices. The Strategy has been updated yearly since 2015. Additional information suggests strengthened debt management. According to the IMF



Article IV for Romania, public debt in the country is relatively low (39.1 percent of the GDP in 2016), after having peaked (as per the CPS) at about 75.6 percent. In 2012. For 2016, EuroStat reports that public debt was 37.6 percent, the 5th lowest among the 28 EU member countries.

11. On balance, this objective was **Achieved**.

12. **Objective 3: Improved strategic planning, prioritization and evidence-based policy-making.** This objective and its five indicators were added in the PLR. It was supported primarily by a series of RAS, including Planning and Budgeting Capacity (FY16), Development of Capacity of the Central Public Administration to Carry Out Impact Studies (FY16), Strengthening the Regulatory Impact Assessment Framework (FY16), and the Implementation Support for the National Strategy on the Digital Agenda (FY14).

(i) Development and use of a central dashboard in the Chancellery of the Prime Minister for monitoring high-level institutional Strategic Plans (ISP) priorities of selected ministries.

Achieved. The CLR reports that the Dashboard is used in 13 ministries, which could not be verified by IEG. However, a March 2017 presentation from the General Secretariat of the government attests to the creation of an ISP dashboard for monitoring.

(ii) Simplified framework for more effective implementation of regulatory analysis. *Achieved.*

As reported in the CLR, the Prime Minister decision 297/2016 presents an updated guidance on regulatory Impact assessment (RIA) framework.

(iii) 100 percent of public investment projects selected based on improved evaluation and selection criteria under PNDL (National Local Development Program). *Achieved.*

The Ministry of Regional Development and Public Administration (MDRAP) reported on its website in February 2018, that 6,800 priority investments projects were funded across Romania, against a target of 4,000. The CLR informs that these priority investments are selected based on a new set of selection criteria that partly follow Bank recommendations.

(iv) More effective inter-municipal investment planning and project selection criteria applied in at least three cities. *Achieved.* Four cities in Romania now apply new municipal investment planning and project selection criteria, against the target of three cities.

(v) Digital maps drive investments for increased access to broadband. *Partially Achieved.* An FY 14 RAS for digital implementation supported the development of a tool to map village typology and enabled the design of tailored broadband supply solutions. However, the CLR reports that no funding has been made available to use the maps and implement solutions.

13. Overall, this Objective was **Mostly Achieved**.

14. **Objective 4: Enhanced strategy formulation, operationalization and monitoring and evaluation in preparation for the 2014-20 period and beyond.** This broad objective and its related two indicators were added at the PLR. The objective was primarily supported by various RAS, including for reducing early school leaving (FY14), for technical assistance for preparing a strategic framework for lifelong learning (FY14), preparing a strategic framework for increasing tertiary education attainment, quality and efficiency (FY14), for the provision of inputs for the preparation of a draft national strategy and action plan on social inclusion and poverty reduction (FY14), for a strategy for the elderly and active ageing (FY14), and for implementation support for the national strategy on digital agenda (FY14).

(i) Five strategies adopted and contribute to government's meeting EU ex-ante conditionalities for accessing EU funds under the 2014-20 period. *Achieved.* Additional information provided by the country team confirms that the five strategies have been adopted.

(ii) M&E framework updated for the strategy on digital agenda. *Achieved.* The EC has assessed as fulfilled the related ex-ante conditionality.



15. For Objective 4, both indicators were achieved, and this objective was thus **Achieved**. The reported achievement of both indicators had already taken place by the time of their inclusion at the PLR.

16. **Objective 5: Improved governance, organizational functioning and efficiency of public institutions and SOEs.** This objective with its six indicators was included at the PLR. The objective was supported primarily by the FY06 Judicial Reform Project and by several RAS including for a human resource strategy for the Ministry of Public Finance (FY14), for the establishment of a performance appraisal system for government officials managing EU funds (FY14), and for the administrative capacity of the Ministry of Education and Research (FY13).

(i) Ministry of Public Finance (MoPF) Human Resources Management strategy adopted and in implementation. *Partially Achieved.* The medium-term strategy was approved in 2014. However, the CLR reports that the implementation of the strategy has been challenged by the latest pay law and that changes to the legal framework are needed.

(ii) Performance appraisal system adopted and applied to government officials managing EU funds. *Achieved.* The performance appraisal system was established in 2015 and has been used by the Ministry of European Funds to assess the performance of about 1,000 civil servants involved in the management of EU funds.

(iii) Improved delegation of authority capacity in the Ministry of Education and Research (MoESR) piloted and new Regulations for Organization and Functioning (ROFs) adopted. *Achieved.* The new ROFs were adopted in 2015 and the Bank's recommendations including on delegation of authority were adopted in updated ROFs approved in May 2016.

(iv) Romanian Competition Council (RCC) revised and adopted business architecture to increase operational effectiveness. *Achieved.* A new competition law was adopted in 2015 which helped in eliminating overlapping mandates between the RCC and other agencies and allowed the RCC to use resources more efficiently.

(v) Increase in court hearings in courts rehabilitated and increase in number of council rooms since 2014. *Achieved.* An ICR for the FY06 reported a 77 percent increase in the total number of court hearings in the five courts rehabilitated under the project. The target of 15 court buildings was exceeded as 12 courts were renovated and four new ones built.

(vi) Law adopted on SOEs corporate governance (to Approve the Emergency Government Ordinance 109/2011) in line with OECD principles. *Achieved.* A new Law on Corporate Governance of SOEs was approved in May 2016; its norms were published in October of that year.

17. This objective had three dimensions: governance, organizational functioning and efficiency of public institutions and SOEs. The indicators provide some elements of governance and organizational functioning but no indicator on efficiency. Also, much of the progress for these indicators had already been achieved by the time of the PLR, such as a competition law of 2015 and the law on corporate governance of May 2016. On balance, this Objective 5 was **Mostly Achieved**.

18. **Objective 6: Improved health service delivery.** This objective was reformulated at PLR – from the original (and more demanding) objective of rationalizing the hospital network and enhancing primary health care services. The objective was primarily supported by the FY 14 Health Sector Reform Project, the FY15 Second Fiscal Effectiveness and Growth DPL, and an IFC health sector AS project. IFC also invested in one of the leading Romanian healthcare providers. This objective had four indicators:

(i) Reducing the ratio of public acute beds (beds that are available for curative care) per 1,000 inhabitants from 5.5 to 4.8. *Mostly Achieved.* The ratio of public acute beds has been reduced from the 2013 baseline of 5.5 beds per 1,000 inhabitants to 4.5 beds by 2017 (versus the target of 4.8 beds). The CLR reports that the reduction in ratio is due in part to the sudden decrease in population.



(ii) Introducing a new basic package of health care services with additional roles and payment incentives for primary care professionals. *Not Achieved.* The CLR reports that no new basic package or additional roles and payment incentives will be introduced during the CPS period.

(iii) Centralized procurement introduced for health medicine. *Achieved.* Central procurement was introduced for antibiotics and oncology drugs. This indicator was also used for Objective 1.

(iv) IFC's health sector investments. *Achieved.* This indicator does not measure progress or achievement of the stated objective of improved service delivery. At best, this is an input to the stated objective. There was no baseline and target for this indicator, which was added at PLR.

19. On balance, Objective 6 was **Partially Achieved** in view of the unclear value of one indicator and that the new package of health services was not achieved.

20. Overall, Focus Area I was **Moderately Satisfactory**. Of the six objectives, two objectives were achieved, two were mostly achieved, and two were partially achieved. Main achievements were improved debt management, strengthened strategic planning and prioritization, improved governance and organizational functioning, and strategy formulation; but limited progress on health service delivery, and revenue and expenditure administration.

Focus Area II: Smart and Sustainable Growth. This focus area had six objectives.

21. **Objective 7: Creating an improved business environment and a competitive economy.** This objective, with two indicators, was supported primarily by several reimbursable advisory services (RAS), including for the development of the capacity of the central public administration to carry out impact studies (FY16), and for real estate system modernization (FY13).

(i) Improved performance in Doing Business indicators that meet the current ECA averages in paying taxes. *Achieved.* Between 2014 and 2018 the number of payments for paying taxes decreased from 39 (per the 2014 Doing Business Report) to 14 (per the 2018 Doing Business Report) and below the ECA average of 16.5 payments.

(ii) Updated framework for integrated cadaster system. *Partially Achieved.* The government has adopted an ordinance on cadaster and real estate registration to accelerate implementation. However, the CLR reports that the current legal framework is overly complex, and that a new draft comprehensive law has not yet been approved.

22. The two chosen indicators do not sufficiently support the broad and ambitiously formulated objective. There is also an issue of attribution. It is unclear how the RAS supporting this objective (impact studies and real estate modernization) could have contributed to the achievement of the first indicator. Overall, Objective 7 was **Partially Achieved**.

23. **Objective 8: Improved performance of the Romanian Competition Council (RCC) for promoting and enforcing market competition.** The RCC was also addressed under Objective 5. This objective and related two indicators were added at PLR. The objective was primarily supported by a RAS for assistance to the competition council (FY12).

- An updated Competition Law is adopted. *Achieved.* The updated Competition law was adopted in 2015, well before the PLR when this indicator was added.
- A new merger regulation adopted. *Achieved.* A new merger regulation was adopted in September 2014, allowing for fast-track procedures that have reduced the time needed to complete a merger.
- The CLR reports that the RCC RAS helped enact a revised legal and regulatory framework covering unfair competition, state aid and competition law and a new merger regulation.
- Additional information provided by the region suggests that RCC has taken actions to promote and enhance market competition. According to the RAS Completion Report



Transforming Romania's Competition Architecture to Make Markets Work, the RCC has implemented several RAS recommendations including eliminating the 40 percent threshold for the presumption of dominance, limiting parties' right to challenge access to file, and creating the Independent Procedural Officer role specialized in the disposition of access to file. However, the RAS completion report notes that the RCC has an unfinished agenda that would require further implementation of the RAS recommendations and competition reforms.

24. Both these output indicators laid a foundation for improved performance of the RCC, but neither indicator sought to measure or assess the performance of the RCC in promoting and enforcing market competition. On balance, this Objective 8 was **Mostly Achieved**.

25. **Objective 9: Strengthening the effectiveness of skills and education programs for labor market inclusion.** This objective, with two indicators, was primarily supported by a RAS for strategic framework for increasing tertiary education attainment (FY14), a RAS for raising early school leaving (FY14), and by the FY15 Romania Secondary Education Project.

(i) Increasing the share of 30-34 year-olds who have completed a higher education degree from the 2012 baseline of 21.8 percent. *Achieved.* As of 2017, this percentage had increased to 26.3 percent.

(ii) Reducing early school leaving (share of 18 to 24 year-olds who have at most lower secondary education and are no longer in education or training). *Not Achieved.* This percentage increased somewhat (from 17.4 percent to 18.1 percent) whereas it was targeted to decline.

(iii) The RAS for Preparing a Strategic Framework for Increasing Tertiary Education Attainment, Quality and Efficiency RAS (FY14) supported the preparation of the 2015-2020 National strategy for Tertiary education - adopted on July 28, 2015 (Government decision 561/2015) and (ii) the Assistance to the Ministry of National Education for Reducing Early School Leaving RAS (FY14) supported the 2015-2020 National Strategy for reducing the early school leaving – adopted on June 19, 2015 (Government decision 439/2015).

(iv) The CLR notes that attribution of these results is an issue since there was no subsequent WBG interventions supporting these indicators. The FY15 Education Project which supports the retention rate does not yet report progress on these indicators due to implementation delays.

26. Neither of the two indicators directly measure the effectiveness of skills and education markets or their relationship to labor market inclusion. There is also an attribution issue. On balance, Objective 9 was **Partially Achieved**,

27. **Objective 10: Making it easier for business to enter and exit the market.** This objective was supported primarily by the FY06 Judicial Reform Project of FY06 and the FY15 Second Fiscal Effectiveness and Growth DPL. This objective had four indicators:

(i) Adopting a new insolvency code in line with the ROSC (Report on the Observation of Standards and Codes) principles. *Achieved.* The Insolvency Code was adopted in 2014 following the ROSC principles.

(ii) Reducing the time taken to resolve insolvencies from 3.3 to 2.7 years. *Not Achieved.* The time needed to resolve insolvencies did not change between 2014 and 2018, per the 2018 Doing Business report.

(iii) Supporting Romanian financial institutions in the disposal of their non-performing portfolio, with at least 3000 NPLs (non-performing loans) to be resolved by 2020 from a baseline of 0 as of 2015. *Achieved.* The CLR reports that IFC has co-invested in five NPL portfolios and that about 16,500 NPLs have been resolved from the IFC-supported projects.

(iv) Amendments to the capital markets law approved. *Achieved.* As part of the prior actions for the second Effectiveness and Growth DPL, Parliament adopted amendments to the



capital markets law (in 2015) to modernize the regulatory landscape and enhance the governance and accountability of the Financial Supervisory Authority.

