

Romanian Social Development Fund - poverty alleviation through community development

October 2003

Romania - statistical information

Administrative structure:

- 41 counties
- 2,686 communes
- 12,682 villages

Population:

22,327,000 people, out of which:

- 56% in urban areas
- 44% in rural areas



*The 12 poorest counties
according to the RSDF poverty criteria*



RSDF among social funds

□ *Social funds*

- Flexible institutions that finance subprojects aimed at supporting poor rural communities and disadvantaged persons (efficiently disbursing funds directly to beneficiaries)
- 108 social funds financed by the World Bank over the last decade (in South America, Middle East, North Africa)

□ *RSDF*

- Pilot approach in Europe and Central Asia
- Regarded as a very good program, for:
 - the quality of the financed subprojects outcomes
 - the social capital created in the awarded communities
 - the nation-wide approach
 - the institutional development

Legal framework

- ◀ Law no.129/1998, republished
- ◀ Loan Agreements concluded between the Romanian Government and IBRD, respectively CEDB
- ◀ Operational Manual
- ◀ Internal regulations
- ◀ Grant Agreement

- ▶ Public interest oriented organization, administratively autonomous
- ▶ Implementing the Social Development Fund Project
- ▶ Managing IBRD and CEDB loans
- ▶ Funds available until 2006
- ▶ Training and consulting activities

Financial resources

✓ **USD 30 million** - IBRD contribution for the *Social Development Fund Project*

✓ **USD 10 million** - CEB contribution for the *Social Development Fund Project*

✓ **USD 2,4 million** - IBRD contribution for the *Rural Development Project*

✓ **USD 12,1 million** - Romanian Government contribution

✓ **Beneficiaries' contribution** - representing about 10% from the awarded grants



Objectives and approach

■ *Objectives*

- Improving the livelihood of subproject beneficiaries in poor rural communities and disadvantaged groups
- Increasing local level organizational and self-help capacity

■ *Approach*

- Community driven development (active involvement of the whole community - poor and marginalized people, informal leaders, local authorities - in solving local problems)



Beneficiaries

Poor rural communities

Disadvantaged groups

Ways of supporting beneficiaries



Financing sub-projects aimed at improving beneficiaries' livelihood



Granting technical assistance to communities to help them organize in order to solve community problems



Organizing experience sharing meetings for communities



Financed subproject categories

✓ ***Small rural infrastructure sub-projects***

- **Eligible applicants:** poor rural communities
- **Grant ceiling:** USD 75,000
- **Community contribution:** minimum 10% of the requested grant

✓ ***Income generating activities sub-projects***

- **Eligible applicants:** poor rural community-based productive groups of households and families or associations of farmers, craftsmen and artisans
- **Grant ceiling:** USD 20,000
- **Applicant contribution:** minimum 15% of the requested grant

✓ ***Community-based social services sub-projects***

- **Eligible applicants:** NGOs specialized in social services and local authorities in partnership with NGOs and disadvantaged groups
- **Grant ceiling:** USD 20,000
- **Applicant contribution:** minimum 5% of the requested grant

✓ ***Follow-up sub-projects***

- **Types:** *fixing small unforeseen technical problems* and *innovative sub-projects* in communities already financed
- **Eligible applicants:** those who implemented the initial sub-project, respectively local authorities in partnership with poor rural communities or NGOs
- **Grant ceiling:** USD 10,000 for following-up a small rural infrastructure sub-project and USD 5,000 for following-up income generating activities and community social services sub-projects, respectively USD 45,000
- **Applicant contribution:** on a matching basis

Technical assistance

- **Information, education and communication campaign**
- **Facilitation** – support to poor rural communities for identifying and prioritizing their needs, organizing and preparing sub-projects
- **Training** – training project management committee members in sub-project implementation, creating the necessary frame for knowledge sharing (initial, implementation and maintenance training)
- **Supervision / monitoring** – ensuring that sub-projects are correctly implemented in what regards accounting and procurement procedures, technically and in terms of community development





Methodology

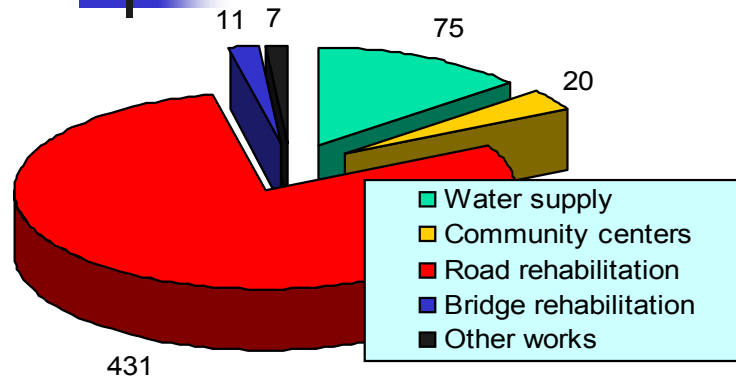
- ◆ “Bottom up” approach
- ◆ Information, education and communication campaign presenting potential benefits
- ◆ Simple, user-friendly application forms
- ◆ Social capital building – participation of all community members, relationships based on trust and cooperation
- ◆ Funds managed entirely by communities
- ◆ Equality of chances in subproject appraisal and selection
- ◆ Participation of beneficiaries in reaching subproject objectives

