

A Snapshot of Romania's Civil Society:

Facing the Challenge of EU Integration

DRAFT REPORT

by

Sandra Pralong

“To design and sustain genuine partnerships with civil society actors, it is essential to understand the civil society sector, assess its capacities and weaknesses, and develop appropriate and effective tools and instruments to engage with civil society organizations (CSOs).”

*A Toolkit for Strengthening Partnerships
UNDP 2006*

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1. Executive Summary

This report seeks to offer an updated picture of Romania's NGO sector. Most of the data presented are based on official figures of NGO registrations and activity, dating from 2005. (Romanian legislation mandates that groups acquire formal legal status to become active, open a bank account, etc. Once established, NGOs need to deposit their balance sheet with the Ministry of Finance).

According to these figures, the sector is over 43,000 strong, with fewer than half (about 17,000) NGOs that are active (i.e. deposit balance sheets). Of these, it is estimated that fewer than half are actually undertaking regular programs. Hence we might be looking at a Romanian Third Sector comprised of about 10,000 organizations actually having regular activities and undertaking projects.

There are large regional discrepancies in associativity—Transylvania is home to twice the number of organizations existing in the other two regions (Walachia and Moldova). Moreover, the Hungarian-speaking parts of Transylvania feature even higher NGO penetration rates—three-times as many as in the other two regions.

Most of Romania's organizations are poor—of the 17,000 NGOs that deposit balance sheets, two-thirds report yearly revenues under 5,000.- USD and as many as half of the total that are active report revenues as low as 1,000.- USD per year.

The study also shows that most NGOs are membership-oriented (business and professional organizations, which were in part made legally mandatory), followed by culture & leisure and social services organizations. Even though Romania's population is 45% rural, fewer than one-out-of-five NGOs are based in the country-side.

The main challenge associated with Romania's EU membership comes from changes in the structure of funding and from the altered 'balance-of-power' between the associative sector and the state.

While prior to EU membership many of Romania's NGOs had primarily a watchdog role and guarded their independence with the help of foreign funding, after EU accession the retreat of foreign donors increased NGOs dependency on the state. This—coupled with the EU's reliance on NGOs as service providers—risks emasculating the role that the sector had in holding the state accountable. In addition, financial constraints and the lure of consulting (as a financially more lucrative endeavor) may further decimate the ranks of NGOs.

Annex 1 to this document summarizes the main reports that, since 1998, discussed the status and needs of civil society.

Annex 2 inventories the extensive legislation covering the Third Sector.

2. The Mandate of This Research

a. Target audience:

This report is designed as a working document to provide key insights about Romania's NGO sector at a moment of great transformation due to Romania's EU accession. It is based on official data (from 2005), and it is designed as a review of the field before the new three-year data-collection effort of FDSC (underway since March 2008) starts bearing fruit.

The report is intended for use as a basis for discussion by those interested in the development of Romania's NGO sector—be they decision-makers or scholars, policy practitioners or funders.

For now, the report includes few specific recommendations—it merely highlights the issues at stake and underscores some key policy areas that need consideration.

The purpose of the report is to offer a description of the state of the sector, for an informed discussion about future policies and programs.

b. The Expert:

Sandra Pralong returned to her native Romania in 1990 to establish the Soros Foundation for an Open Society—one of the country's first funders of civil society initiatives—opening offices in Timișoara and Iași, and setting up the Soros Foundation in Moldova (Chișinău) in 1992. She has been an advisor to the President of Romania (1998-2000), a Regional Advisor to the United Nations Development Programme (UNDP) (2002-2006), and an international consultant (the World Bank, USAID, OECD, UNICEF, etc.) She has extensive media expertise (Newsweek, CNN) and holds a Ph.D. with distinction from "Sciences Po" in Paris with a dissertation on Romania's civil society.

c. Acknowledgements:

The people who contributed to making this report possible (and better) are too numerous to list. However, I would like to recognize the leadership of UN's Resident Coordinator Jan Sorensen, that of the Administrator of UNFPA in Romania, Ms Marlène François Lays, and the other heads of UN Agencies based in Romania. In addition, I have been guided by the commitment of Mihai Horga, chair of the informal UN Working Group on civil society, and by the group's other members. In addition, my thanks to Marina Neagu, UNDP civil society focal point, for ensuring the printing of the Report. Last, but not least, my thanks to Sînziana Cerbu who provided research assistance, and to colleagues "from the trenches" such as Ancuța Vameșu, Daniela Pârvulescu, Ionuț Sibiian, Octavian Rusu, Ciprian Ciucu, Viorel Micescu, and many others, for their valuable inputs.

The author welcomes any suggestion, correction or completion, and takes sole responsibility for the shortcomings of the report's content.

d. The Sources:

This report is based on secondary sources (desk research) as well as first-hand interviews. In addition, most of the data about Romania's NGO sector is original and exclusive, having been excerpted from the author's doctoral research (Sciences Po, Paris, September 2008). A list of sources is available at the end of the report, after Annex 2.

3. What is Civil Society and Why Does It Matter?

a. Concept and definitions:

"Civil Society" means different things to different people. Yet definitions matter—especially for policy purposes—because they highlight the (implicit) instrumental uses of a concept, which then translate into public policy.

Some authors, such as Johns Hopkins' Lester Salamon consider civil society as being simply the "Third Sector" by contrast to the public sector and the for-profit, private world of business. Other authors, such as Larry Diamond and Mark Plattner, in their "Global Resurgence of Democracy" give the following definition:

"[Civil society is] the realm of organized social life that is voluntary, self generating, (largely) self-supporting, autonomous from the state and bound by a legal order or set of shared rules. [...]"

Since at issue in an open society is how individual interests can be pursued in the social arena, authors like Adam Seligman, in his “The Idea of Civil Society”, define the concept in ethical terms, saying that:

“Civil society embodies an idea of the social order that, if not overcomes, at least harmonizes the conflicting demands of individual interest and social good.”

The UN “recognizes the multiple functions civil society organizations play in addressing the main challenges of poverty and environmental degradation, conflict and disaster, the HIV/AIDS pandemic and governance at all levels, from the local to the global.”

A recent UN document states that: “the term non-governmental organization (NGO) [was used] to describe all the non-state/non-business organizations [that UN Agencies] worked with. The term civil society organization (CSO) is now the term of choice, as it encompasses a wider variety of organizations engaged in development work. CSOs comprise the full range of formal and informal organizations within civil society: NGOs, community-based organizations (CBOs), indigenous peoples’ organizations (IPOs), academia, journalist associations, faith-based organizations, trade unions, and trade associations, for example.”

For the UN:

*“CSOs are non-state actors whose aims are neither to generate profits nor to seek governing power. CSOs **unite people to advance shared goals and interests**. UNDP collaborates with CSOs whose goals, values and development philosophies accord with its own.”* (Emphasis added).

b. What role for civil society?

The reference to people *united to advance shared goals and interests* reminds us that public policy in a democracy seeks to mitigate between the public and the private. Thus, in interaction with the state, CSOs can position themselves in various ways, the key ones being:

- **Advocates** and defenders of the citizens’ rights and freedoms and promoters of the public interest;
- **Watchdogs**, holding the government accountable and monitoring public performance;
- **Providers** of public goods and low-cost services, and generators of social cohesion by integrating marginalized groups into the mainstream of society.

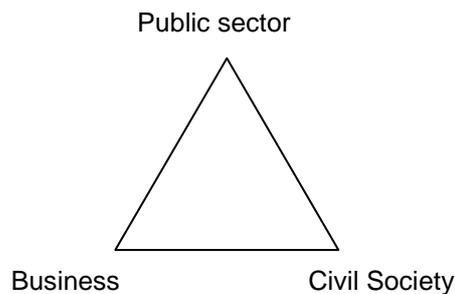
Some of these roles—especially the first two—can be held simultaneously. The later, on the other hand, may diminish the autonomy of the Third Sector in some cases in which the provider of funds refuses to acknowledge the independence of the service provider.

In Romania each of these three roles comes with specific challenges:

- The *advocacy* role requires specific legal expertise, commitment and a keen sense of solidarity—for it is necessary to defend causes even when one’s direct interests are not at stake. Thus the key challenges are to generate collective action and fund legal expertise in the public service. (One of the last large funders of advocacy projects—USAID through World Learning—just closed its program at the beginning of 2008).
- The *watchdog* role also depends on commitment and expertise but, above all, requires access to information and continuity in the watchdog function. The rapid personnel turnover in CSOs and lack of continuity in funding (which is primarily project-based), is one of the weakest links in civil society activism, considerably hindering CSO’s ability to perform a watchdog role. (USAID, and the EU’s Phare Programme have been keen initial funders of this role—now both organizations have withdrawn from Romania. The Soros Foundation was an initial promoter as well, but it’s now focused on implementing its own projects.)
- Finally, to perform a *service-provider* role, CSOs need know-how, funding and, above all, a transparent, clear legal setting. The state must be willing to create proper incentives, including the provision of adequate funding, and to abstain from soliciting *quid-pro-quo*s in

exchange for funding. The provision of services is a relatively new role for CSOs in Romania, dating of the last 7-10 years. (EU funding might be the source of choice, in addition to state funds.)

In the conceptual triangle that describes the three traditional statal actors (the public sector, business and civil society), there is, *simultaneously*, both antagonism as well as partnership among the players, possible pairings and coalitions as well as likely rivalries between them. Historically, a large part of Romania's civil society has been rather antagonistic *vis-à-vis* the state.



Yet among the three functions listed above (advocacy, watchdog role and service provision), only the first two are unlikely to generate cozy relationships between the state and CSOs; for the latter (the provision of services) partnership between CSOs and the state is a must. Thus as we move down the axis from advocacy to service provision, the relationship between the state and CSOs is bound to evolve from potential antagonism to one of increasing partnership. This is a desirable development, even in a young democracy such as this one, for as long as the state can be kept at arm's length in spite of its funding. But with EU integration now a done deal, who will be the external enforcer if the state fails to keep its distance?

In order to determine the best set of policies to revitalize the sector, one needs to ask a somewhat rhetorical question, but which is bound to have practical, policy implications: Why do we care about civil society? For what purpose? To advocate, to keep the state accountable or to provide needed services?

Policy Issue 1:

Twenty years after the Communist collapse, what role do we expect civil society to play in Romania? What policies will revitalize that role?

And what specific challenges--in terms of developing civil society--are being posed by Romania's new status as an EU member?

4. Stages of Development: Civil Society in Post-1989 Romania

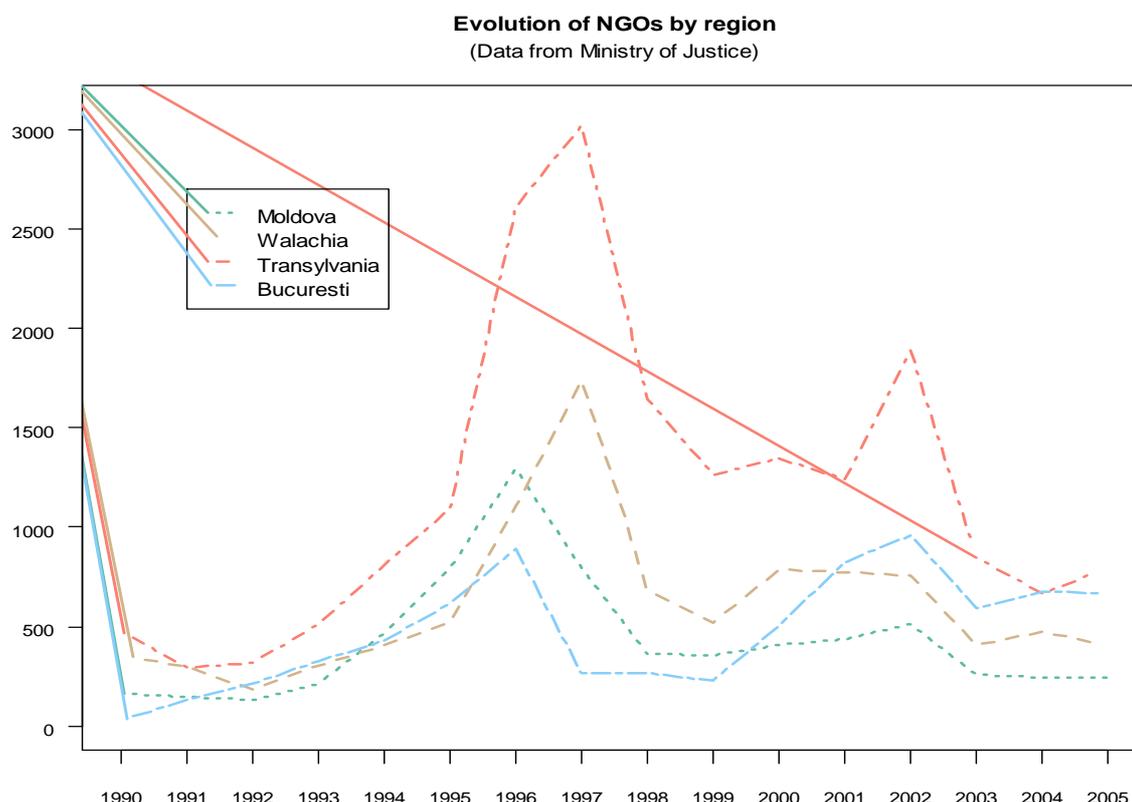
One needs to look back at the sector's evolution in order to assess the specific challenges that Romania's EU integration poses to the revitalization of civil society.

The graph below shows the evolution of NGO registrations between 1990 and 2005.

The research that follows offers the first extensive use of *official data* to assess Romania's NGOs. In reviewing official data, one deals with NGOs rather than Civil Society Organizations (CSOs), defined as all groups and organizations, including those that remain informal. Romania's legislation mandates that civil society organizations acquire legal status by registering with the local County Tribunal, which then passes on the information to the Ministry of Justice in order to get a cumulative national picture. Thus official data include information only about those organizations officially

registered as NGOs, not about the whole CSO sector which includes informal groupings, community organizations (without legal status), etc.

While Ministry of Justice data provide NGO registrations, it does not account for actual NGO activity or for the organizational mortality rate. To get an idea of how many among the registered NGOs are actually *active*, I have used the statistics of the Ministry of Finance which requires that all active NGOs file a yearly Balance Sheet.



A look at the Graph above reveals noteworthy fluctuations in NGO registrations, determined by both domestic and international politics (including the politics of NGO funding):

- The peaks of NGO registrations correspond, roughly, to the Romanian electoral cycles;
- The steepest increase starts after 1994 coincides with the period when the EU Delegation in Romania helped found the Foundation for the Development of Civil Society (FDSC) to champion the NGO sector, provide grants, manage the Phare Programme, undertake research and assume a leadership role in developing the NGO field.
- The period 1999-2000 shows the sharpest decline in the number of NGO registrations—partly because of legislative changes in the sector (i.e. the 1924 law was being repealed, superseded by new legislation. The legal framework will be reviewed in a different section of this Report.)

Two possible explanations have been provided for the increases in NGO registrations at electoral time:

- The NGO rate of creation allegedly resembles what happened in the economy, where it is said that managers of state-run companies have set up private businesses as intermediaries between the company they managed and the market—thus siphoning off the company's profits into private hands. Likewise it is believed that many of the NGOs created before and after the elections have been established by public servants aware of various funding opportunities and better ready to take advantage of them.

