

FINANCIAL INCENTIVES AND OTHER SOURCES OF SUPPORT FOR CHILD PROTECTION REFORM IN ROMANIA

A Report Prepared for:

**THE NATIONAL AUTHORITY FOR CHILD PROTECTION AND
ADOPTION of the Government of Romania**

By: Michael W. Ambrose
Deputy Associate Commissioner
Child Care Bureau
U.S. Department of Health and
Human Services

February, 2002

This report was prepared for DHHS and USAID/Romania under
USAID-DHHS Interagency Agreement ENI-P-00-98-00009-00.

TABLE OF CONTENTS

| | | |
|-------------|--|---------|
| Chapter I | Introduction | Page 2 |
| Chapter II | Findings and Discussion | Page 4 |
| Chapter III | Child Protection Structure & Financing | Page 10 |
| Chapter IV | Child Protection Data & Analysis | Page 16 |
| Chapter V | Conclusions and Recommendations | Page 21 |
| Appendix: | List of Persons Interviewed | Page 26 |

Chapter I. Introduction

This report is the product of an agreement among the National Authority for Child Protection and Adoption in Romania, the U.S. Agency for International Development (USAID), and the U.S. Department of Health and Human Services (DHHS). It is based largely on work conducted in the field in Romania from March 12 through March 23, 2001 with the assistance of USAID staff and with the specialized expert assistance of Laura Balanuca of the National Authority. The purpose of the project is to review the financial structure supporting child protection reform in Romania, examine the operation of financial incentives, and assess the effects on the child welfare system of legal, social and political restrictions, in order to draw conclusions and make recommendations.

In the context of this report, "child protection" means the entire range of activity for which the National Authority is responsible, including foster care, institutional care, reintegration of children with their families, placement with relatives, independent living for children who are or were in care, adoption, and maternal and child centers and other activities designed to maintain children in their own homes and prevent out-of-home placement of children. The term has a meaning similar to the term "child welfare" in the United States. Certain other services, such as medical services for children with disabilities, are also an integral part of child protection. The report is therefore not confined just to services and funds provided by the National Authority, but considers the broader range of services, funding and Romanian agencies involved in keeping children safe and providing for their development while preserving Romanian families. "Child protection reform" is a broad term, but in the context of this report it refers mostly to deinstitutionalization and to the creation of modern, family-based social service programs.

The basic findings of this report can be summarized in two key themes:

Romania has successfully adopted the policies and mastered the techniques to accomplish child protection reform, and that reform has actually begun and is presently underway in some places; and

The application of these policies and technical mastery is uneven and incomplete-- while much has been accomplished, much remains to be done.

We saw evidence of remarkable accomplishments, and we were told of many others, that helped to convince us that the key elements of child protection reform have already been attained. New policies are being implemented; new funding is available and often is targeted strategically; new attitudes can be found among political officials and child protection professionals alike; institutions are being closed and converted to alternative uses; and more Romanian families are adopting children who cannot be raised by their families. What is most important, children are being reunited with their families; children from institutions are being placed in homes, with foster parents or relatives; and genuine and effective efforts are underway to keep children with their families so that they do not enter institutional care on a permanent basis.

As positive and dramatic as these accomplishments are, they do not describe the norm in Romanian child welfare practice, which lags far behind these admirable examples. While there are instances, scattered around Romania, of all of these important accomplishments, child protection reform is not widespread. The challenge for Romania is to take these accomplishments that, though impressive, are not yet common or typical--and bring them to scale. In effect, Romania has successfully completed the demonstration phase of child protection reform by showing that every practice and policy important to such reform can be implemented, and every important result can be achieved. Romania is poised now to capitalize on these critical successes by bringing reform to every part of the country and to every child and family in need.

