



**CELEBRATING  
THE ROMANIAN-AMERICAN PARTNERSHIP**

**DEVELOPMENT ASSISTANCE 1990-2007**



***CELEBRATING THE ROMANIAN-AMERICAN PARTNERSHIP:  
DEVELOPMENT ASSISTANCE 1990-2007***



THE WHITE HOUSE  
WASHINGTON



September 12, 2007

His Excellency  
Traian Basescu  
President of the Republic of Romania  
Bucharest

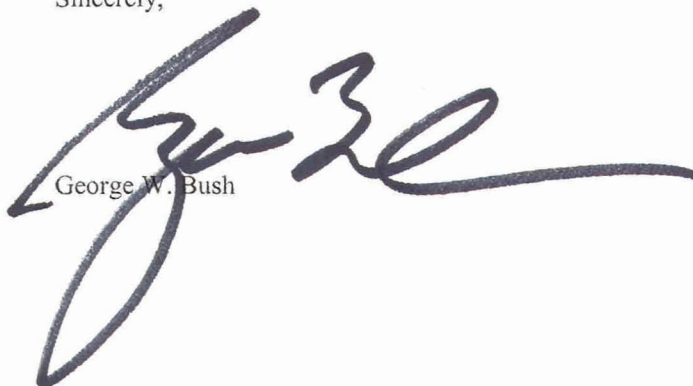
Dear Mr. President:

On behalf of the American people, I congratulate you and the people of Romania on the successful conclusion of the assistance program administered by the United States Agency for International Development. Since 1990, the American people have provided over \$560 million in economic assistance to Romania to expand the private sector, strengthen local democratic governance, and improve health and child welfare services. We are pleased that this partnership has contributed to Romania's full integration into the Euro-Atlantic community as a member of NATO and the European Union.

In 2002, Laura and I stood in Revolution Square with tens of thousands of Romanians and paid tribute to your emergence from decades of tyranny into a world of liberty and opportunity for all Romanians. Your path to freedom was not an easy one, but your achievements stand as inspiration for other countries striving for freedom.

Although we are concluding this phase of government assistance, the American people will continue to support the strengthening of your institutions and economy. I am proud of the role the United States has played in Romania's progress toward a brighter future and look forward to our continued partnership.

Sincerely,



George W. Bush



ROMÂNIA



PREȘEDINTELE ROMÂNIEI

### Letter from President Traian Băsescu

The celebration of seventeen years of Romanian-American partnership grants me a good opportunity to review its current status and look back upon some of its achievements. Today, Romania and the United States of America enjoy a relationship that both countries regard as strategic, and which spans several key areas of cooperation. Honesty, openness and pragmatism are strong values that we share, which now stand at the core of Romania's relationship with the United States.

Ever since I assumed the duties of President of Romania, the relationship with the United States has been a defining component of our country's foreign policy. This component, together with our European commitments, proved to be a valuable catalyst for Romania's domestic reforms – political, economic and military. American support in all these fields has helped shorten the process, as well as facilitate it.

Our country's privileged relationship with the United States, the most important global security provider and a keystone NATO member, directly influences the security of the region we are a part of. As a result of our country's efforts over the last two years, the attention of the United States and of the wider euro-atlantic community has turned to the security challenges of the Wider Black Sea Region – primarily its instability-inducing political developments.

The strategic vision of the Romanian – American relationship is to be found in our cooperation on projects designed specifically for the Wider Black Sea Region, NATO's eastern frontier since Romania became a member in 2004. We have worked together with the United States in promoting democratic reform, economic development and in supporting the euro-atlantic aspirations of the countries from this region. In order to succeed in our efforts, we must assure a stable and secure environment, which can foster development. In accordance with the agreement signed in 2005, starting this year, American troops will be stationed in military facilities on the shores of the Black Sea. This will be an important asset in our common efforts to improve and consolidate security in the region.

The existence of a close, strategic relationship between Romania and the United States greatly improved our economic cooperation. The volume of both the commercial exchanges and the American investments in the Romanian economy increased as a result of our excellent political relations. The most important American IT companies already tapped on the young, skilled Romania workforce and this is likely to remain a key area for future cooperation.

American support and assistance has proved an important factor in the modernization and transformation process of the Romanian Army. The reform of the armed forces was a critical requirement for the accession process to the North Atlantic Alliance. Today, Romanian professional armed forces are deployed and serve in all major NATO operations.

Romania is now an EU-member state and, from this position, we support a strategic and complementary EU-US relationship. From our perspective, the underpinning of such a relationship is an honest, pragmatic and comprehensive trans-atlantic dialogue on the most stringent issues on the international agenda. Romania has already substantiated its readiness and capacity in this respect by working as a political bridgehead in the EU-US dialogue on issues related to the Black Sea region, and adjacent areas.

The value of our partnership is not outlined solely by the support that the United States has already lent us through defining moments. Rather, it is now based on a reciprocal relationship in which Romania itself shores up American and allied commitments internationally. Romania invested ample resources and substantial efforts in being acknowledged as a reliable and trustworthy partner, and retaining that status remains high on our agenda.

Most recently, through our contribution to the global campaign against terrorism, we have given our allies and partners solid evidence of our determination. We participated, together with our partners, to the overall effort to enhance security and stability in several theaters of operation, as well as to creating the environments in which reconstruction and democratization can be carried out. We are also translating our political commitments into a close cooperation with countries that share the same international agenda. We remain committed to the fight against terrorism and other emerging threats, to fostering regional development and to the promotion of peace and democracy.

Traian BĂSESCU



President of Romania

GUVERNUL ROMÂNIEI



PRIM-MINISTRU



*Bucharest, August 2007*

**To the People of the United States of America**

**Dear friends,**

Here we are at the end of the first decade of the Strategic Partnership between my country and the United States of America. It gives me a tremendous pleasure to join this joyous moment of celebration by extending the gratitude of my Government, as well as of the people of Romania to the American Government and people for all the help received over the years. The assistance granted to us by your successive governments has stimulated the natural drive of the Romanian people toward democracy and freedom and has played an important role in building the new Romania as it is today, a country deeply committed to Western values, a strong member of the democratic community in the trans-Atlantic realm.

The Romanian people have put to a very good use the generous assistance the United States has granted it. We have managed to turn Romania into one of the new but extremely dynamic members of NATO and the EU, as well as of the international community at large, a staunch supporter of the values promoted by the United States since its foundation. Political life, economy, military and defense, culture, arts and education, social and natural environment – almost every field of the societal construction in my country has benefited from the expertise and material support of the United States.

The basic concept of the Strategic Partnership launched in 1997 between our two countries had just a few dimensions, but all of them were essential for laying the foundation of a strong bilateral relationship and also for assisting in the reform process of Romania. These dimensions were political (including unconventional risks), strategic (military), economic / trade and education/public awareness/human contacts. We can now look back with satisfaction to our work together on these tracks, as our joint efforts have born fruit to a much larger extent than what our predecessors had imagined. By saying this, I am happy to underline that our partnership has turned into a fully fledged alliance between our nations, a rich and comprehensive bilateral relationship and – as far as Romania itself is concerned – it has meant multidimensional, well-targeted and thereby highly-effective contributions to the reform process in Romania. The various shapes of the aid granted by the United States to my country - with a particular acknowledgement of the United States Embassy and the USAID Mission in Bucharest – have helped Romania

advance significantly and irreversibly on its path to become what it is today, a free-market democracy, a state of law, a responsible and active member of the international community, in short – a valuable friend and ally of the United States of America.

**Dear American friends,**

Today, we can see the value of the Romanian – American friendship, partnership and alliance in many parts of the world and in international organizations where our representatives work together in various fields. We, Romanians, add our voice to those of the United States and other democratic nations across the world, supporting together with our friends from this side or across the Atlantic peace, stability and freedom in the world, be it in our adjacent area or beyond.

We are looking forward to continuing to consolidate our strategic partnership and to develop our bilateral relationship. The challenges of our times request deep commitment and an extremely frank and open dialogue between partners and allies – the way it actually is between Romanian and American leaders and peoples. I believe that, based on the genuine trust that has come to characterize our partnership, Romania and the United States will continue to develop their historic friendship and solid bilateral bonds, as well as bring an effective contribution, both separately and jointly with our other friends, to peace and stability in the world.



**Călin POPESCU-TĂRICEANU**



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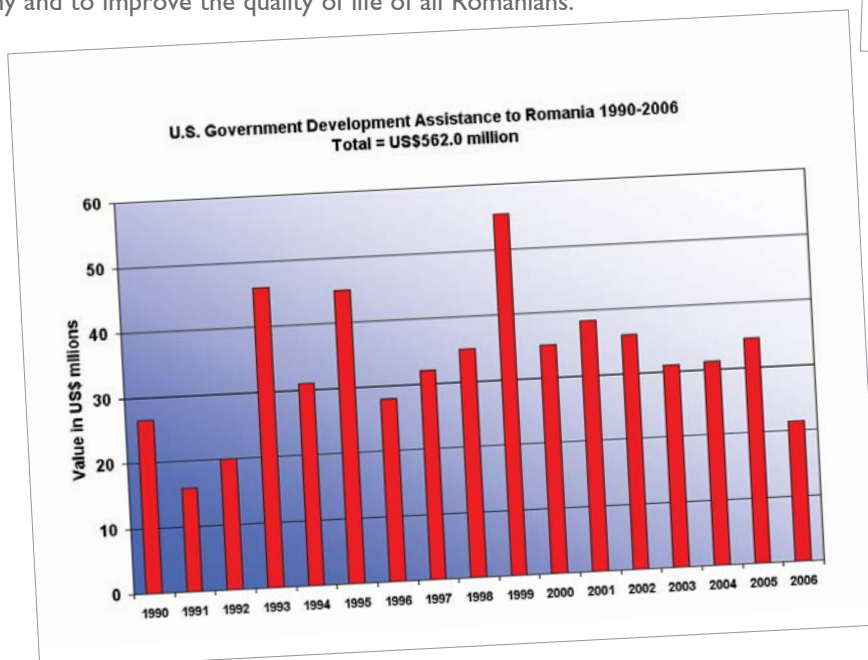


# INTRODUCTION

During the final days of 1989, Romanians overthrew the brutal, communist dictatorship of Nicolae Ceausescu and began the journey to becoming a free market-oriented democracy, participating fully in a prosperous Europe. They did not have the institutions or the resources to make an easy transition. Nearly fifty years of communism had virtually eliminated the free market, competitive political processes and civil society. Romania lacked the laws, regulations, regulatory agencies, a stock market, commercial banks and many other requirements of a free market economy. State companies dominated the economy. There were no large private businesses to support a free market. Many of the organizations that sustain a democracy were absent. The government had been in the hands of one party for two generations, there were no viable opposition political parties. Civil society did not exist and people were very suspicious of each other and very reluctant to form groups to work for their common interests.

In 1990, Romania began to build a democratic society and free market economy, with many countries, including the United States, ready to help. In response to the collapse of communism in Eastern Europe, the Congress of the United States passed the Support for East European Democracy (SEED) Act in January 1989, to provide funds and assistance to countries emerging from communism. The principal objectives of the Act were to "... contribute to the development of democratic institutions and political pluralism." and "... promote the development of a free market economic system ..." (SEED Act Section 2 (b)).

Between 1990 and 2006, the American people provided US\$562 million for bilateral development assistance, averaging US\$33 million each year\*. Initially, the funds were used primarily for emergency food supplies and the rehabilitation of the economy that collapsed immediately after the revolution. Since 1993, Romanians have used the U.S. assistance to implement ambitious economic, democratic and social programs to accelerate the country's transition to a democratic, market based economy and to improve the quality of life of all Romanians.



\*These amounts do not include funds for the Romanian-American Enterprise Fund or USAID regional programs.

On January 1 2007, Romania became a member of the European Union, ready to participate fully in its democratic, free market institutions. U.S. bilateral development assistance will be completed during 2007.

This book records the legacy of the cooperation between Romanians and Americans over the past 17 years. It is not a detailed inventory of all the jointly implemented programs. It puts a human face on the legacy by highlighting the achievements of some of the Romanians who participated in the multitude of partnerships that implemented the programs.

The book has five chapters. The first four describe partnerships that stimulated economic growth, improved governance and democracy, enhanced child welfare and women's health, and responded to and prepared for disasters. In the final chapter, U.S. Ambassador Nicholas Taubman shares his view of the Romanian-American partnership and how it may evolve in the future.

The annex lists the principal implementing partners in all the Romanian-American development partnerships.



**U.S. GOVERNMENT DEPARTMENTS AND AGENCIES  
THAT ADMINISTERED DEVELOPMENT ASSISTANCE  
PROGRAMS IN ROMANIA 1990-2007**

Agency for International Development (USAID)  
Department of Agriculture  
Department of Commerce  
Department of Justice  
Department of State  
Department of Treasury  
Federal Bureau of Investigation  
Peace Corps  
U.S. Information Agency (USIA)

# FROM COMMAND ECONOMY TO FREE ENTERPRISE

## PARTNERSHIPS FOR GROWTH

### OPENING ROMANIA FOR BUSINESS

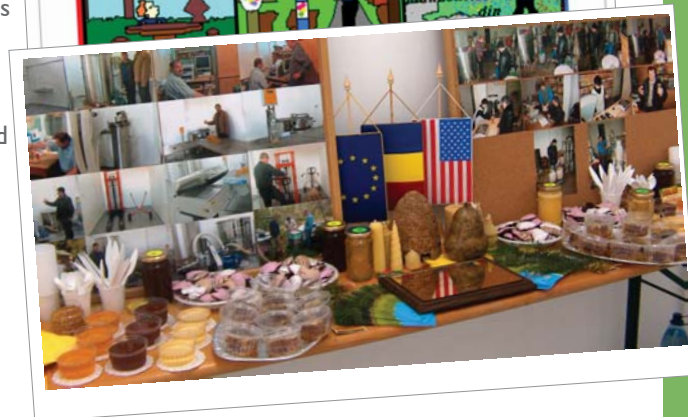
After Romanians overthrew the communist regime in 1989, they had to rebuild their economy. They lacked the laws, regulations, regulatory agencies, a stock market, commercial banks, and many other of the requirements of a free market economy. Few people knew what these should be or how they should work. More than two generations had passed since the free market existed in Romania. In 1990, thousands of state-owned enterprises dominated the economy. Many of them were hugely inefficient and unprofitable. They had survived for years through government subsidies. Many collapsed shortly after the revolution, putting people out of work.

The new government had to create the laws and regulations for free enterprise and private business to flourish. All this had to be done as quickly as possible using democratic processes that also were not well understood. In the early 1990s, the task at times looked nearly impossible.

Seventeen years later major accomplishments have been made. Many of these were reached through strong Romanian-American partnerships. A sense of stability has slowly taken hold of the Romanian economy. New laws and reductions in regulations have made starting and running businesses easier and potentially more profitable. A new culture of private business has emerged and has been growing rapidly since 2001.

Romanians have sought American know-how and assistance to tackle many of the challenges of the new economy. They worked together to open Romania for private business. They worked together drafting laws and regulations, creating associations to support business development, establishing regulatory commissions for the free market, building the capital markets to finance big business, and providing credit to small businesses. They have also stimulated agribusinesses and rural development, trained environmental specialists, and promoted energy reform.

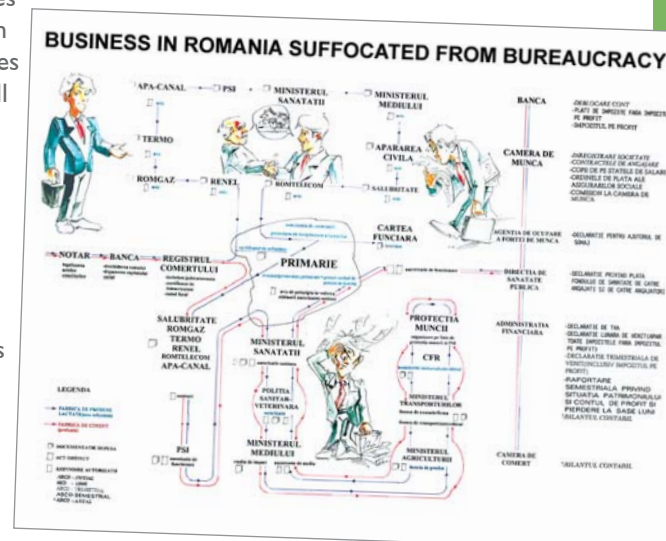
This chapter presents the results of some of the partnerships that have contributed to the growth of private enterprise and the free market in Romania.



## NEW LAWS AND REGULATIONS FOR BUSINESS

Romanians enacted many laws necessary to establish a viable free market economy. Two important laws, where American consultants played a role, are the Fiscal Code and the Micro Finance Law. The Fiscal Code evolved over several years. It is a complex and detailed law, which specifies how taxes are levied, collected and disbursed to government, both local and national, for basic services. The Micro Finance Law makes it possible to establish non-bank, credit and loan societies for small businesses that cannot obtain loans from commercial banks. Several organizations created or supported by U.S. advisors, such as Express Finance, Opportunity Microcredit Romania, and CAPA Finance now offer loans to small businesses in most of Romania's counties.

Perhaps one of the most striking changes in existing regulations that has had a positive impact was the simplification of the process to register a new business. In 1990, no private businesses had been registered in Romania since 1946. No procedures existed. A haphazard system evolved in the 1990s that required would-be entrepreneurs to spend months seeking approvals from numerous government offices before a business license could be issued. Only the most determined could make their way through the system. Many did not try and ran their business illegally in the 'gray economy'.



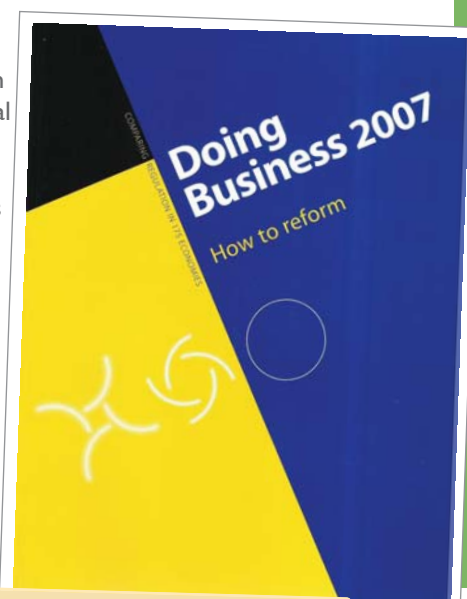
As the free market economy stumbled through its first decade, it was clear that something needed to be done to eliminate obstacles impeding the start of profitable businesses.

## THE RED TAPE ANALYSIS AND ONE-STOP-SHOPS

In 2000, a team of young Romanians, who were trained in modern business methods, conducted what became known as the Red Tape Analysis. The analysis changed radically the way in which new businesses are registered. For nearly a year, the team, with the support of American consultants, surveyed more than 250 businesses across Romania, asking hard questions about the bureaucratic obstacles involved in getting a new business started. The Chambers of Commerce chose the businesses randomly in every county. After being assured of confidentiality, the owners were brutally frank. They described a complex web of inspections and administrative procedures, which were costly in terms of fixed fees, time needed to make multiple visits to the many offices, and small bribes required to get required permits. To meet all of the requirements could mean six months of filling a multitude of forms and waiting in lines for stamped signatures.

Once the results of the survey had been analyzed, large public meetings were held in major cities to discuss the findings. Business associations as well as local and regional officials participated. With the Red Tape Analysis laid out in front of them, it was hard for anyone to justify continuing the old system. In 2000, a firm needed an average of 269 authorizations that required 50 to 100 days for filing paperwork, plus an additional 30 to 100 days awaiting decisions.

A task force of representatives from various ministries and private groups was assembled. The major obstacle to reform at the beginning was the reluctance of both the government officials and the private entrepreneurs to believe that the other side could understand their needs. Private businesses had lost confidence in the government's ability to do anything properly. And the government staff did not know how to deal with the private firms and their new associations that had emerged in the 1990s.



The World Bank report in which Romania ranks second in terms of simplified procedures for obtaining business permits

The task force met monthly for more than a year and began to trust one another. As they developed a sense of common purpose, they whittled the time for registering a business down to a procedure that could be completed in as few as three days, and was averaging eleven days by 2006. As importantly, they made the process more transparent, reducing possibilities for petty corruption, and leveling the playing field for entrepreneurs.

The task force developed procedures that provided the public with prior notice of pending regulations, as well as mechanisms for meaningful private participation in the decisions, such as public hearings. This was a complete change from the way things had been done in Romania during the communist years, when transparency was unheard of. The process did a lot to heal the divide between government and private business.

What emerged from the task force was the One-Stop-Shop for the registration of businesses. It is one office where business owners can file for registration and complete the process in a few visits.

The psychological impact of the One-Stop-Shops was huge. Suddenly business owners, especially those with small companies, felt that they could succeed. Investors from other countries began to sense a change in the investment climate and to look at Romania more seriously. Government officials began to realize that there were benefits to having business associations at the table when discussing policy and procedural reforms. The public discussion of legislation, before it is adopted, has been enshrined in the Administrative Procedures Act.

Business associations, which advocated these reforms, experienced a major success. Previously their members were not convinced that these associations had any real purpose. Now they understood how important they could be. It was a watershed moment in Romania's embrace of the free market system.

Romania was the first country in South Eastern Europe to develop One-Stop-Shops. Neighboring nations quickly followed.

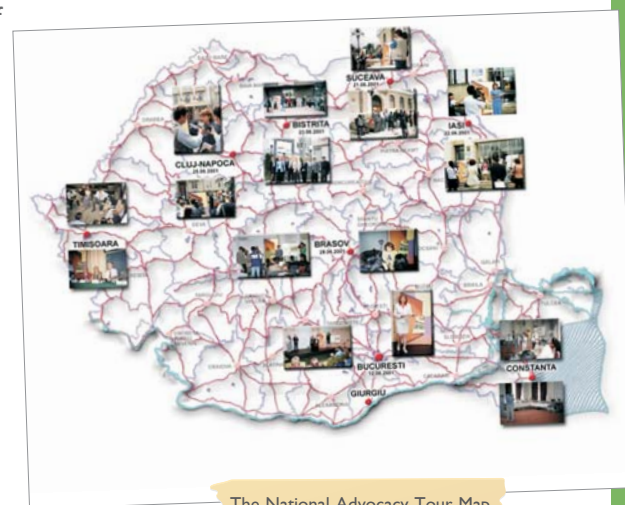
## NURTURING BUSINESS ASSOCIATIONS

Business associations such as Chambers of Commerce and trade organizations have become essential elements of free market economies. With American assistance, they were introduced to Romania, where they demonstrated the important role they can play in developing and strengthening the free market. Not only do they further the interests of their members, they also provide an important voice on public policy. They reinforce democratic values in the way they conduct their own affairs.

The U.S. has supported business support organizations in Romania in many ways. Numerous study tours in the U. S. for leaders of business groups were arranged. Large numbers of American specialists were brought to Romania to provide on-site guidance as these organizations established themselves.

Business owners in Romania were among the early participants in advocacy activities. Several activities introduced these ideas to Romania. One was a National Advocacy Tour, where a team of American advisors visited 10 cities, met with local Chambers of Commerce and other business associations to promote advocacy. For many Romanians, who were new to business ownership and still uncertain about democratic government, the idea of making a case to lawmakers to influence their thinking was interesting, but not completely convincing. This tour changed their minds.

Simultaneously, business support organizations such as the Romanian Meat Association were making their concerns known to government. Other businesses watched with interest. As the Romanian free market matured and grew more intricate, the issues facing businesses multiplied and there was a strong need for professional, politically neutral organizations to promote the non-partisan interests of private companies.



The Advocacy Academy, an NGO, was formed in 2002 with U.S. support. The Academy grew out of five business associations in Timisoara. It has become a national organization and a force which government leaders have come to respect. Its brochure states, "The Academy supports the development of a viable and competitive private sector, unexposed to corruption, excessive taxation and abusive state intervention. Our priorities are the priorities of the business community in Romania."

Entrepreneurs began to be interested in advocacy and participated in Advocacy Days held in June 2003. For three days, business owners and business organization leaders from all over Romania came to Bucharest to meet with representatives of the government and parliament on a wide range of issues. Twenty-four groups met with members of parliament to present their position on a specific issue.

Virtually none of the participants had ever had a face-to-face conversation with a parliamentarian before. They were deeply impressed at how carefully the parliamentarians listened to their points of view, and shared their own thoughts. The participants immediately grasped the advocacy concept of power in numbers. They went home from the Advocacy Days convinced of the effectiveness of advocacy and committed to share what they had experienced.