- The second explanation is complementary, rather than a substitute to the first¹. Essentially, the argument posits that the 2 waves of civil society creation (1995-1997 and 2001-2002) have corresponded to the two main sides of the political spectrum—the right and the left—having “discovered” the benefits of civil society. As evidence, one may quote former Prime Minister Adrian Năstase, who, after arriving in office in December 2000, is said to have urged his PSD party colleagues to “Create our own civil society too!”

Either way, both explanations point to a strong opportunistic set of factors presiding over the of NGO creation—the availability of funding being the first among them.

Luminița Petrescu, the former advisor to the Romanian President in charge of the relations with NGOs (1996-2000) quipped: "There are three kinds of civil society in Romania: the professionals, the enthusiasts, and the profiteers." While sharp tongued, to this day, this classification accounts for the distinction one finds between:

1) The Western-funded (and trained) **professional** NGOs active primarily in human rights, democracy promotion, and social services. This group was initially formed mostly of very young people with limited prior professional experience who were trained by Western NGOs in the early 90s to be "program officers." Commitment to 'civil society' represents a call for public service without having to work for the state (and perhaps an initial mark of concern about the insufficient credentials for the private sector). This group is managerially well trained, versatile, and politically neutral. Mobility among NGOs is high.

2) The “**enthusiastic**,” but underfunded, local groups (which best correspond to the Tocquevillian idea of self-organized, voluntary organizations) are to be found mostly in the provinces, where Western support has been slower to reach. To these, one should add the civil society activists, such as those in the Civic Alliance, the Group for Social Dialogue, etc. Even though some of the largest groups of local “enthusiasts” have received Western support, to the difference of the “professionals” they have not employed Western staff nor have they been extensively trained by Westerners. Their staff is local, and their focus is primarily domestic and civic—or socially—engaged. There are also some other organizations in this category: mostly small, local arts and culture associations that manage to just get by with little funding and few projects. For instance, many of these are primarily associations commemorating the life and work of local cultural or past political icons (the Lucian Blaga Association, the Mihai Viteazu Foundation, etc.)

3) The “**profiteers**” are those shrewd entrepreneurs who took advantage of tax loopholes benefiting non-profit organizations to disguise profit-making import-export businesses as NGOs. Although with the adoption of the new law in 2000 the practice abated, such trafficking has given a bad name to the non-governmental sector overall. It is difficult to estimate exactly how many fraudulent NGOs there are, but some statistics are worrisome. In a few rural areas, where economic development is particularly slow, numbers as high as 1,638 NGOs for a small rural community in the mountains of Northern Moldova are not unusual, and an average of 90 foundations per thousand people is said to be the norm—which would mean about 1 foundation per (extended) family². Some locals are said to have as many as 20 NGOs registered in their name. If one were to assume a correlation between the high poverty index and humanitarian assistance or social cooperation, one would be woefully wrong. These “foundations” were mere fronts for thriving black-market businesses, such as the market for imported cars, which profitably use the tax loopholes granted to NGOs.

This classification, and especially the use of legal loopholes prior to 2000, may explain why “civil society”, a term that is positive or neutral in other parts of the world, in Romania has acquired an initial negative connotation that is still difficult to shed-off.

Based on these three types of civil society (enthusiastic, professional and profiteering), one might establish a conceptual classification in time as well.

¹ The observation is provided by Ion Olteanu of CENTRAS.

² I reference this figure to a 1989 study undertaken by Dragos Calitoiu for the Foundation for the Development of Civil Society (FDSC). Frankly, I believe that there must be a zero missing somewhere because my own research gives about 100 registered NGOs per 100,000 inhabitants in Moldova. See also Dragos Călițoiu, *O Analiza a Fundațiilor Umanitare din Județul Suceava* (An analysis of humanitarian organizations in Suceava county), in *Info ONG, Anul iii*, no.15 (April-May 1989), p.26.

In essence, a look back over the last almost 20 years shows three different stages of civil society development:

- An initial period of **enthusiasm** (1990-2000),
- A period of consolidation and **professionalization** (2000-2007).
- From Romania's EU accession in 2007, we see a **turning point**; a new stage of development emerges, the contours of which have yet to be defined. If the momentum is seized, civil society will be consolidated, if not, the number of NGOs and their power will further decline.

Each of these developmental stages has special features, partly resulting from the domestic scene but they are primarily determined by donor policies:

- The initial **enthusiastic period (1990-2001)** has been characterized by:
 - Old-fashioned, generic legislation dating from 1924 (never repealed prior to 2000 but never used either under the communist regime);
 - Pioneering, militant spirit, initially in opposition to the established political power (deemed "neo-communist" by civil society), later, after the 1996 election, becoming more prone to seeking partnerships with the public sector;
 - Availability of relative plentiful funding, especially for democratic-consolidation domains (human rights, minority protection, civic education, etc.)
 - Limited bureaucracy (at the beginning) even for the main donors such as Soros, USAID and even Phare grants, hence relative easy access to funding;
 - A well defined leadership with a few prominent figures driving the scene, including in recommending to donors areas for funding.
- The second, **professional period (2001-2007)** has been characterized by:
 - Changes in legislation that more sharply distinguish the various associative forms (Foundations vs. Associations, Unions, etc.)
 - More selective funding opportunities (and more limited too);
 - Increased bureaucracy in accessing funds;
 - The emergence of new areas of interest of funders, such as social assistance, delivery of services and increased state reliance on service-provision from NGOs;
 - Increased use of participatory methodologies and increased local authorities appetite for cooperation with the associative sector;
 - The emergence of a new generation of civil society "technocrats", less militant, more business-like, trained by western NGOs;
 - The professionalization of project-management as a skill transferred by western donors;
 - Increased use of proper financial governance in the sector;
 - Increased competition for funding creating a more individualistic ethos, lesser cooperation within the sector;
 - Thinning, more diffuse, geographically dispersed leadership (the emergence of regional centers in Cluj, Timișoara and Iași).
- The **period starting in 2007** (with Romania's EU accession) has yet to be properly defined. Nevertheless a few features are already apparent:
 - The withdrawal of traditional donors (USAID, Phare, MATRA, the Swiss, etc.)
 - The availability of new funding sources (2%, CSR) unable to fill the vacuum left by the withdrawal of large funders;
 - The all-too-timid emergence of few domestic foundations (Dinu Patriciu, Dan Voiculescu) in spite of the large number of quick-fortunes;
 - Romania's largest endowment (100 million USD, the RAEF Foundation) being slated for distribution exclusively as student loans, hence unavailable to fund regular NGO activities;
 - Initial enthusiasm about EU Structural and Cohesion funds quickly tapered, to be replaced by frustration about the difficulty of access by NGOs;
 - Fragmented civil society leadership, with leaders increasingly split along political lines.

Policy Issue 2:

Romania's EU membership raises several key challenges to the country's NGO/CSO sector :

- *What source of funding will remain for the sector?*
- *What are the implications of increased state funding (at central and especially local levels) have in a young democracy such as Romania's?*
- *How will the transition from Phare Programs to Structural and Cohesion Funds affect NGOs' programming?*
- *What effects will the availability (or not) of EU Structural and Cohesion Funds have on the configuration and structure of Romania's non-governmental sector?*

5. An Assessment of Romania's NGO Sector:

Any set of UN policies *vis-à-vis* the Third Sector will take into account existing NGO capacities in Romania. However, these are far from easy to assess. Most existing reports (see Annex 1), have two failings:

- They offer insufficient, partial data about the sector (either qualitative or quantitative, rarely both);
- They relate mostly to existing capacities *before 2007*, prior to EU accession, when the situation in the field was very different.

To remedy this situation, the Foundation for the Development of Civil Society (FDSC) has started, in March 2008, a three-year research programme funded by the CEE Trust. The survey will review the sector's capacities, canvass registered and active NGOs as well as collect data about organizations that are informal and have no legal status. Also, the survey will seek information about membership, key activities, as well as provide an assessment of impact. The results will be available starting with Spring 2009.

In the meantime, I will use here information from my Doctoral research, which contains the first complete *quantitative* assessment using *official* data available between 1990 and 2005.

However, my assessment does *not* offer data on associational membership or volunteerism and, especially, does *not offer qualitative* evaluations of the NGOs impact on the policy process or in the social sphere. (For a more comprehensive look at other assessments, see Annex 1 which offers a summary of the most relevant reports available in the last 10 years.)

As a reminder, **capacity** is defined by the OECD DAC as "the ability of people, organizations and society as a whole to manage their affairs successfully; and *capacity development* is understood as the process whereby people, organizations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time."

The UN states that "in recent times, the notion of capacity development has undergone significant change – conceptually, operationally and institutionally. *Conceptually*, there has been a paradigm shift whereby the notion of capacity development is no longer limited to human resource development, but rather covers a broader scope that includes societal and organizational transformation and the issues of national ownership, policy-level impacts, and sustainability. It includes the creation of space for and management of dialogues, relationships, and partnership; knowledge networks; and incentives for performance and accountability. *Operationally*, it no longer emphasizes outputs, but also processes and mechanisms that lead to outputs. *Institutionally*, it is at the core of the work of countries and national governments as it is embedded in national development strategies as well as sub-national development plans. "

In order to properly assess NGOs' specific capacities according to these changes in understanding, research will need to be undertaken on the ability of NGOs to engage in the processes mentioned above, which are difficult to measure quantify.

a. Registered vs. Active NGOs:

The first notable point when looking at associativity in Romania is not just how significant are regional differences in the rate of NGO registrations, but also how few of the registered NGOs are active—on average, much fewer than half (39.53%).

By 2005 there were a total of 6,841 NGOs registered in Moldova since the beginning of political liberalization in 1990, only a third more in Walachia (9,742), and a bit fewer than times their number in Transylvania (18,821). Bucharest alone featured 7,622.

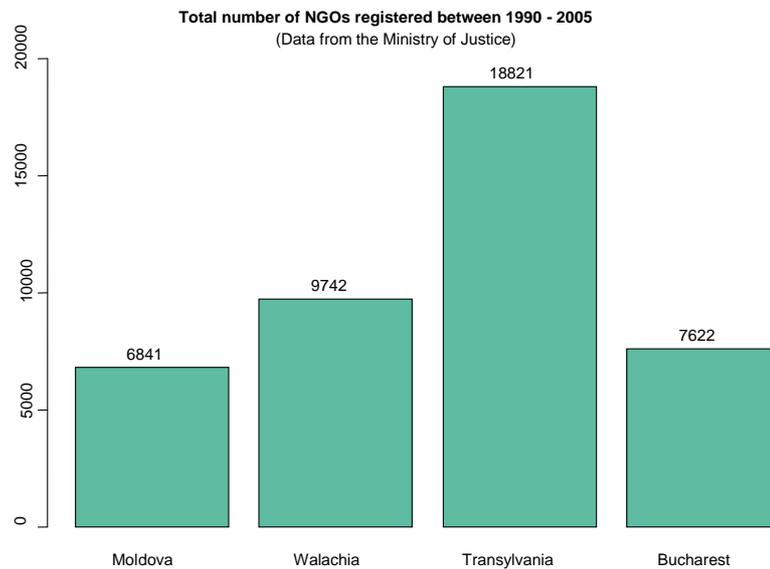


Figure 1 - Total NGO registrations, by region, after 15 years (1990-2005)

But when looking at the associational *density* (measured as the number of NGOs prorated to the population), in the same 1990-2005 period, Moldova shot ahead of Walachia, with a total of 143.6 organizations per 100,000 inhabitants vs. 122.2 in Walachia, 243.7 in Transylvania and 323.7 in Bucharest.

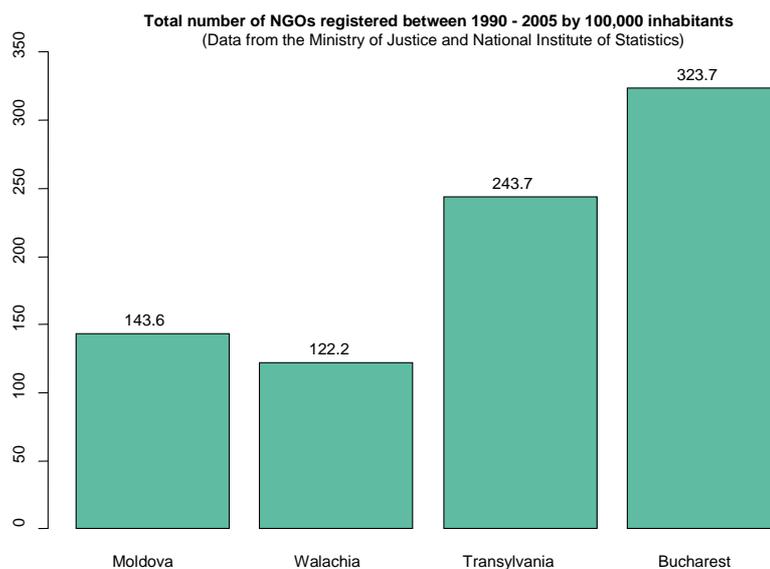


Figure 2 - Density of registered NGOs, by region, after 15 years (1990-2005)

When comparing registered NGOs with those organizations that are actually *active*, I found that by 2005 there were only 2,263 active NGOs in Moldova, 3,685 in Walachia, but a total of 8,069 in Transylvania (more than three times the rate of Moldova!) and 2,952 in Bucharest.

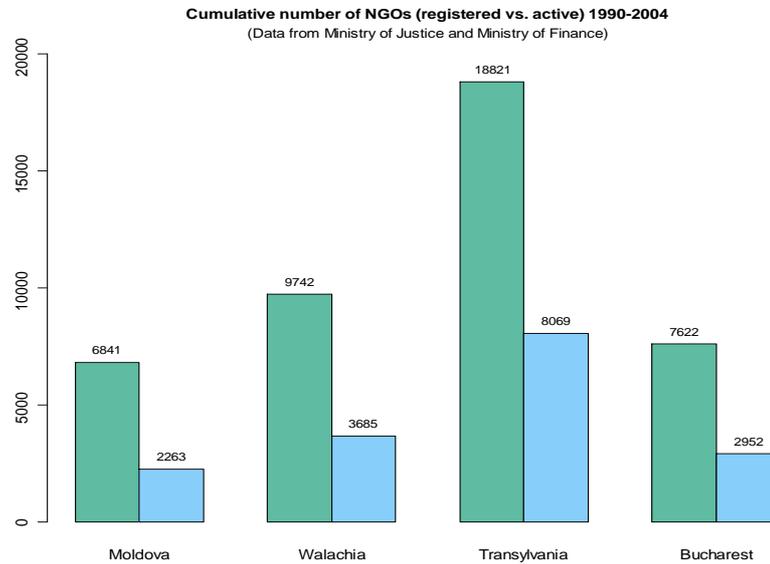


Figure 3 - Registered vs. active NGOs, by region, after 15 years (1990-2005)

In addition, calculating the associational density revealed an interesting pattern: while Moldova and Walachia had similar numbers of active organizations per 100,000 inhabitants (47.5 and 46.2 respectively), Transylvania shot up to 104.5, (namely over twice as many as either of the other provinces and *more than both of them combined!*), while Bucharest featured 125.4 active organizations.

