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Romania Country Report

EUFORI Study

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1 Contextual Background

Romania joined the EU in 2007. It is the seventh largest country in terms of population in the European Union, with 19,043,767 inhabitants in 2012. [1]

Romania had registered high economic growth rates in the years before the recent crisis, followed by a dramatic drop in 2009 (-6.6%) and a slow recovery afterwards. The GDP per capita is one of the lowest in the EU (EUR 6,200 in 2012). According to the Global Competitiveness Report 2011-2012, Romania ranks 77 out of 150 countries.

1.1 Historical background

The documented history of Romanian foundations goes back to the Middle Ages, when the first philanthropic institutions were established under the umbrella of the Church (with the purpose of taking care of orphans and the extremely poor). [2] In 1704, Mihai Cantacuzino established a monastery and the first hospital in Tara Romaneasca (a historical and geographical region in Romania in the Medieval period), with a capacity of 24 beds. [3]

One of the best-known and oldest Romanian foundations was set up in 1869, when Emanuil Gojdu, a successful lawyer, established by will and testament an endowment for the Gojdu Foundation [4] that was registered officially in 1870. The mission of the foundation was to support education through scholarship programs. During its 48 years of existence, the Foundation awarded over 4,455 scholarships to Romanian Orthodox youth in Hungary and Transylvania.

The first law that regulated the establishment and functioning of associations and foundations was adopted in 1924 - Law no. 21/1924, also known as the Marzescu Law.

During the Communist regime (1945-1989) the activities of NGOs ceased and their private patrimonies were nationalised by the State.

The fall of the Communist regime in 1989 offered the political framework for the re-emergence and development of Romanian civil society. This process happened under the monitoring of international institutions that Romania wanted to be a part of, such as the Council of Europe and the European Commission. The existence and functioning of civil society have been a guarantee as well as a necessary condition for

2  Dr. Nicolae Vătămanu, Origins of Romanian Health System, Editura Medicală, Bucharest, 1979, p. 86-87
4  http://fundatiagojdu.ro/index_eng.html
ensuring a democratic climate and good governance. Besides the political framework, the transition to a market economy has also played an important role in buttressing the development of the not-for-profit sector.

The main forms of organisations within civil society are associations and foundations. In addition, two or more associations or foundations may join together to form a federation. These three entities are commonly referred to as ‘not-for-profit organisations’ or ‘non-governmental organizations – NGOs’ in Romanian legislation. There are minor differences between associations and foundations in Romania and for this reason most of the available statistics do not differentiate between these two categories. The scope, funding and fiscal framework of the two are very similar, and the vast majority of Romanian foundations are operational, not grantmaking.

In the early 1990s, a number of prominent international organisations established subsidiaries in Romania and invested their efforts and funds in the development of Romanian civil society (e.g. the Soros Foundation, The Trust for Civil Society in Central and Eastern Europe, The German Marshall Fund) or in charity projects (Terre des Hommes, World Vision, the Pestalozzi Foundation, Save the Children). After Romania became an EU member in 2007, some of the international grantmakers decided to discontinue their funding.

By 1996 a variety of associative structures had officially been registered, among them 5 002 religious associations and churches and 12 309 associations and foundations. By 1999, the number of associations and foundations, including religious associations, had reached 25 194, and the aggregated number has been increasing since.

Figure 1: The total number of registered non-governmental organisations in Romania (Jan. 2014)

Source: NGO Registry, the Ministry of Justice
1.2 The legal and fiscal framework

The legal framework that currently governs the establishment and functioning of the foundation sector is Ordinance 26/2000 and Law 246/2005 regarding associations and foundations.

According to Ordinance 26 and the corresponding Law, a foundation is a legal entity constituting one or more persons who, on the basis of an act of will, establish a patrimony designed permanently and irrevocably for achieving an objective of general or community interest. A foundation acquires legal status on registration with the Registry of Associations and Foundations (an office within the Ministry of Justice) at the court in whose territorial jurisdiction it has its headquarters. The National Register of Associations and Foundations states the date of the registration, the name of the organisation, its scope and the names of the founders.

The organisational bodies of the foundation are the following:

a) the Managing Council, made up of at least three members appointed by the founder(s) at the moment of the foundation’s registration;
b) the Censor or Censor Committee, made up of an odd number of members. The Managing Council of the foundation is the executive and administrative body of the organisation and is responsible for ensuring the pursuit of the purposes and goals of the foundation.

The social capital (patrimony) of the foundation must include assets (in-kind or monetary) with a value of at least 100 times the minimum gross salary in Romania on the date of its registration (currently this amount to approximately EUR 15 000).

The tax rules governing foundations are the same as those governing associations. Foundations pay taxes on real estate and profits. They are tax-exempt in respect to grants and donations.

Foundations may carry out direct economic activities if these are ancillary in nature and are closely connected to the main purpose of the organisation. However, if they have revenue from economic activities in excess of EUR 15 000 EUR, their tax liability is similar to that which is applicable to a commercial business.

There is a system of personal income tax deductions aimed specifically at enabling private individuals to make donations to NGOs (associations, foundations or federations). Romanian taxpayers have the possibility of donating up to 2 % from their annual income tax (which currently stands at a flat-rate of 16 %) to a nonprofit entity of their choice. An individual receiving commercial income from independent activities (e.g. work as a lawyer or notary when the individual is not affiliated to a particular company) or from intellectual property rights qualifies for a sponsorship deduction of up to 5 % of their total taxable income, in addition to the 2 % of the annual income tax that he or she can designate for sponsoring a particular NGO (Fiscal Code). The 2 % tax deduction was first introduced for the 2005 fiscal year in Romania. In 2011, the total amount of income tax deductions of 2 % redirected by Romanian tax-payers to NGOs totaled over EUR 27.8 million.

5 http://www.romanianlawoffice.com/non-profit-foundation-association-romania.htm
There is also an incentive for companies to donate: they can direct 0.3 % of their turnover, but no more than 20 % of their profit tax to NGOs (Fiscal Code and Law 32/1994 on sponsorship).

Donations of cash, shares, securities, real estate and in-kind-donations are deductible. The upper limit to this tax incentive is 2 % of the total income.

The deductibility of donations (whether individual or corporate) to NGOs is regulated by the Law on Sponsorship, which lists the types of sponsorship that qualify as tax-deductible (Law 32/1994), and the Fiscal Code, which imposes limits on the amount that a donor can deduct.

1.3 The foundation landscape

As compared with Western countries, [6] Romania has a low level of philanthropic activity, as the country is still struggling with a prolonged transition from Communism, a transition that is characterised by a high poverty rate, a low GDP and, above all, a high degree of mistrust in public institutions as well as in civil society organisations (only 32 % of Romanians trust NGOs, while 80 % trust the Army and 75 % trust the Church). Besides this mistrust, there is also a very low awareness of the NGO sector in general (only 20 % of the population can name one NGO). [7] Civil society also is also confronted by phenomena that are characteristic of young democracies, such as insufficient funds, the passivity of the citizens, insufficient social capital and low levels of participation.

