

**ROMANIA: ANALYSIS OF
LOCAL FINANCING FOR
CHILD PROTECTION
SERVICES**

Prepared for

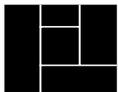


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EXECUTIVE SUMMARY

Scope of this Report

This report describes the results of the analysis of local expenditures for child protection in Romania during the period from 1997 to 1999. It considers the impact of the process of fiscal decentralization on the trends in these expenditures. USAID commissioned the report in response to the concern among Romanians and the foreign donor community that the fiscal decentralization measures adopted in 1998 were a major cause of a significant reduction in funding for child protection services in 1999.

Fiscal decentralization is an ongoing process. New legislation adopted late in 1999 introduced significant changes in the structure of local financing for child protection.¹ The State budget for 2000, still pending approval by Parliament, contains measures that will introduce further changes in this structure. Accordingly, this report also looks at what might occur in the current budget year (2000), when these new measures will enter into effect.

Findings and Recommendations

Aggregate expenditures for child protection at the state and local levels as a share of GDP decreased significantly in 1999, even after accounting for the poor performance of the economy in that year. These expenditures decreased in real terms in thirty-eight of the forty-one county councils. Twenty-two county councils, more than half the total, reduced expenditures for child protection by more than 30 percent in real terms in 1999.

This would seem to support the findings of the report on child protection prepared for EU Phare. The report attributes the reductions in expenditures for child protection in 1999 to the adverse impact of the Law on Local Public Finances on the revenues of individual county councils. Clearly, the manner in which the Government implemented the revenue provisions of the Law on Local Public Finance in 1999 caused severe disruptions in many local and county councils. However, this explains only part of the problem.

There are two fundamental issues around which the debate concerning decentralization of government and promotion of local autonomy seems to have coalesced that are especially relevant to this report. These are:

- The extent to which local governments have access to resources commensurate with their responsibilities that they can allocate and spend in accordance with local needs and priorities.

¹ Emergency Ordinance Regarding the Creation of the National Agency for the Protection of the Rights of Children and the Reorganization of Child Protection Activities, Emergency Ordinance 192 of December 8, 1999.

- The extent to which the boundaries between local, national and shared functions and responsibilities are sufficiently clear and stable.

The Law on Local Public Finance and other legislation adopted largely in 1998 has begun to address the first issue. There has been less progress in addressing the second issue. In practice, it is the Annual State budget law that defines these functions and responsibilities. Each year since 1991, the State budget law has added, modified or removed local responsibility for specific services, or for certain aspects of these services. All this has occurred during a period of time in which the revenues of all levels of government are inadequate to fund public services.

The correct approach would be to redesign programs to fit the budget constraints. In practice, the strategy so far has been to try to fund all services partially. For the local and county councils, often this is the only choice they have. The national government usually maintains policy and programmatic control over services transferred to local budgets for funding. This appears to be the case with child protection services. In this context, local discretion and authority are limited to deciding what level of funding to provide for the various services in any given budget year. This is frustrating both for local officials who feel that they have been imposed upon to make impossible choices and for national officials who feel that vital services are being under funded.

It is plausible that the pattern of under funding child protection services may occur again in 2000, despite the new legislation adopted in 1999. The local councils will have new mandated expenditures for the handicapped and for child protection that more than double their expenditures for all social assistance in 1999. The new mandated expenditures represent an increase in real terms of seven percent over total expenditures of local councils in 1999. Even assuming that local revenues remain constant in real terms in 2000 compared to 1999, it will be very difficult for the local councils to meet these new mandated expenditures. What will the local councils do? Experience suggests that they will find ways to avoid funding the new obligations fully. This is the way they have coped in the past under similar circumstances.

It may be better to explore in more detail the implications of the mandates for individual local councils now, before there is a repetition of the crisis of 1999. That analysis may suggest the need for an alternative funding scheme that takes into account the situation of the local and county councils. Such an alternative should consider whether it is reasonable to expect that local councils will commit scarce own revenues to pay for a program run by the national government and the county councils. It also should consider whether it might not be easier and more transparent to fund the program with transfers from the State budget to the county councils.

ANALYSIS OF LOCAL FINANCING FOR CHILD PROTECTION SERVICES

BACKGROUND

The New System of Local Finances Implemented in 1999

In practice, until 1998, Chapter III of the Law on Public Finances² governed the local budget process in Romania. Since the local and county councils³ depended on intergovernmental transfers for over seventy-five percent of their revenues, the State budget law, adopted each year, served as the principle guiding legislation regarding local revenues and expenditures. Three key legislative reforms, dating back to the end of 1997, changed dramatically the nature and structure of local finances in Romania. The Law on Local Public Finances⁴, adopted in 1998, puts local finances and the local budget process on an equal footing with those of the national government. This law defines the structure of local revenues and expenditures, reinforces local control over the budget and clarifies and simplifies the rules for access by the local and county councils to the credit markets. The amendments to the Law on Local Taxes and Fees approved in 1997 and 1998 greatly expand local control over these sources of revenues and authorize the local councils to administer their own taxes. The Law on Public Patrimony, also adopted in 1998, creates the basis for ownership by the local and county councils of property associated with the functions they perform.

The key changes and their implications are as follows:

The Local Budget Process as of 1999 - The Law on Local Public Finances provides clear authority to the local and county councils to adopt and amend their own budgets independently of the State budget. This law abrogates and replaces Chapter III of the Law on Public Finances that had governed the local budget process in the past. The law now limits the authority of the MoF to review local budgets to confirming the estimates made by the local and county councils of equalization grants they might receive from the State budget. The county and local councils can adopt their budget using their own estimates of local revenues and the estimates approved by the MoF of transfers from the State budget. This is a major change. It will take time for local officials to understand the full import of the change and to make full use of their new budget authority.

² *Law on Public Finance*, No. 10 of 1991, as amended by Law No. 72 of 1996. This law should not be confused with the *Law on Local Public Finances* adopted in 1998.

³ This report uses the term local councils to refer to the first level of local government in Romania, that is, the municipalities, cities and communes. County councils are the second level of local government. Both are elected bodies. The two levels are equal under the law. There is no subordination of local councils to the county councils.

⁴ *Law on Local Public Finances*, No. 189 of 1998.

The Structure of Local Revenues - The legislative reforms have transformed completely the structure and composition of revenues of the county and local councils. The Law on Local Public Finance introduced tax revenue sharing in Romania for the first time. Under this system, the State agrees by law to provide part of the revenues from a specific national tax (in this case the national wage tax) directly to the local and county councils. Revenue sharing accounted for about forty percent of total local revenues in 1999. The amendments to the Law on Local Taxes and Fees provide expanded local authority and control over local tax rates and the level of fees. As a result, this source accounted for over thirty percent of total local revenues in 1999. This is one of the highest percentages in central and eastern Europe. Finally, what is left of transfers to the local and county councils from the State budget has been greatly simplified. Most dedicated transfers for operating subsidies of public service companies and investment subsidies to the local and county councils have ended. Transfers from the State budget, which accounted for nearly seventy-five percent of total local revenues in 1998, accounted for less than seventeen percent in 1999.

There are some differences in the current structure of revenues of the county councils and that of the local councils (municipalities, cities and communes), as shown in Table 1. County councils receive a lower percent of their total revenues from local sources than local councils. They are more dependent than local councils on shared tax revenues. A higher percent of the transfers they receive from the State budget are dedicated to a specific use, mostly maintenance and improvement of county roads.

Table 1
Structure of local revenues in 1999 – County and Local Councils

Categories of Revenues	Percent of Total Revenues		
	All Local Councils	County Councils	Local Councils
Own Revenues	83	84	82
Of which			
Local Sources ^a	41	48	34
Shared Taxes	42	36	48
Transfers from the State Budget	17	16	18
Of which:			
Dedicated	12	9	16

Notes:

- a. Local sources include local taxes and fees as well as other non-recurring local sources of financing, such as distribution of profits from locally owned public companies and sale of assets.

Local functions and responsibilities as of 1999 - Romanian legislation is largely silent on the issue of the functions and responsibilities of the local and county councils. Until 1998, it was the annual State budget law that defined these functions and responsibilities. Each year since 1991, the State budget law has added, modified or removed local responsibility for specific services, or for certain aspects of these services. The Government prepared a major amendment to the Law on Local Public Administration that is currently before the Parliament in Romania. Unfortunately, this



new version of the basic local government law still remains largely silent on the definition of local functions and responsibilities. The Law on Local Public Finance includes such a definition. In an annex to the law there is a complete list of local responsibilities. This includes, for example, responsibility for certain agriculture extension services. Unfortunately, the law also states that the annual State budget law can modify this list. That is exactly what happened in 1999. However, the implementation of the Law on Public Patrimony will make it progressively more difficult to continue this practice. Once a specific property, a school building for example, has been registered in the name of a local government, it will not be easy through the State budget law to shift responsibility for maintaining and improving this property to another level of government. In effect, the process of registering title of specific properties will help clarify and stabilize local functions and responsibilities.

The 1999 Funding Crisis in Child Protection

In 1998 the county (*judet*) councils assumed responsibility for funding of child protection services at the local level in Romania as part of a continuing decentralization of the responsibility for funding these services. This transition in responsibilities has occurred in the context of a continuing national fiscal crisis and of the dramatic changes in the structure of the finances of local governments described above. Preliminary data and anecdotal reports indicate that there has been a reduction in funding for child protection services at the local level in 1999. There is concern among the donor community in Romania that the fiscal decentralization measures adopted in 1997 and 1998 were a major cause of this reduction in funding.

A report prepared for EU Phare in July 1999, comments that “the effects of the decentralization and the implications of the 1998 [Law on Local Public Finances] on the support of running costs of Institutions and family type care alternatives are very worrying. Unless dramatic action is taken rapidly, it may lead to a total collapse of the system. The introduction of the Law was probably premature, unrealistic and did not take adequate account of the concomitant need for large-scale economic recovery and public sector reform in Romania.”⁵

Scope of this report

Given these concerns, USAID commissioned a study to determine:

- The changes in spending for child protection services at the level of local and county councils that occurred between 1998 and 1999.

⁵ *Phare Ad Hoc Report on the Situation of Child Protection in Romania*, prepared by the Omas Consortium, Report No. A/RO/SOC/99003, July 20, 1999, page 13.

- The extent to which the overall change in the structure of local finances that occurred in 1999 appears to account for the changes in spending for child protection services at the level of local and county councils.

This report describes the results of the analysis of local expenditures for child protection in Romania during the period from 1997 to 1999. It considers the impact of the process of fiscal decentralization on the trends in expenditures. Fiscal decentralization is an ongoing process. New legislation adopted late in 1999 introduced significant changes in the structure of local financing for child protection.⁶ The State budget for 2000, still pending approval by Parliament, contains measures that will introduce further changes in this structure. Accordingly, this report also looks at what might occur in the current budget year (2000), when these new measures will enter into effect.

LOCAL EXPENDITURES FOR CHILD PROTECTION SERVICES—1997 TO 1999

Aggregate Expenditures for Child Protection

Table 2 provides data on aggregate expenditures for child protection at the State and local levels as a share of GDP between 1996 and 1999. It shows that these expenditures decreased significantly in 1999, even after accounting for the poor performance of the economy in that year.⁷ This is consistent with the findings of the report prepared for EU Phare.

Table 2
State and local expenditures for child protection as a percent of GDP

Expenditures for child protection services	1996	1997	1998	1999	1998/99
	Percent of GDP				
Total	0.16	0.15	0.22	0.16	(26.2)
State	0.14	0.02	0.04	0.02	(30.5)
Local	0.02	0.13	0.19	0.14	(25.5)

It is interesting to note in Table 2 that after the reductions made in 1999, the aggregate expenditures for child protection remained at the same level relative to GDP as they had been in 1996 and 1997. This is deceptive. The aggregate data fails to

⁶ *Emergency Ordinance Regarding the Creation of the National Agency for the Protection of the Rights of Children and the Reorganization of Child Protection Activities*, Emergency Ordinance 192, December 8, 1999.

⁷ Actually, State funding for child protection services decreased in real terms at a faster rate than local funding from 1998 to 1999.



show the underlying differences in what happened between 1998 and 1999 at the level of individual county councils.

Table 3 shows the total expenditures for child protection services at the local level from 1997 to 1999. Changes in expenditure responsibilities for child protection services between the national and local levels and between county and local councils explain part of the pattern observed in Table 2.⁸ In 1998, the county councils assumed full responsibility for virtually all child protection expenditures in their territory. This includes expenditures that had been funded from the State budget up to 1997. This explains the large increase in both nominal and real terms in expenditures at the local level from 1997 to 1998. In 1998, the county councils also assumed responsibility for most of the operating and maintenance costs of institutions for handicapped and abandoned children that had been funded by the local councils.⁹ This explains why county councils account for a high percent of expenditures for child protection at the local level in 1998 and 1999.

Table 3
Local Expenditures for Child Protection Services^a (000' lei)

	1997		1998		1999		98/99
	Nominal	Real ^c	Nominal	Real ^c	Nominal	Real ^c	Percent
Centrally Funded	332,470	722,073	119,305	185,305	116,646	116,646	(37.1)
All Local and County Councils ^b	134,627	292,390	690,864	1,069,457	721,798	721,798	(32.5)
Of which, Only County Councils	N/A ^d	N/A ^d	625,194	967,800	654,917	654,917	(32.3)

Notes:

Source: Ministry of Finance, Local Budget Office (unpublished information)

a. Data on aggregate county council expenditures also includes the Municipality of Bucharest.

b. Real 1999 lei based on change in CPI year to year (See Annex B for further explanation on the methodology and sources of data.)

c. Data on county council expenditures for child protection services in 1997 not available.

Expenditures for Child Protection by Individual County Councils

These changes in expenditure responsibilities, however, do not explain the large reduction in real terms of total expenditures for child protection by county councils that occurred between 1998 and 1999.

⁸ Annex A describes the annual variations in expenditure responsibilities for child protection services between the national and local levels and between county and local councils.

⁹ For more details, please refer to Annex A, Tables A.1 and A.2, sections C. and D.

Table 4
Distribution of the percent change in expenditures for child protection services for all county councils—1998 to 1999

	Percent Change 1998 to 1999											
	<-50	-41 to -50	-31 to -40	-21 to -30	-11 to -20	<0 to -10	0 to 10	11 to 20	21 to 30	31 to 40	41 to 50	>50
Number of county councils	9	8	5	6	6	4	1	1	—	—	1	—
Cumulative	9	17	22	28	34	38	39	40	40	40	41	41
Percent of county councils	22	20	12	15	15	10	2	2	—	—	2	—
Cumulative	22	42	54	68	83	93	95	98	98	98	100	100

As Table 4 shows, these expenditures decreased in real terms in thirty-eight of the forty-one county councils. The three exceptions are Constanta (with an increase of 48 percent), Prahova (with an increase of 14 percent) and Dambovita (with an increase of 3 percent).¹⁰ Most of the remaining county councils made significant reductions in expenditures for child protection in real terms. Twenty-two county councils, more than half the total, reduced expenditures by more than 30 percent in real terms.¹¹ The severity of the reduction in expenditures for child protection in the majority of the county councils also is consistent with the findings of the report prepared by EU Phare.

Factors Affecting the Pattern in Child Protection Expenditures

To better understand the changes that occurred between 1998 and 1999 in expenditures for child protection, we performed a series of regression analyses of data on expenditures for child protection in individual counties. These analyses provide some interesting explanations of the variations among individual county councils.¹²

The dependent variable for the first regression analysis was the level of expenditures for child protection in 1998 in individual county councils. The analysis shows that seventy-six percent of the variability in total expenditures for child protection is explained by three factors, in this order of importance: the number of placement centers, the average capacity of the placement centers, and the revenues of the county council. The first two variables were significant at the .01 level. As would be expected, the relationship between total county council revenues and expenditures for child protection appear to be logarithmic, not linear: expenditures for child protection increase with more county council revenues, but less so at high revenue levels.

The dependent variable for the second regression analysis was the level of expenditures for child protection in 1999 in individual county councils. The analysis

¹⁰ In the Municipality of Bucharest, where there is no county council, expenditures for child protection services increased by 20 percent from 1998 to 1999.

¹¹ See Annex B for detailed tables on expenditures for child protection services by county councils between 1997 and 1999.

¹² Annex C provides the detailed results of the regression analyses.



shows that forty-one percent of the variability is explained by the level of total county council revenues. The number of placement centers and the number of children in institutions or average capacity of placement centers do not add much explanatory value in this year. The expenditures for child protection in 1998 do not help to explain the level of expenditures in 1999.

The dependent variable for the third regression analysis was the percent change in county council child protection expenditures from 1998 to 1999. The analysis shows that seventy-five percent of the variability in the rate of change among individual county councils is explained by two variables: the level of expenditures for child protection in 1998 and the percentage change in total county council revenues between 1998 and 1999. This is consistent with the results of the second analysis.

Taken together, the three analyses suggest the following:

- In 1998, the county councils seem to have allocated funding for child protection based on programmatic needs. This may simply reflect a continuation of funding levels inherited from 1997 when the State provided most of the funding.
- This programmatic relationship broke down in 1999.
- In that year, the need to address a crisis in funding seems to have become the primary consideration in making decisions about expenditures for child protection at the level of individual county councils.

This would seem to support the findings of the report on child protection prepared for EU Phare. The report attributes the reductions in expenditures for child protection in 1999 to the adverse impact of the Law on Local Public Finances on the revenues of individual county councils. That is discussed in greater depth in the next section.

A Word of Caution

Finally, it is important to be cautious in interpreting the changes in total spending for child protection by individual county councils. This analysis fails to account for other changes, such as in the number of children who are institutionalized. Table 5 shows more detailed information available for five county councils included as case studies in an ongoing study by the World Bank on local social service delivery in Romania.¹³ Note, for example, that expenditures per child increased by over five percent although total expenditures for child protection decreased by over seventeen percent. The additional factor that resolves this apparent contradiction is the high rate of de-

¹³ The field work for this study was conducted in the second half of 1999. The study report is still being prepared. It should be available toward the end of the first quarter of 2000.

institutionalization in Covasna. From 1998 to 1999, the number of children in institutionalized care decreased by twenty-two percent.