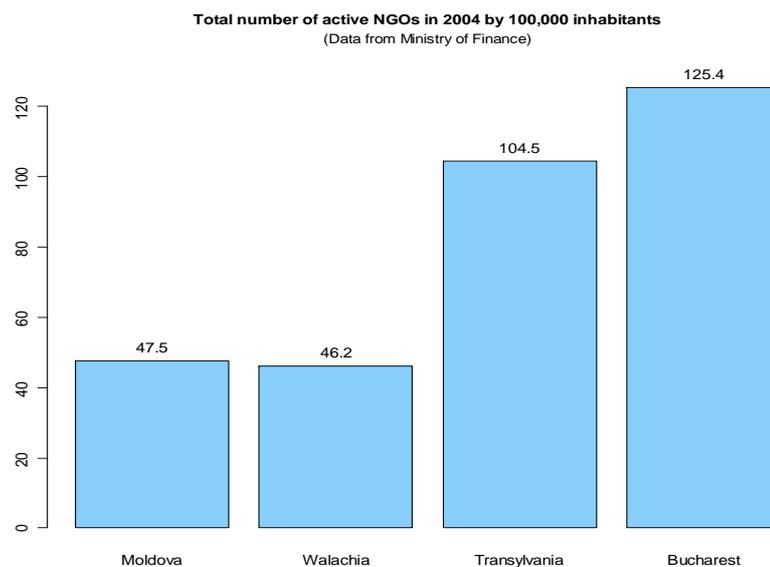


Figure 4 - Density of active NGOs, by region (1990-2005)

The contrasts among regions appeared even starker when Transylvania’s sub-regions were analyzed separately. Indeed, the associational density in Moldova remained 47.5 and Walachia accounted for 46.2 organizations per 100,000 people. Banat featured 68.5 active organizations per 100,000 inhabitants, Transylvania proper 106.2 while the region of Secui (a part of Transylvania with a preponderantly Hungarian-speaking population) featured a whopping 153.4 organizations per 100,000 population—over three times more than in Moldova!

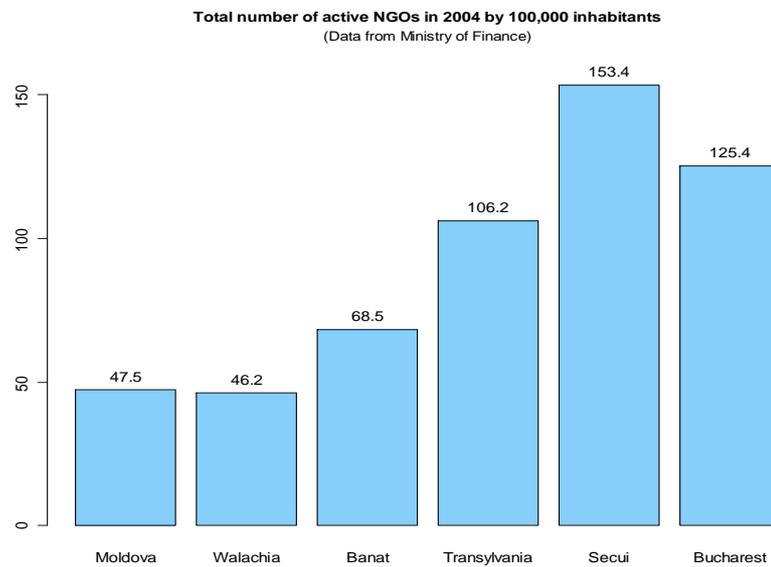


Figure 5 - Density of active NGOs, by sub-region (1990-2005)

Interestingly, the pattern of Secui having three times more organizational vibrancy and density only held for NGOs, not for businesses.



Figure 6 - Density of registered businesses by sub-region (1990-2005)

This shows that social entrepreneurship and business entrepreneurship are not related, each responding to different constraints and opportunities.

Policy Issue 3:

Should specific efforts be made to curb the “mortality rate” of Romanian NGOs (or, at least to understand its causes)?

b. Regional Differences in NGO Revenues

A special type of discrepancy between regions could also be noted in terms of revenues. The cumulative earnings in 2004-2005 of my dataset of active NGOs³ (organizations that submit an annual Balance Sheet to the Ministry of Finance) amounted to about 21.4 billion ROL, or the equivalent roughly of 900 million US Dollars (about 600 million Euros⁴.)

Unsurprisingly, the organizations in the capital, Bucharest, earned the lion’s share of the revenues (45.4%), while Transylvania earned almost 1/3 (32.6%), almost as much as Moldova and Walachia combined (12.5% and 9.6% respectively).

Distribution of active NGO revenues 2004

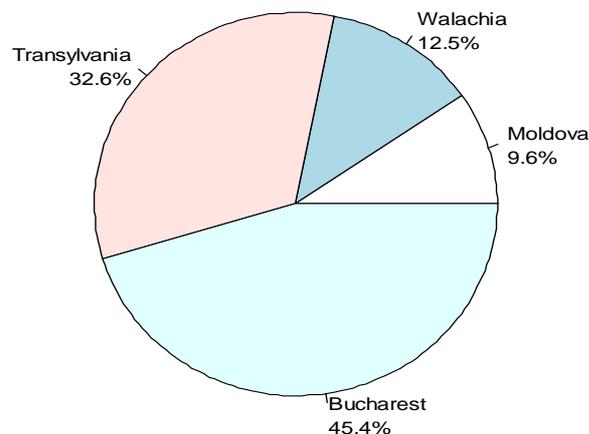


Figure 7 - Revenue distribution of active NGOs (percent) (1990-2005)

A subtle discrepancy appeared between Moldova and Walachia in terms of average revenues per NGO. While a simple division of the total Moldovan revenues to the number of NGOs in that region yielded a rough total of 33,400 USD per year/per organization, a Walachian organization earned only 26,700 USD a year, or roughly 30% less. With annual revenues of over 121,000 USD/org/year, Bucharest organizations topped the chart.

³ I have eliminated from the tally all large private universities and other high NGO rollers of the Finance Ministry’s lists and am left only with the revenues for the 16,969 CSOs in my database. Otherwise, counting absolutely all the active NGOs would have yielded a total financial envelope for that same period over 50% higher (for a difference in number of organizations of 5%)—so fewer than 5% of the organizations earn over 30% of the revenue.

⁴ I am using the average exchange rates of 2006-2007.

	Moldova	Walachia	Transylvania	Bucharest	Total
NGOs (active)	2,263	3,685	8,069	2,952	16,969
Income (mil. RO)	2,043,287	2,661,006	6,971,727	9,691,187	21,367,206
Income (million USD)	75,7	98,6	258,2	358,9	791,4
Income/NGO (million ROL)	902	722	864	3,283	1,259
Income/NGO USD per year	33,441	26,745	32,000	121,590	46,637

Table 1 - NGO Income by region

However, a twist appeared when the Transylvanian region was deconstructed and its three component sub-regions (Banat, Secui and Transylvania proper) were analyzed separately from one another. Of all three sub-regions, Banat organizations, with revenues of almost 48,760USD/org/year, were the wealthiest—even above the national average of 46,600 USD/org/year—while Secui, the most densely populated region in terms of NGOs, was also the region where organizations had the least funding. On a per-organization basis, Secui NGOs earned average revenues of only 27,650 USD per year, or about 45% less than in Banat.

	Transylvania proper	Secui	Banat	Transylvania total	Romania total
NGOs (active)	6,440	892	737	8,069	16,969
Income (mil. RO)	5,335,394	665,990	970,343	6,971,727	21,367,206
Income (million USD)	197,6	24,7	35,9	258,2	791,4
Income/NGO (million ROL)	828	747	1317	864	1,259
Income/NGO USD per year	30,684	27,653	48,763	32,000	46,637

Table 2 - Transylvania NGOs - Income distribution

Finally, the last—but far from least—relevant finding regarding revenues of Romanian NGOs is also a novelty in terms of civil society scholarship in Romania. Indeed, when looking at organizations by category of income, it appears that almost half (48.5%) of Romania's organizations earn fewer than 1,000 USD per year! Furthermore, a total of almost two thirds (62.85%) of Romania's non-governmental organizations earn less than 5,000 USD/year.

< 1000 USD	1,000 – 4,999	5000 –	25k –	50k-99,999	100k –	500k –	> 1 Mil	Total

		24,999	49,999		499k	1,000k			
8,222	NGO	2,422	2,915	1,155	911	1,107	136	101	16,969
48.5%		14.3%	17.2%	6.8%	5.4%	6.5%	0.8%	0.6%	100

Table 3 - Distribution of active NGOs by categories of income

It is further interesting to note that over *two thirds* of Romania's NGOs are funded with roughly 400 USD/month (5000 USD/year) and half of those NGOs earning less than 1,000 USD/year are in Transylvania.

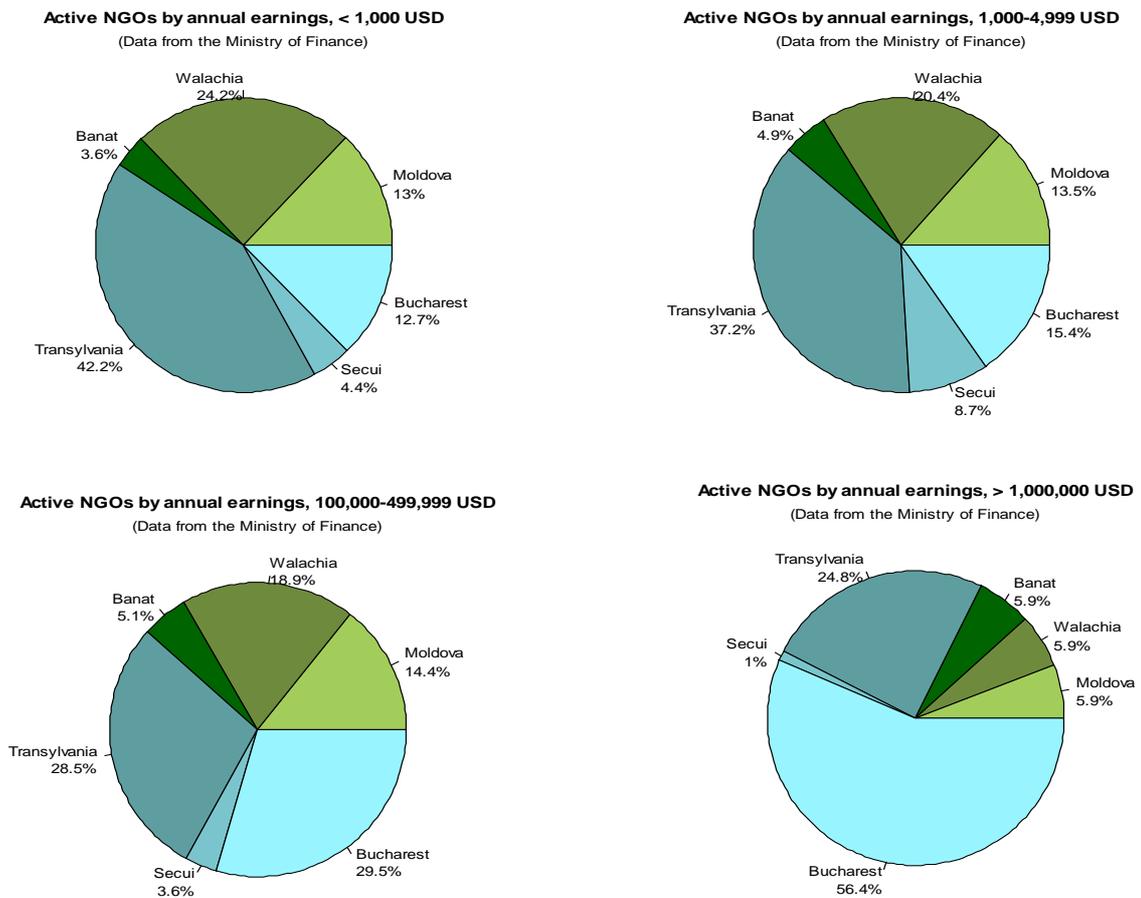


Figure 8 - Regional distribution of NGOs by revenue

Policy Issue 4:

Many training programs have offered fundraising expertise. Should they also seek to target various regional discrepancies in the NGOs ability to attract and manage funding (i.e. provide more training opportunities in areas of low associative density)?

c. NGOs by Type and Ethnicity

When evaluating the organizational status of Romania’s civil society, the main legal forms (associations and foundations) represent the lion’s share among Romanian NGOs. In percentage, almost half of Romania’s NGOs are associations (45,3%), a bit fewer are foundations (40.6%) and only 14.1% are “other types”, i.e. federations, clubs, leagues, unions⁵, etc.

NGOs by type, 1990-2004 (percentage)

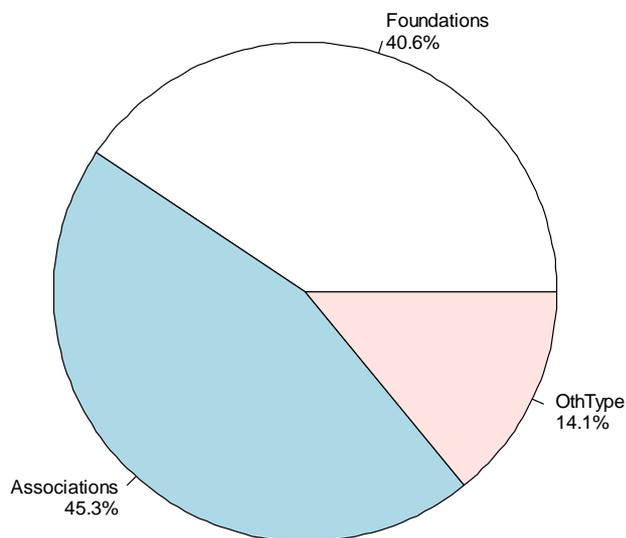


Figure 9 - Types of NGOs (1990-2005)

Both in the Secui region and in Banat there is a much larger number of associations than foundations, by a factor of 40-60%, confirming the rather grass roots, small, “Tocquevillian” nature of civil society in areas with a strong Austro-Hungarian cultural legacy. In the Hungarian-dominated Secui region, there are over 4 times as many associations as there are in the other areas, i.e. Moldova and Walachia.

⁵ As a reminder, I have excluded Labor Unions from my analysis.

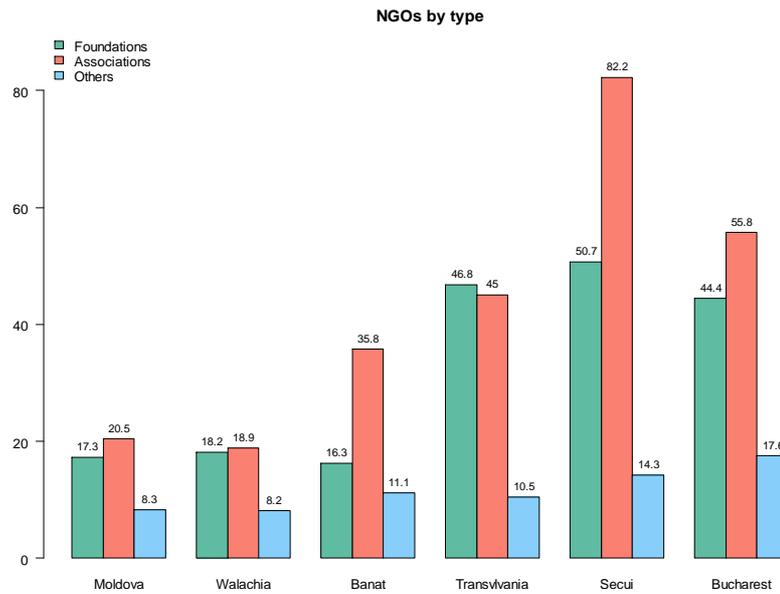


Figure 10 - Type of NGOs by sub-region (percentage) (1990-2005)

A caveat is in order when dealing with the ethnic distribution of NGOs, as I took the NGO's "ethnicity" from the organization's name, which may be misleading—especially when the name is Romanian in Hungarian-speaking areas⁶.

