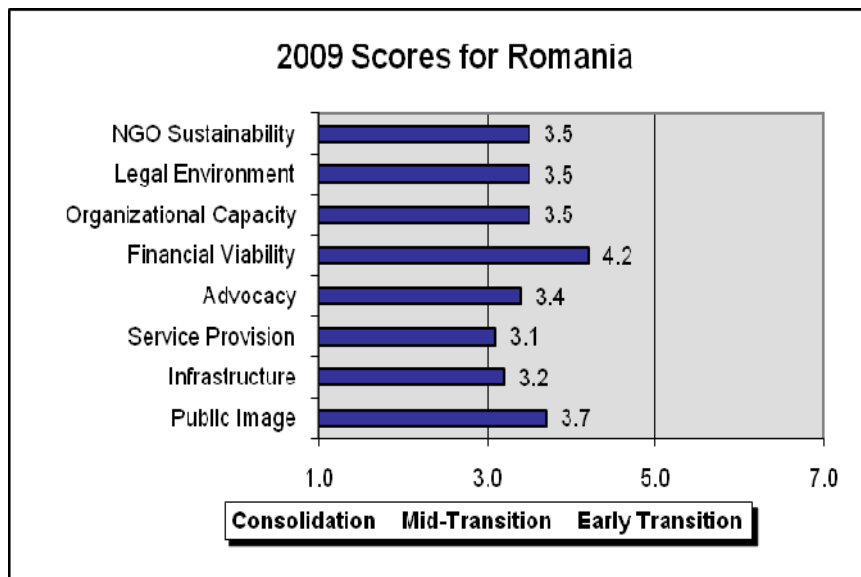


## ROMANIA



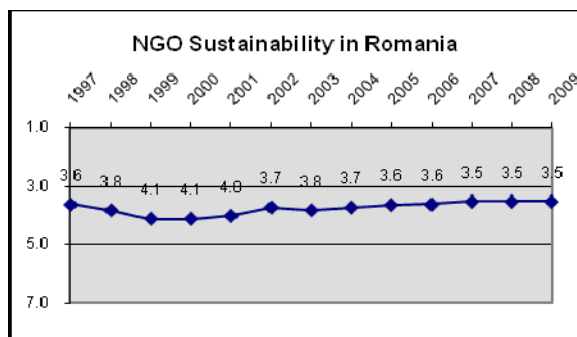
**Capital:** Bucharest

**Polity:**  
Republic

**Population:**  
22,181,287 (July 2010 est.)

**GDP per capita (PPP):**  
\$11,500 (2009 est.)

### NGO SUSTAINABILITY 3.5



The overall state of the NGO sector remained the same as in 2008. The financial crisis impacted NGOs, especially organizations dependent on funds from the business sector. NGOs that regularly organized fundraising events reported significant decreases in donations. At the same time, NGOs continued to find alternative means of income generation through economic activities, stimulated by European Social Fund grants for social enterprise development.

Despite the bleak financial situation, the number of NGO initiatives was higher in 2009, especially in the fields of human rights and the environment. The NGO sector and its stakeholders pursued hundreds of partnerships within projects funded under the European Social Fund Development of Human Resources Program, making 2009 one of the most successful years in terms of partnership development. Dialogue with the central government was difficult in light of political instability, and most NGO advocacy initiatives were unsuccessful.

In 2009, the mass media promoted NGO projects, especially at the national level. The first NGO news portal, [www.stiriong.ro](http://www.stiriong.ro), became the most important instrument for the exchange of information about and within the NGO sector.

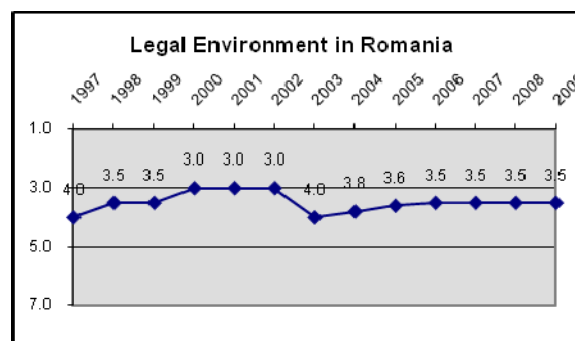
According to data provided by the Ministry of Justice, as of December 2009 a total of 62,104 associations, foundations, unions and federations were registered in Romania.