Table 5
Child Protection Expenditures Total and Per Child—Five Counties

Expenditures for Child Protection at the County Level Funded from Local Budgets					
1999 constant lei ('000)	Covasna	Hunedoara	Timis	Tulcea	Vaslui
1997	102,203	3,581,201	365,560	—	69,623
1998	9,111,144	18,296,422	34,425,775	14,475,128	18,210,927
1999	7,500,000	15,000,000	24,000,000	9,905,000	10,350,000
Children in institutions	Covasna	Hunedoara	Timis	Tulcea	Vaslui
1998	386	858	1,51	458	542
1999	301	783	1,24	410	514
Change 1998-1999	85	75	27	48	28
De-institutionalization rate	22.0	8.7	2.0	10.5	5.2
Expenditures/Assisted child	Covasna	Hunedoara	Timis	Tulcea	Vaslui
1996 constant lei ('000)					
1998	23,604	21,325	25,482	31,605	33,599
1999	24,917	19,157	18,127	24,159	20,136
Percent change 1999/1998					
Total expenditures	-17.7	-18.0	-30.3	-31.6	-43.2
Expenditure/child	5.6	-10.2	-28.9	-23.6	-40.1

It is likely that there are similar variations in many other counties. It also is possible that some county councils have adopted measures to decrease the cost to their budget of providing child protection services. For example, they may be working with and through NGOs on a cost-sharing basis. Unfortunately, we do not have data of this sort for the county councils.

THE IMPACT OF THE 1998 LAW ON LOCAL PUBLIC FINANCE

What caused the widespread and deep reductions in county council expenditures for child protection in 1999? This is the same year in which the new Law on Local Public Finance went into effect. So, it is reasonable to pose the question whether it is this event that explains the reductions in child protection expenditures.

Trends in Local Finances



Table 6 provides key data on the trends in local finances between 1997 and 1999.

Table 6
Trends in Total Local Revenues –1997 to 1999^a (millions lei)

	1997		1998		1999		1998/99 Percent
	Nominal	Real ^b	Nominal	Real ^b	Nominal	Real ^b	
All Local and County Councils	10,370	22,736	13,381	20,827	19,168	19,168	(8.0)
Of which, Only County Councils	3,901	8,579	5,678	8,858	7,310	7,310	(16.3)
All/GDP	4.2		4.0		4.0		2.2
CC/GDP	1.6		1.7		1.5		(8.2)
Own Revenues as a Percent of Total Revenues							
All	19		25		83		
CC	18		19		83		

Notes:

a. Source: Ministry of Finance, Local Budget Office (unpublished information)

b. Real 1999 lei based on change in CPI year to year (See Annex B for further explanation on the methodology and sources of data.)

The data in the table shows that:

- Aggregate revenues for all local and county councils have decreased each year in real terms from 1997 to 1999. This has tended to follow the annual trends in the economy in general. Aggregate revenues have remained reasonably constant each year as a percent of GDP.
- The principal impact of the Law on Local Public Finances was to increase dramatically the share of total revenues under that flow directly to local and county councils. This is the result of the new revenue sharing provisions.¹⁴
- The pattern for county councils only is somewhat different. Aggregate county council revenues increased in real terms from 1997 to 1998. From 1998 to

¹⁴ Under this system, the State agrees by law to provide part of the revenues from a specific national tax (in this case the national wage tax) directly to the local and county councils. In the case of Romania, the Law of Local Public Finance stipulates that the local and county councils will receive a percent of the wage taxes collected from taxpayers in their geographic area of jurisdiction. When the State Treasury receives payments from the taxpayers, it deposits one part to the account of the national government and the share of the local and county councils in their respective accounts. In this sense, the shared national taxes are the equivalent from a budget perspective to the revenues that local and county councils receive from their own taxes and fees. That is, the funds flow directly to the local treasury accounts from the taxpayers.

1999, they decreased at a faster rate than the aggregate for all county and local councils. They also decreased as a share of GDP.

- This suggests that the Law on Local Public Finances may have favored local over county councils.

An Analysis of the Implementation of the Law on Local Public Finance

As with the analysis of aggregate expenditures for child protection, the trends in overall local finances are deceptive. They do not show the impact of the Law on Local Finances at the level of individual local and county councils in 1999.

A study prepared by the Urban Institute for USAID found that:

- According to Article 10(1) of the Law of Local Public Finance, the purpose of the equalization grant system is to achieve “budgetary balance.” However, 35 percent of local councils had total revenues in 1999 that were less than half their 1998 level in real terms. Moreover, 13 percent of communes and 26 percent of towns and municipalities had 1999 per capita total revenues that were less than half the median value for its urban/rural type of local government. [...] These figures suggest that the equalization grant system has not achieved its purpose.¹⁵

The report goes on to conclude:

- Our analysis of the sample data shows that at the county level, at least, the amount of transfers received in 1998 were closely aligned with the population of the county. In 1999, transfers have been reduced for rural counties and increased for urban counties. We cannot judge if the distribution of transfers in 1998 was fair or if a particular local council received adequate transfers. We can conclude, however, that a serious drop in transfers would make everyday operations—not to mention investment planning—very difficult for a local council.¹⁶

The same thing happened in 1999 with the county councils. Forty-two percent of the county councils had 1999 revenues that were 50 percent or more lower in real terms than those in 1998. Faced with this crisis in funding, the county councils had no choice but to make severe reductions in expenditures. There is no sign that child protection expenditures were targeted over others, as shown in Table 7.

¹⁵ Romania: Winners And Losers: The Impact of Reform of Intergovernmental Transfers, The Urban Institute, Project Number 06610/811, November 1999, page 19

¹⁶ *Ibid*, page iv.



Table 7
Aggregate Expenditures of County Councils 1998 to 1999

<i>Millions of Constant 1999 ROL</i>	1998	1999 Budget	Percent change 1998/1999
Total Expenditures	8,789,645	7,310,341	-16.8
Of which			
Executive Authorities	599,219	612,596	2.2
Education	257,906	228,500	-11.4
Health	24,352	20,718	-14.9
Culture, Religion and Sport	689,297	410,599	-40.4
Social Assistance	1,086,762	776,538	-28.5
<i>Of which, child protection</i>	967,800	654,917	-32.3
Public Works	2,922,989	2,344,979	-19.8
Transportation and Roads	3,074,283	1,725,569	-43.9
Other Economic Activities	8,584	6,021	-29.9
Other Activities	126,254	9,403	-92.6
Agriculture and Forestry	—	3,160	N/A
Expenditures Mandated by Funding Source ^a		1,172,257	N/A

Notes:

a. This category includes those expenditures financed with transfers from specialized national funds, such as the Road Fund, that are earmarked for specific purposes.

Interpreting the Results

The report prepared for EU Phare on child protection takes a particularly critical view of the Law on Local Public Finance when it comments that:

- The effects of the decentralization and the implications of the 1998 Budget Law on the support of running costs of Institutions and family type care alternatives are very worrying and, unless dramatic action is taken rapidly, may lead to a total collapse of the system. The introduction of the Law was probably premature, unrealistic and did not take adequate account of the concomitant need for large-scale economic recovery and public sector reform in Romania.¹⁷

This is not a report on the merits Law on Local Public Finance. That was the subject of a separate report prepared by the Urban Institute for USAID.¹⁸ However, the interpretation of what happened in 1999 and its causes are important because that will affect the choice of measures to correct the situation. In that spirit, we would like to offer an alternative interpretation of these events.

¹⁷ Phare Ad Hoc Report on the Situation of Child Protection in Romania, prepared by the Omas Consortium, Report No. A/RO/SOC/99003, July 20, 1999, page 13.

¹⁸ Romania: Winners And Losers: The Impact of Reform of Intergovernmental Transfers, The Urban Institute, Project Number 06610/811, November 1999

Clearly, the manner in which the Government implemented the revenue provisions of the Law on Local Public Finance in 1999 caused severe disruptions in many local and county councils. They were obliged to reduce all expenditures, including those for child protection. Their decisions reflected individual local choices. No two councils followed the exact same approach.

The fact is that decentralization is about local choice. The whole purpose of shifting authority to local elected bodies is to allow them to make spending decisions based on local priorities and needs. This does not apply equally to all types of expenditures. In those cases, such as child protection, where there are significant national policy concerns, it may not be appropriate to decentralize the authority to make spending decisions. The better approach may be to delegate some level of responsibility for functions that are administrative in nature. In such cases, it also is appropriate to fund the local expenditures by transfers from the State budget. These may or may not be earmarked.

Unfortunately, in Romania today there is no distinction in the law or in practice between own and delegated responsibilities of local and county councils. With adoption and ratification of the Constitution in 1991, local governments were given legal autonomy to perform governmental functions of local interest. Since that time, a tension has existed between the right to local autonomy as stated by law and the reality of a system that has remained in many respects highly centralized. While local governments are not legally subordinated to the Ministry of Finance and other organizations of the national government, a centralized administrative and financial structure have combined to create the reality of subordinate relations between the national and local levels of government in Romania. The process of decentralization has bogged down for many complex reasons beyond the scope of this analysis.¹⁹

Nevertheless, there are two fundamental issues around which the debate concerning decentralization of government and promotion of local autonomy seems to have coalesced that are especially relevant to this report. These are:

- The extent to which local governments have access to resources commensurate with their responsibilities that they can allocate and spend in accordance with local needs and priorities.
- The extent to which the boundaries between local, national and shared functions and responsibilities are sufficiently clear and stable.

¹⁹ For a more complete treatment of this subject, see, *Introductory Reports, Conference on Local Democracy & Development in Romania*, Conference sponsored by the Government of Romania, The European Union, the World Bank and the Federations of County Councils and Municipalities, Bucharest, October 28-30, 1994.



The Law on Local Public Finance and other legislation adopted largely in 1998 have begun to address the first issue. There has been less progress in addressing the second issue. The existing legislation on local government, including the Law on Local Public Administration, is largely silent on the issue of the functions and responsibilities of local governments at all levels. In practice, it is the annual State budget law that defines these functions and responsibilities. Each year since 1991, the State budget law has added, modified or removed local responsibility for specific services, or for certain aspects of these services. Responsibilities for expenditures of both county and local councils change every year. Even the direction of the change is difficult to predict. Responsibility for expenditures shifts back and forth between the national and local governments and between county and local councils. Local governments also move certain expenditure off budget by shifting them to local entities under their authority.

All this has occurred during a period of time in which the revenues of all levels of government are inadequate to fund public services. The correct approach would be to redesign programs to fit the budget constraints. In practice, the strategy so far has been to try to fund all services partially. For the local and county councils, often this is the only choice they have. The national government often maintains policy and programmatic control over services transferred to local budgets for funding. Typically, the national government will include a provision in the annual State budget instructing the county or local councils to pay from their budget all or part of the costs of an existing public facility or organization located in their community that provides services related to some program of national interest. In these cases, the national government retains the authority to define the problem, select the approach to be taken in resolving the problem and establish the basic parameters of public programs to address the problem, including the benefits that will be provided and related eligibility criteria.

There are elements of this in the case of child protection services.²⁰ The EU Phare report indicates that the strategy of the Department for Child Protection adopted in January 1997 includes the “devolution of administrative and financial responsibility to the local county council.”²¹ In listing the institutions responsible for child protection in Romania, it is interesting that the same report does not include the county councils.²² The county council child protection directorates are intended to be agents that implement the national policy and plan for child protection.

From 1998 to 1999, although the county council child protection directorates nominally were subordinated to the county council, it was the State Department for Child Protection that defined the broad strategy and main directions of their activity. Institutions for handicapped children were formally under the 'methodological' control of

²⁰ There are other examples. Local councils fund the cost of the means tested social benefits, although the amount of the benefit and the eligibility criteria are defined nationally. This is true as well for the subsidy provided to residential consumers of district heating systems. In both cases, the local councils have been able to fund only part of the amounts owed according to the national program parameters.

²¹ Phare, page 8

²² Phare, page 4

the State Secretariat for Handicapped Children but financed entirely from the local budgets. Most of the funding provided by the county councils was to pay the operating costs of existing facilities providing services to children. Under the new legislation, starting in 2000 the National Child Protection Agency will be responsible for developing the strategy, the regulations and norms and the national program for child protection services. Local and county councils will continue to provide the largest share of the funding for these services.²³

In this context, local discretion and authority often are limited to deciding what level of funding to provide for the various services assigned to their budgets in any given year. They may make adjustments within the parameters of the corresponding program. For example, county council child protection directorates may look to NGOs to provide child protection services at lower cost or on a cost sharing basis. But, they cannot modify the parameters of the program. This is frustrating both for local officials who feel that they have been imposed upon to make impossible choices and for national officials who feel that vital services are being under funded. In a way, though, this also may have become a convenient way for the Government in general to avoid making the truly difficult choices about the level of services that are affordable under current economic and fiscal conditions.

WHAT IS LIKELY TO HAPPEN IN 2000?

On December 8, 1999 the Government approved Emergency Ordinance 192 *Regarding the creation of the National Agency for Protection of the Rights of Children and the reorganization of child protection activities*. Chapter IV of this ordinance deals with the financing of child protection at the local level. It stipulates that:

- Each local council will have to obligation to contribute a fixed amount per child from their community covered by child protection activities. The Government will adopt a formal decision that establishes the amount of this contribution.²⁴
- The funding of this contribution will have priority over all other local expenditures.
- The local councils will transfer the funds from their contribution to the county council child protection directorate.

²³ Emergency Ordinance 92 of December 8, 1999, Articles 2 and 23

²⁴ The Government has yet to approve the methodology required by Ordinance 192 that establishes the rules and procedures for calculating the contribution per child that local councils will pay to the corresponding county councils starting in 2000.



In addition, the Ministry of Finance has advised local governments that starting in 2000 they will be responsible for funding the salaries of persons who care for severely handicapped persons in their homes and the public transportation subsidies for the handicapped.

It is important to highlight first that the full impact of the new mandated expenditures will fall entirely on the local councils. The county councils are clear winners under this new scheme for financing child protection expenditures. They have had to fund the expenditures from their own budget. Starting in 2000, they will receive funds from the budgets of the local councils. One question that comes to mind immediately is what the county councils will do with the funds they had allocated for child protection in 1999. Will they maintain the same level of funding in 2000? Or, will they reduce their own funding, perhaps entirely, and rely solely on the funding from the local councils? There is a precedent for this in 1999 when many county councils succeeded in shifting funding for cultural and sports institutions from their budget to the budget of the municipality in the capital city of the county.

The situation as seen from the perspective of the local councils is very different. Table 8 provides an estimate of the impact of these new expenditures on the local budgets in 2000. The assumptions used to calculate the level of expenditures are conservative. First, the estimate includes only children in institutionalized care, not those in foster care.²⁵ Second, the amount of the contribution by child of \$90 per month, derived from informal conversations with the MoF, apparently is much lower than the estimated per capita costs of institutionalized child care. Even so, Table 8 provides the basis for assessing the implications of the child protection expenditures mandated by Ordinance 192, as well as those contemplated in the State budget for 2000.

²⁵ Table 8 assumes that there are a little over 37,000 children covered by the provisions of Chapter IV of Ordinance 192. The EU Phare report uses a much higher figure of 147,000 children (Annex 6, page A39). The difference is that the report includes children in foster care, as well as all those in special education institutions. Obviously, if the Government adopts this higher target group figure in the methodology, the impact on the local councils will much higher than that shown in Table 8.

Table 8
Impact of new social assistance expenditures on local budgets in 2000 –(ROL millions)

Salaries paid in 1999 for persons caring for handicapped children	31,082
Salaries paid in 1999 for persons caring for handicapped adults	81,225
Public transport subsidies for the handicapped paid in 1999	1,325
Assume \$90/month x 12 months for 30,854 children in institutions	606,466
Assume \$90/month x 12 months for 6,600 handicapped children in institutions	129,730
Total new mandated expenditures for local councils	849,828
Total expenditures of all local councils in 1999	11,859,000
New mandated as a percent of total expenditures in 1999	7.2
Total expenditures for social assistance of all local councils in 1999	641,269
New mandated as a percent of social assistance expenditures in 1999	132.5

Even assuming that local revenues remain constant in real terms in 2000 compared to 1999, it will be difficult for the local councils to meet the new mandated expenditures for the handicapped and child protection. Anyone who has managed a budget that already is severely constrained knows how difficult it is to absorb an increase in expenditures of 7.2 percent in real terms. This is all the more difficult if the increase represents 132 percent of the expenditures for the given category in the prior year. What will the local councils do? Experience suggests that the local councils will find ways to avoid funding the new obligations fully. This is the way they have coped, for example, with heating subsidies. The result will be a debt owed to the county council. What will happen with other spending for social assistance? The local councils already are under funding the means tested social benefit (*ajutor social*) and other social assistance programs for which they are responsible. The likely scenario is that they will reduce these expenditures even further.

As discussed earlier in this report, an analysis of local finances based on aggregate numbers can be deceptive. It is important to explore the implications of the funding mandates for child protection services in more detail for individual local councils as soon as possible.²⁶ The analysis probably will show that for some local councils the burden of the new mandated expenditures is untenable. We know that the local councils have very different fiscal capacity. The ones with high fiscal capacity are not necessarily the ones with the highest concentration of one or the other target populations of children. What happens, for example, if several children in institutionalized care are from a small, poor commune?

The burden of the mandated expenditures may prove to be too high even for some local councils with high fiscal capacity. Many of the larger, wealthier communities may have high concentrations of children in one or another target group. These communities also face increasing pressure from other programs, such as the subsidies for residential consumers of district heating systems. The combined financial impact

²⁶ The Federation of Municipalities of Romania is preparing an analysis of the impact of the new social service expenditures on the finances of its members. At the time of this report, the results were not available.



may be untenable. For example, an analysis of the finances of the Municipality of Constanta, one of the wealthiest local councils in the country, projects a budget deficit for 2000 even under the most optimistic assumptions regarding growth in revenues. This deficit is driven in large measure by two factors. One is an increase in spending for social services from 7.2 billion ROL in 1999 to over 36 billion ROL in 2000.²⁷ The other is an increase in heating subsidies from 43.5 billion ROL in 1999 to 96.3 billion ROL in 2000.²⁸

The proposed formula for allocating grants from the State budget to county and local councils in 2000 appears to take into account the possible mismatch between local fiscal capacity and expenditures for social services. Table 9 shows the criteria as currently being considered by the MoF.