According to the Ministry of Finance data, everywhere, including in Transylvania, NGOs seem to be overwhelmingly Romanian, sometimes by a by a factor as high as 17 to 1, *even* in areas of substantial Hungarian population.

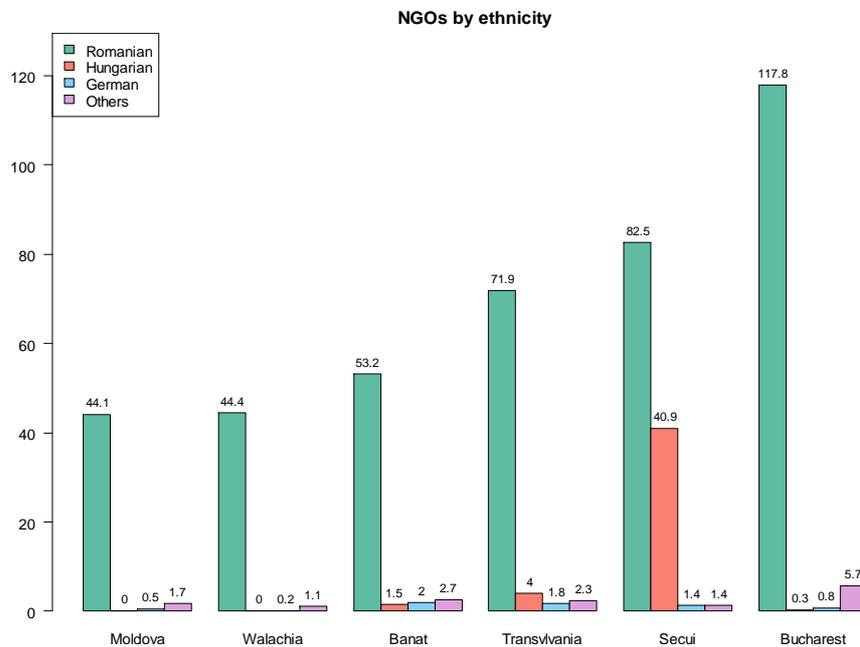


Figure 11 - The ethnicity of NGOs, by sub-region (1990-2005)

⁶ Simply put, people may fear that registration and authorizations are unfairly withheld by "nationalistic" authorities, hence they register under a Romanian rather than a Hungarian one.

The larger surprise however is, again, in Secui, where even though there is an overwhelming Hungarian population (over 80%), *Romanian* organizations outrun Hungarian ones 2 to 1.

As explained, this finding needs to be taken with a grain of salt—such an obviously skewed proportion is probably due to organizations registering themselves under Romanian names for fear of not getting Ministerial (or Court) approval. But such finding represents nonetheless an area that would warrant more investigation, as even with due consideration given to “tactical” registration motives, there is still a chance that many associations in Secui are indeed *bona fide* Romanian organization, and may represent the expression of a *local* (Romanian) ethnic minority seeking to preserve its rights and exercise its voice⁷.

One last surprise in terms of ethnic considerations has been the incredibly small number of NGOs that call themselves Roma (or present Roma issues as their object of activity). Again, this may be in part due to tactical registration reasons, as Roma social entrepreneurs might fear discrimination if they register under an ethnic name. On the other hand, with the amount of funding available to deal with Roma issues (especially from the EU, or from the famed Decade of Roma Inclusion sponsored jointly by national governments, the World Bank and private efforts) it would be unlikely—or at least bizarre—that organizations shy away from labeling themselves “Roma” since this might smoothen their way to accessing preferential funding.

In my dataset of 16,969 organizations, I have only counted 55 (fifty five) NGOs that have Roma names or have references to the Roma in their title. This would mean that Roma NGOs represent only 0.32% of the total number of organizations.

Considering the estimated Roma population at about 5%-10% of Romania’s population, this obvious under-representation of Roma interests is perhaps as good an illustration as one can get of the importance of culture in the propensity to associate.

Policy Issue 5:

What more can be done to increase Roma associativity and participation? And what policies might encourage Roma organizations to acknowledge their ethnic identity?

d. NGOs by Domain of Activity

By 2005, business and professional associations were the most numerous Romanian NGOs (a total of 2,192), closely followed by social service NGOs (2,148), sports (2,086) and culture and recreation organizations (1,668). Interestingly, advocacy and human rights seemed relatively under-represented (a total of 1,050 for the whole country), which is surprising since this domain initially received the most attention from international donors⁸.

Also by 2005 there were no more than 627 environmental NGOs in the whole of Romania (population over 20 million).

⁷ In other words we might be witnessing a situation in which the Romanian population in the Secui region considers itself an ethnic *minority* within the larger Hungarian enclave in the middle of Romania.

⁸ Some of Romania’s professional and business associations are mandatory hence there is not much sense discussing them, on the other hand the reasons behind the relatively small number of advocacy and human rights NGOs are worth further—qualitative—investigation.

Number of NGOs by domain, 1990-2005

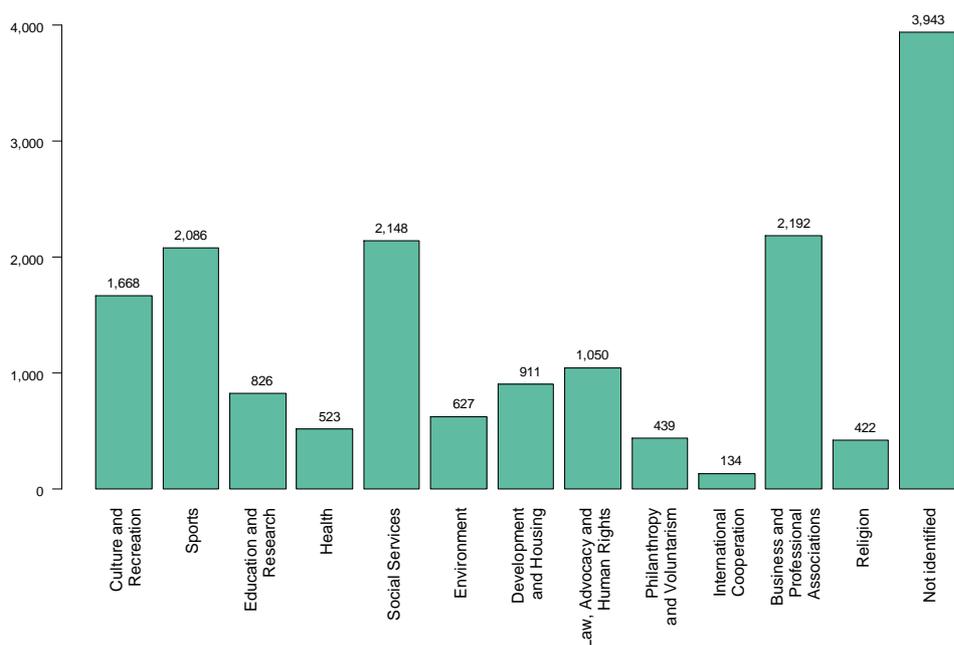


Figure 12 - Number of NGOs by domain, 1990-2005

However, a caveat is in order when comparing the number of associations in each domain. Out of the total dataset of 16,969 organizations, as many as 3,943 have remained unidentified because the domain was not obvious from the information available in the Ministry of Finance dataset.

The regional distribution of organizations by domain of activity shows an interesting pattern: in Transylvania, the most numerous associations are involved in social services, with sports and, separately, cultural and recreation organizations in second and, respectively, third position. Moldova also features a prevalence of social organizations, followed by sports and business & professional associations. Finally, Walachia's business & professional associations are the most numerous, followed by sports second and social services only third.

Active NGOs by domain per 100,000 inhabitants 2004
(Data from the Ministry of Finance)

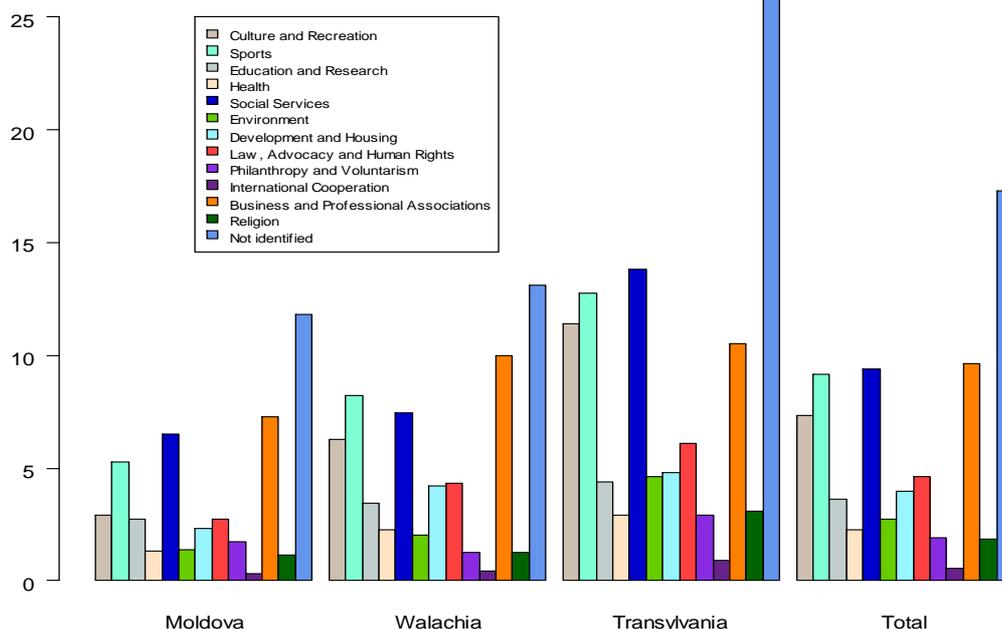


Figure 13 - Active NGOs by domain per 100,000 inhabitants 2004 (Data from the Ministry of Finance)

Another caveat is in order when dealing with culture/recreation and sports NGOs in Romania, as many are not post-1989 grass-roots creations but they rather represent the mere transformation of former Communist party local bases into organizations with distinct legal status⁹.

A more accurate measure of genuine NGO creation (taking advantage of the newly found freedom to associate) is given by looking into domains that did *not* resonate with public authorities prior to 1989. Care for the environment is such a domain. Although by 2005 there were only few environmental NGOs in the whole country (a little over 600), interestingly, over half of these (56.6%) are based in Transylvania.

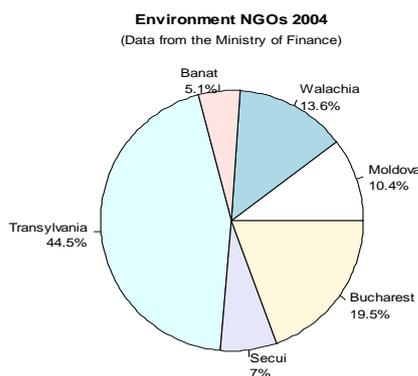


Figure 14 - Regional distribution of NGOs by domain of activity

⁹ Here too a qualitative analysis might fine-tune the finding and reveal interesting transformation patterns which may bring to light an even smaller number of organizations created after 1989, hence an even weaker civil society.

Likewise, Transylvania features over half of all the religious NGOs in the whole country (56.4%). As for advocacy and human rights NGOs, Transylvania is home to fewer than half (44.8%), while Walachia features 23.1%, Moldova 12.5% and Bucharest is home to 19.5% of them all.

Interestingly, in Secui, culture and recreation organizations are prevalent to an astonishing extent. For instance, there seem to be *five times* more culture and recreation organizations in the Secui region than there are NGOs devoted to social services, and twice as many culture and recreation NGOs than organizations involved in advocacy and human rights.

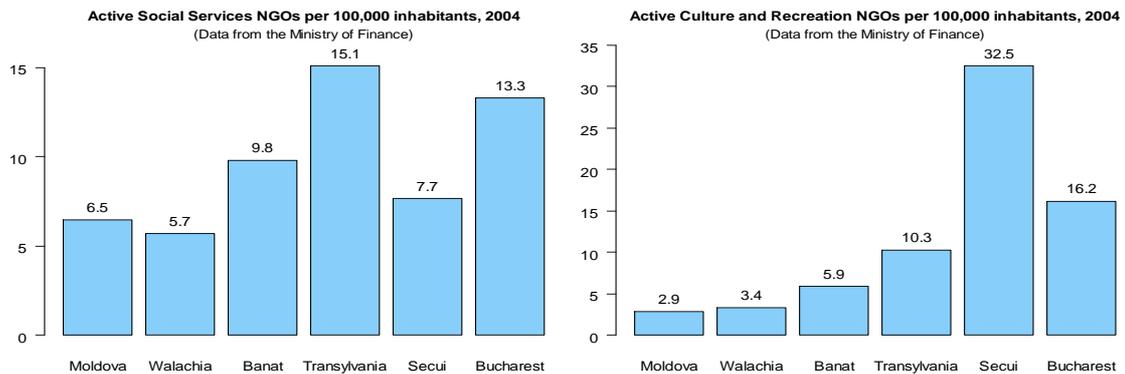
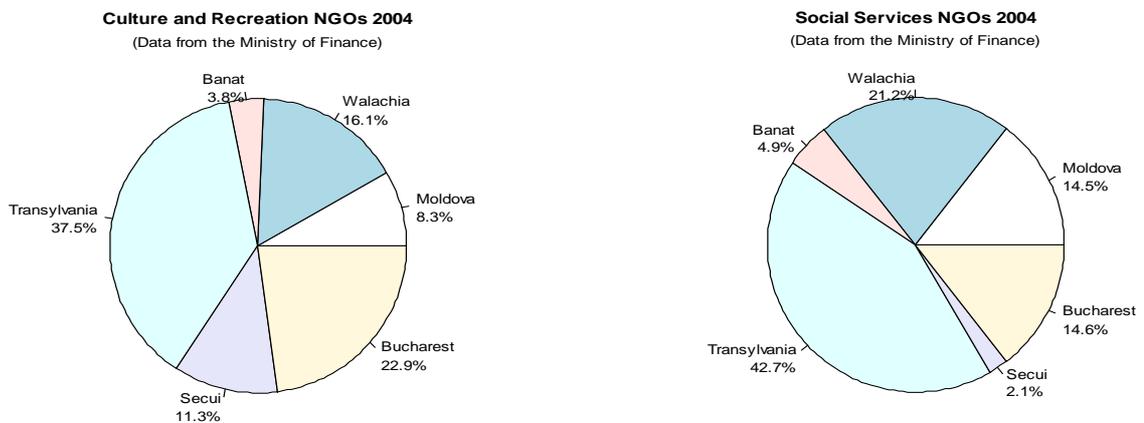


Figure 15 - Sub-regional distribution of NGOs by domain of activity (by 100,000 inhabitants)

When looking at the distribution of culture and recreation NGOs in Transylvania, it was interesting to note again the relatively high number of *Romanian* organizations in the Secui region which is home to 80% Hungarians (13.8 in Secui vs. 6.9 in Transylvania proper and only 5.4 in Banat, per 100,000 population).