## LEGAL ENVIRONMENT: 3.5

In September the government pushed through parliament a package of laws including the Education Code, sparking discontent among trade unions and NGOs who were denied the possibility to discuss the legislation. The Education Code provided the possibility for a taxpayer parent to redirect 2 percent of his or her annual income tax to a special account created for his or her child's education. At the beginning of September, the prime minister declared that the 2 percent donation in the Education Code was the same 2 percent that the Fiscal Code allows taxpayers to donate to NGOs. In other words, a taxpayer might have to choose between giving the 2 percent donation to an NGO or to his or her child. NGOs immediately started an advocacy campaign. Parliament adopted the Education Code with the contentious provision, but in November the Constitutional Court declared it unconstitutional.

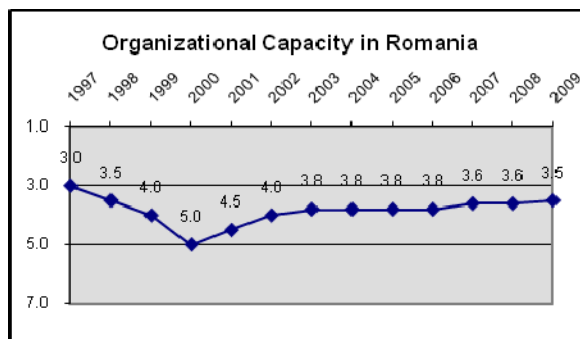
An article referring to the obligation to conduct an impact assessment for certain draft laws was repealed, probably an attempt to avoid this kind

of exercise before the adoption of the Civil Code and Criminal Code. Draft laws will not have impact assessments unless the provision is reintroduced.



According to a study released by the Romanian Donors' Forum, less than half of the forty-one county administrations used the provisions of Law 350/2005 to provide grants to local NGOs. NGOs continued to pressure local governments to put into practice the provisions of this law.

## ORGANIZATIONAL CAPACITY: 3.5



NGOs' public campaigns were more visible than in previous years, but most aimed at attracting attention and financial support rather than constituency building. Except for civic advocacy and environmental organizations, the majority of NGOs have direct contact with their constituencies only when promoting a special action or protest. International donors have provided financial support for the development of national or local awareness-raising initiatives

that provide people an opportunity to become involved in NGO activities. Among the most successful examples were the Provobis Caravan "Follow the Volunteers," which involved fourteen different communities around the country, and ONG Fest, the first national NGO fair in nine years. A volunteering fair was organized in May in Bucharest.

According to experts on volunteering, Romanians are open to working for the benefit of their communities but few organizations have strategies, procedures and dedicated staff for volunteer management. The number of volunteers has grown in recent years, especially related to environmental causes. An environmental campaign organized in a rural area of southern Romania set the record for the number of people volunteering on the same day when 4,000 people gathered to plant trees.

Strategic planning is a usual practice for large NGOs, but not for smaller organizations. The lack of strategic thinking has left many small and medium-sized NGOs unable to adapt to the economic crisis. As business funding dried up, NGOs found it difficult to identify alternative local sources. Many NGOs saw EU Structural Funds as an alternative to foreign donors, but the bureaucratic procedures combined with NGOs' lack of cash flow planning left them unable to implement all planned activities.

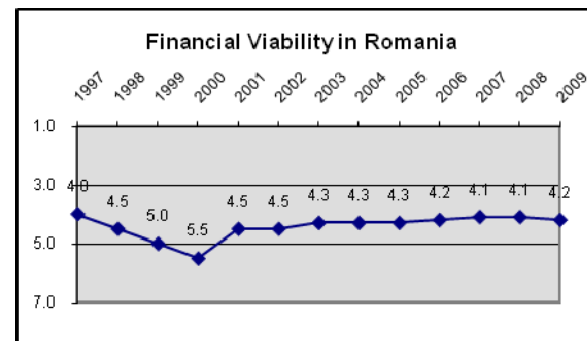
## FINANCIAL VIABILITY: 4.2

NGOs showed increased interest in private sources of funding as a consequence of the disappearance of foreign donors. According to the Romanian Donors Forum, in 2008 the main private donors provided over €31 million to civil society initiatives. Gala Societatii Civile, an annual event rewarding excellence in the nonprofit sector, announced that in its 2009 competition 147 projects were registered totaling €21 million, compared to 115 projects worth €7.9 million in 2008. The sixth Gala Oameni pentru Oameni, an annual event rewarding corporate social responsibility initiatives organized by the Association for Community Relations (ARC) and AmCham, recognized 118 projects totaling over €24 million, compared to €11 million in 2008. Due to the economic crisis, however, NGOs dependent on corporate, individual or foundation support had to scale down their activities.

