

## Romania

**The Development Challenge:** Romania is a pro-Western transitional democracy, seeking to build democratic institutions and a market-based economy. Romania's overall economic, political and social reform process has not been as robust as most transition countries in Central and South East Europe. Despite progress particularly over the past five years, additional investments of billions of dollars will be required to bring infrastructure and services up to Western standards.

Since taking office in December, 2000, the Government of Romania (GOR) has carried out political and economic reforms that had been on hold since the 1989 revolution. Political life is dominated by the Social Democratic Party (PSD), which pursues a legislative agenda of continued political and economic reform to succeed in Romania's long-held hope for eventual membership in NATO and the European Union (EU). However, this single party domination is evidence that true democratic reform has not occurred yet. With decentralization to the local level, Romania's democratic fragility is evidenced by hundreds of mayors from opposition parties migrating to the PSD in order to ensure political and resource support.

Poor economic performance is attributed to the country's inability to make the full transition from a State enterprise-dominated economy to one led by the private sector. Accelerating private sector growth and increasing civil society participation in the reform process represent the greatest potential for more equitable economic development, job expansion and a better standard of life for ordinary Romanians, especially the rural poor.

**The USAID Program:** USAID focuses its resources in three areas:

- 1) supporting a market-driven environment to accelerate private sector growth;
- 2) fostering local democratic governance & civil society participation; and,
- 3) improving child welfare and women's health services.

Moreover, USAID programs promote transparency and accountability as the primary anti-corruption strategy across all program activities, including agriculture, privatization, health, child welfare, local government, capital markets and the financial sector. For example, through USAID's banking supervision program implemented by KPMG/Barents, the Central Bank made a series of positive steps to enhance oversight of private banks. As a result, the Bank was able to identify corrupt practices at a large investment bank and greatly reduce the magnitude of a major banking scandal -- resulting in increased transparency, along with greater investor and consumer confidence.

USAID programs at the local level strive to foster increased community spirit, promote the concept of volunteerism, and increase the capacity of ordinary citizens to identify and resolve community issues. For instance, during the past fiscal year, USAID-funded community activities improved citizen participation in local public life through the formation of community development teams, community fora, and the mobilization of volunteers. More than 500 volunteers participated in community projects and over 700 citizens participated in various community consultation meetings. Partnerships proved to be effective mechanisms for building local capacity through skills-transfer and creative adaptation of successful U.S. models. Local non-governmental organizations (NGOs) enhanced their service delivery capacity and sustainability

**Other Program Elements:** None to report.

**Other Donors:** The simultaneous goals of creating a free market and a democratic polity out of State socialism remain monumental, requiring financial support and sustained, strategic technical assistance. Over the past decade, USAID's programs have not represented big money in Romania. The World Bank, the EU and the International Financial Institutions (IFIs) do. But USAID has provided highly valued technical assistance and continues to leverage funding from international donors in areas ranging from labor redeployment programs to assistance to rural farmers.

USAID works closely with the EU, the World Bank (WB) and other bilateral donors to better ensure that programs that it supports are sustainable. During FY 2002, the World Bank pledged \$1.5 billion in assistance to Romania over a five-year period and the EU has committed over \$600 million per annum to support overall reform and pre-accession requirements.

USAID/Romania activities in support of accelerated private sector growth and improved democratic governance work in conjunction with a variety of international donor organizations, such as the WB, European Bank for Reconstruction and Development (EBRD), and EU. Total assistance levels are significant, but the Romanian experience has shown an inability to effectively absorb some donor funds. In this context, donor coordination is critical to achieving results in the private sector strategy.

Coordination with other donors in child welfare and women's reproductive health is critical to achieving the results laid out in USAID's social sector strategy, and USAID has taken a leadership role in focusing donors on common goals on several fronts. This is especially true in child welfare, where the donors' joint efforts fostered an accelerated reform agenda. The lead donors in this sector are unified in their approach and include the EU, United Nations International Emergency Children's Fund, WB, USAID and the United Kingdom's assistance entity (DFID).