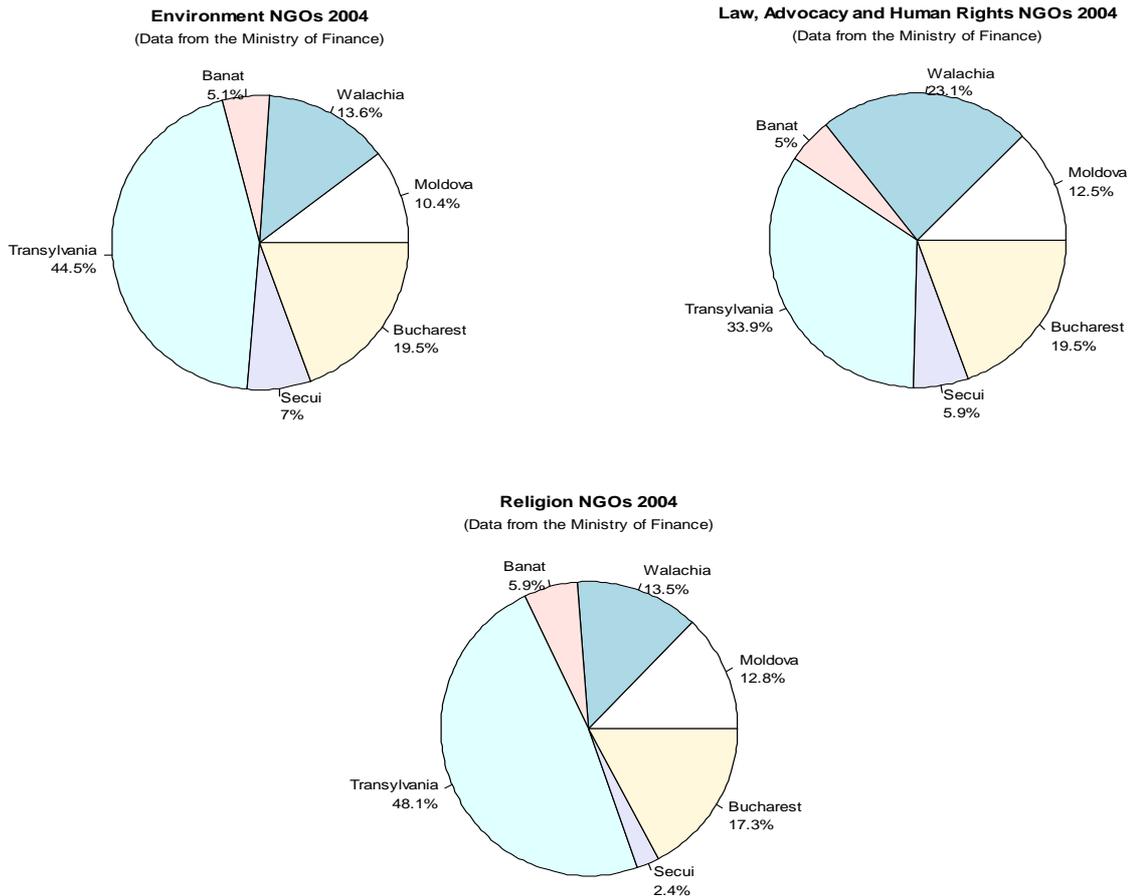


Figure 16: Regional distribution of NGOs by domain of activity

Policy Issue 6:

Are there domains that need to be promoted yet are likely to be negatively affected by the changes in the structure of funding following Romania's EU accession?

e. NGOs by Location (Urban/Rural)

Romanian NGOs seem to be an essentially urban phenomenon. Fewer than 14% of NGOs operate in the countryside, which clearly shows the under-representation of associativity in rural areas, in a country that has the largest proportion of rural inhabitants in Europe—over 45%.

Urban/Rural distribution of total active NGOs, 2004
(Data from the Ministry of Finance)

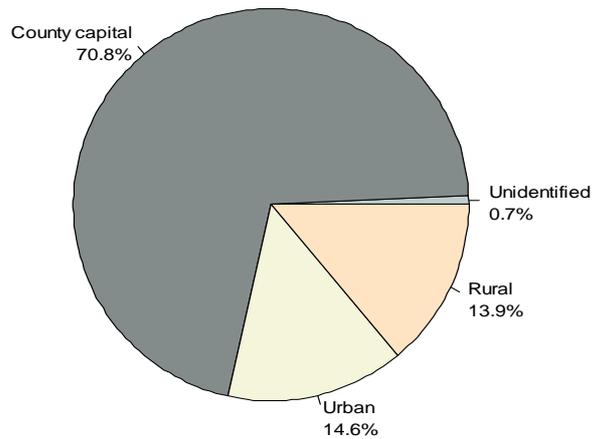
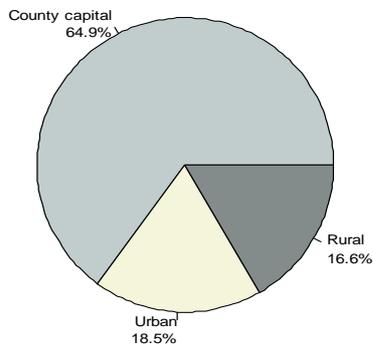


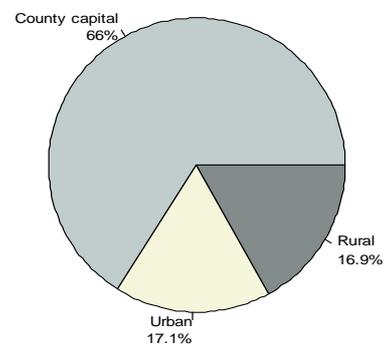
Figure 17 - Urban/Rural distribution NGOs

In all three regions, the lion's share of organizations is based in the county capital (called in Romanian, "reședință de județ")—two-thirds of all NGOs in Moldova, Walachia and Transylvania are based there. Interestingly, the remaining third in each case is split in very similar proportions in all three regions: half rural (approx. 16-17%) and half urban, i.e. small urban centers other than the county capital (17-18%).

Urban/Rural distribution of active NGOs in Moldova
(Data from the Ministry of Finance)



Urban/Rural distribution of active NGOs in Walachia (w/o Bucharest)
(Data from the Ministry of Finance)



Urban/Rural distribution of active NGOs in Transylvania
(Data from the Ministry of Finance)

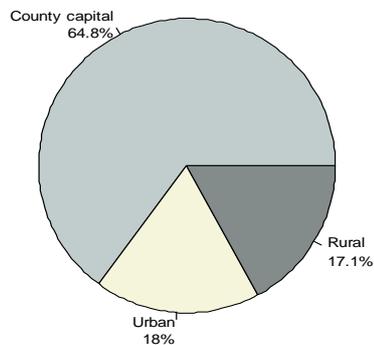


Figure 18 - Urban/Rural distribution NGOs per region

Note that, paradoxically, the region with the *highest* percentage of rural residents (Moldova) also has the *lowest* proportion of rural-based NGOs.

Policy Issue 7:

How can rural associativity be enhanced and its benefits promoted?

f. Assessing the capacities of the Romanian NGO sector:

The data presented here can only offer a very partial picture of the sector's capacities. For instance, figures about organizational membership and data on the sources of funding are not available among the official information. In addition, the new definition of "capacity" sets the bar very high, as it includes matters of process, dialogue and measures of effectiveness, all nearly-impossible to gauge accurately from the information available.

According to the UN, the *eight* capacity components are: *human resources; public sector accountability; access to information, development knowledge and technology; inclusion, participation, equity and empowerment; financial resources; material resources; environmental resources; and external/international relations.*

At the time of this writing, as mentioned before, the Foundation for the Development of Civil Society (FDSC) is in the early phases of a three-year research program which is poised to provide a more complete assessment of the field.

In the meantime, the information detailed in the preceding sections, allows us some measure of evaluation. To summarize, by 2005 the Romanian associative field appears to have had the following characteristics:

- High organizational mortality rates—only part of all registered NGOs actually file balance sheets with the Ministry of Finance (fewer than 40%);
- Of the approximately 17,000 organizations depositing balance sheets, it is estimated that fewer than half are actually involved in regular project work—this leaves a field where fewer than 9,000 NGOs undertake actual programs;
- There are high regional disparities in the Romanian associative field—Transylvania is home to twice as many NGOs as Walachia and Moldova;
- In addition, some parts of Transylvania, such as the Hungarian-speaking enclave of Secui, feature an even higher associational density—three to four times as many NGOs as in the rest of the country;
- The entrepreneurship necessary to establish non-patrimonial organizations is different in kind from the one presiding to the creation of for-profit businesses. Regular entrepreneurship is a lot more evenly distributed throughout the country than is social entrepreneurship;
- There are large regional discrepancies in NGO revenues—Bucharest-based organizations absorb almost half (45.4%) of the available 700 billion Euros per year disbursed by Romania's associative sector, while Transylvania absorbs almost a third (32.6%). The remaining moneys are absorbed at a rate of 12.5% in Walachia and only 9.6% in Moldova;
- Contrary to common assumptions (in the public and the media), Romania's NGOs are rather poor. A whopping two thirds of Romanian NGOs report yearly revenues under 5,000.- USD,

while nearly half (48.5%) report revenues as low as a mere 1,000.- USD per year. On the other hand, fewer than 10% of NGOs (7.9%) handle revenues larger than 100,000.- USD.¹⁰

- Almost half (48.2%) of the NGOs managing less than 1,000.- USD/year are in Transylvania, as are half of those with revenues smaller than 5,000.- USD/year.
- Few organizations declare ethnic affiliations—most NGOs, even in Hungarian-speaking enclaves, register under Romanian names. Also, only a total of 55 NGOs (out of nearly 17,000) label themselves as being “Roma”. Such hesitation to openly acknowledge ethnic affiliations may be due to activists’ concern that their right to operate an NGO may be withheld during the Court registration process.
- Most NGOs appear to be Business and Professional membership organizations, followed by Social Services, Culture & Recreation and Sports NGOs. In spite of the large amounts of funding directed towards democracy building and, lately, to environmental concerns, in 2005 there were relatively few organizations of either kind (respectively 1,050 NGOs promoting Advocacy and Human Rights and a mere 627 Environmental NGOs).
- In spite of Romania having 45% of its population residing in rural areas, fewer than one out of every five NGOs are rural-based.

As a reminder, the picture above raises a number of issues, such as:

- Should efforts be made to curb the “mortality rate” of Romanian NGOs?
- Should policies to revitalize the NGO sector also seek to target various regional discrepancies in associational density and NGOs’ ability to attract and manage funding?
- What can be done to increase Roma associativity and participation?
- How can *rural* associativity be enhanced and its benefits promoted?
- Are there domains that need to be promoted (such as the protection of Human Rights) yet are likely to be negatively affected and by the changes in the structure of funding?

The overall context in which these issues are raised is a larger one that questions issues such as:

- What role is civil society expected to play now in a new member-state? What policies will revitalize that role?
- What specific challenges come with Romania’s new status as an EU member?
- Now that traditional donors have withdrawn, what source of funding will remain for the sector?
- How will the transition from Phare Programs to accessing Structural and Cohesion Funds affect NGOs’ programming and activities?
- What effects will the (in)availability of EU Structural and Cohesion Funds have on the configuration and structure of Romania’s non-governmental sector?

6. The challenge of European integration:

Membership in the EU has been a goal of both Romania’s political elite and of its civil society.

But more than two years into the process of being a full fledged EU Member, the spoils of integration seem unevenly distributed: while for the political elite, EU membership means a windfall (access to billions of Euros in funding for development and modernization programs as well as a sense of “graduation” from a second-tier status that kept them under the constant pressure of observation), for Romania’s civil society the benefits have been more mixed and rather slow to materialize.

For starters, EU integration means at first a net loss for Romania’s NGOs:

- The departure of traditional donors and civil society funders;
- Implicit withdrawal of direct support for NGOs’ role as advocates of change, especially for openness and socio-political modernization;
- Withdrawal of direct support for NGOs’ watchdog role, seeking to hold the government to account;

¹⁰ As a reminder, the NGOs under consideration exclude the “high rollers”, such as sports clubs and private universities, some handling revenues in excess of 20,000,000.- USD/year.

- Especially noteworthy is that, with traditional donors' withdrawal—including American and European bilateral donors—the very issues that pushed Romania forward towards accession, such as political accountability, transparency, participation, etc., now risk to remain unsupported;
- This is because the EU implicitly perceives the existence of only one, linear direction of progress (transition to democracy and free markets), without acknowledging that, in the absence of longstanding democratic traditions, public accountability issues need constant support, which, if absent, can trigger slippage and even reversals.

On the other hand, EU membership comes with particular bias about the role of civil society in a polity, a view inherited from developments in countries with a long historical tradition of democracy and rule of law, where citizens themselves, rather than just NGOs, are the constant enforcers of political and civil rights.

EU policies seem to promote:

- An emphasis on NGOs as service-providers;
- A primary focus on social considerations;
- Hence an encouragement of NGOs as social service providers rather than advocates of the rule of law and other democratic values which are taken for granted in a EU member state—be it a new one such as Romania and Bulgaria.

In short, the risk is that, among civil society's three traditional roles (that of *advocate* for change, of *watchdog* over performance and accountability in public service, and of *provider* of social services), only the third role will be supported and promoted by EU integration, while the other two will be left behind for lack of international support.

In addition, the very generous European Structural, Social and Cohesion Funds come with certain characteristics:

- They are primarily destined for infrastructure and economic competitiveness and the development of adequate human resource to make the country able to hold its own on the European market;
- They are distributed by governmental authorities or by agents of the state;
- They are not specifically destined to be accessed by civil society organizations (and those that are, require specific areas of focus, away from political advocacy or accountability);
- They require vast cash outlays in three domains:
 - Feasibility studies (which cost about 10,000 Euros);
 - “Fonds Propres” (i.e. capital) of up to 25% of the project's value;
 - Important Cash-flows to pay project disbursements awaiting reimbursement by the EU which may take up to 6+ months.
- In general, NGOs need to partner with businesses or with state authorities to access the funds.

Since accessing EU Funds requires both exceptional skills, access to knowledge and vast amounts of funding upfront, the net effect of EU funding may be a deepening of the gap between “haves” and “have nots” both in business but also in the NGO sector. Thus organizations in the country-side, those isolated or cash-poor will likely disappear as they will be unable to access the new funding.

Over the last 20 years, civil society in Romania demonstrated:

- An ability to write projects and successfully implement sophisticated programs;
- Important skills, especially in project management, human resource and the coordination of volunteers, and a good mastery of foreign languages, information technology, etc.;
- Exemplary financial governance (in spite of the “bad apples” highlighted by the media).