28. On balance, Objective 10 was **Mostly Achieved**.

29. **Objective 11: Environment and climate action in line with EU requirements.** This objective and three related indicators were added at PLR. The objective was supported primarily by the FY08 Integrated Nutrient Pollution Control Project and its Additional Financing (FY16), and by RAS, including for climate change and low carbon green growth (FY14), and for a Danube Delta integrated sustainable development strategy (FY14).

(i) Climate change strategy updated and adopted. *Achieved.* The national strategy and the national action plan on climate change were approved in 2016.

(ii) Danube Delta sustainable development strategy updated and adopted. *Achieved.* This integrated strategy was approved in 2016.

(iii) Favorable assessment of the EU on meeting the EU Nitrates Directive requirements across the country. *Mostly Achieved.* The EU reports that since 2013 Romania has implemented the nitrates directive through revised legislation that has brought significant improvements. The draft Commission report has not yet been disclosed, although a country report states that progress has been made.

30. Overall, Objective 11 was **Mostly Achieved**.

31. **Objective 12: Improved energy efficiency.** This objective and its two indicators were added at PLR. The objective was supported by the FY17 Second Fiscal Effectiveness and Growth DPL and by RAS for regional development fee based service (FY13) and for regional development (FY13).

(i) Tool for rapid assessment of city energy for growth poles in place. *Achieved.* The existence of the Tool for Rapid Assessment of City Energy (TRACE) and its use for the development of integrated urban development tools in seven growth poles was reported in a 2015 report.

(ii) Orders issued by ANRE (National Energy Regulatory Authority) to fully liberalize the non-residential gas and electricity market. *Achieved.* The non-residential gas market was liberalized in 2015 and the full liberalization of the household market for electricity and gas was completed in January 2018.

(iii) Additional information provided by the region shows a continued modest reduction in energy intensity from 2013 to 2016, which suggests improvements in energy efficiency.

32. While the two indicators can reasonably be expected to contribute to improved energy efficiency, they do not provide any direct measurements of changes in energy efficiency. The additional information suggests modest improvement in energy efficiency. On balance this Objective was **Partially Achieved**.

33. Under Focus Area II, three objectives were mostly achieved and three partially achieved. Overall, Focus Area II was **Moderately Satisfactory**. There was good progress in aligning with EU requirements on environment and climate action, improving business entry and exit, and improving RCC performance in promoting and enforcing market competition (although this is still work in progress). However, there was limited progress on strengthening skills and education programs, creating an improved business environment and improving energy efficiency. There were shortcomings in providing appropriate indicators for measuring achievement of the stated objectives.

Focus Area III: Social Inclusion.

34. This focus area had two objectives: (i) Support an ambitious and successful government program to tackle social inclusion and poverty reduction of the population including the Roma, and (ii) A more streamlined, better targeted and more cost-efficient social protection system.



35. **Objective 13: Support an ambitious and successful government program to tackle social inclusion and poverty reduction of the population including the Roma.** This objective had four indicators, of which the last three were added at PLR. This objective was supported by RAS for study on diagnostics and policy advice for Roma integration (FY13), for supporting the Implementation of Romania's human development operational program (FY17), for integration strategies for poor areas and disadvantaged communities (FY13), and for the deinstitutionalization of children (FY16).

(i) An updated national Roma strategy adopted and implemented. *Achieved.* The national strategy was updated by a 2015 government decision. The CLR reports that several programs under this strategy are planned or under implementation, with support through a separate RAS.

(ii) National strategy on social inclusion and poverty reduction is adopted and implemented. *Achieved.* The national strategy was adopted in 2015 and the government passed in February 2016 a comprehensive anti-poverty package with 47 measures to combat poverty. Implementation is ongoing according to the CLR.

(iii) Mapping of urban marginalized communities inform the preparation of priorities and Operational Programs for 2014-20. *Achieved* A detailed implementation framework for the Community Led Local Development (CLLD) approach with a typology of urban marginalized communities and their characteristics was prepared with RAS support. This framework informed the preparation of priorities and operational program for the 2014-2020 period.

(iv) Draft operational plan for closing residential centers and proposing alternatives to institutional care for children. *Achieved.* As reported in the CLR, an operational plan and methodology for closing residential centers was developed through a RAS and approved by the National Authority for the Protection of Child Rights and Adoption in 2017.

36. On balance, Objective 13 was **Achieved**.

37. **Objective 14: A more streamlined, better targeted and more cost-efficient social protection system.** This objective, with two indicators, was supported primarily by the FY11 Social Assistance System Modernization project.

(i) Government consolidates three means-tested programs and reduces disincentives for work by changing the benefit formula to avoid penalizing work by 2018. *Not Achieved.* The latest ISR reports that legislation to consolidate programs for low-income households was not in place, as of November 2017.

(ii) Increasing the coverage of means-tested programs to 70 percent of the poorest 20 percent of households by end FY18. *Not Achieved.* Parliament adopted the 2016 Anti-Poverty Program which unifies the three means-tested programs, but the government has decided to postpone the implementation to 2019.

38. . None of the indicators were achieved. Objective 14 was **Not Achieved**

39. Under Focus Area III, one objective was mostly achieved and one not achieved. Overall, Focus Area III was **Moderately Unsatisfactory**. Several process steps were completed and under implementation in support of the government's program to tackle poverty and social exclusion while measures for a more streamlined, better targeted and more cost efficient social protection system were not achieved.

Overall Assessment and Rating

40. On balance, IEG rates the overall development outcome as **Moderately Satisfactory**. Of the 14 objectives, three were rated Achieved, five Mostly Achieved, five Partially Achieved and one Not Achieved. Focus Area I was Moderately Satisfactory. Good progress was made in improving debt management, strengthening strategic planning, improving governance and organizational functioning, and strategy formulation; but there was limited progress on health service delivery and



revenue and expenditure administration. Focus Area II was Moderately Satisfactory. There was good progress in aligning with EU requirements on environment and climate action, improving business entry and exit, and improving RCC performance in promoting and enforcing market competition (although this is still work in progress). However, there was limited progress on strengthening skills and education programs, creating an improved business environment and in improving energy efficiency. Focus Area III was Moderately Unsatisfactory. Several process steps were completed and under implementation in support of the government's program to tackle poverty and social exclusion while measures for a more streamlined, better targeted and more cost efficient social protection system were not achieved.

Objectives	CLR Rating	IEG Rating
Focus Area I: Creating a 21st Century Government		Moderately Satisfactory
<i>Objective 1: Revenue and expenditure administration improved.</i>	<i>Partially Achieved</i>	<i>Partially Achieved</i>
<i>Objective 2: Strengthened debt management.</i>	<i>Achieved</i>	<i>Achieved</i>
<i>Objective 3: Improved strategic planning, prioritization and evidence-based policy-making.</i>	<i>Mostly Achieved</i>	<i>Mostly Achieved</i>
<i>Objective 4: Enhanced strategy formulation, operationalization and monitoring and evaluation in preparation for the 2014-2020 period and beyond.</i>	<i>Achieved</i>	<i>Achieved</i>
<i>Objective 5: Improved governance, organizational functioning and efficiency of public enterprises and SOEs.</i>	<i>Mostly Achieved</i>	<i>Mostly Achieved</i>
<i>Objective 6: Improved health service delivery.</i>	<i>Partially Achieved</i>	<i>Partially Achieved</i>
Focus Area II: Smart and Sustainable Growth		Moderately Satisfactory
<i>Objective 7: Creating an improved business environment and a competitive economy.</i>	<i>Partially Achieved</i>	<i>Partially Achieved</i>
<i>Objective 8: Improved performance of the RCC for promoting and enforcing market competition.</i>	<i>Achieved</i>	<i>Mostly Achieved</i>
<i>Objective 9: Strengthening the effectiveness of skills and education programs for labor market inclusion.</i>	<i>Partially Achieved</i>	<i>Partially Achieved</i>
<i>Objective 10: Making it easier for business to enter and exit the market.</i>	<i>Mostly Achieved</i>	<i>Mostly Achieved</i>
<i>Objective 11: Enhanced environment and climate action in line with EU requirements.</i>	<i>Mostly Achieved</i>	<i>Mostly Achieved</i>
<i>Objective 12: Improved energy efficiency.</i>	<i>Achieved</i>	<i>Partially Achieved</i>
Focus Area III: Social Inclusion.		Moderately Unsatisfactory
<i>Objective 13: Support an ambitious and successful government program to tackle social inclusion and poverty reduction of the population including Roma.</i>	<i>Achieved</i>	<i>Achieved.</i>
<i>Objective 14: A more streamlined, better targeted and more cost-efficient social protection system.</i>	<i>Not Achieved</i>	<i>Not Achieved</i>

6. WBG Performance

Lending and Investments

41. At the beginning of the CPS period, the outstanding lending volume was \$3.6 billion for eight lending operations, comprising seven Investment Project Financing (IPF) including an Additional Financing and one DPF (a deferred drawdown option - DDO). For trust funds, the outstanding volume was \$7.6 million for three operations (and one was subsequently added during the CPS



period for less than half a million). During the CPS period, the Bank approved six lending operations for \$2.3 billion, comprising of two DPFs (First and Second Fiscal Effectiveness and Growth) for \$1.7 billion, and four IPFs for a total of \$0.6 billion. The actual new lending amount was about 42 percent of the \$5.5 billion projected in the CPS, and thus also much less than the \$4.9 billion projected in the PLR. A total of five planned lending operations have been either dropped or postponed until after the end of the CPS period, including two planned DPFs.

42. Overall, closed and active portfolio of Romania has showed variable performance. During the review period, four projects were closed and validated by IEG. Three were rated Moderately Satisfactory and one Moderately Unsatisfactory, and all four with risk to development outcome rated Moderate or lower. The average outcome rating (moderately satisfactory or higher) for Romania by number of operations was a bit lower than for ECA (75 percent versus 80.6 percent) and almost identical to the average Bank-wide performance, while the average risk to development outcome (moderate or lower) was 100 percent for Romania versus 50 percent for ECA and 42.5 percent Bank-wide.

43. The disbursement ratio has been variable but mostly low – an average of 8.2 percent since 2014, much lower than for ECA and Bank-wide average (both around 20 percent). By amount, an average of 45.6 percent of Romania's portfolio has been rated at risk over the CPS period – with a rising trend – considerably higher than for ECA (16 percent) and the world (22.4 percent). The latest ISR ratings for the ongoing portfolio also show a mixed picture: two are rated satisfactory and four are rated moderately satisfactory for development outcome, while two are rated moderately unsatisfactory and one unsatisfactory. Some IPFs also take a long time to complete in Romania, with one project (nutrient pollution control) from as far back as FY08 that is currently expected to close in FY22.

44. IEG uses net commitment¹ to measure IFC's engagement as it describes accurately IFC's contribution. IFC's core business of long-term financing of loans and equity investments amounted to US\$612.9 million during FY14-18. During the same period, total average short-term commitment under the IFC Global Trade Finance Program (GTFP) was US\$269.4 million.² Financial Markets represented the largest sector in terms of net commitment with US\$360.5 million or 66.3 percent of IFC's long-term financing. MIGA did not underwrite any guarantee during the review period.

45. During the review period, IEG validated three Expanded Project Supervision Reports (XPSRs) of IFC investment projects by producing Evaluation Notes (EvNotes). IEG assigned development outcome ratings of Mostly Unsuccessful for one project and Mostly Successful for two projects. In one case, while an IFC project failed to achieve the intended demonstration effect as the growth of loans in the agriculture sector was less than projected, IFC was able to support the SME loan growth of another client bank.

Analytic and Advisory Activities and Services

46. During the CPS period, the Bank has provided a total of 68 pieces of advisory services and analytical work (ASAs). Four items of economic and sector work have been delivered, including a public expenditure review and a thematic note on the decentralization process. The remaining ASAs were in the form of Technical Assistance (or a total of 64), of which 46 (or 71 percent) were reimbursable advisory services (RAS). As explained in the CLR, RAS have grown substantially against original expectations to become the cornerstone of the Bank's engagement in the country. They covered a broad range of activities based on demand from the government and most of the objectives in the PLR program have been supported by RAS, largely funded by the EU to help speed up disbursements to the country under EU programs, and to help accelerate Romania's structural reforms and thus its convergence with the EU.

¹ Net commitment is calculated by adjusting IFC's original commitment with conversion(s), sale(s), cancellation(s), and transfer(s).

² IFC began reporting average outstanding short-term commitments (not total commitments) in FY15 and no longer aggregates short-term commitments with long-term commitments.

47. During the review period, IFC had a small advisory service (AS) operation and approved one small AS project and the major AS operation to support PPP at the municipality level with \$2.5 million of IFC funds. This AS project for PPP was terminated before full implementation. IEG did not validate any Project Completion Reports (PCRs) of AS project during the review period.

