

## Background

Romania is focusing all its efforts on the European Union (EU) accession, currently expected to take place on January 1, 2007. In view of a smooth EU integration, the Government still needs to take important measures for poverty reduction and social inclusion, targeted at the most disadvantaged groups, particularly Roma.

Romania has the largest Roma population<sup>1</sup> in Europe. In contrast to the rest of the Romanian population, it is rapidly growing; Romania's Roma are confronted with high poverty rates and appalling social indicators: two thirds of Roma live in poverty and more than half in severe poverty; their infant mortality is four times higher than the country's average, as well as higher than the levels observed for Roma in other countries<sup>2</sup>; Roma preschool enrollments are as low as 20 percent, compared to the national average of 66 percent (in 2000-2001); 64 percent Roma are enrolled in primary education, compared to the 98.9 percent the national average; only 12.9 percent of the active Roma are formally employed, while 33.6 percent are part of informal employment. About half of the recipients of the Minimum Income Guaranteed (MIG) benefits are Roma. Almost 21 percent of Roma live in houses for which they have no title. Many studies reveal the systemic nature of the problems with which disadvantaged Roma are confronted, with interrelated issues belonging to education, housing, employment and health. Moreover, Roma's "linking" social capital is extremely low, i.e., their ability to relate to institutions and influence policies and programs is very limited. Further on, Roma culture and traditions often create barriers to their integration into the society, in general; all the above mentioned issues, including the Roma negative public image represent problems that need to be urgently addressed.

The Romanian Government adopted a *National Strategy for Improvement of the Roma Situation* (NSIRS) in 2001. The NSIRS objectives include the formulation and application of social inclusion policies, the facilitation of concrete measures at central and local levels to improve the Roma conditions, the stimulation of sectorial assistance and community development projects, changing the public opinion on Roma ethnics. The Strategy covers the following fields: public administration, housing, social security, health, economy, justice, child welfare, education, culture, communication. Romania participated in all events organized under the Decade of Roma Inclusion (2005-2015) and has aligned with other EU member states and accession countries that declared their intention to reduce social exclusion for the Roma. The Government has prepared *Decade Action Plans* in priority areas including education, employment, housing and health, in line with the NSIRS. The plans outline goals, targets and indicators. However, progress in implementation remains slow both related to the broader NSIRS initiatives and the Decade Action Plans due to lack of capacity in planning, fund raising and monitoring. The Roma Office previously functioning under the Office for Minorities was upgraded at the

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<sup>1</sup> By self-identification (National Census 2002) there are only 535,250 Roma, but sociological surveys report a much higher population (1.5 million Roma estimated in 1998 by the Institute for Quality of Life).

<sup>2</sup> *Faces of Poverty, Faces of Hope: Vulnerability Profiles for Decade of Roma Inclusion Countries*, UNDP, EU and OSI, February 2005.

end of 2004 into a National Agency for Roma (NAR) and is led by a President holding a secretary of state position; the NAR is functioning under the Prime Minister (i.e. the General Secretariat of the Government); it is operational and it has already run a small grants program to help the Roma. This institutional development signal notable political Government will for integrating specific issues facing Roma into the policy making process; at the same time, the Government requested Bank support for a social inclusion project focused on Roma.

As already demonstrated in other European countries, Roma require special, targeted efforts to address their problems and to help raise them out of poverty and into the social mainstream. The NAR should have a more central role in overseeing this process and in coordinating activities with sectoral ministries, regional and local authorities. The NAR should be a key player both for the Government and the Roma community, in developing policies and strategies for addressing Roma problems, for improving the targeting of social inclusion programs; in addition, it should disseminate information, work on improving relations between the Roma population and its adjacent communities. However, the capacity of the NAR to fulfill this mandate is constraint by: (i) the low capacity of NAR and line ministries to formulate inclusive policies, programs, plans and financing frameworks as well as the low capacity of regional and local authorities to develop local and regional development plans; (ii) the low capacity of the NAR to coordinate and monitor programs; (iii) the low public awareness and sensitivity towards ethnicity issues.

### **Grant Objective:**

The objective of the grant is to support capacity building for the NAR, governmental agencies, regional and local authorities to address Roma issues in inclusive programs, better manage public expenditures and ensure financial accountability and public oversight.

### **Proposed Activities:**

The activities supported by the grant would: (1) build capacity of (a) the NAR and line ministries to formulate inclusive policies, programs, plans and financing frameworks, to allocate and manage public resources for Roma, ensuring the necessary implementation capacity; and of (b) regional and (selected) local authorities to develop and implement local and regional development plans; (2) promote the effective functioning of the NAR as a coordinating, results oriented monitoring institution; and (3) develop the capacity to inform the public on Roma issues and needed remedial interventions.

