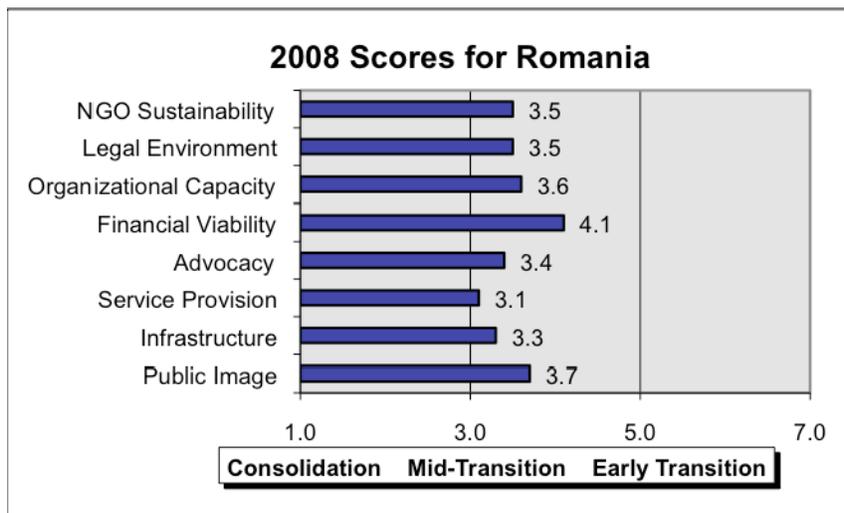


ROMANIA



Capital: Bucharest

Polity:
Republic

Population:
22,215,421 (July 2009 est.)

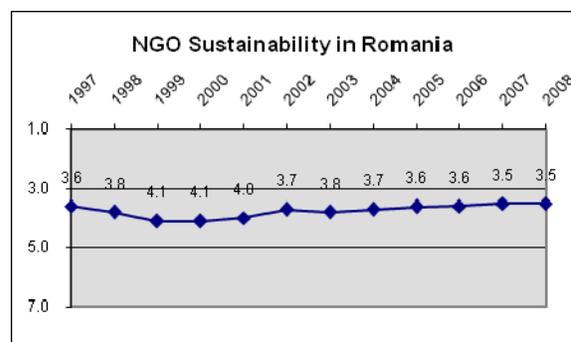
GDP per capita (PPP):
\$12,500 (2008 est.)

NGO SUSTAINABILITY: 3.5

For the first time in recent years, NGO sector development has stagnated, with the overall state of the sector remaining the same as in 2007. While a current estimate of the number of active Romanian NGOs is not available, four years ago experts estimated that the number approached 7,000.

The legal environment did not improve significantly. On several occasions, authorities attempted to intimidate NGOs, creating a dangerous precedent. Most NGO sector proposals to improve the legislative framework remained unanswered, and some legislation affecting the NGO sector was promulgated without consultation with NGOs.

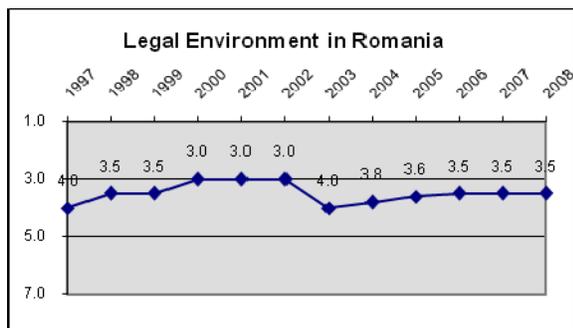
The European Union Structural Funds mechanism is still inaccessible to private and local entities almost two years after Romania's EU accession. The first projects funded through the Structural Funds began at the end of 2008, and involved fewer than fifty NGOs. For the rest of the Romanian NGO sector, the Structural Funds have remained inaccessible, and as a result, many NGOs that anticipated EU funding were forced to reduce their activities.



The quality of services provided by NGOs is generally recognized by central and local government officials, but local authorities' lack of capacity to implement the regulatory framework still impedes local budget allocations for NGOs.

NGO cooperation with public authorities did not improve, with the exception of a few successful advocacy campaigns. There is a widespread perception that advocacy campaigns are less effective than they used to be prior to Romania's EU accession. In 2008, however, public awareness campaigns and fundraising events achieved results. Most of these campaigns aimed at supporting children and the environment. More individuals and firms provided donations for social causes.

