

2020 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

ROMANIA
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For Romania

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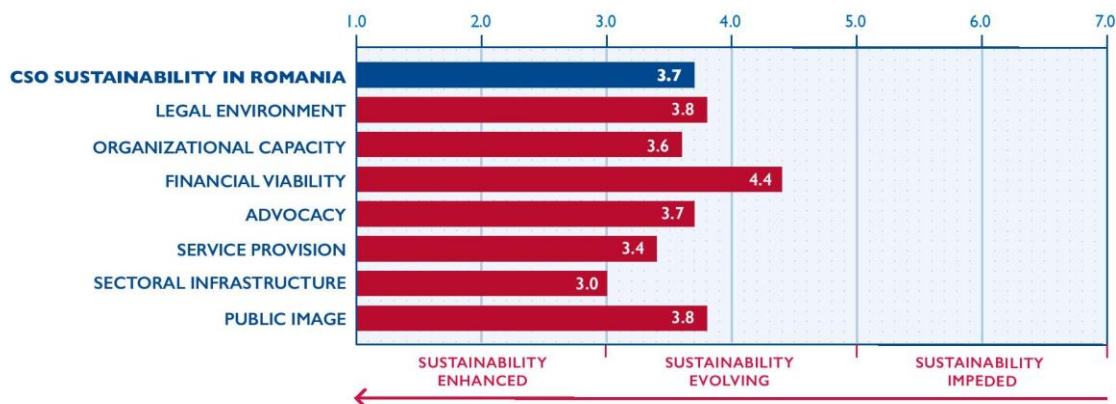
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Erin McCarthy, Michael Kott, Jennifer Stuart, and Kristie Evenson

ROMANIA

Capital: Bucharest
Population: 21,230,362
GDP per capita (PPP): \$29,941
Human Development Index: Very High (0.828)
Freedom in the World: Free (83/100)

OVERALL CSO SUSTAINABILITY: 3.7



2020 was an intense year for CSOs in Romania as a result of changes in the political landscape and the outbreak of the COVID-19 pandemic. Relatively soon after the first case of COVID-19 was reported in Romania in late February, a two-month national lockdown and state of emergency was instated that resulted in restrictions on movement and travel and the closure of schools and entertainment venues. In mid-May, Romania began the process of gradually reopening, but in October, further restrictions were introduced locally based on infection rates. The vaccination program was launched at the end of December.

Under these circumstances, economic contraction was inevitable. Gross domestic product (GDP) decreased by 3.9 percent in 2020 compared to 2019. The crisis further highlighted the need for systemic changes in critical sectors including health, education, social assistance, and outreach to vulnerable groups. The government introduced various measures to address the effects of the pandemic, although it was often criticized for moving too slowly and depending largely on resources accessible through support mechanisms of the European Union (EU).

From the very beginning of the COVID-19 crisis in Romania, CSOs were vital actors in relief efforts, stepping in where government capacity was lacking. CSOs raised funds for the local health-care system; created a support call center for the Department of Public Health Bucharest; produced and distributed masks and protective equipment to hospital staff; increased testing capacity by building modular hospitals and purchasing testing equipment and PCR tests; coordinated local and national efforts to support the most vulnerable groups; and took care of elderly people and other categories of people affected by the pandemic.

Two rounds of elections were held in Romania during the year: local elections in September and parliamentary elections in December. The local elections, initially planned for June but postponed due to the pandemic, resulted in significant changes to the political landscape. Nicușor Dan (a former CSO leader who battled in the past with various administrations in Bucharest) became the mayor of the Romanian capital, while across the country, many other mayors and leaders of county councils changed. Two months later, on December 6, 465 new members of parliament (MPs) were elected. Voter turnout was low, with less than one-third of Romanians exercising their right to vote. The big surprise was that the new party AUR—a group of nationalists, anti-vaxxers, cultural conservatives, and anti-globalization supporters—received around 9 percent of the votes. A coalition including the Liberal Party, USR (Save Romania Union), and UDMR (a union representing the Hungarian minority) formed the new parliamentary majority, while the Social Democrats, which previously held the parliamentary majority, are now in the opposition. Given that Romania’s scores are near the bottom of the “flawed democracy” category in Eastern Europe according to the *Democracy Index 2020* report, the new parliamentary majority will have a significant challenge in consolidating the rule of law framework.

Despite the difficult circumstances in 2020 surrounding the pandemic, overall CSO sustainability remained stable. Slight improvements were registered in the organizational capacity, financial viability, sectoral infrastructure, and

public image dimensions. These were driven largely by the sector's extraordinary mobilization to address the needs and challenges emerging from the COVID-19 pandemic.