With regard to philanthropic behavior, Romanians mostly donate small amounts of money to the Church (33 % of Romanians declare that they have donated money to their local church) and approximately 23 % have donated 2 % from their income tax to NGOs. [8]

There are 82 481 registered NGOs [9] in Romania (according to the National NGO Registry in the Ministry of Justice), but not all of them are active. This number comprises all the NGOs that have been registered since 1990. Out of the total registered NGOs, 17 874 [10] are foundations (approximately 21 % of all NGOs).

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7 http://www.fdsc.ro/library/conferinta%20vio%207%20oct/Cercetare%20omnibus_rezultate.pdf
8 http://doilasuta.ro/content/index.php/rezultate-2
9 Associations, foundations and federations, Jan. 2014
10 http://www.just.ro/Portals/0/WWW/files/registrul_ong/Fundatii27112013.pdf
The latest information available on the activity rates of foundations is from 2008, when only 5,060 foundations submitted their balance sheets to the fiscal authorities out of the 16,400 registered ones. This means a 31% activity rate in 2008.

The National Institute of Statistics states that there were 52,398 active NGOs in Romania in 2012 (associations and foundations together). There is no available information on the current activity rate of foundations.

The largest number of Romanian NGOs are associations, one of the reasons for this being the low setup costs.

Also, the registration rate for associations is much higher than for foundations.

Currently there is no umbrella organisation of Romanian foundations. In general, foundations work independently (with the exception of the Community Foundations that are organised under the umbrella of the Federation of Community Foundations which comprises 12 foundations).

Also, the Foundation for the Development of the Civil Society (FDSC) has as their mission the support of the development of the NGO sector in general, and acts, in certain areas, as an umbrella organisation (for example, the FDSC developed the NGO catalogue and publishes annual reports on the situation of Romanian NGOs; foundations, associations, federations, etc.) The FDSC also acts as an operator for international funding schemes such as the SEE Grants.

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11 http://www.just.ro/MinisterulJusti%C8%9Biei/RegistrulNa%C5%A3ionalONG/tabid/91/Default.aspx
12 http://www.fdsc.ro/library/prometeus/ATLAS.pdf
14 http://fondong.fdsc.ro/general-information-ngo-fund
The number of newly-registered foundations has been constantly decreasing since 1997, as shown in the figure above. One reason for this trend is the high set-up costs (approximately EUR 15 000). Since the legal and fiscal provisions for foundations and associations are quite similar, there is no incentive for individuals to establish foundations.

The foundations with the largest assets are active in the field of education (private universities are initially established as nonprofits under Romanian legislation). The Romanian National Education Law (nr. 1/2011) states ‘Art. 122 (3) The initiative to establish a private university belongs to a foundation, an association, a religious cult or another education provider, referred to as the founder.’ In 2010, there were 34 private universities with an annual income of over EUR 200 million.

1.4 Research and innovation funding in Romania

The Romanian public RDI sector is quite fragmented (with 264 public research organisations), while private research is undeveloped.

Over the last decade, R&D investment in Romania increased from 0.37 % of the GDP in 2000 to 0.58 % of the GDP in 2008, only to drop to 0.48 % of the GDP in 2011. Romania currently has one of the lowest R&D investment rates in the European Union, with a value of less than a quarter of its 2 % target for 2020.

In 2012 Romania spent RON 2.8 billion (approximately EUR 650 million), i.e. 0.49 % of the GDP, four times lower than the EU27 average (2.03 % of the GDP in 2011, Eurostat) on research and development activities. The same proportional gap exists in terms of the number of researchers in the general population (0.75 full-time equivalent researchers per 100 inhabitants, while the EU average was approximately 3.16

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15 Source: Atlasul Economiei Sociale 2012, IES, p. 17.
16 Law nr. 88/1993, ammended
17 http://www.zf.ro/profesii/200-de-milioane-de-euro-pe-an-businessul-universitatilor-private-din-romania-8718700
19 Researchers’ Report 2013 - Deloitte
in 2011). In addition, Romania had one of the lowest business R&D rates in the EU in 2011 with a value of 0.17 % (ranking 25th out of 27), with an average annual growth rate of -3.4 % between 2000 and 2011.

According to the National Statistics Institute, public funding has been the most important source of funding in 2012 for R&D activities, representing 49.9 % of all funding, followed by private companies with 30.9 %. Financing from nonprofit organisations (associations and foundations together) represented 0.10 % of the total financing for R&D activities (in 2012).

**Figure 4: Sources of funding for R&D activities in 2012**

- Public funds: 50%
- Private companies: 31%
- International grantmakers: 14%
- Other sources: 4%
- Universities: 1%

Source: National Statistics Institute

Long-term underfinancing has already led to a substantial brain drain, Romania having one of the largest scientific diaspora out of the EU countries, with an estimated 15 000 researchers working abroad (World Bank 2011).

The most important RDI policy documents in Romania are the National RDI Strategy 2007-2013 and the associated National RDI Plan 2007-2013. In January 2013 a large foresight-based, ten-month project was launched by the UEFISCDI (the Executive Agency for Higher Education, Research, Development and Innovation) together with over 150 partners for the elaboration of the National Research, Technological development and Innovation Strategy 2014-2020 along with its associated Plan (which manages the public funds for RDI).

The National Plan 2007-2013 is the main implementation instrument, concentrating approximately 80 % of public expenditure on RDI, the rest being allocated to the Romanian Academy, and its branch academies (i.e. the Academy of Medical Sciences, the Academy of Forestry and Medical Sciences and the Academy of Technical Sciences) and the sectorial plans of several Ministries. The National RDI Plan includes six programs: Human resources, dedicated to the increase of the number of researchers and the improvement of their professional performance; Capacities, for the development of the capacities of national research institutions; Ideas, to support cutting-edge scientific and technologic results, comparable with the ones at a European level; Partnerships in the priority areas of RDI to stimulate public-private partnerships and
to solve concrete economic issues; Innovation, for the assimilation of innovative technologies, products and services in the production of research results by economic agents; and Institutional Performance, for the implementation of RDI strategies for the leading ST domains, developed in line with the National Strategy. These 6 programs were allocated RON 647 million (EUR 140 million) in 2013 and are currently implemented by the Executive Agency for Higher Education, Research, Development and Innovation (UE-FISCDI), under the coordination of three councils: a) the National Council for Scientific Research, b) the National Council for Development and Innovation and c) the Consultative Board for RDI.