Without an outlet to usefully capture these rather unique skills and given the reality of shrinking traditional funds for the NGO sector (to which one must add the accumulated fatigue of being “in the trenches” for nearly two decades), *migration* from the NGO sector towards the more lucrative consulting assignments or to the more empowered, better paying local authorities of central government is a serious threat. This depletion of human resources, added to the withdrawal of funding, risk adding to the depletion of resources to support an active, engaged civil society. This

means that we need to be mindful of a generational change and have policies that encourage young people towards the NGO sector.

Thus, there is a paradox of Romania's EU accession. It is this: while EU membership comes in recognition of progress towards democratic consolidation, at least in a first phase EU integration risks, by the very challenges it poses to the associative sector, to diminish civil society's ability to keep watch on the proper functioning of Romania's state institutions.

The retreat of foreign donors and their replacement with EU funds disbursed by government agents makes it unlikely that NGOs will be able to maintain their watchdog and advocacy role *vis-à-vis* state institutions, thus weakening one of the very tenets of democratic consolidation that EU membership is meant to enshrine. In addition, the financial requirements to access Structural or Cohesion Funds risk increasing the gap between small and large NGOs, favoring only those that can afford the know-how and the financial burdens associated with EU funding (feasibility studies, capital, sufficient cash-flow to cover initial disbursements awaiting for reimbursement, etc.) Add to this the potential migration of skilled NGO staff towards more lucrative pursuits (consulting services) and their generational fatigue, and the picture is complete for a clear rethinking of the premises on which Romania's NGO sector was built so far.

Policies meant to revitalize the sector need to do more than undertake cosmetic changes or offer additional funding to replace departed donors. The sector needs a major structural and strategic overhaul, a rethinking that, in essence, needs to answer two key questions: "*Who should invest in strengthening the capacity of Romania's civil society?*" and "*Capacity for what?*"

The impact of EU membership, Romania's new openness, issues of funding and migration will permanently transform Romania's associative sector in coming years. The jury is still out as to the direction of this change. Domestic support for the advocacy and watchdog roles that NGOs traditionally have in consolidated democracies, more active citizens' participation and access to adequate funding (to help NGOs become viable partners to local authorities or to business in accessing structural funds) are but some of the key challenges posed by Romania's EU integration.

ANNEX 1

Abstracts of relevant Reports on Romania's NGO sector¹¹ (1998-2008)

1. Nations in Transit – Romania

Author: Alina Mungiu-Pippidi

Year: 2008

Nr. of pages: 20

Organization: Freedom House

Link: http://www.freedomhouse.hu/images/fdh_galleries/NIT2008/NT-Romania-final.pdf

- This report is a part of the Nations in Transit 2008 study, published by Freedom House
- Among the issues discussed, such as the national democratic governance, the electoral process, the independent media and other similar themes, civil society has dedicated a separate chapter.
- Some of the most common problem of the Romanian CSOs are the general lack of funding, and the uncooperative behavior of the government which diminished the watchdog potential of the civil society.
- Some organizations work in close partnership with government agencies, which is needed in order to access EU funds. Some of these NGOs have started their activity as government watchdogs.
- Usually, a large number of NGOs are highly critical of public agencies and then offer their contractual services to remedy the situation.
- With regards to **funding**, the major businesspersons give their financial support to soccer clubs, and not to NGOs. This is due to the fact that the sponsorship legislation is poor and outdated, and the attempts of revising it are scarce.
- The Donations from the 2% deductible income tax category increased considerably as compared with 2006. However, the total remains a derisory €5 million for all types of NGOs.

- The EU funding creates opportunities for NGOs that act as service providers. However, as the funds are distributed to the government, the NGOs must be in loose partnerships with the authorities in order to have access to them.

2. Does Culture Matter? Regional Differences in the Development of Romania's Civil Society (1990-2005)—Doctoral Thesis, IEP, Paris

Author: Sandra Pralong

Year: 2008

Nr. of Pages: 441

Organisation: Institut de Sciences Politiques, Paris, France

Link: Hard copy available from author: spralong@gmail.com

¹¹ Compiled by Sinziana Cerbu, research assistant.

- The thesis probes if there are regional differences in the vibrancy and density of the associative sector and, if so, whether the discrepancy is due to cultural factors;
- For the first time extensive research is being done using *official* data on Romania's NGOs (no available data exists on informal groupings and other CSOs):
 - o The number of registered organizations is taken from the Ministry of Justice, which cumulates all County Tribunal NGO registrations.
 - According to official data by 2005 a cumulative total of approximately 43,000 non-governmental organizations had been registered in Romania.
 - o The actual number of *active* NGOs is taken from the Ministry of Finance, by counting all the organizations that deposit a yearly Balance Sheet as required by law.
 - In 2005 only a total of 16,969 NGOs had deposited their Balance Sheet, hence could be considered active. However, of these, over 1,000 were multi-million-dollars endowed private universities, sports clubs and trade unions, hence were eliminated from the analysis. The remaining pool of *bona-fide* active NGOs used in the research was 16,969 organizations.
- Official data show that across the country, fewer than half (48,3%) of registered NGOs are active;
- The total revenues of the sector in 2005 amount to approximately 700 mill Euros, a little less than 1% of total GDP (a decrease from previous years, owing less to the decrease in CSO funding than to the overall growth of the economy).
- Fewer than half of all active NGOs are very small and have yearly revenues of less than 1,000 USD. Over half of these are in Transylvania.
- The most numerous NGOs overall are business and professional associations (a total of 2,192), followed by social services (2,148), sports (2,086), and culture and leisure (1,668).
- In spite of the abundant funding destined to Roma integration, only 55 organizations acknowledge dealing with Roma issues.
- Most NGOs operate in the county capitals (...%) and another 18% in small urban centers. Only on average 14% of active NGOs operate in the countryside, although 45% of Romanians live in rural areas.
- There are on average up to *three times more* NGOs/per capita in Transylvania than in the rest of Romania; and as many as *four times* more associations in the Hungarian-speaking enclave of Covasna and Harghita than in the other regions.
- Regional differences in the density and vibrancy of the associative sector coincide with regional variations among two cultural factors: Power Distance (the ability to influence decision-making) and Uncertainty Avoidance (the ability to master the unexpected). [The research uses Geert Hofstede's methodology to assess cultural differences.]
- None of the traditional theoretical correlations between civil society development and factors such as economic development, modernization, political participation or education can explain Romania's regional differences in associativity in the same way these two cultural factors can.

3. NGO Sustainability Index

Author: ***

Year: 2007

No. of Pages: 7

Organization: USAID

Link: http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2007/romania.pdf

- This is an annual report produced by USAID analyzing the NGO Sustainability Index
- Both politicians and average citizens are more aware than before of NGOs and their importance in society.

- The government has publicly recognized the NGO sector as a viable partner in dealing with crisis situations.
- Though NGOs were not eligible for this year's programs, EU structural funds were the most popular training and conference topic of the year.
- According to official data from the Ministry of Justice, there are 50,754 registered NGOs, including associations, foundations and federations. It is estimated that approximately 7,000 of these are active.
- According to the Register of Associations and Foundations, the number of formally registered federations and unions increased by 10 percent over the past year to 1,277
- Since 2006, NGO advocacy initiatives have multiplied, and some have had immediate impact on public policy.
- Generally, the public in Romania remains unfamiliar with the NGO sector and does not yet fully recognize the benefits of NGO activities – only 26 percent of Romanians have great trust in NGOs.

4. Summary of NESsT Research on the state of NGO Self-financing in Romania—Social Enterprise in an Evolving Economy

Author: ***

Year: 2007

Nr of pages: 2

Organizations: World Learning for International Development, NESsT, USAID

Link: Hardcopy available on demand from: ancutavamesu@yahoo.com, or spralong@gmail.com. See also: www.nesst.org

- The research seeks to assess the level and types of self-financing activities among Romania's CSOs, in order to design tools and services that will support NGOs quest for financial sustainability.
- The research corroborates earlier findings: approx 45,000 NGOs registered, about 65% of which are associations (as opposed to foundations or other legal types), not all promote social welfare or a public benefit, some benefit only their investors, owners, etc.
- Most NGOs engage in social service provision (an estimated 25% of registered NGOs). Other fields are culture and education, health and human rights.
- According to 2002 data, the sector generated total revenues of 400 mil Euros, representing 1.2% of Romania's economy.
- Donations and national/local grants represented the main source of funding (22%), followed by economic activities (15.8%), membership dues (15.1%), foreign grants (10.8%), corporate donations (6.9%), investments (5.0%), and government grants (4.1%).
- Sustainability remains the main challenge. The key issues faced by NGOs will be those resulting from the withdrawal of foreign donors and access to EU funds.
- The 2% provision saw a doubling of the amounts collected by NGOs between 2005 and 2006, as well as a doubling of contributing taxpayers. Even though the amounts are still small, the law demonstrates the potential for developing local philanthropy.
- According to the NESsT classification, the majority of the Romanian organizations surveyed funded their activities from membership dues, fees for service (training) and product sales. For those NGOs that conduct self-financing activities, these represent between 3% and 87% of their total budget.
- Among the recommendations made by donors was the need to provide long-term planning support and startup capital. Some donors express concern that a number of organizations do not have the capacity to engage in this kind of rigorous business planning.
- Romania's legislation explicitly allows NGOs to engage in self-financing activities (if the self-financing is related to the mission of the organization). The income generated is tax-exempt up to 15,000 Euros/year (or less than 10% of the total NGO tax-exempt revenues). Above these amounts, NGOs need to pay profit taxes, regardless of income levels.
- New legal provisions for VAT are applicable as of Jan 1, 2007 with Romania's official EU membership.
- NGOs are subject to social contribution taxes on the gross income paid to employees.

- The differences between the legal framework applying to NGOs and that for for-profit activities remains small and do not promote the development of self-financing activities for NGOs.
- This lack of fiscal incentives does not promote economic activities (and sometimes discourages them) hence it does not contribute to the strengthening of civil society.

5. The Analysis of the Direct Financing Mechanisms from the State Budget for the Non-Governmental Organizations in Romania

Authors: Valentin Burada, Diana Berceanu, Claudia Petrescu
Year: April 2007

No. of pages: 36

Organization: FDSC

Link: <http://www.fdsc.ro/documente/15.pdf>

- The report analyzes the mechanisms of delivering state funding for NGOs, integrating in the study the information provided by the central authorities and the NGOs themselves. [However, these data are not complete and updated.]
 - o In 2001, the funding was estimated at more than 90% from the total of the grants given to the NGOs
 - o After 2001, there was a decrease of the international grants. This intensified once Romania entered the E.U.
 - o Decreasing the amount of international funding is a real threat for the sustainability of the NGOs.
 - o Domestic philanthropy is insufficiently developed. In 2005 – 2006, the amounts directed through the 2% provision were approx. €5.3 million.
 - o The corporate sector has CSR programs designated to contribute to the development of the civil society.
- In the E.U. there are four major approaches that determine the relationship between the government and the NGOs:
 - o the program-based approach
 - o the project-based approach
 - o the opportunities-based approach
 - o the “QUANGO” approach (semi-autonomous NGOs)
- In 2006, the government directed a sum of 10.450.000 RON towards the civil society
- The study wants to contribute to the elaboration of a transparent and efficient mechanism of permanent monitoring of all funding opportunities offered by the Ministries.
- The study monitors the financing mechanisms from the state budget. What is more, it identifies the weak points of this mechanism in Romania and it formulates a series of recommendations for their improvement.

6. The Place and Role of the Non-Governmental Organizations on the Social Services Market in Romania

Authors: Octavian Rusu, Irina Vilcu, Claudia Petrescu

Year: 2007

No. of pages: 59

Organization: The Civil Society Development Foundation

Link: <http://www.fdsc.ro/pagini/cercetare.php> [no direct link - must be downloaded]

- Study written in 2007 for The Civil Society Development Foundatio (FDSC)

- Data collected in June 2006 indicated a number of 677 of public and private social services providers, out of which 500 were NGOs.
- However, there is a significant number of unaccredited public institutions who illegally provide social services.
- During the past years, the NGOs have continued to consolidate their role as social services providers and spread their activities towards the small, rural communities.
- NGOs have also developed social services that the government did not provide
- The social services provided by the NGOs present with a number of characteristics:
 - o The high quality of the services
 - o The equity of the services
 - o The diminished costs
 - o The innovation
- According to the Associations and Foundations Catalogue (published in 2000 by the Civil Society Development Foundation—FDSC), the main domains of activity of the Romanian NGOs are: social services, health, culture, sports, environment, business, human rights, education, philanthropy, international cooperation and religion.
- The services and institutions which protect the rights of the children are more spread than those granting service to the physically disabled, to the elderly etc.
- In what the financial status of the NGOs providing social services, most of them have been supported by foreign organizations.
- The services of child protection have been increasingly a funding priority.
- The funds for these services are centralized, 73% of the sources coming from the State Budget from the deduction of the Tax on Added Value, and 30% coming from the incomes of the local budgets.
- Partnerships: the best partners for the institutions willing to ensure social services are the NGO, due to their nature based on volunteering. What is more, their mission and manner of organization best meet the needs of the governmental agencies and of the beneficiaries of the social services.

7. NGO Sustainability Index

Author: ***

Year: 2006

No. of Pages: 6

Organization: USAID

Link: http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2006/romania.pdf

- This is an annual report prepared by USAID that analyzes the NGO Sustainability and produces an Index that allows comparisons among countries.
- The overall NGO Sustainability score improved slightly over last year (2005) due in part to progress in the Financial Viability dimension, which was driven by the new 1-2% funding mechanism [ability of tax-payers to divert 2% of their income to NGOs].
- The Government took steps to increase transparency and accountability in the allocation of funds for nonprofit activities which also led to an improved score in the Legal Environment dimension.
- In 2006, the Ministry of Justice published the National Registry of Associations and Foundations online, providing information on approximately 45,000 associations and foundations, and more than 1,000 federations and unions.
- NGO sector experts estimate that approximately 20,000 NGOs are active
- Approximately 600 NGOs are accredited to provide social services, and therefore eligible to receive government funding.
- Romanian organizations remain unable to mobilize a significant amount of local support for their activities. Both smaller and larger organizations tend to develop their programs according to the funding opportunities available and few NGOs adhere to their missions.
- Corporate social responsibility is growing in Romania, spreading from the larger corporations in Bucharest to the smaller corporations located in the regions.

- Though local resources available to NGOs continue to increase, foreign donors, particularly the EU, remain the main source of funding for NGO activities.