Results Framework

48. The CLR has pointed out that the development objectives and associated results indicators did not adequately reflect the expected impact of the WBG program. IEG concurs fully with those observations. Overall, the results framework – especially after it has been revised at the PLR – did not serve the program well and had significant shortcomings. At the PLR, the number of objectives increased, from seven to 14 and the indicators, from 16 to 43. Overall, there were too many objectives and indicators for a program that had evolved from a lending based program to a program underpinned largely by RAS (which supported partly or fully ten of the 14 objectives). The modifications in indicators tended towards more process indicators, as was to be expected from the move to the RAS, but these indicators could have been supplemented by evidence of impact at the CLR stage. Some objectives were formulated broadly while the indicators were quite specific, which weakened the link between objective and indicator. Some indicators were very narrow to measure a broad objective – for example, Objective 7 (improved business environment) used just one indicator (number of payments) from the Doing Business tax exercise. Some process indicators were also weakly linked to the objectives and raised some issues of attribution especially in cases when the predominant WBG interventions were through several RAS activities (for example, Objective 8). The CLR flagged the question of uncertain WBG attribution for some indicators, but this question could have been considered more widely at the PLR stage for a program depending substantially on RAS, since it will normally be difficult to attribute results for actions from interventions primarily through studies or technical assistance. There was also an issue of using the same indicators for several objectives (Objective 1 and 6), and some indicators were without baselines and/or targets. IFC indicators were in the form of number of investments with unclear links to the objectives. Finally, several objectives and indicators introduced in the November 2016 PLR seem to have been mostly or fully achieved by the time of their introduction. It is not clear that the inclusion of such "prior" items can have much value for monitoring purposes.

Partnerships and Development Partner Coordination

49. Close collaboration with European development partners and, in particular with the EU, has been essential for the Bank's work in the country. The CLR mentions in this regard close work with the EC (European Commission), ECB (European Central Bank) and IMF throughout design and implementation of the DPLs, and with EBRD, EIB and also some UN organizations.

Safeguards and Fiduciary Issues

50. Four operations were closed and validated by IEG during the CPS period, of which three (health, social protection and agriculture sectors, triggered the environment and social safeguard policies. The CLR mentions resettlement in the context of citizen engagement but it does not elaborate on safeguards compliance. The ICRs and ICRRs reported proper application of the safeguards policies and instruments' requirements in all projects, and underlined that only minor issues with negligible negative impacts were expected from all interventions. The ICRs further explained that all impacts were properly mitigated and the constant advice and guidance from WB specialists yielded satisfactory compliance with the applicable policies. The Inspection Panel registered no request for investigation during the CPS implementation period.

51. INT substantiated three cases of sanctionable practices during the period FY2014-FY2017: one in the agriculture sector and two in the health sector and that have resulted in sanctions and referrals.

Ownership and Flexibility

52. The CPS, PLR and CLR all showed that the government had strong interest in the WBG program, and that the Bank demonstrated considerable flexibility in moving to a stronger RAS



program based on the government's priorities. The shifting government priorities – affected by changing governments - were focused on making use of available EU funds (with strong Bank support through RAS), while the Bank had probably overestimated at the inception of the CPS the government's project preparation and management capacity (affecting IPFs) as well as the ability to sustain a strong reform process (affecting DPFs).

WBG Internal Cooperation

53. The CPS was formally a joint document of the Bank and IFC. However, as presented in the CPS document the two entities would work in parallel, with IFC focusing on the growth and job creation agenda, and with few if any areas of identified collaboration between the two. There were also no specific IFC items in the original CPS results matrix, although the matrix made general reference to IFC investments. This changed to some extent at the PLR that included several indicators in the form of IFC operations, but neither in the CPS nor the PLR were there any significant indications of cross-institutional WBG collaboration. In effect, the Bank and IFC in Romania worked independently of each other, with no significant areas of attempted synergy.

Risk Identification and Mitigation

54. The CPS and the PLR rated as moderate the risks to the WBG's program for Romania. The risks identified focused primarily on political instability (which materialized), macroeconomic risks (which largely did not materialize) and institutional capacity (which did become an implementation issue causing delays in project implementation). However, it subsequently became apparent that the program had underestimated the risks to its planned lending from changes in government and administrative weaknesses. It had also underestimated the relative weight on government priorities from the EU program and the desire to be able to make full use of the available EU funds. As a result, even the PLR, which noted the rapidly increasing importance of the RAS, did not adjust sufficiently the expected lending program (where major cancellations and postponements took place following the PLR). The results framework was also not modified sufficiently to adapt to the limitations in terms of development effectiveness and attribution from a program highly dependent on RAS.

Overall Assessment and Rating

55. On balance, IEG rates the WBG performance as **Good**.

Design

56. The CPS addressed important development challenges in Romania in the areas of improving government effectiveness, growth and job creation, and social inclusion. The original program design was based on a "selective approach" that would use in a flexible manner the full range of WBG instruments including financing, advisory services and analytics (ASA), reimbursable advisory services, and IFC operations, and with a positive synergy between advisory services and other WBG instruments. This design was ambitious but appeared appropriate at the time.

Implementation

57. As a result of the government priorities the RAS program expanded considerably, while lending slowed down and ended up at only about 42 percent of the original expectation. The PLR also came late in the CPS period – only eight months before the end of the original period – which provided less of an opportunity to use the PLR proactively to modify the work program for the rest of the period, even with the one-year extension. The PLR also did not adjust the lending program sufficiently in light of this evolving experience, and the program as implemented was thus significantly different from what had been envisaged in the CPF and in the PLR. The results framework – especially after it has been revised at the PLR – did not serve the program well and had significant shortcomings. At the PLR, the number of objectives increased from seven to 14 and the indicators from 16 to 43. There were too many objectives, with weakened links between some objectives and indicators, and with uncertain WBG attribution for some indicators. Finally, several



objectives and indicators introduced in the November 2016 PLR seem to have been mostly or fully achieved by the time of their introduction.

7. Assessment of CLR Completion Report

58. The CLR is well organized and covers some important aspects. There is however little systematic discussion of the IFC program, and the conclusion that IFC's engagement was strategic to add value in the mix of WBG instruments could have been justified. The CLR is right in its critical comments of the PLR results framework, but it could have gone deeper in reporting and assessing the results of the RAS, and it does not really discuss the limitations of relying on RAS for the Bank to achieve results as sought in the results framework, or how to measure IFC's contributions ex post. Additional information and evidence provided by the team after the draft CLRR was shared with the region could have been incorporated in the final CLR.

8. Findings and Lessons

59. IEG concurs with some of the CLR lessons which are summarized as follows: (i) The WBG can continue to serve as a stable, neutral convener and knowledge broker in Romania to help identify development solutions and provide support for their implementation. (ii) Careful deliberation is needed for the right selection of WBG instruments to achieve development objectives. (iii) Continual attention should be paid to implementation support under the new CPF. (iv) In the next CPF cycle it will be critical to undertake the PLR in a timely manner to assess implementation and implement the recommendations.

60. IEG adds the following lesson:

- In countries with large RAS program, it is critical to be more careful and realistic in designing the results framework to ensure strong linkages between RAS, CPS objectives, and results and ensuring appropriate monitoring and reporting of results. In the case of Romania, the results framework as drastically revised in the PLR suffered from several cases of weak linkages between the stated objectives and their related indicators.

Annex Table 1: Summary of Achievements of CPS Objectives – Romania

Annex Table 3: Analytical and Advisory Work for Romania, FY14-FY18

Annex Table 4: Grants and Trust Funds Active in Romania, FY14-18

Annex Table 5: IEG Project Ratings for Romania, FY14-18

Annex Table 6: IEG Project Ratings for Romania and Comparators, FY14-18

Annex Table 7: Portfolio Status for Romania and Comparators, FY14-18

Annex Table 8: Disbursement Ratio for Romania, FY14-18

Annex Table 9: Net Disbursement and Charges for Romania, FY14-17

Annex Table 10: Economic and Social Indicators for Romania, FY14-16*

Annex Table 11: List of IFC Investments in Romania

Annex Table 12: List of IFC Advisory Services in Romania

Annex Table 13: IFC net commitment activity in Romania, FY14 - FY18

Annex Table 14: List of MIGA Projects Active in Romania, 2014-2018



Annex Table 1: Summary of Achievements of CPS Objectives – Romania

	CPS FY14-FY17: Focus Area I: <i>Creating a 21st Century Government</i>	Actual Results	IEG Comments
<u>Major Outcome Measures</u>	1. CPS Objective: Revenue and expenditure administration improved		
	<p>Indicator 1: Revenue Management System is procured</p> <p>Baseline: (2013): no procured system Target: (2018): system is procured</p>	<p>The Revenue Administration Modernization Project (RAMP) (P130202, FY13) supported this indicator as the project aimed at developing and implementing an Integrated Revenue Management System (IRMS) (see the Project Appraisal Document, PAD). However, as reported in the latest ISR: U (February 2018), the project has stalled since completing the first stage of the IRMS procurement (October 2017) and, since, no further initiatives have moved forward. Consequently, the system has not been procured. Not Achieved.</p>	<p>The four indicators were added at PLR. Before the PLR, the original indicator was: (i) <i>Increasing tax revenues by 3% of GDP within 5 years. (The 2013 baseline was 28 percent of GDP).</i></p> <p>Various Reimbursable Advisory Services (RAS) contributed to CPS objective 1:</p> <ul style="list-style-type: none"> - The Better Solutions for Interpretations, Clarifications, and Rulings on Fiscal Issues RAS (P144566, FY13, Comparative Study and Solutions document) - The Capacity Strengthening for Tax Policy Formulation RAS (P144557, FY13, Final Report) - The Assistance to the Ministry of Agriculture and Rural Development for developing an integrated Financial Management System RAS P143676, FY13, Overall Summary Report);
	<p>Indicator 2: Framework for introducing results informed budgeting</p> <p>Baseline: (2013): no framework Target: (2018): framework in place</p>	<p>The First (P148957, FY14) Effectiveness and Growth Development Policy Lending (DPL) supported this indicator as one of the prior actions was related to the amendment, by the Parliament, of Public Finance Law 500/2002 through Law 270/2013. This prior action was completed and, based on these amendments, the Ministry of Public Finance (MOPF) has issued a detailed action plan for preparing and executing results-informed budgets (RIB).</p>	<p>Indicator reformulated at PLR stage from: (ii) <i>Introducing results informed budgeting, and piloting it in two ministries.</i></p> <p>Additional RAS supported this indicator:</p> <ul style="list-style-type: none"> - The RAS Planning and Budgeting Capacity (P156889, FY16)



	CPS FY14-FY17: Focus Area I: <i>Creating a 21st Century Government</i>	Actual Results	IEG Comments
		<p>The Program Document for the First DPL reports that the Ministry of Health and the Ministry of National Education have been selected as pilots to apply the RIB methodology in their 2015 budgets. Only a June 2014 ISR: S was available for the First DPL; it reported that work was underway to draft the methodologies for the new processes.</p> <p>Management ICR: MS of the Strengthening Financial Accountability Small Grant (P152568, FY15) reports that a pilot related to (RIB) was developed in two ministries and that methodological guidance and recommendations for RIB was provided. The target related to the share of total budget allocation informed by the performance (30%) was not achieved as of June 2016 and the ICR noted that it was unclear whether ministries will use the RIB methodology.</p> <p>Finally, as reported in the Public Finance Review (P159659, FY16) the government planned to introduce RIB in 2017. However, no recent WBG project document reports progress in relation to RIB.</p> <p>Additional information shared by the country team indicates that the basis for RIB was introduced in 2016 and that recommendations from the aforementioned WBG DPL and advisory services for improving the correlation between the strategic objectives and budget planning were integrated into strategic documents such as in the National Strategy for consolidating public administration 2014-20 – SCAP. These recommendations are now being implemented and institutional strategic plans for 13 ministries are available online (see the Government General Secretariat's link).</p> <p>The Country Team also reported that the Government drafted the framework for introducing RIB at the end of 2017; it was revised in March 2018 and it is now following the clearances process in the Ministry of Finance before being published for public consultation</p> <p>Partially Achieved</p>	<ul style="list-style-type: none"> - Support to the Establishment of the Strategy Unit (P154787, FY16) - Public Investment Management (P146782, FY17)