When launching the National Strategy, the Government budget appropriations or outlays on RDI activities, planned for a multiannual period, reached 1 % of GDP by 2010, in-line with the ‘Lisbon Strategy.’ Achievements, however, were systematically lower. The explanation for 2007 was the insufficient absorption capacity of the RD system when changing from the old National Plan 1999-2006 to the new one, together with the inherent structural reforms during the transition process of Romania’s accession to the EU; for the years 2008 and 2009, the explanation resides in the start and the deepening of the economic recession, respectively.

**Structural funds**

Currently only 13.7 % of the total Structural Funds available to Romania is allocated to research, innovation and entrepreneurship, compared to an overall 25 % at the EU level. A large part of the Structural Funds for R&I has been focused on programs for developing R&I infrastructure and human resources. These developments have been complementary to the national R&D programs. [20]

The structural funds for RDI have been concentrated in Axis 2 of the Competitiveness Operational Program, with a total budget of EUR 715 million (excluding ELI-NP) for 2007-2013.

During the five years of their implementation, 1 200 projects were submitted and 500 selected. [21] 400 projects are currently underway, with a total budget of EUR 430 million, of which EUR 120 million is co-financing. 44 % of these funds has been contracted by organisations from Bucharest and its suburbs. Unfortunately, after a few years of some interest from the business sector, the number of applications from business dramatically decreased and contracts amounting to EUR 29 million were terminated at the request of the beneficiaries. Currently, only 62 % of the money dedicated to private companies has been contracted and 18 % actually paid, while the amounts allocated for public organisations have been contracted in full.

The structural funds created important premises for the future transformation of RDI in Romania. One has been the decision to invest in the large research infrastructure ELI-NP (Extreme Light Infrastructure-Nuclear Physics) (a total allocation of EUR 356 million, 83 % from structural funds), which builds on the longstanding tradition and human capital of Romanian nuclear physics. Another 57 public research insti-
In conclusion, ‘the key challenge for Romania is its low level of competitiveness, a challenge which has significant consequences for the R&I system. Romania's economy is characterized by the prevalence of low- and medium-technology sectors, with a weak demand for knowledge and an underdeveloped innovation culture. Romania is ranked as a modest innovator and has the lowest R&D intensity in the EU and a very low level of business R&D activity. To complete the picture of poor innovation, the Global Competitiveness Report 2011 classifies the country as efficiency-driven (together with Bulgaria), all the rest of the EU economies being either in transition to, or already in the innovation-driven stage.’ [22]
2 Data Collection

2.1 The identification of foundations supporting R&I

There is an online database listing all the registered NGOs in Romania which is updated with new entries on a weekly basis. In January 2014 this database contained 82,481 registered NGOs, out of which 17,874 were foundations, but there is no available information on the number of active ones (foundations that submitted their balance sheets and financial information to the fiscal authorities for the previous year). The database provides information related to the name of the organisation, the date of registration, the name of the founders and the scope of the foundation’s activities.

The first step in identifying the foundations that support R&I has been to search this database using several keywords (research, innovation, researchers, doctoral and post-doctoral studies, etc.). This search revealed approximately 100 foundations. This step was followed by telephone confirmations for each of the foundations that were on this list. Of the 100 foundations, only one was confirmed as being active in research after the telephone interview. The reasons for such a small confirmation rate were:

a) Many of the foundations were in fact not active, they did not have a website or contact details, they did not have any projects or activities, nor had they submitted their financial balance sheets to the fiscal authorities for several years, but they had not yet been deleted from the national database.

b) The ones that were active did not have any active participation in research, innovation or support activities. Since their establishment, their mission, goals and objectives have changed, but these changes were not registered in the national NGO database.

In parallel to this, email messages were sent to 100 universities in Romania (public and private), to 30 national research institutes, to the largest 100 foundations and associations, to the Ministry of Education, to the Minister appointed for Higher Education, Research and Technological Development and to the NASR (the National Agency for Scientific Research).

Intensive online research was carried out, searching for websites of those foundations that claimed to be active in research and/or innovation, reports or statistics.

This search lasted for several months and has revealed 13 foundations that are active in research and innovation.

23 http://www.just.ro/MinisterulJusti%C8%9Biei/RegistrulNa%C5%A3ionalONG/tabid/91/Default.aspx
These foundations are:

1. MRC - the Median Research Centre Foundation
2. The PANCUANTIC Foundation
3. The Foundation for SMURD
4. The Romanian-American Foundation
5. The New Europe Foundation
6. The ACTIVITY Foundation
7. The Calea Victoriei Foundation
8. Institutul de Ortognatologie si Protetica
9. The Romtens Foundation
10. The Centrul Educatia 2000+ Foundation
11. The Foundation for Inventions and Sustainable Technologies - Justin Capra
12. The Soros Foundation
13. The Romanian Institute for Science and Technology

Since the start of this research, the following changes have occurred:

a) The Soros Foundation was rebranded in March 2014 and currently holds the name ‘Foundation for an Open Society.’

b) The Centrul Educatia 2000+ Foundation dismissed all of its employees in 2013 and ceased its activities due to financial difficulties.

2.2 The survey

13 foundations received a survey invitation by email. The invitation was accompanied by a letter of endorsement from the FDSC (the Foundation for Civil Society Development).

Ten foundations responded to the survey, out of which two said they did not invest in research or innovation and one returned the questionnaire incomplete.

The information provided in this report is also based on national reports (mainly provided by FDSC), interviews (see paragraph 2.3) and online research (annual reports of foundations, when available).

2.3 The interviews

For the qualitative part of the study, interviews were conducted with the following people: Mrs. Roxana Vitan, CEO of the Romanian-American Foundation (RAF); Mrs. Paula Apreutesei, Program Director Fellowship in Applied Research and Innovation (RAF); Mr. Dumitru Panculescu, CEO of the PANCUANTIC Foundation; Mrs. Ancuta Vamesu, the FDSC (the Foundation for the Development of Civil Society); Ovidiu Voicu, Head of Research at the Foundation for an Open Society (formerly known as the Soros Foundation); and Dr. Borbála Kovács, Senior Researcher in Social Policy, the Median Research Centre.
The Romanian-American Foundation, established in 2009, is one of the most prominent foundations in Romania, with an endowment of USD 50 million (EUR 36 million) and USD 6.2 million (EUR 4.4 million) spent on grants and program-related investments between 2009 and 2012. The Romanian-American Foundation was officially registered in the United States following an agreement between the Romanian-American Enterprise Fund (the ‘RAEF’ or the ‘Fund’) and the U.S. Government. The Foundation was formed to advance the purposes of the U.S. Foreign Assistance Act of 1961 and of the U.S. Support for East European Democracy Act of 1989 (the SEED Act) by building on the programs established by the Romanian-American Enterprise Fund by furthering the development of the private sector through education, entrepreneurship, and private sector philanthropy and volunteerism in Romania. The Foundation will be operated as a perpetual endowment. Its endowment is exclusively dedicated to Romania. The Foundation also has a subsidiary registered in Romania.