Two other influential advocacy groups have developed in recent years, after benefiting from American assistance. They operate as coalitions rather than as structured organizations, focusing their energies on issues rather than organizational matters. The first, Tech 21 Coalition comprises business associations from the information and communications technology industry. Formed in 2001, it regularly submits legislative proposals to the government. In so doing, it has developed close working relationships with many public officials, and the media. Many of the legislative proposals that it has supported have been enacted into law.

The second, the Coalition of Women's Business Associations was created after women's business organizations noticed the success of other advocacy groups. Members stress that their interest is business, not gender issues. They advocated for the sale of state-owned properties on the stock exchange. Their thinking, which turned out to be correct, was that the properties would bring higher prices and the process would be more transparent.



Coalition of Women's Business Associations

Initially, many of the women talked about the barriers they faced. So, with support from U.S. advisors, they recorded video reports about successful business women. They described the personal experiences that helped them succeed. When other women saw the videos, some of them felt empowered and established or expanded their businesses.

Business associations do not focus solely on advocacy, but also help their members to improve their productivity and sales. In January 1995, meat processors from across Romania gathered with American consultants for product quality workshops. During those sessions they learned of the American Association of Meat Processors and heard how its members, though competitors, worked together to address common issues.

Many of the small processors who began operations in the early 1990s were skeptical that such an organization could be created in Romania. Representatives of the large meat processing plants still owned by the state had no interest. However, several other meat processors were sufficiently curious that they traveled to the United States to meet with the American Association of Meat Processors in person. They took particular note of the

Quality Seal program. Meat products that met certain high standards of safety and quality were granted the Quality Seal, which could be displayed on the product in the shops. They decided to set up their own organization. Back in Romania, they established a laboratory for testing meat safety.



Pig carcass grading



They also began to understand that if they were going to compete with imports from nearby countries, they would need to introduce better packaging and labeling.

The Quality Seal was introduced in 1998 by the new Romanian Meat Association. Consumers responded by buying large amounts of meat products that carried the Quality Seal. Meat processors who were not part of the association began to see how they could benefit from being involved. Many decided to join, including the large state-owned plants, especially ones sold to private owners. The influx of new members and their membership dues gave the association the clout and resources to advocate their positions to the government.

In the late 1990s, the association took advantage of U.S. technical assistance to improve the quality of their products and the efficiency of their operations. By the time Romania joined the European Union, the associations' members were better positioned to take on the competition in a much larger market.

Examples of American assistance to business associations can be found in the rural development (page 17), eco-tourism (page 19) and environment (page 21) sections of this chapter.

### CREATING AGENCIES TO REGULATE THE FREE MARKETS

For a market to be truly free, it must operate legally, fairly and be open to all. Hence, it is necessary that independent bodies oversee the operations of the market to monitor and regulate its activities. This is particularly true in public utilities, such as water, power, and communications, where the interests of consumers must be represented in the market place alongside those of the industries and government.

Regulatory bodies must have procedures that are predictable, accountable and transparent. They must treat all parties fairly. They need staff that is competent, professional, nonpolitical and familiar with good regulatory practices. They need to know how to foster competition and free market policies, while taking account of the interests of consumers. They must be subject to substantive and procedural requirements that ensure integrity, independence, transparency and accountability. Given the vast amounts of money involved in these industries and the power they wield, the independence and effectiveness of these regulatory bodies are crucial to the success of the free market system and the well-being of society.



The quality and marketing of meat products are improving

### THE NATIONAL COMMUNICATIONS REGULATORY AGENCY (ANRC)

More and more Romanians have been connecting to the internet and using mobile phones. To insure that the telecommunications market is accessible to all, and that it is operated transparently in accordance with the public will, Romanians have created the National Communications Regulatory Agency.

In opening telecommunications to the free market, the Agency drew on the advice of American experts. Through study tours and training the Agency simplified procedures for internet service providers to register, eliminating some 79 different approvals and replacing them with three. Already, four major providers and nearly 1,000 small ones are operating alongside the former government-owned telecommunications company that had been a monopoly. The Agency works with all of them to improve telecommunications for all Romanians.



Universal Service workshop with ANRC

In May, 2000, the National Fund for Investment collapsed. Thousands of investors, mainly pensioners who had invested their life savings, lost everything. They protested in the streets so insistently that police used tear gas at one point to disperse them. Something clearly needed to be done to make the pension system stable.

A team working on the reform of the financial markets, that included American advisors, added private pension funds to their portfolio and created a Pension Task Force. The most important result of their efforts was the Voluntary Private Pension Law, which the Government of Romania approved in 2005. The Task Force also established an independent Private Pension Regulatory Commission.

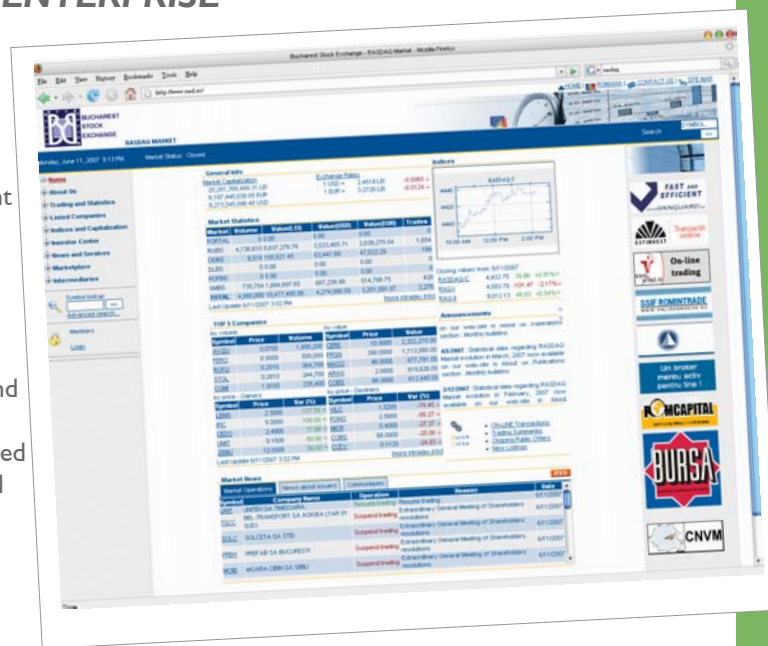
Romanians have been on study tours to the United States and EU countries and have learned that having secure private pension funds is a useful way of amassing capital that can be reinvested in development and private business. Simultaneously, staff for the new regulator received training to create and implement new legislation.

Romanians also partnered with American specialists when they established regulatory agencies for the electricity and gas markets (see page 25).

## RAISING CAPITAL TO FINANCE FREE ENTERPRISE

If the Romanian economy was to become viable, it had to attract large amounts of new capital from foreign and domestic investors. To gain the confidence of these investors, Romania needed to establish capital markets and shore up the banking sector. To do this, Romanians sought American assistance.

One outcome of this assistance was the creation of RASDAQ, a stock exchange which has since merged with the Bucharest Stock Exchange. Another result was the improvement of company listings on the stock exchange and rules of corporate governance. A project that developed model initial public offerings (IPOs) for companies has helped them to raise capital on the stock exchange. New financial instruments continue to provide long-term capital and encourage new companies to list shares, issue bonds, and trade debt instruments.



## SELLING STATE-OWNED COMPANIES TO PRIVATE OWNERS

Even before simplified business registration procedures were established, Romanians and U.S. consultants were working closely with thousands of state-owned enterprises to prepare them for sale to private owners. Romania established the State Ownership Fund to handle these sales. The staff of the Fund had never done anything like this before and understandably were unsure how to proceed.



Shipyards in Braila after privatization

The Fund's staff, a team of bright young Romanian professionals, took several months of intensive training by American advisors in every aspect of business and finance. When they were finished, they were ready to prepare the state-owned enterprises for transition to private ownership.

The team handled companies in many industries, including construction, agriculture and food processing, hotels, engineering, and manufacturing. They were all over Romania.

The team taught the managers of the state enterprises how to market their companies, how to focus on their core capabilities, and how to prepare a business plan.

The team set up a mechanism for selling the state companies through RASDAQ electronic auctions. They taught staff in the branch offices of the State Ownership Fund how to organize open auctions at locations around Romania. More than 5,000 state-owned firms of all sizes were placed on the RASDAQ exchange.

At the same time, a major public education program was launched. It included a website that attracted more than 15,000 hits per month and kept potential investors informed about the properties available for purchase. This stimulated interest among domestic investors. In less than 30 months, some 300 companies were sold. And a functioning mechanism was left in place to support future sales. The transparency of these auctions upset those hoping to use their influence to affect the outcomes of these transactions. The process helped change the culture of how business is done in Romania.

### **BANCA AGRICOLA - RESTORING FAITH IN THE BANKS**

Privatizing former state enterprises was not always successful. Many of these enterprises were worth little or nothing and could find no buyers. However, one successful privatization had a positive impact on the entire Romanian economy.

The U.S. Congress created the Romanian-American Enterprise Fund (RAEF) in 1994, to provide capital and expertise to support the growth of private business and the transfer of state-owned companies to private ownership.

In 2000, the third largest bank in Romania, Banca Agricola, was about to collapse. RAEF stepped in. It used the extensive financial know-how of its staff and \$3 million of its own capital to nudge Banca Agricola towards a sale. The obstacles were many. The need to find a buyer was urgent. The World Bank and International Monetary Fund were exerting pressure for economic reform. A number of potential investors came and went.

Finally, RAEF was able to strike a deal with Raiffeisen Bank, S.A., an Austrian bank that invested more than \$200 million. The result is a healthy institution with more than 200 branches and 3,500 employees across the country. The Raiffeisen acquisition has repeatedly been cited in the international media as an indication of an increasingly positive investment climate in Romania. It helped reassure international investors who were considering their own investments in the country. The governor of Romania's Central Bank stated that the deal restored faith in the health of Romania's banking system.

Raiffeisen bank branch in Buzau in the premises of the former Banca Agricola

For another partnership assisting with the privatization of state enterprises, see the description of the energy activities at the end of this chapter (page 25).

## CREATING THE MORTGAGE BUSINESS - HELPING HOME BUYERS

As property titling issues were resolved and people began to prosper in the new free-market economy, Romanians became increasingly eager to purchase homes of their own. The only way they could purchase property was to use personal savings or borrow from family and friends. Banks did not make loans for houses. Interest rates were so high in the economic chaos of the 1990's that no one could realistically afford them. Romania needed a mortgage company, but before it could open for business, legislation had to be put in place. A mortgage task force, which included American advisors, drafted an emergency ordinance that would make mortgage lending possible. The ordinance was issued in 2002.

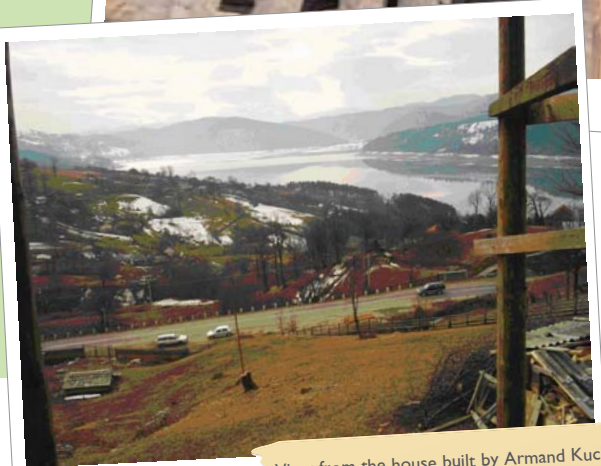
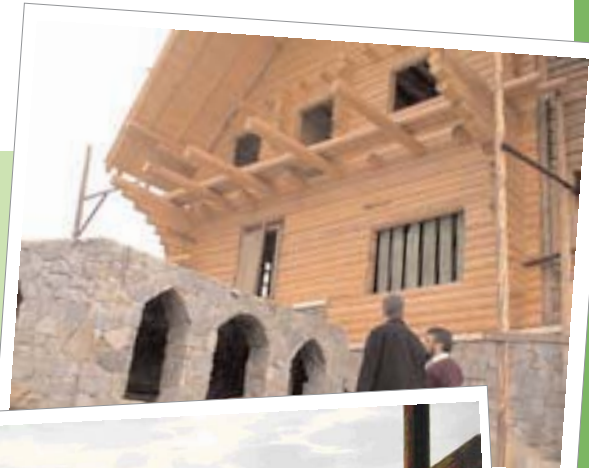
Initially, mortgage loans were issued through the Romanian-American Enterprise Fund (RAEF). This activity evolved quickly into a full-scale non-banking mortgage company called Domenia Credit. Despite the marginal economic circumstances at the time of its creation, by 2006, Domenia Credit had disbursed more than \$40 million for home purchase, construction, and land. In September 2006, the sale of Domenia Credit to GE Money, a large American financial holding company, validated the confidence investors had placed in the mortgage-lending institution.

RAEF continued to play a key role in drafting legislation for the secondary mortgage market that will produce more funds for Romanians in need of mortgages. In March 2006, a legislative package facilitating the secondary mortgage market was adopted and published.

### HAPPY ARTIST COMPLETES HOUSE AHEAD OF SCHEDULE

Armand Kuchta of Buhalnita, Neamt was building a house with a wonderful view of Lake Bicaz and the mountains beyond. It was taking a very long time as he could only have work done after he had saved some money to pay for it. Then Domenia Credit opened an office in Iasi to provide mortgages for people building and buying houses.

"I contacted Domenia Credit in Iasi and they gave me a loan of \$26,500. This has made my dream come true, because the planned time to actually start living in my house has been greatly reduced. The greatest part with Domenia Credit has been their appreciation for my work, which is restoring and painting frescoes in churches. This work is a passion for me. ... Another important aspect to me was Domenia's kind way of treating me was different from what I have experienced with other banks. The way I feel about the loan approval process makes me honestly recommend them to everyone I know."



View from the house built by Armand Kuchta

## MAKING LOANS TO SMALL BUSINESSES

Romania has more than half a million small businesses. Until recently, they found it very difficult to raise capital to expand and grow. They had to rely on family and friends for funds. Commercial banks did not want to incur the administrative costs of managing small loans, especially for businesses located away from the main commercial centers.

RAEF provides loans and business services sought by many small and medium-sized businesses. It also raises capital from private and public sources to invest in the emerging private companies. It fosters links between Romanian and American companies. It trains aspiring entrepreneurs in modern financial and business practices.

In addition to RAEF, several Romanian-American partnerships have started non-banking financial institutions. For example, in 2005, Express Finance was spun off from a project to serve the credit needs of micro and small businesses. Its network of 17 offices covering 60 percent of Romania's counties is set to expand. At the end of March 2007, Express Finance had 2,256 outstanding loans totaling \$12 million.

### ROMANIAN-AMERICAN CREDIT PROGRAMS HAVE

- made more than 14,500 loans totaling \$106 million
- created more than 21,700 jobs
- sustained more than 85,000 jobs
- helped 154 farmers and rural businesses obtain \$4 million from other sources
- developed credit institutions that are "the lenders of first choice" among former borrowers from these institutions in many parts of Romania.

### FURNITURE FACTORY CRAFTS NEW FUTURE

Vasile Berghea, founder of Sibel Impex, manufactures affordable furniture in Sibiu. His furniture was in such high demand that he could scarcely keep up with customer orders. Sales reached more than \$30,000 a month.

To increase production and broaden his customer base, he needed new equipment. Vasile found he was unable to obtain a loan from banks because they required collateral which his small business could not provide as he had already used his factory as collateral for a much-needed line of credit.

The U.S. supported microfinance program was willing to accept Berghea's purchase of new equipment as collateral, and approved a \$10,000 loan. This break-through has enabled many small business owners like Vasile to qualify for loans.

Today, Vasile proudly demonstrates his new sweep-cutting saw purchased with the loan. It is allowing him to expand his sales into the surrounding counties and even export to Spain and Italy. He is the proud employer of 20 people, including four women, and plans to hire additional staff.



Modern equipment for Romanian furniture producers

**UPGRADING TO EU STANDARDS.**

SC Andrafruct, Ltd., in Târgu Mures, sells fresh fruits, vegetables and other goods in a prime location on a major boulevard. In preparation for joining the EU, the owners knew they needed to upgrade their kiosk to meet EU sanitary standards. Initially, they went to a bank for a loan, but were declined. They did however, qualify for a microfinance loan of \$4,500. The money paid for the building materials.

The larger, upgraded space lets them sell more fruits and vegetables, as well as jam, dried fruits, cold drinks and other goods. Future plans include applying for a loan to buy a vehicle for pick-up and delivery of produce and supplies.



**FROM AVON REPRESENTATIVE TO AVON CONTRACTOR**

DeChanel Ltd., is owned by Tatiana David. From her experience while working as an Avon associate in Alba Iulia, she knew there was a market for colorful, quality packaging and other decorative paper products.

She made the decision to go into business for herself, making and selling handmade paper gift bags, wrapping paper, holiday decorations, matching paper goods such as napkins and tablecloths, and scented candles.

In 2002, with a \$5,000 loan, she made a key purchase: an industrial laminating machine to produce a professionally coated paper, the basis of her handmade bags. The machine improved the quality of the bags and greatly

increased her productivity and sales. Tatiana now distributes her products throughout Alba Iulia, and has a contract with the local Avon branch to gift-package their products. Her business has increased four-fold, and she plans to apply for another loan to expand into her own commercial space.



**GROWING WITH THE IT SECTOR**

In 1993, the Ildico family started Nic Trade to sell electronic equipment and consumables in Timisoara. In February 1997, a \$5,000 loan provided for a larger inventory of equipment. In June 2004, the company used a second loan of \$15,000 for inventory and a lease advance payment. In October 2005, they obtained a third loan of \$20,000 to remodel their shops and buy additional inventory.

Today, the mother and daughter team manages a thriving business with 18 employees, nine of whom are women, in three shops in Timisoara.

These snapshots show that at the heart of the success of the small loan programs has been the willingness of Romanians to take major risks to develop a business. These Romanians had the courage and business acumen to make the small loans work for them.

## STIMULATING AGRIBUSINESS AND RURAL DEVELOPMENT

After the revolution in 1989, the large state-owned collective farms collapsed. Many people were thrown out of work. The government quickly started to reconstitute land to the families, who had owned farms prior to the communist regime. The farm equipment from the collectives was not transferred to the farmers.

In many areas, the equipment was left to rust. Simultaneously, thousands of state-owned factories in small towns and cities closed. More people were thrown out of work, prompting many to return to the villages where they or their parents had owned land.

Experimental corn grown by a Water Users' Association in Calarasi using drip irrigation

Without any farm equipment, families began subsistence farming on their plots. The total area of the plots restituted was between two and three hectares, often in small plots scattered around the village. Their productivity was extremely low. Romania, the breadbasket of Eastern Europe in the 1930s, became a net importer of food in the 1990s, even though more than 40 percent of its population is employed in agriculture. The entire agricultural system had to be rebuilt. There was also a need for new laws, especially those related to tariffs on agricultural imports and exports. Efficient and environmentally sustainable production needed to be embraced. A nationwide effort to promote trade and investment in agriculture was essential.

Romania welcomed assistance from the U.S. to develop modern farming techniques and the rural economy. Together the countries worked to create telecenters in villages, support farmers' associations, restore irrigated farming, increase access to credit, provide scholarships in the U.S. for young agricultural scientists, and promote alternative rural employment through eco-tourism, and more.

## LINKING RURAL COMMUNITIES TO THE WORLD

Romania's political revolution corresponded with an equally momentous revolution in world communication with the emergence of the internet as probably the most important technological invention since the telephone. Previously, many remote communities had no connection with the nearest cities, let alone the rest of the world. With the coming of a new communication era, unforeseen opportunities for linking even the smallest village to the outside world appeared.

Romania's application to join the EU included the adoption of the principal of Universal (Communication) Service Obligation to all citizens. The EU requires that all of its member states provide access to information technology, even in the most remote rural villages. Wiring the whole country with landlines for telephones or providing each citizen with a mobile phone would have been

prohibitively expensive. Therefore, in remote communities, Romania chose to develop telecenters that provide a telephone, fax machine and internet access in a public building. In public-private partnerships, communications companies provided equipment and installation to test different ways of providing access in remote locations.

A partnership between Romanian and U.S. agencies implemented several pilot telecenters to expand public access to communication resources and to encourage small entrepreneurs and business associations to use the internet for new information and training. These pilot centers provided additional benefits.



Computer boxes being delivered to a Telecenter by "local means of transportation"

They increased transparency of local government and improved delivery of basic services. These effects are described in the next chapter (page 37).

In 2003, four telecenters were opened in isolated communities in three eastern counties. The following year, a business information bureau for the Jiu Valley was opened, and an integrated information system for Valcea Environment Protection Agency was installed. In 2005, websites promoting agriculture for Galati, Bacau, Buzau, Vaslui and Vrancea counties were opened on the internet. In addition, Sibiu opened a tourism website to promote itself as a 2007 Cultural Capital of Europe.



The Association of Carpet Weavers using the telecenter in Balasesti

The impact of the telecenters was immediate. Local people, who previously would have had to arrange transportation a day in advance to a large town to use a telephone, found themselves able to make calls close to home. Despite early skepticism by some, the telecenters quickly became financially self-sufficient. Several quickly expanded their initial services to include instant messaging and cameras for internet conferencing.

Importantly, the EU accepted telecenters as a viable solution to Romania's Universal Service Obligation and the government organized 260 tenders for telecenters in underserved rural areas.

In the village of Balasesti, an association of carpet producers now uses their telecenter to sell their crafts to buyers in the United States and elsewhere. In Constanta, an 82-year old grandmother learned how to use a computer at the telecenters, and then used her savings to buy her own computer. In the telecenter in Constanta, a blind volunteer, Radu Vasile, works 20 hours a week, providing him with rewarding work while assisting his community.

#### JIU VALLEY BUSINESS INFORMATION BUREAU

The Jiu Valley region has long been economically depressed because of its dependence on the state-run mining industry. Hence, local business leaders welcomed the opportunity in 2004 to establish a business information bureau that includes an income-generating call center. Located at the University of Petrosani, the call center provides telemarketing and E-commerce services for companies outside the Jiu Valley region, including some international clients. Meanwhile, small businesses are paying fees to use the information and communication services of the center to improve and expand their businesses, making the center financially self-sustaining.



Clients collecting information at the Jiu Valley Information Bureau

### **BUILDING FARMERS' ASSOCIATIONS**

#### **BRINGING IRRIGATED FARMLAND BACK INTO PRODUCTION**

When the collective farms collapsed in 1990, Romania needed to bring the land back into production to feed its people. The land was restituted to farmers in several small, scattered plots, but the farm equipment, including irrigation systems, was still owned by the state and was often in very poor condition. Farmers, working independently, did not have the resources to revive the irrigation systems on their land.

The government continued to maintain and operate the large primary and secondary canals. Since the cost of irrigation equipment for the smallest, on-farm canals was greater than any one farmer could afford, a way to consolidate the land into larger economically viable fields had to be found. Private associations of the farmers, who could combine their plots into larger farms, were developed as a solution.



Given the farmer's experience with collectivization during the communist years, most were wary of associations. The Ministry of Agriculture, with the help of American advisors, worked with them to form water user associations. The old irrigation equipment was transferred to the associations, which rehabilitated it and started to irrigate the land. Several association leaders went on study tours in the U.S., Mexico, Portugal and Spain to see first hand the success of water user associations and new irrigation technology in those countries.



Irrigation ditch in need of repair

Afterwards, irrigated crops, such as soy, alfalfa and fruits were planted on the demonstration plots. Different irrigation methods, ranging from traditional sprinklers to newer drip systems, were tested on these plots. The project also established a monitoring unit that continues to provide services to the associations.



The associations operate as private organizations, handling all of their own technical needs, and managing their land and small canals. Hence, Romanian farmers have learned to work together to rehabilitate their irrigated land. They have also learned cropping systems that yield higher profits, cover the costs of irrigation and increase their incomes.

One hundred and eighty-seven water user associations were started during the project and they brought 560,000 hectares back into production. The presence of the successful associations made it possible for the World Bank to make a \$80 million loan for additional associations and irrigation rehabilitation and modernization.

### IMPROVING COMPETITIVENESS AND FINDING NEW MARKETS FOR AGRIBUSINESS

When coupled with the associations of processors, mentioned early in the chapter (page 5), associations of farmers are making substantial contributions to the development of modern agriculture in Romania, as the following examples show.

#### BIOTERRA ORGANIC FARMERS ASSOCIATION

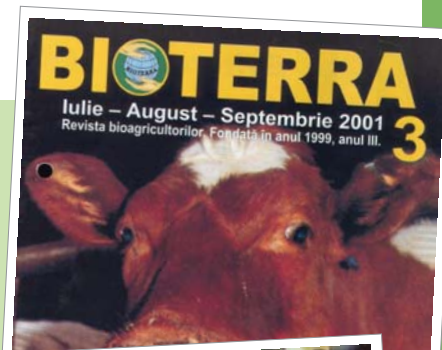
During the communist era, most farmers lacked the resources to use chemical fertilizers and pesticides on their farms. Hence, much of the land that was not collectivized is suitable for organic farming.