To be sure, expanding child protection reform to every part of the country is an extremely difficult--and surely an expensive--task. But the heartening news is that the nature of Romania's child protection reform task has evolved to the point where it no longer requires significant legislative, political or administrative change at the national level. Equally encouraging is the fact that the leadership of the Government of Romania – explicitly including officials of the National Authority – is committed to child protection reform, knowledgeable about the policies and practices needed to implement such reform, and fully capable of bringing the reform effort to a successful conclusion nationwide. Indeed, the draft Governmental Strategy Concerning the Protection of Children's Rights for 2000 - 2003 is an excellent blueprint for continued success in reforming and modernizing child protection in Romania. The purposes, values and goals of that strategy, when realized fully and nationally, can well complete the reform process. What is needed now is technical assistance and training, implementation and enforcement, reporting and measurement of accomplishments, and public education. And, of course, money; providing quality child protection services is an excellent investment in long-term savings, but it does require a significant initial investment.

Certain limitations of this report should be noted: the field work was conducted on site and by conference call in only three counties and one Sector in Bucharest, and with only one site visit at the local level. The site visits were selected for convenience; they are surely not the places in Romania that are farthest behind in child protection reform or that present the most serious challenges. While considerable additional information was adduced from many sources, including many service providers and funders with whom we spoke in Bucharest, and several mayors with whom we met informally in Tulcea, the selection of persons to interview and places to visit was based more on judgment than on science. Despite these limitations, we are confident that our information is both extensive enough and reliable enough to support the programmatic conclusions reached in this report, and to warrant the recommendations we have made. Among the additional sources of information relied upon in this project, the program and financial data made available by the Monitoring Unit within the National Authority were especially valuable. A list of the persons interviewed for this report is attached as an appendix.

Chapter II. Findings and Discussion

Child protection reform can work in Romania. We know this because it is working. Yet many people we spoke with told us that child protection reform cannot work in Romania. Generally, they thought this either because they were aware of how expensive and difficult it can be, or because they were unaware that steps they thought to be impossible were actually being taken elsewhere in Romania. In a few cases, this unhelpful response was probably motivated also by a genuine belief that some elements of Romania's planned reform are mistaken and should not be implemented; it is certain that the national government's Strategy Concerning Protection of Children's Rights is not fully accepted at all levels of society and in every part of the country.

We discovered that some public officials in one location believed that Romanians would not accept foster children into their homes, except possibly young children. And they believed that when foster children reached school age--or when they became teenagers--the foster parents would return them to the state. Yet in other places both NGO and public officials we spoke with told us of their considerable success in recruiting Romanian families as foster parents. They told us that it was difficult at first, but that with active recruitment efforts, straightforward and candid public education, and the use of standard foster parent recruitment and retention techniques used in many other countries, they were able to recruit foster families and place children with them. They were able to place older children, including teenagers. The children were not returned when they became difficult, or reached school age, although it is necessary to provide supportive services, such as counseling, for some foster placements. When we asked about placing children with disabilities in foster families, we learned that the pattern was the same; difficult at first, but with persistence, public education, and practical recruitment techniques, good foster homes can be found for these children as well.

The discussion of adoption followed a similar pattern: in some places we were told that Romanian families will not adopt, or will adopt only very rarely. In other places we learned that Romanian families *are* adopting children who cannot be reunited with their biological families, and that the adoptive families just need to be recruited, assisted through the process, and given help to solve practical problems. In both cases--adoptive families and foster families--we were told that it was often necessary to counter the common view of these social services: it was necessary to change the popular mentality.

Finally, we were told that it is not possible to close an institution, and that for a number of reasons (many of them detailed below) it is not desirable to do so. Yet residential institutions *have* been closed in Romania, others are being closed, and still others have been dramatically scaled back in population and purpose.

It is extremely difficult to close an institution. There are political, social, and economic obstacles to the full closure of any child-caring institution of any size. The problems include:

- What to do with the staff. Some can be retrained for related work, such as serving as maternal assistants (foster care providers, usually in-home) or prevention services.

But some do not wish to be retrained, or for other reasons cannot be employed in other capacities.