At the beginning of 2021, the National Non-Governmental Organization (NGO) Register included a total of 117,510 registered organizations, including 95,972 associations and 19,335 foundations. This was an increase of only 2,962 CSOs over the past year, approximately half the rate of increase in the previous two years. Although some of the CSOs registered in 2020 might not be updated in the Register until later in 2021, the slow pace of growth may also be a side effect of the COVID-19 pandemic. Only half of registered CSOs are estimated to be active.

LEGAL ENVIRONMENT: 3.8



While some changes were made to the main law governing CSOs, the overall legal environment governing CSO operations did not change notably in 2020.

Simplifying the processes to register and operate a CSO continues to be a priority. In July 2020, the government initiated an open consultation on reforms to Government Ordinance 26/2000 (GO 26/2000), which regulates the establishment and functioning of CSOs, but the process ended after the first round of discussions with no follow-up.

Through a separate initiative, the parliament adopted a new law amending some of the provisions of GO 26/2000. Some of these changes are expected to reduce the barriers to entry for new CSOs. For example, CSOs are no longer required to have their constitutive acts or

beneficial owner(s) declarations notarized; the initial funding amount to set up a foundation was significantly reduced; and only one statutory act instead of two constitutive documents is now required. Other provisions will facilitate the functioning of CSOs, for example, by canceling the requirement to submit the annual declarations of beneficial owners required by the anti-terrorism and preventing money laundering legislation.

Although CSOs welcome the intent of the new law, the changes raise several difficulties at the enactment level. For example, no process is laid out to allow organizations established under different legal regimes to transition their registration to CSOs, therefore allowing legal professionals with too much space for various interpretations. At the same time, the new law barely touches upon some fundamental issues needed to comprehensively reform CSO registration and operations, including whether setting up a CSO should be a judicial or administrative procedure, the role of the National Registry of NGOs vis-à-vis that of the NGO registries in the local judicial courts, the extent to and manner in which CSOs can undertake economic activities, guarantees for third parties engaged in legal relations with CSOs, or the proper balance between the aim of increasing membership and the accountability and transparency needed to do so.

During the year, Romanian lawmakers revisited the definition of beneficial owner that was adopted in 2019 to comply with the EU's anti-money laundering directive and imposed burdensome administrative compliance rules on CSOs. According to the newly adopted language, the beneficial owners of CSOs include their founders, members, board members, and executive decision-makers, as well as "the physical persons in whose interest the association or foundation were established." However, the current phrasing leaves room for the enforcing authorities to use secondary legislation to further decide how CSOs should report on this final category.

CSOs can only be dissolved through a judicial procedure. Although this procedure is lengthy and complex, it protects CSOs against arbitrary dissolution by a third party, such as the state. CSOs can freely express criticism of the state, but state authorities rarely adjust their behavior or view such criticism as an opportunity for constructive dialogue.

CSO operations were affected by the restrictions imposed by the government in its attempts to limit the spread of COVID-19. Public assemblies and consequently the right to protest were banned for most of 2020 on the grounds

of the public health measures issued by the government. Initially banned when the state of emergency was imposed in March 2020, the right to public assembly was ignored in the government's subsequent measures to relax the restrictions and was only reinstated in September 2020 after at least two open letters published by a group of CSOs. In addition, several curfews and travel restrictions from or towards quarantined settlements were instated in 2020.

During the pandemic, the state adopted several fiscal changes that benefited small and medium enterprises and other private employers, but these did not benefit CSOs. However, the deadlines for submitting annual financial statements and other required reports to the state were postponed beyond the regular due dates. For example, taxpayers were allowed to submit their declarations to direct up to 3.5 percent of their owed income tax to a nonprofit until June 30, 2020, instead of March 15, 2020.

As in previous years, corporate donors can deduct up to 20 percent of their owed income tax, or up to 0.75 percent of their annual turnover, whichever is lower, for sponsorships.¹ According to a law enacted in November 2020, the owed income tax may also be used by an employer to pay for the private education of its employees' children aged six and under. Although the majority of private education providers in Romania are CSOs, this is likely to result in a decrease in the volume of sponsorship for all other CSOs.

Individual taxpayers continue to have the option of directing up to 3.5 percent of their owed income tax towards a CSO or church or individual scholarship. However, income generated via state financial support schemes for employees affected by the pandemic crisis will not be eligible for this deduction.

CSOs are legally able to fundraise and earn income, as well as to compete for public funds. CSOs, trade unions, and business associations remain exempt from income tax up to EUR 15,000 on earned income per fiscal year or up to 10 percent of total tax-exempt income, whichever is lower. Revenue from grants and sponsorships is not subject to income tax.