The three sets of activities are fully consistent with the grant objective; at the same time, they are entirely complementary which is essential for achieving capacity building both at central and local levels, in parallel with necessary well targeted public information interventions. Activities would be implemented with the support of technical assistance including international experts that would bring in the experience from countries having already been through similar processes; under specific activities, such experts would be teamed up with local consultants ensuring the process facilitation and continuity (i.e. formulation of inclusive policies, etc.); other activities would be implemented using experienced local technical assistance (e.g. information, communication activities). A detailed description of the proposed activities is presented bellow.

**(1) Capacity Building for Inclusive Policies, Programs and Plans Formulation.** The grant would support increasing the effectiveness of all partner institutions to interact and actively promote inclusive policies, programs, plans and financing frameworks, manage public resources for Roma inclusion programs and ensure better implementation capacity, financial accountability and public oversight. Specific grant activities would include:

- Organize seminars for Roma and non-Roma stakeholders and NGOs to build trust, reach consensus on strategies for Roma inclusion and development, review resource allocations and agree on roles and responsibilities of various institutions involved, including discussions on emergency interventions focused on most deprived Roma settlements. A total of four seminars would be organized bringing together NAR, the Ministry of Public Finance, the four line ministries - Ministry of Education and Research, Ministry of Health, Ministry of Labor, Social Solidarity and Family, and Ministry of Transport, Constructions and Tourism – as well as with the Romanian Social Development Fund (RSDF) and NGOs; a total of about 50 participants would be involved in each seminar; a local consultant would be hired to facilitate this process. These seminars are key to achieving the outcomes of the grant; given the sensitivity of Roma issues, the concept is that this first series of seminars would ensure the horizontal communication and cooperation of interested institutions that would be brought together; activities would facilitate a better understanding of Roma issues and agreement on broad strategies for Roma inclusion and development. In a logical sequence, the next steps would be a vertical approach by sector, in which each ministry, interested institution would elaborate inclusive programs (based on agreed broader strategies), as detailed below.
- Provide training and TA to staff of the NAR and selected line ministries, including Working Groups (WGs) to formulate and implement inclusive programs, detailed implementation plans and financing and management and evaluation frameworks in the areas of the Decade of Roma Inclusion (education, health, employment and housing). Five seminars would be organized with the NAR and each of the selected ministries to train about 250 staff on specific sector approaches; five international consultants would work with five local consultants to organize and deliver this task. The IDF grant is crucial for organizing this in-depth work given that neither the NAR, nor the line ministries have the capacity to develop detailed implementation plans and financing frameworks, to implement and to monitor outcomes. Consideration will be given to sub-regional learning through bringing in experts from countries like Slovakia, Hungary, Bulgaria.
- Provide training and TA for the preparation and implementation of inclusive local development plans and regional development plans with the consultation of Roma working groups in view of the EU integration requirements and access to EU funds. Two seminars would be organized for a total of about 80 staff (from all eight development regions) with major input from an international consultant on the preparation of inclusive regional and local development plans; the initial training will be followed by the development of such plans being supported by four local consultants directly working with two regions each. These activities will include specific modules aimed at strengthening the capacity at regional and local level to access the Roma Education Fund (REF) recently set up under the Decade of Roma Inclusion initiatives; relevant institutions and organizations will be encouraged to use resources and intellectual support currently available under the REF for meeting the goals of the Decade of Roma Inclusion.

**(2) Capacity Building for NAR to Coordinate and Monitor Initiatives to Improve the Roma Situation.** The grant would support the NAR to optimize its activity, become an effective results oriented monitoring institution capable to serve as a professional coordinating body. Specific grant activities would include:

- Provide TA to NAR to better organize its offices both at central and regional level (currently the NAR has 52 staff positions: 20 at central level and 32 in eight regional offices) through staff training on project management, conflict resolution, team work; a local consultant would work on this assignment.
- Provide TA to NAR on coordination of Roma programs with line ministries, other parties involved; a local consultant would work on this assignment.
- Provide TA to NAR to establish its monitoring and evaluation system for Roma Programs and increase its capacity to utilize a results oriented monitoring and evaluation mechanism; a local consultant would be hired to support this activity.
- Organize two study tours to observe and analyze the approach to Roma issues in countries with experience in this area; the NAR, representatives of line ministries, other parties involved would highly benefit from getting direct contact with similar institutions in a country like Spain, which is often cited as an EU model in addressing Roma issues, as well as getting the opportunity to see such models functioning; based on the experience of other countries that had this occasion under similar IDF grants, it is noted that such direct contacts represent important value added to theoretical inputs (e.g. IDF grant for the Hungarian Office of Roma Affairs provided support for study tours to Spain, Finland, Czech Republic); in addition, substantial exchange of experience would also be achieved through contacts with countries that have already benefited from IDF grants in the region (Hungary, Slovakia) and could provide different organizational models as well as information on the impact of various interventions; a total of about 10 persons will benefit from this activity.
- Provide operating expenses for a more efficient and effective functioning of the NAR (covered by the Government contribution), as well as other related costs (translation services for seminars, limited equipment).