Farmers near Cluj seized this opportunity as early as 1992, creating the Bioterra Organic Farmers Association. Farmers throughout the region recognized the potential of this Association. The Bioterra leaders solicited American assistance to negotiate agreements with organizations in Hungary that could certify Romanian products as organic, as no certification body then existed in Romania. Assistance was also given in marketing and with public and media relations.

The Association published a quarterly magazine called Bioterra with editions in both Romanian and Hungarian. It also published a Guidebook for Organic Agriculture, which is revised every year to include any new EU regulations related to organic agriculture. Early editions of these publications were produced with U.S. support.

Bioterra's most notable achievement, however, has been its Annual International Bioterra Conferences on organic

agriculture. Since 1999, Bioterra has hosted these respected gatherings of farmers and experts, including many from other countries, committed to organic farming. Bioterra now has more than 5,000 farmers across Romania committed to organic agriculture. As their production increases, so does their market. Western European buyers of organic products are now seeking out Romanian products.





**VOINESTI APPLE GROWERS ASSOCIATION**

The Voinești area in Romania is one of the best apple growing regions in Europe, especially for several sour varieties that are ideal for processing. However, ten years ago Romanian apple juice processors were not buying Voinești's apples. The processors preferred to use apple juice concentrate imported from other countries. They claimed that Romanian apple production was not reliable. Local apple growers had to depend on roadside sales and open markets for their sales, earning only a fraction of what their apples were worth in the broader market.

In order to market their fruit more effectively, the growers formed a marketing association and requested advice from American advisors. The association restored an unused refrigerated storage facility on a government research station. They also organized an annual apple festival to advertise the Voinești brand and attract buyers.

As their membership grew, the association gave the members a stronger bargaining position when dealing with the juice processors. They created a Center for Information and Assistance for Fruit Producers to provide technical, legal and market information. Now their production, quality and sales have increased, and so have their profits.

Romania has rich historic and cultural traditions in wine production. During the past 50 years, it was better known for the quantity, rather than the quality and variety of its wines. Today, Romanians are aspiring to become valued members of the world wine community as producers of high quality wines.

**THE ASSOCIATION OF WINE PRODUCERS AND EXPORTERS**

American consultants helped Romanian vintners expand and develop their association of wine producers and exporters. The Association does market surveys, develops marketing materials, organizes participation in international wine fairs, holds several annual promotions in Romania and helps the members maintain the high quality of production required by the international market.

In 2005, the Association participated for the first time in the Russian International Wine and Spirits Fair that led to the first contract signed by Recas Winery with a major Russian importer.

The contract was renewed in 2006, when another winery, Cotnari, signed a contract with a second Russian distributor.

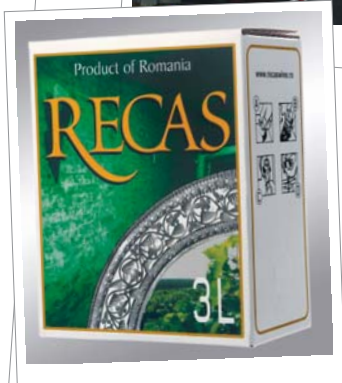
Recently, 14 wineries were cited in the 2006 edition of Hugh Johnson's Pocket Wine Book. The book is an authoritative source of information on the quality of wines from all over the world.



Murfatlar vintners presenting their wines to wine journalists



Romanian wines winning international recognition



In Romania, beekeeping is a traditional occupation and, through its economic, ecologic and social role, is an important part of the national heritage. Beekeepers have formed several regional associations and, with American assistance, are focusing on improving the quality of their organic honey and other apiary products, and identifying new and more profitable markets for high-quality products.



Beekeepers Associations bottling honey with U.S. funded equipments

### GOLDEN ORGANIC HONEY

More than 100 beekeepers in Hunedoara and Bacau counties, all members of a county honey producers' association, have obtained certification for their organic honey. The producers obtained the certification after a trip to the BioFach Trade Show in Nuremberg, Germany, the most important trade show for organic products in Europe. An American funded program organized and sponsored the trip. Before going to BioFach, none of them had ever exported honey. Now they have more international orders than they can fill and are looking for new members to join their association.



Beehives owned by Voicu Borza, a bee keeper in Hunedoara

### HELPING FARMERS AND RURAL BUSINESSES OBTAIN CREDIT

Several donors, including the EU and the World Bank, have provided funds for farmers and rural businesses, but most farmers do not know how to apply for these funds and, consequently, much of the money has not been used. The agricultural extension services in ten counties, local financial consultants and American advisors developed a program to help farmers and other rural businesses access funds. The county extension agents and financial consultants provided advice and training in applying for grants and loans. In the first two years of the program, farmers obtained loans totaling \$4 million and submitted applications for another \$12 million. The program has grown to cover 24 counties. Typically, funds are used for agro-tourism, cereals, meat and honey production.

### FROM COLLECTIVE FARM EMPLOYEE TO AGRIBUSINESS OWNER

A little information and a little help from the county extension service have made all the difference to the Preda Family. Ion Preda worked as a mechanic on a collective farm near Iasi before 1989. Then suddenly he was out of work.

He scraped together enough money to start a business servicing farm machinery. From his savings, he bought two old tractors from the collective farm, repaired them and started plowing for neighbors. He repaired an old combine and started harvesting crops in four counties. Ion began to realize that with the rapidly changing conditions in Romania he needed more information about business opportunities and challenges.

In the late 1990s, he began regularly visiting the Iasi County agricultural extension office. In 2000, he secured a loan of \$3,000 to buy an old pick-up truck and some cows. He started to sell homemade cheese in nearby cities. Then he started to develop a vegetable business. He built a 260 square meter greenhouse after securing an EU grant. In 2004, he heard about ProCredit Bank's micro-loan program from the extension officers. They suggested that he and his son apply for loans to expand their agribusiness. Ion obtained a loan of \$3,500 to modernize his vegetable operation and his son, Cristinel, received a \$9,000 loan to buy a truck to deliver tomatoes to market. Now the family is running a thriving fruit and vegetable business.



### PREPARING FOR THE FUTURE OF AGRICULTURE

About 45 percent of Romanians live in rural communities. Romania, known as the breadbasket of Europe in the 1930s, now has to import food to feed its own population. Agricultural productivity is low and it contributes less than 10% percent of GDP. The need for change is apparent to all.

Several joint Romanian-American programs have advanced the fields of food safety, animal breeding and biotechnology. American universities have donated equipment to Romanian applied research institutes and developed research projects with Romanian counterparts. Romania has sent outstanding young professionals and scientists to study in leading American land-grant universities. To date, 54 young professionals and scientists have been trained in improved research methods, agricultural and food sciences, policy development, and agricultural economics. A similar program for faculty exchanges with the University of Kentucky started in 2005.

Thanks to these exchanges, Romania's agricultural production and marketing have been strengthened. The participants have forged long-term relationships between Romanian and American institutions, which will continue long after the U.S. government assistance program has ended.

#### YOUNG SCIENTISTS LEARN NEW AGRICULTURAL TECHNOLOGY

The Young Scientists Program was started in 2002 in Romania and replicated in Bulgaria, Serbia and Macedonia that same year. In 2004, the concept was implemented worldwide as the 'Norman Borlaug International Science and Technology Fellows Program.' It provides young Romanians with opportunities to work with agricultural leaders from Iowa State University and the University of Wisconsin. Through hands-on learning, participants gain exposure to the latest developments in food safety, biotechnology, livestock genetics, dairy feed and forage, resource management, marketing, and international trade and policy. Upon return to Romania, the scientists present workshops at their universities or agencies.

One participant, veterinarian Iudith Ipate, said, "I had my most important experience at the Madison Biotechnological Center, where I was able to use the most advanced technologies in in vitro fertilization and embryonic congelation - just as I'd always dreamed, just what I will continue through my research."



Irrigated hybrid corn



Romanian farmers proud of their achievements nurtured with American assistance



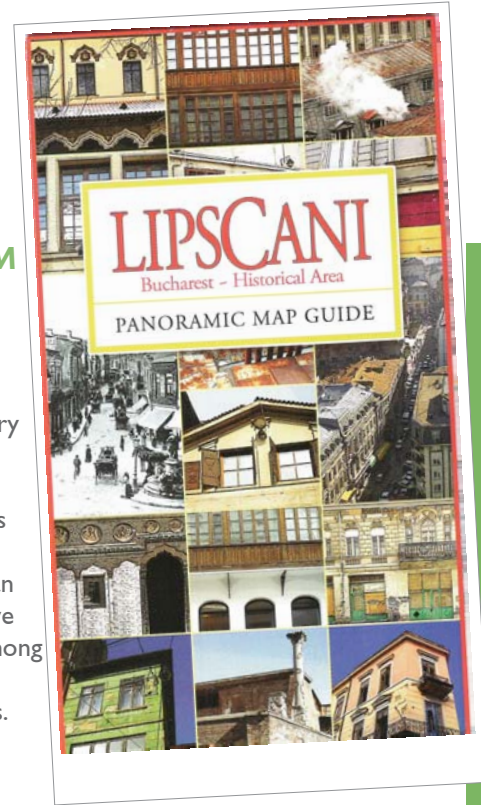
## DEVELOPING RURAL, ECOLOGICAL AND CULTURAL TOURISM

Rural tourism as an income-generating industry is a relatively new concept in Romania. Decent accommodations, welcoming hosts and good service were not valued during the communist era. Now Romanians are working hard to develop a tourism industry. They are attracting tourists from within Romania and abroad. American advisors have worked closely with Romanian groups to bring their industry up to world standards and to gain international attention.

Several enthusiastic tourism associations and local government tourism departments have published, with help from American marketing advisors, multi-lingual maps, magazines, booklets and brochures. Now, tourists can see the attractions around Brasov on a comprehensive tourism map of Brasov County. They can choose among several self-guided day trips to the Saxon churches in Transylvania, which are described on illustrated maps. They can choose from traditional festivals in Sibiu, Maramures or Bucovina counties listed in brochures published annually.

In Bucharest, tourists can enjoy several self-guided walks through Lips cani, the historical center of the city, with the aid of a panoramic map guide. Pro Patrimonio, the National Trust of Romania, designed and published the map with support from the U.S. Embassy, to encourage the preservation of this culturally important area.

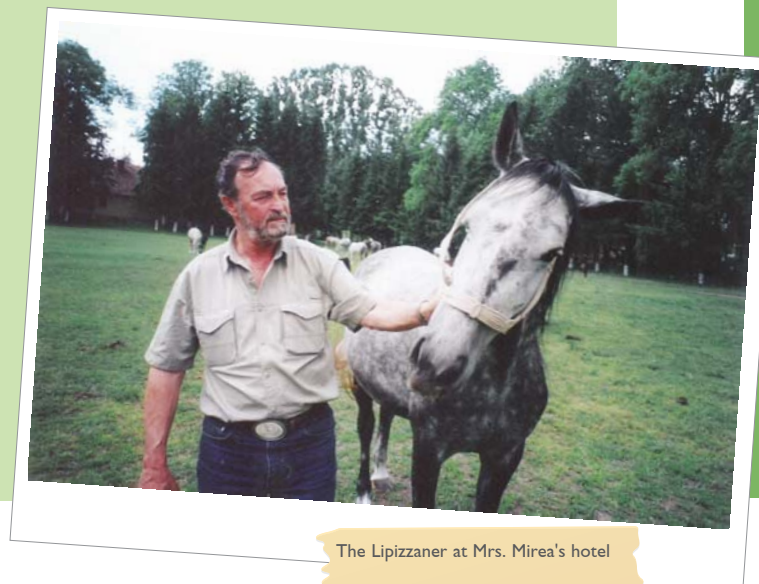
In 2006, a U.S. business development project brought together the National Tourism Authority with the National Geographic Society to sign a Geo-Tourism Charter for Romania. Geotourism enhances the geographical character of a place - its environment, culture, aesthetics, heritage and the well-being of its residents. The Charter is a real achievement for Romania, as only two other countries, Norway and Honduras, had signed similar charters by 2006. The Society, with a grant from the U.S. government, has also published a Traveler Guide for Romania to promote tourism.



## RURAL TOURISM PRESERVES COUNTRY LIFE

Because of the creation of the Regional Tourism and Agrotourism Association (ARTAME) in Fagaras, many people in southern Transylvania have decided to open their homes and offer a bed and breakfast to those seeking a rural holiday. The properties of three of the founding members of ARTAME reflect the rich diversity of rural experiences that exists in the Fagaras region.

Catalin Stoica's mill complex is located in the heart of the village of Ohaba. It includes an old water-powered grain mill that was built in 1873 and still works. Attached to the mill is the home of his great-grandparents that he has restored with the things that were a part of every day life a century ago and now this home accommodates overnight visitors. Ten miles away, Ovidiu Bochian has a six-room hunting lodge in the Fagaras Mountains. At her hotel closer to Fagaras, Mariana Mirea keeps ten horses, including a Lipizzaner. She has attracted riding groups from France, and hunters from Germany.



The Lipizzaner at Mrs. Mirea's hotel

**CONNECTING RURAL DESTINATIONS TO THE WORLD**

Marilena Stoian was looking for ways to help people in the rural area where she grew up. She knew its beautiful scenery, peaceful ambiance, and handicraft artisans could attract many tourists, especially the eco-tourists who were beginning to look for new places, less traveled.

In 1993, she heard about an American-sponsored program that was assisting rural tourism managers. She joined the program. Within a year, Marilena went to the U. S. on a study tour. She attended the Travel Management Academy and visited rural Colorado. She visited the American Society of Travel Agencies and was impressed by its professionalism and strong advocacy of members' interests. When she returned, Marilena formed the National Association for Rural, Ecological and Cultural Tourism, now known by everyone as ANTREC.

American consultants assisted ANTREC to draft a business plan and to publish a guide to members' guesthouses. Now the guide is available on a reservation website in English, French, German and Romanian.

The association has brochures for Bucovina, Maramures and Sibiu, and another presenting the Painted Eggs Trail in Bucovina. ANTREC now has 32 county branches and 3,500 members, from 900 villages from the Danube Delta to the Merry Cemetery in Maramures. It is a founding member of the "3T Coalition" (Tourism for Today and Tomorrow), which has become a powerful advocate for the tourism industry in Romania.



**National Catalog of Guesthouses and Farmhouses in**



**OPENING UP ROMANIA'S CULTURAL HERITAGE TO VISITORS**

In the early years following the revolution, many of Romania's cultural heritage sites were inaccessible to visitors. Maps and signs pointing the way to interesting sites were missing. Once at a site, tourists could not find information about the site or its importance. Now these sites are more accessible due to joint projects by local government tourist departments, tourism NGOs, and the staff at the sites, who, with American assistance, have created multi-lingual maps, signs, audio-tours, CDs and brochures to guide and inform visitors.

In June 2006, the Village Museum in Suceava was upgraded. With U.S. assistance, the paths are now paved and information boards in Romanian, English, French and German are posted in front of the traditional houses. The multilingual audio tours developed for the ASTRA Museum of Traditional Folk Civilization in Sibiu, and three museums in Maramures County are making these museums more interesting for visitors.



## PROTECTING THE ENVIRONMENT

In recent years, as international concern for global warming has increased and natural disasters such as the devastating floods of 2005 and 2006 occurred, Romanians have realized that they need to take action to protect their environment. With American support, they have undertaken several environmental projects. Companies implemented pollution prevention and waste minimization activities that have reduced their toxic wastes such as heavy metals, nitrates and organic matter by 90 percent. The Ministry of Environment has put pollution monitoring equipment at key sites around the country. It completed several feasibility studies to improve water management capabilities and to ensure access to water and sanitation. A university degree program in environmental management was established.

Simultaneously, Romanians, with American consultants, developed laws and regulations to reduce pollution in the future. They enacted more than 20 laws, as well as emergency orders and government decisions that bear on environmental issues. The new legislation aligns Romania with EU requirements. In addition, a National Environmental Fund was established by the Ministry of Environment to finance critical environmental projects.



Flood monitoring equipment

## TEACHING ENVIRONMENTAL PROTECTION

In 1996, the Technical University of Cluj-Napoca and the University of Minnesota established a partnership to offer graduate courses in eco-management. The objectives of the U.S. funded program in Cluj-Napoca were to develop teaching, management and research skills locally so that the program could be continued by the Technical University. Those objectives were achieved. Now, the Eco-Management Program is vigorous and self-sustaining. It stands out with its unique profile in Romanian higher education. The curriculum combines environmental disciplines with management and economics to provide a solid foundation for the implementation of environmental projects. More than 250 people have graduated from the program.

The most enthusiastic supporters of the Eco-Management Program are the NGOs, whose strengthened skills provide them with the capacity to become equal partners in negotiations with business and the government. The program also helped local governments design, implement and enforce effective environmental and economic policies, environmental management, and communication and public relations.

### FIRST ENVIRONMENTAL BUSINESS GROUP FORMED IN ROMANIA

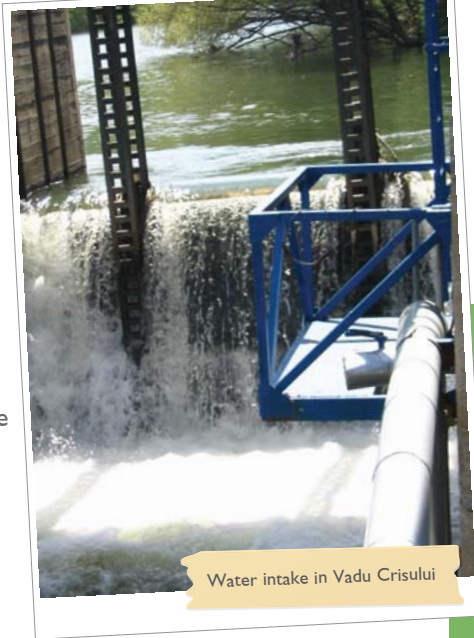
The National Association of Environmental Private Businesses in Romania was the first environmental business association in Central and Eastern Europe. It grew out of the Eco-Management Program and has over 100 member firms. Members have learned how to obtain grants, access

credit and make environmentally sound investments. Cooperation among firms has also been beneficial to all parties, fostering many agreements for collaboration with international environmental associations.

### SUPPORTING ENVIRONMENTAL CLEAN-UP

In the early 1990s, a nascent Romanian environmental movement looked for ways to marshal the resources needed to clean up rivers. Many rivers were sources of drinking water for people and animals. Romania needed to improve the quality of the river water contaminated with heavy metals, petroleum residues and other serious pollutants.

Romanian agencies and industries, with advice from American experts, began to implement pragmatic solutions to reduce pollution through no-cost or low cost measures and to improve environmental compliance and reduce costs by minimizing waste. A group in Cluj looked for ways to reduce industrial pollutants entering their newly built municipal wastewater treatment plant. They developed a plan to reduce pollutants from industrial plants, including the toxic wastes from an electroplating company that was degrading their sewage works. This plan led to environmental and financial benefits both for the municipal utility and for the industrial plants. It was expanded to include other types of polluters, such as service stations and garages dispersed all over the city. Implementation of good, low cost management practices prevented seepage from leaking tanks into the ground water, soil pollution by used oil from old car engines, and reduced costs incurred by the municipal wastewater treatment plants due to toxic spills.



Water intake in Vadu Crisului

#### COMPANIES REDUCE POLLUTION AND SAVE MONEY

Projects, implemented by several companies with American assistance, resulted in substantial savings and reductions in many threatening pollutants, such as nitrogen, phosphorous, sulfuric acid and cyanides. For example, ALPROM, a wood processor and furniture manufacturer, in Arges County, saved \$203,000 per annum when they

installed controls to reduce sulfuric acid and other pollutants in their waste. Similarly, PROMEX, a heavy machine building plant in Braila County, modernized their chromium plating process, optimized their water consumption and saved \$115,000 a year, while significantly reducing their pollution.

The public is taking notice, and environmental issues have become increasingly important. The Government of Romania has embarked on an ambitious plan to improve living conditions, particularly in small towns and villages. The program increases the supply of clean water and, therefore, reduces health threats to the residents of these communities.



Braila Water Treatment Plant

Braila, like most cities located on the Danube, had no municipal wastewater treatment plant. Heavy rain frequently flooded two poor neighborhoods of the city, causing high incidences of water borne diseases among the residents. The city, working with American consultants, developed plans for a municipal wastewater system. It then obtained a 45 million Euro grant from the EU. They have completed a new sewerage system and are building the treatment plant. The result of the project will be better health for the people of Braila, fewer illnesses from catastrophic floods and better quality drinking water for Galati, a large city downstream of Braila.

In Bihor County, the U.S. provided support to improve water systems in rural communities. The project covered almost half of the population living in smaller communities in the county. It ensures access to reliable water supply and sanitation. The project has reduced international incidents caused by polluted water in the rivers crossing the border to Hungary.

#### CITY CREATES A MODEL WASTE-MANAGEMENT SYSTEM

Topoloveni is a town of about 11,000 people in Arges County. Its people work primarily in agriculture and light industry. After a few residents participated in an

environmental training program, they concluded they needed a community waste management system. With support from the city government and local schools, they



held fairs and contests to get public attention and support. The town did a feasibility study of how to make their landfill more environmentally friendly. Then, together with ten neighboring communities, they formed a consortium to apply for EU funds to set up a garbage depot where solid waste could be collected, sorted and sent to Pitesti for recycling.

The local schools began their own waste collection programs. The students took responsibility for controlling waste, keeping records, and reporting performance. Based

on the collection and sorting by the students, the garbage company decided to reduce the schools' bill for waste collection and disposal. Not only did this provide an important lesson in environmental economics for the students, but also the savings went into school maintenance. Since the recycling company was supplied pre-sorted garbage, its profits increased. With some of the increase, the company bought toys and stationery as prizes for the students. The pupils then began working with their families to increase recycling at home.

## SUPPORTING THE NATIONAL WATER RESOURCES MANAGEMENT PROGRAM

One of the most far-reaching Romanian-American partnerships has been the Ministry of Environment and Water Management's program to improve the management of Romania's streams and rivers. The Ministry sought an integrated system to improve weather forecasting, water management, and emergency preparedness and response, with American assistance. The program developed a pro-active approach to dealing with weather-related emergencies.

The integrated water management system collects information about the amount and distribution of rainfall, water levels of rivers and reservoirs, effects of temperature on snowmelt, as well as how much water is used for irrigation, industry and human consumption. The system also factors in the water stored in reservoirs and canals. Many of which are old, poorly maintained, and leak.

American technical expertise was instrumental in completing four feasibility studies to test the design of the national integrated system and in attracting funds for improved water management. These studies resulted in several large contracts with American companies to install the system. When the system is complete, computer modeling will make it possible to predict which places are likely to experience crises before they happen. Local authorities and residents of those areas will be able to take action to protect themselves and their property. Simultaneously, water resource managers can act to avert disasters or minimize their impact.



Water monitoring in specialized laboratory in Braila

## U.S. ASSISTANCE FOR THE NATIONAL WATER MANAGEMENT SYSTEM

- The \$46 million state-of-the-art hydrological monitoring system that, upon completion, will significantly reduce flood damage. This project uses real-time weather and water resource measurements to monitor and predict hydrological conditions.
- Four feasibility studies for an additional investment of \$180 million for the national integrated water management system. This national system incorporates the hydrological monitoring system and adds several major components, including alarm and communication systems for preparedness and regional rapid-response centers.



Rausor Water Reservoir: site of pilot project for water management

## PROMOTING ENERGY REFORM

In the early 1990s, the U.S. helped the national electricity company provide electricity to the many rural villages that previously did not have power. It contributed conductors, transformers and poles to help connect 33 villages in four counties to the national power grid.

By the end of the 1990s, the focus of American assistance was on restructuring the power industry to meet the needs of the emerging national and regional energy markets. A special emphasis was placed on helping the sector adapt to the emerging competitive, open market economy. At that time, with assistance from American specialists, Romanians strove to introduce a new corporate culture. A major change in peoples' attitudes occurred as the government was no longer regarded as the controller of the market and the concept of a company selling energy in a free market gradually took hold. The next stage involved building the institutions of the competitive energy market.

## SUPPORTING THE DEVELOPMENT OF A COMPETITIVE ENERGY MARKET

By 1998, American consultants were working on transferring ownership of state energy utilities to private ownership. The massive electrical power system, a state monopoly, was split into a large generating company and smaller regional distribution companies. Though still owned by the government, the companies began to operate independently, and to some extent, competed with each other. As this represented a major change, Romanians took advantage of opportunities to work with American consultants to draft new energy laws and regulations.