CSOs' capacity to navigate throughout an already complicated legal system diminished in 2020 while the pandemic resulted in greater demand for sophisticated legal advice. Priority legal issues during the year included compliance with the EU's General Data Protection Regulation (GDPR) and the anti-money laundering legislation, both of which are still unclear to most CSOs, as well as the validity of decisions made remotely by governing and executive bodies. The availability of legal assistance continues to be limited, and the pro bono legal services and few specialized CSOs that cover these areas are unable to meet all the demand.

Romania joined the celebration of European Pro Bono Week for the first time in 2020. As members of the European Pro Bono Alliance, the Civil Society Development Foundation (FSDC) and ACTEDO, in partnership with the Federation of NGOs for Social Services, Save the Children Romania, and Accept Romania, promoted pro bono culture through a series of online events and matchmaking between lawyers and CSOs. In July 2020, the National Union of Bar Associations submitted an amendment to the lawyers' law that would address pro bono legal services; the amendment was supported by eighteen CSOs and was further debated during European Pro Bono Week.

ORGANIZATIONAL CAPACITY: 3.6

Despite the COVID-19 crisis and its socio-economic effects, the CSO sector's organizational capacity improved slightly in 2020 due to CSOs' efforts to maintain and improve their sustainability and capacities. Furthermore, there is some optimism that organizational capacity will continue to improve in the coming years as the Active Citizens Fund Romania, a large funding program dedicated to CSOs, started the process of awarding grants in 2020. The program is part of the European Economic Area (EEA) and Norway Grants 2014-2021 and will pursue the long-term development of the civil society sector with a total allocation of EUR 46 million through April 2024.

CSOs' experience with constituency building in 2020 was mixed. On one hand, CSOs faced increased challenges engaging the public in their activities and projects because of the pandemic and resulting lockdown, which made it difficult for them to organize community meetings, communication activities, and other forms of face-to-face interaction with the public, beneficiaries, and stakeholders. On the other hand, CSOs were able to respond

¹ In Romanian law, the term "sponsorship" refers to any financial flow from a legal person to a CSO, while a "donation" refers to a financial flow from an individual to a CSO.

effectively to their constituents' priorities and to develop immediate solutions to the needs generated by the pandemic through interventions in the Romanian health system and the provision of support for vulnerable groups. According to the World Bank's *2020 Rapid Assessment of Romanian CSOs in the Context of COVID-19*, "Civil society response proved to be for Romania an important resource in an emergency."

According to GO 26/2000, all CSOs are legally required to have written missions and goals. Few CSOs, however, are able to organize their work under well-outlined strategies because the unstable financial environment makes long-term plans difficult to implement. Well-established CSOs develop strategic plans and try to put in place projects, activities, and actions accordingly.

Smaller CSOs, on the other hand, operate on an ad hoc basis driven largely by available funding opportunities.

There were no significant changes to the internal management structures of CSOs in 2020, which continue to vary depending on how established a CSO is. Established CSOs have functional boards, but they are not always involved in decision-making processes, while in many other CSOs, the roles of board members are not clearly distinguished from those of staff.

According to the Charities Aid Foundation's *2019 World Giving Index*, which presents aggregate data from 2010 to 2018, Romania is among the bottom ten countries in terms of participation in volunteering activities. According to the World Bank's 2020 CSO survey, however, there is "a relatively high share of middle-sized CSO [sic] in terms of volunteering, with approximately 30% having between 10 and 50 volunteers annually over the course of the past three years. There also seems to be a declining share of volunteering for smaller organizations, and an increase in volunteering for larger organizations-with more CSO [sic] declaring 50 to 100 volunteers last year than in previous years."

Maintaining permanent paid staff is an ongoing challenge for the majority of CSOs. As stated by the World Bank, in 2020, a quarter of CSOs reported that "the number of employees or permanent collaborators decreased after the pandemic started in Romania. 60% of CSO [sic] did not lose any human resources, and 7% even registered increases of personnel." In general, the staff turnover rate is influenced by the fact that CSOs do not have efficient human resource management systems, and employees have limited opportunities to develop their skills through training and career development programs.