**(3) Information, Education, Communication.** The grant would support the NAR to improve its capacity to play a substantial public awareness and communication role. Specific grant activities would include:

- TA and training on public relations to ensure the effective interaction of the NAR, line ministries representatives with the public and the media; about 50 staff would be trained with the support of a local consultant.
- TA for the development of the NAR public relations strategy, implementation of a communications campaign (including materials for direct distribution to the public and media, preparation of the NAR web page, participation in TV and radio broadcasts, promotional video material, dissemination of examples of good practice projects and lessons learned); a local consulting company would be hired to support these activities.
- Provide local consultancy to support setting up the NAR web page, including a discussion forum/platform linking the NAR, regional, local offices, other institutions involved.

This IDF request is fully consistent with the upcoming Country Partnership Strategy (CPS) for FY 06-09 placing substantial emphasis on the need to address poverty and social exclusion as an essential challenge Romania has to deal with in view of the EU accession. The CPS calls for specific interventions applying systemic solutions to disparities and social exclusion, in general, and for raising the living standards of the Roma, in particular; both the 2004 Country Economic Memorandum (CEM) and the 2003 Romania Poverty Assessment have already identified the Roma as among the poorest population segment<sup>3</sup>.

In addition, the CPS is highlighting poor governance and weak institutional capacity as key concerns that need to be addressed, as already flagged in the 2001-04 CAS, the QAG CLER<sup>4</sup>, and the draft OED CAE<sup>5</sup>. The IDF grant would address this lack of institutional capacity in dealing with Roma issues.

A Bank financed Social Inclusion Program is envisaged. The program is initiated as a response to the Government of Romania (GOR) request of assistance for the implementation of the National Strategy for Improvement of the Roma Situation (SIRS) and of the Action Plans for the Roma Social Inclusion Decade (2005-2015).

In terms of sustainability, it is expected that the capacity developed with the IDF grant support within all relevant Government structures will be used for better designing and managing social inclusion programs in the long run in view of the EU integration and the requirements of the EU Lisbon Agenda<sup>6</sup>.

This IDF grant request falls under the series of grants that were already financed in neighboring countries, as described in a separate section below; it would finance critical capacity building activities that have already demonstrated their efficiency under similar grants in Bulgaria, Hungary, Slovakia.

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Government Agency Responsible for Execution

The NAR, functioning under the General Secretariat of the Government of Romania, will be responsible for the execution of the grant. The NAR is led by a President, holding a Secretary of State position.

While the NAR will be the main counterpart for the grant, activities will involve other parties including sectoral ministries, the RSDF, NGOs, regional and local authorities, etc.

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<sup>3</sup> Poverty Assessment Report, October 2003, page 11 "...three out of five Roma individuals face extreme poverty."

<sup>4</sup> Romania: Country Lending Enhancement Review, QAG, September 1, 2004

<sup>5</sup> Romania: Country Assistance Evaluation, OED, draft January 19, 2005

<sup>6</sup> EU member states adopted an Open Method of Coordination in order to make a decisive impact on eradication of poverty and social exclusion by 2010. The first step is the development of National Action Plans on Inclusion.

The Government has demonstrated its strong commitment to the project by providing its contribution both in cash (staff salaries) and in kind (office facilities). See details in Activity/Budget Matrix.

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Other Comments If Applicable

The IDF grant activities would be key in order to enhance the capacity of the NAR, line ministries, NGOs, local and regional authorities to formulate and implement policies aiming at the integration of the Roma minority in the mainstream Romanian society.

In this respect, the IDF facility has already proven to be a valuable instrument for capacity building in the area of ethnicity and Roma issues in the region. Two grants have already been implemented and closed in Slovakia (TF027319), and Bulgaria (TF023842); they provided similar support to the newly established Roma Office in Slovakia and to the National Council on Ethnic and Demographic Issues (NCEDI) in Bulgaria strengthening the capacity of these institutions for addressing Roma issues, monitor the governmental programs and policies for social integration of the Roma, increasing their credibility. The work of the Roma offices led to increased awareness of the issues and policy challenges surrounding the Roma. A third grant is currently being implemented in Hungary mostly providing consultancy and training for the Office for Roma Affairs seeking to improve the effectiveness and accountability of Roma projects and policies through strengthened evaluation and monitoring of project implementation and outcomes, and transparency through public communication.