Improved coordination and leveraging between our program activities with those of other donors has already translated into tangible impact and results. For instance, during FY 2002, USAID activities that support economic growth leveraged more than \$100 million in additional funding from the international donor community.

**Romania**  
**PROGRAM SUMMARY**  
(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Asst. for E. Europe and the Baltic States	38,414	36,000	29,000	28,000
<b>Total Program Funds</b>	<b>38,414</b>	<b>36,000</b>	<b>29,000</b>	<b>28,000</b>

**STRATEGIC OBJECTIVE SUMMARY**

186-0130 Expanding the Market-Driven Private Sector				
AEEB	10,054	15,355	11,650	10,000
186-0140 Financial Sector				
AEEB	2,115	0	0	0
186-0150 Energy				
AEEB	1,185	0	0	0
186-0160 Environment				
AEEB	1,427	0	0	0
186-0210 Improved Local Governance				
AEEB	3,346	0	0	0
186-0230 Improved Local Democratic Governance				
AEEB	2,715	9,163	7,500	9,500
186-0320 Sustainability of Social Benefits & Services				
AEEB	8,267	0	0	0
186-0340 Child Welfare and Women's Health Care Reform				
AEEB	0	6,874	7,050	5,700
186-0420 Cross-Cutting Programs				
AEEB	6,275	8	0	0
<b>TRANSFER</b>				
AEEB	3,030	4,600	2,800	2,800

Mission Director,  
Denny Robertson

## Data Sheet

<b>USAID Mission:</b>	Romania
<b>Program Title:</b>	Expanding the Market-Driven Private Sector
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	186-0130
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$0
<b>Prior Year Unobligated:</b>	\$3,183,000 AEEB
<b>Proposed FY 2004 Obligation:</b>	\$0
<b>Year of Initial Obligation:</b>	FY1996
<b>Estimated Completion Date:</b>	FY2002

**Summary:** No new funds will be obligated for this SO in FY2003. However, \$11,850,000 will be obligated under SO 186-013n during FY03 under the Mission's new strategy.

### Inputs, Outputs, Activities:

**FY 2003 Program:**

**FY 2004 Program:**

**Performance and Results:**

## Data Sheet

<b>USAID Mission:</b>	Romania
<b>Program Title:</b>	Expanding the Market-Driven Private Sector
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	186-013n
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$11,650,000 AEEB
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2004 Obligation:</b>	\$10,000,000 AEEB
<b>Year of Initial Obligation:</b>	FY2002
<b>Estimated Completion Date:</b>	FY2007

**Summary:** This Private Sector program works with financial and capital markets, small and medium enterprises (SMEs), agribusiness, energy, and the environment. USAID 1) improves policies, laws and regulations supporting market expansion; 2) strengthens private business associations, NGOs, and government institutions to make small businesses more competitive and increase their exports; and 3) transfers State assets to private ownership more rapidly.

### Inputs, Outputs, Activities:

#### FY 2003 Program:

Reform financial and capital markets (\$1,650,000 AEEB). USAID will continue technical expertise to RASDAQ (Romania's NASDAQ) to assist with the suspension of failing companies and increase investors' confidence in the exchange. The program will improve legislation covering investor protection, providing for better enforcement by the securities' regulator. It will develop new products, such as mortgages and municipal bonds for the Bucharest Stock Exchange. Increased transparency for all market participants will lead to better corporate governance practices and greater investor confidence. Emphasis will be placed on the capital markets regulatory authority and stock exchanges to address anti-corruption, anti-money laundering and financial disclosure issues, thereby achieving broad impact across thousands of local and international shareholders and stimulating inward investment owing to increased confidence in Romania. Principal contractors/grantees are: Deloitte, Touche, and Tohmatsu; U.S. Department of Justice; U.S. Treasury; and International Executive Service Corps (primes).