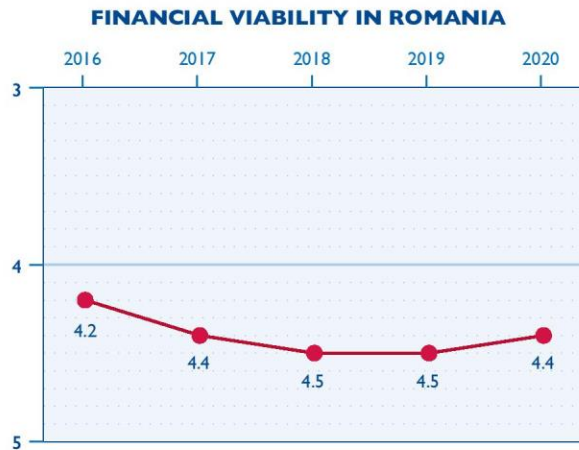
CSOs had limited opportunities to acquire high quality equipment in 2020. However, in response to the pandemic and lockdown, CSOs made significant efforts to improve their social media and online communication skills in order to stay connected both internally and externally. CSOs, including those that had previously not used or had limited use of modern technology and information communication technologies (ICT), embraced platforms such as Zoom, Skype, and Microsoft Teams. In addition, some CSOs started using customer relationship management (CRM) software to keep track of the large number of individual donors recorded since the beginning of the pandemic. Furthermore, Google provided tailored digital solutions to help CSOs manage their activities in the context of the COVID-19 pandemic, including methods and tools to increase awareness and fundraising, collaborate remotely, stay productive, and organize events and trainings.

ORGANIZATIONAL CAPACITY IN ROMANIA



FINANCIAL VIABILITY: 4.4

CSOs' financial viability increased slightly in 2020, primarily due to increases in local philanthropy and the accessibility of foreign support. While CSOs were able to rapidly mobilize domestic support, achieving extraordinary results during the peak of the pandemic, public support remains limited. The pressure to address immediate health, social, and educational needs narrowed CSOs' capacity to raise funds for operational costs or programs focused on their core missions, or to earn revenue through the sale of products and services.



CSOs struggle to access multiple sources of funding and to diversify their income. According to a 2017 study by FSDC, over 65 percent of active organizations register no income at all or income less than EUR 10,000 annually. Smaller organizations, which account for most of the Romanian sector, rely heavily on volunteering and individual contributions, occasionally receiving funding through the tax redirection mechanism and from companies and, to a very limited extent, accessing public funds (local or regional). Their access to the European Structural Funds available in the country is even more limited.

The 2020 pandemic allowed certain agile CSOs that operated as catalysts for COVID-19-related response activities to diversify their funding base by raising

resources from individuals, corporations, and local communities, including through the use of social media (including the Romanian United Fund) and diaspora outreach. Some new funding for urgent COVID-19 projects was also available from foreign actors with national presence, including the Black Sea Trust and various embassies, rapid response funds at the EU and international level, and local sources. While important, these new funding sources were all limited in size and scope and had limited impact on the sustainability of organizations.

CSOs' mobilization in response to the COVID-19 crisis has been extraordinary. Thousands of initiatives mobilized volunteers and non-monetary support from communities and collaborated with and received direct support from companies and professionals. For example, Dăruiește Viață Association raised EUR 4 million in just six weeks from over 250,000 individuals and 600 companies to support medical units and build a new modular hospital.² Save the Children Romania set up an Emergency Fund for Hospitals that raised EUR 1 million in two months, plus additional support to cover educational needs. The National Red Cross raised over EUR 9 million in 2020 from individuals and more than 150 companies.

Corporate philanthropy continues to expand, with new substantial sources available to CSOs during the year, including from Kaufland, Lidl, and Societe Generale. According to the report *The dynamics and perspective of the CSR domain in Romania* (CSR Media and Valoria Business Solutions, 2020), 74 percent of respondents reported that their corporate budgets for CSR programs have either stagnated or increased slightly, with education and health becoming the areas most commonly supported. Corporate donations connected to the emergency response to COVID-19 were estimated to be over EUR 100 million.

Central government funding to the sector did not change significantly in 2020 compared to previous years. As in previous years, annual central funding was available for national minority organizations, projects focused on combating intolerance and addressing vulnerable communities, sport federations, culture, and youth. In addition, social service providers had access to limited subsidies, which continued to be less than the real costs of providing services to end beneficiaries. Some funding programs were adapted to address the effects of COVID-19. CSOs were included in the governmental aid package to address some effects of the pandemic, such as technical unemployment for employees whose labor contracts were suspended, extending the deadlines for various reporting obligations, and exemptions on fines and/or penalties for unpaid debts to the local or state budgets. However, there were no dedicated support programs for CSOs, and these initiatives had limited impact on the sector as a whole.

Local government funding varies significantly in different communities. In 2020, a few calls for funding were cancelled due to lockdown restrictions or the reallocation of resources towards other needs.