8. Study on the Implementation of the 2% Provision – the 2006 Campaign

Author: ***

Year: 2006

No. of Pages:

Organization: ARC Romania

Link: <http://www.arcromania.ro/mambo/Documente/resursepublicatii/studiu%20doilasuta.pdf>

- The study was conducted by the Association for Community Relations between June and September 2006.
- 1/3 of the interviewed population knows about the 2% deductible income tax provision
- 15% have a slight idea of what it relates to
- 1/4 of the interviewed persons directed 2% towards an NGO.
- The chances of a person to be acquainted with the provision are directly proportional to their social position. The higher the social position, the higher the knowledge about the 2% provision
- The same is with the access to the information about 2%: the higher the social status and education, the greater the access to the information.
- However, there is no clear connection between the social status and the redirection of the 2% towards and NGO.
- The persons who know about the 2% provision have larger revenues than the rest of the population.
- There is no link between being acquainted with the provision and the practical action of redirection.
- The multivariate analysis between education, occupation and motivation lead to the conclusion that the chief motor which leads to the redirection of the 2% of the income tax are the interpersonal networks

9. NGO Sustainability Index

Author: ***

Year: 2005

No. of Pages: 6

Organization: USAID

Link: http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2005/romania.pdf

- This is the yearly report produced by USAID analyzing the NGO Sustainability and producing an Index among countries
- The NGO legal framework experienced important changes in 2005, as the organizations pressed reform initiatives [on social service provision]
- Local funding is still scarce, thus the NGOs tend to develop their programs around the existing funding opportunities, rather than adhering to clear missions.
- NGOs' efforts to influence public decision-making are more visible at the national level, where organizations have created informal networks to monitor the implementation and transparency of government policy.

- Organizations have also provided expertise in counseling and training unemployed workers.
- Over the past year, the NGO sector continued to develop networks and federations, and create umbrella organizations. In a study conducted in June 2005, there were identified 121 such organizations with domestic and international affiliations.

10. Dialogue on Civil Society. Report on the state of civil society in Romania

Author: ***

Year: 2005

No. of pages: 113

Organizations: The Civil Society Development Foundation, CIVICUS Civil Society Index

Link: <http://www.fdsc.ro/documente/16.pdf>

- This is an action-research project implemented by The Civil Society Development Foundation (FDSC in Romanian), and coordinated by CIVICUS: World Alliance for Citizen Participation;
- The action-research was carried out from September 2003 to November 2005;
- CSDF/FDSC implemented the Civil Society Index (CSI) in Romania during 2003 – 2005, based on the methodology developed by CIVICUS
- The **structure** of the civil society in Romania is weak: low citizen participation, poor level of organization and limited interrelations among CSOs;
- Even though the organization level of Civil Society (CS) is rather diverse and flourishing, it is mainly affected by the shortage of financial resources and qualified personnel;
- The **environment** in Romania has been improving over the past few years, although the CS is still coping with the inheritance of the totalitarian regime;
- The level of cooperation between civil society and the government, business sector and public remains low;
- Concerning the **values**, Romanian CS promotes and practices positive values to a large extent. CS has a strong role in meeting the societal needs directly, although it has a rather negative public image, which reflects itself in the fact that the CSO activities are invisible to the majority of the population;
- Concerning the activities it undertakes, over the past few years the CSO have become more involved in influencing public policy. In what this issue is concerned, important steps have been taken, especially with the adoption of legislation of the freedom of access to public information and on public participation in the process of decision-making.
- Although there are several positive points that are worthy building on further, there are a number of drawbacks that result in the **issues that CSOs encounter**.
 - o The limited citizen involvement in associative life endangers the financial sustainability and raises questions concerning the broader legitimacy of civil society advocacy activities.
 - o The CSOs are oriented more towards foreign and institutional donors. This brings about a sense of competition for scarce resources, a mutual mistrust which further results in weak cooperation among CSOs.
 - o The sector still suffers from a shortage of financial resources because the relations between the CSOs and the business sector and state are poor.
 - o The Romanian civil society has not yet managed to build up a common identity, thus its efforts are ignored by the citizens and its public image is still stained by negative stereotypes.
- The research makes several **recommendations**:
 - o placing focus on finding ways to involve more citizens in civil society initiatives empowering people for collective action
 - o resolving joint problems of the local communities
 - o building local constituencies for civil society's advocacy work

- particular attention needs to be paid to the strengthening of networks, cooperation, communication and self-regulation within civil society
- increasing the impact of civil society actions on government and society at large

11. Making Civil Society Work

Authors: Andrei Stoiciu

Year: 2001

No. of pages: 68

Organizations: USAID, America's Development Foundation

Link: <http://www.idee.ro/public%20affairs/civilsoc/civilsoc.htm> (no direct link, the publication must be downloaded)

- The Report discusses, among others, **Ordinance 26/2000**, which provides:
 - clear and easier patterns for registering NGOs
 - allows NGOs to develop economic activities
 - eliminates (some) red tape
 - makes room for further cooperation between NGOs, local authorities and third parties
 - grants **public utility status** to qualified NGOs – so called Public Benefit Organizations or PBOs – providing public services, and makes them eligible for state subsidies, and partnership with the state administration
- The development of the civil society sector in Romania has become a major issue for sociologists, politologists and citizens alike.
- The two approaches on civil society: contextualist and progressist
- In the period from 1991 to 1995 the civil society sector highly developed: the number of registered NGOs reached 23,000
- Although it has this steady development, the impact of the sector on the entire economy was limited (1995: the non profit sector counted less than 1% of the GDP)
- In 1997, statistics show that the number of full-time employees was 12,000, and in 1995 it reached 37,000. However, these figures do not show the full extent of the sector, as it was largely based on volunteering and part time work.
- The most important activities of NGO are related to culture, entertainment, education and social services.
- From 1990 to 1996 the level of funding for the Romanian NGO sector was steady and in pace with the institutional development. One estimate for 1995 put the level of funding at around \$190 million for that year
- Funding availability is crucial to the development of the civil society sector because it raises many questions on priorities in the decision-making processes
- Foreign donors have frequently been accused of adopting funding strategies which ignore local needs or focus on issues that are not set as priorities for local politicians or public opinion. The other side of the coin is the perception among foreign donors that many local Romanian NGOs are fund driven rather than demand driven. It implies that many local Romanian NGOs are switching fast program development in order to respond to available funding, thus ignoring local needs
- Governmental funds are available for some civil society programs.
 - The first Ministry to support the NGOs has been the Youth and Sports Ministry.
 - There are also governmental institutions, which have available funding, originated from EU programs designed for implementation in cooperation with local NGOs.
- Funds from the central government are rarely granted based on clear, accountable indicators.
- One source of funding is the private sector. 32% of the business firms would consider only social or humanitarian arguments when making a sponsorship decision.
- NGOs clearly have a role in supporting public institutions to provide better and more citizen oriented services, i.e. in enhancing good governance. Critical areas where the NGOs can play a crucial role are:

- Promote rule of law, educating more people, raising awareness on the legal framework, support the enforcement of impartial justice
- Support participation, involving more Romanians in more decision-making processes, bringing citizens in touch with public institutions
- Support the development of responsiveness mechanisms for public institutions
- Mediation services. Communication strategies are a crucial part of implementing public policies and NGOs can help by bringing at the same table political institutions, private interests and experts
- Ensuring equal opportunity services to ordinary citizens and providing alternative social services
- Improving the efficiency of public services and innovating institutional development procedures
- Accountability. Promotion of civic education is strongly correlated with improving institutional accountability
- Strategic planning. NGOs can act as vehicles for change and can do genuine innovative work in some areas whilst public administration is busy managing current issues. NGOs can provide valuable long-term research, focusing on consequences, analyzing trends and evaluating options and costs and make their results available to a large number of actors and decision makers
- Represent local and community based interests.

12. Review of the Romanian NGO Sector: Strengthening Donor Strategies

Authors: Vera Dakova, Bianca Dreossi, Jenny Hyatt, Anca Socolovschi

Year: September 2000

No. of pages: 55

Organization: The Civil Society Development Foundation

Link: www.donorsforum.ro/download/RomNGOreview_En.doc

- The report presents the findings and recommendations of an independent review of the Romanian NGO sector commissioned by the Charles Stewart Mott Foundation. The review was carried out from March to June 2000.
- What was sought was the improvement of the understanding of the Romanian NGO sector and the identification of the most effective strategies for supporting its future development
- Of the 27,000 registered NGOs in Romania, only approximately 2,000 are active.
- The domains in which the most numerous Romanian NGOs activate are cultural/leisure, social welfare and educational agencies. The most visible to the public eye are those NGOs in the social field.
- The legal and fiscal environment for NGOs has highly improved, although further measures must be taken.
- The relationship between the local government and the NGO's has been solid, as the former started to see in the latter a strong partner for the development of the civil society.
- With regards to the funding of the sector, it is impetuously necessary that the sector builds grant making capacities and stimulates corporate and public philanthropy.
- Within the CSO sector in Romania there is a strong sense of individualism which must be overcome in order to improve the sector working, representation and image. Thus, by working together, the NGOs would achieve much more than when working separately.
- According to the review the NGOs must learn how to use the existing legal and fiscal provisions, thus enhancing their advocacy role.
- The sector is highly needed to promote ethical, accountable and transparent practice through "leading by example".

13. The Social Sources of the Philanthropic and Associative Life in

Romania in the Context of the Transition

Author: Daniel Saulean

Year: 1998

No. of pages: 42

Organization: The Civil Society Development Foundation

Link: <http://www.fdsc.ro/documente/22.pdf>

- The paper presents the results of two research studies (1996 and 1998) conducted by the Civil Society Development Foundation.
 - o in 1996, 46% of the urban population and 54% of the rural population did not have regular communication relations with other persons.
 - o The involvement of the population in drawing civic actions (either protest or the interest in certain causes concerning civil society) was of 21% in 1996. This figure further drops until the following year to 15%.
 - o In 1996, only 49% of the population knew what NGO meant and could define it.
 - o In 1996, 34% of the interviewed had positive opinions about NGOs, 8% negative opinions, and 58% had no opinion.
 - o In 1998, 40% of the interviewed had positive opinions about NGOs, 22% negative opinions, and 38% had no opinion
- The conclusions of the studies were that although the economic conditions are unstable, they do not hinder the manifestation of alternative-compensatory behaviors, structured on social values, such as charity and social exchanges. However, the first mentioned can significantly influence their amplitude and intensity.
- The two researches catch the passage from a context full of social optimism and relative relaxation of the social problems to a context filled with skepticism and tension.
- The philanthropy shows that this general downfall of the living standard. The mission of promoting the philanthropy remains on the shoulders of the NGOs, as they are the best expression of the constant preoccupation towards finding the best solutions against poverty, inequality and for finding paths of development.

14. Defining the Nonprofit Sector in Romania

Authors: Daniel Saulean, Carment Epure

Year: 1998

Organization: The Civil Society Development Foundation

Link: <http://www.fdsc.ro/documente/20.pdf>

- "Defining the Nonprofit sector: Romania" is one in a series of Working Papers produced under the Johns Hopkins Comparative Nonprofit Sector Project.
- The paper was written by Carmen Epure and Daniel Saulean in 1998, both of them activate in the Civil Society Development Foundation.
- After 1989, the civil society has started to grow (witness the growing number of non-governmental organizations)
- In spite of this growth, the CSO sector faces serious obstacles:
 - o the legal and fiscal frameworks are outdated, complex and insufficient
 - o it lacks sufficient sources of domestic support
 - o neither the government nor the private sector have so far been able to allot significant financial resources towards the sector. Thus, the growth that occurred so far was mostly supported by private or public international actors.
 - o The sector is largely dependent upon foreign support

- The corporate giving, membership fees and governmental subsidies and contracts are not yet realistic options for most NGOs
- the number of NGOs registrations by the year 1990 reached 400/month
- by the end of 1996 approximately 12.000 NGOs were officially registered
- in the same year, the number of association members (without trade union members) was estimated at 1.8 million out of a total population of 23 million.
- Concerning the financial assistance, the social welfare expenditures highly decreased:
 - In 1990 the expenditures were 20.3% higher than in 1989
 - In 1993 they were 22.9% less than the level of 1989.

ANNEX 2

Romanian NGO Legislation¹²

1. The legislation concerning the founding and the functioning of the associations and foundations

<http://www.gov.ro/socciv/afisrubrica.php?idrubrica=6&iddep=288&opti=afis>

LAW no. 246/July 18, 2005, for the approval of the Government ORDINANCE no. 26/2000, regarding associations and foundations

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=143&opti=afis>

a. **ORDINANCE** no. 26/January 30, 2000, regarding associations and foundations (updated until July 28, 2005)

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=144&opti=afis>

b. **ORDINANCE** no. 26/January 30, 2000 – (*updated*) regarding associations and foundations (updated until February 03, 2003*)

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=141&opti=afis>

c. **LAW** no. 213/July 5, 2005, regarding the rejection of the Government ORDINANCE no. 37/2003, for the modification and the completion of the Government ORDINANCE no. 26/2000 regarding associations and foundations

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=140&opti=afis>

d. **ORDINANCE** no. 37/January 30, 2003, for the modification and the completion of the Government ORDINANCE no. 26/2000 regarding associations and foundations

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=139&opti=afis>

e. **ORDINANCE** no. 26/January 30, 2000 regarding associations and foundations

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=139&opti=afis>

f. **LAW** No. 21/1924 regarding associations and foundations. The act was **recalled** by the ORDINANCE No. 26/2000.

<http://www.stiriong.ro/documente/262.html>

2. DECISION no. 618/23.07.2005* (*updated) regarding the constitution of the Association and Foundation Consultation College

<http://www.gov.ro/socciv/legislatie/200609/hg618-colegiuact062006.pdf>

3. DECISION no. 108/August 9, 2006 regarding the nomination of the members of the Association and Foundation Consultation College

<http://www.gov.ro/socciv/legislatie/200608/decizie108-august2006.pdf>

4. Order no. 1.147/C/June 8, 2006 regarding the access to the National Register of Non Patrimonial Purpose Legal Persons

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=324&opti=afis>

5. DECISION no. 849/June 28, 2006 for the modification of the Government DECISION no. 618/2005 regarding the constitution of the Association and Foundation Consultation College

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=318&opti=afis>

6. **DECISION** no. 1.354/November 3, 2005 for the modification and the completion of the Government DECISION no. 618/2005 regarding the constitution of the Association and Foundation Consultation College
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=284&opti=afis>
7. **DECISION** no. 618/June 23, 2005 regarding the constitution of the Civil Society Consultation College
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=142&opti=afis>
8. **LAW** no. 52/January 21, 2003 regarding decisional transparency in public administration
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=137&opti=afis>
9. **CRITERIA OF APPROVAL OF THE PUBLIC UTILITY STATUS BY ORDERS OF PUBLIC AUTHORITIES**
(<http://www.gov.ro/socciv/afisrubrica.php?idrubrica=6&iddep=136&opti=afis>)
- g. **Ministry of Education, Research and Youth:** Order no. 5336/November 18, 2004 for the approval of the Specific Criteria and of the public utility status granting procedure to associations, foundations and federations developing activities in the area of competence of the Ministry of Education and Research
<http://www.gov.ro/socciv/legislatie/200509/ord5336-2004-mec.pdf>
- h. **National Agency for the Protection of Consumers:** Order no. 250/October 1, 2004 regarding the approval of the Procedure of establishment concerning the meeting of the conditions set by LAW by associations and federations of associations of consumers in order to be recognized by the Government of Romania as being of public utility
<http://www.gov.ro/socciv/legislatie/200509/ordin-250-2004.pdf>
- i. **Ministry of Transport, Construction and Tourism:** Order no. 808/November 10, 2003 regarding the procedure of granting the notice needed for the constitution and the functioning of associations/foundations/federations and their branches, and of approval of the Specific Criteria of granting the public utility status, Published in the Official Journal, Part I no. 847/November 27, 2003
<http://www.gov.ro/socciv/legislatie/200509/ordin-%20258-2003.pdf>
- j. **National Agency for Small and Medium Sized Enterprises and Cooperatives:** Order no. 258/November 11, 2003 regarding the approval of the Specific Criteria of granting the public utility status to associations, foundations and federations developing activities in the area of competence of the National Agency for Small and Medium Sized Enterprises and Cooperatives, of the list of documents required for the recognition of their public utility status and of their last 3 year activity report form published in the Official Journal, Part I no. 811/November 18, 2003
<http://www.gov.ro/socciv/legislatie/200509/ordin-%20258-2003.pdf>
- k. **National Authority for Child Protection and Adoption:** Order no. 139/September 23, 2003 regarding the approval of the Specific Criteria of the National Authority for Child Protection and Adoption of the Non Patrimonial Purpose Legal Persons
<http://www.gov.ro/socciv/legislatie/200509/ordin-139-2003.pdf>
- l. **Ministry of Internal Affairs and Administrative Reform:** Order no. 518/August 27, 2003 for the execution of the disposition of the Government ORDINANCE no. 26/2000 regarding associations and foundations, modified and completed through Government ORDINANCE no. 37/2003
<http://www.gov.ro/socciv/legislatie/200509/ordin-518-2003.pdf>