Public funding for NGOs did not improve. In 2009, the National Fund for Environment did not offer funding to environmental NGOs. At the local level, implementation of Law 350/2005 regarding state funding for NGOs remains problematic. According to the Donors' Forum, around 70 percent of the funding goes to religious and sport activities. Around 200 NGOs received funding from the European Social Fund. An increasing number of NGOs have started to develop activities in the field of social economy, taking advantage of both European and national funding. According to beneficiary NGOs as well as civil society experts, one of the

best public funding mechanisms is the NGO Fund of the European Economic Area (EEA) Financial Mechanism funded by Iceland, Liechtenstein and Norway. Compared to similar programs, the NGO Fund has more flexible procedures and is complementary to other funding sources.

Some NGOs struggled to pay salaries and taxes. It has become more difficult to ensure co-financing of EU projects because of authorities' lack of capacity to manage EU funding programs. Due to the economic crisis, NGOs which had income generating activities such as providing services to the business sector were forced to revise their strategies.



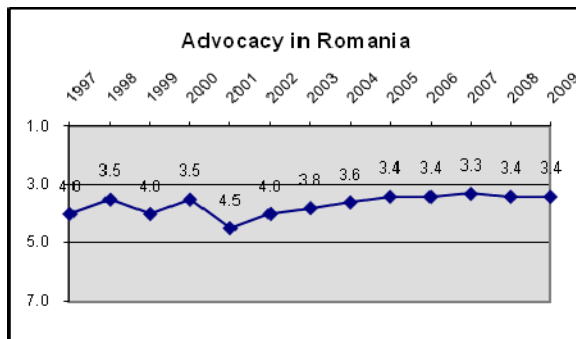
The CSDF and the Romanian Donors' Forum mobilized quickly in defense of the law that allows individual taxpayers to direct 2 percent of their income taxes to an NGO of their choice, but the law's future remains uncertain. According to the National Authority for Fiscal Administration, the total amount directed to

NGOs by taxpayers increased by 12.3 percent, exceeding \$28 million. An additional 200,000 taxpayers made use of this provision, on top of

the previous 1 million who had already directed 2 percent of their taxes to NGOs.

### ADVOCACY: 3.4

Dialogue with the central government was difficult given the political instability, but NGOs continued their advocacy and lobbying efforts with parliament and local government, and pursued litigation to advance their causes. The Coalition for a Clean Government called for political stability and spoke against early parliamentary elections, while another group of NGOs sued the government for organizing a referendum concurrently with the presidential elections. NGOs' positions on issues of public interest received wide media coverage.



As part of the new government's institutional reshuffling, the Directorate for Relations with the Associative Sector within the Prime Minister's Chancellery was dissolved. The College for Consultation of Associations and Foundations, a consultative body within the Prime Minister's Chancellery established in 2005, met once during the year; the new government stated its good intentions and NGO leaders proposed methods of cooperation. Several committees include NGO representatives. A representative of the College of Social Workers was included in the Committee for Adoptions, and the Institute for Public Policies (IPP) nominated a respected law professor to the High Council of Magistrates. The president has said that one-third of members of this council should be civil society representatives.

NGOs joined a coalition initiated by CSDF and ARC following the publication of the draft Education Code. The same coalition lobbied for simplification of the procedures for directing the 2 percent of income tax to NGOs and gained the support of two MPs who initiated changes to the Tax Code. Agent Green, an environmental group, lobbied the parliamentary subcommittee on the Criminal Code to include ecological crimes in the new code.