Several Romanian energy specialists participated in study tours in the U. S. and met with private utilities and energy regulators in state power

commissions. They formed a partnership with the power commissions and utilities of the State of Maine to gain hands-on experience with their American colleagues. A long-term program of exchange visits between Romania and Maine developed. They worked together on issues such as drafting the commercial and technical codes, performance indicators, tariffs, and so on. These accomplishments led, in 2000, to restructuring the electric generating company into Transelectrica.

Over the next four years, Transelectrica made good use of donations of new generating equipment and up-to-date computer systems and software, as well as the assistance of many experts who helped it improve its organization and technical efficiency. The staff continued to participate in international training programs dealing with energy markets, cogeneration, renewable energy and other topics.

By 2005, the transformation of Transelectrica had progressed to the point where shares in the utility could be offered on the Bucharest Stock Exchange. It was the first Romanian utility to hold a public offering. Within a year, the value of the shares doubled. Now Romania has the most advanced commercial electricity market in the region.



Certified gas meter

By splitting up the energy monopoly, free access and competition were introduced into the energy market. That meant regulatory agencies were needed to establish transparent rules and monitor the market.

### CREATING TWO PUBLIC UTILITY COMMISSIONS

Legislation passed in 1998 led to the establishment of the National Authority for Electricity to regulate the electricity generating industry. American experts worked with the authority's staff to draft and revise their first set of regulations. They also analyzed the commercial code, framework agreements and power transportation agreements. Several new regulations and a code of ethics for the industry were formulated and adopted.

Through a partnership with the State of Maine, Romanian regulators were introduced to issues such as licenses, commercial codes, consumer protection, public relations and pricing. Interestingly, participants in partnership activities say that their personal credibility in Romania was heightened as a result and that has given them the determination to continue to apply what they learned.

Based on the success of the electricity authority, the Government of Romania decided in 2004, to set up a similar agency for the natural gas market. Much of the enabling legislation and basic regulatory framework was borrowed from electricity authority. The gas authority's five-member board focused on developing secondary legislation to enable it to carry out its mandate of liberalizing the gas market. New pricing mechanisms were introduced. Technical regulations on using liquefied natural gas were adopted. Fifty-eight bidders were licensed to participate in tenders organized by the Ministry of Economy and Trade for the distribution of gas in cities and towns.

The U.S. also supported the establishment of the Regional Energy Regulators Association whose members were regulators from former communist countries. The Romanian authorities for both electricity and natural gas are active participants, and Romania has become a key player in the Black Sea energy market.

### REDUCING THE IMPACT OF RISING ENERGY PRICES ON THE POOR

As the privatization of the power industry made clear progress, the focus of American assistance switched to new areas of interest, including, analyzing and resolving the potential problems of the competitive market, and making reforms more responsive to the needs of vulnerable social groups. Key concepts, such as energy affordability, better allocation of social assistance to protect the poor from the increased prices, and improved energy saving technologies are being introduced. Addressing these issues has involved better monitoring of the market, adjusting energy tariffs, and giving each consumer the opportunity to choose an energy plan that best suits his or her situation.



ANRE representatives during a study tour in the State of Maine

### CUTTING THE COSTS OF KEEPING WARM IN WINTER

Most Romanian cities and towns use municipality-owned heating and hot water systems, which use hot water that is by-product of power plants. Normally, this is an efficient and effective way to provide heat for groups of apartment blocks. However, in some cases, poor maintenance has led to inefficiency and waste, resulting in higher costs for customers. As fuel prices in Romania moved towards world market levels, rising energy costs are an increasing burden for families.

Apartment building homeowner associations are finding innovative ways to keep their members warm while reducing the cost. In Arad, 24 families living in an apartment building have purchased their own heating system. For as long as they could remember, the residents of Stairwell D on Aurel Vlaicu Boulevard have lived uncomfortably with cold and drafty conditions in winter. The president of their homeowners association proposed they buy a more efficient heating system. Their first reaction was, "We do not have money for that!"

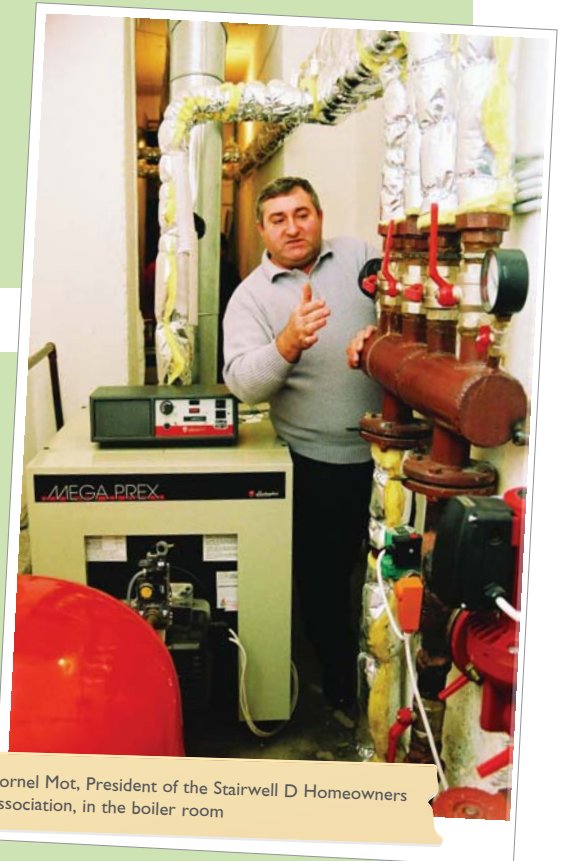
The residents gradually came to realize that it was in their best interests to install and control their own heating system, because under the town system their monthly costs were rising quickly in the winter months. They did not have enough money to purchase a new boiler and the low incomes of some residents meant that a savings program would be difficult. By working together and presenting their salary statements, the association members were able to get a loan from an American sponsored program. The boiler installation was completed and during the winter, the residents found their bills for heating and monthly loan repayments were less than they would have paid for a winter heating bill under the old district system.

### KEEPING WARMER AND CLEANER

Many Romanians heat their homes with wood-burning stoves. Every year, houses are destroyed and lives are lost to fires caused by these stoves. In addition, using wood is expensive, and contributes to deforestation.

In the village of Dumbravita an energy users' association was formed, with American assistance. The members wanted to buy a pumping station and install 26 kilometers of pipeline from a natural gas main line to their village. Given the nature of the project, no bank was willing to finance it. The members could afford to pay for a portion of the new pipeline, and they did not have the collateral that the banks required for a loan. They asked their local council to help.

The council co-signed a loan with the association for the project. Initially, 220 households received gas. A year later, another 1,148 families were added. One mother of two, who previously had had no source of heat other than a fireplace, said, "We never dreamed of having gas. Last winter, our home was so clean and warm. It was like a fairy tale."



Cornel Mot, President of the Stairwell D Homeowners Association, in the boiler room

# FROM DICTATORSHIP TO DEMOCRACY

## PARTNERSHIPS FOR BETTER GOVERNANCE

Romania's transformation from dictatorship to democracy has touched every part of society. Most successful democracies sustain and renew themselves through an open dialogue between three principal actors: the government comprising competing political parties, private business operating in a free and open market, and civil society made up of a rainbow of voluntary associations of citizens. Free and responsible media are essential for the conduct of the open dialogue.

Immediately after the revolution in 1989, many of the key institutions that sustain a free and open democracy did not exist in Romania. The government had been in the hands of one political party for decades and opposition parties did not exist. Politicians knew little about representing the interests of their constituents, having been accountable only to the party bosses for decades. State companies dominated economic activity. There was no free market. Civil society did not exist, and people were suspicious of each other and very reluctant to associate with each other. The police and security agencies knew little about protecting the rights of citizens, as their job had been to protect the interests of the communist party.

With support from many countries, international donors and foundations, Romania has made significant progress in 17 years, progress that took centuries in many other countries. Since 1989, Romanians have pushed forward, sometimes steadily, sometimes erratically. With American assistance, they have succeeded in reaching their goals to open parts of the government to public scrutiny, reduce

the grip of the central government and build non-governmental organizations (NGOs) as the foundation of civil society. They began re-establishing the rule of law, reducing corruption, preparing law enforcement agencies to protect the people, and helping political parties connect with citizens.

This chapter describes examples of what Romanians have done, with American assistance, to build civil society, encourage an independent mass media, open up politics, reinvent local government, and reinforce the rule of law.



Getting out the vote



### BUILDING CIVIL SOCIETY

For a society to function it must have institutions that protect individual human rights, help it plan for the future, resolve disputes, address problems as they arise, assist those with special needs, bring ordinary citizens into the discussion of public issues, prepare the younger generation



Civil society at work

for the responsibilities they will face as they grow older and enrich life for all through cultural activities.

Civil society vanished during the communist years. NGOs did not exist. In the early days after the revolution, Romanians were skeptical of the benefits of civil society organisations. However, a few persistent Romanians realized that civil society was not only necessary for a democratic nation, but also a great benefit in itself.

As NGOs emerged in the early 1990s, the commitment to creating a civil society spread. The early NGOs focused on encouraging public participation in government affairs, monitoring the transparency and accountability of local and central government, and developing the laws for a functioning civil society.



We and the Community Handbook

### SUPPORTING CIVIC EDUCATION

High school students are learning how the government works and how to deal with community issues. In the 12th grade, civic education is compulsory. For this to happen high-school teachers have to be trained. With American support, eight teachers attended training courses, at the University of Massachusetts in the U. S. They learned the responsibilities of good citizens in a democracy and how to pass on such knowledge to their students. As a result, new and improved civics curricula and teaching aids are now in use.

In their civics classes, students design projects for anti-smoking campaigns, helping those with disabilities, setting up EU info centers in their schools, raising funds for a civic need, or reducing the stigmatization of HIV/AIDS patients. These projects provide civic education through community service and one can easily detect the strong desire of students to be involved in solving problems in their schools and communities. A handbook, We and the Community, contains the best of these innovative projects. (See the description of student initiated recycling program on page 22).

Several NGOs are using American assistance to engage young people as they learn about their rights and responsibilities as citizens. Their aim is to build civil society by promoting high-quality civic education, and acting as a true catalyst for debating and developing projects that facilitate the exchange of democratic ideas and experiences.

One NGO devised an elections project in which 18-year-olds conduct a political-style campaign, including nominating candidates, organizing campaigns, making posters and designing TV spots. Following the same pattern, students were introduced to the 'Next Lesson: Democracy', a project that teaches students through activities ranging from radio campaigns to theatrical performances.

#### "MY FIRST VOTE" CAMPAIGNS IN SCHOOLS

In 2004, the Health Messengers, a NGO working on election issues, used U.S. support to survey teenagers about their interests in politics and voting. They then produced a civic multimedia kit, a dedicated web page, and an education campaign for young voters.

Schools were swamped with 'My First Vote' posters, leaflets, banners, while focus groups disseminated of information. In a coherent campaign strategy, buses carried the posters for the week before Election Day and two

television stations broadcast an advertisement encouraging teenagers to assume their civic responsibilities and vote.



My First Vote Poster

## SUPPORTING ADVOCACY NGOS - GIVING CITIZENS A VOICE

Few developments more clearly mark Romania's transition from totalitarianism than the appearance of many small groups suddenly speaking out on different issues in all areas of human endeavor. Romanians quickly understood the value of advocacy and the power of bringing together those with common concerns to speak with one voice.

NGOs, in order to participate effectively in the public arena, must understand policy advocacy and have the skills to engage in it. They must also be able to organize and manage themselves in order to sustain their contributions to making Romania a better democracy.

American advisors taught NGO staff about the importance of both policy advocacy and their role as advocates. Further, they wrote several manuals about organizational management and advocacy in order to address the internal competencies necessary for an engaged, sustainable civil society. Moreover, an advocacy vocabulary was begun and soon adopted by other agencies in Romania, as advocacy became an important activity for many NGOs.



Public hearings give citizens a voice

### ADVOCATING FREE AND FAIR ELECTIONS: THE PRO-DEMOCRACY ASSOCIATION

Pro Democracy Association, an NGO "watchdog," was one of the first advocacy groups established with American support. It has become one of the most respected associations in the country.

Founded in 1990, it seeks to strengthen democracy by ensuring that elections are conducted freely and honestly, and by promoting civic education. It also supports citizens' participation in the drafting of public policy, maintaining transparency of public institutions, and in the protection of the rights of individuals.

The Association is not affiliated with any political party. It has more than 30 chapters around Romania, with about 1,200 volunteers. It has monitored local, parliamentary and presidential elections since 1992, organized the first candidate forums in Romania, arranged meetings between politicians and interest groups to draft laws, and conducted seminars on civic education and participation.

Of its several publications, the Association's most important is The Blue Book of Democracy, a comprehensive directory including data on Members of Parliament and the most important government institutions, as well as the principles of democratic governance.



### ADVOCATING FOR A FREEDOM OF INFORMATION ACT

If democratic government is to mean anything, then its workings must be laid open to public scrutiny. Hence one of the most important laws enacted since 1990 is the Law on Free Access to Public Information whereby citizens can obtain records of all government deliberations and actions.

Article 31 of the Constitution of 1991 establishes the right of all citizens to have free access to information of public interest. No supplementary law, however, was adopted to enable the exercise of this right. Getting a law passed was a struggle that took 12 years. The old communist

pendant for secrecy was deeply ingrained. Indeed, during those years, governments twice attempted to pass legislation restricting the release of public information.



Distributing The Blue Book of Democracy

The drafting, refining and passing of the law involved active cooperation between government, political parties and civil society. The role of NGOs was crucial and their impact was acknowledged by all key players. The NGOs critiqued various versions of the text and created media awareness regarding the pros and cons of freedom of information. NGO representatives advocated in the Chamber of Deputies, the lower house of deputies, for a maximum openness principle, and even contributed wording for the law. They contributed expertise in legal frameworks, human rights, protection of journalists, and academic analysis.

Having the law in place is only the first step. Romanians are now learning how to use it and how the law can open large resources of information to them. And there remain those in government, as in democracies everywhere, who seek to undercut it through adopting restrictive regulations.

The NGOs who helped get the law adopted continue to work to make it central to the way government is

conducted. They have enlisted business support organizations to use the law and to challenge those who attempt to ignore it. They acknowledge that it may take another 12 years for people to understand the law fully and use it effectively. They believe that in due course it will become an integral part of the way government and people interact. Says one NGO member who was involved, "adopting the law was the easy part, implementing it is the real challenge."



NGOs do not just advocate for better democracy and more open government. They are found in every corner of society voicing the concerns of different groups. Examples of those that have received American Assistance include business associations (page 5), those delivering welfare services (page 47 and 56), groups clearing up the environment (page 22), advocating for citizens' rights (page 29), providing family planning services (page 51), and dealing with home heating issues (page 25).

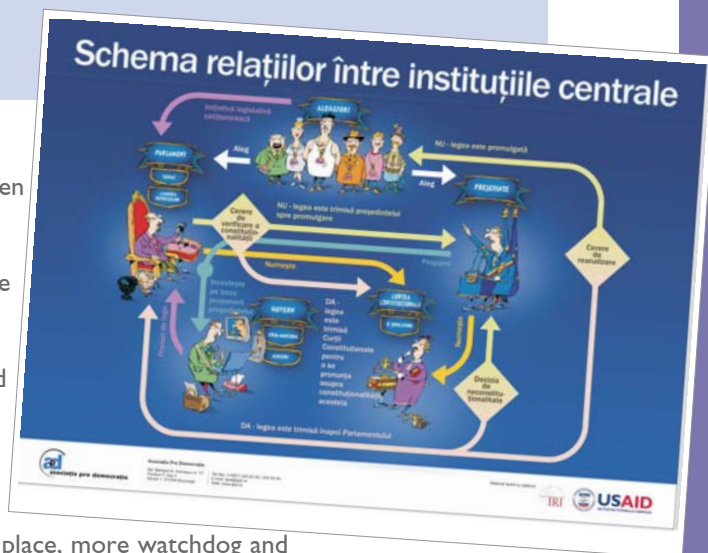
### NURTURING THE SEEDS OF PHILANTHROPY

With a growing understanding of how public dialogue between the government, the business community and civil society takes place, more watchdog and public policy NGOs began to appear. Many of these groups were supported by the energy and commitment of a few dedicated members and foreign donors. Their detractors often suggested that they were acting on behalf of foreign rather than local interests. It was clear that relying too heavily on foreign sponsorship was not a viable formula for long-term sustainability of watchdog NGOs.

Increasingly, the NGOs and their American advisors were giving serious thought to ways of encouraging ordinary citizens to give financial support to the civil associations of their choice. After much lobbying and negotiating involving the NGOs and the Ministry of Finance, the Fiscal Code of 2005 permitted individual taxpayers to allocate one percent of their taxes to NGOs of their own choice, without any increase in their total taxes. In 2006, the percentage was increased to two percent.

To raise public awareness on the new law enabling such allocations, information campaigns were developed by several NGOs, with the support offered by the U.S. government. Taxpayers are gradually increasing their 2 percent donations. In 2006, 8.6 percent of taxpayers allocated four times more than was allocated in 2005.

The Association for Community Relations based in Cluj, itself an NGO, is helping other NGOs learn how to raise money through this mechanism. They help NGOs identify resources within the community, fostering mutual





cooperation between civil society organizations and citizens for the benefit of the community. Their activities include a toll free telephone number and a dedicated website offering information about the '2 percent law'.

**SMURD**

A deadly car crash in the village of Dumbraveni, near Sibiu led to the creation of a nationwide emergency response system in rural areas. Dumbraveni has 10,000 people, but, as with many other small, rural communities, it had no hospital or ambulance. Response time in emergency cases could take as long as 40 minutes. In 2005, four young lives were lost in a car crash while waiting for help to arrive.

The Medical Service for Emergency Assistance, Reanimation and Extrication Services (SMURD), an NGO founded in Târgu Mures, developed a new model of emergency services in the Mures region. They sought American assistance to develop their training programs and improve their emergency care standards. They applied successfully for a grant from another U.S. supported program, to extend their services to Dumbraveni and neighboring communities. Two crews were trained and equipped with an ambulance. The program is a joint effort involving local authorities, health services and fire departments, all with the support of the community.

Radu Dimitru, aged 24, is the brother of one of the young people killed in the 2005 crash and a member of the SMURD team. "I joined this program thinking of my brother. I want others to stand a better chance."

SMURD was very successful in using the '2 percent law' to mobilize funding for its program. Its campaign "Help us so we can help you" began in 2005 in Târgu Mures.



SMURD team always ready to save lives

The result was an impressive \$100,000 dollars - the highest amount donated to an NGO. The money was used to buy a new ambulance and emergency response times are now much shorter. In 2006, the Prefect of Bucharest launched a program that encouraged people to allocate 2 percent of their taxes to emergency medical intervention services so that the capital will become a safer city.



The new culture of philanthropy is growing through corporate social responsibility, community involvement and social participation. More and more events are now organized for the specific purpose of helping less fortunate people. Such events exert a subtle pressure on those who do not participate. They have the potential to bring together many diverse aspects of society, including political, religious, and cultural groups to recognize publicly their contributions to improving the lives of their fellow Romanians.

**COMPANIES SUPPORT THE COMMUNITY SUPPORT FOUNDATION**

In Bacau, the Community Support Foundation is a model for finding and using funding from local businesses to help the community. The Foundation built a day care center for street kids, especially Roma children, and older people who have little support from their families or the local authorities. It works with local police, the labor office, schools, and social services. They have developed professional home care services for lonely, disabled or frail older people. They operate a mobile program of music, play and arts therapy for institutionalized children and

adults, while also providing career training for parents. They pay their way by organizing fundraising events involving local corporations and donors under the slogan - Together we can achieve more!

In 2002, they organized a Community Awards Gala to honor the community members who support their disadvantaged neighbors, thus creating real bonds between beneficiaries and donors. Now they actively solicit donations from individuals using the '2 percent law.'

## VOLUNTEERING BEGINS AT HOME

One of the most successful philanthropic programs is the result of a partnership with what is probably Romania's oldest social institution - the Romanian Orthodox Church. The Church is effective in providing social services in remote areas where no other groups operate. NGOs typically are in larger cities; few are in rural areas. The Church operates in places where people have little contact with urban institutions. Many cannot afford a television and rarely see a newspaper. Nevertheless, every community has a priest.

In more than 60 communities, the Church began philanthropic committees, with American assistance. These committees are led by prominent community members and concerned residents. Often the priest or his wife plays an important role in their success. However, the most important factors are the commitment and involvement of community volunteers. The program trained the committees and improved their management skills, which are now being passed on to new committees.

The committees take on social issues such as helping abandoned children. To reintegrate these children into their families sometimes has meant helping their mothers and fathers find work. Some committees work with victims of domestic violence, others to reduce discrimination against those with HIV and AIDS and to prevent the spread of the disease.



Father Dorel Motoc, "Romania has benefited from this joint program in changing attitudes and helping us take action in areas to improve our own communities. The program's crowning accomplishment was to encourage so many volunteers to take action."

Based on the success of these early committees, the Church is establishing more committees using its own resources. Given the complexity of many social problems, people are increasingly aware that the government cannot solve them all. It is important for people in the community to get involved and not simply be passive recipients of assistance. An increasing number of Romanians are volunteering in social programs, a practice unknown before 1990.

Now, volunteers are the backbone of some of the most important NGOs, such as Special Olympics Romania. For more details see page 59.



Red Ribbon Ceremony for HIV/AIDS in Craiova

## ENCOURAGING INDEPENDENT MASS MEDIA

The open exchange of information and ideas through the news media is essential in a democracy. As new media appeared after the revolution, many did not understand either the important role they had to play, or the grave responsibilities that came with that role. However, by the mid-1990s, Romanian journalists and media managers began to look for ways to improve the quality of their work through training opportunities.

Many of those working on the business side of the media - those involved in management, advertising and distribution - participated in study tours in the U. S. where they observed their American counterparts. These study tours were followed by one-on-one consultations with American advisors in editorial management, marketing, advertising, sales and market research in Romania.

Meanwhile, journalists, especially those who specialize in economics and politics, completed study tours in

Warsaw and Budapest. They also undertook projects providing information on democracy issues in the Black Sea region, as well as training and workshops on how to produce more accurate reporting of news from neighboring countries undergoing similar transitions.

### TEACHING ABOUT FREEDOM OF THE PRESS

Several NGOs, with American support, started teaching youth to promote democratic, independent mass media. For example, the League of Young Romanians from Everywhere helped youngsters in one of Romania's poorest areas to understand the importance of the freedom of the press and the important role it plays within a democracy.

The project has connected children in rural areas with many prominent journalists and media agencies. It arranged for newspapers to send free copies to the students. Many, who were 9 to 15 years old, had never seen a newspaper before.

Since the start of the project, 3,500 children from 30 schools in Galati and Tulcea counties have participated in the program. Some have already become contributors to local radio stations and thus more responsible citizens.



Young newspaper readers in a public school in Galati county

## OPENING UP THE POLITICAL PROCESS

Democracy thrives on the exchange of differing views on how national resources should be used to provide better lives for the citizens of a country. In a democracy those with similar philosophies form political parties and try to convince the electorate that their way is best for the country. After more than four decades in a

one-party state, only the communists had experience in forming and managing a party. There were no professional political managers of other political parties. Few groups with political interests understood how to organize a party, to select personnel, communicate with the electorate, write a political platform, or become visible and reach voters.

This was crucial in Romania, as voters cast their ballots for political parties rather than directly for individual candidates. Several programs provided American assistance to parties across the political spectrum, to help them become more professional and effective political machines.

The idea of a professional spokesperson for party was new, and by extension for the ministries in which party members held offices. Several people went to the U.S. to observe and meet with professional spokespersons who served political parties, government agencies, advocacy groups and individual politicians. They returned with new skills and an entirely new approach to communicating with the public.

Several programs sought to create the practice of regular communication between members of parliament, their constituencies and NGOs. Many civic NGOs used American assistance to help citizens gain a voice and engage in open



Manuals on Public Participation produced by an NGO

discussions with politicians during and outside of election campaigns. Keeping the elected representatives accountable and ready to listen to people's opinions proved to be a very efficient tool for constituents to evaluate the activity of politicians.

**BEING OPEN TO ALL**

In 2004, the Association for the Strengthening of Democracy developed a National Parliamentary Transparency Initiative with American assistance. The program helped citizens become more aware of the platforms that political parties promote in their election campaigns. The success of the initiative exceeded expectations. It produced a web-based guide to electoral procedures and the political platforms of the main political parties. Eleven thousand people logged on to read the guide in just the three days before the election.