Support micro, small and medium enterprises (MSMEs) (\$4,220,000 AEEB). Technical assistance will streamline MSME procedures, reduce tax burdens, and empower local governments to regulate MSME business registration and licensing. Workshops will be provided on MSME policies, strategic management, and public relations. Small businesses, which have a comparative advantage in international markets, will be helped to increase exports. Loans in under-served areas will be increased by replicating successful micro-lending activities in new regions. USAID will use the Development Credit Authority mechanism to attract financial resources for MSMEs. Through small business grants, USAID will support about sixty local governmental entities and NGOs in implementing economic development programs. Principal contractors/grantees are: Cooperative Housing Foundation, Center for International Private Enterprise, Internews, Academy for Educational Development, Romanian-American Enterprise Fund, Shorebank, World Council of Credit Unions, and Peace Corps (primes).

Reform agriculture and agribusiness (\$2,850,000 AEEB). USAID will rehabilitate irrigation systems and develop business associations. The activities will involve technology transfers, initiation of commercial agribusiness clusters, development of service centers to lead export development, training, marketing and financing. FY 2003 targets include increasing irrigated land managed by Water Users' Associations by 110,000 hectares so that more State-owned equipment can be transferred to the private associations. Principal contractors/grantees are: PA Consulting, Center for International Cooperation, Israel, and U.S. Department of Agriculture (primes); Iowa State and Auburn Universities (subs).

Reform energy production and distribution (\$1,650,000 AEEB). USAID assistance will strengthen the energy regulatory agencies. It will include drafting reform legislation for the sector. The program will lead to the improvement of the application of free-market rules and will promote competition. USAID will help privatize energy companies. Energy efficiency projects will be financed under Development Credit Authority. Principal contractors/grantees are: U.S. Energy Agency, Hunton & Williams, and National Association of Regulatory Commissions (primes) and the Maine Utility Commission (sub).

Improve environmental management (\$1,280,000 AEEB). USAID will assist environmental authorities to address water management and pollution problems. Assistance will reduce nitrogen and phosphorus discharges into the Danube. USAID will support the development of norms for nitrate pollution, introduction of ecological management systems, and local capacity to monitor soil and water quality. USAID also will help enforce environmental laws and prepare for the privatization of water and waste services. Principal contractors/grantees are: Chemonics and Development Alternatives Inc (primes).

**FY 2004 Program:**

Reform financial and capital markets (\$1,400,000 AEEB). USAID activities will foster international best practices and capital expansion to strengthen markets. This will continue to stimulate growth in the housing, construction, SME and agri-business sectors.

Support MSMEs (\$4,650,000 AEEB). Assistance will address issues such as inspections, audits, and tax procedures and help design a system for resolving commercial conflicts. Also, micro-lending NGOs will be established in new regions, and commercial banks will be encouraged to lend to MSMEs. USAID will continue to work to energize the information technology sector by improving the regulatory framework, strengthening the capacity of the regulatory agency and government and NGOs to use the sector's resources, and expanding public access to the sector's services across Romania.

Reform agriculture and agribusiness (\$1,380,000 AEEB). USAID will provide for export policy reform and analyze standards for food quality and sanitation. Other activities will focus on assistance to promote new credit models and improve the export capability and competitiveness of Romanian agri-businesses. USAID will continue to develop new water users associations to facilitate transfer of State-owned irrigation systems to private associations.

Reform energy production and distribution (\$1,340,000 AEEB). USAID will continue to support the transfer of State-owned power assets to private ownership with the aim of improving the business environment for private investors. USAID also will continue support for local energy efficiency projects.

Improve environmental management (\$1,230,000 AEEB). USAID's assistance will support environmental enforcement to facilitate EU accession. Particular attention will be paid to environmental liability and increased private participation in the sector.