Table 9 – Proposed criteria for allocating transfers from the State budget in 2000

Data element	Weight
Population	5
Number of pupils in primary and high schools	12
Number of persons in social assistance institutions ^a	8
Number of persons that receive social welfare monthly	5
Fiscal capacity ^b	70
TOTAL	100

Notes:

- a. This includes children in institutionalized care.
- b. The MoF calculates local fiscal capacity based on the revenues from local taxes and fees and shared national taxes.

Note in Table 9 that the number of persons in social assistance institutions, including children in institutionalized care, will account for eight percent of the consideration given in allocating the transfers. Will this be enough to help the poorer communities with high concentrations of children in one or another target group? Will this be enough to assist the wealthier communities with high concentrations of children in one or another target group? The only way to tell for sure is to complete an analysis of the impact of mandated funding for child protection in each of the local councils. The data needed to complete such an analysis should be readily available.

It is likely that the analysis will show that a large number of local councils simply cannot afford to provide much in the way of additional funding for services for the handicapped and child protection. If so, then this argues for completing the analysis as

²⁷ This estimate includes 14 billion ROL for the wages of personnel caring for handicapped children, 14 billion ROL in contributions per child to the county council and 7 billion ROL for urban transport subsidies for the handicapped.

²⁸ *Constanta Heating Investment Program: Draft Initial Report*, The Urban Institute, UI Project 06610/813, January 2000.

soon as possible. Depending on the outcome, it might become necessary to consider an alternative funding scheme. Such an alternative should consider whether it is reasonable to expect that local councils will commit scarce own revenues to pay for a program run by the national government and the county councils. It also should consider whether it might not be easier and more transparent to fund the program from the State budget.

This could be done by providing a grant from the State budget to each county council for every child in the target population receiving care in the county. This ensures that the funding matches the need. The grant would be in addition to and separate from the general transfer provided according the Law on Local Public Finance. This would be an earmarked transfer that county councils must use only to pay for child protection services. To ensure that county councils maintain a minimum level of funding from their own sources, the grant could require a matching contribution.

Table 10
Impact on the State of additional funding required for child protection services – (ROL millions)

Salaries paid in 1999 for persons caring for handicapped children	31,082
Assume \$90/month x 18200 x 12 months for 30,854 children in institutions	606,466
Assume \$90/month x 18200 x 12 months for 6,600 handicapped children in institutions	129,730
Total estimated funding currently anticipated from the local councils for child protection	767,278
Transfers from the State budget to the county and local councils in 1999	1,001,400
Additional funding as a percent of transfers in 1999	77%
Shared national tax revenues of the county and local councils in 1999	7,796,730
Additional funding as a percent of shared national tax revenues in 1999	10%

As Table 10 shows, replacing the contribution mandated by Ordinance 192 with transfers from the State budget would increase the transfers from the State budget by seventy-seven percent over the level in 1999. This is very high. However, the table also shows that this figure represents just ten percent of the shared national tax revenues in 1999. Reducing revenue sharing could fund the special grants from the State to the county councils for child protection by an equivalent amount. This would allocate the reduction to those county and local councils that can most afford it, since revenue sharing tends to benefit the wealthier communities disproportionately.

ANNEX A

ANNEX A

CHILD PROTECTION–INSTITUTIONAL AND FINANCIAL ARRANGEMENTS

Until 1997 (summer) responsibility for child protection was scattered among different ministries and public administrative structures.

- Social assistance institutions for abandoned children:
 - Institutions for children between 0 to 3 years, under the responsibility of MOH.
 - Institutions for children between 3 to 6 years and between 6 and 18 years—under the responsibility of the MOE.
 - Institutions for handicapped children—under the responsibility of the HPSD beginning with 1992.
 - Temporary centers for receiving of children in difficulty (abandoned, abused etc.) under the responsibility of the county council.
- Benefits for abandoned children being in placement families—financed from the state budget and under the responsibility of MOLSP.
- Benefits/facilities/services for handicapped children—under the responsibility of HPSD.
- Social canteen services—under the responsibility of the local councils.

Beginning in 1995, some expenditure related to social assistance institutions for children were transferred to the local councils; these expenditures refer to building maintenance current expenditures. This is the case with other public services, as schools; an exception are the special schools (for handicapped children), which remained entirely financed by the MOE.

In the summer of 1997, the responsibility for child protection was devolved (almost entirely) to the county councils. The new Child Protection County Directions, under the authority of the county councils, replaced the old Minor Child Protection Commission, which had no financial responsibilities. Beginning with 1998, all social institutions for abandoned children were financed by, and under the responsibility of, the CPCD. The only exceptions were the social institutions for handicapped children, which remained under the responsibility of the HPSD. The new CPCD have been financially responsible since 1998 for all institutions excepting those for handicapped children, and for all other types of activities in the field of child abandonment prevention, child/ family concealing, maternal assistants, mother-child centers etc. The money spent for child protection by the CPCD comes from the county budget (local budget). NGOs

and/or private foundations (e.g., salaries of maternal assistants finance some of the activities carried out by the CPCD).

Formal organization of child protection system at the county level:

- CPCD—an executive structure, financed by the County council
- CP County Commission—a specialized body subordinated to the county council. It is composed of:
 - The secretary of the county council, who serves as president of the Commission.
- Deputy presidents:
 - Director of the CPCD
 - Director of the County Direction for Labor and Social Protection
- Members:
 - Representatives of all decentralized public services
 - Representatives of the civil society
- Executive Body (Colegiul Director)—control function for the expenditures made by the CPCD

All these arrangements remain unchanged until 1999.

Beginning in 1999, some expenditure related to child protection has been transferred to the local budgets, although the institutional arrangements remained the same. This is the case of social assistance institutions for handicapped children: all expenditures related to these institutions have been transferred to local budgets (including salaries, food allowances). Other expenditures transferred to local budgets are those for social fellowships and subsidies for urban transportation for school children.

Anticipated changes in the institutional and financial arrangements for the year(s) to come:

- Social fellowships will be most probably transferred back to the MOE (not legally stated until the approval of the budget for 2000).
- Institutions for handicapped children (as well as all institutions for handicapped persons) will be co-financed from the local budgets and

from the Social Solidarity Fund (which replaced the former Risk and Accident Fund) – through the OU102/99; the procedure is not clear yet as long as methodological norms are missing.

- Expenditures related to personal assistants for handicapped children and transportation subsidies (as well as for handicapped adults) will be transferred to the local budgets – through OU102/99.
- The Child Protection State Department (which until now had no financial responsibilities and no decentralized organizations under responsibility) has been replaced by the National Agency for Child Protection (NACP) through OU 192/99. Although significant details of this new institutional arrangement are not clear yet (until the publishing of the methodological norms of implementation), some ‘in principle’ statements around financial and organizational arrangements can be described and commented:
 - a. The former CPCD are replaced by the new County Public Specialized Services for Child Protection (CPSSCP), under the authority of the County Councils.
 - b. All social assistance institutions for children will fall within the responsibility of the new CPSSCP (respectively NACP): in addition to the placement centers, some other institutions will be overtaken. These refer to social assistance institutions for handicapped children (until now under the methodological responsibility of the SDHP), residential settings belonging to schools for children with special needs (until now under the methodological and financial responsibility of the MOE), medical institutions/ or specialized departments of hospitals for children with some form of handicap or for those infested with HIV/AIDS (until now under the responsibility of the MOH).
 - c. Financial arrangements for covering expenditures of all social assistance institutions for children:
 - local budgets (city-halls): compulsory contributions according to the number of children from their territory that are either institutionalized or handicapped
 - NACP: allocates some money to the CPSSCPs according to their own budgets
 - CC: sums allocated from their own revenues

- SSF: sums allocated from the Social Solidarity Fund according to the number of handicapped children
- The money that has to be paid from the local/ county budgets for child protection are considered a priority and no other type of expenditure will be covered by local councils until the money for child protection is not transferred to the CPSSCPs

The following pages contain tables summarizing these changes. The tables cover four different time periods: 1995 – 1997 (until the creation of the DCP and CPCDs), 1997- 1998, 1999 (for which financial arrangements have been slightly but significantly changed) and 2000, reflecting the new emerged regulations within the field of child protection.

The tables provide information on four types of benefits/service:

- 1) Those that are legally and institutionally described as “child protection”, and that are of our direct concern
- 2) Categorical benefits for children and/or families with children
- 3) Social assistance benefits/ services that reach poor children/families with children
- 4) Social protection of handicapped children

The main reasons for presenting this broader picture of services/ benefits, and not limiting ourselves to ‘child protection’ per se, are twofold: on the one hand, poor families with children do present the highest risk of abandonment. On the other hand, categorical benefits are useful in tracing the incentive structure faced by families when making decisions about different forms of childcare.

Still there exists another very important reason for operating this classification: the changes, throughout this time period, operated at the ‘institutional level’, of the definition of ‘child protection’. These changes do influence the whole area covered by ‘child protection measures’ thus having changing the categories of services/ benefits comprised by “child protection expenditure”.

Table A.1

	1995-1997	Responsibility	Administration of service/benefit	Source of money
A. Categorical benefits for children/families with children				
— Child allowance		MOLSP	MOLSP/County Directorate OLSP/city-halls/schools (for children attending school)	State budget
— Child allowance for handicapped children (150 percent compared with the 'normal' benefits)		MOLSP/ HPSD	MOLSP/HPSD/county level HPSD/city-halls/schools (for children attending school)	State budget/RAF
— Family allowance for families with two or more children		MOLSP	MOLSP/County Directorate OLSP/City-halls	State budget
— Maternity leave until the child's age of 2 years		MOLSP	MOLSP/employer	Social Insurance Fund
— Maternity leave until the child's age of 3 in the case of a handicapped child		MOLSP/ HPSD	MOLSP/HPSD/employer	Social Insurance Fund/RAF
B. Social assistance benefits/services for poor families (with children)				
— Social fellowship, for children between 6 to 18 years attending school		MOE	MOE/County Education Inspectorates/ budgetary centers/schools	State budget
— Social assistance canteen services for the children of those eligible for social canteen (in most local councils the beneficiaries are children and aged)		MOLSP	City hall	Local budget
— Means-tested social benefit for poor families, according to the number of family members		MOLSP	City hall	Local budget
C. Special protection of handicapped children				
<i>Not institutionalized:</i>				
— Personal assistant for handicapped children with first degree of handicap		HPSD	HSPD/County level HSPDs	RAF

1995-1997	Responsibility	Administration of service/benefit	Source of money
— Other gratuities or financial facilities for families with handicapped children (phone, transportation etc.)	HPSD	HPSD/County level HSPDs	RAF
<i>Institutionalized:</i>			
— Social assistance institutions for handicapped children	HPSD	HSPD/County level HSPDs/City-halls	RAF/ Local budget (only building maintenance related expenditures)
D. Child protection			
<i>Not institutionalized children:</i>			
— Placement allowance, for children being in family placement	MOLSP	MOLSP/County Directorates OLSP	State budget
— Temporary centers for receiving children in difficulty	County council	County council	Local budget (county budget)
<i>Institutionalized children:</i>			
— Social institutions for abandoned children (aged 0 to 3 years)	MOH	MOH/County level Health Inspectorates/City-halls	State budget/ local budgets (building maintenance related expenditures)
— Social assistance institutions for children between 3 and 18 years old	MOE	MOE/County level education Inspectorates/City-halls	State budget/ Local budget (building maintenance related expenditures)

Note: in 1995 –1997, until the emergence of the DCP, there has been no ‘institutional’ definition of child protection as well as no specialized body that had responsibilities within this specific area; therefore the benefits/ services we did consider to fall under this umbrella are mostly those that fall into the responsibility of the CPD, brought into existence in 1997

Table A.2

1998	Responsibility	Administration of service/ benefit	Source of money
A. Categorical benefits for children/ families with children			
— Child allowance	MOLSP	MOLSP/ County Directorate OLSP/ city-halls/ schools (for children attending school)	State budget
— Child allowance for handicapped children (150 percent compared with the 'normal' benefits)	MOLSP/ HPSD	MOLSP/ HPSD/ county level HPSD/ city-halls/ schools (for children attending school)	State budget/ RAF
— Family allowance for families with two or more children	MOLSP	MOLSP/ County Directorate OLSP/ city-halls	State budget
— Maternity leave until the child's age of 2 years	MOLSP	MOLSP/ employer	Social Insurance Fund
— Maternity leave until the child's age of 3 in the case of a handicapped child	MOLSP/ HPSD	MOLSP/ HPSD/ employer	Social Insurance Fund/ RAF
B. Social assistance benefits/ services for poor families (with children)			
— Social fellowship, for children between 6- 18 years attending school	MOE	MOE/ County Education Inspectorates/ budgetary centers/ schools	State budget
— Social assistance canteen services for the children of those eligible for social canteen (in most local councils the beneficiaries are children and aged)	MOLSP	City hall	Local budget
— Means-tested social benefit for poor families, according to the number of family members	MOLSP	City hall	Local budget
c. Special protection of handicapped children			
<i>Not institutionalized:</i>			
— Personal assistant for handicapped children with	HPSD	HSPD/ County level HSPDs	RAF

1998	Responsibility	Administration of service/ benefit	Source of money
first degree of handicap			
— Other gratuities or financial facilities for families with handicapped children (phone, transportation etc)	HPSD	HPSD/ county level HSPDs	RAF
<i>Institutionalized:</i>			
— Social assistance institutions for handicapped children	HPSD	HSPD/ county level HSPDs/ city-halls	RAF/ Local budget (only building maintenance related expenditures)
D. Child protection			
<i>Not institutionalized children:</i>			
— Placement allowance, for children being in family placement	MOLSP	MOLSP/ County Directorates OLSP	State budget
— Temporary centers for receiving children in difficulty	CPCDs	CPCDs	Local budget (i.e., county budget)
<i>Institutionalized children:</i>			
— Social institutions for abandoned children (aged 0 to 3 years)	CPCDs	CPCDs	Local budget (i.e., county budget)
— Social assistance institutions for children between 3 and 18 years old	CPCDs	CPCDs	Local budget (i.e., county budget)

Note: After the emergency of the CPD and the CPCDs, the only changes occurred in what we 'denominated' as child protection field, for the previous year; all other types of services/ benefits remained unchanged.

Table A.3

1999	Responsibility	Social actors involved in the administration/ organization of service/ benefit	Source of money
A. Categorical benefits for children/ families with children			
— Child allowance	MOLSP	MOLSP/ County Directorate OLSP/ city-halls/ schools (for children attending school)	State budget
— Child allowance for handicapped children (200% compared with the 'normal' benefits)	MOLSP/ HPSD	MOLSP/ HPSD/ county level HPSD/ city-halls/ schools (for children attending school)	State budget/ SSF
— Family allowance for families with two or more children	MOLSP	MOLSP/ County Directorate OLSP/ city-halls	State budget
— Maternity leave until the child's age of 2 years	MOLSP	MOLSP/ employer	Social Insurance Fund
— Maternity leave until the child's age of 3 in the case of a handicapped child	MOLSP/ HPSD	MOLSP/ HPSD/ employer	Social Insurance Fund/ SSF
B. Social assistance benefits/ services for poor families (with children)			
— Social fellowship, for children between 6- 18 years attending school	MOE	City-halls/ schools	Local budget
— Social assistance canteen services for the children of those eligible for social canteen (in most local councils the beneficiaries are children and aged)	MOLSP	City hall	Local budget
— Means-tested social benefit for poor families, according to the number of family members	MOLSP	City hall	Local budget
c. Special protection of handicapped children			

1999	Responsibility	Social actors involved in the administration/ organization of service/ benefit	Source of money
Not institutionalized:			
— Personal assistant for handicapped children with first degree of handicap	HPSD	HSPD/ County level HSPDs	SSF
— Other gratuities for families with handicapped children (phone, transportation etc)	HPSD	HPSD/ county level HSPDs	SSF
Institutionalized:			
— Social assistance institutions for handicapped children	HPSD	HSPD/ city-halls	Local budget
D. Child protection			
Not institutionalized children:			
— Placement allowance, for children being in family placement	MOLSP	MOLSP/ County Directorates OLSP	State budget
— Temporary centers for receiving children in difficulty	CPCDs	CPCDs	Local budget (i.e. county budget)
Institutionalized children:			
— Social institutions for abandoned children (aged 0 to 3 years)	CPCDs	CPCDs	Local budget (i.e., county budget)
— Social assistance institutions for children between 3 and 18 years old	CPCDs	CPCDs	Local budget (i.e., county budget)

Note: in 1999 no institutional change did occur; the only changes refer to the financing source of some services/ benefits. First, beginning with 1999, social fellowships for children attending school as well as all expenditures related to institutions for handicapped children (actually all institutions for handicapped persons) have been transferred to local budgets. A second change, that took place in mid year, has been the replacement of the RAF (of 1 percent from the salary funds) with the Social Solidarity Fund (of 3 percent of the salary funds). Another change that occurred at the mid of the year (through OU102/ 99) refers to the increase of the child allowance for handicapped children, now representing 200 percent of the 'normal' benefit and abolishing some financial support for families with handicapped children (e.g., compensations of phone-bills). The table reflects the changes made in the second part of the year as well.