The Association then created Policy Action Groups, and a Local Agenda for each parliamentarian. The groups monitor the parliamentarian's activity related to this agenda, and publish the results. Now citizens and voters in 15 counties have more open communication with their elected representatives.

In another initiative, the Academic Society for Research, Religion and Ideology and American advisors organized

meetings in Iasi, Timisoara and Cluj. The meetings involved students who were skeptical about politics, young politicians, academics, NGOs, and government staff. The project fostered dialogue about topics chosen by the young participants, such as poverty, youth marginalization, obstacles to political careers for youth, lack of volunteering. The debates caught the interest of the local media and resulted in a book, Youth and Politics, that was launched in the three cities and in Bucharest and disseminated to universities, civic NGOs and political parties.



Students participating in seminars on democracy

**MEETING THE CANDIDATES**

In the village of Panaghia in Dolj County, a local NGO organized its first candidate forum. It attracted candidates from all political parties and 160 residents. Before the forum, there was a general inclination in the village to vote for the incumbent mayor. However, when he was asked about his accomplishments and commitments, some people felt that his promises were the same as those he had made four years before, but had not fulfilled. Voters decided it was time for a change and the mayor lost the election.



Get out the vote campaign in Pischia commune, Timis county

**REINVENTING LOCAL GOVERNMENT**

Under the communist regime, local administrations were branches of the central government and local officials such as mayors were primarily figureheads. They could rarely take any initiative to solve local problems or provide better services. Citizens had little recourse to challenge government actions in any meaningful way. This has now changed.

Starting in 1993, even though they still had no real power, the mayors of several mid-sized cities began taking advantage of training by American advisors in sophisticated municipal budgeting techniques. As local officials came to understand issues including municipal borrowing to finance public infrastructure, they began to ask questions which made those above them uncomfortable.

In 1995, the Cabinet dismissed more than 100 mayors for alleged infractions that, in many cases, were frivolous.

The mayors invoked their right to an appeal. Unfortunately they spent much of their terms in office appealing their dismissal. This had a chilling effect on innovation in municipal government. But local authorities continued to participate in training programs in order to broaden their understanding of local governance.

By 1997, when Romania made its first move towards membership in the EU, national leaders discovered the EU requirement to have strong local government. The power of the Cabinet to dismiss mayors was swept away. Mayors no longer felt fearful. The new approaches and technical skills which they had been developing for the previous four years could now be put into practice.

One immediate need was a system of municipal finance, so public infrastructure could be funded. Local authorities worked with American advisors to develop the first law on local public finance that allowed localities to incur debt. Coincidentally, the then Minister of Finance participated in a U.S. study tour dealing with municipal debt. On his return, he worked hard to overcome the opposition to the idea by others in the Ministry.

After much debate, the Law on Local Public Finances No. 189 was passed by Parliament in 1998. The law had a profound impact. Essentially, it meant that mayors could take actions to improve the quality of life for their citizens on their own initiative, without having to clear everything through the central government in Bucharest.

#### PITESTI CITY HALL REINVENTS ITSELF

Pitesti is just one of many cities, towns and communes that have drawn on American assistance to improve their local governments. Between 1995 and 2006, five teams of American consultants worked with Pitesti and many other local authorities. Tudor Pendiuc, the Mayor of Pitesti, a large industrial city in southern Romania, attended the first of many workshops organized by one of the teams. He immediately grasped the value of the workshops. He very quickly arranged for many municipal employees to receive training. Today, Pitesti stands as a prime example of how local government can reform itself and operate both efficiently and transparently.

These new approaches adopted by Pitesti made it a useful laboratory for drafting national laws related to local government. The municipal leaders in Pitesti helped to shape Law 198/1998 on local public finance and Law 215/2001 on local public administration.

To have the understanding needed to engage in the drafting of such laws, the Pitesti team joined study tours to the U.S. and met many times with American advisors who came to Romania. The pragmatism, flexibility and professionalism of Americans in local government impressed Mayor Pendiuc. He also liked the practice of brainstorming an idea as a first step in developing a plan.

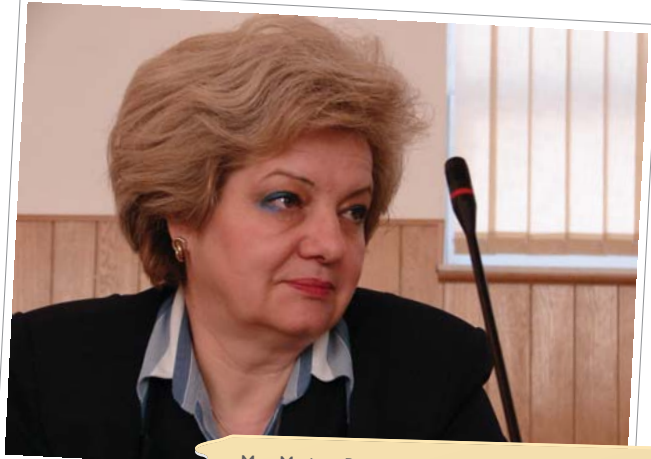


Tudor Pendiuc, the Mayor of Pitesti:  
“Had it not been for the assistance provided by the U.S., our local government could not have achieved so much, nor could Romania have decentralized its public administration”.

More than a third of Pitesti city hall staff was trained. Subsequently, they instituted a process for passing that training on to others. Program budgeting, revenue management, financial analysis, investment prioritizing and public accountability were all included in the workshops. As a result, staff say, the budget process, involving all departments has improved, as has local revenue collection. A higher portion of the budget is now allocated to capital expenses. They have also mastered negotiation skills for dealing with banks when seeking loans for public infrastructure.



People asking for clarifications at the Citizen Information Center in Pitesti



Mrs. Mariana Boncea, Economic Director at the City Hall in Pitesti, lamenting that "The only bad thing about American assistance is that it is coming to an end!"

In an effort to increase public participation in municipal affairs, the city used American assistance to learn how to hold public hearings, conduct public debates, organize consultative citizen committees, and maintain transparency in all public affairs.

Among the results, a Citizen Information Center opened in 1998, and was a direct telephone line for citizens to call City Hall and make complaints or ask for assistance. Periodic citizen meetings are held in neighborhoods and not just in City Hall.

With improved government has come economic development. Through public-private partnerships, strategic planning and urban marketing, Pitesti modernized

its downtown and made improvements such as underground pedestrian passageways and new commercial facilities. City Hall has organized commercial exhibitions with the county Chamber of Commerce and both play a big part in the annual tulip festival. More importantly, Pitesti officials say they learned from their American advisors that their city is a "living organism" which must be regularly tended and improved. City Hall understands that a prosperous and healthy community is founded on an open partnership between the citizens and their NGOs, the private businesses and their associations, and the local government.

### GOVERNMENT GOES LOCAL IN GIURGIU

While conducting in-depth analyses in 2003, American consultants found that few of the local governments they worked with engaged in capital improvement planning. In an immediate response, they devised a program of assisting cities on financial management and budgeting techniques.

Giurgiu, on the River Danube, was one of the first municipalities to have a capital improvement plan and development strategy extending 15 years. The program began by training Giurgiu staff who were directly involved in projecting investments in all local departments. They then made investment proposals for 2004, prioritized these proposals based on community needs, and scheduled investment activities for each year through 2008.

Vice Mayor Constantin Toma said that the American consultants "helped train those who are directly involved in drafting investment proposals, pushing and encouraging them to perform a difficult activity... the Americans were not only highly trained and knowledgeable, but also persistent and dedicated. Most importantly, they taught us to be competitive and transparent in everything we do."



E-government at the Giurgiu City Hall

## SUPPORTING E-GOVERNMENT

Local governments made sizable investments of their own resources to demonstrate how telecommunications could be used innovatively to improve basic services. These projects connecting local governments, hospitals, libraries and businesses via the internet support economic development in some of Romania's less affluent, smaller cities. The telecenters in remote villages, which support private business development (see page 11), also facilitate the provision of better basic services by local governments.

### E-GOVERNMENT MILESTONES IN ROMANIA

- 2003 - Social Services Assistance Internet System for Sibiu County.
- 2003 - Document Management and Tax Automation Systems for Giurgiu Council.
- 2004 - Info-social Network for Slatina Council and Olt County Unemployment Agency.
- 2004 - Economic Development through eLearning facilities for Calafat Local Council and local businesses
- 2004 - National Catalogue & Digital Library for Braila, Salaj County, and National Library of Romania.
- 2004: Integrated Informatics System for Targoviste County Hospital.
- 2004 - Environmental Integrated Informatics System for Valcea Environment Protection Agency.



The archive of the Unemployment Agency in Olt County before...



...and after implementation of the Info-Social Network

An E-government project, for example, linked all departments in the Giurgiu City Hall via the internet. Citizens now have access to information from city offices every hour of every day. Tax payments can be made on line, eliminating wasted time and resources. Public laws and documents can be read and printed. The City Hall has developed a website providing free access to services for local businesses and citizens. The needs of businesses can be addressed quickly and effectively. The opportunity for corruption is reduced as the process of dealing with public officials becomes more open.

In 2004, the Calafat Local Council started the implementation of E-learning systems for civil servants, business owners, teachers, and ordinary citizens. The system has computer-based training modules related to key economic and administrative topics. The result is increased ability of local institutions to design and implement strategic plans and business development programs, therefore creating a stimulating environment for local economic development.

A project that links the National Library of Romania with libraries in two rural areas has been replicated by libraries in 12 other small communities. Young people value having access to books and documents from the National Library. The link to bibliographical information now enables library managers and citizens throughout the country to access information in minutes rather than hours or days.

A hospital in Targoviste had computerized records that could be accessed only inside the hospital using the hospital's computer system. Now all that information is available on a secured internet-based system for doctors and other health care providers. Doctors at first had difficulty seeing the value of the system. However, once they began to use it to access up-to-the-minute information about their patients, they became enthusiastic supporters. Patient admissions, radiology reports, pharmaceutical records, pathological anatomy, blood test results, as well as administration, communication, financial and human resources modules are all now available to doctors regardless of their location. The doctors there say that the quality of health care has risen as a result.

Moreover, the E-health initiative in Targoviste expanded to allow the exchange of medical data with doctors of the Cantacuzino Hospital, a specialty center in Bucharest.

One of the most wide-ranging uses of telecommunications has been in Sibiu County where all 62 town halls in the county were linked to the Sibiu County Council to exchange information on social services. The needs of residents in all areas of the county can be analyzed and the services offered to them improved. As importantly, abusers of social services can be identified and penalized.

The telecenters described in the previous chapter that were developed with American assistance, have also had an impact on the delivery of services by the local governments as the following two examples show.

**TELECENTER SAVES INFANT'S LIFE**

The telecenter in the rural village of Iana near Braila, saved the life of Silvia Ciobanu, who was born prematurely during a blizzard. She weighed less than four pounds, and her mother was unable to feed her. The heavy snow storm had closed all the roads and the family could not get to a health center or hospital. However, the telecenter gave them an option.

"We called the hospital and asked them how we could help," reports Constantin Codreanu, the mayor of Iana. "The parents wanted to feed the baby cow's milk, but that

can be dangerous for a newborn. When we spoke with the hospital over the phone, they explained the proper recipe and the proper procedure so she could be fed safely."

Thanks to the communications link provided by the telecenter, a critical situation for a new life was solved and little Silvia can grow up in a community that is no longer isolated from the rest of the world.



BEFORE: The mayor in Frecatei using the old and only telephone in the commune



AFTER: Residents using the new telecenter in Frecatei

**MAKING PUBLIC ADMINISTRATION MORE OPEN AND TRANSPARENT**

Law No. 52 of 2003, regarding the transparency of public administration decisions requires that citizens be informed of pending laws and regulations. It provides mechanisms for meaningful citizen participation in the decisions. This law together with the Law on Access to Public Information provide the basic tools that civil society and citizens need to make their governments, both national and local, more open and transparent.

A team, with American consultants, began to work on the Transparency Law in 2000. It held several meetings with the Inter-ministerial Group for the Support of the Private Sector, the Ministries of Public Information, Small



and Medium Enterprises and Cooperatives, Foreign Affairs, Prognosis and Development, Tourism, and Public Administration, think tanks, media, political parties, NGOs and international donors. It was a sweeping process that tried hard to be all-inclusive.

The law facilitated Romania's entry into NATO and the EU. One of its practical benefits is the availability of information on-line, including drafts of new laws, voting records of members of parliament, government regulations, and background information on many issues. Even the office telephone numbers of all elected officials are listed so people can contact them to voice their opinions or ask for information.

These laws have also had a significant impact on local government, as the following example shows.

#### LISTENING TO CITIZEN'S OPINIONS

After the passage of the Transparency Law in 2003, local governments were required to hold public budget hearings. This was new to the government and citizens.

With American support, many local governments developed effective ways to involve citizens in the budget process. In Varsag, 117 citizens participated and witnessed the inclusion of some of their priorities in the final budget. The citizens' suggestions so impressed the mayor that he replicated the process in the meetings of the Association of Eleven Communities, representing the villages surrounding Varsag. The open budget process continues to this day.



Public hearing in Varsag on local budget

#### SUPPORTING ASSOCIATIONS OF LOCAL GOVERNMENT PROFESSIONALS

As municipal officers learned new techniques and embraced new approaches to local administration, they sought out counterparts in other local governments around the country to share experiences. National professional associations of municipal employees have sprung up, with American assistance, in areas such as municipal finance, citizen information centers, municipal planning and information technology

In 2001, with U.S. support, the Federation of Local Authorities was created to serve as an umbrella association, allowing the smaller municipalities to speak with one voice when advocating for greater local government resources and autonomy. In January 2002, the Federation used its clout to have amendments included in the Law on Local Taxes and Fees.

The decentralized philosophy of local government has been embraced by Romania. As the concept is put into practice, the dialogue between civil servants and citizens is growing. This has been a major accomplishment that helped position Romania for its accession to the EU.



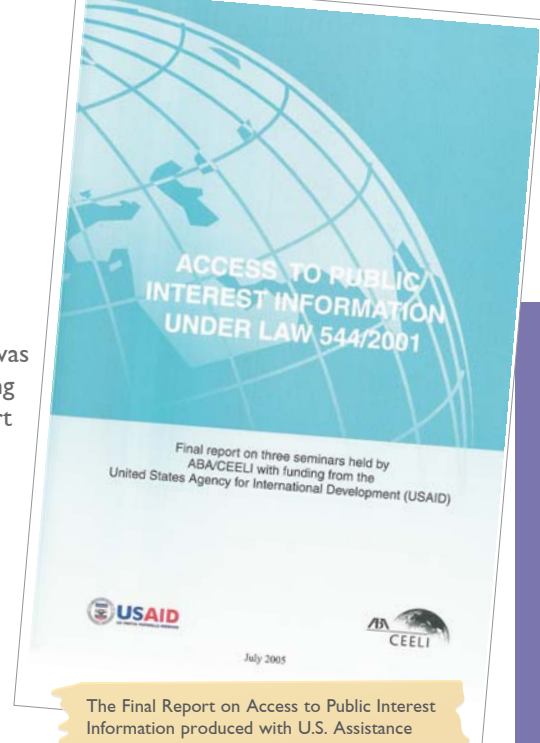
#### SUPPORTING THE RULE OF LAW

With Romania's emergence from totalitarianism, the legal system had to be transformed. The transparent and fair application of justice and interpretation of laws were required. Reform of the judiciary and court systems was imperative. The police force, which had served the dictatorship as an instrument of terror, needed to become an instrument of protection. Rapidly growing private businesses needed new commercial laws and commercial courts to enforce them.

### MODERNIZING THE JUDICIARY

In the mid 1990s, Romanians decided that the development of a new judiciary was a high priority. Romanians, with help from several international donors including the U.S., established the National Institute of Magistrates and a School for Court Clerks. They developed training manuals for the new judges, and provided already sitting judges with the information they needed to adjudicate fairly in accordance with the new constitution and laws.

In 2001, a team of Romanian and international specialists, including Americans, produced a code of ethics and subsequently organized a series of seminars with judges. Based on recommendations from the seminars the code of ethics was revised and was adopted in 2005. A similar process led to the adoption of the Code of Ethics for Clerks in the same year.



### BRINGING A NEW ATTITUDE TO THE COURTS

Raluca Morosanu became a magistrate when she was only 24 years old. It was 1999 and Romania was struggling to establish a judiciary that was free of the taint of the communist era. The best way to do this was to attract young people to serve as judges. The problem was that they did not have lengthy legal careers or life experiences from which to draw when rendering verdicts.

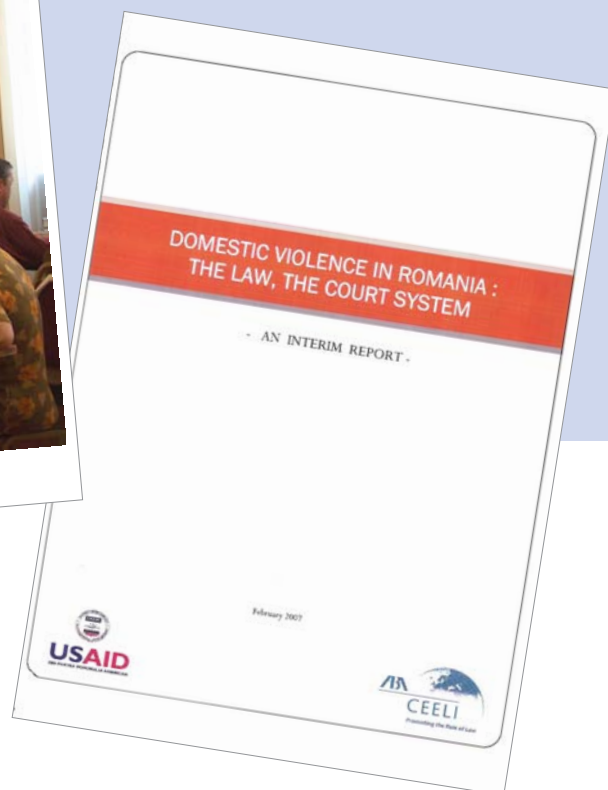
"We saw the whole court system," she said, emphasizing the word "whole." "We went to the U.S. Supreme Court, the Arlington County jail, the districts courts, local family courts."

She believes that the large number of young judges who traveled to the United States have made a steady change in the system in the six years since their journey. They are more open and less cynical than some of their senior colleagues. While she acknowledges that corruption still exists with politicians attempting to meddle in judicial affairs, she says that it is becoming less and less frequent.

Mrs. Morosanu is also in a working group of judges, prosecutors, and NGO workers, supported by the U.S., that is seeking ways of creating stronger laws to protect victims of domestic violence. She is a member of the legal team that conducts seminars for other judges from all around Romania on how to enforce the Domestic Violence Prevention Law of 2003.



Mrs. Morosanu and 75 other jurists participated in a study tour to the U.S., sponsored by the American Embassy



## REFORMING COURT PROCEDURES

Restoring public confidence in the court system has been essential to Romania's transition. One practice that has helped to restore confidence and to promote transparency of the legal system is the random assignment of cases to judges.

Previously, court cases were assigned by the court president to one judge or another. Plaintiffs and defendants lobbied the court president to have their cases assigned to judges whom they felt would rule in their favor. The assignments were made long before the cases came to court. This allowed both plaintiffs and defendants to attempt to influence and bribe judges.

A group of American advisors worked with Bucharest's First Instance Court in Sector 3, which hears about 25,000 cases a year, to develop a random case assignment system. Borrowing an idea that had been tried successfully in Timisoara, the Court developed a system whereby judges were selected on an alphabetical basis and neither plaintiffs nor defendants would know which judge would hear their case until the day of the trial.

Initially, the lawyers were totally against this new plan. It completely upset their way of doing things. The judges, too, were uneasy at first. However, in a short time they began to see the benefits. When the American team provided computers and software, manual posting of assignments stopped and the system became even more efficient and transparent.

The system worked so well it was introduced into the First Instance Court in Sector 4 shortly after the Sector 3 success. Now random assignment has become national, for the common benefit of judges and citizens. It is part of the overall reform of the courts in which many administrative tasks are now done by administrators rather than judges.

## DEVELOPING DISPUTE MEDIATION TO REDUCE COURT CONGESTION

Romania courts are over-burdened with cases because the courts provide the only way to settle almost all disputes. Many of the disputes are relatively minor and could be more quickly and cheaply resolved through mediation. To take some of the pressure off the courts, a group of attorneys were trained as mediators. There are now more than 400 attorney mediators throughout the country. Eight regional centers now provide training in non-judicial mediation as a way of solving legal issues.

The first center was established with U.S. assistance, in Craiova in 2003. Since then, the center has mediated over 600 conflicts ranging from civil disputes between neighbors, divorce and child custody, to commercial, labor or even minor criminal matters.

Participants in the mediation procedure expressed their satisfaction with its efficiency and expedience. "Matters that we could not have settled alone were discussed and solved



Training the mediators at the center in Craiova



with the help of the mediator. She listened to us and helped us find ways to unravel our disputes, while she remained unbiased. We were very content with the result."

Following the success of the center in Craiova, 17 other towns opened centers. In 2006, the center formed the Union of Romanian Mediation Centers to advocate for this new profession.

### **SUPPORTING LAW ENFORCEMENT AGENCIES**

In its journey to becoming an open society, the police have had to confront new types of crimes, particularly in areas like narcotics, human trafficking and cyber crime. To do so effectively, they have taken advantage of assistance offered by several European and U.S. agencies. They have restructured the police forces reducing central control and enhancing local management.

Using U.S. assistance, the police sent some 280 managers to training in police academies and local police departments in the U.S., and the International Law Enforcement Academy in Budapest. Not only did the Romanian police learn new skills, they developed personal relationships with their American counterparts that have already proven useful in dealing with international organized crime.

The Southeast Europe Cooperative Initiative (SECI), the regional center for combating trans-border crime headquartered in Bucharest, has drawn on American assistance and the expertise of permanent U.S. observers to facilitate its work in areas such as vehicle and drug smuggling, trafficking in persons and financial and cyber-crimes.

### **FIGHTING CORRUPTION**

Corruption was deeply rooted in the communist system, and it continues to plague Romania. To find ways to deal with this problem, the National Anticorruption Directorate was set up in September 2002, as an independent prosecutor's office to fight high level corruption.

The anticorruption prosecutors were given a broad range of tools to carry out their work. The U.S. provided the Directorate with sophisticated equipment allowing its staff to conduct effective, undercover investigations.

Anca Jurma, Chief Prosecutor in the National Anticorruption Directorate, explained that the institution benefited from American support from its very early days. Mrs. Jurma believes that 45 successful operations can be credited to the equipment provided by the U.S.

The prosecutors also acquired skills to deal with criminal investigations through participating in study tours in the United States where they had the opportunity to see law enforcement agencies at work.

### **FIGHTING CYBER CRIME**

Romania has seen a rise in cyber crimes, many with international ramifications. Groups of young people are organizing themselves to use the internet to defraud people with credit cards. Phony auctions are held for expensive items: buyers bid and transfer money in good faith but never receive what they thought they had purchased. The money is long gone before they realize what has happened. Phishing is another common internet crime originating in Romania.

Officer Virgil Spiridon heads the Cyber Crimes department of the General Police Inspectorate, Romania's national



Romanian police at work

law enforcement agency. The department was created in 2003 as the awareness of cyber crime by law enforcement authorities grew. A law was passed that same year that included all the conventions of the EU on cyber crime.

Spiridon recalls that "We had ideas on how to stop this kind of crime, but we had no resources." Hence, he and the eight other policemen assigned to the department welcomed an invitation by the U.S. Embassy to receive advanced training in fighting cyber crime. Several seminars were conducted for the Romanian police by agents from U.S. federal agencies.



Training of the Fighting Cyber Crimes Department

Apart from describing ways of stemming the rising tide of cyber crime, the U.S. donated sophisticated software to insure that Romanian colleagues had the latest tools for combating these crimes. As important, says Spiridon, was a system whereby the two law enforcement agencies could work together to stop criminal activities that linked the two countries.

They did not have to wait long to test the new cooperation. In 2003, four U.S. companies experienced computer intrusions, which that were traced to Romania. The intruder had obtained sensitive documents and was demanding payments for their return. The U.S. requested the assistance of the Romanian Cyber Crimes Department, which arrested and charged a suspect in a matter of days.

Since then, the core of the Cyber Crimes Department has grown to 20 specialist officers, of whom four focus primarily on computer forensics, using software provided to them by the U.S. The specialists shared their knowledge and techniques with more than 70 police officers around Romania who can now identify and investigate local cyber crimes before referring them to the unit in Bucharest.

## **REDUCING TRAFFICKING OF PERSONS**

The sexual and economic exploitation of young people was an unexpected and alarming problem that arose in Eastern Europe following the recent wars in the Balkans.