**Performance and Results:** Over the past year, the RASDAQ was revitalized; 1,300 poor companies were removed from the list and market indices doubled, demonstrating increased investor confidence. Supervision standards of the National Bank of Romania, the country's central bank, reached international standards. Nine municipalities issued bonds totaling \$4.14 million, and government bond interest rates dropped from 40% to 15.4%. Nine million dollars in new micro-loans produced about 2,250 new jobs. Twenty new water users associations (WUAs) were formed, facilitating transfer of State-owned equipment to private associations and bringing another 120,000 hectares of irrigated land under improved private management. The energy regulatory agencies were taken off the State budget, sustaining work through the charging of fees. The GOR secured a \$46 million loan guaranteed by the EXIM Bank, based upon a USAID feasibility study for flood and accidental pollution prevention. Finally, assistance to the Ministry of Finance led to a commitment to use \$240 million of EU funding for water and wastewater projects. By the completion of this program, MSMEs will employ over half the labor force, three quarters of GDP will be generated by private companies, the regulation of the banks and capital markets will meet international standards, one quarter of the energy sector will be private, and the agricultural sector will have a positive trade balance.

## US Financing in Thousands of Dollars

Romania

186-0130 Expanding the Market-Driven Private Sector	AEEB	DA	ESF
<b>Through September 30, 2001</b>			
Obligations	103,016	3,281	1,295
Expenditures	96,200	3,281	1,295
Unliquidated	6,816	0	0
<b>Fiscal Year 2002</b>			
Obligations	12,556	0	0
Expenditures	7,860	0	0
<b>Through September 30, 2002</b>			
Obligations	115,572	3,281	1,295
Expenditures	104,060	3,281	1,295
Unliquidated	11,512	0	0
<b>Prior Year Unobligated Funds</b>			
Obligations	3,183	0	0
<b>Planned Fiscal Year 2003 NOA</b>			
Obligations	11,650	0	0
<b>Total Planned Fiscal Year 2003</b>			
Obligations	14,833	0	0
<b>Proposed Fiscal Year 2004 NOA</b>			
Obligations	10,000	0	0
Future Obligations	0	0	0
Est. Total Cost	140,405	3,281	1,295

## Data Sheet

<b>USAID Mission:</b>	Romania
<b>Program Title:</b>	Financial Sector
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	186-0140
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$0
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2004 Obligation:</b>	\$0
<b>Year of Initial Obligation:</b>	FY1996
<b>Estimated Completion Date:</b>	FY2002

**Summary:** No new funds will be obligated for this SO in FY2003. However, \$11,850,000 will be obligated under SO 186-013n during FY03 under the Mission's new strategy.

### Inputs, Outputs, Activities:

**FY 2003 Program:**

**FY 2004 Program:**

**Performance and Results:**

## Data Sheet

<b>USAID Mission:</b>	Romania
<b>Program Title:</b>	Energy
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	186-0150
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$0
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2004 Obligation:</b>	\$0
<b>Year of Initial Obligation:</b>	FY1996
<b>Estimated Completion Date:</b>	FY2001

**Summary:** No new funds will be obligated for this SO in FY2003. However, \$11,850,000 will be obligated under SO 186-013n during FY03 under the Mission's new strategy.

### Inputs, Outputs, Activities:

**FY 2003 Program:**

**FY 2004 Program:**

**Performance and Results:**

## Data Sheet

<b>USAID Mission:</b>	Romania
<b>Program Title:</b>	Environment
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	186-0160
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$0
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2004 Obligation:</b>	\$0
<b>Year of Initial Obligation:</b>	FY1996
<b>Estimated Completion Date:</b>	FY2002

**Summary:** No new funds will be obligated for this SO in FY2003. However, \$11,850,000 will be obligated under SO 186-013n during FY03 under the Mission's new strategy.

### Inputs, Outputs, Activities:

**FY 2003 Program:**

**FY 2004 Program:**

**Performance and Results:**

## Data Sheet

<b>USAID Mission:</b>	Romania
<b>Program Title:</b>	Improved Local Governance
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	186-0210
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$0
<b>Prior Year Unobligated:</b>	\$325,000 AEEB
<b>Proposed FY 2004 Obligation:</b>	\$0
<b>Year of Initial Obligation:</b>	FY1996
<b>Estimated Completion Date:</b>	FY2002

**Summary:** No new funds will be obligated for this SO in FY2003. However, \$7,800,000 will be obligated under SO 186-023n during FY03 under the Mission's new strategy.