	CPS FY14-FY17: Focus Area I: <i>Creating a 21st Century Government</i>	Actual Results	IEG Comments
	<p>Indicator 3: Centralized procurement introduced for health medicine</p> <p>Baseline (2014): no centralized procurement Target (2017): centralized procurement</p>	<p>The Second (P149776, FY17) Effectiveness and Growth DPL supported this indicator with one of the prior actions related to the extension of the use of centralized procurement in health. The Program Document reported that the procurement of centrally procured antibiotics and oncology drugs started after the Ministry of Health (MOH) had approved a centralized procurement plan for 2016 that included 31 antibiotics and 12 widely used oncology drugs. Achieved</p>	<p>The latest ISR: MU (December 2017) of the Health Sector Reform project (P145174, FY14) did not report progress on the indicator related to the share of total spending on distinct specific medical devices for national hospital contracted through centralized procurement.</p>
	<p>Indicator 4: IFC investments in sub-nationals</p>	<p>The Timisoara Municipality project (31884, FY14, loan of USD 34.3 million), supported the rehabilitation of transport and social infrastructure in the municipality. Likewise, the Botosani Municipality project (33606, FY14, USD 7.7 million loan) supported the rehabilitation of heating systems and the construction of a new cogeneration plant and heat boilers (see IFC presentation). The project was accompanied by an Advisory Service (AS) (project 600286, FY14, AS Completion Report). Achieved</p>	<p>No specific baseline/target were reported for this Indicator in the PLR.</p>
<p>2. CPS Objective: Strengthened debt management</p>			
	<p>Indicator 1: Debt management strategy adopted and updated yearly in line with best practice</p> <p>Baseline: (2013): no strategy Target: (2018): strategy adopted and updated yearly</p>	<p>The Second (P149776, FY17) Effectiveness and Growth DPL supports the strengthening of fiscal management and MOPF reforms in debt management practices. The Program Document reports that, under the First DPL, the MOPF approved the Debt Management Strategy 2014-2016. The latest ISR: MS (October 2017) also reports that significant progress has been made in debt management. The Debt Management Strategy 2017-2019 was published in 2017 as a continuation of the 2016-2018 Debt Management Strategy and it is in line with international practices from the WB-IMF Guidelines for debt strategy design. The strategies are updated yearly since 2015. In addition, as reported in the Program Document of the Second DPL, a fully electronic auction system became functional in March 2014; its interface with the debt management systems allows the</p>	<p>Objective and related indicator added at PLR.</p> <p>The RAS to the Ministry of Public Finance for Strengthening Debt Management (P133720, FY14) specified the key steps to improve liability management (final report) and the AAA Developing Government Yield Curve (P152800, FY15) supported the development of the national capital markets to increase the efficiency of government debt management (final report).</p>



	CPS FY14-FY17: Focus Area I: <i>Creating a 21st Century Government</i>	Actual Results	IEG Comments
		MOPF to obtain real time access to primary market data. An electronic trading platform for public debt secondary market operations was also implemented. Achieved	According to IMF Article IV for Romania, public debt in the country was relatively low (39.1% of the GDP in 2016) – 37.6% according to EuroStat for the same year, the 5 th lowest among the 28 EU member countries.
3. CPS Objective: Improved strategic planning, prioritization and evidence based policymaking			
	Indicator 1: Development and use of a central dashboard in the Chancellery of the Prime Minister for monitoring high-level Institutional Strategic Plans (ISP) priorities of selected ministries Baseline: (2013): no central dashboard Target: (2018): central dashboard developed and used	The RAS Planning and Budgeting Capacity (P156889, FY16) supports the strengthening of the Institutional Strategic Plans (ISP) of the MOPF and line ministries; monitoring of ISP updates and implementation with an Information and Technology (IT) tool and the development of a central dashboard for high level ISP of the selected ministries. No WBG progress report was available to verify current results. However, a March 2017 presentation from the General Secretariat of the Government attests of the creation of an ISP Dashboard for monitoring. Achieved	Objective and related indicators added at PLR. The CLR reported that the Dashboard is used in 13 ministries, which could not be verified by IEG.
	Indicator 2: Simplified framework for more effective implementation of regulatory analysis Baseline: (2013): old framework Target: (2018): simplified framework	The RAS Development of the Capacity of the Central Public Administration to Carry Out Impact Studies (P156807, FY16, Report) and the RAS Strengthening the Regulatory Impact Assessment Framework (RIA) in Romania (P150017, FY16) supported the preparation of a diagnostic and recommendations presented to the Government in August 2014 and pilot projects (<i>Results of the WB RAS Program in Romania 2012-2015</i> report and WBG Presentation). As reported in the CLR, the Prime Minister decision 297/2016 presents updated guidance on RIA. Achieved	
	Indicator 3: 100% of public investment projects selected based on improved evaluation and selection criteria under PNDL (from 0 to 4000 projects amounting EUR90M)	The RAS Harmonizing EU and state budget funded projects (P147062, FY16, Final Synthesis) informed the redesign of the National Local Development Program (PNDL) which now has a multi-annual implementation timeline and budgeting, with allocation by counties based on needs	As reported in the CLR, Ministerial Order 947/2015 updated the guidance on the implementation of the PNDL and introduced selection criteria.



	CPS FY14-FY17: Focus Area I: <i>Creating a 21st Century Government</i>	Actual Results	IEG Comments
	Baseline: (2013): 0 projects Target: (2018): 4,000 projects	and prioritization and criteria for the types of investment, in line with EU best practice (<i>Results of the WB RAS Program in Romania 2012-2015</i> report). The Ministry of Regional Development and Public Administration (MDRAP) reported on its website , in February 2018, that 6,800 priority investments projects were funded across Romania. As of May 2018, the MDRAP reported an updated list of interventions and that the PNDL would support 9,500 priority interventions. Achieved	
	<p>Indicator 4: More effective inter-municipal investment planning and project selection criteria applied in at least three cities</p> <p>Baseline: (2013): no criteria applied Target: (2018): criteria applied in at least three cities</p>	<p>Various municipalities were supported by the WBG in investment planning, as reported in the <i>Results of the WB RAS Program in Romania 2012-2015</i> report:</p> <ul style="list-style-type: none"> - The ASA Assistance to Alba Iulia (P151596, FY14) led to the development of a Project Prioritization 2014-2020 report. Through WBG support, the municipality is using new analytical approaches for inter-municipal planning with nearby cities and criteria for project selection and prioritization. - The RAS Danube Delta Strategy and Constanta Integrated Territorial Investment (ITI) 2014-2016 (P146633 and sub-tasks P147561 and P145417, FY14) supported the development of a methodological framework for the implementation of sustainable urban development activities. The Municipality now uses prioritization guides for metropolitan investment needs. - The Updating the Integrated Development Plan and Improving the Institutional Framework for the Ploiesti Growth Pole RAS (P153331, FY15) supported the preparation of the Integrated Urban Development Strategy for Ploiesti Growth Pole 2014-2020. The Municipality (that includes 13 neighboring localities) now uses prioritization guides for metropolitan investment needs. - Finally, the Brasov Growth Pole has used the Integrated Urban Development Strategy for Ploiesti Growth Pole 2014-2020 as a model and uses prioritization guides for 	



	CPS FY14-FY17: Focus Area I: <i>Creating a 21st Century Government</i>	Actual Results	IEG Comments
		<p>metropolitan investment needs. The Brasov Urban Development RAS (P166263, FY16) has been supporting Brasov and its metropolitan area strengthen administrative capacity and assist with the implementation of urban development or regeneration programs.</p> <p>Based on the verified information, four cities in Romania now apply new municipal investment planning and project selection criteria.</p> <p>Achieved</p>	<p>No baseline or target were reported for this indicator.</p>
	<p>Indicator 5: Digital maps drive investments for increased access to broadband</p>	<p>The Implementation Support for the National Strategy on Digital Agenda in Romania RAS (P152542, FY14, see Final Report) supported the development of a tool to map village typology and enabled the Ministry of Information Society (MIS) to design tailored solutions for broadband supply (<i>of the WB RAS Program in Romania 2012-2015 report</i>). However, the CLR reports that no funding has been available to use maps and implement solutions.</p> <p>Partially Achieved</p>	
<p>4. CPS Objective: Enhanced strategy formulation, operationalization and monitoring and evaluation in preparation for the 2014-20 period and beyond</p>			
	<p>Indicator 1: Five strategies adopted and contribute to Government's meeting EU ex-ante conditionalities for accessing EU funds under the 2014-20 period</p> <p>Baseline: (2013): 0 strategies Target: (2018): 5 strategies adopted</p>	<p>As reported in the <i>Results of the WB RAS Program in Romania 2012-2015 report</i>, Romania adopted five strategies that contribute to the Government meeting EU ex-ante conditionality for accessing EU funds under the 2014-2020 period:</p> <ul style="list-style-type: none"> - The 2015-2020 National Strategy for reducing the early school leaving – adopted on June 19, 2015 - The 2015-2020 National strategy for enhancing lifelong learning - adopted on June 3, 2015 (Government decision 418/2015) - The 2015-2020 National strategy for Tertiary education - adopted on July 28, 2015 (Government decision 561/2015) - The 2015-2020 National strategy for promoting social inclusion and poverty reduction - adopted on May 27, 2015 (Government decision 383/2015) - The 2015-2020 National strategy for 	<p>Objective and related indicators added at PLR.</p> <p>The strategies were supported by the following WBG operations:</p> <ul style="list-style-type: none"> - The 2015-2020 National Strategy for reducing the early school leaving was supported by the WBG Assistance to the Ministry of National Education for Reducing Early School Leaving RAS (P145841, FY14) - The 2015-2020 National strategy for enhancing lifelong



	CPS FY14-FY17: Focus Area I: <i>Creating a 21st Century Government</i>	Actual Results	IEG Comments
		<p>promoting active aging - adopted on July 15, 2015 (Government decision 566/2015)</p> <p>The Final EU Report on the <i>implementation of the provisions in relation to the ex-ante conditionalities during the programming phase of the European structural and Investment (ESI) funds</i> reports on the implementation of ex-ante conditionalities for early school leaving (page 73); for higher education (page 75); for poverty reduction (page 65) and for lifelong learning (page 77). The EU report does not report on the implementation of ex-ante conditionalities for active ageing.</p> <p>. On January 16, 2017 the Ministry of European Funds published a note with the status of ex-ante conditionalities, confirming the fulfillment of the ex-ante conditionalities, including 5 of them which are related to the adopted strategies and to which the Bank provided inputs: early school leaving, lifelong learning, tertiary education, active aging, social inclusion and poverty reduction</p> <p>Achieved</p>	<p>learning was supported by the Technical Assistance for Preparing a Strategic Framework for Lifelong Learning RAS (P146632, FY14)</p> <ul style="list-style-type: none"> - The 2015-2020 National strategy for Tertiary education was supported by the Preparing a Strategic Framework for Increasing Tertiary Education Attainment, Quality and Efficiency RAS (P146187, FY14) - The 2015-2020 National strategy for promoting social inclusion and poverty reduction was supported by the Provision of Inputs for the Preparation of a Draft National Strategy and Action Plan on Social Inclusion and Poverty Reduction RAS (P147269, FY14) - The 2015-2020 National strategy for promoting active aging was supported by the Strategy for the Elderly and Active Ageing RAS (P147650, FY14)
	<p>Indicator 2: M&E framework updated for the strategy on digital agenda</p> <p>Baseline: (2013): M&E framework not updated Target: (2018): M&E framework updated</p>	<p>The Implementation Support for the National Strategy on Digital Agenda in Romania RAS (P152542, FY14, Final Report) has supported Real-Time Monitoring and Evaluation (M&E) of the National Digital Agenda for Romania 2020 through the development of a comprehensive M&E system and training to support implementation. The MIS has implemented the recommendations for the M&E framework. The EC assessed as fulfilled the related ex-ante conditionality (see EU Report on the implementation of ex-ante conditionalities).</p> <p>Achieved</p>	
<p>5. CPS Objective: Improved governance, organizational functioning and efficiency of public institutions and SOEs</p>			
	<p>Indicator 1: MoPF Human Resources Management strategy adopted and in implementation</p> <p>Baseline: (2013): no strategy</p>	<p>The Human Resource Strategy for the Ministry of Public Finance RAS (P144505, FY14) has supported improvement of Human Resource Management (HRM) instruments and mechanisms through trainings and the preparation of an</p>	<p>Objective and related indicators added at PLR stage.</p>



CPS FY14-FY17: Focus Area I: <i>Creating a 21st Century Government</i>	Actual Results	IEG Comments
Target: (2018): strategy adopted and in implementation	institutional analysis, of a strategy and action plan (WBG report). The medium term HR strategy was approved by the MOPF (order 564/2014) as reported in the <i>Results of the WB RAS Program in Romania 2012-2015</i> report . However, the CLR reports that the implementation of the HRM strategy has been challenged by the latest unitary pay law and that changes to the legal framework by the National Agency of Civil Servants (NACS) are needed. Partially Achieved	
Indicator 2: Performance appraisal system adopted and applied to Government officials managing EU funds Baseline: (2013): no system Target: (2018): system adopted and applied	The Establishment of a Performance Appraisal System for Government Officials Managing EU Funds RAS (P147746, FY14) supported the Ministry of European Funds (MoEF) developing a new appraisal system (adopted in August 2015). The MoEF has used the new system to assess the impact on the performance of about 1,0000 civil servants involved in the management of EU funds (<i>Results of the WB RAS Program in Romania 2012-2015</i> WB report). Achieved	
Indicator 3 : Improved delegation of authority capacity in the MoESR piloted and new Regulations for Organization and Functioning (ROFs) adopted	The Administrative Capacity of the Ministry of Education and Research (MoESR) RAS (P143659, FY13) supported development of a study on the organizational cultural in the MoESR and the preparation of ROF and job descriptions within the MoESR. Pilots were designed on the delegation of authority in the MoESR and the ROF were formally promoted as management tools and adopted in September 2015 (<i>Results of the WB RAS Program in Romania 2012-2015</i> WB report). Achieved	As reported in the CLR, the Bank's recommendations were adopted in the updated ROFs approved in May 2016 (see Minister Order 3748/2016).
Indicator 4: RCC revised and adopted business architecture to increase operational Effectiveness	The RAS Assistance to the Competition Council (P131824, FY12) supported a review of the legal and regulatory framework governing market competition, and the strengthening of the activities in the field of competition, including the clarification of the Romanian Competition Council (RCC) role to increase effectiveness of competition policies. RAS recommendations informed a new competition law adopted in 2015 which	A new merger regulation was also adopted in September 2014, allowing for fast-track procedures.