In 2012, the RAF laid the foundations for a new strategic initiative: [24] Applied Research, Technological Innovation and Entrepreneurship (ARTIE), to be launched in early 2013. ARTIE focuses on investing in Romanian talent in areas where there is demonstrated international performance, connecting people to the newest trends in technology, helping Romanian researchers and entrepreneurs commercialise their ideas, and addressing societal needs by choosing projects with clear, concrete and measurable outcomes. The RAF has invested USD 1.5 million in grants to fund applied research and to support emerging models of commercialisation innovation. The ARTIE Fellowship Program embraces the newest technological trends, such as the Internet of Things, offering the opportunity for applied researchers and entrepreneurs to collaborate in building smarter things, a smarter environment and a smarter planet. The ARTIE Fellowship Program will result in a strong community, reaching approximately 250 individuals and 50 direct beneficiaries.

Besides offering grants, the fellowship program provides community support by forging connections with professors and institutions abroad (including the Romanian diaspora) and by building a community of relevant stakeholders, including successful entrepreneurs, investors, government officials and other researchers already engaged in existing projects in Romania.

Mrs. Ancuta Vamesu has over 20 years experience in the NGO sector in Romania for the development of areas she has worked on in various capacities: designing and leading the first pre-accession programs for civil society development in Romania, doing advocacy work, and training and research. She has worked for the EC Delegation in Romania, she has been the first director of the Civil Society Development Foundation and a founding member of many other organisations in Romania such as the Foundation Partners for Local Development.

Dumitru Panculescu: the Pancuantic Foundation promotes scientific research and encourages young people to pursue a career in research. In 2010, the Pancuantic Foundation received a gold medal for their innovation ‘Device for Remediation in Living Spaces’ at the Belgian and International Trade Fair for Technological Innovation.

The Foundation for an Open Society (rebranded in March 2014, formerly known as the Soros Foundation) has been very active in social science research in the past five years. One of the most important initiatives is the Public Opinion Barometer, a program for the research and analysis of public opinion in Romania, with a mission of contributing to consolidating the links between the structures of power and society as a whole, clarifying the key subjects that must be found on the agendas of NGOs and public institutions, making available to any interested parties the necessary data for the professional development of public policy, and providing rigorous analyses of any results for the benefit of the public. The program is centred around the biannual quantitative research (an opinion poll), known as the Public Opinion Barometer, supplemented by dedicated research focusing on certain segments of society. The POB is based on a series of representative surveys for Romania’s adult, non-institutionalised population, carried out twice a year (in May and October), on a large sample (1800-2200 persons), using a random sampling scheme, with contracted primary data gathering and processing.
3 Results

3.1 Types of foundation

In our survey, out of the seven foundations that responded to this part of the questionnaire, only one is grantmaking (The Foundation for an Open Society) and six are operating.

Even though there are no national reports that could provide information on the situation of foundations at a national level, we can assume that this result is in line with the situation of all the foundations registered in Romania. Only a small proportion of Romanian foundations are grantmaking (out of these foundations we should mention the Romanian-American Foundation, the Environmental Partnership Foundation, United Way Romania, the Vodafone Foundation, the Pact Foundation and the FDSC). The majority of the foundations that are still active operate and are funded from the same sources as associations (sponsorships, grants from international organisations, European funds and economic activities).

With regard to examples of grantmaking activities in research and/or innovation, the Foundation for an Open Society launched Serendino \[25\] in 2014, a competition of ideas for social innovation within the ‘SEn – The Social Enterprise’ program, with prizes totaling USD 120 000 USD (approximately EUR 90 000 EUR). The competition is open to anybody with a social innovation idea (such as innovative heating solutions for homes, innovative solutions for water systems for homes in rural areas, building solutions, recycling, etc.).

Another grantmaking foundation in research/innovation is the New Europe Foundation, established in 1994 by Andrei Plesu, a former Minister of Culture. The foundation organises several scholarships and research fellowships programs for Romanian researchers within the New Europe College (part of the New Europe Foundation, also established in 1994). Some of these scholarships programs are: NEC Scholarships (ten scholarships granted each year to young Romanian researchers in the fields of social and economic sciences), Europa scholarships, Robert Bosch scholarships and RELINK scholarships.

3.2 The origin of funds

3.2.1 Financial founders

Of the seven foundations that responded to this part of the study, four were founded by a private individual or family, one foundation was founded by a private individual and a for-profit corporation, one was established by another NGO and one by a public entity.

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25 http://www.serendino.ro/node/1
3.2.2 Income
The FDSC [26] published a report stating that in 2010 there were 26,322 active NGOs (associations and foundations) with a total income of EUR 1.3 billion and non-current assets of EUR 1.4 billion.

Regarding our survey, the situation for 2012 was as follows:

The Romanian-American Foundation had a total income of USD 848,534 (interest and dividend income).[27]
The Soros Foundation had a total income of USD 5,003,000 (USD 3,170,000 from Open Society Foundations and USD 1,833,000 from European Funds). [28]

The other 11 foundations in our survey do not have a public annual report containing financial information.

Regarding the sources of income, foundations usually raise funds from several sources: five foundations in this survey raise funds from individual donations, four are financed by corporations, one receives funds from nonprofit organisations, three from the government and two from service fees.

Regarding income from endowments, only one foundation responded with an amount of EUR 4,200. In our sample, income from individuals ranged from EUR 3,000 to 9,000 in 2012, income from corporations was under EUR 2,000 in 2012 and income from other nonprofit organisations was, in the case of one foundation, over EUR 4 million.

As an illustration, until 2014, the Foundation for an Open Society benefited from an institutional grant from the Open Society Foundations (for example, in 2013, total revenue was USD 3.4 million USD, of which the OSF funds covered USD 2.7 million). Other revenue sources were donations from international foundations and European Funds.

The New Europe Foundation receives funds from international foundations[29] (such as Volkswagen-Stiftung, The Open Society Institute, The Getty Foundation and Ludwig Boltzmann Gesellschaft), and international institutions (such as The Swiss Agency for Development and Cooperation, The State Secretariat for Education and Research of Switzerland, The Federal Ministry for Education and Research of Germany, and The Federal Ministry for Education, Science, and Culture of Austria).