Some previous efforts of NGO campaigns have borne fruit. The Chamber of Deputies decided to publish MPs' expenses, which IPP has advocated for the last five years. Protests of the Patients' Association saved funding for long-term treatment of chronic diseases from being cut from the national health programs. Following an advocacy campaign carried out by associations of parents of children with autism, one MP announced that he would submit a bill to increase the coverage of treatment and services for persons affected by autism.

Some NGOs have used litigation to advance their causes. Greenpeace won a case against the Ministry of Economy, which will have to make public the list of sites where nuclear power plants may be built. The Coalition "Stop the Codes" ("Opriți Codurile") sued the government and the Ministry of Justice for violating laws on transparency of the legislative process in their development of the Civil Code and Criminal Code. Pro Democracy Association Braila sued six local governments for not complying with freedom of information legislation. Centrul de Resurse Juridice has sued regional and national environmental agencies for lack of transparency in environmental impact studies and illegal licensing of new investment projects. NGOs organized several street demonstrations on issues related to protection of the urban environment and cultural heritage. A coalition of NGOs in Bucharest protested against the approval of zoning plans by the city council,

district councils and Ministry of Culture. Professional associations, trade unions and the government debated proposed reforms of the

pension system, public sector employment and education.

### SERVICE PROVISION: 3.1

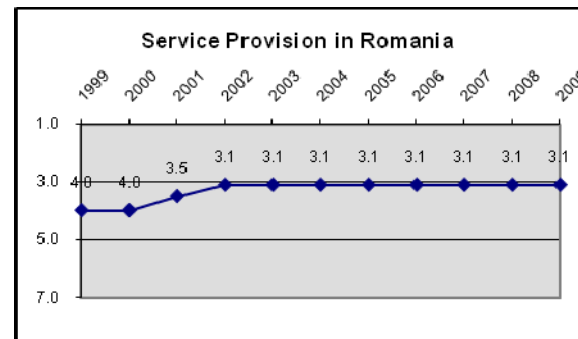
NGOs are among the main providers of social services, although their weight is decreasing due to the development of county and municipal social services. At the end of 2006, for example, there were 1,164 accredited social services providers, two-thirds of which were NGOs. In 2009 there were 2,329 accredited social services providers, of which almost 50 percent were NGOs.

CSDF research shows that in some sectors NGOs are the main providers of services and are more cost-effective than public providers. In the area of home care for the elderly, NGOs had 18,056 clients in 2008, while public providers had 12,767 clients. Some home care services are delivered for a fee or are subsidized by local or central governments. NGOs provide most services within Roma communities and for vulnerable groups such as the disabled. In the regions where they operate, NGOs have better outreach than public providers.

While public service providers are financed from local and national budgets, NGOs are financed primarily by donor resources. EU funding for social services was one of the main start-up funding sources, but now NGOs struggle to sustain services. Local governments which acted as partners in such projects and committed to continue funding now face budgetary constraints.

### INFRASTRUCTURE: 3.2

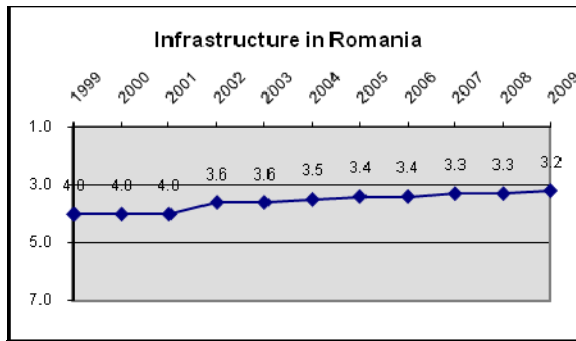
Unlike in previous years, the most active resource centers were at the local level, providing support for the development of grassroots organizations. These centers cover only a few regions, however. Financial constraints forced some of the national resource centers to reduce their programs or services, affecting primarily the grassroots NGOs from regions without local resource centers.



There is still no effective NGO network or coalition to promote increased public funding of NGOs. NGOs in Mures and Bihor counties and in Bucharest are working on models for joint planning and implementation of social services. The new Education Code foresees equal competition between public and private universities for public funding; this might provide a useful precedent for public funding of NGOs.

Local governments prefer to provide cash social benefits instead of effective family and child care services, which limits the funding available for social services. The Presidential Committee of Analysis of Social and Demographic Risks acknowledged the role of NGOs in social welfare and recommended that local authorities contract out services. The president of the Chamber of Deputies has shown some interest in working on the issue.