Typically, a person involved in the trafficking business offers a naïve and impoverished girl from a rural village or depressed urban area a "job" in another country. The trafficker provides free transport and some benefits for the girl. Some of the girls may be runaways from institutions or homes in which they faced intolerable abuse. They have few skills or means of support. They range in age from as young as 13 to about 25. They have become the unwitting and easy prey of international traffickers, who frequently force them into prostitution.

Confronted with rapidly increasing trafficking of persons, the Romanian authorities sought American assistance to combat the problem. In 2001, a Romanian-American team started to draft a law on human trafficking. It helped change attitudes within the justice system. Benefiting from study tours to the U.S., the National Agency against Trafficking in Persons introduced victim witness coordinators, who work with police and prosecutors to provide the information and services necessary to sustain the cooperation of trafficking victims.

Once a victim is identified, a coordinator makes sure that the victim has access to support services and maintains contact with the victim. The coordinator provides information about the legal procedures to be expected as the criminal case progresses.

Several courts in Romania now have video testimony facilities, installed with American assistance. These facilities play an important role in trafficking cases. They allow the victim to give testimony in court without coming face-to-face with the perpetrator of the alleged crime. The witness and the defendant sit in different rooms. Additionally, with the assistance of the SECI Center, the facility has enabled an increasing number of Romanian victims to give testimony to courts in other countries, sparing the victims the trauma of returning to the country where they were abused.

### REACHING OUT TO THE VICTIMS OF TRAFFICKING

Reaching Out is a unique NGO. It provides safe housing, counseling, life skills and vocational training, and reintegration assistance to young women who have been forced into prostitution in other countries. The program assists victims of trafficking to overcome their trauma and slowly rebuild their self-esteem and confidence and reintegrate into society.

The women and girls who stay at the Reaching Out shelter are assisted in finding jobs and planning their futures. When the time comes for them to leave, the staff help them find a place to stay, and provide support for a time while they transition back into society.

As they move towards self-sufficiency, the girls are encouraged to serve as mentors to others who seek shelter. Two of the current social assistants are former victims, who, after graduating from the shelter, returned as staff to contribute their own experience to help the other girls. Some of the women have moved on to marry, have children, and leave their terrible experiences behind.



Girls at Reaching Out making coasters for a European Campaign advocating the opening of an international hot line to report victims of human trafficking



## FROM STATE CARE TO FAMILY CARE

### PARTNERSHIPS FOR CHILDREN'S WELFARE AND WOMEN'S HEALTH

Social problems theoretically did not exist under the communist regime. Consequently, Romania had no comprehensive programs for dealing with them. Problems such as abandoned children and domestic violence and challenges faced by physically and mentally disabled people and those with AIDS were either denied, ignored, or addressed minimally.

Over the past 15 years, however, Romanians have addressed these problems, with help from many countries. They used American assistance to make profound differences in five areas:

- developing a comprehensive child welfare system and closing the large, state-run orphanages,
- improving women's health and family planning services,
- changing public attitudes towards those with disabilities, or with AIDS,
- reducing discrimination against those with HIV/AIDS, and
- confronting domestic violence.

This chapter presents examples selected from the many partnerships formed to address these problems.

#### CLOSING THE ORPHANAGES - RETURNING CHILDREN TO THEIR COMMUNITIES

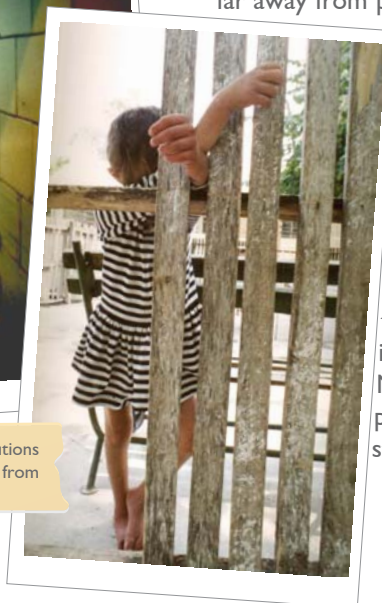
One of the most appalling legacies left by the communist regime was the tens of thousands of children living in terrible conditions in hundreds of state-run orphanages. The pro-natalist policies of the government and the outlawing of family planning methods led to an increase in the number of unwanted births, particularly in poor families. They could not afford to raise a large family and turned some of their infants over to state care. Meanwhile, misdirected economic measures in the late 1970's and 1980's created food scarcity, energy shortages, and rampant poverty nationwide, which contributed to the institutionalization of more than 170,000 children.



The communist leadership tried to pretend that the problems of abandoned children did not exist. Orphanages were often located far away from population centers and inquiring eyes. Disabled children were further segregated, placed in isolated rural institutions with little public scrutiny or decent medical care. By 1989, there were more than 700 institutions across the country warehousing children—from infants to young adults of 18.



By 1989, there were more than 700 institutions across the country warehousing children - from infants to young adults of 18.



In 1990, the people of the world learned about the conditions inside these orphanages through their television sets. Almost immediately, multilateral donors, churches and NGOs from many countries, including the U.S., provided funds and volunteers to avert the near starvation, disease, emotional trauma, and even

death that confronted children literally crammed into these dilapidated facilities.

The early American response focused on emergency medical aid and child survival programs including the provision of food, clothing and repair of orphanage facilities, which were in a terrible state of decay. Many of the initiatives by donors, public and private, could not be sustained after the conclusion of the assistance. In many cases before 1995, as soon as the foreign assistance ended, the situation returned to the way it had been before. By 1996, the statistics showed that even though the number of children in orphanages had dropped slightly in the early 1990s, it was rising again.

The U.S. played a major role in improving the condition of Romania's abandoned children. In close cooperation with the Romanian Government and NGOs, American advisors sought to establish a new child welfare system and to dismantle the warehouse system of orphanages. As the pre-1990, childcare system revolved around keeping orphanage beds filled, the legislative and policy framework had to shift 180 degrees to create a new system of community and family-based child welfare services.

In 1997, the government created an agency that has become the National Agency for the Protection of Children's Rights, the child welfare coordinator. Many agency staff and local leaders participated in training in Romania and study tours in the U.S. All returned with a much-broader perspective and renewed enthusiasm to make improvements. Some of the NGOs, which had been fighting old prejudices, recall being stunned by the dramatic change in the attitudes of the agency staff and their openness to the alternative services for the orphanage children.

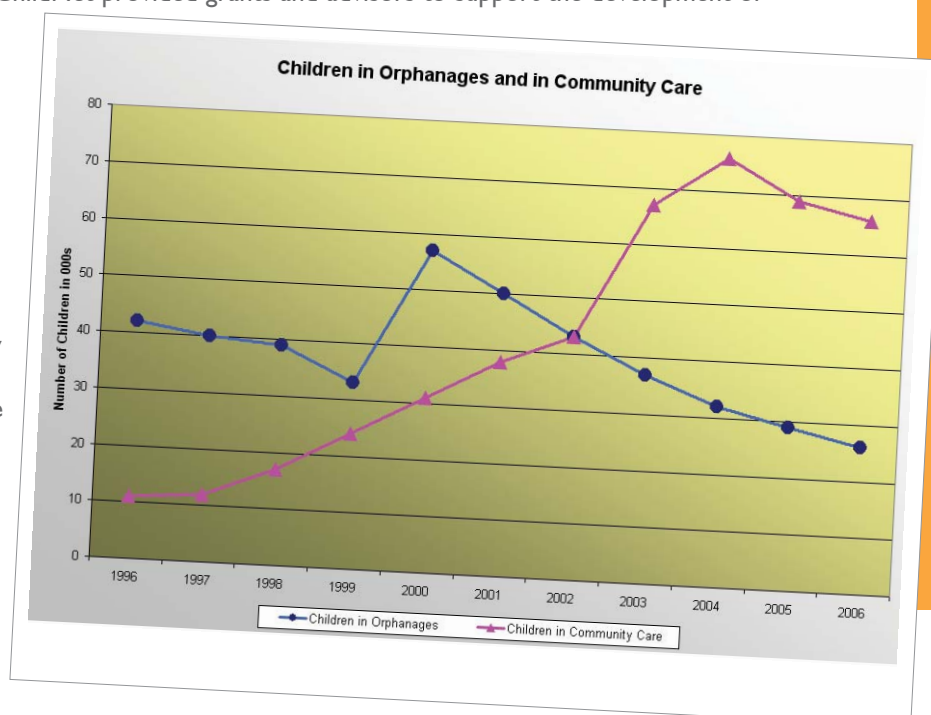


Children in day care center in Vrancea county

The system shifted from a chaotic one controlled centrally by six ministries to a local system in which the counties coordinate the services. Child protection departments were established in all counties. Important changes were instituted in the legal and regulatory framework governing the protection of children's rights. The principal goals were to reduce the high number of children in the orphanages, and decrease the number of orphanages in favor of family and community settings. In 2001, a formal Romanian-American partnership, called ChildNet, was created to continue child welfare reforms and develop community care alternatives.

Key progress was made when it was decided to change from a system run exclusively by the state to one involving hundreds of NGOs in childcare. ChildNet provided grants and advisors to support the development of most of the active NGOs.

National statistics indicate the number of children in orphanages has dropped from 170,000 in 1990 to about 26,000 in 2007, while those in community care rose from zero 65,000 in the same period. With the number of children in institutions down dramatically and conditions for many who remain in institutions improved, Romania is progressing towards the vision of a country where the well-being of children and family support to prevent abandonment are at the center of social policy.





## RECREATING THE SOCIAL WORK PROFESSION

High quality welfare services require, first and foremost, professional social workers, who can develop appropriate and effective programs, run governmental agencies, and guide NGOs and community groups providing welfare services. Romania established professional schools of social work during the 1930s. However, in 1969, the communists closed the training programs and abolished social work as a profession. The absence of social workers had a negative impact on the abandonment of children, the way children were treated in orphanages and the kinds of alternative care available for children in need.

In 1991, three universities, with help from American and European graduate schools offered social work programs to Romanians. Soon a full university degree program was introduced. The University of Bucharest has a master's degree in social work, with a special focus on management and policy, and a doctorate in sociology for social workers. Currently, ten state and private programs graduate more than 900 social workers every year.

Social workers, with U.S. assistance, created the Romanian Federation of Social Workers in 2002. Its statutes include a code of ethics for social workers. Now social workers are playing an increasingly important role providing welfare services for all Romanians.



Community board volunteers rehabilitate day care center

## BUILDING COMMUNITY WELFARE SERVICES FOR CHILDREN

More than 400 community-based services have been established all over the country to provide assistance to abandoned children or children at risk of separation from their families. The diversity of such services is impressive and demonstrates that community social services are better for the children and are less expensive than the former welfare system.

Nearly 1000 communities have formed community boards to support social services for children and families since 2002.

NGOs organized some of the boards; the Romanian Orthodox Church organized others. The boards have gathered firms,

factories, stores, doctors, professors, police officers, public employees and all kinds of local resources to intervene to prevent the separation of children from their families. Thousands of families have been helped in this way.

During their first two years, the community boards in Tulcea and Valcea counties intervened to prevent 532 children being sent to orphanages. All these children remained with their families. The boards have also helped return nearly 100 children from orphanages to their families. The community boards have become a model for organizing the community to support social assistance for children and their families.

Working alongside the community boards are new NGOs that, with American assistance, have developed community services to prevent child abandonment. The NGOs facilitate the change of large orphanages to smaller, more family-oriented units within the orphanages as an intermediate step in closing the orphanages. They also counsel pregnant women and refer them to family planning services after their delivery to reduce child abandonment. NGOs have also developed day care centers, maternal shelters, foster homes, parent support groups, and health education programs. Their life skills training for 16 to 18-year-olds about to graduate from the orphanages now enables the young adults become useful members of the community more easily and helps to prevent them becoming homeless and victims of trafficking and drug abuse.

### A NEW LIFE FOR A YOUNG FAMILY

In Dealu Mare, a small village in Botosani County, a 15-year-old mother looked at her situation and saw no way out. In 2003, Elena, who was still in Grade 10 at school, had just given birth to a little girl. The 23-year-old father lived in another part of the country, and refused to help. Elena's family rejected the young mother and baby and they lived in a house about to collapse. In her desperation, Elena asked the local authorities to take care of her child. Within three weeks of the birth, her baby was put in state care and Elena moved back to her parents and returned to school.

In October 2004, a local NGO received a grant from ChildNet for services to prevent the abandonment of newborns and infants. The local child protection authority told the NGO about Elena's case. Immediately, the NGO's staff sought out Elena. Although Elena is from a dysfunctional family, she showed tenderness, a longing for her newborn, and a desire to live differently. She accepted counseling and help from the NGO.



Elena and her family

This glimmer of hope grew as the father returned unexpectedly to be with his family. With help from the NGO, the young family constructed a separate room in the house of Elena's parents. After the Directorate of Child Protection of Children saw the room, it ruled that the baby girl could be reunited with her parents. Now the family is living without financial aid and Elena and her husband are working as farm laborers.

### KEEPING CHILDREN WITH THEIR FAMILIES

In the village of Punghina in Mehedinti County, many children are malnourished. Young mothers have little experience caring for their children. An NGO, supported by a ChildNet grant, created a day-care center that trains 24 mothers at a time in basic child care skills. The center also provides day care services, so the mothers can work.

According to the program coordinator, "the partnership that we formed with the Orthodox Church and local government is an effective way to reunite children with their families. Our network of social workers and community support groups provide abandoned children and families at risk of abandoning their children with important alternatives to orphanages."

As a result, the percentage of abandoned children placed in institutions dropped 90% in only two years.



### TEENS IN TRANSITION, IASI

When adolescents who have lived all their lives in institutions become adults, they are on their own. Very little attention has been given to helping them make the transition to life as an independent adult. Consequently, many of them get involved in doubtful activities that lead to brushes with the law.

An NGO in Iasi, with American funding and in partnership with the local child protection authority, developed a network of families that host the young adults. The hosts teach them the basic skills they need to live in the community. Angela Chiran, who hosts two 18-year old girls, speaks about their progress. "They came not knowing how to turn on an oven. In just a few months they have

learned to cook, prepare their own lunch box for work, and wash and iron their clothes." The NGO helped Ms. Chiran find jobs for the girls.

After the teens start earning a salary, they contribute to the cost of their food and lodging. Gradually, they become self-supporting, while learning how to budget and face the transition to life as an adult.

Marilena, a young woman who is participating in the program explains that she learned tailoring, found a job and pays her way in the house. She does her own cleaning, cooking and shopping and other things that young people her age like to do.

### SELECTED RESULTS OF THE ROMANIAN-AMERICAN PARTNERSHIP FOR CHILD WELFARE

- Children in orphanages decreased from 170,000 in 1990 to 26,000 in 2007
- Orphanages caring for more than 100 children decreased from over 700 in 1990 to 27 in 2007
- More than 65,000 children receive services in their families, or are in foster families
- 10,000 child welfare staff trained and supporting community services
- Community services provided for over 25,000 children and their families in 38 counties and Bucharest.
- Over 1,000 communities established Social Welfare Community Boards
- Twenty quality standards for the delivery of child welfare services have been legislated
- NGOs support the families of over 600 HIV-positive children, many of whom have re-entered public schools

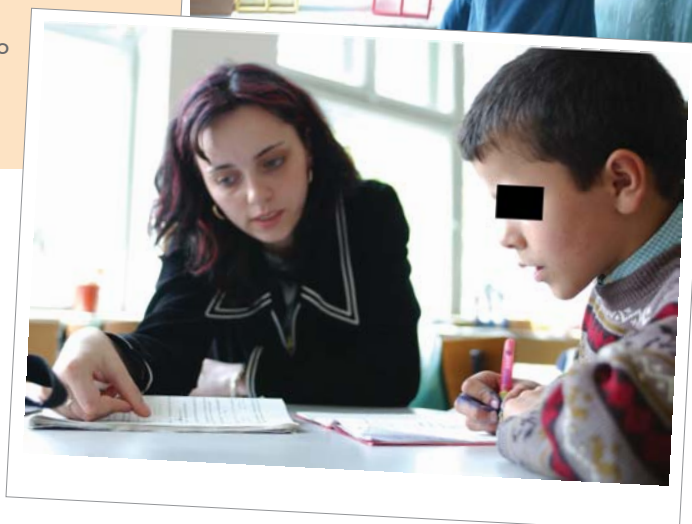
Among the social groups at risk helped by the NGOs are the Roma, who face some of the most severe social problems. Chief among these is the little formal education that most Roma children receive. By some estimates, as many as 90 percent of Roma children drop out of school before they complete the fifth grade. Without an education, Roma children are disadvantaged as adults in finding jobs. This reinforces the cycle of poverty in which most Roma live.

With support offered by the U.S., several Romanian organizations are working to keep Roma kids in school. Prejudice remains high, as does Roma wariness. But the first steps are being taken.

#### FROM A PARK BENCH TO A CLASSROOM

Claudiu, a 13-year old Roma boy, who used to live with his family in public parks, bus stops and improvised shelters, remembers his early days in school. "I was doing well and I should have gotten a prize. I wanted to be the first in my class. My wish did not come true. I could not go to school anymore because we didn't have any money and we were kicked out of the room where we were all living."

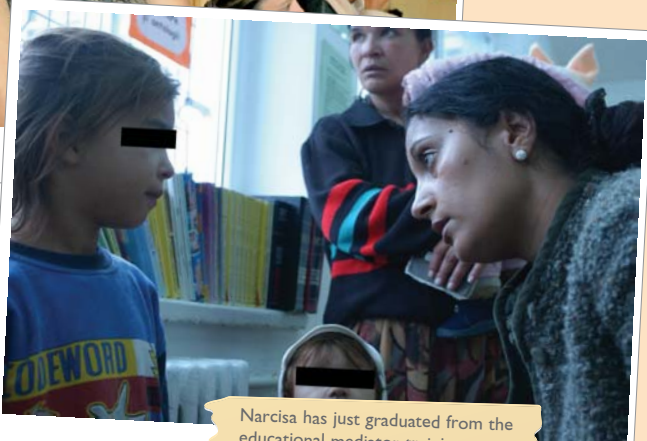
A social worker found out about Claudiu from a park gatekeeper. The social worker helped the family find new housing. Now Claudiu is in the fifth grade. He is very happy to be back in school. "I have friends to talk with. I want to be a good student and learn how to build cars."



### FROM POVERTY TO EMPOWERMENT

Narcisa Cumpăna, the oldest of eight kids in a Roma family, was compelled to marry when she was 16. She had children when she was still an adolescent. "Sometimes I begged, sometimes I collected metal," Narcisa remembers. "With the money I got, I bought my girls bread and milk." With only an eighth grade education, she had few options.

When she was 23, she joined an Ovidiu Rom (American supported NGO) program that helps Roma women learn basic job skills.



Narcisa has just graduated from the educational mediator training

For Narcisa, the training led to a job as a teacher's aide. "When I first saw the class of little children, I wanted to cry. I felt something was broken in my heart. I had seen these kids begging on the street, and now they were in school." When she saw what the youngsters were doing, Narcisa decided she could do the same. She enrolled in a high school class for adults that met on weekends, and which, like her training program received American support. She not only did well in class, she also learned English and got a job as health aide at a hospital in her home city of Bacău.

As her education continued, her stature in her community

rose - for some. Others, who believed that Roma women should focus only on their own family made sure that Narcisa knew their disdain. She persisted and secured a job as a community health mediator providing a liaison between poor families and the schools and health centers.

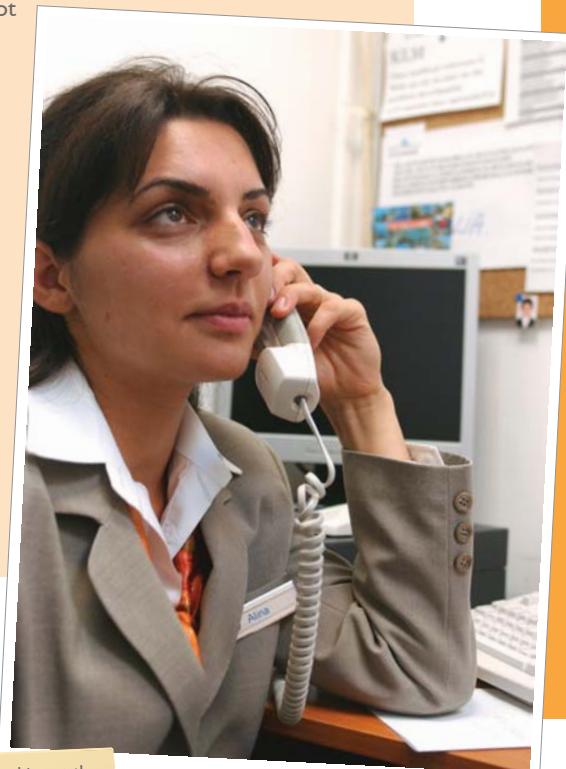
In 2007, she entered the Faculty of Pedagogy at the University of Bacău. She is the first person in her family to attend a university. With the training she is receiving, she wants to become a teacher.

"In my class in the high school, I was the only Roma. I felt like I had to do something to prove to myself and to others."

Meanwhile, in Bucharest, another woman with a similar background took advantage of the same program to climb out of poverty.

Alina Stoican was raising a six-year-old son and a 15-year-old nephew when she signed up for job training. She took courses and spent time with counselors, and managed to get a job as a maid at the Athenee Palace Hilton in Bucharest. After 10 months, she saw a job for a telephone operator advertised on a notice board in the hotel. As she was good at languages, she applied for the position, was interviewed in English, and was promoted to phone operator. A year later, after proving herself, she was promoted again to the reception desk, thereby breaking a glass ceiling that had kept Roma out of good jobs at the best hotels.

Now, each day, she proudly welcomes visitors from around the world and serves as a role model for other young Roma determined not to be limited by poverty or racism.



Alina is now working at the Hilton as a receptionist

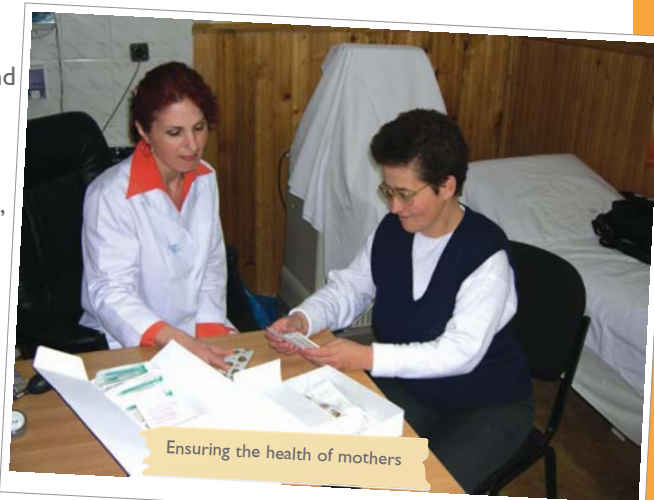
## IMPROVING HEALTH CARE SERVICES FOR WOMEN

In 1990, the official pressure on women to have babies was ended. However, contraception was not widely available; it was expensive and could only be prescribed by specialists in hospitals. Consequently, many pregnancies were unwanted and the number of abortions increased dramatically. The increase in abortions contributed to the very high maternal mortality rates of the early 1990s. Simultaneously, infants were dying at a much higher rate than in the rest of Europe. Women and infants continued to bear the burden of inaccessible and inadequate family health services.

American advisors have been facilitating the health reform since the early 1990s. They have been members of professional teams working on a wide range of topics, including patients' rights, integrated family health services, primary health care, the costs of hospital care, the professional role of nurses as health professionals and the need to end informal payments to doctors. One team of advisors contributed to the Health Reform Package of secondary legislation that mandated private health insurance and enhanced primary health care. U.S. funded projects also promoted healthy behaviors and measures to reduce the spread of HIV, tuberculosis, and other infectious diseases.

### INTRODUCING FAMILY HEALTH SERVICES

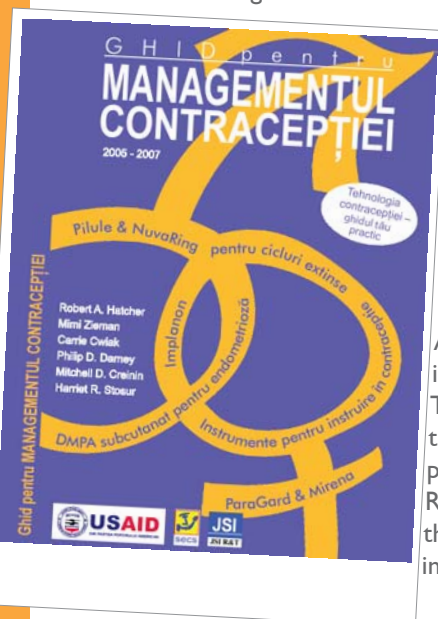
In the early 1990s, most women had no basic knowledge of or access to family planning. Hence, they continued to face the problem of having children they could not afford to raise, and turning the infants over to state-run orphanages. While looking after these children was one issue in itself, a real problem that had to be addressed was the high rate of maternal mortality resulting from unwanted pregnancies or abortions.