- m. **National Authority for the Protection of Disabled People:** Order no. 302/ July 18, 2003 regarding the approval of the Specific Criteria of the National Authority for the Protection of Disabled People for granting the public utility status to Non Patrimonial Purpose Legal Persons
<http://www.gov.ro/socciv/legislatie/200509/ordin-302-2003.pdf>
- n. **Ministry of National Defense:** Order no. 80/June 20, 2003 regarding the application, in the Ministry of National Defense, of the Government ORDINANCE no. 26/2000 regarding associations and foundations, modified and completed through Government ORDINANCE no. 37/2003
<http://www.gov.ro/socciv/legislatie/200509/ordin-80-2003.pdf>
- o. **Ministry of Culture and cults:** Order no. 2.664/May 26, 2003 for the approval of the Criteria and the procedure of granting the public utility status to associations, foundations and federations developing activities in the area of competence of the Ministry of Culture and Cults
<http://www.gov.ro/socciv/legislatie/200509/ord-2664-2003.pdf>
- p. **Ministry of Labor, Family and Equal Chances:**
 - i. Order no. 115/April 9, 2003 regarding the organization of the association and foundation relationship department and the approval of the Specific Criteria of the Ministry of Labor and Social Solidarity of granting the public utility status to associations, foundations and federations
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=195&opti=afis>
 - ii. April 9, 2003 REGULATION for the evaluation by the labor and social solidarity territorial general directions with a view to granting the public utility status
<http://www.gov.ro/socciv/legislatie/200509/regulament-9aprilie2003.pdf>
- q. **Ministry of Economy and Finance:** Order no. 330/March 14, 2003 for the approval of the annual financial situation excerpt model published by recognized associations and foundations, in accordance with the LAW, as being of public utility
<http://www.gov.ro/socciv/legislatie/200509/ord-330-2003.pdf>

10. REGULATIONS OF PUBLIC AUTHORITIES REGARDING THE CONDITIONS FOR PUBLIC FINANCING OF NGOS

(<http://www.gov.ro/socciv/afisrubrica.php?idrubrica=6&iddep=134&opti=afis>)

- r. LAW no. 350/December 2, 2005 regarding the non repayable financing regime from public funds allocated for general interest nonprofit activities
<http://www.gov.ro/socciv/legislatie/200512/legea-granturilor-350-2005.pdf>
- s. **Ministry of Environment and Sustainable Development:** EMERGENCY ORDINANCE no. 196/December 22, 2005 regarding the Environmental Fund
<http://www.gov.ro/socciv/legislatie/200601/ou-196-dec2005.pdf>
- t. **Ministry of Labor, Family and Equal Chances:**
 - i. ORDER no. 730/October 6, 2006 regarding the approval as priority lines for the subvention, in 2007, from the state budget, by dint of Law no. 34/1998 of associations and foundations, social assistance units, as classified in the Social Assistance Classified List, of the Selection and Evaluation Commission organization and functioning Regulation, as well as of the Association and Foundation Evaluation Chart

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=348&opti=afis>

- ii. DECISION no. 942/August 18, 2008 regarding the modification and the completion of the Government Decision no. 1.153/2001 for the approval of the Methodological Norms of application of Law no. 34/1998 regarding the granting of subventions to Romanian associations and foundations with legal personality, that establish and manage social assistance units

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=166&opti=afis>

- iii. DECISION no. 1.153/November 21, 2001 for the approval of the Methodological Norms of application of the provisions of Law no. 34/1998 regarding the granting of subventions to Romanian associations and foundations with legal personality, that establish and manage social assistance units

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=165&opti=afis>

- iv. LAW no. 34/January 20, 1998 regarding the granting of subventions to Romanian associations and foundations with legal personality, that establish and manage social assistance units

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=164&opti=afis>

- u. **Ministry of Public Health:** January 23, 2003 SELECTION CRITERIA of nongovernmental organizations or other legal persons that can take part in the achievement, with public ministries and institutions, of activities or programs in the area of public health and family protection, as well as in their way of financing

http://www.legestart.ro/AfisareAct.aspx?id_act=MTQ0NDE*

v. **Ministry of Culture and Cults:**

- i. Government DECISION no. 802/July 14, 2005 regarding the organization and the functioning of the National Cultural Fund Administration

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=292&opti=afis>

- ii. Ordinance no. 10/January 21, 2005 regarding the regulation of financial measures – published in the Official Journal no. 96/January 28, 2005 – excerpts

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=169&opti=afis>

- iii. January 16, 2003 METHODOLOGICAL NORMS regarding the settlement of criteria of subvention granting to Romanian associations and foundations with legal personality, as well as to other nongovernmental organizations without lucrative purpose, that initiate and organize cultural programs and projects.

http://www.legestart.ro/AfisareAct.aspx?id_act=MTgyMjU*

w. **National Authority for the Protection of Child's Rights**

- i. DECISION no. 532/April 19, 2006 for the approval of national interest programs in the area of the protection of child and of the fund allocation Methodology and of the criteria of identification and application of specific projects in the framework of national interest programs

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=315&opti=afis>

- ii. DECISION no. 166/2005 for the approval of national interest programs in the area of protection of child
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=293&opti=afis>
 - iii. ORDER no. 26/March 9, 2004 for the approval of the financing and project selection Methodology as part of the national interest programs in the area of protection of child
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=178&opti=afis>
 - iv. ORDER no. 472/October 15, 2002 for the modification of art. 12 indent (1) from the financing and project selection Methodology as part of the national interest programs in the area of protection of child, approved by the Order of the Minister for the Coordination of the General Secretariat of Government no. 186/2002
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=177&opti=afis>
 - v. ORDER no. 186/May 17, 2002 for the approval of financing and project selection Methodology as part of the national interest programs in the area of protection of child
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=176&opti=afis>
 - vi. May 17, 2002 financing and project selection METHODOLOGY as part of the national interest programs in the area of protection of child
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=175&opti=afis>
- x. **National Authority for the Protection of Disabled People:**
- i. March 30, 2006 METHODOLOGY for the evaluation, selection and financing of projects as part of the national interest programs in the area of the protection of disabled people's rights
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=316&opti=afis>
 - ii. ORDER no. 248/October 03, 2005 regarding the approval of the Methodology of control, inspection and monitoring, applicable in the area of competence of the National Authority for the Protection of Disabled People
http://www.legestart.ro/AfisareAct.aspx?id_act=MTYxODQw
 - iii. NAPDP Order no. 73/May 13, 2004, published in the Official Journal no. 520/September 06, 2004, regarding the criteria on the basis of which projects in the area of the special protection of disabled people are selected
<http://www.gov.ro/socciv/legislatie/200509/ord-anph-%20nr73-mai-2004.pdf>
 - iv. ORDER no. 313/August 10, 2001 regarding the settlement of the Criteria on the basis of which projects in the area of the special protection of disabled people are selected
<http://www.gov.ro/socciv/legislatie/200509/ordin-313-2001.pdf>
 - v. ORDER no. 18/February 13, 2002 for the modification and the completion of the annex to the Order of the Secretary of State of the State Secretary for Disabled People no. 313/2001 regarding the settlement of the Criteria on the basis of which projects in the area of the special protection of disabled people are selected.
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=171&opti=afis>
- y. **National Sports Agency:** Order no. 149/November 7, 2003 regarding the approval of the Criteria and financing conditions of private law sports structures, others than national sports associations, public utility sports programs and their

financing framework-contract, published in the Official Journal, Part I, no. 852/November 29, 2003
<http://www.gov.ro/socciv/legislatie/200509/ordin-149-2003.pdf>

11. OTHER REGULATIONS ON AREAS OF ACTIVITY

(<http://www.gov.ro/socciv/afisrubrica.php?idrubrica=6&iddep=133&opti=afis>)

z. ORDER no. 830/October 10, 2006 regarding the approval of Methodological Norms of application of Government Ordinance no. 26/2000 regarding associations and foundations

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=349&opti=afis>

aa. LAW no. 350/July 20, 2006 – the Law of Youth

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=322&opti=afis>

bb. Emergency Ordinance no. 86/September 25, 2003 for the modification and the completion of Law no. 73/2000 regarding the Environmental Fund

<http://www.gov.ro/socciv/legislatie/200509/oug-86-2003.pdf>

cc. ORDER no. 1.325/September 22, 2000 regarding the participation of public, through its representatives, to the preparation of plans, programs, policies and legislation on the environment

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=161&opti=afis>

dd. ORDER no. 256/October 10, 2006 for the approval of the evaluation and selection criteria of associations for the protection of consumers that establish and where function consumers' assistance and information centers, as well as of the model of the convention concluded

<http://www.gov.ro/socciv/legislatie/200509/ordin-256-2000.pdf>

12. SPONSORSHIP

(<http://www.gov.ro/socciv/afisrubrica.php?idrubrica=6&iddep=132&opti=afis>).

ee. LAW no. 204/April 20, 2001 regarding the approval of the Government Ordinance no. 36/1998 for the modification and the completion of Law no. 32/1994 regarding sponsorship

<http://www.gov.ro/socciv/legislatie/200509/l204-2001sponsorizare.pdf>

ff. ORDINANCE no. 36/January 30, 1998 for the modification and the completion of Law no. 32/1994 regarding sponsorship

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=158&opti=afis>

gg. LAW no. 32/May 19, 1994 regarding sponsorship (updated until October 22, 2001*)

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=157&opti=afis>

hh. LAW no. 32/May 19, 2004 regarding sponsorship (updated until January 30, 1998*)

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=156&opti=afis>

ii. LAW no. 32/May 19, 1994 regarding sponsorship

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=155&opti=afis>

13. VOLUNTARY ORGANIZATIONS

(<http://www.gov.ro/socciv/afisrubrica.php?idrubrica=6&iddep=131&opti=afis>)

- jj. Law no. 195/April 20, 2001 (republished), regarding voluntary service (OFFICIAL JOURNAL no. 276/April 25, 2007)
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=369&opti=afis>
- kk. Law for the modification and completion of the Law of voluntary service no. 195/2001
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=323&opti=afis>
- ll. LAW no. 195/April 20, 2001 regarding voluntary service
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=154&opti=afis>
- mm. ORDINANCE for the modification and the completion of the Law of voluntary service no. 195/2001
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=153&opti=afis>

14. PUBLIC FINANCE

(<http://www.gov.ro/socciv/afisrubrica.php?idrubrica=6&iddep=130&opti=afis>)

- nn. EMERGENCY ORDINANCE no. 11/February 20, 2007 for the modification and the completion of Government Emergency Ordinance no. 63/1999 regarding the management of non-reimbursable funding allocated to Romania by the European Community, as well as the co financing funding
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=354&opti=afis>
- oo. Emergency Ordinance 138/December 29, 2004 for the modification and the completion of Law no. 571/2003 regarding the Fiscal Code
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=152&opti=afis>
- pp. ORDER regarding the procedure of granting deductions from the global annual income according to art. 86 indent (1) letter d) – f) from Law no. 571/2003 regarding the Fiscal Code and the Procedure of allocation of an amount representing a maximum of 1% from the annual income tax due according to art. 90 of Law no. 571/2003 regarding the Fiscal Code.
<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=151&opti=afis>
- qq. Order no. 141/January 20, 2004 for the approval of Norms regarding the application of the added value tax exemption for the delivery of goods and the performance of services financed through help or non reimbursable loans granted by foreign Governments, international organs and foreign and national nonprofit organizations and charity, including through donations of natural persons, stipulated at art. 143 indent (1) letter l) from Law no. 571/2003 regarding the Fiscal Code published in the Official Journal, Part I no. 65/January 26, 2004
<http://www.gov.ro/socciv/legislatie/200509/ordin141-2004.pdf>
- rr. Order no. 1829/December 22, 2003 regarding the approval of Accountant Regulations for Non Patrimonial Purpose Legal Persons published in the Official Journal, Part I no. 66/January 27, 2004
<http://www.gov.ro/socciv/legislatie/200509/ordin1829-2004.pdf>
- ss. Order no. 1664/November 28, 2003 regarding the approval of the designation of state and charitable or philanthropic character organizations that import goods destined both to their exclusive functioning needs, and to the achievement of their pursued charitable or philanthropic objectives – published in the Official Journal, Part I no. 866/December 5, 2003
<http://www.gov.ro/socciv/legislatie/200509/ordin-1664-2003.pdf>
- tt. ORDER no. 202/July 26, 2002 regarding the approval of the Methodological Norms for the application of the provisions of art. 8 indent (3¹), (3²) and (3³)

from Law no. 189/1998 regarding local public finance, with the subsequent modifications and completions

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=147&opti=afis>

uu. EMERGENCY ORDINANCE no. 219/November 24, 2000 for the modification and the completion of Law no. 189/1998 regarding local public finance

<http://www.gov.ro/socciv/legislatie/200509/ou219-2000fin-pub-loc.pdf>

vv. LAW no. 189/October 14, 1998 regarding local public finance

<http://www.gov.ro/socciv/afisdoc.php?idrubrica=6&iddoc=145&opti=afis>

15. The Law No. 544/2001 – The Law of the Free Access to the Public-Interest Information

The Law No.544/2001 regulates the way in which the citizens can request information produced or administered of by the public authorities and institutions.

In order for the activity of furnishing public-interest information to be efficient, the law stipulates that each institution/public authority which is under this law must either form a specialized department, or to designate a person with the attributions of applying the Law 544/2001

<http://www.stiriong.ro/documente/286.html>

Online Sources:

1. www.gov.ro/socciv
2. www.legestart.ro
3. www.stiriong.ro

*Some of the laws have also English versions (not all, unfortunately) which can be accessed by creating an account on www.indaco.ro (payable).

4. www.advocacy-online.ro
5. www.fdsc.ro
6. www.centras.ro
7. www.regionalnet.org
8. www.advocacy.ro
9. www.provobis.ro
10. www.donorsforum.ro
11. www.arcromania.ro
12. www.aid-romania.org
13. <http://alma-ro.ngo.ro>
14. www.transparency.org.ro
15. www.usaid.gov
16. www.gov.ro/socciv
17. www.legestart.ro
18. www.stiriong.ro