Despite the rough financial year, the core of well-established intermediary support organizations implemented their strategic plans, including opening local offices and providing funding and training for NGO development. Even though the funds raised by ISOs were generally 20 percent less than in 2008, most of the funds came from local sources.



The number of training programs for NGO representatives increased during 2009, mostly due to the launch of the European Social Fund Development of Human Resources Program and other European programs. Local and grassroots NGOs chose from a wider variety of trainings in 2009, most provided free of charge. According to new legislation, starting with 2010 all certified trainings will need to be delivered by trainers certified by the National Council for Professional Training of Adults.

The voices of coalitions promoting various causes were loud in 2009 in areas such as human rights and the environment, and NGO coalitions' initiatives grew both at the national and local levels. Following EU models, coalitions started to become more institutionalized, acquiring legal status as federations. Twenty-nine new

**PUBLIC IMAGE: 3.7**

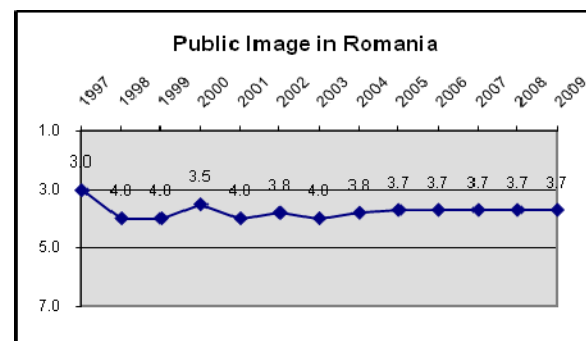
In 2009, NGOs paid more attention to the promotion of their activities; at the National NGO Forum organized by Centras and CSDF in May, over 150 participants named NGOs' image one of the sector's top ten priorities. Due to the economic crisis and opportunities provided by EU Structural Funds, PR experts and agencies became more interested in working with NGOs in order to access available funds.

As companies reduced their advertising budgets, NGOs enjoyed new promotional opportunities. Some media outlets promoted NGOs' projects and events free of charge. Outdoor promotion companies decided to offer advertising space to NGOs at minimal or no cost. NGOs' projects and activities benefited from promotion on television, radio, Internet, and in the print media.

federations were established in 2009. Informal coalitions, however, promoted most NGO sector initiatives. Coalition for a Clean Government demanded the resignation of two ministers suspected of corruption. The Coalition "Stop the Codes" called for reexamination of the new Civil Code and Criminal Code. At the local level, environmental coalitions launched protests demanding national and local authorities' involvement in protecting the environment.

The number of intersectoral partnerships was at the highest level in ten years, driven by the need to forge stronger initiatives and by donors' demand for partnerships in project proposals. Actors in the social sector, predominantly at the local level, recognize the added value of public-private partnerships. The EU Structural Funds call for proposals led to the establishment of hundreds of NGO partnerships with central and local administrations. National authorities and NGOs conducted important national campaigns, such as "Stop the Poaching," an initiative of the Ministry of Environment, Save the Danube Delta Association, Coca Cola Romania, and the International Committee for Protecting the Danube. The number of partnerships was even higher at the local level.

Most medium-sized and small NGOs with limited resources disseminated information about their activities through the Internet using dedicated NGO sector portals such as [www.stiriong.ro](http://www.stiriong.ro), discussion groups and free public relations portals.



Only a small group of media representatives at the national level are willing to promote NGOs' activities. NGOs are more visible in local than in national media.

While many people are still unacquainted with NGOs, more young people are involved in volunteering. CSDF organized ONG Fest, a three-day event that gathered donors, companies, public institutions, 200 NGOs, and 30,000 visitors.

Despite the economic crisis, the number of companies developing CSR projects in partnership with NGOs slightly increased.

NGOs specialized in areas such as social protection, health, and environment were the most in demand by companies.

Usually NGOs' activities and operations are quite transparent due to strict donor guidelines, but no ethics code has yet been adopted. NGOs report their activities to donors or when they apply for different financing sources, but few publish annual reports. The 2009 best annual reports competition organized by the Romanian Donors' Forum attracted approximately fifty reports from different types of NGOs, most of which fulfilled the jury's transparency and ethical criteria.