Ensuring the health of mothers

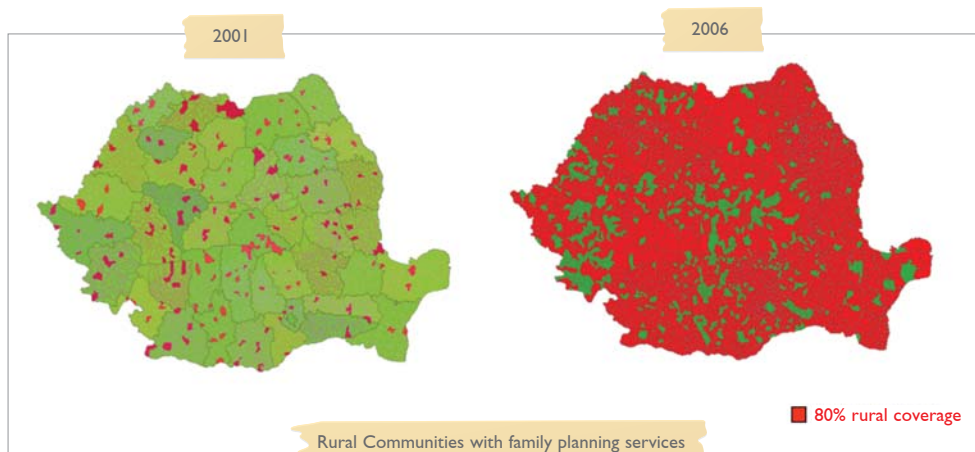


Free contraceptives available at this clinic



In 2001, the Ministry of Health and the U.S. Embassy signed a Memorandum of Understanding creating the Romanian Family Health Initiative. It was an ambitious program to implement an integrated primary health care strategy focused primarily on increasing access to and use of modern contraceptive methods. Initially, the program focused on rural areas where people have less access to media and medical assistance. Then it was expanded to include poorer urban neighborhoods in the larger cities and Roma communities in rural areas. Finally, family planning counseling was introduced into hospital maternity clinics.

A major goal has been to integrate reproductive health and family planning services into the primary health care sector as part of the regular services which they offer. The result has been that now 80 percent of rural areas in Romania have at least one trained health provider - either a doctor or a nurse - who can not only provide family planning counseling, but who can also distribute contraceptives subsidized by the Romanian government. Free contraceptives are available for those who cannot afford them. Counseling and access to the latest information allows couples to make informed choices about planning their families.



### NEW WAYS OF PLANNING FAMILIES

Thousands of general practitioners, community nurses and social workers have been trained by the Romanian Family Health Initiative on modern methods of contraception and the problems of unintended pregnancies.

One social worker who introduced patients to family planning, Ionela Baisau, reports, "At first women were skeptical. They were worried if they used contraceptives they would get fat, or that it was not safe.

Also, many women were not sure what I was talking about, because they were used just to having an abortion. Now they understand and I am very happy when they come back to see me."

A male peer educator, Benone Dobre, works with many men, telling them, "If you want a child, you should have one. But if you don't want one, you should choose not to have one, rather than to have it and not be able to take care of it."

The Romanian Family Health Initiative provided funds and training for NGOs so they could design and implement campaigns to inform disadvantaged women of new local reproductive health services. Public campaigns used brochures, leaflets, posters and counseling to provide important advice to women in hospital maternities, abortion clinics and rural health clinics.



### SOAP OPERA RECEIVES GLOBAL MEDIA AWARD

Half a million women saw the innovative telenovela series:

The Real Women. This was the first Romanian telenovela to deal with reproductive health. The Romanian Family Health Initiative created and launched the series. It addressed typical health problems in a woman's life, starting from the first menstrual cycle and continuing through menopause. Each of the six episodes was followed by a live discussion featuring special guests reviewing the key messages from the show. They helped to reinforce the show's messages by using examples from their own experience.

The telenovela received the 2006 Global Media Award for Excellence in Population Reporting. It had a huge impact on women of all ages, and it contributed to an important shift in their attitudes about their own health.



### AN ALTERNATIVE TO ABORTION

Mariana is 29 and lives in a small community in northern Romania. "After giving birth to my son who cannot walk or speak, but is mentally fit, I was not sure that I

wanted to have another child." When she found she was pregnant again, she had an abortion. It was only after the abortion in 2004 she learned that free contraceptives were available. "I was reluctant to take them," she said. "I was afraid I might become overweight."

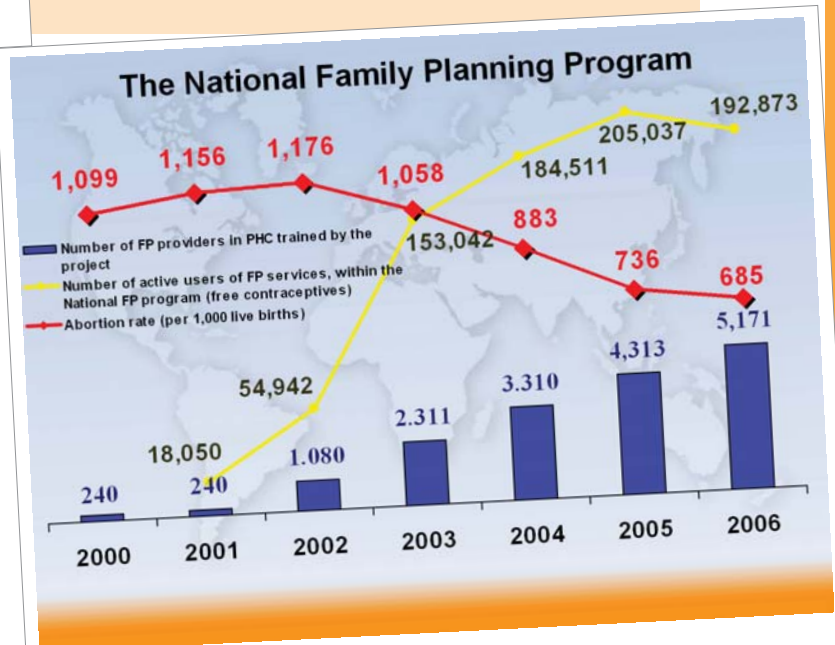
When Mariana found she was pregnant again, she and her husband decided to have the baby. "I wanted to have a healthy baby. I was worried, because we had not planned to have another child." The baby was born healthy and fulfilled Mariana's dream of hearing her own baby's cries. However, Mariana came to the decision that she did not want to risk having any more children.

She decided to try the free contraceptives from her local clinic. After considering her options, she chose to receive monthly injections. She is grateful that the contraceptives are free, noting, "I would not be able to afford them."



Offering an alternative to abortion

As more couples now use modern contraceptives to plan their families, the number of unwanted pregnancies and abortions has dropped steadily.



## DETECTING WOMEN'S HEALTH PROBLEMS EARLIER

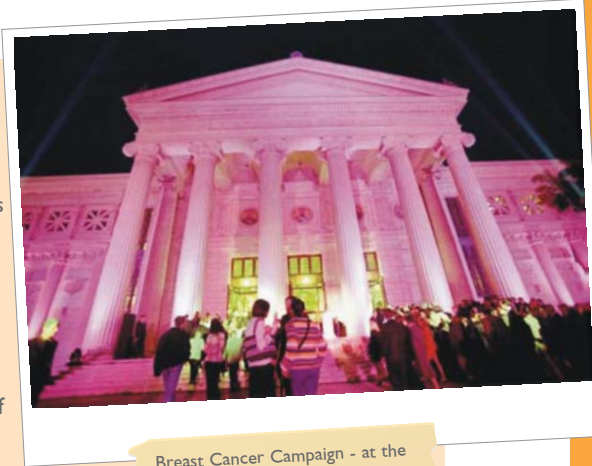
Romanian women die from cervical cancer at a higher rate than those in any other country in Europe. The American sponsored Romanian Family Health Initiative made the early detection and prevention of breast and cervical cancer a priority. Prevention is a new practice in Romania, especially for villagers who see a doctor only when they are already very ill.

### EARLY DETECTION

Marinela, age 40, lives in a remote area of Poeni near Cluj. She must walk five kilometers to the nearest village. When she heard health seminars were being held after church on Sundays she decided to attend. One seminar dealt with early detection and treatment of breast and cervical cancer. The women learned a mobile clinic would be coming to the village soon to test for cervical cancer and to teach them how to perform monthly breast self-examinations.

Marinela's tests indicated possible problems. The doctor referred her to a gynecologist, and two weeks later she had affected cervical tissues removed. A lump in her breast proved to be benign, but her family doctor continues to monitor her closely.

Marinela speaks openly about her diagnosis and treatment. She is a model for the other women in her village, who are now seeking regular examinations and early detection of any possible cancers.



Breast Cancer Campaign - at the Atheneum in Bucharest

## IMPROVING HEALTH CARE FOR THE ROMA

The Roma are the largest ethnic minority in Romania, officially estimated at 500,000 people, but other estimates indicate there may be more than two million. Although Roma families have benefited from many changes since the end of the communist era, a 2004 reproductive health survey revealed their health status is much worse than the rest of the population. Many Roma cannot get medical care because they are not part of the health insurance system since they do not have a permanent residence, any identification papers, job, and many do not know of the health services that are available. Roma women rarely use contraception or prenatal care services. More than half of all Roma women have never had a gynecological exam.

The Ministry of Public Health has recognized these problems and with U.S. assistance developed a corps of Roma Health Mediators to introduce family care in Roma communities. The health mediators are Roma women who are paid by the local authorities to act as a bridge between their community and their local health and social service departments. They frequently find themselves being asked to assist on other problems, such as helping Roma obtain identity cards needed for them to receive free health benefits. Doctors, too, have begun to recognize the value of the health mediators in encouraging Roma to take advantage of prevention measures, such as vaccinations, and their ability to identify and refer health problems to the family doctors.

Almost 200 Roma health mediators have been trained and are working in nearly every county in Romania. More than 100 Romanian doctors participated in workshops in intercultural communication and diversity.

Two Roma women describe their work as Health Mediators:

### Jenica Ganea, Health Mediator, Ialomita

Since 2002, I have acted as both a health mediator, and a trainer on reproductive health. I am proud to have trained groups of mediators in three counties. It was very difficult in the beginning because people did not want to talk about their health problems. For example, many women in our community gave birth at home, just like their mothers and grandmothers. They would not discuss going to a hospital. However, after a while, people started to open up and discuss all of their problems. Now, I have convinced several of them to have their babies in the hospital.



One day I decided to start a campaign in the nearby community of Vlasca. When I got there I noticed immediately people were very suspicious of me. I started to explain about family planning and convinced some young women to gather at the school and talk. I was very surprised to see that I was surrounded by 30 women. I discovered a new, fascinating world that needed my help. I explained to them that in Fetesti town there was a family planning unit offering free counseling and services. In later meetings, I explained to them the benefits and also disadvantages of contraceptives.

Now, unlike the early days when women would not trust me, I can proudly say that I am highly regarded and they ask for my opinion on every matter.



Roma Health Mediators at Work

#### Mariana Toma, Health Mediator, Constanta

At the beginning of my activity as health mediator, I met a Muslim Roma family with nine children. The mother and the eldest daughter were asking me how to prevent pregnancies. While I was telling them about modern contraceptives, the father entered the room and asked me to stop. All I could do was leave their house.

After a while, we held a community meeting about health issues. There I ran into the same man and I was surprised to hear that he changed his attitude. He understood that preventing unwanted pregnancy was better than having an abortion.



#### Providing Choice in the Rural Communities

Family planning services have been available since January 2000, in the rural village of Sinpaul, near Cluj, which has a large Roma population. "You can see this service reflected in the drop in the number of abortions," said Laura Hâncu, one of two general practitioners in Sinpaul.



Providing choice for the underserved

Maria, a 39 year-old Roma woman has a son and three daughters. Maria eloped when she was 14. "I didn't want to have any children at that time," she said. "I am from a poor family, and we knew it was hard to raise children." Nonetheless, "I take great pride in my children," she said. "I never went to school, because my mother died, but my children attend school."

After the birth of her last daughter four years ago, Maria started taking contraceptives from the Sinpaul health center. Maria is so committed to the benefits of family planning that she has become an advocate within her community. "Most of my friends now take contraceptives, but I was the first one," she explained with pride.

## CHANGING ATTITUDES TOWARDS THOSE LESS FORTUNATE

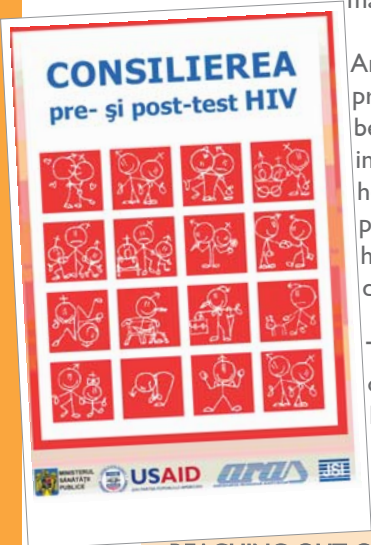
Under communism, children and adults with physical or mental disabilities had been shunted away in institutions where they were often neglected. Since then, new systems of care have been developed, and new professionals in medical and psychological care have emerged. The crisis has eased. Attitudes have begun to change, if only slowly. This has also applied to those suffering from HIV/AIDS.



**ACCEPTING THOSE WITH HIV/AIDS**

The first case of AIDS in Romania was reported in 1985. However, all information about the spread of the disease was kept secret for many years. Thousands of infants in hospitals and orphanages were infected. In the 1990s, children with HIV were severely stigmatized and shunned by people who knew little about the disease. More than 7,500 adolescents are now living with AIDS. They are becoming sexually active and a potential source of infection for the broader population. Discrimination and stigmatization further compounds their problems. Public education is the first line of defense against these problems.

The Romanian Health Initiative launched several public information campaigns on radio and television to tell people how to protect themselves and those they love, and to reduce discrimination against people with HIV/AIDS. The Romanian Association against AIDS, an NGO, in cooperation with the Ministry of Health and with American assistance, produced a manual about counseling before and after HIV tests. The manual is now used in many programs across the country.



Another partnership between the Romanian Orthodox Church and American advisors has promoted responsible social behavior among youth, by strengthening community groups to better address HIV/AIDS, domestic violence and other related issues. The Church has done important work addressing the stigma associated with HIV/AIDS. It started activities in which healthy and HIV-infected children get together, such as choirs or after-school classes. One participant noted, "We saw there were no differences between us, no danger: that all of us had the same dreams, we were all blessed with life and that some of us have this disease was due only to a sad accident."

The Church and the schools also created Youth IMPACT clubs that have been formed all over Romania to encourage volunteerism and youth-led community services. They focus on HIV/AIDS, domestic violence or other social problems to help young people make responsible decisions, resist peer pressure, and have compassion and tolerance for those less fortunate.

**REACHING OUT ON HIV**

Father Florea Aurel, a priest from Ocolna Village in Dolj County, said, "It is a Roma village, with a high rate of illiteracy. We are physically isolated reducing our exposure to information about HIV/AIDS. The community has several known cases of HIV/AIDS."

The village has an active philanthropic committee, started with American assistance, that brings together local priests and the County Center for Sexually Transmitted Disease Prevention with other volunteers to organize workshops on HIV/AIDS. The volunteers include school directors, teachers, representatives from city hall, family doctors, police officers and committee members. In November

2006, volunteers canvassed the village, distributed informational materials and began discussions with Roma families. For many of the volunteers, it was their first personal engagement with Roma neighbors.

"We wanted to inform villagers about HIV and end the stigmatization of people living with AIDS," said Father Aurel. "Many villagers were misinformed about HIV. They were afraid that HIV could be passed on by touching a person with the virus. We now know about the disease and of how to protect ourselves."



Getting out the word about HIV/AIDS - on the beach and in the villages

Some of the winning photographs of the contest



STOP before you draw a conclusion and put a definitive label on an innocent person!



Loneliness could be the heaviest burden



Diversity of personalities creates a calm and peaceful social environment

### THE WORLD SEEN THROUGH MY EYES

The National Union of Organizations of Persons affected by HIV/AIDS organized an innovative photo-contest for young people living with AIDS to help them become more involved in telling their stories. 'The World Seen through My Eyes' combined messages with photographs created by adolescents living with HIV/AIDS.

The contest attracted 166 photographs from more than 100 participants from all parts of Romania. Ten participants were given an award recognizing the excellence of their message and photograph. The event provided an excellent opportunity for the young people to develop communication skills and receive recognition for their creativity.

### CONFRONTING DOMESTIC VIOLENCE

More than a quarter of the married women, between ages 15 and 44, interviewed during the National Reproductive Health Survey in 2004, reported being abused verbally, physically or sexually by their partner during their lifetime. More than half of the married men, aged 15-49 years in the same survey, reported being abusers during their lifetime. Domestic violence is a pervasive problem in Romania that is rarely reported or discussed publicly.

In 2003, thirty Romanian NGOs, with U.S. support, formed the National Coalition for Preventing and Combating Violence against Women. The Coalition has taken the issue of domestic violence beyond trying to help specific victims. Its goal has been to reduce domestic violence by advocating legislative reform. In another project, lawyers, with technical help provided by American advisors, organized a working group to assess difficulties experienced by courts, law enforcement and defense counsels/advocates in implementing legislation aimed at curbing domestic violence. The opinions of practitioners countrywide were solicited, to make it all inclusive. As a result a new draft law on domestic violence was developed.



Silent witness campaign about domestic violence



Domestic violence through the eyes of a child



## ASSISTING PEOPLE WITH PHYSICAL AND MENTAL DISABILITIES

As citizens with physical and mental challenges have emerged after nearly half a century of being hidden from view, an increasing number of organizations and community groups are helping them.



Young people regaining their mobility

One is located in Bragadiru, a working class suburb of Bucharest. There, in the communist-built Palace of Culture, Motivation Romania has an advanced center for those using wheelchairs. In the building where wheelchairs were once banned, young people in wheelchairs whiz around, some participating in activities, some receiving physical therapy, some handling administrative chores and some managing Motivation.

One young man who lost the use of his lower body in an automobile accident comes regularly to regain his mobility through rigorous exercises overseen by a physical therapist. The young man's mother is with him, encouraging him and learning from the therapist how she can help her son at home. Two young men in wheelchairs practice rolling up and down a ramp. One is training the other. Nearby wheelchair athletes surround a table tennis table, swatting balls.



At Motivation, the participants come from all over the country and live in apartments where they acquire the skills needed to live independently. With guidance from a trainer, they cook, do the dishes, clean and do all the chores around the house. Transition from living a life totally dependant on somebody else to an independent life is often dramatic.



To break down prejudices and find ways to bring together the entire community, the Foundation encouraged children in Bragadiru, who were not disabled, to attend computer classes, take dance lessons or English classes and play Ping-Pong or pool. It soon became regular practice and families of the children who attended would

hear them say things like "a nice lady in a wheelchair who taught us how to use a computer." This has caused attitudes to change towards those who were formerly ignored.

As many physically challenged lacked even basic equipment for getting out of the house, such as wheelchairs, Motivation opened a wheelchair factory, with U.S. assistance. The workers in the factory are wheelchairs users, who design and build the equipment. They make about 60 wheelchairs a month and have distributed more than 1,500 in Romania and in neighboring Moldova.



Physically challenged people making wheelchairs at the Motivation Workshop in Bragadiru

### REHABILITATING CHILDREN WITH SPECIAL NEEDS

Bethany/Romania, an NGO in Timisoara, partnered with the local Department of Child Protection to provide classes for special needs children who live in state orphanages. With American assistance, they established a network of foster families trained to work with special needs children. During the day, the children and their foster mothers attend the daycare center where physiotherapists take them through sensory stimulation exercise. Then they return to their foster families where a real family is ready to respond to their needs and to surround them with love and protection.

A foster mother working with a three year old with mental disabilities notes the importance of the activities. "This program offers children a better future. We come here to help this little boy in a professional way. At home I try to give him the love and care he needs so much."

### ST. ANA ASSOCIATION CARES FOR THE SEVERELY DISABLED

In 1996, families of children with autism and severe mental disabilities, who are not accepted by other care facilities, founded the St Ana Association in partnership with the Bucharest Public School for Disabled Children. The ChildNet program awarded two grants to the Association to establish innovative services.

With the first grant, it organized the 'Let's Spend Week-Ends Together' program. The children and their parents went to the mountains, or to restaurants, or to parks, where they played together in a different environment. This program helped parents to overcome their reluctance to take their children out of the house and do things that other families do. The second grant was used for daycare services and classes for young adults.



When a severely retarded 16-year old boy with cerebral palsy joined the program, he was not able to interact with others. Within a few months, he was able to communicate with his fellow students and other adults. Another autistic boy could not attend school because he could not stand the presence of other children. However, after a year and a half at St. Ana, he was ready to attend a special school.

The St. Ana staff is especially proud of the progress made by a 19-year old girl. She had attended a special school, but after she turned 18, she had to graduate and had no access to professional help. At the center, she developed high self-esteem and is now its unofficial "spokesperson." The center has 32 places for children and the greatest satisfaction of the staff is when their students "graduate" and attend a public school for children with special needs, or integrate into the community.



Children at the "Saint Ana" Day Care Center under the close supervision of social workers

### SUPPORTING SPECIAL ATHLETES

In 2001, concerned Romanians organized the Special Olympics Foundation of Romania to extend the same opportunities to disabled people in Romania that were being enjoyed by Special Olympics participants around the world. In 2004, they received a grant from the U.S. government.

As important as the athletic competitions are for the participants and their parents, they also give the public the opportunity to see the many things that those dismissed as handicapped can in fact do. Changing public perceptions has been one of the most important achievements of Special Olympics.

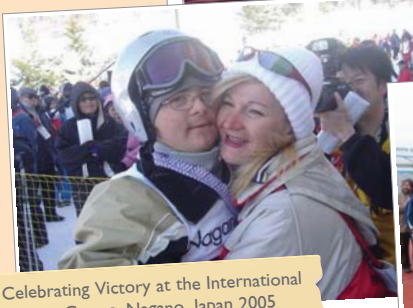
In its short time in operation, Special Olympics Romania has blossomed, organizing numerous events and becoming well known throughout the country, despite its modest size. Within the international Special Olympics movement Romania continues to lead the way in new ways of bringing disabled and non-disabled children together in different activities. In June 2007, Special Olympics Romania organized the first unified athletics competition in the region bringing nearly 100 disabled and non-disabled athletes to Bucharest for three days of friendly completion.

**THE FRIENDSHIP GAMES IN CONSTANTA 2005**

More than 500 athletes from nine countries participated in the 2005 Special Olympics Friendship Games held in Constanta. The Opening Ceremony included not only the athletes, coaches, organizers and volunteers, but also 1,000 secondary and university students providing a much-needed bridge between the disabled and non-disabled children and their families. The competitions were praised by coaches, family members and Special Olympics Europe and Eurasia as the best seen in Europe for several years. More than 600 volunteers helped to run the Games.



Flame of Hope at the Bucharest SOR National Games 2004



Celebrating Victory at the International Winter Games, Nagano, Japan 2005



Friendship Games, Constanta 2005

**SALUTING THE SPECIAL OLYMPIANS**

Before the Special Olympics came to Romania, young people with Downs Syndrome such as Serban Nicolescu and Ioana Ciobanu had few opportunities to demonstrate the many talents they have. Indeed, during the communist era, they were frequently isolated and ridiculed. Attitudes have changed slowly since then.

In 2002 Serban, who is now 25 and lives with his family in Bucharest, participated in his first Special Olympics activities. A strong teenager, he discovered that he was a good runner, particularly in the 50 meter event. A new world opened to him. As the years followed, he discovered skills at skiing and snow shoeing. He says he has won more medals than he can remember, and is now mastering bocce in advance of the 2007 Shanghai Special Olympics World Games.

However, Special Olympics means much more to Serban than just athletics or competitions. He is now an assistant project coordinator for Special Olympics Romania. He works regular hours in the Foundation's office, using a computer to handle secretarial work for the small professional staff. Serban is the only Downs Syndrome person in Romania who is known to have a full-time job.