- What to do with the children. Many children can be reunited with their immediate families or other relatives, and many can be adopted or placed in family foster care. Some are aging out of the system and can be assisted to live independently. But for some children, in some cases, it can be very difficult to find a non-institutional placement. This can be especially true for older children and children with severe disabilities, and for sibling groups. And for a very small number of children institutional placement, at least for some period of time, is the appropriate plan.
- What to do with the building. In addition to being a source of employment, institutions such as placement centers can be an economic asset, providing business for local suppliers and in other ways attracting money into the local economy. Often, an institution is a large and potentially useful building that government officials are reluctant to abandon. Such buildings can therefore continue to cost money even when they are "closed," if maintenance staff are kept on the payroll, the building is still heated in winter, and guards are employed. Sometimes institutions can be partially converted to related uses, such as offices for recruiting and training maternal assistants, and counseling centers for prevention of out-of-home placements. As long as any such building remains at least partly unoccupied, there is a risk that local or county officials will be tempted to operate or re-open a placement facility there. As one NGO official put it: You haven't permanently closed an institution until the building that housed the institution has been entirely re-occupied by other tenants, or has been torn down.

Some measures for "closing" residential institutions are dangerous in themselves, because they produce inadequate or unacceptable child protection results. For example, the idea of converting a large institution into a cluster of smaller group homes actually just produces a multi-site institution. It is very difficult to create a truly "family-like" setting in a group home, and rarely accomplished. There are reasons to operate some group homes, perhaps for older adolescents nearing independent living, or as temporary shelters for abandoned infants or abused children. But it is important to have clear standards for group homes, and absolute limits on the number of residents and the duration of their stay, because group homes tend to become institutions on a smaller scale. More important, for most children in out-of-home care the most appropriate case plan goal will be reunification, adoption, independent living, or family foster care. The rationale that leads to a decision that the child should not be in a large residential institution will also, in most cases, lead to a decision that the child should not be in a group home, either. And like large residential institutions, if group homes exist, forces will develop to cause them to be filled with children.

Similarly, long-term foster care is an inadequate solution. Children need loving homes, and they need permanency. Group homes and long-term foster care are placements for children that most often are devised for the convenience of the child protection system, rather than for the best interests of the children. Long-term foster care and excessive use of group homes (especially as orphanages-in-disguise) are mistakes with which there is

considerable experience in the U.S. These have been difficult and costly problems, and they are problems that might have been avoided in the U.S. with more knowledge and foresight. Romania can avoid such problems now.

In some cases, experience is already paying off. Even where counties have succeeded in closing institutions and placing children in more appropriate settings, they are now facing a new and more difficult round of deinstitutionalization as they assume responsibility for those residential institutions that care for children with disabilities. However, we spoke with local officials who knew, from their experience with the former, that they could succeed with the latter as well. They knew it would be more difficult, and that they would face greater obstacles, but they already understood the key steps that must be taken and they knew what political and economic issues must be addressed. This experience is an enormous advantage to them, both as a guide to effective action and as a psychological support in the face of otherwise daunting odds. Even more important, we met county officials who had witnessed the changes in children's lives, the improvements in their affect and the developmental gains and all the other benefits that come from living in families, and who are now convinced of the rightness of deinstitutionalization. Now they know, what previously they could only conjecture, that given appropriate placements children will flourish, and given adequate services families will thrive.

There is a hierarchy of placement costs in child protection. All the parties we spoke with agreed that there are significant differences in the costs of various placement options, with the least expensive option, naturally, being to maintain the child in his own home, or place her for adoption. Next in cost is placing a child in family foster care with a maternal assistant. The most expensive placement option is institutional care. Foster care usually costs about half the cost of institutional care – for the fourth quarter of 2000, national average costs per child per month were 5,354,023 lei for institutional care and 2,016,273 lei for placement with a maternal assistant.