	CPS FY14-FY17: Focus Area I: <i>Creating a 21st Century Government</i>	Actual Results	IEG Comments
		helped eliminating overlapping mandates between the RCC and other agencies and allow the RCC to use resources more efficiently and enhance its administrative capacity (through automation of the merger process) (<i>Results of the WB RAS Program in Romania 2012-2015 WB report</i>). Achieved	
	Indicator 5: Increase in court hearings in courts rehabilitated and increase in number of council rooms since 2014	The Judicial Reform Project (P090309, FY06) supported this indicator. According to the Management ICR: MS , there has been a 77% increase in the total number of court hearings in the 5 courts rehabilitated under the project, between 2008 and 2016. IEG ICRR: MS also reports that the target of 15 court buildings improved was exceeded as 12 were renovated and four new ones were built, between 2010 and 2017. Achieved	No baseline or target were provided for this indicator.
	Indicator 6: Law adopted on SOEs corporate governance (to approve the Emergency Government Ordinance 109/2011) in line with OECD principles Baseline: (2013): law drafted Target: (2018): law adopted	A new Law on Corporate Governance of SOE was approved in May 2016 (Law 11/2016), which was a prior action of the Second DPL, which first Pillar focused on support to State-Owned Enterprises (SOE) reform (see Program Document of project P149776, FY17). The new law upgrades Government Ordinance 109/2011 and introduces sanctions provisions. The norms of the law were approved in September 2016 and published in October 2016. Achieved	The RAS Support to the Establishment of a Delivery Unit (P147482, FY14, Final Report) permitted to improve the transparency of SOE in the energy sector, by establishing a High Powered Commission on SOE performance, chaired by the Prime Minister (<i>Results of the WB RAS Program in Romania 2012-2015 WB report</i>).
6. CPS Objective: Improved health service delivery			
	Indicator 1: Reducing the ratio of public acute beds per 1,000 inhabitants from 5.5 to 4.8 Baseline: (2013): 5.5 beds/1,000 Target: (2018): 4.8 beds/1,000	The Health reform project (P145174, FY14) supports this indicator. The latest ISR: MU (December 2017) reports that the ratio of public acute beds reduced from 5.5 beds/1,000 to 4.5 beds/1,000 inhabitants between 2013 and October 2017. Achieved	Before the PLR, the original CPS objective was: " <i>Rationalizing the hospital network and enhancing primary health care services</i> " and at PLR the following indicator was taken out:
	Indicator 2: Introducing a new basic package of health care services with additional roles and payment incentives for primary care professionals	The Health reform project (P145174, FY14) supports the implementation of short and medium term interventions of the 2014-2020 National Health Strategy such as the strengthening of primary health care	<i>Percentage of eligible women aged 25-60 with at least one test of cervical cancer in the last</i>



	CPS FY14-FY17: Focus Area I: <i>Creating a 21st Century Government</i>	Actual Results	IEG Comments
		<p>services at the community level by introducing a new basic package of health services with new clinical guidelines and additional roles and payment incentives for primary care professionals (PAD). However, the latest ISR: MU (December 2017) does not present an indicator related to Indicator 2.</p> <p>The CLR reports that no new basic package or additional roles and payment incentives for primary care professionals will be introduced during the CPS period.</p> <p>Not Achieved</p>	<p><i>three years. (Current baseline 10 percent).</i></p>
	<p>Indicator 3: Centralized procurement introduced for health medicine</p> <p>Baseline: (2014): no centralized procurement Target: (2018): centralized procurement</p>	<p>The Second (P149776, FY17) Effectiveness and Growth DPL includes prior actions related to the extension of the use of centralized procurement in health. The Program Document reported that the procurement of centrally procured antibiotics and oncology drugs started after the Ministry of Health (MOH) had approved a centralized procurement plan for 2016 that included 31 antibiotics and 12 widely used oncology drugs. Average unit price for centrally procured drugs and devices has decreased from Ron 22.2 (baseline 2015) to average unit price of Ron 20.0 (2017).</p> <p>Achieved</p>	<p>The latest ISR: MU (December 2017) of the Health Sector Reform project (P145174, FY14) did not report progress on the indicator related to the share of total spending on distinct specific medical devices for national hospital contracted through centralized procurement. Indicator 3 is already reported under CPS Objective 1.</p>
	<p>Indicator 4: IFC's health sector investments</p>	<p>The IFC Medlife SA project (29638, FY10) permitted the commitment of a USD 15.9 million investment in Medlife, a leading Romanian healthcare provider, to increase the supply of high quality hospital services in Romania.</p> <p>IFC also supported Medlife becoming the first healthcare company to be successfully listed on the Bucharest Stock Exchange in December 2016 (see IFC presentation and Case Study).</p> <p>Achieved</p>	<p>No baseline and target were reported for this Indicator, added at PLR.</p>



	CPS FY14-FY17: Focus Area II: <i>Smart and Sustainable Growth</i>	Actual Results	IEG Comments
<p><u>Major Outcome Measures</u></p>	<p>7. CPS Objective: Creating an improved business environment and a competitive economy</p> <p>Indicator 1: Improved performance in Doing Business indicators that meets the current ECA averages in paying taxes</p> <p>Baseline: (2014): 36 payments Target: (2018): 29 payments</p>	<p>The RAS Development of the Capacity of the Central Public Administration to Carry Out Impact Studies (P156807, FY16, Report) and the RAS Strengthening the Regulatory Impact Assessment Framework (RIA) in Romania (P150017, FY16) supported the preparation of a diagnostic and recommendations presented to the Government in August 2014 and the development of pilot projects (<i>Results of the WB RAS Program in Romania 2012-2015 report</i> and a WBG Presentation). As reported in the CLR, the Prime Minister decision 297/2016 presents updated guidance on RIA.</p> <p>In addition, as reported in the Program Document of the Second DPL, the Parliament has adopted amendments to the capital markets law (Law 268/2015) to modernize the regulatory landscape. However, the CLR reports that the new RIA has been piloted but not widely implemented.</p> <p>Between 2014 and 2018 the number of payments for paying taxes decreased from 39 (see 2014 Doing Business Report) to 14 (see 2018 Doing Business Report) which is below ECA average of 16.5 payments (see the 2018 Doing Business regional report).</p> <p>Achieved</p>	<p>The following indicator was taken out at PLR: (ii) <i>construction permits (time reduced from 287 days to 200 days)</i></p> <p>Although the CLR reports that the WBG contribution to the results is unclear, the latest ISR: U (February 2018) of the Revenue Administration Modernization Project (P130202, FY13) which aims at reducing the burden of tax payers to comply, indicates that electronic filing rate by large and medium size firms increased from 95% to 96.60% between 2012 and 2017; that the time required to comply with tax procedures decreased from 180 to 163 hours between 2013 and 2017 and that taxpayers' satisfaction with the Tax Administration quality of taxpayers services increased from 54% to 56% between 2013 and 2017.</p>
	<p>Indicator 2: Updated framework for integrated cadaster system</p> <p>Baseline: (2015): law of 1996 applicable Target: (2018): adoption of the new Cadaster law to set framework for the integrated approach</p>	<p>Through RAS Real Estate System Modernization RAS (P145716, FY13) the WB supported the National Agency for Cadastre and Land Registration (ANCPI) to strengthen its capacity to improve its policy, regulatory and institutional framework. It also supported the production of a draft of a National Strategy for Systematic and Sporadic First Registration and the draft legislation for the Integrated Cadastre and Land Book System, aligned with EU good practice (<i>Results of the WB RAS Program in Romania 2012-2015 WB report</i>).</p> <p>Through the Real Estate Registration and Services RAS (P158399, FY16, Output Report), the WBG is supporting the ANCPI</p>	<p>Indicator added at PLR.</p> <p>The recently approved RAS Status Review of the National Program for Cadastre and Land Book (P166140, FY18) aims at reviewing the status of the National Program for Cadastre and Land Book, and recommending priority actions for accelerating the National Program and the related EU financed Rural Land</p>



	CPS FY14-FY17: Focus Area II: <i>Smart and Sustainable Growth</i>	Actual Results	IEG Comments
		<p>planning capacity for investment programs and real estate registration by systematic registration system.</p> <p>As reported in the CLR, the Government adopted the Emergency Ordinance 35/2016 amending Law 7/1996 on cadaster and real estate registration to accelerate the implementation of the National Program for Cadaster and Land Book that should be implemented during 2015-2023. However, the CLR reports that current legal framework is overly complex, and that the Government has prepared a comprehensive Law on Cadaster and Real Estate Registration which has not yet been approved.</p> <p>Partially Achieved</p>	<p>Registration Program, to meet their target of completing the systematic first registration of immovable properties by 2023.</p> <p>According to the CLR, the new law on Cadaster should consolidate and harmonize disparate provisions, strengthen ANCP's independence and governance structure, and simplify registration rules to support a national program for systematic land registration.</p>
<p>8. CPS Objective: Improved performance of the RCC for promoting and enforcing market competition</p>			
	<p>Indicator 1: An updated Competition Law is adopted</p>	<p>The RAS Assistance to the Competition Council (P131824, FY12) supported a review of legal and regulatory framework governing market competition. RAS recommendations informed a new Competition Law adopted in 2015 which helped eliminating overlapping mandates between the RCC and other agencies (<i>Results of the WB RAS Program in Romania 2012-2015 WB report</i>).</p> <p>Achieved</p>	<p>Objective and related indicators added at PLR.</p> <p>Changes in the Competition Law include eliminating the 40% threshold for the presumption of dominance; limiting the parties' right to challenge access to file and confidentiality before the Courts; and creating the Independent Procedural Officer role specialized in the disposition of access to file, confidentiality and other procedural matters separate from the enforcement team within the RCC.</p>
	<p>Indicator 2: A new merger regulation adopted</p>	<p>Following RAS P131824 recommendations, a new merger regulation was adopted in September 2014, allowing for fast-track procedures, which led to a 23% decrease in the time to complete a merger between 2013 and 2014 (<i>Results of the WB RAS Program in Romania 2012-2015 WB report</i> and the RAS Completion Report <i>Transforming Romania's Competition Architecture to Make Markets Work</i>).</p> <p>Achieved</p>	<p>As reported in RCC's Annual Report the Competition Council was able to speed up the finalization of an increased number of investigations for breaking the Competition Law (17 in 2014, 21 in</p>



	CPS FY14-FY17: Focus Area II: <i>Smart and Sustainable Growth</i>	Actual Results	IEG Comments
			2015 and 25 in 2016 completed investigations). RCC was also able to cope with an increased number of approvals, opinions and views issued.
	9. CPS Objective: Strengthening the effectiveness of skills and education programs for labor market inclusion		
	<p>Indicator 1: Increasing the share of 30-34 year-olds who have completed a higher education degree from the 2012 baseline of 21.8%</p> <p>Baseline: (2012): 21.8% Target: (2018): > 21.8%</p>	<p>The Preparing a Strategic Framework for Increasing Tertiary Education Attainment, Quality and Efficiency RAS (P146187, FY14) supported the preparation of the 2015-2020 National strategy for Tertiary education - adopted on July 28, 2015 (Government decision 561/2015). According to Eurostat data, 26.3% of the 30-34 year olds had completed a higher education degree as of 2017.</p> <p>However, as reported in the CLR, WBG attribution of this result is uncertain, given that the WBG did not have interventions that would directly affect the evolution of this share – the Romania Secondary Education Investment Project (P148585, FY15) aims at supporting an increase in average retention rate in the first year of tertiary education and a revision to the education student loan scheme. However, as per the latest ISR: S (December 2017), due to delays, the project does not yet report progress on these two indicators.</p> <p>Achieved</p>	<p>The following indicator was taken out at PLR stage: <i>(iii) Increasing the share of adults (aged 25-64) participating in lifelong learning from the 2012 baseline of 1.4 percent</i></p> <p>The WBG also supported the Romanian Agency for Quality Assurance in Higher Education to enhance attainment to and quality and efficiency of the Romanian's higher education system through the RAS Assistance on Informing Project Evaluation, P157508, FY17.</p>
	<p>Indicator 2: Reducing early school leaving (share of 18 to 24 years old who have at most lower secondary education and are no longer in education or training) from 2012 baseline of 17.4%</p> <p>Baseline: (2012): 17.4% Target: (2018): < 17.4%</p>	<p>The 2015-2020 National Strategy for reducing the early school leaving – adopted on June 19, 2015 (Government decision 439/2015) was supported by the Assistance to the Ministry of National Education for Reducing Early School Leaving RAS (P145841, FY14). According to Eurostat data, the share of 18-24 year olds who have at most lower secondary education and are no longer in education or training increased to 18.1% as of 2017.</p> <p>Not Achieved</p>	<p>As reported in the CLR, WBG attribution of this result is uncertain, given that the WBG did not have interventions that would directly affect the evolution of this share – project P148585 aims at supporting a decrease in the average dropout rate in the final grade in project-supported high school and an increase in average graduation rate in project-supported high schools. However, as per the latest ISR: S</p>