Table A.4

2000	Responsibility	Social actors involved in the administration/ organization of service/ benefit	Source of money
A. Categorical benefits for children/ families with children			
— Child allowance	MOLSP	MOLSP/ County Directorate OLSP/ city-halls/ schools (for children attending school)	State budget
— Child allowance for handicapped children (200 percent compared with the 'normal' benefits)	MOLSP/ HPSD	MOLSP/ HPSD/ county level HPSD/ city-halls/ schools (for children attending school)	State budget/ SSF
— Family allowance for families with two or more children	MOLSP	MOLSP/ County Directorate OLSP/ city-halls	State budget
— Maternity leave until the child's age of 2 years	MOLSP	MOLSP/ employer	Social Insurance Fund
— Maternity leave until the child's age of 3 in the case of a handicapped child	MOLSP/ HPSD	MOLSP/ HPSD/ employer	Social Insurance Fund/ SSF
B. Social assistance benefits/ services for poor families (with children)			
— Social fellowship, for children between 6- 18 years attending school	MOE	MOE/ County level Education Inspectorates/ schools	State budget
— Social assistance canteen services for the children of those eligible for social canteen (in most local councils the beneficiaries are children and aged)	MOLSP	City hall	Local budget
— Means-tested social benefit for poor families, according to the number of family members	MOLSP	City hall	Local budget
— Solidarity allowance for those families for which all other types of social assistance do not 'bring' them up to ½	MOLSP	County level OLPSs	National Solidarity Fund

2000	Responsibility	Social actors involved in the administration/ organization of service/ benefit	Source of money
of the minim national wage/capita			
— Micro-credits for poor families that want to start a business	MOLSP	County level OLPSs	National Solidarity Fund
C. Special protection of handicapped children			
Not institutionalized:			
— Personal assistants for handicapped children with first degree of handicap	NACP/HPSD	City-halls	Local budgets
— Other gratuities for families with handicapped children (phone, transportation etc)	HPSD/ NACP	HPSD/ county level HSPDs/ CPSSCPs	SSF
Institutionalized:			
— Social assistance institutions for handicapped children	NACP	NACP/ CPSSCPs	Local budgets/ county budget/ state budget/ SSF
— Other medical institutions where handicapped or HIV/AIDS infested children are taken care of	NACP	NACP/ CPSSCPs	Local budgets/ county budget/ state budget/ SSF
— Residential settings belonging until now to schools for handicapped children	NACP	NACP/ CPSSCPs	Local budgets/ county budget/ state budget/ SSF
D. Child protection			
Not institutionalized children:			
— Placement allowance, for children being in family placement	MOLSP	MOLSP/ County Directorates OLSP	State budget
— Temporary centers for receiving children in difficulty	NACP	NACP/ CPSSCPs	Local budgets/ county budget/ state budget
Institutionalized children:			

2000	Responsibility	Social actors involved in the administration/ organization of service/ benefit	Source of money
— Social institutions for abandoned children (aged 0 to 3 years)	NACP	NACP/ CPSSCPs	Local budgets/ county budget/ state budget
— Social assistance institutions for children between 3 and 18 years old	NACP	NACP/ CPSSCPs	Local budgets/ county budget/ state budget

Note: The definition of 'Child protection' has been broadened in order to cover as well all children, including those handicapped and those with HIV/AIDS. In the previous tables we did not include residential settings belonging to schools for handicapped children nor those medical facilities for children with HIV/ AIDS. The costs associated with these particular facilities are impossible to separate from those of schools or hospitals. Therefore, they have not been included as separate services.

ANNEX B

By County ('000 ROL)

Child protection expenditures of Local Authorities

	1997					1998					1999				
	Nominal	Yearly growth nominal	Real 1999	Yearly real growth	County Council as % from Total County Local Authorities	Nominal	Yearly growth nominal	Real 1999	Yearly real growth	County Council as % from Total County Local Authorities	Nominal	Yearly growth nominal	Real 1999	Yearly real growth	County Council as % from Total County Local Authorities
Alba	2,416,029	n/a	5,247,238	n/a	*	12,234,706	406.4%	18,939,325	260.9%	100.0%	10,425,000	-14.8%	10,425,000	-45.0%	100.0%
- of which County Council	.	n/a	.	n/a	*	11,324,877	.	17,530,910	.	92.6%	9,000,000	-20.5%	9,000,000	-48.7%	86.3%
Arad	1,831,468	n/a	3,977,663	n/a	*	12,135,897	562.6%	18,786,369	372.3%	100.0%	15,642,977	28.9%	15,642,977	-16.7%	100.0%
- of which County Council	.	n/a	.	n/a	*	12,135,897	.	18,786,369	.	100.0%	14,100,000	16.2%	14,100,000	-24.9%	90.1%
Arges	6,101,950	n/a	13,252,483	n/a	*	17,873,056	192.9%	27,667,491	108.8%	100.0%	20,170,000	12.9%	20,170,000	-27.1%	100.0%
- of which County Council	.	n/a	.	n/a	*	12,568,533	.	19,456,089	.	70.3%	14,700,000	17.0%	14,700,000	-24.4%	72.9%
Bacau	4,816,140	n/a	10,459,905	n/a	*	24,605,005	410.9%	38,088,548	264.1%	100.0%	18,990,000	-22.8%	18,990,000	-50.1%	100.0%
- of which County Council	.	n/a	.	n/a	*	21,629,705	.	33,482,783	.	87.9%	15,920,000	-26.4%	15,920,000	-52.5%	83.8%
Bihor	3,835,354	n/a	8,329,791	n/a	*	18,449,795	381.0%	28,560,283	242.9%	100.0%	27,650,000	49.9%	27,650,000	-3.2%	100.0%
- of which County Council	.	n/a	.	n/a	*	17,173,856	.	26,585,129	.	93.1%	25,900,000	50.8%	25,900,000	-2.6%	93.7%
Bistrita-Nasaud	1,548,073	n/a	3,362,173	n/a	*	9,747,200	529.6%	15,088,666	348.8%	100.0%	8,500,000	-12.8%	8,500,000	-43.7%	100.0%
- of which County Council	.	n/a	.	n/a	*	9,747,200	.	15,088,666	.	100.0%	8,500,000	-12.8%	8,500,000	-43.7%	100.0%
Botosani	3,322,439	n/a	7,215,819	n/a	*	26,613,716	701.0%	41,198,032	470.9%	100.0%	22,168,323	-16.7%	22,168,323	-46.2%	100.0%
- of which County Council	.	n/a	.	n/a	*	24,491,055	.	37,912,153	.	92.0%	21,068,323	-14.0%	21,068,323	-44.4%	95.0%
Brasov	4,031,580	n/a	8,755,963	n/a	*	18,807,140	366.5%	29,113,453	232.5%	100.0%	28,369,110	50.8%	28,369,110	-2.6%	100.0%
- of which County Council	.	n/a	.	n/a	*	15,464,413	.	23,938,911	.	82.2%	22,715,800	46.9%	22,715,800	-5.1%	80.1%
Braila	3,027,954	n/a	6,576,244	n/a	*	17,699,989	484.6%	27,399,583	316.6%	100.0%	13,500,000	-23.7%	13,500,000	-50.7%	100.0%
- of which County Council	.	n/a	.	n/a	*	17,699,989	.	27,399,583	.	100.0%	13,500,000	-23.7%	13,500,000	-50.7%	100.0%
Buzau	2,726,747	n/a	5,922,069	n/a	*	15,525,592	469.4%	24,033,616	305.8%	100.0%	17,350,000	11.8%	17,350,000	-27.8%	100.0%
- of which County Council	.	n/a	.	n/a	*	15,358,228	.	23,774,537	.	98.9%	17,000,000	10.7%	17,000,000	-28.5%	98.0%
Caras-Severin	1,455,621	n/a	3,161,382	n/a	*	7,912,969	443.6%	12,249,276	287.5%	100.0%	7,992,000	1.0%	7,992,000	-34.8%	100.0%
- of which County Council	.	n/a	.	n/a	*	6,391,827	.	9,894,548	.	80.8%	6,302,000	-1.4%	6,302,000	-36.3%	78.9%
Calarasi	1,854,715	n/a	4,028,152	n/a	*	9,295,107	401.2%	14,388,826	257.2%	100.0%	11,765,750	26.6%	11,765,750	-18.2%	100.0%
- of which County Council	.	n/a	.	n/a	*	9,295,107	.	14,388,826	.	100.0%	11,765,750	26.6%	11,765,750	-18.2%	100.0%
Cluj	2,313,522	n/a	5,024,609	n/a	*	14,212,903	514.3%	22,001,574	337.9%	100.0%	20,000,000	40.7%	20,000,000	-9.1%	100.0%
- of which County Council	.	n/a	.	n/a	*	13,664,700	.	21,152,956	.	96.1%	19,200,000	40.5%	19,200,000	-9.2%	96.0%
Constanta	2,273,578	n/a	4,937,857	n/a	*	11,706,467	414.9%	18,121,611	267.0%	100.0%	26,624,000	127.4%	26,624,000	46.9%	100.0%
- of which County Council	.	n/a	.	n/a	*	11,588,968	.	17,939,722	.	99.0%	26,624,000	129.7%	26,624,000	48.4%	100.0%
Covasna	616,290	n/a	1,338,486	n/a	100.0%	5,885,752	855.0%	9,111,144	580.7%	100.0%	7,500,000	27.4%	7,500,000	-17.7%	100.0%
- of which County Council	47,058	n/a	102,203	n/a	7.6%	5,885,752	12407.4%	9,111,144	8814.8%	100.0%	7,500,000	27.4%	7,500,000	-17.7%	100.0%
Dimbovita	1,338,336	n/a	2,906,657	n/a	*	9,927,911	641.8%	15,368,406	428.7%	100.0%	15,388,200	55.0%	15,388,200	0.1%	100.0%
- of which County Council	.	n/a	.	n/a	*	7,307,911	.	11,312,646	.	73.6%	11,688,200	59.9%	11,688,200	3.3%	76.0%
Doj	2,865,713	n/a	6,223,882	n/a	*	15,404,984	437.6%	23,846,915	283.2%	100.0%	20,508,160	33.1%	20,508,160	-14.0%	100.0%
- of which County Council	.	n/a	.	n/a	*	13,618,000	.	21,080,664	.	88.4%	17,909,660	31.5%	17,909,660	-15.0%	87.3%
Galati	2,446,583	n/a	5,313,597	n/a	*	13,966,839	470.9%	21,620,667	306.9%	100.0%	14,500,000	3.8%	14,500,000	-32.9%	100.0%
- of which County Council	.	n/a	.	n/a	*	13,966,839	.	21,620,667	.	100.0%	14,500,000	3.8%	14,500,000	-32.9%	100.0%
Giurgiu	5,650,634	n/a	12,272,296	n/a	*	11,845,807	109.6%	18,337,309	49.4%	100.0%	10,828,196	-8.6%	10,828,196	-40.9%	100.0%
- of which County Council	.	n/a	.	n/a	*	5,773,952	.	8,938,078	.	48.7%	7,800,000	35.1%	7,800,000	-12.7%	72.0%
Gorj	2,373,407	n/a	5,154,670	n/a	*	10,406,137	338.4%	16,108,700	212.5%	100.0%	10,000,000	-3.9%	10,000,000	-37.9%	100.0%
- of which County Council	.	n/a	.	n/a	*	9,228,262	.	12,272,950	.	76.2%	7,000,000	-11.7%	7,000,000	-43.0%	70.0%
Harghita	1,249,514	n/a	2,713,749	n/a	*	12,596,000	908.1%	19,498,608	618.5%	100.0%	10,800,000	-14.3%	10,800,000	-44.6%	100.0%
- of which County Council	.	n/a	.	n/a	*	12,596,000	.	19,498,608	.	100.0%	10,800,000	-14.3%	10,800,000	-44.6%	100.0%
Hunedoara	1,648,922	n/a	3,581,201	n/a	100.0%	11,820,686	616.9%	18,298,422	411.0%	100.0%	15,000,000	26.9%	15,000,000	-18.0%	100.0%
- of which County Council	0	n/a	0	n/a	0.0%	11,820,686	n/a	18,298,422	n/a	100.0%	15,000,000	26.9%	15,000,000	-18.0%	100.0%

**Child protection expenditures
of Local Authorities**

	County Council as % from Total County Local Authorities				County Council as % from Total County Local Authorities				County Council as % from Total County Local Authorities					
	Nominal	Yearly growth nominal	Real 1999	Yearly real growth	Nominal	Yearly growth nominal	Real 1999	Yearly real growth	Nominal	Yearly growth nominal	Real 1999	Yearly real growth		
Ialomita	1,531,807	n/a	3,326,846	n/a	7,293,946	376.2%	11,291,028	239.4%	100.0%	8,200,000	12.4%	8,200,000	-27.4%	100.0%
- of which County Council	*	n/a	*	n/a	7,293,946	*	11,291,028	*	100.0%	8,200,000	12.4%	8,200,000	-27.4%	100.0%
Iasi	4,737,590	n/a	10,289,306	n/a	41,805,965	782.4%	64,715,634	529.0%	100.0%	7,493,500	-82.1%	7,493,500	-88.4%	100.0%
- of which County Council	*	n/a	*	n/a	41,805,965	*	64,715,634	*	100.0%	7,493,500	-82.1%	7,493,500	-88.4%	100.0%
Ilfov	805,664	n/a	1,749,777	n/a	4,079,669	406.4%	6,315,328	260.9%	100.0%	5,400,000	32.4%	5,400,000	-14.5%	100.0%
- of which County Council	*	n/a	*	n/a	4,079,669	*	6,315,328	*	100.0%	5,400,000	32.4%	5,400,000	-14.5%	100.0%
Maramures	2,037,073	n/a	4,424,205	n/a	18,194,144	793.2%	28,164,535	536.6%	100.0%	15,664,932	-13.9%	15,664,932	-44.4%	100.0%
- of which County Council	*	n/a	*	n/a	14,729,214	*	22,800,823	*	81.0%	13,564,932	-7.9%	13,564,932	-40.5%	86.6%
Mehedinti	1,164,215	n/a	2,528,493	n/a	7,538,485	547.5%	11,669,575	361.5%	100.0%	8,156,098	8.2%	8,156,098	-30.1%	100.0%
- of which County Council	*	n/a	*	n/a	7,291,480	*	11,287,211	*	96.7%	8,000,000	9.7%	8,000,000	-29.1%	98.1%
Mures	4,031,691	n/a	8,756,204	n/a	12,638,768	213.5%	19,564,813	123.4%	100.0%	15,569,100	23.2%	15,569,100	-20.4%	100.0%
- of which County Council	*	n/a	*	n/a	10,778,820	*	16,685,613	*	85.3%	15,454,100	43.4%	15,454,100	-7.4%	99.3%
Neamt	5,897,524	n/a	12,808,502	n/a	25,404,451	330.8%	39,326,090	207.0%	100.0%	14,960,000	-41.1%	14,960,000	-62.0%	100.0%
- of which County Council	*	n/a	*	n/a	22,004,491	*	34,062,952	*	86.6%	13,360,000	-39.3%	13,360,000	-60.8%	89.3%
Olt	2,918,251	n/a	6,337,986	n/a	21,724,177	644.4%	33,629,026	430.6%	100.0%	12,410,160	-42.9%	12,410,160	-63.1%	100.0%
- of which County Council	*	n/a	*	n/a	20,326,231	*	31,465,006	*	93.6%	11,160,000	-45.1%	11,160,000	-64.5%	89.9%
Prahova	4,137,718	n/a	8,986,478	n/a	16,387,123	296.0%	25,367,266	182.3%	100.0%	25,015,000	52.7%	25,015,000	-1.4%	100.0%
- of which County Council	*	n/a	*	n/a	14,177,598	*	21,946,922	*	86.5%	25,000,000	76.3%	25,000,000	13.9%	99.9%
Satu Mare	2,422,654	n/a	5,261,627	n/a	16,991,215	601.3%	26,302,401	399.9%	100.0%	8,738,000	-48.6%	8,738,000	-66.8%	100.0%
- of which County Council	*	n/a	*	n/a	16,991,215	*	26,302,401	*	100.0%	8,738,000	-48.6%	8,738,000	-66.8%	100.0%
Salaj	2,688,400	n/a	5,838,785	n/a	9,942,961	269.8%	15,391,704	163.6%	100.0%	9,630,000	-3.1%	9,630,000	-37.4%	100.0%
- of which County Council	*	n/a	*	n/a	7,532,970	*	11,661,038	*	75.8%	7,125,000	-5.4%	7,125,000	-38.9%	74.0%
Sibiu	4,945,966	n/a	10,741,867	n/a	22,247,519	349.8%	34,439,159	220.6%	100.0%	24,200,000	8.8%	24,200,000	-29.7%	100.0%
- of which County Council	*	n/a	*	n/a	13,990,575	*	21,657,410	*	62.9%	16,100,000	15.1%	16,100,000	-25.7%	66.5%
Suceava	3,154,236	n/a	6,850,509	n/a	24,828,966	687.2%	38,435,239	461.1%	100.0%	15,000,000	-39.6%	15,000,000	-61.0%	100.0%
- of which County Council	*	n/a	*	n/a	24,828,966	*	38,435,239	*	100.0%	15,000,000	-39.6%	15,000,000	-61.0%	100.0%
Teleorman	2,265,766	n/a	4,920,890	n/a	12,667,101	459.1%	19,608,672	298.5%	100.0%	10,700,000	-15.5%	10,700,000	-45.4%	100.0%
- of which County Council	*	n/a	*	n/a	10,460,109	*	16,192,249	*	82.6%	8,200,000	-21.6%	8,200,000	-49.4%	76.6%
Timis	4,106,603	n/a	8,918,901	n/a	23,364,236	468.9%	36,167,837	305.5%	100.0%	31,553,435	35.1%	31,553,435	-12.8%	100.0%
- of which County Council	168,318	n/a	365,560	n/a	22,238,873	13112.4%	34,425,775	9317.3%	95.2%	24,000,000	7.9%	24,000,000	-30.3%	76.1%
Tulcea	1,138,000	n/a	2,471,558	n/a	9,350,858	721.7%	14,475,128	485.7%	100.0%	9,095,000	-2.7%	9,095,000	-37.2%	100.0%
- of which County Council	0	n/a	0	n/a	9,350,858	n/a	14,475,128	n/a	100.0%	9,095,000	-2.7%	9,095,000	-37.2%	100.0%
Vaslui	1,785,038	n/a	3,876,824	n/a	12,870,156	621.0%	19,923,001	413.9%	100.0%	11,350,000	-11.8%	11,350,000	-43.0%	100.0%
- of which County Council	32,057	n/a	69,623	n/a	11,764,165	36597.6%	18,210,927	26056.6%	91.4%	10,350,000	-12.0%	10,350,000	-43.2%	91.2%
Vilcea	4,147,003	n/a	9,006,644	n/a	18,092,201	336.3%	28,006,727	211.0%	100.0%	13,785,084	-23.8%	13,785,084	-50.8%	100.0%
- of which County Council	*	n/a	*	n/a	14,404,552	*	22,298,246	*	79.6%	10,393,000	-27.8%	10,393,000	-53.4%	75.4%
Vrancea	4,142,083	n/a	8,995,958	n/a	17,878,674	331.6%	27,676,187	207.7%	100.0%	11,691,378	-34.6%	11,691,378	-57.8%	100.0%
- of which County Council	*	n/a	*	n/a	14,822,474	*	22,945,190	*	82.8%	10,275,378	-30.7%	10,275,378	-55.2%	87.9%
Municipiul Bucuresti	16,825,623	n/a	36,542,628	n/a	58,889,631	250.0%	91,161,149	149.5%	100.0%	109,514,602	86.0%	109,514,602	20.1%	100.0%
- of which County Council	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Local Authorities	134,627,474	n/a	292,389,872	n/a	690,863,904	413.2%	1,069,457,323	265.8%	100.0%	721,798,005	4.5%	721,798,005	-32.5%	100.0%
- of which Total County Councils	*	n/a	*	n/a	625,193,559	*	967,799,629	*	90.5%	654,917,245	4.8%	654,917,245	-32.3%	90.7%
Yearly Inflation	151.4%				40.3%					54.8%				
Adjustment	2.17				1.55					1.00				