Meanwhile, Ioana, whose athletics specialties are table tennis and basketball, has been selected as one of 12 Special Olympics Global Messengers. For two years, she

will make several trips around Europe and the world sharing her experience of what it means to be a Special Olympian. Ioana says, "I feel I have been chosen." That word clearly means a lot to her. Since being named a Global Messenger, she has appeared on television and has had a hint of life as a celebrity.

Ioana comes from Oradea. Her mother says when they heard about the Special Olympics they came to Bucharest to learn more. They were among the first to participate in Special Olympics activities in Romania. "We are so grateful for the opportunities that Special Olympics have given Ioana."



Ioana presenting medals at the "SO Get into it" games, Bucharest 2007



Serban addressing crowd at concert following "SO Duck Race"



Ioana and Serban at the Special Olympics Romania Foundation Offices

## BEING PREPARED

### PARTNERSHIPS FOR DISASTER PREPAREDNESS

#### DEALING WITH DEVASTATING FLOODS

Localized severe flooding is not uncommon in Romania. The government responds quickly and effectively to these emergencies. However, when very heavy rains and wind storms hit large areas of Romania several times in 2005 and when the River Danube burst its banks in many places in 2006, the severity and extent of the devastation were alarming and tragic: many human lives were lost, thousands of people displaced, thousands of homes were damaged, several villages were forced to relocate, several hundred thousand hectares of farmland were inundated, land slides engulfed and cut off communities, roads and hundreds of bridges were washed away. Thousands of people across Romania saw their life's work and savings wiped out in a matter of hours. The total damage estimates amounted to several billion U.S. dollars.



Massive devastation caused by the floods



The extent of the disasters in 2005 can be gauged from two U.S. Embassy reports written in April after the first floods and in August after the fifth floods that year.

1. "During April 21-24, 2005, heavy rains and floods struck seven counties in Romania. The Ministry of Environment and Water Management reported that floods damaged more than 3,700 houses in 175 communities and destroyed about 43,000 hectares of crops. Also, 339 bridges were destroyed and 340 kilometers of county roads became inaccessible. ... no potable water and electricity. Roads and railroads are also flooded ... . One person lost her life and 3,350 were evacuated from their homes."
2. "Weekend rains (August 23) brought more devastation ... . With 31 of 42 counties affected by gusting winds, flash floods and heavy rain, disruptions occurred throughout the country. ... the August floods have affected 547 communities and resulted in 1,473 evacuations to date. Of the 11,205 homes affected in the latest flooding, 342 were destroyed and 2,751 received serious structural damage. Floods have also submerged 47,000 (116,139 acres) hectares of arable land and damaged or destroyed 1,542 bridges nationwide. An additional 24 kilometers of national roadway, 344 kilometers of county roads, and 1,242 kilometers of rural roads were under water ... ."



Emergency Assistance being distributed in Dolj county

In the spring of 2006, very heavy rains and melting snows in Central Europe and Romania caused the River Danube and several other rivers to burst their banks and flood numerous villages and thousands of hectares of farm land.

The U.S. Embassy responded immediately to each of these emergencies, providing over \$5 million dollars of assistance that ranged from emergency supplies and shelter, to grants for villages to restore schools and health clinics.

**SUNSHINE AFTER THE RUSHING WATERS**

"It was after midnight when the waters hit. We were so scared. The water was coming so strong and fast," says Liliana Tinca from the Village of Golesti in Galati County. Flood waters destroyed the floor and lower part of the walls of her house. The family fled and found refuge in a railway station on higher ground.

"When the water came it took everything from us, including hope. But now I have my hope back!" says Liliana. With supplies and guidance from the local reconstruction program, which included American assistance, her family fixed and painted the walls and put down a new floor.



Kitchen restored and stove provided by U.S. program

In Olt and Dolj counties, particular attention was given to children from flood-affected areas, as some of them were displaced for over a year. Children of the village of Rast, the worst affected by the Danube River flooding, received school supplies and a kindergarten was set up for the youngest children. Several schools in the area were renovated and given new desks and other furniture.

In Cluj County, some 200 children from Iclod village now have a renovated school with a running water system and modern toilets. The Moldoveni village school was also renovated. "Now children will learn in better conditions and this will improve their education," said Mayor Nelu Popa of Moldoveni.



Activities organized for displaced children from Rast in Dolj county







Houses destroyed and damaged near Comanesti



### COMANESTI GETS IT TOGETHER

Devastating floods repeatedly hit the town of Comanesti and nearby villages in Bacau County during 2004 and 2005. Hundreds of houses were severely damaged or destroyed. Some families relocated to new houses in their neighborhoods only to be forced to move again when floods returned.

The U.S. Government was among the first to respond to the crisis, donating food, personal hygiene items, beds, mattresses, portable heaters and potable water purification tablets. The mayor used this assistance to help the flood victims living in the town's emergency shelters.

The Government of Romania, Bacau County and many other organizations, such as the Orthodox Church, the Red Cross, NGOs and businesses provided assistance to the Comanesti area. The mayor coordinated projects and facilitated their implementation. After the initial U.S. funded emergency supplies arrived to meet urgent humanitarian needs, additional assistance focused on housing. A Romanian and an American NGO managed the funds.

They worked closely with the city hall to rehabilitate more than 200 houses and build 37 new houses for poor families whose homes had been destroyed by the floods.

The value of the project was \$770,000 consisting of \$220,000 from the Government of Romania, \$42,000 from the Comanesti City Hall, \$490,000 from the U.S. government, and \$16,000 from a local business.

One of the new homeowners reported, "Immediately after our houses were swept away by the river we wanted to build new houses in our old neighborhood to be near our friends. However, the mayor said he could only provide land up on this hill above the town. Now that our house is finished we are very happy because it is in a new neighborhood that is clean and bright ... and up here, it will never be flooded again. We are so lucky."



New houses built in Comanesti under the Flood Recovery Program



Partners in Comanesti meet to turn over keys to 37 new home owners

**A GOLDEN LINING**

The floods in 2005 and 2006 came in the late spring of each year, and washed away seeds that were already planted. Farmers assumed they would have no crops and wondered how they would feed their livestock and families. Two American seed companies with branches in Romania donated short-season hybrid corn seed. The U.S. Government matched this donation, so 6,000 farmers were able to replant over 8,000 hectares.



A full corncrib means enough animal feed to last the winter



And we harvested 10 tons per hectare - much better than our old corn."

Dorina Balan, a farmer who lives in the village of Conop in Arad County said, "When the new seeds came, I had very little faith that we could harvest a crop in such a short time. I did not see any difference between them and our regular seeds. How could they be better? I was very surprised, as were my neighbors, that we were able to plant the seed two months later than normal and still harvest at the normal time.

Livius Buta, an agriculture official in Arad, summed up the reaction of farmers in his area, saying, "Virtually every farmer I have visited is extremely pleased with the crops, the quality and the yield. Most farmers produced enough corn to feed their family and farm animals for the entire year, when they had given up hope for any income at all."

The health authorities post-disaster public health campaigns were supported by American sponsored health programs. Posters, educational leaflets and water purification tablets were distributed in areas where the wells were contaminated by the floods. The Rapid Response Centers of the Romanian Water Administration in the worst affected areas were given training and equipment such as boats, inflatable booms, pumps and generators to upgrade their capacity to respond to disasters.

**GETTING READY FOR AVIAN INFLUENZA**

The Danube Delta, the largest wetlands in Europe, is an important nesting place for birds migrating between Central Asia and Africa. In October 2005, migrating birds brought the deadly H5NI strain of the avian influenza (bird flu) virus to Romania, infecting some backyard chickens. In spite of prompt measures taken by the Romanian authorities, the virus spread to other chickens but not to humans.



Facility to disinfect cars transiting Tulcea county



Backyard chickens in the Danube Delta

By June 2006, 170 additional outbreaks had occurred in flocks in the Delta and several other central, eastern, and southern counties.

The authorities, however, needed assistance to improve their testing facilities and laboratories, and train first responders, laboratory technicians and veterinarians in detecting this virulent H5N1 virus. The United States offered expert consultants, training, equipment for surveillance laboratories, support for public information campaigns and assistance to develop a national preparedness plan. The total value of the American assistance was \$2.4 million.

### RESULTS OF THE PARTNERSHIP TO COMBAT AVIAN INFLUENZA

- Two veterinary laboratories equipped with real-time polymerase chain reaction analyzers (RT-PCR) and their staff trained for fast virus detection
- One hundred senior county veterinary staff trained in project development and crisis management
- Two hundred and twenty county public health and veterinarians trained in epidemiology, surveillance, and response to an outbreak
- Five hundred mayors trained in how to manage an outbreak of bird flu
- The National Influenza Center and three regional infectious disease centers equipped with RT-PCRs and staff trained
- Surveillance staff equipped with 5 mobile incinerators and 4000 personal protection suits and trained in their use
- Several campaigns completed in affected counties to inform parents and children in rural areas of preventive measures and appropriate handling of domestic birds
- Commercial poultry farmers trained in improved bio-security methods



RT-PCR at work in Tulcea,  
Regional Veterinary Laboratory



Regional Veterinary Avian  
Influenza Laboratory in Tulcea

The Ministry of Agriculture, responsible for surveillance of wild and domestic birds, requested assistance to upgrade its testing laboratories and train its staff. The U.S. government provided two rapid testing machines, RT-PCRs and associated test kits and reagents, one for the Animal Health Diagnostic Laboratory in Bucharest, and a second for the Regional Veterinary Laboratory in Tulcea in the Danube Delta. Several staff of the National Veterinary and Food Safety Agency attended training courses in the U.S. and Romania. Agency staff and poultry farmers and processors were also trained in bio-security measures. During U.S. study tours, the participants learned about the Delaware Model of poultry disease management. It demonstrates the need for trust and close cooperation between government agencies, industry, and academic experts.

To help Romania prevent the spread of the virus from birds to humans and to prepare for a potential influenza pandemic, the U.S. supported the Ministry of Health. Several staff of the infectious diseases centers participated in similar surveillance training programs. They received RT-PCRs and mobile incinerators. With American support, county health departments undertook preventive measures to protect children, their families and their livelihoods. They produced materials outlining ways to prevent the spread of the virus and distributed them to the family doctors, mayors and schools. They developed and distributed thousands of posters and brochures about public health practices to prevent infection. They mounted special campaigns to educate children throughout affected rural areas and nearby towns, not to play with dead birds and how to avoid becoming infected in a flu outbreak.



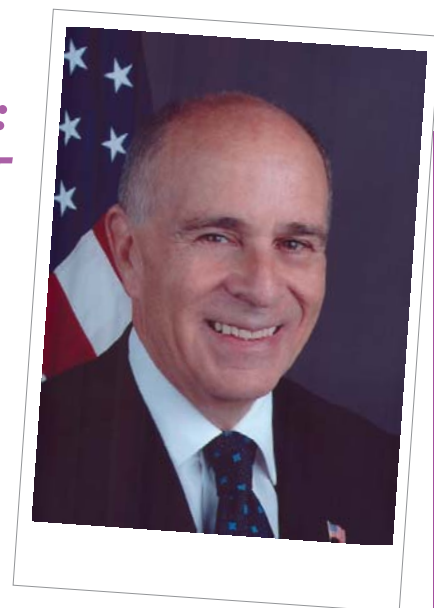
**PUPPETS HELP TO FIGHT BIRD FLU**

Rural doctors, nurses and Roma health mediators are all working together to present programs to youngsters that will teach them how to protect themselves from the Bird Flu. Students from Bucharest's Academy of Film joined them to present an exciting musical puppet show. The traveling show was designed for difficult-to-reach groups, such as children not in school and those who could not read. The puppet theater traveled to 60 villages in eight counties.

"I was happy to receive information about bird flu," said Laurentiu, a fifth grader in a village school in Ialomița County. "My friends and I didn't know anything about bird flu. Now we know how to avoid it. We will tell our families about it, especially about washing our hands after we play outside."



## THE FUTURE OF THE PARTNERSHIP: FROM TRANSITION TO INVESTMENT



The United States has no greater friend than Romania. This friendship has grown over the past seventeen years as Romania has completed its impressive transition to a democracy and market-based economy.

As we turn the page on this chapter of our relationship, I know the future promises an even closer friendship between our two great nations. Romania is open for business, and I know that U.S. companies are taking advantage of the many opportunities for them to invest in Romania. This growth in private American investment will continue to expand in the years to come.

Romania has many important assets, but the most important is her wonderful people. In my time in Romania, I have been awed by the talent and creativity of the Romanian people. I am especially struck by the energy, knowledge and drive of the youth. Having met so many young people, I am certain of the bright future of this wonderful country.

This book celebrates the successes achieved with U.S. foreign assistance through the partnership of our peoples. And, while this assistance is ending, the United States will continue to support Romanians in reaching their goals. The United States Government will continue support to education programs, civil society organizations, and our growing military assistance program.

These important activities make up just one part of our continuing relationship. Our work together in the Global War on Terror will make the world a safer place for all of us. Romania will continue to serve as a model for its neighbors as a new member of the EU and important member of NATO. Our friendship will continue to grow and strengthen as Romania continues to be a partner and leader in addressing many of the most important challenges facing the world today.

Thank you to all of the many Romanians and Americans who have made these last seventeen years such a success. Now, on to the future, and what a bright future it is!

A handwritten signature in dark ink that reads "Nicholas F. Taubman". The signature is fluid and cursive, with a large initial "N" and "T".

Nicholas F. Taubman  
Ambassador  
Bucharest, Romania  
July 27, 2007



Ambassador Taubman and the Embassy staff that administered development assistance programs  
Bucharest, June 2007

United States Government departments and agencies that administered development assistance programs in Romania between 1990 and 2007

- Agency for International Development (USAID)
- Department of Agriculture
- Department of Commerce
- Department of Justice
- Department of State
- Department of Treasury
- Federal Bureau of Investigation
- Peace Corps
- U.S. Information Agency (USIA)

# ANNEX

## PRINCIPAL IMPLEMENTING PARTNERS FOR THE DEVELOPMENT PROGRAMS

This annex presents the principal organizations, companies and non-governmental organizations that collaborated with United States Government agencies during the implementation of the development programs.

We apologize for any omissions from the list.

Not all of the hundreds of Romanian and American NGOs, which were important participants in aspects of the programs could be listed because of space limitations.

### I. PARTNERSHIPS FOR GROWTH

#### Opening Romania for Business

ACDI/VOCA  
 Advanced Engineering Associates Inc. (AEAI)  
 Advocacy Academy, Timisoara  
 Agland  
 Aid to Artisans  
 Alliance for the Economic Development of Romania  
 American Chamber of Commerce, Bucharest  
 Association of Women Entrepreneurs in Romania  
 Association for the Development of the Women Entrepreneurship  
 Association of Business Women in Romania  
 Association of Women Managers in Romania  
 Bioterra, Romania  
 Booz Allen Hamilton  
 Bucharest Stock Exchange  
 Center for Business Excellence  
 Center for International Private Enterprise (CIPE)  
 Citizens Democracy Corps  
 CHF International  
 Commission for Private Pension Supervision  
 Emerging Markets Group  
 Food Industry Federation (ROMALIMENTA)  
 Foreign Investors Council, Bucharest  
 Foreign Service Volunteers Corps  
 George Mason University  
 Hunton and Williams  
 Internews  
 IRIS Center, University of Maryland  
 Iowa State University  
 Land O'Lakes  
 MASHAV - Israel  
 Millers and Bakers Association, Bucharest  
 Ministries of Agriculture and Rural Development, Economy and Finance, ITC, Justice, Labor  
 National Regulatory Authority for Communications and Information Technology  
 National Association of Importers and Exporters (ANEIR)  
 National Authority for Natural Gas (ANRGN)  
 National Authority of Tourism  
 National Bank of Romania  
 National Regulatory Authority for Energy (ANRE)  
 National Sanitary, Veterinary and Food Safety Authority  
 National Small and Medium Enterprise Agency  
 Nexant  
 PA Consulting  
 Price Waterhouse Coopers  
 RASDAQ  
 Romanian-American Enterprise Fund (RAEF)  
 Romanian Meat Association  
 Romanian National Securities Commission (CNVM)  
 Shorebank Advisory Services  
 Union of Chicken Breeders  
 World Bank

#### Raising Capital to Finance Free Enterprise

Authority for State Assets Recovery (AVAS)  
 Bucharest Stock Exchange  
 CARANA  
 CHF International  
 Domenia Credit  
 Emerging Markets Group  
 European Bank for Reconstruction and Development  
 IESC  
 International Finance Corporation (IFC)  
 Ministry of Economy and Finance  
 National Agency for Housing  
 National Bank of Romania  
 Romanian-American Enterprise Fund (RAEF)

#### Making Loans to Small Businesses

CAPA-World Vision  
 CHF International  
 Express Finance  
 National Bank of Romania  
 National Council for SMEs  
 OMRO-Opportunity International  
 Romanian-American Enterprise Fund (RAEF)  
 Romanian National Organization of Credit Unions (UNCAR)  
 Shorebank Advisory Services  
 Small Enterprise Assistance Fund (SEAF)  
 World Council of Credit Unions (WOCCU)

#### Stimulating Agribusiness and Rural Development

ACDI-VOCA  
 Aid to Artisans  
 Association for Ecotourism in Romania  
 ASTRA Museum, Sibiu  
 Chemonics International Inc.  
 County Councils of Brasov, Maramures, Sibiu, and Suceava

Delaware Technical Community College  
 Development Alternatives Inc.  
 Handicraft Association  
 Iowa State University  
 Land O'Lakes  
 MASHAV, Israel  
 National Association for Rural, Ecological and Cultural Tourism (ANTREC)  
 National Center for Conservation and Promotion of Traditional Culture  
 National Geographic Society  
 National Sanitary, Veterinary AND Food Safety Authority  
 Ohio Designer Craftsmen  
 PA Consulting  
 Peasant Museum, Bucharest  
 Pro Patrimonio Foundation  
 Romanian Cultural Foundation  
 Texas A&M University  
 University of Kentucky  
 University of Delaware  
 University of Wisconsin  
 Village Museum, Bucharest

#### **Protecting the Environment**

Booz Allen Hamilton  
 Camp, Dresser & McKee  
 Center for Hazardous Waste Management, Pittsburg  
 Chemonics International  
 Cluj Environmental Health Center  
 Cluj Technical University  
 Environmental Guard  
 E.T.P. Romania Foundation  
 Institute for International Education  
 Institute for Sustainable Communities, Vermont  
 International Resources Group (IRG)  
 Metcalf & Eddy  
 Ministry of Environment and Water Management  
 National Union of the Romanian Industrialists  
 National Association of Private Environmental Businesses  
 National Environmental Protection Agency  
 National Institute for Meteorology and Hydrology  
 Regional Environmental Centers  
 Romanian Association of Waters  
 Romanian Waters National Administration  
 The Communities Group International (TCGI)  
 University of Minnesota  
 World Environmental Center  
 World Wildlife Fund

#### **Promoting Energy Reform**

Advanced Engineering Associates Inc. (AEAI)  
 Alliance to Save Energy (ASE)  
 Bechtel  
 Romanian Power Market Operator (OPCOM)  
 Emerging Markets Group  
 Electrotek  
 Hagler Bailly  
 Harza Inc.  
 Hunton and Williams  
 International Resources Group (IRG)  
 Ministry of Economy and Finance  
 National Authority for Natural Gas (ANRGN)  
 National Regulatory Authority for Energy (ANRE)  
 Nexant  
 Resource Management Associates  
 Transelectrica SA  
 US Energy Association (USEA)

## **II. IMPLEMENTING PARTNERS FOR BETTER GOVERNANCE**

#### **Building Civil Society**

Association for Community Relations (ARC)  
 Civil Society Development Foundation (FDSC)  
 European Center for Not-for-Profit Law (ECNL)  
 International Foundation for Election Systems (IFES)  
 International Orthodox Christian Charities (IOCC)  
 Management Systems International (MSI)  
 National Democratic Institute for International Affairs (NDI)  
 Non-Governmental Organizations Support Center (CENTRAS)  
 Partners for Democracy and Development (PDD)  
 Pro Democracy Association (APD)  
 Romanian Orthodox Church  
 Support Centers of America  
 World Learning for International Development

#### **Encouraging Independent Mass Media**

Center for Independent Journalism (CJI)  
 Freedom House  
 International Research and Exchanges Board (IREX)  
 Media Monitoring Agency  
 Romanian Center for Investigative Journalism

#### **Opening up Politics**

American Center for International Labor Solidarity (ACILS)  
 International Republican Institute (IRI)  
 National Democratic Institute for International Affairs (NDI)  
 Pro Democracy Association (APD)  
 Resource Center for Public Participation (CeRe)

#### **Reinventing Local Government**

Academy for Educational Development (AED)  
 ARD Inc.  
 Chemonics International Inc.  
 City Halls of Bacau, Baia Mare, Brasov, Cluj-Napoca, Galati, Iasi, Oradea, Pitesti, Ploiesti and Targu-Neamt  
 Commune Councils throughout Romania  
 County Councils of Ialomitia and Sibiu  
 Development Alternatives Inc. (DAI)  
 Federation of Local Authorities of Romania (FALR)



International City/County Manager Association (ICMA)  
National Association of IT Specialists from Public Administration (ANIAP)  
Ministries of Economy and Finance, Interior and Administrative Reform  
Planning and Development Collaborative International (PADCO)  
Research Triangle Institute (RTI)  
Urban Institute

#### **Supporting the Rule of Law**

American Bar Association/Central European and Eurasian Law Initiative (ABA/CEELI)  
Craiova Mediation Center  
Ministry of Interior and Administrative Reform  
Ministry of Justice  
National Agency Against Trafficking (ANAT)  
National Institute for Magistrates  
National School of Court Clerks  
Sector 3 First Instance Court, Bucharest  
Southeast Europe Cooperation Initiative Regional Center for Combating Transborder Crime  
Superior Council of Magistrates  
United Nations Development Program (UNDP)

### **III. PARTNERSHIPS FOR CHILDREN'S WELFARE AND WOMEN'S HEALTH**

#### **Closing the Orphanages - Returning Children to their communities**

Bethany Christian Services  
For Our Children  
Holt International Children's Services  
National Authority for the Protection of Child's Rights (NAPCR)  
National Federation of Social Workers  
United Nations Children's Fund (UNICEF)  
University of Bucharest - Faculty of Sociology and Social Assistance  
World Learning  
World Vision International  
Hundreds of Romanian NGOs

#### **Improving Health Care Services for Women**

American International Health Alliance  
Association for Roma Women Empowerment  
Eastern European Institute for Reproductive Health  
Futures Group /Population Policy  
JSI Research and Training Institute  
Profit - Deloitte-Touche  
Management Sciences for Health  
Ministry of Public Health  
Project Concern International  
Mother and Child Care Institute  
National Agency for Roma  
Population Service International/Romania  
Romani Criss  
Romanian Cancer Society  
Romanian Society for Breast Imaging  
Renasterea Foundation  
Society for Education on Contraception and Sexuality (SECS)  
Youth for Youth Foundation  
County Public Health Departments  
United Nations Population Fund (UNFPA)  
United Nations Children's Fund (UNICEF)  
World Health Organization (WHO)

#### **Changing Attitudes Towards Those Less Fortunate**

Close to You Foundation  
International Orthodox Christian Charities (IOCC)  
JSI Research and Training Institute  
Ministries of Education, Research and Youth, and Public Health  
Motivation Romania Foundation  
National Agency for Family Protection  
National Coalition of NGOs fighting violence against women  
National Federation of People Living with HIV/AIDS (UNOPA)  
New Horizons Foundation  
Romanian Association Against AIDS  
Romanian Orthodox Church  
Special Olympics Romania Foundation  
UNAIDS - Joint United Nations Program on HIV/AIDS

### **IV. PARTNERSHIPS FOR DISASTER PREPAREDNESS**

#### **Dealing with Devastating Floods**

Chemonics International Inc.  
CHF International  
County Public Health Departments  
Habitat for Humanity Romania  
Institute of Public Health, Bucharest  
International Orthodox Christian Charities (IOCC)  
JSI Research and Training Institute  
Ministry of Agriculture and Rural Development  
Ministry of Public Health  
Monsanto  
Pioneer Hi-bred International  
Romanian Orthodox Church  
Romanian Red Cross  
World Vision Romania

#### **Getting Ready for Avian Influenza**

County Public Health Departments  
Delaware Technical & Community College  
Institute of Public Health, Bucharest  
JSI Research and Training Institute  
Ministries of Public Health and Education, Research and Youth  
National Inspectorate of Emergency Situations  
National Institute of Administration  
National Sanitary, Veterinary and Food Safety Authority (ANSVSA)  
PADCO  
Romanian Communes Association (ACoR)  
Romanian Red Cross  
United Nations Development Program (UNDP)  
University of Texas A&M





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