	CPS FY14-FY17: Focus Area II: <i>Smart and Sustainable Growth</i>	Actual Results	IEG Comments
			(December 2017), the project does not yet report progress on these two indicators.
	10. CPS Objective: Making it easier for business to entry and exit the market		
	Indicator 1: Adopting a new insolvency code in line with the ROSC principles	The Judicial Reform Project (P090309, FY06) supported activities related to insolvency legislation. According to the Management ICR: MS the project supported the strengthening of the Romanian insolvency framework and related mechanisms through, among others, the elaboration of the first National Insolvency Code in 2014 (law 85/2014), in line with European Reports on the Observance of Standards and Codes (ROSC) Standards, and adopted in 2014 (through decree 473/2014). Achieved	
	Indicator 2: Reducing the time taken to resolve insolvencies from 3.3 to 2.75 years Baseline: (2014): 3.3 years Target (2018): 2.75 years	The Judicial Reform Project (P090309, FY06) supported the introduction of the National Insolvency Law and that led to a reduction in the number of insolvency cases, through the introduction of a minimum threshold. However, according to Doing Business data, the time needed to resolve insolvencies did not change from 3.3 years between 2014 (see 2014 Doing Business Report) and 2018 (see 2018 Doing Business Report). Not Achieved	
	Indicator 3: Supporting Romanian financial institutions in the disposal of their non-performing portfolio (at least 3000NPLs from the acquired portfolio to be resolved by 2020, from a baseline of 0 as of 2015) Baseline: (2015): 0 Target (2020): > 3,000 NPLS resolved	As reported in the CLR, IFC has co-invested alongside major international investors in five NPL portfolios sold by three of the leading banking groups in Romania. IEG confirmed from the review of IFC documents that at least about 8,500 NPLs have been resolved from IFC supported projects. Achieved	Indicator added at PLR. Target date is beyond the CPS period.
	Indicator 4: Amendments to the capital markets law approved Baseline: (2014) No amendments Target (2018): Amendments approved	The Second (P149776, FY17) Effectiveness and Growth DPL supports improvements in the functioning of capital markets through adoption of the new capital markets framework. The Program Document reports that, as part of the prior actions, the Parliament has adopted	Indicator added at PLR. The active Capital markets and ASF rapid assessment ASA (P160346, FY16) aims to improve the supervisory



	CPS FY14-FY17: Focus Area II: <i>Smart and Sustainable Growth</i>	Actual Results	IEG Comments
		<p>amendments to the capital markets law in 2015 (Law 268/2015) to modernize the regulatory landscape and enhance the governance and accountability of the Financial Supervisory Authority (ASF) and to encourage the development of the non-banking sector.</p> <p>Achieved</p>	<p>capacity of the ASF and assist it in ensuring that regulations in key areas are in line with EU Directives.</p>
11. CPS Objective: Environment and climate action in line with EU requirements			
	<p>Indicator 1: Climate change strategy updated and adopted</p> <p>Baseline: (2014) No strategy Target (2018): Strategy adopted</p>	<p>The Climate Change and Low Carbon Green Growth RAS (P145943, FY14) supported the government to develop a comprehensive National Climate Change and Low Carbon Green Growth Strategy for 2016-2030 and the National Action Plan on Climate Change for 2016-2020 (Government Decision 739/2016).</p> <p>Achieved</p>	<p>Objective and indicators added at PLR.</p>
	<p>Indicator 2: Danube Delta sustainable development strategy updated and adopted</p> <p>Baseline: (2014) No strategy Target (2018): Strategy adopted</p>	<p>The RAS Danube Delta Integrated Sustainable Development Strategy (P145417, FY14) supported the development of the Danube Delta Integrated Development Strategy, approved by Government Decision 602/2016.</p> <p>Achieved</p>	
	<p>Indicator 3: Favorable assessment of the EU on meeting the EU Nitrates Directive requirements across the country</p>	<p>The Integrated Nutrient Pollution Control Project – INPCP (P093775, FY08, IEG ICRR: MS) and its additional financing support Romania in implementing the requirements of the 1991 EU Nitrates Directive.</p> <p>IEG ICRR: MS indicates that the required reports from the Government of Romania on implementation of the Nitrate Directive for the 2004-2007 and 2008-2011 implementation periods were submitted on time and accepted by the EU Commission's Environment Directorate as of September 2015</p> <p>As reported in the EU Environmental Implementation Review Country Report for Romania, since 2013 the country has implemented the nitrates directive through revised legislation that has brought significant improvements.</p> <p>Mostly Achieved</p>	<p>The ISR: MS also reports that 311.23 tons of nutrient load reduction was achieved under the project (target is 600 tons) and that about 53.8% of the targeted project areas show a 10% reduction in nitrates discharge to water bodies (target is 70%) of targeted project areas), as of October 2017. The ISR also reports that the target related to improved inter-governmental coordination and capacity to assess, monitor and report on progress with implementation of the EU</p>



	CPS FY14-FY17: Focus Area II: <i>Smart and Sustainable Growth</i>	Actual Results	IEG Comments
			Nitrates Directive has been achieved.
	12. CPS Objective: Improved energy efficiency		
	<p>Indicator 1: Tool for rapid assessment of city energy for growth poles in place</p> <p>Baseline: (2014) No tool Target (2018): Tool in place</p>	<p>The Regional Development Fee Based Service (P132399, FY13) and the Regional Development RAS (P143014, FY13) supported the strengthening of the effectiveness of the growth poles policy in the country (see Final Report) and the use of the Tool for Rapid Assessment of City Energy (TRACE) studies that served as basis for the development of integrated urban development tools in 7 growth poles (<i>Results of the WB RAS Program in Romania 2012-2015</i> WB report). Additional information from the Country Team indicates that the 7 growth poles have developed Integrated Urban Development Strategies (ISD) that include energy efficiency programs being financed by EU funds, own budget resources and other funds.</p> <p>Achieved</p>	<p>Objective and related indicators added at PLR.</p> <p>TRACE was developed by the WB Energy Sector Management Assistance Program (ESMAP) in 2010 as a means to help city planners target and prioritize energy efficiency interventions (see WB information).</p>
	<p>Indicator 2: Orders issued by ANRE to fully liberalize the non-residential gas and electricity market</p> <p>Baseline: (2014) No orders issues Target (2018): Orders issued by ANRE</p>	<p>The Second (P149776, FY17) Effectiveness and Growth DPL, supports improvement in the functioning of the Energy sector. The Program Document reports that, as a prior action of the DPL, the National Energy Regulatory Authority (ANRE) has issued the order to liberalize the non-residential gas market in 2015 and that prices for electricity and gas are now determined by market participants. As reported in the CLR, full liberalization of household market was completed in January 2018.</p> <p>Achieved</p>	<p>Eurostat reports (see document) that between 2005 and 2015 the biggest reductions in energy intensity were recorded in (...) Romania (-36.5%) (Additional information from the country team reports that <i>efficiency gains</i> are reflected in the indicator for <i>energy intensity</i>, defined by Eurostat as measuring the energy consumption of an economy and its energy efficiency through the ratio between gross inland consumption of energy and gross domestic product (GDP).</p>



	CPS FY14-FY17: Focus Area III: <i>Social Inclusion</i>	Actual Results	IEG Comments
<p>Major Outcome Measures</p>	<p>13. CPS Objective: Support an ambitious and successful government program to tackle social inclusion and poverty reduction of the population including the Roma</p>		
	<p>Indicator 1: An updated national Roma strategy adopted and implemented</p>	<p>The RAS Study on Diagnostics and Policy Advice for Roma Integration (P145035, FY13) provided inputs for the National Strategy for the Inclusion of the Romanian citizens belonging to Roma minority 2012-2020 (see EC document), which was updated by the government by Government Decision 18/2015 (<i>Results of the WB RAS Program in Romania 2012-2015 report</i>).</p> <p>As reported in the CLR, several programs supporting Roma communities are planned or under implementation under Priority Axes 3-6 of the Human Capital Operational Program (see European Commission information).</p> <p>The RAS Supporting the Implementation of Romania's Human Development Operational Program 2014-2020 (P162775, FY17) supports the Government in the implementation process (see WBG presentation).</p> <p>Achieved</p>	<p>As reported in the CLR, between FY15 and FY17, the Roma Filter has been applied to the WBG Romania country portfolio, such as in the INPCP (P093775, FY08), as reported in IEG ICRR: MS, and the Justice Services Improvement Project (P160751, FY17, see Project Appraisal Document).</p> <p>Another WBG RAS on Roma was the RAS Support to the Roma Education Fund for the Implementation of the "Ready Set Go" Project in Romania (P154011, FY15, see Project Presentation)</p> <p>Indicators 2, 3 and 4 were added at PLR.</p>
	<p>Indicator 2: National strategy on social inclusion and poverty reduction is adopted and implemented</p> <p>Baseline: (2014): no strategy Target: (2018): strategy adopted</p>	<p>The Provision of Inputs for the Preparation of a Draft National Strategy and Action Plan on Social Inclusion and Poverty Reduction RAS (P147269, FY14) supported the preparation of the 2015-2020 National strategy for promoting social inclusion and poverty reduction - adopted on May 27, 2015 (Government decision 383/2015). As reported in the CLR the Government subsequently passed, in February 2016, a comprehensive anti-poverty package with 47 measures to combat poverty through 2020 (see WBG press release). Additional information of October 2016 published on the national government indicated that the package was being implemented.</p> <p>Achieved</p>	<p>At PLR the following two indicators were taken out:</p> <p>(ii) <i>An increase in the percentage of Roma children enrolled in pre-primary education (currently 30%). This indicator will also track the percentage of Roma girls in preschool (currently 34%)</i></p> <p>(iii) <i>Successfully mobilizing EU resources and instruments (including by supporting the implementation of the Community Led Local Development (CLLD) instrument for Roma inclusion.</i></p>
<p>Indicator 3: Mapping of urban marginalized communities inform the preparation of priorities and Operational Programs for 2014-20</p> <p>Baseline: (2014): no strategy Target: (2018): strategy adopted</p>	<p>The Elaboration of Integration Strategies for Poor Areas and Disadvantaged Communities RAS (P143090, FY13) supported the development of a detailed implementation framework for the Community Led Local Development (CLLD) approach that included a typology of urban marginalized communities and their</p>		



	CPS FY14-FY17: Focus Area III: <i>Social Inclusion</i>	Actual Results	IEG Comments
		<p>characteristics and mechanisms to identify the geographical location of different sub-types of the most marginalized urban communities. As a result, the Regional Operational Program for the 2014-2020 programming period includes a dedicated CLLD Priority Axis (<i>Results of the WB RAS Program in Romania 2012-2015 report</i>).</p> <p>Achieved</p>	
	<p><u>Indicator 4: Draft operational plan for closing residential centers and proposing alternatives to institutional care for children</u></p>	<p>The RAS Deinstitutionalization of Children (P156981, FY16) supports the development of a diagnostic of the centers for children deprived of parental care and of the needs of their beneficiaries to prioritize the closure of these centers (see Project Presentation).</p> <p>As reported in the CLR, an operational plan and methodology for closing residential centers was developed through a RAS and was approved by the National Authority for the Protection of Child Rights and Adoption (NAPCRA) in 2017 (see UNICEF information).</p> <p>Achieved</p>	
<p>14. CPS Objective: A more streamlined, better targeted and more cost-efficient social protection system</p>			
	<p><u>Indicator 1: Government consolidates three means-tested programs and reduces disincentives for work by changing the benefit formula to avoid penalizing work by 2018</u></p>	<p>The latest ISR: MU (December 2017) of the Social Assistance System Modernization Project reports that the legislation to consolidate program for low-income households with improved targeting formula and increased average benefits was not in place, as of November 2017.</p> <p>Not Achieved</p>	
	<p><u>Indicator 2: Increasing the coverage of means-tested programs to 70 percent of the poorest 20 percent of households by end FY2018</u></p>	<p>The ISR of project P121673 reports that the Parliament adopted in 2016 the Anti-Poverty Program (VMI) law which unifies the three-existing means-tested programs. However, in November 2017, the Government decided to postpone the implementation of VMI to April 2019.</p> <p>Not Achieved</p>	<p>Baseline not reported.</p>



Annex Table 2: Planned and Actual Lending for Romania, FY14-FY18

Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed Amount	Proposed Amount	Approved IBRD Amount
Project Planned Under CPS/PLR 2014-2018					CPS	PLR	
P145174	Health Sector Reform	2014	2014	2021	340	340	339
P148957	First Fiscal Effectiveness and Growth DPL1.1	2014	2014	2016	1,020	1,020	1,035
P148585	Romania Secondary Education Project	2015	2015	2023	270	243	243
	Social Inclusion	2015			135	-	
P149776	2nd Fiscal Effectiveness and Growth DPL	2015	2017	2018	950	565	558
	DPL 2.1	2016			950	950	
	Energy IPF	2016			250	250	
P160751	Justice Services Improvement Project	2016	2017	2018	200	68	70
P155594	Integrated Nutrient Pollution Mgmt AF	2016	2016			54	52
	DPL 2.2	2017			950	950	
	IPF TBC	2017			450	450	
Total Planned					5,515	4,890	2,297
Unplanned Projects during the CPS and PLR Period							
Total Unplanned							-
On-going Projects during the CPS and PLR Period			Approval FY	Closing FY			Approved Amount
P093775	INT. NUTRIENT POLLUTION CONTROL		2008	2022			92
P130202	RAMP		2013	2021			561
P121673	SOC ASST SYST MOD-Results		2011	2018			1,333
P090309	JUDICIAL REFORM		2006	2017			381
P130051	DPO - DDO		2012	2015			710
P100638	CESAR		2008	2015			423
P093096	SOC INCL PROG (CRL)		2006	2014			68
P078971	HEALTH SEC REF 2 (APL #2) (CRL)		2005	2014			65
Total On-going							3,632

Source: Romania CPS and PLR, WB Business Intelligence Table 2b.1, 2a.4 and 2a.7 as of 4/23/18

*LIR: Latest internal rating. MU: Moderately Unsatisfactory. MS: Moderately Satisfactory. S: Satisfactory. HS: Highly Satisfactory.