By County ('000 000 ROL)
Revenues & Expenditures
of Local Authorities

	1997					1998					1999				
	Nominal	Yearly growth nominal	Real 1999	Yearly real growth	%	Nominal	Yearly growth nominal	Real 1999	Yearly real growth	%	Nominal	Yearly growth nominal	Real 1999	Yearly real growth	%
Alba															
Total Revenues	177,215	n/a	384,883	n/a	<u>100.0%</u>	225,979	27.5%	349,815	-9.1%	<u>100.0%</u>	245,925	8.8%	245,925	-29.7%	<u>100.0%</u>
- of which County Council	41,358	n/a	89,822	n/a	23.3%	62,360	50.8%	96,534	7.5%	27.6%	38,330	-38.5%	38,330	-60.3%	15.6%
Total Expenditures	176,644	n/a	383,643	n/a	<u>99.7%</u>	225,437	27.6%	348,976	-9.0%	<u>99.8%</u>	245,925	9.1%	245,925	-29.5%	<u>100.0%</u>
- of which County Council	41,312	n/a	89,724	n/a	23.4%	62,322	50.9%	96,474	7.5%	27.6%	37,090	-40.5%	37,090	-61.6%	15.1%
Arad															
Total Revenues	215,768	n/a	468,614	n/a	<u>100.0%</u>	274,881	27.4%	425,516	-9.2%	<u>100.0%</u>	384,281	39.8%	384,281	-9.7%	<u>100.0%</u>
- of which County Council	77,968	n/a	169,335	n/a	36.1%	123,843	58.8%	191,709	13.2%	45.1%	93,557	-24.5%	93,557	-51.2%	24.3%
Total Expenditures	215,624	n/a	468,302	n/a	<u>99.9%</u>	273,802	27.0%	423,845	-9.5%	<u>99.6%</u>	384,281	40.3%	384,281	-9.3%	<u>100.0%</u>
- of which County Council	77,925	n/a	169,241	n/a	36.1%	123,550	58.6%	191,256	13.0%	45.1%	93,557	-24.3%	93,557	-51.1%	24.3%
Arges															
Total Revenues	230,910	n/a	501,500	n/a	<u>100.0%</u>	317,242	37.4%	491,091	-2.1%	<u>100.0%</u>	489,553	54.3%	489,553	-0.3%	<u>100.0%</u>
- of which County Council	37,174	n/a	80,736	n/a	16.1%	64,005	72.2%	99,079	22.7%	20.2%	66,400	3.7%	66,400	-33.0%	13.6%
Total Expenditures	228,857	n/a	497,042	n/a	<u>99.1%</u>	315,287	37.8%	488,064	-1.8%	<u>99.4%</u>	489,553	55.3%	489,553	0.3%	<u>100.0%</u>
- of which County Council	36,812	n/a	79,949	n/a	16.1%	63,516	72.5%	98,323	23.0%	20.1%	66,200	4.2%	66,200	-32.7%	13.5%
Bacau															
Total Revenues	235,423	n/a	511,302	n/a	<u>100.0%</u>	309,005	31.3%	478,340	-6.4%	<u>100.0%</u>	500,785	62.1%	500,785	4.7%	<u>100.0%</u>
- of which County Council	76,133	n/a	165,350	n/a	32.3%	99,917	31.2%	154,672	-6.5%	32.3%	74,534	-25.4%	74,534	-51.8%	14.9%
Total Expenditures	233,517	n/a	507,162	n/a	<u>99.2%</u>	308,021	31.9%	476,817	-6.0%	<u>99.7%</u>	500,785	62.6%	500,785	5.0%	<u>100.0%</u>
- of which County Council	76,133	n/a	165,350	n/a	32.6%	99,922	31.2%	154,679	-6.5%	32.4%	74,534	-25.4%	74,534	-51.8%	14.9%
Bihor															
Total Revenues	240,980	n/a	523,371	n/a	<u>100.0%</u>	313,043	29.9%	484,591	-7.4%	<u>100.0%</u>	496,857	58.7%	496,857	2.5%	<u>100.0%</u>
- of which County Council	27,712	n/a	60,186	n/a	11.5%	66,440	139.8%	102,849	70.9%	21.2%	111,291	67.5%	111,291	8.2%	22.4%
Total Expenditures	240,409	n/a	522,131	n/a	<u>99.8%</u>	312,115	29.8%	483,154	-7.5%	<u>99.7%</u>	496,857	59.2%	496,857	2.8%	<u>100.0%</u>
- of which County Council	27,711	n/a	60,185	n/a	11.5%	65,412	136.0%	101,258	68.2%	21.0%	80,214	22.6%	80,214	-20.8%	16.1%
Bistrita-Nasaud															
Total Revenues	127,821	n/a	277,607	n/a	<u>100.0%</u>	160,306	25.4%	248,154	-10.6%	<u>100.0%</u>	220,145	37.3%	220,145	-11.3%	<u>100.0%</u>
- of which County Council	30,999	n/a	67,326	n/a	24.3%	46,786	50.9%	72,425	7.6%	29.2%	50,553	8.1%	50,553	-30.2%	23.0%
Total Expenditures	127,050	n/a	275,933	n/a	<u>99.4%</u>	159,448	25.5%	246,826	-10.5%	<u>99.5%</u>	220,145	38.1%	220,145	-10.8%	<u>100.0%</u>
- of which County Council	30,572	n/a	66,398	n/a	24.1%	46,709	52.8%	72,306	8.9%	29.3%	50,553	8.2%	50,553	-30.1%	23.0%
Botosani															
Total Revenues	200,062	n/a	434,503	n/a	<u>100.0%</u>	277,662	38.8%	429,821	-1.1%	<u>100.0%</u>	271,601	-2.2%	271,601	-36.8%	<u>100.0%</u>
- of which County Council	28,584	n/a	62,080	n/a	14.3%	66,442	132.4%	102,852	65.7%	23.9%	67,806	2.1%	67,806	-34.1%	25.0%
Total Expenditures	199,394	n/a	433,053	n/a	<u>99.7%</u>	277,542	39.2%	429,635	-0.8%	<u>100.0%</u>	271,601	-2.1%	271,601	-36.8%	<u>100.0%</u>
- of which County Council	28,578	n/a	62,066	n/a	14.3%	66,440	132.5%	102,849	65.7%	23.9%	67,806	2.1%	67,806	-34.1%	25.0%
Brasov															
Total Revenues	320,694	n/a	696,497	n/a	<u>100.0%</u>	456,221	42.3%	706,230	1.4%	<u>100.0%</u>	627,114	37.5%	627,114	-11.2%	<u>100.0%</u>
- of which County Council	50,648	n/a	109,999	n/a	15.8%	138,269	173.0%	214,040	94.6%	30.3%	168,367	21.8%	168,367	-21.3%	26.8%
Total Expenditures	319,376	n/a	693,635	n/a	<u>99.6%</u>	455,858	42.7%	705,668	1.7%	<u>99.9%</u>	627,114	37.6%	627,114	-11.1%	<u>100.0%</u>
- of which County Council	50,588	n/a	109,868	n/a	15.8%	138,392	173.6%	214,231	95.0%	30.4%	161,503	16.7%	161,503	-24.6%	25.8%
Braila															
Total Revenues	153,728	n/a	333,873	n/a	<u>100.0%</u>	189,678	23.4%	293,622	-12.1%	<u>100.0%</u>	226,083	19.2%	226,083	-23.0%	<u>100.0%</u>
- of which County Council	27,917	n/a	60,631	n/a	18.2%	51,160	83.3%	79,196	30.6%	27.0%	48,845	-4.5%	48,845	-38.3%	21.6%
Total Expenditures	152,638	n/a	331,506	n/a	<u>99.3%</u>	189,469	24.1%	293,298	-11.5%	<u>99.9%</u>	226,081	19.3%	226,081	-22.9%	<u>100.0%</u>
- of which County Council	27,917	n/a	60,631	n/a	18.3%	51,160	83.3%	79,196	30.6%	27.0%	48,845	-4.5%	48,845	-38.3%	21.6%
Buzau															
Total Revenues	180,277	n/a	391,534	n/a	<u>100.0%</u>	227,773	26.3%	352,593	-9.9%	<u>100.0%</u>	263,619	15.7%	263,619	-25.2%	<u>100.0%</u>
- of which County Council	38,915	n/a	84,518	n/a	21.6%	64,537	65.8%	99,904	18.2%	28.3%	42,000	-34.9%	42,000	-58.0%	15.9%
Total Expenditures	179,619	n/a	390,104	n/a	<u>99.6%</u>	227,699	26.8%	352,478	-9.6%	<u>100.0%</u>	263,619	15.8%	263,619	-25.2%	<u>100.0%</u>
- of which County Council	38,581	n/a	83,791	n/a	21.5%	64,483	67.1%	99,819	19.1%	28.3%	42,000	-34.9%	42,000	-57.9%	15.9%
Caras-Severin															
Total Revenues	155,510	n/a	337,743	n/a	<u>100.0%</u>	187,634	20.7%	290,457	-14.0%	<u>100.0%</u>	237,894	26.8%	237,894	-18.1%	<u>100.0%</u>
- of which County Council	20,163	n/a	43,791	n/a	13.0%	32,012	58.8%	49,554	13.2%	17.1%	38,430	20.1%	38,430	-22.4%	16.2%
Total Expenditures	155,372	n/a	337,444	n/a	<u>99.9%</u>	187,361	20.6%	290,035	-14.0%	<u>99.9%</u>	237,894	27.0%	237,894	-18.0%	<u>100.0%</u>
- of which County Council	20,162	n/a	43,788	n/a	13.0%	32,012	58.8%	49,554	13.2%	17.1%	38,430	20.1%	38,430	-22.4%	16.2%

**Revenues & Expenditures
of Local Authorities**

	Nominal	Yearly growth nominal	Real 1999	Yearly real growth	%	Nominal	Yearly growth nominal	Real 1999	Yearly real growth	%	Nominal	Yearly growth nominal	Real 1999	Yearly real growth	%
Calarasi															
Total Revenues	125,832	n/a	273,287	n/a	<u>100.0%</u>	152,096	20.9%	235,445	-13.8%	<u>100.0%</u>	173,129	13.8%	173,129	-26.5%	<u>100.0%</u>
- of which County Council	19,391	n/a	42,115	n/a	15.4%	32,896	69.6%	50,923	20.9%	21.6%	23,917	-27.3%	23,917	-53.0%	13.8%
Total Expenditures	124,759	n/a	270,957	n/a	<u>99.1%</u>	151,527	21.5%	234,564	-13.4%	<u>99.6%</u>	173,129	14.3%	173,129	-26.2%	<u>100.0%</u>
- of which County Council	19,391	n/a	42,115	n/a	15.5%	32,896	69.6%	50,923	20.9%	21.7%	22,261	-32.3%	22,261	-56.3%	12.9%
Cluj															
Total Revenues	353,694	n/a	768,168	n/a	<u>100.0%</u>	451,354	27.6%	698,696	-9.0%	<u>100.0%</u>	735,565	63.0%	735,565	5.3%	<u>100.0%</u>
- of which County Council	71,155	n/a	154,536	n/a	20.1%	130,518	83.4%	202,042	30.7%	28.9%	167,844	28.6%	167,844	-16.9%	22.8%
Total Expenditures	352,390	n/a	765,336	n/a	<u>99.6%</u>	448,400	27.2%	694,123	-9.3%	<u>99.3%</u>	735,565	64.0%	735,565	6.0%	<u>100.0%</u>
- of which County Council	71,101	n/a	154,421	n/a	20.2%	129,245	81.8%	200,071	29.6%	28.8%	155,089	20.0%	155,089	-22.5%	21.1%
Constanta															
Total Revenues	355,744	n/a	772,620	n/a	<u>100.0%</u>	489,874	37.7%	758,325	-1.9%	<u>100.0%</u>	935,205	90.9%	935,205	23.3%	<u>100.0%</u>
- of which County Council	82,440	n/a	179,047	n/a	23.2%	135,149	63.9%	209,211	16.8%	27.6%	212,927	57.5%	212,927	1.8%	22.8%
Total Expenditures	354,483	n/a	769,882	n/a	<u>99.6%</u>	488,703	37.9%	756,512	-1.7%	<u>99.8%</u>	935,205	91.4%	935,205	23.6%	<u>100.0%</u>
- of which County Council	82,420	n/a	179,004	n/a	23.3%	135,142	64.0%	209,200	16.9%	27.7%	212,881	57.5%	212,881	1.8%	22.8%
Covasna															
Total Revenues	108,007	n/a	234,574	n/a	<u>100.0%</u>	131,429	21.7%	203,452	-13.3%	<u>100.0%</u>	136,319	3.7%	136,319	-33.0%	<u>100.0%</u>
- of which County Council	20,091	n/a	43,634	n/a	18.6%	30,732	53.0%	47,573	9.0%	23.4%	21,500	-30.0%	21,500	-54.8%	15.8%
Total Expenditures	107,108	n/a	232,622	n/a	<u>99.2%</u>	129,966	21.3%	201,187	-13.5%	<u>99.3%</u>	136,319	4.9%	136,319	-32.2%	<u>100.0%</u>
- of which County Council	19,948	n/a	43,325	n/a	18.6%	29,679	48.8%	45,944	6.0%	22.8%	21,500	-27.6%	21,500	-53.2%	15.8%
Dimbovita															
Total Revenues	173,981	n/a	377,860	n/a	<u>100.0%</u>	228,631	31.4%	353,921	-6.3%	<u>100.0%</u>	347,745	52.1%	347,745	-1.7%	<u>100.0%</u>
- of which County Council	22,909	n/a	49,754	n/a	13.2%	37,410	63.3%	57,911	16.4%	16.4%	59,466	59.0%	59,466	2.7%	17.1%
Total Expenditures	172,122	n/a	373,822	n/a	<u>98.9%</u>	227,606	32.2%	352,334	-5.7%	<u>99.6%</u>	347,745	52.8%	347,745	-1.3%	<u>100.0%</u>
- of which County Council	22,455	n/a	48,769	n/a	13.0%	37,193	65.6%	57,574	18.1%	16.3%	41,800	12.4%	41,800	-27.4%	12.0%
Doj															
Total Revenues	249,501	n/a	541,877	n/a	<u>100.0%</u>	306,751	22.9%	474,851	-12.4%	<u>100.0%</u>	488,768	59.3%	488,768	2.9%	<u>100.0%</u>
- of which County Council	62,090	n/a	134,849	n/a	24.9%	80,574	29.8%	124,728	-7.5%	26.3%	86,192	7.0%	86,192	-30.9%	17.6%
Total Expenditures	244,467	n/a	530,944	n/a	<u>98.0%</u>	304,088	24.4%	470,728	-11.3%	<u>99.1%</u>	488,768	60.7%	488,768	3.8%	<u>100.0%</u>
- of which County Council	60,605	n/a	131,624	n/a	24.8%	79,573	31.3%	123,179	-6.4%	26.2%	86,192	8.3%	86,192	-30.0%	17.6%
Galati															
Total Revenues	252,896	n/a	549,251	n/a	<u>100.0%</u>	299,940	18.6%	464,307	-15.5%	<u>100.0%</u>	500,221	66.8%	500,221	7.7%	<u>100.0%</u>
- of which County Council	43,021	n/a	93,434	n/a	17.0%	62,437	45.1%	96,653	3.4%	20.8%	90,656	45.2%	90,656	-6.2%	18.1%
Total Expenditures	250,533	n/a	544,119	n/a	<u>99.1%</u>	299,500	19.5%	463,626	-14.8%	<u>99.9%</u>	500,221	67.0%	500,221	7.9%	<u>100.0%</u>
- of which County Council	42,964	n/a	93,311	n/a	17.1%	62,437	45.3%	96,653	3.6%	20.8%	90,656	45.2%	90,656	-6.2%	18.1%
Giurgiu															
Total Revenues	87,814	n/a	190,718	n/a	<u>100.0%</u>	110,225	25.5%	170,628	-10.5%	<u>100.0%</u>	134,144	21.7%	134,144	-21.4%	<u>100.0%</u>
- of which County Council	21,781	n/a	47,304	n/a	24.8%	34,448	58.2%	53,326	12.7%	31.3%	26,116	-24.2%	26,116	-51.0%	19.5%
Total Expenditures	86,208	n/a	187,230	n/a	<u>98.2%</u>	109,817	27.4%	169,997	-9.2%	<u>99.6%</u>	134,144	22.2%	134,144	-21.1%	<u>100.0%</u>
- of which County Council	21,781	n/a	47,304	n/a	25.3%	34,448	58.2%	53,326	12.7%	31.4%	32,183	-6.6%	32,183	-39.6%	24.0%
Gorj															
Total Revenues	148,863	n/a	323,307	n/a	<u>100.0%</u>	189,589	27.4%	293,484	-9.2%	<u>100.0%</u>	293,357	54.7%	293,357	0.0%	<u>100.0%</u>
- of which County Council	25,197	n/a	54,723	n/a	16.9%	41,298	63.9%	63,929	16.8%	21.8%	54,585	32.2%	54,585	-14.6%	18.6%
Total Expenditures	147,170	n/a	319,630	n/a	<u>98.9%</u>	188,029	27.8%	291,069	-8.9%	<u>99.2%</u>	293,357	56.0%	293,357	0.8%	<u>100.0%</u>
- of which County Council	25,043	n/a	54,390	n/a	17.0%	41,196	64.5%	63,771	17.2%	21.9%	54,585	32.5%	54,585	-14.4%	18.6%
Harghita															
Total Revenues	140,822	n/a	305,843	n/a	<u>100.0%</u>	172,006	22.1%	266,265	-12.9%	<u>100.0%</u>	213,854	24.3%	213,854	-19.7%	<u>100.0%</u>
- of which County Council	41,739	n/a	90,650	n/a	29.6%	62,601	50.0%	96,906	6.9%	36.4%	34,587	-44.8%	34,587	-64.3%	16.2%
Total Expenditures	140,072	n/a	304,215	n/a	<u>99.5%</u>	171,552	22.5%	265,562	-12.7%	<u>99.7%</u>	213,854	24.7%	213,854	-19.5%	<u>100.0%</u>
- of which County Council	41,733	n/a	90,637	n/a	29.8%	62,567	49.9%	96,854	6.9%	36.5%	34,587	-44.7%	34,587	-64.3%	16.2%
Hunedoara															
Total Revenues	246,271	n/a	534,862	n/a	<u>100.0%</u>	300,653	22.1%	465,411	-13.0%	<u>100.0%</u>	461,090	53.4%	461,090	-0.9%	<u>100.0%</u>
- of which County Council	62,508	n/a	135,757	n/a	25.4%	91,189	45.9%	141,161	4.0%	30.3%	112,056	22.9%	112,056	-20.6%	24.3%
Total Expenditures	244,055	n/a	530,049	n/a	<u>99.1%</u>	298,227	22.2%	461,655	-12.9%	<u>99.2%</u>	461,090	54.6%	461,090	-0.1%	<u>100.0%</u>
- of which County Council	61,596	n/a	133,777	n/a	25.2%	90,721	47.3%	140,436	5.0%	30.4%	112,056	23.5%	112,056	-20.2%	24.3%