LEGAL ENVIRONMENT: 3.5



The legal environment was less permissive compared with previous years, as the government introduced new legislative initiatives impeding the development of the NGO sector.

The draft law modifying Government Ordinance 26/2000 regarding associations and foundations has been debated in Parliament since the end of 2007. The draft law forbids NGOs to register with a name similar to that of a public institution and would require a registered NGO to change its name if it matches that of a public institution. Some of the key NGOs in Romania would need to change their names in order to fulfill this requirement. The president refused to promulgate the law after it was passed, and sent it back to parliament for reexamination. The law was not reexamined, however. A parliamentary group sent a petition to the Constitutional Court of Romania arguing that the law violates Article 40 of the Constitution of Romania, which provides that citizens may freely associate and join political parties, trade unions, employers' associations, and other forms of associations.

The Bucharest municipal council proposed dissolving two NGOs for arbitrary reasons. The proposal was repealed in court, but the case was

ORGANIZATIONAL CAPACITY: 3.6

The year 2008 marked the launch of a national research study analyzing the state of the NGO sector in Romania. The research, conducted by the Civil Society Development Foundation

widely reported in the media, setting a precedent for authorities to intimidate NGOs by demanding their dissolution.

The NGO sector continued to raise with authorities a proposal to improve Law 350/2005 regarding state funding for NGOs, but the government did not consider the proposal. Because the law is not applied properly, local public authorities are impeded from allocating funds for NGOs. Less than 10 percent of local governments financed projects or activities for youth in 2007, even though, according to the law, it is compulsory to support youth initiatives. The director of the National Authority for Supporting Youth Initiatives (ANSIT) publicly declared that local authorities are not aware of the regulatory framework in this field or its importance.

Obtaining public benefit status remains difficult. The process is marked by bureaucracy and political favoritism. Some NGOs directly linked with politicians or political parties obtained the status even though their activity is not in the public interest. The status also offers few tax advantages to NGOs, giving them even less incentive to apply for it.

A government ordinance on criminal tax records was amended and supplemented by Law 91/2007. Criminal tax records keep track of taxpayers (natural and legal persons) that commit criminal acts related to finance or customs. A lack of a criminal tax record is compulsory for the establishment of a not-for-profit entity or for any modifications in its statute. The main concern about the requirement is that the implementing legislation is not coherent, so judicial interpretations of the law can vary significantly.

(CSDF), is the only study of its kind in Romania in the last nine years. The study will map the NGO sector and analyze its organizational and financial capacity. The first results of the

research will be available in spring 2009. CSDF conducted similar research in 1999.

NGOs working in the social and environmental fields had the most success in building constituencies. NGO projects in these areas received increasing media coverage and were acknowledged by communities.

Building stronger organizational capacity continues to be a priority for the NGO sector. Major donors such as PHARE and the Charles Stewart Mott Foundation, as well as new donors such as the Norwegian NGO Fund, maintained their support for programs and activities to build NGO capacity.

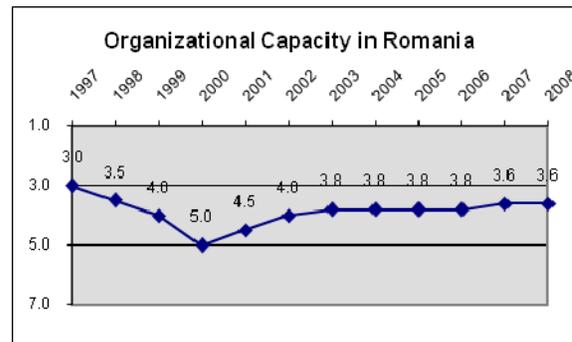
Romanian NGOs have become more aware of the benefits of partnerships and seek to develop projects with a variety of entities. Since many European programs became available for Romanian NGOs in 2008, the need to forge international partnerships has become a priority for those NGOs that are trying to build international expertise in a specific field. Romanian organizations' expertise has been recognized at the international level in fields such as youth and Roma issues. For instance, Romani Criss was awarded consultative status with the UN Economic and Social Council.

As the Romanian economy has continued to be on an upward trend and wages in the business sector have risen, the number of employees migrating from the not-for-profit to the profit sector is higher every year. Many highly qualified staff left the NGO sector for

FINANCIAL VIABILITY: 4.1

When Romania joined the European Union in 2007, and key international donors announced their exit strategies, less than 10 percent of NGOs' budgets were covered by domestic funding sources. NGOs in the social field and watchdog groups were the most affected by funding cuts,

consultancy and training firms, which have become profitable in Romania in recent years.