Annex Table 3: Analytical and Advisory Work for Romania, FY14-FY18

Proj ID	Economic and Sector Work	RAS	Fiscal year	Output Type
P159659	Programmatic Public Finance Review	No	FY17	Public Expenditure Review (PER)
P151109	Romania Decentralization Process	No	FY16	Sector or Thematic Study/Note
P130426	Romania - ICR ROSC	No	FY15	Insolvency Assessment (ROSC)
P133519	Europe 2020 Romania	No	FY14	Sector or Thematic Study/Note
Proj ID	Technical Assistance	RAS	Fiscal year	Output Type
P157075	Romania-Road Safety Capacity Review	No	FY18	Technical Assistance
P164578	Resource Mapping - Interactive Platform	No	FY18	Technical Assistance
P154011	Capacity Enhancement of REF Romania	Yes	FY17	Technical Assistance
P158399	Real Estate Registration and Services	No	FY17	Technical Assistance
P159178	Regional Pilot: ECA-Romania urban regen	No	FY17	Technical Assistance
P159383	Mining Sector Policy	No	FY17	Technical Assistance
P130510	FBS RO Public Private Partnership	Yes	FY16	Technical Assistance
P143659	RAS - Develop Admin Capacity of MoNE	Yes	FY16	Technical Assistance
P145417	RAS Danube Delta Dev Str (Comp1)	Yes	FY16	Technical Assistance
P145716	RAS Real Estate System Modernization	Yes	FY16	Technical Assistance
P145841	RAS - Reducing Early School Leaving	Yes	FY16	Technical Assistance
P146187	RAS Framework Incr Tertiary Education	Yes	FY16	Technical Assistance
P146697	RAS Component A+B Romania Climate Change	Yes	FY16	Technical Assistance
P146782	RAS Public Investment Management	Yes	FY16	Technical Assistance
P146802	RAS Comp C1+C2 Romania Climate Change	Yes	FY16	Technical Assistance
P146803	RAS Component C3 Romania Climate Change	Yes	FY16	Technical Assistance
P146821	RAS Component D Romania Climate Change	Yes	FY16	Technical Assistance
P147269	RAS RO Social Inclusion & Poverty Reduct	Yes	FY16	Technical Assistance
P147482	RAS Establishment of a Delivery Unit	Yes	FY16	Technical Assistance
P147561	RAS Danube Delta (Comp 4)	Yes	FY16	Technical Assistance
P147650	RAS Active Ageing	Yes	FY16	Technical Assistance
P147746	RAS RO Performance Management - EU Funds	Yes	FY16	Technical Assistance
P150017	RAS Strengthening Regulatory Impact Asses	Yes	FY16	Technical Assistance
P150144	RAS EU and State Projects Coordination	Yes	FY16	Technical Assistance
P150145	RAS Prioritization of MRDPA Investments	Yes	FY16	Technical Assistance
P150146	RAS Improving quality of MRDPA inv	Yes	FY16	Technical Assistance
P150147	RAS Housing and Social Infrastructure	Yes	FY16	Technical Assistance
P150499	Impact of Rural Land Registration	No	FY16	Technical Assistance
P152542	Digital Romania Strategy Support	Yes	FY16	Technical Assistance
P153331	Ploiesti Growth Pole	Yes	FY16	Technical Assistance
P153436	Support for the Capacity Dvp ADI ITI DD	Yes	FY16	Technical Assistance
P154400	Improving heating sector regulation	No	FY16	Technical Assistance
P154609	Implementation of EU Water Directives	No	FY16	Technical Assistance



P159257	Dissemination SocInclusion RAS Outputs	No	FY16	Technical Assistance
P130508	FBS Romania Transport Strategic Planning	Yes	FY15	Technical Assistance
P131824	RAS-MAP-Competition Council	Yes	FY15	Technical Assistance
P143674	Strategic planning ARD administration	Yes	FY15	Technical Assistance
P143676	Integrated financial management system	Yes	FY15	Technical Assistance
P144557	RAS Tax Policy Formulation	Yes	FY15	Technical Assistance
P144566	RAS Interpretations on tax issues	Yes	FY15	Technical Assistance
P146632	Romania: RAS - TA for Preparing a SFLLL	Yes	FY15	Technical Assistance
P147587	Mining Sector Support	No	FY15	Technical Assistance
P151965	RO Financial Sector TA	No	FY15	Technical Assistance
P152800	Romania - Developing Govt Yield Curve	No	FY15	Technical Assistance
P154014	Banking Sector - Romania	No	FY15	Technical Assistance
P154237	National Reform TA	No	FY15	Technical Assistance
P154402	Priorities in the agri-rural space	No	FY15	Technical Assistance
P155786	Romania: Competitiveness	No	FY15	Technical Assistance
P129957	FBS - Romania Judicial Functional Review	Yes	FY14	Technical Assistance
P131858	FBS-21-FY12 West Region Competitiveness	Yes	FY14	Technical Assistance
P132399	FBS Romania Growth Poles	Yes	FY14	Technical Assistance
P133582	FBS: Administrative Capacity Development	Yes	FY14	Technical Assistance
P133720	Romania Strengthening Public Debt Mgmt	Yes	FY14	Technical Assistance
P133830	FBS Risk Based Systems Enhancement	Yes	FY14	Technical Assistance
P143087	FBS Romania Spatial and Urban Strategy	Yes	FY14	Technical Assistance
P143088	FBS Romania MA-IB Collaboration	Yes	FY14	Technical Assistance
P143089	FBS Romania Project Selection Models	Yes	FY14	Technical Assistance
P143090	Integration of urban marginalised groups	Yes	FY14	Technical Assistance
P143673	Agri-food sector strategy formulation	Yes	FY14	Technical Assistance
P143675	Internal management system	Yes	FY14	Technical Assistance
P144505	HR Strategy for MOF	Yes	FY14	Technical Assistance
P145035	Romania Roma diagnostics	Yes	FY14	Technical Assistance
P147023	Policy Note on Health Care Provision	No	FY14	Technical Assistance
P148243	StAR - Romania Engagement	No	FY14	Technical Assistance

Source: WB Business Intelligence 4/23/18

Note: ASA delivered during review period

RAS - Reimbursable Advisory Services



Annex Table 4: Grants and Trust Funds Active in Romania, FY14-18

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount
P152568	Romania Strengthening Financial Accountability	TF 18442	2016	2017	488,100
P128150	Improved Policy Making and Institutional Framework for People with Disability	TF 10417	2012	2018	1,715,000
P124601	Monitoring and Evaluations for Policymaking	TF 98645	2012	2015	434,000
P099528	GEF Romania Integrated Nutrient Pollution Control Project	TF 58040	2008	2017	5,500,000
Total					8,137,100

Source: Client Connection as of 4/23/18

** IEG Validates RETF that are 5M and above

Annex Table 5: IEG Project Ratings for Romania, FY14-18

Exit FY	Proj ID	Project name	Total Evaluated (\$M)	IEG Outcome	IEG Risk to DO
2014	P078971	HEALTH SEC REF 2 (APL #2) (CRL)	89.6	MODERATELY SATISFACTORY	NEGLECTIBLE TO LOW
2014	P093096	SOC INCL PROG (CRL)	49.6	MODERATELY SATISFACTORY	MODERATE
2015	P100638	CESAR	24.0	MODERATELY UNSATISFACTORY	MODERATE
2015	P130051	DPO - DDO	1,370.2	MODERATELY SATISFACTORY	MODERATE
Total			1,533.4		

Source: BI Key IEG Ratings as of 4/23/18

Annex Table 6: IEG Project Ratings for Romania and Comparators, FY14-18

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Romania	1,533.3	4	98.4	75.0	100.0	100.0
ECA	14,477.5	124	93.8	80.6	59.1	50.0
World	77,258.0	851	85.8	74.9	51.5	42.5

Source: WB BI as of 4/23/18



Annex Table 7: Portfolio Status for Romania and Comparators, FY14-18

Fiscal year	2014	2015	2016	2017	2018	Ave FY14-18
Romania						
# Proj	9	9	8	8	5	8
# Proj At Risk		6	3	4	4	4
% Proj At Risk	-	66.7	37.5	50.0	80.0	54.5
Net Comm Amt	3,738.9	2,624.7	1,642.3	2,039.2	858.9	2,181
Comm At Risk		1,340.8	1,050.9	1,050.4	615.8	1,014
% Commit at Risk		51.1	64.0	51.5	71.7	46.5
ECA						
# Proj	280	290	279	292	280	284
# Proj At Risk	37	36	47	37	52	42
% Proj At Risk	13.2	12.4	16.8	12.7	18.6	14.7
Net Comm Amt	26,927.9	26,544.5	27,637.3	25,808.5	25,058.3	26,395
Comm At Risk	2,635.4	3,533.8	4,350.5	5,466.2	5,159.0	4,229
% Commit at Risk	9.8	13.3	15.7	21.2	20.6	16.0
World						
# Proj	2,048	2,022	1,975	2,071	2,055	2,034
# Proj At Risk	412	444	422	449	470	439
% Proj At Risk	20.1	22.0	21.4	21.7	22.9	21.6
Net Comm Amt	192,610.1	201,045.2	220,331.5	224,420.1	230,268.4	213,735
Comm At Risk	40,933.5	45,987.7	44,244.9	52,549.1	55,334.1	47,810
% Commit at Risk	21.3	22.9	20.1	23.4	24.0	22.4

Source: WB BI as of 4/23/18

Annex Table 8: Disbursement Ratio for Romania, FY14-18

Fiscal Year	2014	2015	2016	2017	2018	Overall Result
Romania						
Disbursement Ratio	16.8	3.4	2.7	3.9	16.6	8.2
Inv Disb in FY	120.7	29.6	29.4	41.7	164.5	385.9
Inv Tot Undisb Begin FY	718.8	864.7	1,077.4	1,071.0	993.6	4,725.6
ECA						
Disbursement Ratio	22.8	23.5	17.5	20.7	17.5	20.2
Inv Disb in FY	2,612.0	2,664.4	2,275.6	2,857.1	2,342.1	12,751.2
Inv Tot Undisb Begin FY	11,467.5	11,342.1	13,028.9	13,776.0	13,400.4	63,014.9
World						
Disbursement Ratio	20.8	21.8	19.5	20.5	14.9	19.4
Inv Disb in FY	20,757.7	21,853.7	21,152.9	22,126.4	16,622.6	102,513.3
Inv Tot Undisb Begin FY	99,854.3	100,344.9	108,600.3	108,147.9	111,316.1	528,263.4

* Calculated as IBRD/IDA Disbursements in FY / Opening Undisbursed Amount at FY. Restricted to Lending Instrument Type = Investment.