**Revenues & Expenditures
of Local Authorities**

	Nominal	Yearly growth nominal	Real 1999	Yearly real growth	%	Nominal	Yearly growth nominal	Real 1999	Yearly real growth	%	Nominal	Yearly growth nominal	Real 1999	Yearly real growth	%
Ialomita															
Total Revenues	117,920	n/a	256,104	n/a	<u>100.0%</u>	148,426	25.9%	229,763	-10.3%	<u>100.0%</u>	154,619	4.2%	154,619	-32.7%	<u>100.0%</u>
- of which County Council	30,445	n/a	66,123	n/a	25.8%	33,455	9.9%	51,788	-21.7%	22.5%	25,740	-23.1%	25,740	-50.3%	16.6%
Total Expenditures	117,066	n/a	254,249	n/a	<u>99.3%</u>	147,768	26.2%	228,745	-10.0%	<u>99.6%</u>	154,619	4.6%	154,619	-32.4%	<u>100.0%</u>
- of which County Council	30,389	n/a	66,001	n/a	26.0%	33,328	9.7%	51,592	-21.8%	22.6%	25,740	-22.8%	25,740	-50.1%	16.6%
Iasi															
Total Revenues	374,869	n/a	814,157	n/a	<u>100.0%</u>	487,363	30.0%	754,438	-7.3%	<u>100.0%</u>	541,989	11.2%	541,989	-28.2%	<u>100.0%</u>
- of which County Council	108,700	n/a	236,079	n/a	29.0%	187,555	72.5%	290,335	23.0%	38.5%	153,623	-18.1%	153,623	-47.1%	28.3%
Total Expenditures	372,573	n/a	809,170	n/a	<u>99.4%</u>	487,321	30.8%	754,373	-6.8%	<u>100.0%</u>	541,989	11.2%	541,989	-28.2%	<u>100.0%</u>
- of which County Council	108,604	n/a	235,871	n/a	29.1%	187,555	72.7%	290,335	23.1%	38.5%	153,623	-18.1%	153,623	-47.1%	28.3%
Iilfov															
Total Revenues	77,482	n/a	168,279	n/a	<u>100.0%</u>	104,212	34.5%	161,320	-4.1%	<u>100.0%</u>	208,208	99.8%	208,208	29.1%	<u>100.0%</u>
- of which County Council	15,344	n/a	33,325	n/a	19.8%	28,777	87.5%	44,547	33.7%	27.6%	34,794	20.9%	34,794	-21.9%	16.7%
Total Expenditures	69,802	n/a	151,599	n/a	<u>99.1%</u>	101,671	45.7%	157,387	3.8%	<u>100.0%</u>	208,208	104.8%	208,208	-32.3%	<u>100.0%</u>
- of which County Council	13,900	n/a	30,189	n/a	19.9%	28,320	103.7%	43,839	45.2%	27.9%	34,792	22.9%	34,792	-20.6%	16.7%
Maramures															
Total Revenues	203,863	n/a	442,759	n/a	<u>100.0%</u>	248,213	21.8%	384,234	-13.2%	<u>100.0%</u>	340,887	37.3%	340,887	-11.3%	<u>100.0%</u>
- of which County Council	34,823	n/a	75,630	n/a	17.1%	56,571	62.5%	87,573	15.8%	22.8%	65,136	15.1%	65,136	-25.6%	19.1%
Total Expenditures	203,257	n/a	441,442	n/a	<u>99.7%</u>	247,470	21.8%	383,084	-13.2%	<u>99.0%</u>	340,887	37.2%	340,887	-11.0%	<u>100.0%</u>
- of which County Council	34,797	n/a	75,575	n/a	17.1%	56,556	62.5%	87,548	15.8%	22.9%	37,983	-32.8%	37,983	-56.6%	11.1%
Mehedinti															
Total Revenues	121,241	n/a	263,317	n/a	<u>100.0%</u>	151,525	25.0%	234,561	-10.9%	<u>100.0%</u>	176,528	16.5%	176,528	-24.7%	<u>100.0%</u>
- of which County Council	31,752	n/a	68,960	n/a	26.2%	51,006	60.6%	78,957	14.5%	33.7%	34,428	-32.5%	34,428	-56.4%	19.5%
Total Expenditures	119,904	n/a	260,413	n/a	<u>98.9%</u>	151,405	26.3%	234,375	-10.0%	<u>99.9%</u>	176,528	16.6%	176,528	-24.7%	<u>100.0%</u>
- of which County Council	31,310	n/a	68,000	n/a	26.1%	51,006	62.9%	78,957	16.1%	33.7%	34,428	-32.5%	34,428	-56.4%	19.5%
Mures															
Total Revenues	233,717	n/a	507,597	n/a	<u>100.0%</u>	283,603	21.3%	439,017	-13.5%	<u>100.0%</u>	448,506	58.1%	448,506	2.2%	<u>100.0%</u>
- of which County Council	49,819	n/a	108,199	n/a	21.3%	70,729	42.0%	109,489	1.2%	24.9%	54,560	-22.9%	54,560	-50.2%	12.2%
Total Expenditures	231,523	n/a	502,832	n/a	<u>99.1%</u>	282,433	22.0%	437,206	-13.1%	<u>99.6%</u>	448,506	58.8%	448,506	2.6%	<u>100.0%</u>
- of which County Council	49,571	n/a	107,660	n/a	21.4%	70,387	42.0%	108,959	1.2%	24.9%	53,138	-24.5%	53,138	-51.2%	11.8%
Neamt															
Total Revenues	190,606	n/a	413,966	n/a	<u>100.0%</u>	234,880	23.2%	363,594	-12.2%	<u>100.0%</u>	304,171	29.5%	304,171	-16.3%	<u>100.0%</u>
- of which County Council	32,818	n/a	71,275	n/a	17.2%	58,726	78.9%	90,907	27.5%	25.0%	42,603	-27.5%	42,603	-53.1%	14.0%
Total Expenditures	189,743	n/a	412,092	n/a	<u>99.5%</u>	234,005	23.3%	362,240	-12.1%	<u>99.6%</u>	304,171	30.0%	304,171	-16.0%	<u>100.0%</u>
- of which County Council	32,563	n/a	70,722	n/a	17.2%	58,513	79.7%	90,578	28.1%	25.0%	42,603	-27.2%	42,603	-53.0%	14.0%
Olt															
Total Revenues	181,093	n/a	393,306	n/a	<u>100.0%</u>	226,314	25.0%	350,334	-10.9%	<u>100.0%</u>	294,885	30.3%	294,885	-15.8%	<u>100.0%</u>
- of which County Council	21,757	n/a	47,253	n/a	12.0%	38,559	77.2%	59,690	26.3%	17.0%	61,318	59.0%	61,318	2.7%	20.8%
Total Expenditures	180,664	n/a	392,374	n/a	<u>99.8%</u>	225,668	24.9%	349,334	-11.0%	<u>99.7%</u>	294,887	30.7%	294,887	-15.6%	<u>100.0%</u>
- of which County Council	21,751	n/a	47,239	n/a	12.0%	38,409	76.6%	59,457	25.9%	17.0%	61,318	59.6%	61,318	3.1%	20.8%
Prahova															
Total Revenues	332,461	n/a	722,053	n/a	<u>100.0%</u>	421,866	26.9%	653,049	-9.6%	<u>100.0%</u>	816,084	93.4%	816,084	25.0%	<u>100.0%</u>
- of which County Council	37,881	n/a	82,272	n/a	11.4%	69,029	82.2%	106,856	29.9%	16.4%	185,000	168.0%	185,000	73.1%	22.7%
Total Expenditures	330,250	n/a	717,251	n/a	<u>99.3%</u>	420,778	27.4%	651,364	-9.2%	<u>99.7%</u>	816,084	93.9%	816,084	25.3%	<u>100.0%</u>
- of which County Council	37,771	n/a	82,034	n/a	11.4%	69,028	82.8%	106,856	30.3%	16.4%	183,550	165.9%	183,550	71.8%	22.5%
Satu Mare															
Total Revenues	150,534	n/a	326,936	n/a	<u>100.0%</u>	201,047	33.6%	311,221	-4.8%	<u>100.0%</u>	203,996	1.5%	203,996	-34.5%	<u>100.0%</u>
- of which County Council	22,734	n/a	49,374	n/a	15.1%	42,987	89.1%	66,544	34.8%	21.4%	39,742	-7.5%	39,742	-40.3%	19.5%
Total Expenditures	150,405	n/a	326,656	n/a	<u>99.9%</u>	200,800	33.5%	310,838	-4.8%	<u>99.9%</u>	203,996	1.6%	203,996	-34.4%	<u>100.0%</u>
- of which County Council	22,725	n/a	49,356	n/a	15.1%	42,987	89.2%	66,544	34.8%	21.4%	29,173	-32.1%	29,173	-56.2%	14.3%
Salaj															
Total Revenues	125,830	n/a	273,283	n/a	<u>100.0%</u>	151,851	20.7%	235,065	-14.0%	<u>100.0%</u>	149,983	-1.2%	149,983	-36.2%	<u>100.0%</u>
- of which County Council	33,103	n/a	71,895	n/a	26.3%	42,240	27.6%	65,388	-9.1%	27.8%	27,016	-36.0%	27,016	-58.7%	18.0%
Total Expenditures	125,564	n/a	272,705	n/a	<u>99.8%</u>	151,697	20.8%	234,827	-13.9%	<u>99.9%</u>	149,983	-1.1%	149,983	-36.1%	<u>100.0%</u>
- of which County Council	33,026	n/a	71,728	n/a	26.3%	42,170	27.7%	65,279	-9.0%	27.8%	26,494	-37.2%	26,494	-59.4%	17.7%

**Revenues & Expenditures
of Local Authorities**

	Nominal	Yearly growth nominal	Real 1999	Yearly real growth	%	Nominal	Yearly growth nominal	Real 1999	Yearly real growth	%	Nominal	Yearly growth nominal	Real 1999	Yearly real growth	%
Sibiu															
Total Revenues	197,635	n/a	429,232	n/a	100.0%	237,557	20.2%	367,738	-14.3%	100.0%	310,628	30.8%	310,628	-15.5%	100.0%
- of which County Council	61,637	n/a	133,865	n/a	31.2%	72,555	17.7%	112,314	-16.1%	30.5%	63,880	-12.0%	63,880	-43.1%	20.6%
Total Expenditures	194,821	n/a	423,121	n/a	98.6%	236,645	21.5%	366,326	-13.4%	99.6%	310,628	31.3%	310,628	-15.2%	100.0%
- of which County Council	61,393	n/a	133,337	n/a	31.5%	72,486	18.1%	112,208	-15.8%	30.6%	63,880	-11.9%	63,880	-43.1%	20.6%
Suceava															
Total Revenues	244,017	n/a	529,967	n/a	100.0%	310,580	27.3%	480,778	-9.3%	100.0%	327,460	5.4%	327,460	-31.9%	100.0%
- of which County Council	41,805	n/a	90,794	n/a	17.1%	128,692	207.8%	199,215	119.4%	41.4%	53,000	-58.8%	53,000	-73.4%	16.2%
Total Expenditures	242,577	n/a	526,839	n/a	99.4%	309,496	27.6%	479,100	-9.1%	99.7%	327,460	5.8%	327,460	-31.7%	100.0%
- of which County Council	41,329	n/a	89,760	n/a	17.0%	128,693	211.4%	199,217	121.9%	41.6%	53,000	-58.8%	53,000	-73.4%	16.2%
Teleorman															
Total Revenues	159,404	n/a	346,201	n/a	100.0%	222,849	39.8%	344,970	-0.4%	100.0%	212,750	-4.5%	212,750	-38.3%	100.0%
- of which County Council	32,503	n/a	70,591	n/a	20.4%	49,906	53.5%	77,254	9.4%	22.4%	34,712	-30.4%	34,712	-65.3%	16.3%
Total Expenditures	157,524	n/a	342,118	n/a	98.8%	221,807	40.8%	343,357	0.4%	99.5%	212,750	-4.1%	212,750	-38.0%	100.0%
- of which County Council	32,306	n/a	70,163	n/a	20.5%	49,905	54.5%	77,253	10.1%	22.5%	34,712	-30.4%	34,712	-55.1%	16.3%
Timis															
Total Revenues	357,285	n/a	775,967	n/a	100.0%	479,235	34.1%	741,856	-4.4%	100.0%	675,442	40.9%	675,442	-9.0%	100.0%
- of which County Council	48,045	n/a	104,347	n/a	13.4%	80,622	67.8%	124,803	19.6%	18.8%	66,000	-18.1%	66,000	-47.1%	9.8%
Total Expenditures	356,287	n/a	773,800	n/a	99.7%	475,967	33.6%	736,797	-4.8%	99.3%	675,442	41.9%	675,442	-8.3%	100.0%
- of which County Council	47,277	n/a	102,678	n/a	13.3%	77,924	64.8%	120,626	17.5%	16.4%	66,000	-15.3%	66,000	-45.3%	9.8%
Tulcea															
Total Revenues	139,746	n/a	303,507	n/a	100.0%	188,907	35.2%	292,428	-3.7%	100.0%	169,025	-10.5%	169,025	-42.2%	100.0%
- of which County Council	52,737	n/a	114,536	n/a	37.7%	73,655	39.7%	114,018	-0.5%	39.0%	39,535	-46.3%	39,535	-65.3%	23.4%
Total Expenditures	139,432	n/a	302,825	n/a	99.8%	188,656	35.3%	292,039	-3.6%	99.9%	169,025	-10.4%	169,025	-42.1%	100.0%
- of which County Council	52,666	n/a	114,382	n/a	37.8%	73,653	39.8%	114,014	-0.3%	39.0%	39,535	-46.3%	39,535	-65.3%	23.4%
Vaslui															
Total Revenues	178,634	n/a	387,965	n/a	100.0%	223,703	25.2%	346,292	-10.7%	100.0%	299,625	33.9%	299,625	-13.5%	100.0%
- of which County Council	23,649	n/a	51,361	n/a	13.2%	41,263	74.5%	63,875	24.4%	18.4%	26,267	-36.3%	26,267	-58.9%	8.8%
Total Expenditures	178,298	n/a	387,235	n/a	99.8%	223,431	25.3%	345,871	-10.7%	99.9%	299,625	34.1%	299,625	-13.4%	100.0%
- of which County Council	23,553	n/a	51,153	n/a	13.2%	41,159	74.7%	63,714	24.6%	18.4%	25,138	-38.9%	25,138	-60.5%	8.4%
Vilcea															
Total Revenues	159,975	n/a	347,441	n/a	100.0%	214,691	34.2%	332,342	-4.3%	100.0%	288,633	34.4%	288,633	-13.2%	100.0%
- of which County Council	40,038	n/a	86,957	n/a	25.0%	57,081	42.6%	88,362	1.6%	26.6%	47,614	-16.6%	47,614	-46.1%	16.5%
Total Expenditures	158,186	n/a	343,555	n/a	98.9%	213,670	35.1%	330,761	-3.7%	99.5%	288,633	35.1%	288,633	-12.7%	100.0%
- of which County Council	39,689	n/a	86,199	n/a	25.1%	57,081	43.8%	88,362	2.5%	26.7%	47,614	-16.6%	47,614	-46.1%	16.5%
Vrancea															
Total Revenues	170,137	n/a	369,511	n/a	100.0%	219,207	28.8%	339,332	-8.2%	100.0%	340,550	55.4%	340,550	0.4%	100.0%
- of which County Council	30,203	n/a	65,595	n/a	17.8%	57,427	90.1%	88,897	35.5%	26.2%	151,425	163.7%	151,425	70.3%	44.5%
Total Expenditures	169,418	n/a	367,949	n/a	99.6%	218,761	29.1%	338,642	-8.0%	99.8%	340,550	55.7%	340,550	0.6%	100.0%
- of which County Council	29,963	n/a	65,074	n/a	17.7%	57,339	91.4%	88,761	36.4%	26.2%	151,425	164.1%	151,425	70.6%	44.5%
Municipiul Bucuresti															
Total Revenues	2,270,236	n/a	4,930,598	n/a	100.0%	2,926,173	28.9%	4,529,716	-8.1%	100.0%	4,521,674	54.5%	4,521,674	-0.2%	100.0%
- of which County Council	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Expenditures	2,231,322	n/a	4,846,083	n/a	98.3%	2,892,553	29.6%	4,477,672	-7.6%	98.9%	4,521,674	56.3%	4,521,674	1.0%	100.0%
- of which County Council	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Local Authorities															
Total Revenues	10,468,498	n/a	22,735,945	n/a	100.0%	13,454,174	28.5%	20,827,061	-8.4%	100.0%	19,168,897	42.5%	19,168,897	-8.0%	100.0%
- of which County Councils	3,949,919	n/a	8,578,607	n/a	37.7%	5,722,032	44.9%	8,857,706	3.3%	42.5%	7,418,024	29.8%	7,418,024	-16.3%	38.7%
Total Expenditures	10,370,483	n/a	22,523,071	n/a	99.1%	13,381,456	29.0%	20,714,494	-8.0%	99.5%	19,168,897	43.2%	19,168,897	-7.5%	100.0%
- of which County Councils	3,901,234	n/a	8,472,872	n/a	37.6%	5,678,066	45.5%	8,789,646	3.7%	42.4%	7,310,341	28.7%	7,310,341	-16.8%	38.1%
Yearly Inflation	151.4%					40.3%					54.8%				
Adjustment	2.17					1.55					1.00				