### Inputs, Outputs, Activities:

**FY 2003 Program:**

**FY 2004 Program:**

**Performance and Results:**

## Data Sheet

<b>USAID Mission:</b>	Romania
<b>Program Title:</b>	Local Governance
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	186-0230
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$0
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2004 Obligation:</b>	\$0
<b>Year of Initial Obligation:</b>	FY1996
<b>Estimated Completion Date:</b>	FY2002

**Summary:** No new funds will be obligated for this SO in FY2003. However, \$ 7,800,000 will be obligated under SO 186-023n during FY03 under the Mission's new strategy.

### Inputs, Outputs, Activities:

**FY 2003 Program:**

**FY 2004 Program:**

**Performance and Results:**

## Data Sheet

<b>USAID Mission:</b>	Romania
<b>Program Title:</b>	Improved Local Democratic Governance
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	186-023n
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$7,500,000 AEEB
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2004 Obligation:</b>	\$9,500,000 AEEB
<b>Year of Initial Obligation:</b>	FY2002
<b>Estimated Completion Date:</b>	FY2007

**Summary:** The local democratic governance program provides technical assistance and training focused on three major areas, including strengthening local government management and citizen participation, increasing local political party organizations' responsiveness to grassroots initiatives, and strengthening the efficiency of lower level courts. The objectives of this program are: 1) to improve local governments' service delivery, financial management and fiscal capacity, policy-making process, transparency, and responsiveness to citizens' needs; 2) to strengthen civil society organizations (CSOs) capacity to influence and monitor local government performance; 3) to facilitate legislative changes needed to further decentralization; 4) to promote effective participation of citizens in politics and increase the accountability of local politicians; and 5) to increase the capacity of lower courts to strengthen property rights. Sub-grants also will be made to support innovative local development projects.

### **Inputs, Outputs, Activities:**

#### **FY 2003 Program:**

Strengthen local government management and citizen participation (\$6,240,000 AEEB). Through the Governance Reform and Sustainable Partnerships (GRASP) program, USAID will assist 60 county, municipality, and town governments. Building on previous programs, USAID will support adequately funded, service-oriented local governments by focusing on 1) participatory policy-making, 2) quality and cost-effective service delivery, and 3) capacity to address citizens' needs. The program will engage communities in advocacy and problem-solving and will establish links between communities and their governments through service delivery NGOs. The oversight functions of CSOs (especially civic NGOs, social welfare groups, and professional and business associations) will be strengthened by improving their capacity to absorb accountability assistance from local public institutions. Principal contractors/grantees are: Development Alternatives Incorporated (prime) and Academy for Educational Development (sub).

Increase local political organizations' responsiveness to community initiatives (\$800,000 AEEB). Through the Opening Politics by Acting Locally (OPAL) program, USAID will work in eight counties, including the capital city Bucharest. Thirty branches of the six main democratic political parties will be assisted to help them engage CSOs in activities that will increase local participation in political reform. Reform opportunities include candidate selection procedures, constituent services, party platforms that are responsive to local needs, constituency outreach strategies, and programs for marginalized social groups (like the Roma). Principal contractors/grantees are: the International Republican Institute and National Democratic Institute (primes).

Strengthen the efficiency of the judiciary (\$460,000 AEEB). USAID will complete pilot court administration reform activities. While assistance areas are still under discussion, USAID anticipates an anti-corruption focus that will include ethics training for judges. Assistance on overall judicial reforms will continue based on targets of opportunity. Principal contractor/grantee is: American Bar Association/Central European and Eurasian Law Initiative (ABA/CEELI) (prime).

**FY 2004 Program:**

Strengthen local government management and citizen participation (\$8,250,000 AEEB). The GRASP program will spread to 60 more local government units, while completing assistance to the first 60 of such units. USAID will provide sub-grants to support innovative ideas addressing local development. Funds may be provided to existing local initiatives that can be expanded nationally, as well as to cutting-edge proposals that pilot new approaches to identify and resolve local issues.