European Structural Funds 2014-2020 and the EEA Financial Mechanism 2014-2021 remained the most significant sources of foreign funding for CSOs in 2020. The Romanian-American Foundation remains a long-term stable and reliable source of funding for CSOs, awarding approximately \$3.8 million a year in grants, including emergency

² After the first six-week response, Association for Community Relations reported collections up to EUR 14 million through the Emergency Fund it set-up, alongside the initiatives conducted by over eighty CSOs, including the national network of community foundations.

support. Under the Active Citizens Fund, just a few rapid response projects were implemented in 2020, while contracting for the first round of calls was underway at the beginning of 2021. While most donors were flexible on the implementation of currently funded programs, the restrictions on movement and gatherings negatively influenced the efficient use of resources and CSOs' direct access to end beneficiaries.

Support from individual donors and constituencies continued to grow in 2020, with extensive use of ICT to facilitate donations or crowdfunding. The platform www.donatie.ro, which facilitates SMS campaigns and direct debits, reported a 14.5 percent increase in recurrent donations and a 49 percent increase in SMS donations between 2019 and 2020. The peer-to-peer platform www.galantom.ro reported a 47 percent increase in annual donations, which reached RON 5.6 million (approximately \$1.32 million) and benefitted 206 CSOs and 476 community projects. Non-commissioned donations through www.bursabinelui.ro increased as well, reaching RON 800,000 (approximately \$188,500) in 2020. Revolut and Banca Transilvania both introduced options to donate directly through their apps, adding to the already existing channels through which CSOs can receive funds, including doneaza.pago.ro, MobilPay Wallet, and the e-commerce platform emag.ro. The reward-based crowdfunding platform consolid8.ro opened to social entrepreneurs and creative industries, while the digital platform rohelf.ro facilitates donations towards CSOs involved in COVID-related efforts. At the same time, restrictions on gatherings led to a decrease in event-based fundraising. Despite the impressive success in fundraising for pandemic relief efforts, CSOs were not able to keep up with fundraising for their own operating costs and core mission-related programs.

Three years after their dissolution according to a Government Emergency Ordinance, sheltered workshops for persons with disabilities run by CSOs were reinstated through a law enacted in August 2020. CSOs are now allowed to set up and run protected shelters and benefit from the legal possibility that employers (public or private) that owe the disability tax can use 50 percent of this tax to acquire goods and services from such entities instead of paying it to the state budget.

EU-funded grant schemes support the creation and development of social enterprises, though few of these choose to formally register as CSOs, due to the lengthier registration processes and administrative limitations. Insufficient support is provided to already existing social enterprises. In line with the overall economic contraction in 2020, revenues generated by CSOs through the sale of products and services also decreased.

CSOs submit annual financial statements, which are publicly available on the Ministry of Finance's website. Financial management systems tend to be more consolidated in larger CSOs. The sector continues to face a shortage of professional expertise and skilled financial management staff. The intensive fundraising in 2020 pushed CSOs to focus more on the transparency of the funds raised and their use. Independent financial audits are not a common practice among CSOs and are generally conducted only at the request of institutional donors.

ADVOCACY: 3.7

CSO advocacy capacities and opportunities did not change notably in 2020, although pandemic-related restrictions drastically reduced CSOs' access to decision makers in the first part of the year. Forty CSOs, including platforms and business associations, publicly requested access to the works of parliamentary commissions as the legislative process was carried out in a state of opacity. Relationships with the authorities were very limited in the first part of the year, then slightly improved with some unexpected successes. The imminence of both local and general elections created a two-sided effect: local authorities were generally reluctant to engage in any dialogue with CSOs and concentrated their efforts on the elections, while some ministries and the prime minister's office proved more interested in hearing CSOs' voices. In March 2020, for



example, the Service for Cooperation Policies with Civil Society was set up as a structure within the General Secretariate of the Government.

Citizens' interest in matters unrelated to COVID-19 was also limited in the first part of the year, while the low capacity of the government, particularly at the local level, put other initiatives on hold. Declic, one of the most visible online campaigning organizations, reported that the petitions with the highest number of signatures in 2020 focused on the urgent resumption of vaccine production at national level (130,258) and giving priority testing to medical personnel (54,779). Restrictions on public assemblies severely affected any form of citizens' offline organization throughout the year. Several public alerts launched by CSOs on www.stareademocratiei.ro pointed out the unbalanced treatment of the government in regards to public assemblies versus other forms of gatherings; while the government began loosening restrictions in other areas, such as malls and restaurants, beginning May, protests were allowed again only in September 2020.

