

Capital: Bucharest
Population: 22.3 million (July 2005 est.)
GDP (current US\$): \$186.4 billion (2005 est.)
GDP real growth rate: 5.2% (2005 est.)
GDP per capita (purchasing power parity): \$8,300 (2005 est.)
Population below national poverty line: 28.9% (2002)
Inflation Rate: 8.9% (2005 est.)
Ethnic Groups: Romanian 89.5%, Hungarian 6.6%, Roma 2.5%, Ukrainian 0.3%, German 0.3%, Russian 0.2%, Turkish 0.2%
Religion: Eastern Orthodox 87%, Protestant 6.8%, Catholic 5.6%, Other (mostly Muslim) 0.4% (2002)
Language: Romanian (official), Hungarian, German
President: Traian Basescu
Prime Minister: Calin Popescu Tariceanu
Ambassador to U.S.: Sorin Dumitru Ducaru



National Interest: Romania remains a strong ally to the United States in the global war against terrorism. A member of NATO since 2004, Romania was granted “functioning market economy” status by the European Union and closed all chapters towards EU accession. A democratically strong and economically prosperous Romania is critical to peace and stability in Southeast Europe. Romania also provides a positive model for democratic conduct, constructive inter-ethnic relations, and regional cooperation.

OVERVIEW OF USAID’S FOCUS IN ROMANIA

FY 06: Total AEEB - \$19.80 Million, USAID Total - \$16.25 Million

Expanding the Private Sector (FY06 \$7.2 million, 44%): USAID provides assistance to reform the legal and regulatory environment for business; to support organizations and government agencies that assist businesses; to increase the competitiveness of private Romanian enterprises; and to promote the growth of investment and trade with the U.S. USAID-funded advisors address legal constraints to business development, such as supporting legislation that liberalizes the energy market, increases lending to small and medium-size enterprises, promotes pension reform and supports non-banking financial instruments. USAID technical assistance enables the Government of Romania (GOR) to comply with EU standards on communication services, agriculture, and rural development. Assistance enhances the GOR’s ability to manage its water resources and to develop a national disaster response system. USAID’s small-business lending program has expanded to cover 23 of Romania’s 41 counties and leverages funds from the GOR and the World Bank. The private sector program also educates NGOs, the press, and the GOR on economic reform issues so they better understand the prerequisites to attract foreign investment in Romania.

Strengthening Local Democratic Governance (FY06 \$5.45 million, 34%): USAID aims to increase citizen participation in local decisions and improve the delivery, effectiveness, and accountability of public services. Assistance helps NGOs lobby for local government reforms that address citizen concerns. It promotes civic activism, philanthropy, volunteerism, and the inclusion of vulnerable groups in public discourse. Through expanded civic education programs, USAID assistance promotes civic responsibility, and encourages tolerance, rather than discrimination, for disadvantaged groups and minorities. Parliamentary assistance seeks to improve the dialogue between civic groups and Members of Parliament. USAID assists local political parties to become more responsive to their constituents, promote debate on electoral reform, and improve the accountability of elected representatives. Several major municipalities receive technical assistance to improve municipal services. The rule of law program supports strengthening the independence of the judiciary.

Improving Child Welfare & Health Services (FY06 \$3.6 million, 22%): The program aims to reduce the number of children in institutional care and supports alternative community services provided by NGOs. USAID advisors helped to draft legislation that incorporates EU standards for child welfare services, including adoption, life-skills training for youth, child abuse and neglect. USAID expertise assists the GOR in the implementation of a national reproductive health system to increase access to quality reproductive and maternal health services. USAID is a member of the Country Coordinating Committee that oversees a \$38-million grant Romania received from the Global Fund to Fight AIDS, Tuberculosis, and Malaria. An anti-trafficking “best practices” manual for law enforcement was produced with USAID assistance, and USAID disperses grants to promote awareness of trafficking in persons and to rehabilitate trafficked victims.

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