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29  http://www.nec.ro/aboutUs.html#tab_funding
3.2.3 Assets
Only two foundations revealed in their questionnaires amounts in terms of total assets: EUR 13 000 and EUR 12 million, respectively. The Romanian-American Foundation financial statements revealed total assets of USD 52 154 813 in December 2012. The Foundation is capitalised with an endowment through a grant from a Fund. This Fund pays or transfers to the Foundation certain ‘RAEF proceeds,’ such as payments or transfers constituting in aggregate the endowment of the Foundation. The original source of the grant provided by the Fund to the Foundation is the U.S. Government acting through USAID, and the funds provided through the Foundation are therefore a gift from the American people to the citizens of Romania.

3.3 Expenditure
Two foundations disclosed the amounts they spent in 2012: EUR 9 090 (of which 60 % was invested in research and 40 % in innovation) and EUR 5 230 682 (17 % invested in research and 83 % for other purposes), respectively.

In the case of both foundations, the percentage allocated to direct research was 80 % versus 20 % for research-related activities.

None of the foundations have invested in research grants.

In 2012, three foundations registered increases in expenditure compared to the previous year (by 10 %, 20 % and even 80 %), while one registered a decrease of 30 % as compared to the previous year.

Of the five foundations that responded to this question, three expect their expenditure to remain the same, one will discontinue their expenditure on R&I in the future and only one foundation expects an increase in R&I expenditure during the following year.

In 2012, the Romanian-American Foundation registered total operating expenses of USD 1 044 356 USD and grants amounting to USD 1 966 242. [30]

The Soros Foundation’s expenses in 2012 equal a revenue of USD 5,003,000. [31]

3.4 Focus of support
The surveyed foundations supported the following research areas in 2012:

Only one foundation disclosed information regarding expenditure on specific research areas: expenditures on social and behavioural sciences amounted to EUR 9,090 in 2012. These specific projects are related to the development of online platforms or online applications, supported by researchers with the purpose of providing transparent, reliable and clear information about political agendas and social priorities.

During 2013-2014, The Romanian-American Foundation (RAF) has run the Applied Research, Technological Innovation and Entrepreneurship (ARTIE) program, which aims to support researchers in the innovation cycle to bring their ideas from the laboratory to the market. ARTIE launched an open call for Proof-of-Concept (ARTIE-POC) proposals in April 2013, consisting of two phases: Expression of Interest (open) and Full Application (by invitation). The call process finished, and winners were selected to receive grants over a period of eight months to develop an idea into a proof-of-concept.

Following the two-step expert evaluation process, the Scientific Board (which consisted of internationally renowned scientists and successful entrepreneurs) chose the eight winning teams out of 151 submitted applications. The first generation of ARTIE Fellows – the 27 researchers – completed their grants on 31 August 2014. (For a complete list of winners, please access: http://artie.rafonline.org/).

Besides offering grants, the program provides community support by forging connections with professors and institutions abroad (including the Romanian diaspora) and by building an community that includes a variety of stakeholders, including successful entrepreneurs, investors, government officials and other researchers already engaged in existing projects in Romania. The RAF has invested USD 1.5 million in grants to fund applied research and to support emerging models of commercialisation innovation.

<table>
<thead>
<tr>
<th>Research area</th>
<th>No. of foundations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural sciences</td>
<td>3</td>
</tr>
<tr>
<td>Social and behavioural sciences</td>
<td>3</td>
</tr>
<tr>
<td>Engineering and technology</td>
<td>2</td>
</tr>
<tr>
<td>Medical sciences</td>
<td>1</td>
</tr>
<tr>
<td>Agricultural sciences</td>
<td>1</td>
</tr>
<tr>
<td>The humanities</td>
<td>1</td>
</tr>
</tbody>
</table>
Two foundations disclosed information on their expenditure for the dissemination of research: EUR 909 and EUR 3 409, respectively.

EUR 5 600 was spent on civic mobilisation and advocacy by one foundation in 2012.

Even though in 2012 no foundations supported research mobility and career development, in 2011 there were three foundations that had invested in this type of activity.

### Figure 5: research related activities

<table>
<thead>
<tr>
<th>Research-related activities</th>
<th>No. of foundations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dissemination of research</td>
<td>4</td>
</tr>
<tr>
<td>Civic mobilisation / advocacy</td>
<td>3</td>
</tr>
<tr>
<td>Science communication/education</td>
<td>2</td>
</tr>
<tr>
<td>Infrastructure and equipment</td>
<td>1</td>
</tr>
<tr>
<td>Research mobility and career development</td>
<td>0</td>
</tr>
<tr>
<td>Technology transfer</td>
<td>0</td>
</tr>
</tbody>
</table>

3.5 The geographical dimensions of activities

The geographical reach of the surveyed foundations’ activities varied significantly among the four foundations that responded to this part of the questionnaire, as revealed in the figure below:
The activities of the Soros Foundation (The Foundation for an Open Society) as well as the programs developed and financed by the Romanian-American Foundation are focused on Romania and they have a national dimension.

The most important roles of the EU in supporting foundations are: to collaborate with foundations in projects, to provide fiscal benefits, and to provide a structured context for enhancing collaboration.

Dumitru Pânculescu, President of the Pancuantic Foundation, stated that the foundation ‘did not engage until now in partnerships with foreign foundations due to lack of information but also due to limited financial resources.’ The foundation is nevertheless very interested in engaging in such partnerships if they are facilitated by the European Commission / DG Research. Mr. Pânculescu also stated that ‘the EU can play an important role in promoting the results and experiences of foundations active in research and in stimulating the activity of such foundations.’

Other roles, as suggested by the interviewed foundations, were the following: providing more funding and co-funding opportunities (grants), and enabling fiscal incentives in all states to apply for funding from foundations in any member state.
Paula Apreutesei, Program Director with a Fellowship in Applied Research and Innovation at the Romanian-American Foundation, stated ‘I think the role of EU in supporting R&D active foundations has been elevated with the HORIZON2020 framework. Gathering feedback from the field is helping both parts (the Commission and the foundations) to understand what works and what doesn’t work. Simplification is key, and here the foundations can act as a relay to the communities of researchers. Through the foundations, both researchers and the Commission can increase the awareness of the opportunities and can promote the results of the grants awarded. Impact evaluation takes time because outcome can be measured in the long term. Both the Commission and the community of researchers are measuring the immediate results of the grant and are engaged in a seven-year financial cycle. The foundation’s role could be linked to an impact evaluation of the cycle which is ending, observing the long-term outcome.”

Ovidiu Voicu, Head of Research at the Foundation for an Open Society, stated that ‘Another very important role of the European Commission could be the provision of technical assistance for Romanian foundations that access European funds, by establishing an information bureau in Romania.’

Dr. Borbála Kovács, Senior Researcher in Social Policy at the Median Research Centre, stated ‘the EU’s direct role is negligible, including in respect to international or national collaboration with other foundations, fiscal facilities etc. for the obvious reason that it is not the EU directly that can provide fiscal facilities, or provide the context for collaborative efforts or a legal framework etc.

