

Data Sheet

USAID Mission:	Romania
Program Title:	Expanding the Market-Driven Private Sector
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	186-0130
Status:	Continuing
Planned FY 2006 Obligation:	\$7,200,000 AEEB
Prior Year Unobligated:	\$1,360,000 AEEB
Proposed FY 2007 Obligation:	\$0
Year of Initial Obligation:	1998
Estimated Year of Final Obligation:	2006

Summary: USAID's economic growth programs work with financial markets, small and medium enterprises, agriculture and agribusinesses, energy regulators and utilities, and water infrastructure. Our assistance improves policies and regulations, strengthens institutional capacities, encourages business competitiveness, increases exports, and increases U.S. investment and trade with Romania.

Inputs, Outputs, Activities:

FY 2006 Program:

Improve Economic Policy and the Business Environment (\$3,250,000 AEEB, \$780,000 AEEB carryover, \$100,000 AEEB prior year recoveries). USAID will assist with the reform of the fiscal code, fiscal procedure code, the labor code, the enterprise law, and the factoring law. USAID will continue technical assistance to the trade registry and the Ministry of Justice to streamline business registration. USAID will assist the private pensions regulator with its internal organization, procedures and in-house training, and will assist the Ministry of Labor to finalize the mandatory private pension law. At least 40 business associations, twenty chambers of commerce, three think tanks, and five government agencies will receive assistance to improve their services for small businesses. USAID advisors will help increase credit in rural areas, develop legislation for food sanitation standards and promote genetically modified seeds to improve agriculture productivity. In collaboration with the U.S. Department of Agriculture, USAID will fund a trade mission to allow American investors to assess opportunities in Romania. USAID advisors will assist with the privatization of electrical and gas utilities, promote energy efficiency measures with local authorities, and design a social safety net. Also, USAID will fund seminars to facilitate Black Sea regional cooperation regarding the energy grid and trans-boundary pollution. Principal contractors/partners: Cooperative Housing Foundation (prime), Booz Allen Hamilton (sub), Deloitte Touche Tomatsu Emerging Markets (prime), International Resource Group (prime), the U.S. Department of Agriculture (USDA) (prime), University of Kentucky (sub), Iowa State University (sub).

Improve Private Sector Competitiveness (\$3,100,000 AEEB, \$480,000 AEEB carryover). USAID advisors will work with local private companies and business support organizations to improve competitiveness and exports of selected industries. At least one set of promotion materials and one marketing campaign for each of the three targeted regions, Maramures, Transylvania, and Bucovina will be supported. The capacity of 39 tourism and two information technology associations will be increased through technical assistance and training. Business education programs with 2,900 students will be implemented with Junior Achievement Romania. USAID's micro-loan program will continue to increase loans for small businesses. Using the corporate finance toolkit, USAID will train trainers in five organizations that provide corporate finance assistance. Technical assistance will be provided to the Agency for Foreign Investment, the Export Council, and other government agencies to promote investment to Romania. USAID will assist local business associations to develop an internet "portal" that will provide companies with information about investment opportunities and potential investors. In agriculture, advisors will train farmers, agribusinesses and processing associations on quality control, reducing operational costs, and expanding markets. USAID will assist rural businesses prepare business proposals for funding by commercial banks, the European Union and the World Bank. Principal partners: Same as above plus Advocacy Academy and Citizen Democracy Corps (subs).

Improve Sustainable Management Of Natural Resources and Biodiversity (\$850,000 AEEB). Six workshops will support industries and local water utilities increase their competitiveness and profitability while complying with EU environmental regulations. USAID will fund two feasibility studies for investments in the water sector, and will work closely with the U.S. Trade Development Agency to encourage US investment. USAID advisors will improve disaster preparedness and the response capabilities of national and local agencies. Principal contractor: Chemonics International (prime).

FY 2007 Program:

FY 2006 is the final year of appropriation for activities under this objective.

Performance and Results: During 2005, USAID assistance for business development helped sustain and create more than 8,000 jobs, leveraged \$32 million for information technology improvements, and \$3.6 million for rural development projects from the EU's Pre-Accession Fund. The implementation of Environmental Management Systems and Pollution Prevention programs led to more than \$1.4 million per year in savings. Improvements in the business registration process led to a 20% increase in business start-ups in 2004 over 2003. By the end of the year, USAID partners had distributed tons of emergency supplies to more than a thousand families in many villages, helped hundreds of families rebuild or repair their houses, completed the rehabilitation of six of 15 community projects, made 34 loans to restart small businesses, provided equipment to the Water Administration's Rapid Response Centers, and planted 3,500 acres with short-cycle hybrid corn. The corn provided a bumper harvest and farmers have asked if they can buy the hybrid corn seed for the 2006 season.

US Financing in Thousands of Dollars

Romania

186-0130 Expanding the Market-Driven Private Sector	AEEB	DA	DCA	ESF
Through September 30, 2004				
Obligations	140,311	3,281	217	1,295
Expenditures	128,384	3,281	0	1,295
Unliquidated	11,927	0	217	0
Fiscal Year 2005				
Obligations	11,539	0	0	0
Expenditures	9,847	0	0	0
Through September 30, 2005				
Obligations	151,850	3,281	217	1,295
Expenditures	138,231	3,281	0	1,295
Unliquidated	13,619	0	217	0
Prior Year Unobligated Funds				
Obligations	1,360	0	0	0
Planned Fiscal Year 2006 NOA				
Obligations	7,200	0	0	0
Total Planned Fiscal Year 2006				
Obligations	8,560	0	0	0
Proposed Fiscal Year 2007 NOA				
Obligations	0	0	0	0
Future Obligations	0	0	0	0
Est. Total Cost	160,410	3,281	217	1,295