The number of Romanians involved in volunteering remained constant over the last fifteen years and varies between 6 and 8 percent of the population.¹ These figures are lower than in most former communist countries, and demonstrate the lack of a volunteering tradition within Romanian culture. The management of volunteers is not part of the human resources policy of most NGOs. Most campaigns to promote volunteering were conducted by small and medium-sized NGOs at the local level. Between November 2007 and April 2008, Provobis conducted the only national volunteering campaign.

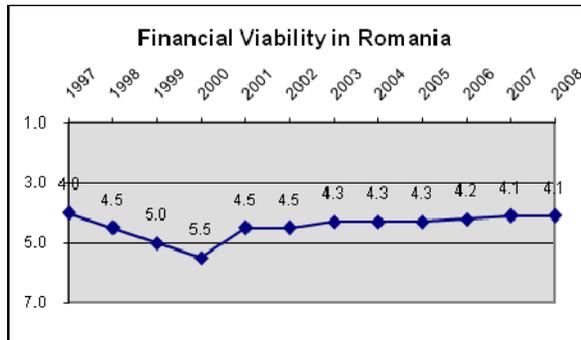
For most NGOs, office equipment is no longer an obstacle in the implementation of their activities, as most previous funding programs allowed the purchase of new office equipment. Internet accessibility has increased even in rural areas.

and a considerable number of NGOs was forced to reduce activities and staff.

European Union pre-accession funds continue to be one of the main sources of funding for NGOs. PHARE civil society programs totalled approximately €9 million in 2008. In June, a

¹ *Public Opinion Barometer*, Soros Foundation Romania, October 2007.

special NGO fund of €5 million was launched by the Civil Society Development Foundation with the support of the European Economic Area (EEA). NGO sector needs are much greater than the funds available, however.



In April 2008, the first call for proposals for EU Structural Funds was launched, but for most NGOs it is still very difficult to access these funds because of technical and financial requirements. For most of the programs funded under Structural Funds, NGOs have to cover the project expenses out of their own budgets and then obtain reimbursement from the public authorities. The

ADVOCACY: 3.4

With the exception of several successful advocacy campaigns, no significant improvement in cooperation with public authorities was registered in 2008. As in past years, the most visible forms of collective action by NGOs continued to be informal coalitions. There is a widespread perception that advocacy campaigns are less effective than they used to be prior to Romania's EU accession. In the absence of EU pre-accession leverage, public authorities are less open to dialogue with NGOs. There are also fewer supporters at the political level for NGO advocacy initiatives. At the regional and local levels, advocacy initiatives have been less visible and successful.

The most visible campaigns were in the fields of good governance and the environment. Within the campaign "Clean Romania," advocacy initiatives were launched in several fields. The Coalition for Clean Universities continued its campaign for the integrity of the academic

lack of advance payments is one of the main obstacles for NGOs in accessing these funds. NGOs' lack of financial resources discourages them from submitting project proposals.

The global economic crisis has also reached NGOs, as donors from the United States and Great Britain are revising their predictions for budgetary allocations in 2009. Some Romanian NGOs working in the social field publicly declared their incapacity to cover the costs of their beneficiaries because of funding cuts.

NGOs continued to improve their skills in organizing public fundraising events. One charity event in 2008 raised €600,000. The most successful fundraising events were in the child protection and environmental areas. According to data provided by the Ministry of Finance, 15 percent of taxpayers used the 2 percent law to redirect part of their income tax to NGOs in 2007, 50 percent more than in 2006. The total amount donated was €7.2 million, compared with €5 million in 2006.

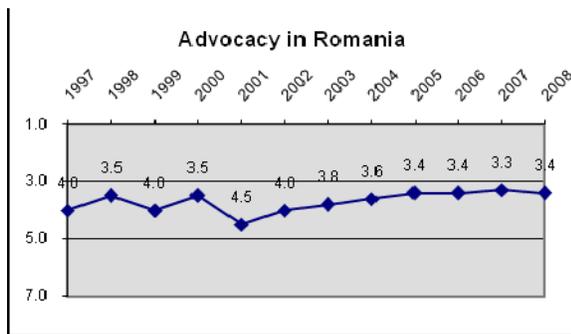
environment in Romania. In May, the coalition launched its first report, which drew attention to a series of corruption-related problems in five Romanian universities. In 2008, the coalition initiated an evaluation process targeting forty-two universities in Romania. In July, the Coalition for Clean Government called for political parties to sign a pact to respect the rule of law in upcoming general elections. NGOs continued to monitor alleged corruption within the Parliament.