FSDC drafted a position paper with a list of measures to support CSOs and their beneficiaries during the pandemic. The paper, which was endorsed by more than 550 organizations, served as the basis for a round table with the prime minister in May 2020. This meeting was followed by other similar meetings on the themes of environment, volunteering, education, and children's rights. Unprecedentedly, the prime minister agreed to revoke two of the acts issued by his office and to correct situations that CSOs claimed were against the principles of participatory democracy. In a notable example, 788 CSOs participated in an electoral process to select fourteen CSO representatives to Romania's Social and Economic Committee (SEC). The prime minister appointed those selected to the SEC, with the exception of the representative of a CSO promoting sexual education. After an extensive appeal process involving public petitions, press articles, and position papers, the prime minister eventually reconsidered his decision in January 2021.

In March 2020, the decree enacting a state of emergency due to the spread of COVID-19 included concrete limitations to the access to information of public interest and gave authorities the space to elude the provisions of the public information law (FOIA). Moreover, the Ministry of Interior issued a note to all prefectures in the country to stop responding to requests for public information about specific local data related to COVID-19. CSOs and journalists promptly objected to these limitations and later in the year, the Expert Forum launched a strategic litigation campaign challenging every county police department in the country, since they all refused to provide information required under FOIA, claiming that the law does not impose any obligation on a public authority or institution to process the raw data it collects and communicate it further to any interested party. FOIA was also the subject of two legislative initiatives in parliament in 2020. The first, which would have severely limited access to information, was withdrawn after a strong reaction by journalists and CSOs, including the Center for Independent Journalism, Active Watch, and Center for Public Innovation. The other one is still being debated in the second chamber of parliament.

The public agenda was dominated by pandemic-related issues in 2020; consequently, CSOs' advocacy actions focused on the state's measures—or lack thereof—to assist people in need. Service-providing CSOs—particularly those in the social, medical, and education fields—were the most visible in their attempts to alert the authorities when their actions were inadequate. For example, after being initially ignored by the authorities, the main platforms in the social field, including the Federation of NGOs for Social Services, Federation of NGOs for Child, Dizabnet, and Caritas, met regularly with the National Authority for the Rights of People with Disabilities, Children and Adoptions throughout the summer of 2020 to discuss the needs of the vulnerable populations they serve.

The authorities ignored some of the groups most affected by the pandemic despite CSO appeals. For example, the Prevention and Combating Violence against Women (VIF) Network alerted the authorities about the difficulties and risks of women victims of violence; the Center for Legal Resources repeatedly spoke up about the issues faced by persons with mental disabilities in state institutions; and the Romanian Independent Working Group against Trafficking in Persons and Smuggling warned the Romanian authorities about the serious situation of victims of trafficking. The rights of the LGBTI minority, as well as sexual and reproductive health and rights, regressed as their progressive advocacy agenda was put on hold; moreover, sexual education in schools was eliminated from the Law on Protection and Promotion of Child Rights, despite the opposition of numerous CSOs and without a substantive public debate.

In 2020, environmental CSOs continued to advocate to bring back the role of CSOs in the management of environmentally-protected areas, which was severely reduced in 2019, and were part of consultation processes on the Energy Strategy and the National Emissions and Climate Plans. The government's plans on environment,

energy, and climate change were included in the draft of the Romanian Resilience and Recovery Plan, but environmental CSOs challenged the plans' inconsistent approach and asked for further public consultation and revisions of them.

As described above, the provisions of the CSO law dealing with registration and operations was revised in 2020. Although this was not a full revision of the law, the process was criticized for its lack of transparency and the fact that it did not include any relevant stakeholders from the CSO sector.

SERVICE PROVISION: 3.4



CSO service provision did not change significantly in 2020. CSOs continued to provide a wide range of services, including basic social assistance to marginalized and vulnerable groups. CSOs' services respond to their constituents' needs and include areas such as education, social welfare, environment, civic activism, and youth education.

Given the circumstances surrounding the pandemic, CSOs increasingly focused on providing support and services in the field of public health during the year. According to data gathered by the Association for Community Relations, in 2020 CSOs "provided hospitals with supplies and equipment worth 14 million Euros and supported thousands of vulnerable people in all counties. More than 140 medical units have received the support

of non-governmental organizations." Furthermore, the same data source shows that with CSOs' support, "the capacity of testing has increased in vulnerable places such as Iasi, Nadlac, Deva or Timisoara; with the help of the organizations, more than 30,000 PCR tests have reached the hospitals [...] The capacity to treat patients with COVID-19 has increased by putting up modular hospitals as well".

Although CSOs delivered significant support and services in the health area, the overall quantity and quality of services provided by CSOs in 2020 was affected by the effects of the pandemic, including a lack of access to underserved geographical areas, lack of staff and resources that could have been allocated to other types of services beyond health, and remote working arrangements. Moreover, CSOs encountered difficulties in delivering certain types of services because of the lockdown and the high risk to staff of contracting the virus. In this context, certain services such as those focused on victims of human trafficking and domestic violence, homeless people, and people with severe disabilities, seem to have been more affected than other types of services.