Increase local political organizations' responsiveness to grassroots initiatives (\$780,000 AEEB). The OPAL program will focus on elections preparation, with an emphasis on building the expertise of women and youth to serve as candidates and campaign officials. Assistance to civic groups will help with watchdog and advocacy activities during elections, such as organizing candidate debates and monitoring campaign financing.

Strengthen the efficiency of the judiciary (\$470,000 AEEB). USAID assistance to the judiciary that has an anti-corruption focus will be continued. Assistance on judicial reforms will be maintained based on targets of opportunity.

**Performance and Results:** Over the past year, USAID can report a number of achievements, including the following:

- 1) The Federation of Local Authorities, founded with USAID assistance in 2001, successfully lobbied improvements in the 1998 Law on Public Finance.
- 2) More than 40 community improvement activities were completed, including financing investment projects through the issuance of local public debt in five municipalities and setting up economic development advisory boards in three communities.
- 3) Results from 21 USAID sub-grants included two youth community centers, two volunteer centers, 12 new community-based child welfare and health initiatives, and anti-trafficking prevention and protection services. Five hundred volunteers participated in community projects, and over 700 citizens attended community planning meetings. The 21 partnerships resulting from these sub-grants leveraged \$2.6 million in additional funding.
- 4) Twenty government agencies and 37 counties undertook participatory planning processes to identify community needs and plan projects.
- 5) Two of three labor resource centers, established with USAID assistance, have become independent, self-sustaining NGOs.
- 6) The pilot court modernization project has resulted in alphabetical case assignment, revision of forms used in the courts, creation of permanent judge-clerk teams for each case, and improved collection of court fees.

By 2007, USAID expects a number of additional achievements. One, the quality of public services will improve significantly, while costs will be reduced. Two, local governments will increase their generation and retention of own-source revenues. Three, CSOs will effectively monitor and influence the performance of local public officials. Four and last, locally-based organizations will establish partnerships with local authorities to deliver services that better respond to citizens' needs.

## US Financing in Thousands of Dollars

Romania

186-0230 Local Governance	AEEB
<b>Through September 30, 2001</b>	
Obligations	17,136
Expenditures	14,664
Unliquidated	2,472
<b>Fiscal Year 2002</b>	
Obligations	9,004
Expenditures	3,075
<b>Through September 30, 2002</b>	
Obligations	26,140
Expenditures	17,739
Unliquidated	8,401
<b>Prior Year Unobligated Funds</b>	
Obligations	0
<b>Planned Fiscal Year 2003 NOA</b>	
Obligations	7,500
<b>Total Planned Fiscal Year 2003</b>	
Obligations	7,500
<b>Proposed Fiscal Year 2004 NOA</b>	
Obligations	9,500
Future Obligations	0
Est. Total Cost	43,140

## Data Sheet

<b>USAID Mission:</b>	Romania
<b>Program Title:</b>	Sustainability of Social Benefits & Services
<b>Pillar:</b>	Global Health
<b>Strategic Objective:</b>	186-0320
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$0
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2004 Obligation:</b>	\$0
<b>Year of Initial Obligation:</b>	FY1996
<b>Estimated Completion Date:</b>	FY2002

**Summary:** No new funds will be obligated for this SO in FY2003. However, \$7,050,000 will be obligated under SO 186-034n during FY03 under the Mission's new strategy.