‘Perhaps the EU’s role is much more diffuse. Foundations that I have collaborated with and which have engaged in R&I have enjoyed financial support from nonprofit grantmaking organisations with a pan-European agenda, pan-European sources of funding and a pan-European reach. This, I think, would not be possible in the absence of the EU, which makes the whole prospect of R&I within (and, through partnerships, across) member states more realistic and, as such, more tangible.

‘Perhaps another diffuse (and unmeasurable) effect of the EU – and I think this is more of a medium- and long-term effect, but the benefits of which we are already reaping – is that researchers’ biographies and professional careers are increasingly more European, i.e. cross-border. Individual scholars and would-be scholars are educated in several countries and work in several countries throughout their careers. And people carry their research interests wherever they go, contributing to R&I projects in other countries as well as in their own countries while living abroad. This, in my view, enhances the quality of research, because bringing together the most suitable people – including by foundations whose activities are most often project-based – is definitely possible without bureaucratic, logistical or even financial hurdles (unlike 20 years ago across Central and Eastern Europe).

‘Directly, however, the EU’s role is rather limited, at best extending to cultivating a union-wide (policy) discourse on the importance of R&I, on the benefits or R&I and – therefore – the legitimacy of R&I activities within member states.’

Regarding the foundations’ contribution to European integration, the respondents considered that their activities contribute to integration in mostly research issues, followed by educational, cultural and social issues.
3.6 Foundations’ operations and practices

Regarding the management of the surveyed foundations, three are governed by a Governing Board (Managing Council) with appointed members, two have a Governing Board with elected members, one is governed by the original founder and one by the original founder and a Governing Board with appointed members.

According to Ordinance 26 and the corresponding Law (Law 246/2005), the leadership and administrative body of the organisation that ensures the pursuit of the purpose and goals of the foundation is the Managing Council, made up of at least three members appointed by the founder(s) at the moment of its formation. Therefore, as a general rule, the Governing Board is appointed by the founder(s). The length of the mandate is set out in the Statutes of the foundation.

In our sample, four foundations engage in partnerships: two with other foundations, all four with universities, two with research institutes, one with governments, two with other nonprofits, one with companies and none with hospitals.

**Figure 8: Motivation Partnerships**

In number of foundations

- Pooling expertise/sharing infrastructure: 3
- Increasing impact: 3
- Expanding activities: 2
- Increasing legitimacy: 2
- Creating economies of scale: 1
- Pooling money for lack of necessary funds: 1
- Avoiding duplication of efforts: 1

**Case studies on partnerships**

In 2013, The Foundation for an Open Society participated in a project called the ‘Research and Information Center on Immigrant Integration,’ [32] financed by the European Fund for the Integration of Third Country Nationals through the general program ‘Solidarity and the Management of Migration Flows’ (ref: IF/11.01-03.01) of the European Union, managed in Romania by the Ministry of Administration and Interior, with the General Inspectorate for Immigration as the contracting Authority.

For this project, The Foundation for an Open Society partnered with another NGO, the Romanian Association for Health Promotion. One of the outcomes of this project was the publication in 2013 of the ‘Immigrant Integration Barometer.’ The main objective of this study was to identify and analyse the practice of integrating immigrants into Romanian society, by corroborating the opinions of all the relevant players: immigrants, the host society and the responsible authorities. At the same time, the study’s purpose was to

make a chart of the process of the integration of citizens who do not come from the European Union with regard to the following areas: labour, medical and social assistance, education and citizenship.

Dr. Victor Babes Foundation [33] (Fundatia Dr. Victor Babes) was established in 1995 with the purpose of supporting the Dr. Victor Babes Hospital in Bucharest (equipment for the hospital, better care for the patients). In time, the foundation started to provide medical and surgical services by establishing the Medical Research Department in 2004.

The research activities at the Dr. Victor Babes Foundation fall into two areas: 1) research grants (financed by the Ministry of Education, the European Union and other public financing bodies), and 2) clinical research (corporate sponsors). To carry out its research activities, the foundation has become partners with various public health institutions (hospitals, universities and research institutes).

3.7 Roles and motivations

The foundations in our study have various perceptions of their role. They considered themselves as having a complementary role (in addition to public/other support) as well as a substituting role (instead of/a substitute for public/other support). One foundation considered that it never plays an initiating role (the aim of starting a project with the expectation that others will take over) while two foundations considered they should never engage in competitions aimed at competing with other initiatives (while three foundations considered they should always engage in such competitions).

Paula Apreutesei, Program Director of the RAF, stated ‘I think foundations can act as a stakeholder in the innovation ecosystem. They can pilot projects, they can manage multi-annual grants, they can allocate money for market intelligence, gather feedback, promote the results.’

Dumitru Panculescu, President of the Pancuantic Foundation, stated that ‘Foundations are part of civil society. As an player in this context, their role is to raise public awareness about research and to use their resources to promote and enhance the results obtained by members or volunteers. Presently, Romanian foundations are kept alive by only a handful of idealists. They are in no way supported by the State. The private financial sector is rarely interested in foundations’ results.’

Dr. Borbála Kovács, Senior Researcher in Social Policy at the Median Research Centre, stated ‘Foundations – just like public research institutions from the Romanian Academy or research institutes affiliated with public universities – can, I think, be part of an inclusive research landscape everywhere. In the Romanian context I feel, however, that foundations are the only place where (usually foreign-educated) emerging or more established researchers with the desire to conduct high-quality, independent research (and this includes sound research ethics) can carry out their activities on longer or shorter grants. Public institutions often give the impression that they are impenetrable and inaccessible as workplaces for researchers, who – as I have said – are increasingly more dynamic (certainly those educated in established democracies, like myself, are); that they are intransparent, which makes the prospect of attracting research funds unappeal-

33 http://www.cdt-babes.ro/cercetare/medical_research_infrastructure.php
ing given the risk of funds ‘disappearing;’ that they are underequipped – in material and financial terms especially; that their existing staff members are professionally rarely attractive as colleagues and/or mentors. In short, public R&I institutions – certainly in Romania – are as a whole not the locus of cutting-edge research and innovation. In that sense, foundations are often alternatives, carrying out R&I activities that already existing public institutions could also do if the staff were different (which is to say if the recruitment worked differently). In my experience, pilot initiatives by NGOs and the private sector (the for-profit sector) – whether as products of R&I activities, interventions (social, infrastructure, political or economic) or other activities aimed at providing or improving public goods (in the broad sense) – have rarely been taken on board by public agencies and institutions. I can think of numerous community development projects, educational projects, projects in the health sector, innovations in the justice system etc. that were piloted extensively, and with positive results, without any subsequent buy-in by the government and, therefore, no roll-out nationally. To put it bluntly, Romanian Ministries and subordinate government agencies have been wasting valuable know-how, scientific knowledge, innovative approaches and solutions coming from the non-profit and for-profit sectors for the last ten years at least instead of capitalising on them.

