

PRIVATE SECTOR PROGRAM

The overall objectives of the U.S. assistance program in Romania are to support:
economic freedom and growth;
democratic attitudes and institutions;
and
improvements in Romanian quality of life.

MICRO, SMALL, AND MEDIUM SIZE ENTERPRISES (MSMEs)

Activity Title: Enterprise Development and Strengthening (EDS)

Implementation Timeframe: December 2002 – February 2008

Objective: To facilitate sustainable growth and development of MSMEs by providing comprehensive access to credit, capital, and investment finance through NGO-based lending, private micro-finance companies, and commercial banks.

Description: The EDS activity builds on the successful results of the previous USAID-funded micro-lending activity. The first component of the EDS activity supports micro-lending expansion to underserved markets in Romania and provides eligible MSMEs with a mixture of complementary loan products and services to sustain their continued growth and development. The second component of the EDS activity supports the creation of a Microfinance Coalition to offer credit services to MSMEs throughout Romania.

Due to the extensive economic effects of the 2005 flooding, a variety of flood relief projects are also being implemented through the EDS activity. For more information on USAID/Romania's flood relief projects, visit http://www.usaid.gov/locations/europe_eurasia/countries/ro/

Implementing Partner: The Cooperative Housing Foundation (CHF)

Website: <http://www.chf.org>

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Activity Title: Romanian-American Enterprise Fund (RAEF)

Implementation Timeframe: August 1994 - August 2009

Objective: To run investment and loan programs, raise additional funds from private and public sources to be invested in Romania's emerging private sector, provide advisory services to Romanian financial institutions, match U.S. with Romanian companies, and support U.S. trade and investment.

Description: RAEF was established in mid-1994 by the U.S. Congress, incorporated as a not-for-profit private organization under the laws of the state of Delaware. RAEF provides both investment and loan programs for private businesses in Romania. It raises additional funds from private and public sources to be invested in Romania's emerging private sector. It also provides

advisory services to the Romanian Investment Fund, and offers technical assistance to qualified companies. RAEF's current operations include: a Major Transaction Program (investment in equity and convertible instruments), Micro Loan Programs (lending to private MSMEs), and a Mortgage Program.

Implementing Partner: The Romanian American Enterprise Fund (RAEF)

Website: <http://www.raef.ro/en/>

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Activity Title: Romanian Information Technology Initiative/ Improve Access to IT

Implementation Timeframe: August 2002 – January 2006

Objective: To support increased access to and utilization of information and communication technology (ICT) by public and private sector organizations in Romania.

Description: RITI-Access focuses on:

- E-Governance and NGO strengthening, especially to increase the transparency, efficiency, and responsiveness of institutions;
- E-Commerce expansion in support of SME growth and business association development;
- Support of IT initiatives launched by the Romanian Government; and
- Expanding equitable public access to IT resources, particularly through private sector-led expansion of IT services through public access centers in rural or otherwise under-served communities.

Implementing Partner: Academy for Educational Development

Website: <http://www.aed.org>

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FINANCIAL MARKETS/ FINANCIAL INSTRUMENTS

Activity Title: Financial Markets Reform in Romania

Implementation Timeframe: October 2001 - September 2006

Objective: To contribute to overall economic growth by attracting foreign investors, improving liquidity, and re-establishing credibility in Romanian financial markets.

Description: USAID assists Romanian banking and government entities, the National Securities and Exchange Commission, and the markets themselves (BVB and RASDAQ) to support the long-term, sustainable development of capital markets in Romania. Concretely, activity goals include the reduction of corruption, the improvement of corporate governance and market

transparency, the provision of training for judicial system participants who enforce capital market regulations, and the provision of technical assistance for the introduction of new financial instruments.