Source: BI disbursement ratio table as of 4/23/18



Annex Table 9: Net Disbursement and Charges for Romania, FY14-17

Period	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
FY14	1,493,241,584.8	326,859,964.7	1,166,381,620.1	43,074,515.1	6,288,209.0	1,117,018,896.0
FY15	879,330,804.4	310,897,086.1	568,433,718.3	64,855,575.5	3,782,826.9	499,795,316.0
FY16	27,399,875.0	290,887,863.7	(263,487,988.7)	75,938,597.7	1,129,462.1	(340,556,048.5)
FY17	41,298,437.2	264,761,249.9	(223,462,812.7)	73,706,563.3	721,416.7	(297,890,792.8)
Report Total	2,441,270,701.4	1,193,406,164.3	1,247,864,537.1	257,575,251.6	11,921,914.7	978,367,370.8

World Bank Client Connection 4/23/18

*FY18 not yet closed

Annex Table 10: Economic and Social Indicators for Romania, FY14-16*

Series Name				Romania	ECA	World
	2014	2015	2016	Average 2014-2016		
Growth and Inflation						
GDP growth (annual %)	3.1	4.0	4.6	3.9	1.9	2.7
GDP per capita growth (annual %)	3.5	4.5	5.2	4.4	1.4	1.5
GNI per capita, PPP (current international \$)	20,350.0	21,060.0	22,370.0	21,260.0	30,449.5	15,696.9
GNI per capita, Atlas method (current US\$)	9,600.0	9,530.0	9,480.0	9,536.7	24,520.5	10,610.8
Inflation, consumer prices (annual %)	1.1	(0.6)	(1.5)	(0.4)	0.4	1.9
Composition of GDP (%)						
Agriculture, value added (% of GDP)	5.3	4.8	4.3	4.8	2.2	4.1
Industry, value added (% of GDP)	35.6	34.1	32.4	34.0	25.7	28.3
Services, etc., value added (% of GDP)	59.0	61.2	63.3	61.2	72.1	67.7
Gross fixed capital formation (% of GDP)	24.3	24.7	22.7	23.9	20.2	23.4
Gross domestic savings (% of GDP)	24.3	24.5	24.1	24.3	23.9	24.8
External Accounts						
Exports of goods and services (% of GDP)	41.2	41.0	41.4	41.2	41.7	29.4
Imports of goods and services (% of GDP)	41.6	41.6	42.3	41.9	38.4	28.7
Current account balance (% of GDP)	(0.7)	(1.2)	(2.1)	-1.3		
External debt stocks (% of GNI)	56.8	55.6	52.9			
Total debt service (% of GNI)	12.5	13.6	10.3			
Total reserves in months of imports	5.8	5.7	5.5	5.7	7.3	13.3
Fiscal Accounts ^{1**}						
General government revenue (% of GDP)	32.0	32.8	29.0	31.2		
General government total expenditure (% of GDP)	33.9	34.2	31.4	33.2		
General government net lending/borrowing (% of GDP)	(1.9)	(1.5)	(2.4)	-1.9		
General government gross debt (% of GDP)	40.5	39.3	39.1	39.6		
Health						
Life expectancy at birth, total (years)	75.0	75.0	75.0	75.0	77.2	71.9
Immunization, DPT (% of children ages 12-23 months)	94.0	89.0	89.0	90.7	93.1	85.4



Series Name				Romania	ECA	World
	2014	2015	2016	Average 2014-2016		
People using safely managed sanitation services (% of population)	55.3	57.1	..	56.2	67.2	38.9
People using safely managed drinking water services (% of population)	87.8	87.8	..	87.8	90.7	71.2
Mortality rate, infant (per 1,000 live births)	8.1	7.8	7.7	7.9	8.8	31.4
Education						
School enrollment, preprimary (% gross)	89.8	89.7	87.0	88.8	74.1	48.4
School enrollment, primary (% gross)	..	90.4	89.4	90	102.3	103.4
School enrollment, secondary (% gross)	92.7	90.9	88.9	90.9	105.5	76.3
School enrollment, tertiary (% gross)	47.5	46.8	48.0	47.5	66.3	36.1
Population						
Population, total (Millions)	19.9	19.8	19.7	19.8	907.4	7,357.5
Population growth (annual %)	(0)	(0)	(1)	(0)	0	1
Urban population (% of total)	54.4	54.6	54.7	54.6	70.9	53.8
Rural population growth (annual %)	-0.7	-0.8	-1.0	-0.9	-0.1	0.2
Poverty						
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of pop)	..	..	-	
Poverty headcount ratio at national poverty lines (% of pop)	25.4	25.3	..	25.4		
Rural poverty headcount ratio at national poverty lines (% of rural pop)	..	..	..
Urban poverty headcount ratio at national poverty lines (% of urban pop)	..	..	..
GINI index (World Bank estimate)	..	..	28.3	28.3		

Source: WB Development Data Platform as of 5/21/18

* Data only available up to FY16

** International Monetary Fund, World Economic Outlook Database, April 2018

Annex Table 11: List of IFC Investments in Romania
Investments Committed in FY14-FY18

Project ID	Cmt FY	Project Status	Primary Sector Name	Project Size	Original Loan	Original Equity	Original CMT	Loan Cancel	Equity Cancel	Net Loan	Net Equity	Net Comm	Greenfield Code
40788	2018	Active	Finance & Insurance	8,285	8,719	-	8,719	-	-	8,719	-	8,719	G
41142	2018	Active	Construction and Real Estate	61,093	61,093	-	61,093	-	-	61,093	-	61,093	G
36783	2018	Active	Finance & Insurance	37,528	38,736	-	38,736	-	-	38,736	-	38,736	E
38149	2018	Active	Construction and Real Estate	55,710	58,153	-	58,153	-	-	58,153	-	58,153	G
40713	2018	Active	Finance & Insurance	29,590	29,590	-	29,590	-	-	29,590	-	29,590	G
37926	2017	Active	Health Care	11,112	11,142	-	11,142	-	-	11,142	-	11,142	E
38079	2017	Active	Finance & Insurance	2,300	2,300	-	2,300	-	-	2,300	-	2,300	E
38414	2017	Active	Finance & Insurance	53,760	54,690	-	54,690	-	-	54,690	-	54,690	G
39197	2017	Active	Finance & Insurance	16,884	16,884	-	16,884	-	-	16,884	-	16,884	E
39287	2017	Active	Finance & Insurance	5,875	6,016	-	6,016	-	-	6,016	-	6,016	G
35030	2016	Active	Finance & Insurance	22,778	23,593	-	23,593	2,088	-	21,505	-	21,505	G
37071	2016	Active	Finance & Insurance	165,902	63,447	-	63,447	8,189	-	55,258	-	55,258	G
37394	2016	Closed	Finance & Insurance	1,100	1,100	-	1,100	1,100	-	-	-	-	E
37422	2016	Active	Professional, Scientific and Technical Services	1,681	-	1,681	1,681	-	-	1,681	1,681	1,681	E
38387	2016	Active	Professional, Scientific and Technical Services	5,120	-	5,120	5,120	-	-	5,120	5,120	5,120	E
34577	2015	Active	Finance & Insurance	9,232	8,816	-	8,816	-	-	8,816	-	8,816	E
34605	2015	Active	Finance & Insurance	48,295	47,777	-	47,777	-	-	47,777	-	47,777	G
34984	2015	Active	Food & Beverages	60,000	60,000	-	60,000	-	-	60,000	-	60,000	G
35682	2015	Closed	Public Administration	28,190	28,190	-	28,190	25,291	-	2,899	-	2,899	G
36728	2015	Active	Finance & Insurance	5,000	5,000	-	5,000	-	-	5,000	-	5,000	E
31884	2014	Active	Public Administration	46,706	34,319	-	34,319	-	-	34,319	-	34,319	E
32630	2014	Active	Professional, Scientific and Technical Services	20,414	10,372	6,829	17,201	-	-	17,201	6,829	17,201	G
33606	2014	Active	Public Administration	60,000	7,568	-	7,568	-	-	7,568	-	7,568	G
33830	2014	Active	Finance & Insurance	30,973	31,078	-	31,078	3,108	-	27,970	-	27,970	G

Project ID	Cmt FY	Project Status	Primary Sector Name	Project Size	Original Loan	Original Equity	Original CMT	Loan Cancel	Equity Cancel	Net Loan	Net Equity	Net Comm	Greenfield Code
34298	2014	Active	Finance & Insurance	10,000	-	-	-	-	-	-	-	-	E
34657	2014	Active	Finance & Insurance	15,000	6,079	-	6,079	-	-	6,079	-	6,079	E
35118	2014	Active	Finance & Insurance	25,000	4,846	-	4,846	-	-	4,846	-	4,846	E
35119	2014	Active	Finance & Insurance	10,000	-	-	-	-	-	-	-	-	E
Sub-Total				778,150	549,695	13,630	563,325	39,776	-	523,549	13,630	523,549	

Investments Committed pre-FY13 but active during FY14-18

Project ID	CMT FY	Project Status	Primary Sector Name	Project Size	Original Loan	Original Equity	Original CMT	Loan Cancel	Equity Cancel	Net Loan	Net Equity	Net Comm	Greenfield Code
31613	2013	Active	Finance & Insurance	24,564	25,637	-	25,637	-	-	25,637	-	25,637	G
32914	2013	Active	Finance & Insurance	15,000	9,052	-	9,052	-	-	9,052	-	9,052	E
33733	2013	Active	Finance & Insurance	74,976	74,936	-	74,936	-	-	74,936	-	74,936	G
30802	2012	Active	Finance & Insurance	10,000	13,279	-	13,279	-	-	13,279	-	13,279	E
30869	2012	Active	Electric Power	54,701	38,970	-	38,970	-	-	38,970	-	38,970	E
31024	2012	Active	Transportation and Warehousing	16,000	-	16,000	16,000	-	1,545	16,000	14,455	14,455	E
31466	2012	Active	Wholesale and Retail Trade	66,565	66,565	-	66,565	-	-	66,565	-	66,565	E
29716	2011	Active	Finance & Insurance	1,378	-	1,378	1,378	-	-	1,378	1,378	1,378	E
30868	2011	Active	Electric Power	182,368	60,757	-	60,757	-	-	60,757	-	60,757	E
31101	2011	Active	Finance & Insurance	7,500	375	-	375	-	-	375	-	375	E
28118	2010	Active	Finance & Insurance	60,000	647,813	-	647,813	-	-	647,813	-	647,813	E
29355	2010	Active	Wholesale and Retail Trade	103,721	52,612	-	52,612	-	-	52,612	-	52,612	E
29638	2010	Active	Health Care	25,766	12,411	-	12,411	-	-	12,411	-	12,411	E
26504	2009	Active	Finance & Insurance	283,167	43,764	-	43,764	-	-	43,764	-	43,764	G
25069	2007	Active	Health Care	28,303	6,348	5,000	11,348	-	-	11,348	5,000	11,348	G
24027	2005	Active	Finance & Insurance	45,713	45,074	-	45,074	-	-	45,074	-	45,074	G
Sub-Total				999,722	1,097,592	22,378	1,119,970	-	1,545	1,119,970	20,833	1,118,425	
TOTAL				1,777,872	1,647,286	36,008	1,683,294	39,776	1,545	1,643,518	34,464	1,641,974	

Source: IFC-MIS Extract as of 4/30/18



**Annex Table 12: List of IFC Advisory Services in Romania
Advisory Services Approved in FY14-18**

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds, US\$
599599	Bucharest District Heating PPP	2014	2016	TERMINATED	CAS	2,500,000
600286	Botosani District Heating Advisory Services	2014	2014	CLOSED	CAS	21,818
Sub-Total						2,521,818

Advisory Services Approved pre-FY14 but active during FY14-18

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds, US\$
Sub-Total						-
TOTAL						2,521,818

Source: IFC AS Portal Data as of 4/15/18

Annex Table 13: IFC net commitment activity in Romania, FY14 - FY18

	2014	2015	2016	2017	2018	Total
	67,627,555	60,142,147	1,100,000	2,300,000	21,190,000	152,359,702
	-	-	-	56,633,500	1,230,444	57,863,944
Financial Markets	227,091	(5,555,415)	-	-	-	(5,328,324)
	-	-	81,795,262	(2,147,014)	13,880	79,662,128
	-	8,804,250	-	23,191,285	46,652,369	78,647,904
Agribusiness & Forestry	-	60,000,000	-	-	-	60,000,000
Tourism, Retail, Construction & Real Estates (TRP)	(1,777,937)	-	-	-	119,272,901	117,494,964
Health, Education, Life Sciences	-	-	-	10,970,775	82,250	11,053,025
	(1,496,979)	-	-	-	-	(1,496,979)
Infrastructure	42,544,688	21,812,813	(25,018,764)	-	-	39,338,736
Telecom, Media, and Technology	17,038,046	(433,170)	6,699,708	3,416	9,243	23,317,243
Total IFC Long Term Financing	124,162,464	144,770,625	64,576,205	90,951,962	188,451,086	612,912,342
Short Term Trade Finance Guarantee (TF)	85,903,164	89,124,632	80,616,823	13,196,912	570,152	269,411,682

Source: IFC MIS as of 6/5/18

Note: IFC began reporting average outstanding short-term commitments (not total commitments) in FY15 and no longer aggregates short-term commitments with long-term commitments. IEG uses net commitment number for IFC's long-term investment. For trade finance guarantees under GTFP, average commitment numbers have been used.



Annex Table 14: List of MIGA Projects Active in Romania, 2014-2018

ID	Contract Enterprise	FY	Project Status	Sector	Investor	Max Gross Issuance
5969	HVB Bank Romania S.A.	2005	Active	Financial Services	Austria	35
Total						35

Source: MIGA 4-17-18