In general, CSOs cannot recover the costs for the services they provide and do not have the capacity to generate revenue through service provision. In a limited number of cases, however, CSOs charge fees for products and services such as home care services, addiction treatment, and informal or alternative education for children. The fees that these CSOs are able to charge for their services do not fully cover the costs of their interventions, necessitating them to seek supplementary sources of funding.

During 2020, CSOs continued to be reliable partners to private companies in the development of their corporate social responsibility (CSR) programs. For example, Coca-Cola Romania and HBC support projects focused on protecting the environment, developing communities and preserving local traditions, supporting young people, and protecting water resources in cooperation with CSOs such as CSR Nest Association, Viitor Plus, WWF Romania, Tășuleasa Social, Global Shapers, Social Innovation Solutions, and Social Incubator.

Cooperation between the government and CSOs fluctuates depending on the socio-political context and the government in power. While the current government, which came to power in December 2020, seems open to dialogue and cooperation with civil society, it is too early to make predictions about how this relationship will evolve. While government representatives sometimes make positive statements about the role of CSOs in service provision, this is not a constant message and no concrete measures have accompanied such statements to date. At

the local level, the situation varies from county to county, but in general local governments rely on CSOs to address the needs of various vulnerable groups.

SECTORAL INFRASTRUCTURE: 3.0

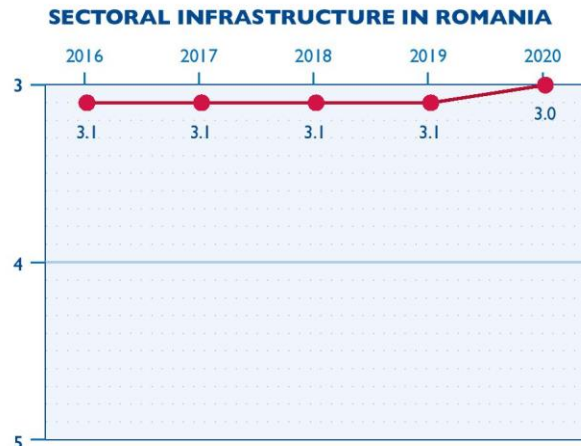
The infrastructure supporting the CSO sector improved slightly in 2020. A larger number of CSOs had access to information and assistance given the increased use of ICT, while intersectoral partnerships and ad hoc coalitions and networks actively responded to the COVID-19 crisis and the change in government. Still, the availability of tailored support and services to smaller CSOs and CSOs in rural areas remains insufficient and inconsistent.

The number of CSOs providing advice and support to other organizations is still limited and there is an ongoing need for more specialized services for CSO capacity building. Various organizations provide other CSOs with support on diverse thematic fields or areas of expertise. For example, TechSoup and Code for Romania provide support on digital competencies and solutions, the Association for Community Relations specializes in fundraising and development of philanthropic behavior, and the Resource Centre for Public Participation (CeRe) and PACT focus on community development. The Center for Nonprofit Law specializes in legal information and advocacy, Policlinica de Marketing in communication and marketing, Impact Hubs in coworking space and innovation, and Funky Citizens in civic engagement and fake news. Timis County Youth Foundation (FITT), a few of the other county youth federations, and Young Initiative focus on youth-related governance and strategic planning, Pro Vobis serves as a resource center for volunteering, and Ashoka and Synerb provide support on social entrepreneurship and sustainable development. Representative federations in different areas, including social services, education, volunteering, rural development, human rights, gender, and social entrepreneurship, also provide information and support to their member CSOs, but this is highly dependent on the availability of financial resources. These organizations earn limited income through the provision of these services; instead, most services are provided as part of programs or projects covered through grant-based funding or sponsorships.

In 2020, grant schemes under the EEA's Active Citizens Fund made available significant resources for capacity building and the consolidation of sectoral infrastructure, but most projects will only begin in 2021. Kaufland Romania's "In stare de bine" funding program continued and included another pool of less experienced CSOs in its organizational capacity building and transformation processes.