Bank financing for capacity building of the NAR in Romania and other parties involved is timely, given the country EU accession agenda and challenges that still need to be faced related to social inclusion issues, particularly Roma issues. At the same time, this intervention would significantly complement the efforts currently undertaken by the Government for the preparation of the cross sectorial Social Inclusion Program to be co-financed by the Bank.

More specifically, the resources from the Grant would be essential for the organizational development of NAR as a new institution and other Government structures, as pointed out above; while the government is financing staff costs, infrastructure, equipment, there are no resources available for the needed TA and training.

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Preliminary Timetable

IDF Proposal approved by the World Bank:	June 2005
Agreement Signed by the Government:	July 2005
Preparation of TORs and Consultant Selection:	August-September 2005
Grant Activities:	August 2005-July 2008

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The IDF grant activities will be undertaken by the NAR in coordination with selected line ministries, RSDF, NGOs, local and regional authorities. A program director, procurement officer and accountant will be appointed to manage the grant. Consultants will be recruited to provide TA and training according to the details presented in the Activity/Budget Matrix (attached).

Activity	Output	Impact
<p><b>1. Capacity Building for Inclusive Policies, Programs and Plans Formulation</b></p> <p>Organize four (4) workshops/seminars with Roma and non-Roma stakeholders and NGOs on strategies for Roma inclusion and development, allocations and management of public resources for the Roma</p>	<p>Refined inclusive strategies on education, health, employment, housing, shared vision on financial allocations and roles and responsibilities of involved institutions.</p>	<p>Links established, trust built between Roma and non-Roma stakeholders, NGOs, consensus reached on strategies addressing Roma issues, necessary resources and their management.</p>
<p>Provide training and TA to staff of the NAR and line ministries to formulate and implement inclusive programs, implementation plans, financing and M&amp;E frameworks in the areas of the Decade of Roma Inclusion (education, health, employment and housing) with the contribution of Roma Working Groups (WGs) .</p>	<p>250 staff (50 staff x 5 seminars) trained in line ministries and NAR, including WGs.</p> <p>Inclusive programs, implementation plans, financing and M&amp;E frameworks in the areas of the Decade of Roma Inclusion (education, health, employment and housing) are formulated and implementation capacity is increased.</p>	<p>NAR and line ministries have the capacity to mainstream Roma issues into national poverty alleviation and social inclusion programs for disadvantaged groups, prepare and implement activity plans and financing frameworks, manage resources and pursue results oriented monitoring and evaluation activities.</p>
<p>Provide training and TA for the preparation of inclusive regional and local development plans with the contribution/consultation of Roma Working Groups.</p>	<p>80 staff at local level trained.</p> <p>Inclusive regional and local development plans are formulated in view of accessing EU funds; relevant institutions and organizations access the Roma Education Fund.</p>	<p>Regional and local authorities have the capacity to develop inclusive plans and access EU funds, manage such funds and be accountable. Roma education needs are also addressed through resources and intellectual support from the Roma education Fund.</p>

<b>Activity</b>	<b>Output</b>	<b>Impact</b>
<b>2. Capacity Building for NAR to Coordinate and Monitor Initiatives to Improve the Roma Situation.</b>		
Provide TA to NAR to optimize the office activities/run the office.	Revised NAR organizational structure and staffing, increased staff operational skills	NAR is well functioning both at central and local level.
Provide TA to NAR on how to coordinate Roma programs with line ministries and other parties involved.	NAR staff is trained in coordinating Roma programs with line ministries.	NAR has the capacity to coordinate Roma programs with line ministries
Provide TA for NAR to establish its monitoring and evaluation system for Roma Programs.	NAR has an operational monitoring and evaluation system set up and NAR staff is trained in monitoring the implementation progress, outputs and outcomes of Roma programs.	NAR has the capacity to monitor and evaluate the implementation progress, outputs and outcomes of Roma programs.
Organize two study tours in countries with experience in addressing Roma issues.	Stakeholders are aware of solutions applied by other countries in addressing Roma issues; other organizational models are assessed.	Stakeholders are prepared to address Roma issues by applying modern solutions/approaches.
<b>3. Information, Education, Communication</b>		
Training for interaction with the public and the media	50 NAR and line ministries management and staff are trained on interacting with the public and the media	Effectiveness in communicating with the public and the media on Roma issues
Communication campaign (development of informational materials, print, broadcast, and distribution)	Informational material prepared, printed and disseminated, participation in TV and radio broadcasts, promotional video material prepared and broadcasted	Greater dissemination of information of Roma and improved Roma image
Provide assistance for setting up the NAR web page, including a consultations/discussion forum with regional and local institutions		
<b>Subtotal</b>		
<b>4. Operating Expenses</b>		
Office consumables, furniture, equipment		More efficient and effective operations of the NAR
Office staff salaries		