Implementing Partner: Deloitte Touche Tohmatsu

Website: <http://www.deloitte.com>

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AGRICULTURE

Activity Title: Romanian Agribusiness Development and Policy Support Project

Implementation Timeframe: September 2002 - September 2006

Objective: To address challenges in the agricultural sector while calling for a reduction of state interventions and the creation of opportunities for significant growth of agriculture and agribusiness. This is accomplished by speeding up the privatization of state enterprises, supporting agriculture policy and regulatory reform, improving credit availability for the agricultural sector, strengthening the role of private associations in Romanian agriculture, promoting cost-efficient and environmentally sustainable production, and promoting trade and investment in the agricultural sector.

Description: USAID works with the Ministry of Agriculture and other government institutions to promote the growth of agribusiness in Romania. Assistance includes the provision of technical expertise and the facilitation of “AgLinks” between Romanian and U.S. companies in order to encourage trade ties, joint ventures, and investments. The warehouse receipt system, forestry management, alternative uses of agricultural wastes and agricultural by-products, environmental sustainability, and assistance in leveraging funding from other major donors are also objectives of the project.

Due to the extensive effects of the 2005 flooding on Romania’s agricultural sector, this project also includes flood relief activities. For more information on USAID/Romania’s flood relief projects, visit http://www.usaid.gov/locations/europe_eurasia/countries/ro/

Implementing Partner: U.S. Department of Agriculture (USDA)

Website: <http://www.usda.gov>

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ENERGY

Activity Title: Privatization, Investment, and Development of Energy (PRIDE)

Implementation Timeframe: September 2003 – November 2005

Objective: To assist the Government of Romania in the privatization process of electricity sector utilities.

Description: The goal of this activity is to provide assistance in the privatization of two important power plants, Turceni and Rovinari, after the re-organization of Termoelectrica.

Implementing Partner: Deloitte Touche Tohmatsu

Website: <http://www.deloitte.com>

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Activity Title: Regional Energy Regulators Network

Implementation Timeframe: May 2002 – October 2005

Objective: To support the Central/Eastern Europe/Eurasia region's energy regulatory authorities' formalization of their relationship and establishment of a voluntary association; to coordinate an information exchange program among the region's energy regulatory authorities (Regional Regulatory Network) and establish a professional regional association; and to assist and support the efforts of energy regulatory authorities to develop a stable, efficient, and competitive electric industry.

Description: The main result of this program is the establishment of a regional energy regulators association in which Romanian energy regulatory bodies (ANRE and ANRGN) play important roles. Through its working committees, ERRA promotes a common approach to solve the region's liberalized market issues. All activities are coordinated with the Regional Power Technical Assistance for developing a South Eastern European Regional Electricity Market.

Implementing Partner: National Association of Regulatory Utility Commissioners

Website: <http://www.naruc.org>

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ENVIRONMENT

Activity Title: Support to Enhance Privatization, Investment, and Competitiveness in the Water Sector (SEPIC)

Implementation Timeframe: August 2003 – August 2006

Objective: To protect water resources from depletion and pollution for the benefit of the public and of the industrial and agricultural sectors.

Description: This activity focuses on bringing competitive management, regulatory compliance, and funding to the water industry to help stimulate economic growth and prosperity. The project also addresses barriers to transferring state-owned assets to private owners.

Due to the extensive environmental effects of the 2005 flooding, a variety of flood relief projects

are also being implemented through the SEPIC activity. For more information on USAID/Romania's flood relief projects, visit

http://www.usaid.gov/locations/europe_eurasia/countries/ro/

Implementing Partner: Chemonics International

Website: <http://www.chemonics.com>

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FLOOD RELIEF

In addition to the flood relief activities mentioned above, USAID oversees projects implemented by International Orthodox Christian Charities (IOCC) in counties including Bacau and Galati.

For more information on USAID/Romania's flood relief projects, visit

http://www.usaid.gov/locations/europe_eurasia/countries/ro/

Implementing Partner: International Orthodox Christian Charities (IOCC)

Website: http://www.iocc.org/countries_romania.shtml

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