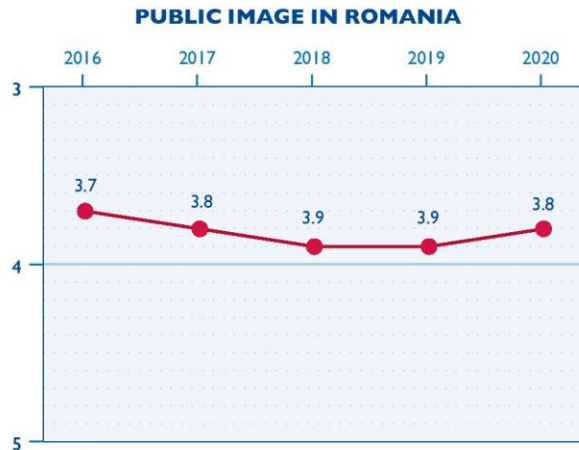
Local grant-making organizations mobilized local resources and were among the first to react to the urgent community needs stemming from the pandemic. Nineteen community foundations covering 52 percent of the population engaged in intensive efforts in 2020. In addition to the ongoing initiatives in fields such as scholarships and education funds, thematic funds, philanthropic sports events, and community resilience programs, community foundations organized over twenty-five COVID-related campaigns that raised EUR 2 million in seventeen counties.

The numerous societal issues brought to the public agenda by the pandemic drove more intense collaboration at many levels. Within the sector, new ad hoc coalitions and informal groups of CSOs advocated for issues related to human rights, freedom of public gatherings, access to public data and personal data protection, access to education, support for vulnerable groups, environment, health, human trafficking, gender and sexual education, and culture. CSOs also cooperated with the business sector to respond directly to community and public sector needs, including in terms of health infrastructure and education. CSOs also formed partnerships with media outlets and to some extent with government bodies at the central and local levels. For example, Code4Romania continued its efforts to provide digital solutions to community problems in partnership with the governmental Authority for Digitalization. Platforms such as AntiCovidTM (in Timișoara) and Moldovasolidara.ro (in North East part of Romania) are good examples of local collaboration for crisis response; they facilitate awareness among the public and facilitate communication and coordination among different stakeholders. In Timisoara, the platform even



developed an instrument to measure public perceptions on priorities for local community development and facilitated public debates about these.

PUBLIC IMAGE: 3.8



The CSO sector's public image improved slightly in 2020 as CSOs received more media coverage and the perception of CSOs by the business sector, government, and the public became more positive.

CSOs enjoyed wider media coverage during the pandemic. Almost all the TV channels and radio stations ran or featured CSO campaigns. However, their approach was still unequal. For example, while some high-profile CSOs, such as Dăruiește Viața and Magic Camp received extensive media coverage, others were used as “tearjerker” subjects in various TV shows or news bulletins without offering information on how to support their causes. Although dominated by the pandemic, some environmental topics like air pollution also made their way into national media in 2020. For

example, Bankwatch Association brought public attention to topics like the Green Deal and decarbonization.

According to a survey conducted by the Romanian Institute for Evaluation and Strategy (IRES) at the beginning of January 2021, 25 percent of the Romanian population had great or a great extent of trust in CSOs, a higher percentage than expressed in the presidential administration (22 percent), government (21 percent), parliament (13 percent), or political parties (10 percent). At the same time, 44 percent of the population expressed little/some confidence in CSOs. The level of trust in CSOs is greater among the younger generation: 31 percent of respondents between the ages of eighteen and thirty-five express great or a great extent of trust in CSOs.

CSOs' impressive fundraising results in 2020 would not have been possible without citizens' growing awareness and determination to get involved, thus reflecting the increase in public trust and a recognition of the efforts CSOs made towards pandemic relief.

The business sector has an increasingly positive perception of CSOs. Although statistical data is scarce, there is a general sense that the business sector increased its funding and collaboration with CSOs in the context of the COVID-19 pandemic. The government's perception of CSOs also improved. For the most part, the pandemic resulted in a significantly increased level of cooperation and an improved image of CSOs among governmental institutions. The prime minister and his office led various meetings with CSOs. On various occasions, both the president and prime minister expressed their gratitude for CSOs' efforts during the pandemic, as well as the time, resources, and expertise they invested into local communities. In one notable exception to this rule, however, a Facebook post by the minister of labor and social protection implied that community support, including from CSOs, was weak during the pandemic.

CSOs also improved their communication skills and, in many cases, became much more transparent. Many organizations involved in pandemic relief published presentations on the amounts collected and activities carried out. Many other CSOs, however, find their promotional efforts constrained by limited staff capacity. Nevertheless, many of them draft annual activity reports to fulfill donor requirements.

Social media—especially Facebook—became one of the most powerful tools for CSOs to keep in touch with their audiences and share information about their work. Many CSOs quickly adapted to the use of various online platforms or started to use online collaborative instruments, allowing the majority of CSO events to be held online during the year. In addition, the Public Participation Awards Gala, an annual event organized by CeRe, took place for the first time on one of the most popular radio stations in Romania.

Disclaimer: The opinions expressed herein are those of the panelists and other project researchers and do not necessarily reflect the views of USAID or FHI 360.

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