In February 2008, Pro Democratia Association (APD) facilitated a consensus among the main political parties for the introduction of a uninominal electoral system, which was adopted by the parliament in March. The introduction of this new electoral system was largely the result of a campaign that APD initiated in 2007.

NGO members of the coalition "Romania without Cyanides," supported by organizations

from Hungary, Slovakia and Ukraine, continued their advocacy campaign. An opinion poll in April 2008 revealed that 66 percent of Romanian citizens support banning the use of harmful technologies in gold mining. While the coalition has received the support of several prominent MPs, no progress has been achieved in the parliament.

The Association of Bio-culturally Protected Areas launched a petition to stop hunting in protected areas and proposed a “constitution for protected areas” to the Ministry of Environment.



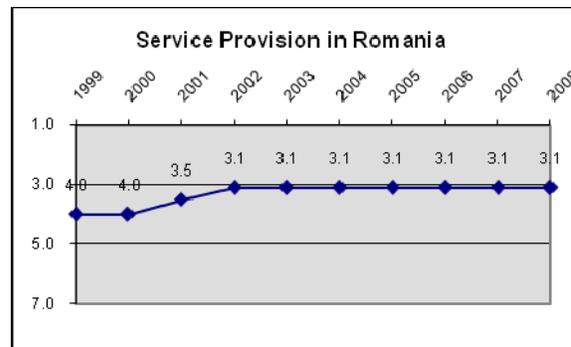
Advocacy campaigns have also been carried out in fields where such engagement is relatively new. The Federation of Parents’ Associations in Pre-university Education successfully supported a law banning the distribution of unhealthy food products at schools. With the support of CEE Trust, several Romanian NGOs have created the Romanian National Alliance for Rare Diseases, a national network of key representatives from patient organizations, communities, and public institutions. Their campaign to create more support for patients diagnosed with rare diseases has drawn the attention of the relevant authorities and mass media. The Ministry of Health adopted the National Plan for Rare Diseases, which includes provisions for new services for patients with rare diseases. Legislation on subsidized medication has also been changed in favor of such patients. In May, the majority of the candidates for the Bucharest local elections signed the Pact for Bucharest, a joint initiative of thirty NGOs. The pact included a development strategy for Bucharest, covering transport, green areas, sports, historical heritage and transparency.

SERVICE PROVISION: 3.1

Increasingly, state authorities and other local stakeholders recognize the quality of services provided by NGOs. In 2008, local authorities contracted more services from the NGO sector. Two major state agencies, the National Environmental Fund and the National Cultural Fund, had budget allocations for NGOs.

Funding sources for social service provision are still very limited. Central and local government budget allocations are difficult for most NGOs to access. The main obstacles are the legislative framework, the local authorities’ approach toward the NGO sector and the annual central budget allocation. Under the annual allocation, a project budget can be spent only during the current budgetary year. Due to bureaucratic constraints, sometimes a project can only begin in the second half of the year, but all expenses must be incurred by the end of the year regardless of whether project activities are completed. The only multi-annual programs, the National Interest Programs for the Protection of

Children’s Rights, were approved by the Parliament in June 2008.



NGOs in the social field operate primarily as service providers, but they have become more visible through their watchdog and advocacy work. One explanation may be that donors financed programs that encouraged NGOs to obtain public information and to be involved in public policy. On the other hand, grassroots organizations have become less likely to provide

public services as traditional donors phase out and public institutions fail to develop mechanisms to finance NGOs.

The number of NGOs beginning to engage in economic activities is increasing every year, but little data are available about trends in this area.

INFRASTRUCTURE: 3.3

Resource centers for NGOs are sustainable only in several larger towns. Those at the local level are less developed and do not manage to attract enough users to become sustainable. In 2008, the EU PHARE program for civil society provided funding directly targeting resource centers. The tendency is for each resource center to specialize in providing particular services, such as training or information dissemination, rather than offering a wider range of services.

The number of local grantmaking organizations and the amount they distributed increased over the past year, with the most funding going to the environment, child development, people with disabilities, and community development. In addition to traditional local donors such as the Princess Margarita of Romania Foundation, United Way, and the Romanian Environmental Partnership Foundation, new organizations started to be active at the local level. In December 2007, the Odorheiu Secuiesc Community Foundation (Székelyudvarhelyi Közösségi Alapítvány, or SzKA) became the first registered community foundation in Romania. In January 2008, SzKA held its first official grant round with the Ön Dönt (You Choose) campaign. In April, the Cluj Community Foundation was launched. The foundation has the support of local authorities and private companies.