Child Protection Expenditures

By Level of Government ('000 ROL)

Case Studies	1997					1998					1999				
	Nominal	Yearly growth	Real 1999	Yearly growth	Structure	Nominal	Yearly growth	Real 1999	Yearly growth	Structure	Nominal	Yearly growth	Real 1999	Yearly growth	Structure
Bucuresti															
Total	41,481,377	n/a	90,091,080	n/a	100.0%	66,061,579	59.3%	102,263,324	13.5%	100.0%	118,094,055	78.8%	118,094,055	15.5%	100.0%
Central budget	24,655,754	n/a	53,548,451	n/a	59.4%	7,171,948	-70.9%	11,102,176	-79.3%	10.9%	8,579,453	19.6%	8,579,453	-22.7%	7.3%
Local budgets	16,825,623	n/a	36,542,628	n/a	40.6%	58,889,631	250.0%	91,161,149	149.5%	89.1%	109,514,602	86.0%	109,514,602	20.1%	92.7%
- of which County Council	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Covasna															
Total	3,362,529	n/a	7,302,888	n/a	100.0%	7,141,640	112.4%	11,055,259	51.4%	100.0%	8,972,563	25.6%	8,972,563	-18.8%	100.0%
Central budget	2,746,239	n/a	5,964,403	n/a	81.7%	1,255,888	-54.3%	1,944,115	-67.4%	17.6%	1,472,563	17.3%	1,472,563	-24.3%	16.4%
Local budgets	616,290	n/a	1,338,486	n/a	18.3%	5,885,752	855.0%	9,111,144	580.7%	82.4%	7,500,000	27.4%	7,500,000	-17.7%	83.6%
- of which County Council	47,058	n/a	102,203	n/a	7.6%	5,885,752	12407.4%	9,111,144	8814.8%	100.0%	7,500,000	27.4%	7,500,000	-17.7%	100.0%
Hunedoara															
Total	8,908,415	n/a	19,347,688	n/a	100.0%	14,949,710	67.8%	23,142,151	19.6%	100.0%	18,964,188	26.9%	18,964,188	-18.1%	100.0%
Central budget	7,259,493	n/a	15,766,486	n/a	81.5%	3,129,024	-56.9%	4,843,729	-69.3%	20.9%	3,964,188	26.7%	3,964,188	-18.2%	20.9%
Local budgets	1,648,922	n/a	3,581,201	n/a	18.5%	11,820,686	616.9%	18,298,422	411.0%	79.1%	15,000,000	26.9%	15,000,000	-18.0%	79.1%
- of which County Council	-	n/a	-	n/a	0.0%	11,820,686	n/a	18,298,422	n/a	100.0%	15,000,000	26.9%	15,000,000	-18.0%	100.0%
Timis															
Total	12,372,310	n/a	26,870,727	n/a	100.0%	27,693,946	123.8%	42,870,228	59.5%	100.0%	37,170,242	34.2%	37,170,242	-13.3%	100.0%
Central budget	8,265,707	n/a	17,951,826	n/a	66.8%	4,329,710	-47.6%	6,702,391	-62.7%	15.6%	5,616,807	29.7%	5,616,807	-16.2%	15.1%
Local budgets	4,106,603	n/a	8,918,901	n/a	33.2%	23,364,236	468.9%	36,167,837	305.5%	84.4%	31,553,435	35.1%	31,553,435	-12.8%	84.9%
- of which County Council	168,318	n/a	365,560	n/a	4.1%	22,238,873	13112.4%	34,425,775	9317.3%	95.2%	24,000,000	7.9%	24,000,000	-30.3%	76.1%
Tulcea															
Total	5,354,806	n/a	11,629,803	n/a	100.0%	10,532,973	96.7%	16,305,042	40.2%	100.0%	10,797,245	2.5%	10,797,245	-33.8%	100.0%
Central budget	4,216,806	n/a	9,158,245	n/a	78.7%	1,182,115	-72.0%	1,829,914	-80.0%	11.2%	1,702,245	44.0%	1,702,245	-7.0%	15.8%
Local budgets	1,138,000	n/a	2,471,558	n/a	21.3%	9,350,858	721.7%	14,475,128	485.7%	88.8%	9,095,000	-2.7%	9,095,000	-37.2%	84.2%
- of which County Council	-	n/a	-	n/a	0.0%	9,350,858	n/a	14,475,128	n/a	100.0%	9,095,000	-2.7%	9,095,000	-37.2%	100.0%
Vaslui															
Total	7,724,744	n/a	16,776,939	n/a	100.0%	14,313,820	85.3%	22,157,793	32.1%	100.0%	13,036,538	-8.9%	13,036,538	-41.2%	100.0%
Central budget	5,939,706	n/a	12,900,115	n/a	76.9%	1,443,664	-75.7%	2,234,792	-82.7%	10.1%	1,686,538	16.8%	1,686,538	-24.5%	12.9%
Local budgets	1,785,038	n/a	3,876,824	n/a	23.1%	12,870,156	621.0%	19,923,001	413.9%	89.9%	11,350,000	-11.8%	11,350,000	-43.0%	87.1%
- of which County Council	32,057	n/a	69,623	n/a	1.8%	11,764,165	36597.6%	18,210,927	26056.6%	91.4%	10,350,000	-12.0%	10,350,000	-43.2%	91.2%

Child Protection Expenditures

by government level '000 000 ROL

	1997					1998					1999				
	Nominal	Yearly growth	Real 1999	Yearly growth	Structure	Nominal	Yearly growth	Real 1999	Yearly growth	Structure	Nominal	Yearly growth	Real 1999	Yearly growth	Structure
National Level															
Total	467,097	n/a	1,014,463	n/a	100.0%	810,570	73.5%	1,254,762	23.7%	100.0%	838,444	3.4%	838,444	-33.2%	100.0%
Central budget	332,470	n/a	722,073	n/a	71.2%	119,706	-64.0%	185,305	-74.3%	14.8%	116,646	-2.6%	116,646	-37.1%	13.9%
Local budgets	134,627	n/a	292,390	n/a	28.8%	690,864	413.2%	1,069,457	265.8%	85.2%	721,798	4.5%	721,798	-32.5%	86.1%
- of which County Councils	*	n/a	*	n/a	*	625,194	*	967,800	*	90.5%	654,917	4.8%	654,917	-32.3%	90.7%
GDP	249,750,000					338,670,000					474,830,000				
Total as % from GDP	0.19%					0.24%					0.18%				
Central budget as % from GDP	0.13%					0.04%					0.02%				
Local budgets as % from GDP	0.05%					0.20%					0.15%				
Inflation	151.4%					40.3%					54.8%				
Adjusment	2.17					1.55					1.00				

Fiscal Decentralization - General Perspective

billions of ROL

	1998	1999 Estimate
GDP	338,670	474,830
General government expenditure <u>1/</u>	131,122	170,243
Central state expenditure	77,617	93,384
Local government expenditures, of which	13,381	19,169
County Councils	5,678	7,310
Local Councils	7,703	11,859
Ratios (percent)		
General Government Expenditures/ GDP	38.7%	35.9%
Central State Expenditures/ GDP	22.9%	19.7%
LG Expenditures / GDP, of which	4.0%	4.0%
County Council Expenditures / GDP	1.7%	1.5%
Local Council Expenditures / GDP	2.3%	2.5%
LG Expenditures / General Government Expenditures, of which	10.2%	11.3%
County Council expenditures / General Government Expenditures	4.3%	4.3%
Local Council Expenditures/ General Government Expenditures	5.9%	7.0%
LG Expenditures / Central State Expenditures	17.2%	20.5%
County Council expenditures / Central State Expenditures	7.3%	7.8%
Local Council Expenditures/ Central State Expenditures	9.9%	12.7%

1/ Including local government expenditures

Sources: Prepared by the Urban Institute with data obtained from:
Romania: Country Report 1st Quarter 1999, The Economist
Intelligence Unit
Ministry of Finance Budget Department

Funding and Expenditures of Local Governments

millions of ROL

	1998	1999 Budget
Total Revenues	13,454,174	19,168,897
"Own" Revenues	3,401,753	15,956,358
Of Which		
Local Taxes and Fees	2,476,571	6,079,712
Shared National Tax Revenues	n/a	7,796,730
Other Local Sources of Financing	925,182	2,079,916
From the State Budget	10,052,421	3,212,539
Of Which		
Transfers	4,997,959	1,001,400
Dedicated Transfers	5,054,462	2,211,139
Total Expenditures	13,381,456	19,168,897
Of which		
Executive Authorities	1,796,726	2,945,956
Education	1,209,235	1,780,420
Health	68,761	102,746
Culture, Religion and Sport	654,290	826,219
Social Assistance	1,243,815	1,417,807
Public Works	5,532,117	7,361,684
Transportation and Roads	2,711,882	2,415,644
Other Economic Activities	6,426	13,384
Other Activities	135,950	188,172
Agriculture and Forestry	n/a	211,814
Special Destination Actions	n/a	1,721,950
Repayment of loans and interest payments	22,254	72,059
Reserves	n/a	111,042
Ratios (percent)		
Own Revenues/Total Revenues	25.3%	83.2%
Local Taxes and Fees/Total Revenues	18.4%	31.7%
Shared National Taxes/Total Revenues	n/a	40.7%
Revenues from the State Budget/Total Revenues	74.7%	16.8%
Dedicated Transfers/Total Revenues	37.6%	11.5%
Executive Authorities/Total Expenditures	13.4%	15.4%
Education/Total Expenditures	9.0%	9.3%
Health/Total Expenditures	0.5%	0.5%
Culture, Religion and Sport/Total Expenditures	4.9%	4.3%
Social Assistance/Total Expenditures	9.3%	7.4%
Public Works/Total Expenditures	41.3%	38.4%
Transportation and Roads/Total Expenditures	20.3%	12.6%
Other Economic Activities/Total Expenditures	0.0%	0.1%
Other Activities/Total Expenditures	1.0%	1.0%
Agriculture and Forestry/Total Expenditures	n/a	1.1%
Special Destination Actions/Total Expenditures	n/a	9.0%
Repayment of loans and interest payments/Total Expenditures	0.2%	0.4%
Reserves/Total Expenditures	n/a	0.6%

Revenues and Expenditures of County Councils

Millions of constant 1999 ROL

	1998	1999 Budget	Percent change 1998/1999
Total Revenues	8,857,705	7,418,025	-16.3%
"Own" Revenues	1,667,673	6,116,634	266.8%
Of Which			
Local Taxes and Fees other Local Sources of Financing	1,667,673	2,543,818	52.5%
Shared National Tax Revenues	n/a	3,572,816	n/a
From the State Budget	7,190,032	1,301,391	-81.9%
Of Which			
Transfers	3,586,448	129,134	-96.4%
Dedicated Transfers	3,603,584	1,172,257	-67.5%
Total Expenditures	8,789,645	7,310,340	-16.8%
Of which			
Executive Authorities	599,219	612,596	2.2%
Education	257,906	228,500	-11.4%
Health	24,352	20,718	-14.9%
Culture, Religion and Sport	689,297	410,599	-40.4%
Social Assistance	1,086,762	776,538	-28.5%
Of which, child protection	967,800	654,917	-32.3%
Public Works	2,922,989	2,344,979	-19.8%
Transportation and Roads	3,074,283	1,725,569	-43.9%
Other Economic Activities	8,584	6,021	-29.9%
Other Activities	126,254	9,403	-92.6%
Agriculture and Forestry	0	3,160	n/a
Expenditures mandated by funding source	0	1,172,257	n/a
Ratios (percent)			
Own Revenues/Total Revenues	18.8%	82.5%	
Local Taxes and Fees/Total Revenues	18.8%	34.3%	
Shared National Taxes/Total Revenues	n/a	48.2%	
Revenues from the State Budget/Total Revenues	81.2%	17.5%	
Dedicated Transfers/Total Revenues	40.7%	15.8%	
Executive Authorities/Total Expenditures	6.8%	8.4%	
Education/Total Expenditures	2.9%	3.1%	
Health/Total Expenditures	0.3%	0.3%	
Culture, Religion and Sport/Total Expenditures	7.8%	5.6%	
Social Assistance/Total Expenditures	12.4%	10.6%	
Public Works/Total Expenditures	33.3%	32.1%	
Transportation and Roads/Total Expenditures	35.0%	23.6%	
Other Economic Activities/Total Expenditures	0.1%	0.1%	
Other Activities/Total Expenditures	1.4%	0.1%	
Agriculture and Forestry/Total Expenditures	n/a	0.0%	
Expenditures mandated by funding source	n/a	16.0%	
	100%	100.0%	

Revenues and Expenditures of Local Councils

Millions of constant 1999 ROL

	1998	1999 Budget	Percent change 1998/1999
Total Revenues	11,969,357	11,750,872	-1.8%
"Own" Revenues	3,598,240	9,839,724	173.5%
Of Which			
Local Taxes and Fees other Local Sources of Financing	3,598,240	5,615,810	56.1%
Shared National Tax Revenues	n/a	4,223,914	n/a
From the State Budget	8,371,116	1,911,148	-77.2%
Of Which			
Transfers	4,150,393	872,266	-79.0%
Dedicated Transfers	4,220,723	1,038,882	-75.4%
Total Expenditures	11,890,399	11,675,456	-1.8%
Of which			
Executive Authorities	2,182,113	2,333,360	6.9%
Education	1,613,990	1,551,920	-3.8%
Health	82,090	82,028	-0.1%
Culture, Religion and Sport	323,544	415,620	28.5%
Social Assistance	838,664	641,270	-23.5%
Public Works	5,640,728	5,016,705	-11.1%
Transportation and Roads	1,123,710	690,075	-38.6%
Other Economic Activities	1,363	7,363	440.0%
Other Activities	84,197	178,769	112.3%
Agriculture and Forestry	n/a	208,654	n/a
Expenditures mandated by funding source	n/a	549,693	n/a
Ratios (percent)			
Shared wage-tax, investment, social protection revenues and equalization grants.			
Equalization grants were introduced in 1999. They are a subset of the national transfers to the local governments.			
Own Revenues/Total Revenues	30.1%	83.7%	
Local Taxes and Fees/Total Revenues	30.1%	47.8%	
Shared National Taxes/Total Revenues	n/a	35.9%	
Revenues from the State Budget/Total Revenues	69.9%	16.3%	
Dedicated Transfers/Total Revenues	35.3%	8.8%	
Executive Authorities/Total Expenditures	18.4%	20.0%	
Education/Total Expenditures	13.6%	13.3%	
Health/Total Expenditures	0.7%	0.7%	
Culture, Religion and Sport/Total Expenditures	2.7%	3.6%	
Social Assistance/Total Expenditures	7.1%	5.5%	
Public Works/Total Expenditures	47.4%	43.0%	
Transportation and Roads/Total Expenditures	9.5%	5.9%	
Other Economic Activities/Total Expenditures	0.0%	0.1%	
Other Activities/Total Expenditures	0.7%	1.5%	
Agriculture and Forestry/Total Expenditures	n/a	1.8%	
Expenditures mandated by funding source	n/a	4.7%	
	100%	100.0%	

ANNEX C

	Covasna		Hunedoara		Timis		Tulcea		Vaslui		Bucutresti -sector 5	
	1998	1999*	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999
Centre de plasament												
Nr. centre de plasament / no. of placement centers	5	7	9	9	9	9	4	4	5	5	3	4
Capacitate/ capacity	386	410	1086	1086	1362	1362	666	666		505	465	545
Nr. copii in centre/ actual no. of children in institutions	359	301	858	783	1351	1324	458	410	542	514	350	538
Varsta copiilor/ no. of institutionalized children by age												
- 0 – 3 ani/ o-3 years		29	120	97			96	78	105	99	21	17
- prescolari/ kindergarten age		25					80	67	149	127	55	51
- scolari/ school age children		247					282	265	288	288	474	470
Internari in institutii/ no. of cases institutionalized												
- din familie (abandon familial)/ from the family			105	115	384	89	126	21	117	17	12	19
- din maternitate/ from maternities											5	1
- prin transfer din alta institutie/ transfer from other institution							37	1			7	18
Externari din institutii/ no. of deinstitutionalization												
- integrare in familia naturala/ natural family integration			86	184	323	116	231	48	156	35	152	115
- implinirea varstei de 18 ani/ over 18 years			0	0	105	28	123	26			49	30
- transfer in alta institutie/ transferred to other institution			0	0	15	20	69	2			1	17
- asistenti maternali/ maternal assistant			4	81				4			1	13
- plasament familial/ family placement			3	6							51	28
- incredintare/			18	70	44	23					9	4
- adoptie/ adoption			61	27	53	34	34	10			41	23
Personal angajat in centrele de plasament/ no. of employees in placemer												
	166											
Cadre medicale / medical employees	54	51	44	41	269	252		52	80	90	5	9
Cadre didactice/ educational staff	36	33	89	86	229	202		63.5	55	57	33	5
Psihologi/ psychologists	0	0	1	1	8	11		10			3	3
Personal asistenta sociala (studii superioare)/ social workers (univ)	2	2	2	6	28	25					1	1
Buget (mii lei)/ budget (thousands lei)	7500000	10500000	9973341	10660180								16531430
Centre de primire/ center for receiving children in emergency state												
Nr centre de primire/ no. of receiving centers	1	1		1	1	1	1	1	1	1		0 1(ciresarii II)
Capacitate/ capacity	10	12		20								80
Nr copii in evidenta/ no. of children in evidence	23	25			264	110	126					269
Nr mediu minori pe zi/ average no. of children per day	7	10			17	12	4.5					3.00
Personal angajat/ no. of employees, of which:												
Cadre medicale / medical staff	4	6			9	10						49
Cadre didactice/ educational staff	0	1			4	4						4
Personal asistenta sociala/ social workers (certified)	0	0			2	2						0
	0	0			3	2						16 (studii medii)
Alte centre / servicii // other centers/ services												
Centrul de coordonare si informare "Copiii strazii" Timis												
Centrul maternal Babadag - Tulcea												