‘With public entities (whose continuity is in most cases guaranteed for longer periods of time than those of most foundations) not picking up individual foundations’ interventions, their research efforts and results, or their innovations makes fragmented efforts remain fragmented due to unavoidable informational asymmetries. Foundations – whose institutional durability is much more fragile than that of public institutions’ – sometimes carrying out high-quality R&I activities instead of well-known public institutions means that few will know about them and few are reached by the outcomes of such autochthonous R&I activities. If there is potential competition between the foundations in R&I, I don’t think that is a bad thing. My impression is, however, that Romanian NGOs doing quality work tend to develop quality relationships with other NGOs instead of unproductive ones, so long-term collaborations are more frequent than unproductive competition.’
Innovative projects and / or initiatives that had a significant impact

The Soros Foundation Romania (rebranded in March 2014 as The Foundation for an Open Society):

The Soros Foundation Romania supports organisations and activities that focus on two main priorities: using research and advocacy to develop public policy, and implementing projects that directly engage poor communities to work together to improve their conditions and assert their rights.

The Soros Foundation has a major focus on promoting policies for enabling free access to public information to ensure that the Romanian Government meets its obligations on transparency and the accessibility of public information under the Open Government Partnership. The Foundation has been a consistent advocate for the substantial positive impact that open data policy can have for individuals, civil society, public institutions and the private sector in Romania.

Over the years, the Soros Foundation Romania’s main source of funding for its programs has been the Open Society Foundation organisation. In recent years, this Foundation has diversified its sources of funding, especially by carrying out projects financed through European Union funds.

In 2012, the Romanian Association for Health Promotion and the SOROS Foundation launched [34] the project ‘Research and Information Centre on Immigrant Integration,’ financed by ‘The General Program Solidarity and Dealing with Migratory Waves’ (ref. no.: IF/11.01-03.01) from the European integration fund of third country nationals, the 2011 Annual Program.

The main goal of this project is to create and develop a Research and Information Centre on Immigrant Integration, which will be a hub for exchanging information and good practice in this field in Romania, to coordinate research, and to facilitate partnerships between organisations and experts; there are three main components:

The Research Centre – access to the latest information and to international practice for any interested institutions, organisations, professionals or researchers.

A multidisciplinary network of researchers – to go through the relevant literature regarding immigrant integration, to develop a new conceptual framework and new research tools, to do research from a multidisciplinary perspective and to monitor the implementation of integration policy – in the context of established European mechanisms – and to make recommendations for the decision-makers and authorities regarding practice, legislation and integration policy.

A network of organisations and experts – the Centre will create a network of organisations and will interact with players in this field, such as organisations involved in specific projects/initiatives, local and national authorities who are active in the relevant fields for the social integration of RTT, other public or private entities, as well as experts recognised at a European/international level. The projects will facilitate partnerships between universities, researchers and other people in Romania, as well as the exchange of good practice regarding research into immigration and integration with partners from abroad.

Specific project goals:

- To found a research and information Centre on immigrant integration.
- To create a multidisciplinary network of researchers.
- To facilitate partnerships between universities, researchers and other interested people in Romania with foreign partners; this will be done by the Research Centre as a focal point for scientific and reliable research and information on immigrant integration.
- To facilitate the exchange of good practice between universities, researchers and other interested people in Romania with foreign partners and relevant organisations, including similar centres from Member States of the E.U. To go through the literature concerning immigrant integration from a multidisciplinary perspective will be done annually by a multidisciplinary team of researchers.
- An innovative approach to the conceptual framework and the creation of new research tools on immigrant integration in Romanian society.
- To conduct a study into immigration on the basis of a new conceptual approach and of new research and developmental tools.

The Research and Information Centre on Immigrant Integration will be open to researchers, students and other relevant groups of people interested in immigrant integration. The Centre will have an adequately supplied headquarters, a website and a library. The library will be physical and virtual; it will contain materials and relevant documents from the areas of integration, literature and specialised studies and research conducted on a national and international level.

Interactive workshops will take place between the members of the multidisciplinary team and researchers, organisations and academics from the migration field and its management (Cluj, Iași, Timișoara, Constanța, Brașov, and Bucharest). The meetings will be broadcast live and the presentations will be put online via an interactive platform.

Target project groups are represented by universities, public institutions with affiliations to the field of immigrant integration, ministries and government departments, non-governmental organisations, other organisations with any relevant experience, relevant European Union organisations, European research institutes, European organisation networks affiliated with universities or independent from EU member states, and researchers/experts at a national and international level with experience in this field.

On the other hand, the indirect beneficiaries will be the approximately 57 000 legal immigrants in Romania, through the impact of the Research Centre’s activity in policy, legislation and practice in this field.
The Research Centre, through putting their materials at the disposal of the relevant authorities, universities, researchers and other social scientists, and together with the research reports put together during the project, all of this will be valuable resources for decision-makers regarding integration policy, legislation and services, and will facilitate progress with respect to models and common tools at an E.U. level.

The Median Research Centre Foundation - www.openpolitics.ro and www.testvot.eu

www.openpolitics.ro is a project of the Median Research Centre Foundation with the aim of providing an open platform for citizens to debate the most important topics on and public policy solutions to these issues.

It is the only online platform that includes three components: the position of the main political parties on any issues of concern (education, the economy, agriculture, etc.), a forum for discussion, and the TestVot platform, an application that allows users to test their political affinities.

www.testvot.eu is a platform that allows users to check the compatibility between their position on a list of public policy issues (formulated by political parties ahead of elections, whether local, national or European) and those of political parties taking part in elections. In this way, voters can assess their own and their parties' positions on issues such as education, the fiscal system, pensions and social security, etc. and are able to make informed choices in elections.

The Pancuantic Foundation – ‘Device for Remediation in Living Spaces’

In 2010, The Pancuantic Foundation received a gold medal for the innovation ‘Device for Remediation in Living Spaces’ at the Belgian and International Trade Fair for Technological Innovation. The atmospheric remediation consists of burning air in cold plasma and the controlled use of ozone in order to destroy harmful microorganisms and chemical compounds. Devices built using this technology eliminate impurities from the air through clean neutralisation as a result of simple and direct actions: a disrupting field, cold plasma and ozone.

The device is used for cleaning polluted air in living spaces and it reduces the risk of illness due to the bacterium ‘Legionella pneumophila.’