### Inputs, Outputs, Activities:

**FY 2003 Program:**

**FY 2004 Program:**

**Performance and Results:**

## Data Sheet

<b>USAID Mission:</b>	Romania
<b>Program Title:</b>	Child Welfare and Women's Health Care Reform
<b>Pillar:</b>	Global Health
<b>Strategic Objective:</b>	186-034n
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$7,050,000 AEEB
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2004 Obligation:</b>	\$5,700,000 AEEB
<b>Year of Initial Obligation:</b>	FY2002
<b>Estimated Completion Date:</b>	FY2006

**Summary:** USAID will continue technical assistance, training and small grants in three areas, including child welfare, health care, and infectious diseases. These programs will 1) improve the policies, legislation and standards for social services, in areas such as family planning, foster care, and life skills; 2) improve the mobilization and use of resources so that expensive institutional care can be replaced by cost-effective community services; 3) ensure citizens' access to higher quality services; and 4) educate the public about its health care role, rights, and responsibilities.

### Inputs, Outputs, Activities:

#### FY 2003 Program:

Reform the child welfare system (\$3,940,000 AEEB). USAID will fund 20 grants to NGOs who will form partnerships with local child welfare departments to create alternative community services for disabled children and young persons leaving State-run dormitory institutions. These services will discourage the entry of new children into State institutions and encourage the reintegration of institutionalized children into their families and communities. Technical assistance and management training will be provided to 45 existing NGO grantees and 20 new ones to build a strong cadre of child welfare NGOs around the country. Workshops will be organized for stakeholders to draft, sanction and support the legislation of standards for 14 alternative community welfare services. Technical assistance will be continued to the National Authority for Child Protection for its management information system that documents and tracks children receiving both State and alternative community services. The resulting systemic improvements will increase transparency, allow more accurate planning, and facilitate quality care for the children. All activities are undertaken by local and national public-private partnerships. Principal contractors/grantees are: World Learning and U.S. Department of Health and Human Services (primes) and Pentru Copiii Nostri, Bethany Christian Services, and World Vision (subs).

Increase the use of reproductive health (RH) services (\$2,460,000 AEEB). USAID will partner with the Ministry of Health to improve access to and quality of reproductive health services in all counties. USAID will provide 1) technical assistance and training to develop and implement improved procedures (protocols) for pre- and post-natal care and Sexually Transmitted Infections (STIs) and 2) screening for breast/cervical cancer. Model programs for the Roma community, youth, breast and cervical cancer, domestic violence, and STIs will be expanded. Four public information campaigns for unwanted pregnancy and early detection of breast cancer will be conducted. The realignment of health resources to primary care services will continue; all hospitals will prepare for cost-containment through a market-based financing system that has been successfully piloted. Principal contractors/grantees are: John Snow International Research and Training and U.S. Department of Health and Human Services (primes); Societatea de Educatie Contraceptiva si Sexuala, Asociatia Romana anti-SIDA, Population Services International, and Youth for Youth Foundation (subs).

Reduce incidence of infectious diseases (\$650,000 AEEB). Social marketing of condoms and other outreach activities to high risk groups will continue. Special campaigns to prevent transmission of

HIV/AIDS, including mother-to child transmission, will be organized. Screening of institutionalized children for HIV will be done with testing supplies donated by Abbott Laboratories, with confirmation testing by the Ministry of Health. Training will be given to about 500 adolescents infected with HIV/AIDS to reduce vertical transmission among those infected with HIV/AIDS. Improvements to the procurement and distribution system for Tuberculosis and HIV/AIDS drugs will continue. Principal contractors/grantees are: John Snow International Research and Training and Management Services for Health (primes); Societatea de Educatie Contraceptiva si Sexuala, Asociatia Romana anti-SIDA, Population Services International, and Youth for Youth Foundation (subs).

**FY 2004 Program:**

Reform the child welfare system (\$3,495,000 AEEB). USAID will fund additional grants and provide technical assistance and training for NGO grantees and national and local government officials with the aim of developing standards and regulations to improve quality services and enhance NGO capacity. The worst of the State-run dormitory institutions that remain open will be closed using technical assistance to help local authorities implement alternative community services, based on the best models that will have been selected and designed in 2003. Local governments will receive technical assistance in establishing new social service institutions mandated by legislation passed in 2003.

Increase the use of RH services (\$1,805,000 AEEB). Work will be concentrated on ensuring coherence of legislation, implementation of alternate mechanisms to pay for RH services, and enhancement of previously initiated RH services such as a safe motherhood.