Results

- Received applications: 3,324
- Financed subprojects: 856
- Completed subprojects: 448
- Allocated funds: USD 40.1 million
- Number of beneficiaries: 335,000



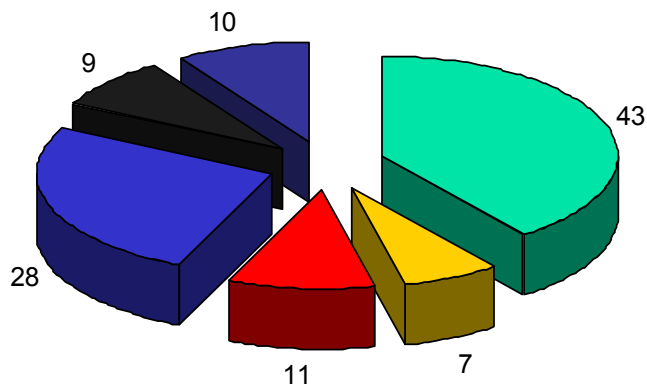
Financed subprojects - distribution per types



Small rural infrastructure:

544 sub-projects

(288,580 beneficiaries)

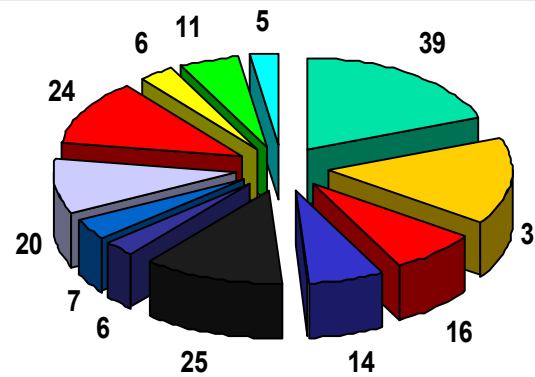


- Day care centers
- Health promotion
- Home care for the elderly
- Shelters
- Information and counseling centers
- Other services

Income generating activities:

204 sub-projects

(19,457 beneficiaries)



- Milk processing
- Wood processing
- Handicraft
- Beekeeping
- Sunflower oil
- Fisheries
- Greenhouses and solar tents
- Mills
- Bakeries
- Meat processing
- Fruit and vegetable processing
- Storage and marketing facilities

Community-based social services:

108 sub-projects

(26,963 beneficiaries)

Benefits





Social development outputs

- over 2,700 Community Based Organizations (CBOs) created
- over 25% of the funded communities applied further to other donors or implemented their own projects
- over 700 partnerships concluded between CBOs/ NGOs and Local Authorities
- more than 15% of the approved sub-projects address problems of communities and disadvantaged groups including ethnic minorities (Roma, Hungarians, Slovaks, Ukrainians and Croatsians)
- 30% of the CBOs membership represented by women
- networks created between communities



Barriers to community development

- Old mentalities ('top-down' development, waiting for others to make decisions)
- Low level of education in rural areas
- Lack of information regarding potential community development opportunities, difficult information process
- Lack of partnership culture
- Low levels of cooperation among people in some communities, poor participation in solving community problems
- Low levels of trust in others (people, authorities)

Examples of financed subprojects -

Bakery in Băcăleşti commune, Teleorman county

Initiators: the subproject was initiated by a group of 10 villagers (6 of which women). Most of the group members were farmers and unemployed.

Activities during subproject implementation: the USD 16,500 grant from RSDF was spent for rehabilitating the production space, buying the necessary equipment and training 5 people as bakers.

Community involvement: the community contribution amounted to USD 2,500 (15% of the received grant) and was delivered in work and keeping the accounting books (the community members also made available the production space).

Operating bakery: the production activity started at the beginning of 2003, with 5 employees. The Băcăleşti Bakery is the only productive unit in the commune that uses the available local resources, producing fresh bread and bakery for the community.

Examples of financed subprojects - Educational day-care center at "Phillip" Foster home Bucharest

Objectives: the subproject set out to ensure equal access to education for children from poor families in Zăbrăuți and Ferentari neighborhoods in Bucharest (district 5).

Subproject activities: the USD 19,600 grant from RSDF was used to:

- ✓ sanitize the available space;
- ✓ procure educational and sanitary materials;
- ✓ deliver nutritional supplements;
- ✓ co-finance subproject's operational costs (for a period of 6 months).

Achievements: the center delivers specialized educational and socio-psychological assistance to children and their families.

Beneficiaries: 96 children at risk of abandoning school, Roma children, handicapped children and street children were beneficiaries of the center during the year of subproject implementation (1999-2000). The center still operates at the same capacity.

Examples of financed subprojects -

Road rehabilitation in Liteni commune, Iasi county

The road, before the RSDF intervention: the bad condition of the road was making the 1400 villagers' access to markets and the social services available in the commune very difficult.

The road – a priority: the rehabilitation of the 3.2 km road connecting the village to the commune center was identified as a priority by the majority of the villagers.

Community involvement: the community contributed to subproject implementation by working.

During implementation: the community was permanently informed on the works progress and was involved in the decision-making process.

The road, after rehabilitation: the villagers are very proud of what they have accomplished together and much more confident in their own strengths.

The subproject – a positive example: the example of the community in Liteni was followed by other 2 villages in the commune (Ulmi and Belcești), as well as other neighboring communities.