The ARTIE (Applied Research, Technological Innovation and Entrepreneurship) winning projects, financed by the Romanian-American Foundation include the following:

- A noise-resistant, domain-adaptable, wide-vocabulary automatic speech recognition (ASR) system for the Romanian language.
- A device to carry out air quality measurement and to help you improve your lifestyle by providing insights about how harmful your environment is.
- A new method and tool for in situ high-pressure magnetic resonance spectroscopy/imaging.
• Double and single vision reading glasses manufactured using a 3-D printing process that eliminates various optical variabilities caused by current manufacturing processes.
• High-contrast gallium mirrors, a new magnetic module for wastewater treatment.
• A process for the one-step production of two different high-quality corn flours by non-expensive screening and eco-friendly chemical separation.
• The rapid detection of metal particles using giant magneto resistive (GMR) eddy current sensors.
5 Conclusions

Main conclusions

The number of newly registered foundations has been declining steadily over the past few years in Romania. The reasons are high set-up costs and insufficient funding opportunities.

Out of the existing foundations, only a handful are active in research and/or innovation. Their role is marginal and their investments scarce. In fact, foundations are not even mentioned in national reports that discuss research funding opportunities. An exception to this statement is the Romanian-American Foundation, which launched the ARTIE (Applied Research, Technological Innovation and Entrepreneurship) program in 2013 with a budget of USD 1.5 million. This program is unique in Romania and represents a source of inspiration for other grantmakers.

One noticeable difficulty for Romanian foundations in accessing structural funds for research and innovation is the absence of any capital to cover the co-financing, excessive paperwork and bureaucracy for project submission and implementation.

This study also revealed a transparency issue; out of the 13 foundations taking part, only two have published recent annual reports including financial information. This does not mean that the foundations do not produce annual reports, but that they only send them to their grantmakers.

It is important to note that in Romania, private universities are established as nonprofit entities. Private universities can play an important role in attracting European funds for research. One of the most important provisions of the Education Law 1/2011 with regard to university research is the classification of universities into three categories on the basis of their study programs: (1) educational universities; (2) educational and scientific research universities, or educational and arts universities; and (3) advanced research and educational universities. Nevertheless, it is worth mentioning that the University Ranking carried out in 2011 placed all private universities in the category ‘universities focused on education,’ and none were placed in the top category ‘advanced research institutions.’ The universities in the latter category receive more funding from the public education budget and are allocated more places for Master’s and PhD students (84% of all PhD places). Only 1.6% of PhD places are allocated to universities evaluated as ‘universities focused on education.’ These statistics demonstrate an important growth potential, as research at private universities (mostly registered as foundations) is still underdeveloped.

35 Law nr. 88/1993, ammended
In the foundation sector, community foundations have seen the most dynamic evolution (since 2008, 12 community foundations have been established in Romania and their number is increasing). Community foundations raise funds from local sources and distribute funds according to community needs. None of the community foundations have been active in research and innovation until now, but they could be in the future if their donors (individuals and private companies) put value on research and innovation and encourage decisions towards investing in R&I.

It is very clear that in recent years the political support for research and innovation has been quite low, and this has also had an impact on private interests in R&I. The new Romanian R&I Strategy for 2014-2020 plays an important role in demonstrating public commitment to research and innovation and in attracting private partners in order to fulfill national objectives.

Structural Funds will remain an important source of funding for Romanian foundations, provided that the co-funding conditions do not hinder their access.

Presently, Romania is not represented in the European Foundation Centre network.

**Recommendations**

Romanian foundations can play an important role in promoting attractive working conditions for Romanian researchers. This is of key importance, considering the magnitude of the brain-drain that the country is experiencing, and considering the large number of new PhD graduates, a result of the generous financial support for doctoral schools from the Structural Funds.

Arousing foundations’ interest in research and innovation requires serious and smart public policies that combine simplified access to funding, collaboration platforms, fiscal incentives and public support for public-private partnerships.

One recommendation is to design and use smart fiscal incentives for private companies and private individuals that choose to sponsor foundations. The current fiscal framework does not encourage the business sector or private individuals to support foundations in a substantive way.

Another recommendation relates to providing funding and co-funding opportunities for Romanian foundations at a European level. The European Commission can play an important role in enhancing collaboration between foundations in Europe, so that Romanian foundations are able to apply for funding provided by European foundations or to form joint-ventures on European projects with foundations from EU countries.

Another very important role of the European Commission is to provide technical assistance for Romanian foundations in order for them to be able to apply for European funds. There are very few foundations in Romania that are capable of applying directly to the E.C. financing programs, due to a lack of technical knowledge (in searching for the right funding and partnership opportunities, understanding the guidelines, project writing, budgeting, preparing the necessary paperwork, and reporting according to Euro-
The establishment of an information bureau with experts employed by the E.C. who can provide technical assistance to foundations would make an important difference. The World Bank’s Functional Review (2011) contains recommendations that can also apply to foundations:

‘3. Accelerate the translation of R&D into innovation in the private sector, through strengthening the technology transfer infrastructure in universities, encouraging commercialisation of publicly funded research, strengthening the knowledge of the IP regulatory framework and its application within the legal departments of public entities and institutions, updating the intellectual property legislation in line with the General European Standards regarding Transparency and Invention Ownership, introducing a coherent and targeted program of early-stage technical and financial assistance to start-up firms applying innovations stemming from Romanian R&D.

‘4. Increase the level of private sector R&D in a framework of well-defined intellectual property rights and targeted tax and regulatory actions to improve the climate for private sector RDI and attraction of R&D-intensive FDI, encouragement of IP-based start-up companies by government policies and funding, creation of a small agency specialized in nurturing and financing innovative startups and R&D projects in SMEs through a network of consultants, business and technological related services.’

Dumitru Panculescu, President of the Pancuantic Foundation, stated that ‘it is necessary to have an inventory of the results obtained by foundations in research followed by a ranking based on their utility according to the development stage (fundamental research, prototype, certified prototype).’ In the same interview, Mr. Panculescu stated that ‘we need a national strategy for economical development in the medium and long term, at least for priority fields such as agriculture, services and the environment. Then we need a public platform where we will be able to connect the technical issues and challenges of the national economy with potential solutions coming from research and innovation.’

Nevertheless, the interviews carried out during this study revealed that research is presently perceived as an expensive activity, without the certainty of immediate, tangible results: this is one reason why foundations prefer to invest in other domains with more visibility, and which are perceived as more urgent (social programs for the disadvantaged, education in primary and secondary schools and healthcare). A national awareness campaign focused on demonstrating the importance of research and innovation in the progress of a society could be instrumental in inspiring foundations to invest in research.
6 References


Europena Commission (2013) ‘Research and Innovation performance in EU Member States and Associated countries. Innovation Union progress at country level 2013.’