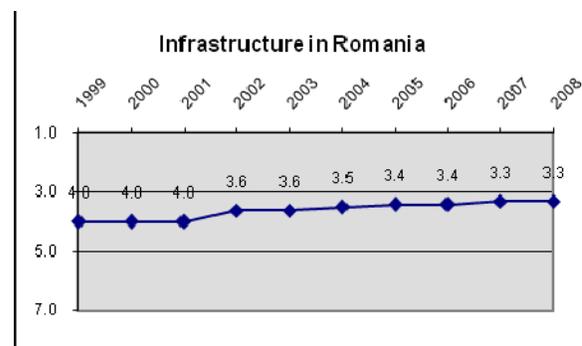
The private sector increased its contributions to corporate social responsibility (CSR) projects in 2008. According to the Romanian Donors' Forum, the top ten companies with the largest CSR budgets provided contributions of \$9.5 million, an increase of more than \$600,000 compared to the previous year. Over half of the

The types of economic activity vary from consulting to candle making. In rural areas, the NGO sector consists of grassroots or community organizations that focus on solving community problems. There is still a major lack of data about the number of active rural NGOs or types of services they provide.

total in 2008 represents sponsorships, with NGOs among the main beneficiaries.

According to the Register of Associations and Foundations, only two NGO federations formally registered over the past year. NGOs can afford to pay only symbolic membership fees. In the absence of core funding, federations struggle to maintain and develop administrative capacity. Federation secretariats often function on a voluntary basis within one of their member organizations. This situation undermines federations' effectiveness in carrying out advocacy and policy work.

Partnerships and networks were encouraged in 2008 by the EU and other donors. The Black Sea Trust for Regional Cooperation promotes the creation of international partnerships at the regional level. NGOs have continued to be eligible to participate in European programs on cross-border cooperation, but various procedural obstacles prevent effective transnational partnerships and have discouraged NGOs from submitting projects.



The training services provided to the NGO sector are diversified and a core of experts in the NGO sector is capable of providing quality

training. Accessing EU Structural Funds continues to be the topic in highest demand from training providers, even though NGOs are not eligible for most of the current operational programs. Public institutions recognize the quality of NGO training providers and use their services.

Intersectoral partnerships continued to develop in 2008. The number of partnerships between public institutions and NGOs has increased with the influx of EU Structural Funds. Public institutions started to realize that they do not have enough capacity to access Structural Funds and that NGOs often can supply needed expertise.

PUBLIC IMAGE: 3.7

The NGO sector benefited slightly from better media coverage in 2008. Most of the reporting was related to private companies' growing interest and involvement in CSR activities which, thanks to their PR departments, usually receive coverage in the media. The media continued to be supportive of CSR activities that included the participation of NGOs and they offered space for public service announcements.

Business and government attitudes towards NGOs improved in 2008. NGOs are more often mentioned in speeches by public officials and politicians. Still, less than 10 organizations are regularly invited to participate in public debates or other media programs. Media coverage of NGOs is often focused on an individual NGO leader rather than the organization he or she represents.

Media coverage of NGO activities increased to reflect NGOs' growing involvement in advocacy, watchdog and research activities, and as a consequence of NGOs' greater communications capacities and their implementation of public awareness campaigns.

In 2008, there were more public campaigns and fundraising events, with better results. More individuals and firms provided donations for social causes, primarily in the areas of child protection and the environment. National television stations started to affiliate with certain campaigns, some on a regular basis and others occasionally. The media group Realitatea Catavencu was among the most active, with CSR campaigns in the social and environmental fields.

Generally, the public in Romania remains unfamiliar with the NGO sector and does not yet fully recognize the benefits of NGO activities. Fewer than 30 percent of Romanians have great trust in NGOs. However, the situation is improving each year.

While NGOs rarely have the power to set the public or media agenda, they have increased their presence on the Internet. NGO resource centers created dedicated web portals. The first online portal containing news on the NGO sector, www.stiriong.ro, was launched in 2008. The portal also aims to create the most updated NGO database in Romania. NGOs conducted online advocacy and fundraising campaigns. Most NGOs with limited PR and communications capacities usually disseminate information through dedicated web portals and e-mail lists.