Reduce the incidence of infectious diseases (\$400,000 AEEB). USAID will continue assistance to reduce the incidence of infectious diseases. Programs to prevent STIs will be enhanced. HIV/AIDS prevention programs for high risk populations will continue.

**Performance and Results:** USAID assistance during the past year contributed to a number of results, including:

- 1) an overall decline in the use of large institutional dormitories to house children; In the year ending June 2002, the number of children in such institutions declined by 8,000 (17%) to just under 40,000. Forty-nine (49%) of the worst dormitories were closed.
- 2) the development of alternative community service models for day care, maternal care, emergency assistance and foster care and the training of more than 165 mayors, newly responsible for child welfare, and 120 rural social workers, who have developed practical social service plans for their communities;
- 3) the creation of a professional organization for social workers, which has been recognized by the international social service community;
- 4) the shaping of new child welfare legislation through the USAID-assisted federation of NGOs;
- 5) the creation of 670 primary care clinics providing expanded RH services;
- 6) the increased momentum of training, new services, and free contraceptives together which has stimulated the Ministry of Health to request the expansion of RH training to all 41 counties;
- 7) a breast cancer initiative with several local NGOs, which also have worked together for AIDS prevention campaigns and prevention of STIs and unintended pregnancy;
- 8) programs for hard-to-reach populations, including Roma, and those at risk for HIV/AIDS transmission;
- 9) the pilot for a market-based financing system for health services, which the GOR has requested be extended to all hospitals as soon as possible.

By 2007, USAID expects that the worst third of the state-run dormitories for abandoned children will be closed and that two-thirds of the children in alternative care settings will be receiving certified quality care. Also, all hospitals will be using a market-based reimbursement system, and health care resources will be moved to lower cost, more effective facilities.

## US Financing in Thousands of Dollars

Romania

186-0340 Child Welfare and Women's Health Care Reform	<b>AEEB</b>
<b>Through September 30, 2001</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Fiscal Year 2002</b>	
Obligations	6,585
Expenditures	789
<b>Through September 30, 2002</b>	
Obligations	6,585
Expenditures	789
Unliquidated	5,796
<b>Prior Year Unobligated Funds</b>	
Obligations	289
<b>Planned Fiscal Year 2003 NOA</b>	
Obligations	7,050
<b>Total Planned Fiscal Year 2003</b>	
Obligations	7,339
<b>Proposed Fiscal Year 2004 NOA</b>	
Obligations	5,700
Future Obligations	0
Est. Total Cost	19,624

## Data Sheet

<b>USAID Mission:</b>	Romania
<b>Program Title:</b>	Cross-Cutting Programs
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	186-0420
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$0
<b>Prior Year Unobligated:</b>	\$8,000 AEEB
<b>Proposed FY 2004 Obligation:</b>	\$0
<b>Year of Initial Obligation:</b>	FY1996
<b>Estimated Completion Date:</b>	FY2002

**Summary:** No new funds will be obligated for this SO in FY 2003

**Inputs, Outputs, Activities:**  
**FY 2003 Program:**

**FY 2004 Program:**

**Performance and Results:**

## US Financing in Thousands of Dollars

Romania

186-0420 Cross-Cutting Programs	<b>AEEB</b>
<b>Through September 30, 2001</b>	
Obligations	31,140
Expenditures	23,998
Unliquidated	7,142
<b>Fiscal Year 2002</b>	
Obligations	2,576
Expenditures	5,737
<b>Through September 30, 2002</b>	
Obligations	33,716
Expenditures	29,735
Unliquidated	3,981
<b>Prior Year Unobligated Funds</b>	
Obligations	8
<b>Planned Fiscal Year 2003 NOA</b>	
Obligations	0
<b>Total Planned Fiscal Year 2003</b>	
Obligations	8
<b>Proposed Fiscal Year 2004 NOA</b>	
Obligations	0
Future Obligations	0
Est. Total Cost	33,724