	Covasna		Hunedoara		Timis		Tulcea		Vaslui		Bucutresti -sector 5	
	<u>1998</u>	<u>1999*</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>	<u>1999</u>
Centrul de agrement si recreere Baia de Cris - Hunedoara												
Centrul maternal Hunedoara												
Centrul de ocrotire pentru copii cu handicap psiho-motor Hunedoara												

Plasament familial/ family placement

Nr. copii aflati in plasament/ incredintare// no. of children in placement			221	119							98	61
Nr. asistenti maternali atestati / no. of certified maternal assistants									8	50	1	13
Asistenti maternali atestati carora li s-au incredintat deja copii/ no.	0	36		44						28	1	6
Nr copii in la asistenti maternali profesionisti/ no. of children at ma	0	72		85		24				32	1	13
* at 31.10.999												

Adoptii/ adoptions

- adoptii nationale aprobate de CPC/ national adoptions - aprobed					62	29			63	23		
- adoptii nationale ramase definitive prin sentinta civila/ national a	16	15	67	30	51	29						
- adoptii internationale aprobate de CPC/ intern. Adoptions aprobed					78	22						
- adoptii internationale ramase definitive prin sentinta civila/ intern	22	16	61	43	70	21						

**Expenditures for child protection at the county level funded from local budgets
1996 constant lei ('000)**

	Covasna	Hunedoara	Timis	Tulcea	Vaslui
1997	102,203	3,581,201	365,560	0	69,623
1998	9,111,144	18,296,422	34,425,775	14,475,128	18,210,927
1999	7,500,000	15,000,000	24,000,000	9,905,000	10,350,000
Children in institutions	Covasna	Hunedoara	Timis	Tulcea	Vaslui
1998	386	858	1351	458	542
1999	301	783	1324	410	514
Change 1998 - 1999	85	75	27	48	28
De-institutionalization rate	22.0%	8.7%	2.0%	10.5%	5.2%
Expenditures/ assisted child 1996 constant lei ('000)					
1998	23,604	21,325	25,482	31,605	33,599
1999	24,917	19,157	18,127	24,159	20,136
Percent change 1999/1998					
Total expenditures	-17.7%	-18.0%	-30.3%	-31.6%	-43.2%
Expenditure/child	5.6%	-10.2%	-28.9%	-23.6%	-40.1%

	1997							1998						
	Number of receiving centers	Capacity of receiving centers	Total number of children received in receiving centers	Number of children-days in receiving centers	Expenditures of the receiving centers	Expenditure per child-day in receiving centers	Average number of days a child has been hosted in the receiving center	Number of receiving centers	Capacity of receiving centers	Total number of children received in receiving centers	Number of children-days in receiving centers	Expenditures of the receiving centers	Expenditure per child-day in receiving centers	
Alba	1	15	17	736	77804	105.71	43.29	1	15	49	1320	68000	51.52	
Arad	1	15	168	5823	184917	31.76	34.66	1	18	170	6467	323557	50.03	
Arges	1	10	43	316	55353	175.17	7.35	1	8	52	169	70772	418.77	
Bacau	1	20	360	3020	78464	25.98	8.39	0	0	0	0	0	0	
Bihor	1	25	247	2717	93092	34.26	11	1	25	18	4015	1270601	316.46	
Bistrita	1	20	101	934	191667	205.21	9.25	1	20	67	642	97342	151.62	
Botosani	1	20	241	4155	99804	24.02	17.24	1	20	225	16	86365	5397.81	
Brasov	1	16	139	10302	204604	1.99	741.02	1	16	183	6114	436424	71.38	
Braila	1	25	333	2603	352746	135.52	7.82	0	0	0	0	0	0	
Buzau	1	15	63	2058	124438	60.47	32.67	1	12	12	3978	217807	54.75	
Caras-Severin	1	10	23	56	8047	143.7	2.43	1	10	30	927	77095	83.17	
Calarasi	1	20	42	205	250257	1220.77	4.88	1	8	18	95	450231	4739.27	
Cluj	1	20	299	4999	640391	128.1	16.72	1	20	201	10442	427501	40.94	
Constanta	1	40	321	8230	99410	12.08	25.64	1	40	324	6804	525883	77.29	
Covasna	1	10	14	176	41955	238.38	12.57	1	10	3	650	79440	122.22	
Dambovita	1	25	598	4494	369656	82.26	7.52	1	25	534	4272	308500	72.21	
Dolj	2	30	148	8823	332427	37.68	59.61	1	10	6	2190	120017	54.8	
Galati	1	20	350	3960	101009	25.51	11.31	1	20	150	1800	2012907	1118.28	
Giurgiu	0	0	0	0	0	0	0	1	10	1	8	136	17	
Gorj	1	18	56	417	225889	541.7	7.45	1	18	47	386	216018	559.63	
Harghita	1	30	80	2215	169684	76.61	27.69	1	30	70	1850	475000	256.76	
Hunedoara	1	20	262	5760	211026	36.64	21.98	1	20	20	7300	219639	30.09	
Ialomita	1	12	64	1297	58078	44.78	20.27	1	13	13	417	104510	250.62	
Iasi	1	30	413	3731	251852	67.5	9.03	1	36	30	6570	484687	73.77	
Maramures	1	20	163	3335	191881	57.54	20.46	1	20	29	6825	204342	29.94	
Mehedinti	1	9	29	167	239608	1434.78	5.76	1	10	0	0	0	0	
Mures	1	20	21	3708	112368	30.3	176.57	1	15	138	4380	189521	43.27	
Neamt	1	30	345	5164	148065	28.67	14.97	1	30	283	2595	73000	28.13	
Olt	1	8	161	1312	703886	536.5	8.15	1	6	164	983	112067	114.01	
Prahova	1	15	144	2898	109877	37.91	20.13	1	15	10	2794	163306	58.45	
Satu Mare	1	25	260	4506	148546	32.97	17.33	1	16	300	9000	192914	21.43	
Salaj	1	5	28	352	73983	210.18	12.57	1	6	50	694	150000	216.14	
Sibiu	1	10	76	2801	70645	25.22	36.86	1	10	10	2013	122516	60.86	
Suceava	1	25	172	2633	87417	33.2	15.31	1	10	128	27435	148755	5.42	
Teleorman	1	8	2	4	40	10	2	1	8	10	58	432	7.45	
Timis	1	25	152	5243	168318	32.1	34.49	1	15	268	8395	101077	12.04	
Tulcea	1	20	162	703	76785	109.22	4.34	1	20	126	574	746200	1300	
Vaslui	1	10	20	80	19556	244.45	4	1	10	45	360	648582	1801.62	
Valcea	1	8	6	224	122665	547.61	37.33	1	8	5	365	99412	272.36	
Vrancea	1	30	240	1383	90087	65.14	5.76	1	30	287	1074	125979	117.3	
Bucharest*	5	340	1652	220092	3306790	15.02	133.23	1	35	37	1066	564725	529.76	
Ifov	0	0	0	0	0	0	0	0	0	0	0	0	0	
										4113	135043			

expenditure/ revenues are in nominal value, 000 lei

Note: some data are not corresponding to Vel's data; for example, the expenditure for child protection from the county council is lower in Vel's data sheet than that indicated by the MOLSP as the budgets allocated to the placement center only
All data related to county councils' revenues are from Vel's datasheet;

1998											
Average number of days a child has been hosted in the receiving center	Number of placement centers	Capacity of placement centers	Actual number of children in placement centers	Capacity minus Actual	Expenditures of the placement centers	Expenditure/ child in placement centers	Expenditures of receiving and placement centers	Expenditures for child protection at the County Council level (Vel's data)	Expenditures in institutions as percent of total expenditures for child protection	Expenditures for child protection minus expenditures in institutions	Total revenues of the County Councils
26.94	10	1288	1197	91	11,895,946	9,938	11,963,946	11,324,877	105.64%	639,069	62,360,000
38.04	4	713	590	123	10,552,870	17,886	10,876,427	12,135,897	89.62%	1,259,470	124,000,000
3.25	9	875	956	-81	11,932,797	12,482	12,003,569	12,568,533	95.50%	564,964	64,005,000
0	6	1300	1061	239	20,007,709	18,857	20,007,709	21,629,705	92.50%	1,621,996	99,917,000
223.06	4	972	973	-1	15,431,004	15,859	16,701,605	17,173,856	97.25%	472,251	66,440,000
9.58	4	239	546	-307	9,172,062	16,799	9,269,404	9,747,200	95.10%	477,796	46,786,000
0.07	11	1680	1605	75	23,721,542	14,780	23,807,907	24,491,055	97.21%	683,148	66,442,000
33.41	6	715	825	-110	13,200,993	16,001	13,637,417	15,464,413	88.19%	1,826,996	138,000,000
0	0	0	0	0	0	0	0	17,699,989	0.00%	17,699,989	51,160,000
331.5	7	940	865	75	14,488,513	16,750	14,706,320	15,358,228	95.76%	651,908	64,537,000
30.9	6	698	578	120	5,936,681	10,271	6,013,776	6,391,827	94.09%	378,051	32,012,000
5.28	4	330	426	-96	8,262,991	19,397	8,713,222	9,295,107	93.74%	581,885	32,896,000
51.95	5	626	584	42	9,770,238	16,730	10,197,739	13,664,700	74.63%	3,466,961	131,000,000
21	9	846	761	85	13,093,378	17,205	13,619,261	11,588,968	117.52%	2,030,293	135,000,000
216.67	5	386	373	13	5,067,714	13,586	5,147,154	5,885,752	87.45%	738,598	30,732,000
8	3	606	347	259	5,621,876	16,201	5,930,376	7,307,911	81.15%	1,377,535	37,410,000
365	5	720	662	58	13,241,983	20,003	13,362,000	13,618,000	98.12%	256,000	80,574,000
12	6	935	892	43	11,970,093	13,419	13,983,000	13,966,839	100.12%	16,161	62,437,000
8	5	290	267	23	5,561,425	20,829	5,561,561	5,773,952	96.32%	212,391	34,448,000
8.21	3	425	399	26	3,030,140	7,594	3,246,158	3,248,262	40.94%	4,682,104	41,298,000
26.43	5	829	889	-60	11,182,000	12,578	11,657,000	12,596,000	92.55%	939,000	62,601,000
365	9	971	954	17	10,942,129	11,470	11,161,768	11,820,686	94.43%	658,918	91,189,000
32.08	4	462	331	131	6,313,983	19,075	6,418,493	7,293,946	88.00%	875,453	33,455,000
219	17	2232	2189	43	36,318,125	16,591	36,802,812	41,805,965	88.03%	5,003,153	188,000,000
235.34	8	1075	1297	-222	13,824,872	10,659	14,029,214	14,729,214	95.25%	700,000	56,571,000
0	5	470	365	105	6,411,327	17,565	6,411,327	7,291,480	87.93%	880,153	51,006,000
31.74	5	755	672	83	7,857,202	11,692	8,046,723	10,778,820	74.65%	2,732,097	70,729,000
9.17	6	1485	1413	72	22,914,000	16,217	22,987,000	22,004,491	104.47%	982,509	58,726,000
5.99	7	1335	1256	79	17,471,739	13,911	17,583,806	20,326,231	86.51%	2,742,425	38,559,000
279.4	5	915	902	13	12,562,202	13,927	12,725,508	14,177,598	89.76%	1,452,090	69,029,000
30	11	1464	1363	101	16,036,112	11,765	16,229,026	16,991,215	95.51%	762,189	42,987,000
13.88	3	530	316	214	5,881,752	18,613	6,031,752	7,532,970	80.07%	1,501,218	42,240,000
201.3	9	1114	1000	114	9,795,341	9,795	9,917,857	13,990,575	70.89%	4,072,718	72,555,000
214.34	7	1528	1422	106	23,156,000	16,284	23,304,755	24,828,966	93.86%	1,524,211	129,000,000
5.8	0	0	0	0	0	0	432	10,460,109	0.00%	10,459,677	49,906,000
31.32	9	1384	1340	44	20,797,592	15,521	20,898,669	22,238,873	93.97%	1,340,204	80,622,000
4.56	4	650	492	158	8,448,638	17,172	9,194,838	9,350,858	98.33%	156,020	73,655,000
8	5	634	479	155	10,117,918	21,123	10,766,500	11,764,165	91.52%	997,665	41,263,000
73	5	1086	890	196	23,611,654	26,530	23,711,066	14,404,552	164.61%	9,306,514	57,081,000
3.74	6	940	877	63	13,825,056	15,764	13,951,035	14,822,474	94.12%	871,439	57,427,000
28.81	18	2707	2518	189	30,132,832	11,967	30,697,557	58,889,631	52.13%	28,192,074	2,930,000,000
0	1	200	179	21	1,843,875	10,301	1,843,875	4,079,669	45.20%	2,235,794	229,000,000
							533,119,564	625,193,559	85.27%		
					Median	15,930					
					Standard Dev	3,808					
					Stdv Up	0.911					
					Stdv Dwn	0.238					
						0.673					

Number of children in social assistance institutions										
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
a. Children in institutions:										
Institutions for children 0-3 years	8,558	8,028	7,878	8,245	10,950	8,715	8,950	8,810	7,712	
Institutions for children 3-18 years	25,870	25,500	22,852	23,859	30,559	28,955	30,891	30,478	26,792	
re-educational schools	635	621	322	677	458	663	365	917	1,079	
total	35,063	34,149	31,052	32,781	41,967	38,333	40,206	40,205	35,583	30,854
b. Handicapped children in :										
Camine spital*	3,354	3,617	3,444	3,021	4,150	4,552	4,180	4,331	3,930	
Camine atelier**	594	1,073	1,020	960	678	360	139	50	92	
School hostels**	2,971	3,332	2,873	793	2,977	2,863	2,720	2,857	2,609	
Total	6,919	8,022	7,337	4,774	7,805	7,775	7,039	7,238	6,631	
Grand Total	41,982	42,171	38,389	37,555	49,772	46,108	47,245	47,443	42,122	

* Under the responsibility of the State Department for Handicapped Persons until 2000

** Under the responsibility of Ministry of Education until 2000

Receiving centers for children	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total number of children hosted	5,088	6,124	6,382	7,011	8,303	6,167	9,156	8,015	4,113	
Total number of days spent by children in rec	99,101	120,821	94,830	155,906	158,139	110,415	154,527	331,632	135,043	
Average number of days spent by a child in r	19,5	19,7	14,9	22,2	19,1	17,9	16,9	41,4	32,8	

Handicapped children

Personal assistants for handicapped children

Average number of assistants./ month	1998	1999*
Total salary paid (nominal, '000 lei)	22,197	22,344
Average annual salary (nominal, '000 lei)	144,410,248	31,081,503
	6,506	5,564

Personal assistants for handicapped adults

Average number of assistants./ month	53,696	56,724
Total salary paid (nominal, '000 lei)	348,554,171	81,224,898
Average annual salary (nominal, '000 lei)	6,491	5,728

Transportation subsidies for handicapped children

Urban transportation

Average number of beneficiaries / year	8,994	6,187
Total annual subsidies (nominal, '000 lei)	7,712,460	1,053,259

Inter-urban transportation

Average number of beneficiaries / year **	7,716	7,729
Total annual subsidies (nominal, '000 lei)	1,297,990	271,428

* 1999 data is for the first trimester of the year only

** The number does not include persons that traveled by train due to the payment procedure

Data source: the State Departement for handicapped Persons and the MOLSP report on social assistance activities (1997-1998)

First model explaining the 1998 child protection expenditure at the level of the county council

No. of cases: 39; I have taken out Bucharest, because of the distortions it induces; two additional cases have been taken out because of the independent variable "average capacity" (two judets where no. of placement centers is 0)

Model Summary

Model	R	R Square	Adjusted R	Durbin-Watson
1	0.880477808	0.775241	0.755976	1.847432

a Predictors: (Constant), county council revenues 1998, average capacity of the placement centers, no. of placement centers
 b Dependent Variable: expenditure with child protection at the county council level

Coefficients

Model		Unstandardized Coefficients				Standardized Coefficients		Correlations		Collinearity Statistics	
		B	Standard Error	Beta	Standard Error	Zero-order	Partial	Tolerance	VIF		
1	(Constant)	-9361863									
	no. of placement centers	1907269		0.79482		0.730848	0.847371	0.906018	1.10373		
	average capacity of the pl	68187.09		0.462051		0.336162	0.6802	0.906505	1.103137		
	county council revenues 1	0.017273		0.108073		0.361096	0.211447	0.900637	1.110325		

a Dependent Variable: expenditure with child protection at the county council level

Second model explaining the child protection expenditure at county council level in 1999

The number of centers and the number of children in institutions do have an influence upon the expenditure with child protection in 1999, but their explanatory value is pretty small, therefore I chose for the model where the county council revenues is used as the single independent variable (when taken all three variables, the R square is about the same)

Model Summary

Model	R	R Square	Adjusted R	Durbin-Watson
1	0.651405071	0.424329	0.409568	2.04807

a Predictors: (Constant), revenues of the county council 1999
 b Dependent Variable: Child protection expenditures in 1999 at the level of county councils

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
		B	Beta	Correlations	Zero-order	Partial	Tolerance	VIF
1	(Constant)	7900888						
	revenues of the county council	0.07647	0.651405	0.651405	0.651405		1	1

a Predictors: (Constant), revenues of the county council 1999
 b Dependent Variable: Child protection expenditures in 1999 at the level of county councils

Third model explaining the annual rate of increase of child protection expenditures

No. of cases: 41, excepting Bucharest

Model Summary

Model	R	R Square	Adjusted R Square	Durbin-Watson
1	0.872503965	0.761263	0.74902	2.056691

a For regression through the origin (the no-intercept model), R Square measures the proportion of the variability in the dependent variable about the origin explained by regression. This CANNOT be compared to R Square for models which include an intercept.
 b Predictors: exp. With child protection in 1998 in real terms, annual increase rate of the county council revenues (1999/98)
 c Dependent Variable: annual increase rate of child protection exp. At the county council level (99/98)
 d Linear Regression through the Origin

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics	
		B	Beta	Correlations	Zero-order	Partial	Tolerance
1	annual increase rate of the county council	0.231203	0.273378	0.702372	0.395638	0.592816	1.686865
	exp. With child protection	-1.13E-08	-0.672289	-0.846734	-0.727197	0.592816	1.686865

a Dependent Variable: annual increase rate of child protection exp. At the county council level (99/98)
 b Linear Regression through the Origin