It is difficult to compensate foster parents appropriately, especially for the care of children who require greater levels of skill on the part of the maternal assistant, or who are more demanding. Most of the people we spoke with told us that they thought it was not, strictly speaking, permissible to pay differential rates to maternal assistants for caring for different types of children. However, it is not impossible under the current legislation to compensate maternal assistants in a differentiated manner. We learned about a particular jurisdiction within Romania that had contrived a scale of payments for maternal assistants, differentiated by the number of children in care and by the degree of a child's disability. But, as this is not a norm directly contemplated in the law, but rather an agreement among the responsible officials of that county to use other legal provisions for this purpose, it is unlikely to become a general practice. Supplements, often called "level of care" payments, are common in the U.S. and other countries as a way of assuring that foster homes can be found for children who might otherwise remain in institutions or other inappropriate placements.

Closing institutions does not save money. Despite the obvious fact that it costs less to maintain a child in foster care than in a residential institution, and less still to keep or reunify

a child with her family, or place a child for adoption, there may not be any immediate or useful savings from deinstitutionalization. This is partly for reasons given above, that institutions have an economic life of their own, and partly because the savings arising from outplacement are marginal except in large increments. Moving three children, or seven, out of an institution and reuniting them with their families produces significant social value for those children and families, but it will probably produce no measurable financial savings for the county. Until enough children are removed that it is possible to reduce staff, there will be no apparent savings (the costs of food, clothing, etc., are marginal under the circumstances). Unless there is a reduction in the number of staff employed, there will be very little money saved.

We spoke with many people who had been associated with closing institutions, and in most cases we were told that there was very little actual reduction in staff. In a few cases, staff simply resigned because they did not wish to be retrained for other work. But mostly, we were told, either staff had assumed other duties (e.g., become maternal assistants or been retrained for other occupations in the field of child protection), or staff had been retained in the same or other institutions and the staff/child ratio had been adjusted so that there were now more--in some cases many more--staff per child than before. This, we were told more than once, was an effort to redress an existing understaffing problem. Clearly, this is a phenomenon that requires close scrutiny.

County and local governments need to be able to make long-term plans. The financing structure for child protection (see below) and the budgeting procedures for county governments can make it difficult for counties, and for localities as well, to make long-term plans for the reform of child protection or for increases in the level of services to families and children. This is partly because budgeting is uncertain from year-to-year, and the concept of national funding for certain critical child protection functions is still new. Thus there is no history to guide local decision-makers and no way to be certain that funds would be available in the out years for any multi-year developmental project.¹

Closing institutions is not the primary objective. The point of child protection reform is to strengthen families and provide children an opportunity to be raised in loving, permanent homes. Thoughtful local officials told us of their efforts to return children from institutions to their families, and to place such children in the homes of maternal assistants if they could not be reintegrated or placed with relatives. They spoke of preventing the need to remove children from their homes, and of the importance of minimizing the duration of any out-of-home placement. They expressed concern for the educational, emotional, and physical development of children placed in institutions, and the drawbacks of institutional life, both for the children and for Romanian society. The closing of institutions was described as a secondary objective, necessary to achieving their primary objectives for children and families. Approached this way, the mission of child protection reform is much clearer, and

¹ The question of multi-year planning is likely to remain moot as long as the rate of inflation continues to be unstable, because it would not be prudent to commit (in a contract, for example) to any long-term financial arrangements. Vendors or other suppliers will not wish to continue under arrangements that result in their being paid inadequate value for their goods or services, and governments will find it difficult to forecast or budget for future costs.

its importance more obvious. This approach also provides a more coherent and attractive argument for any campaign to affect the public mentality on this subject.

Some fiscal incentives may be misplaced. Another factor that makes it hard for counties to plan and that reveals a flaw in the way fiscal incentives could operate is that the level of government that achieves certain savings (from closing an institution, for example) may not be the level of government that benefits from those savings. That is because much of the funding for institutions is provided by the state. The county cannot count on being able to re-allocate some of the savings that might accrue because the county does not control the funding. To be sure, counties can still realize a partial financial advantage from more cost-effective operations, because some of the savings they achieve are savings of their own money. The central government provides the bulk of the funding for residential institutions. Nevertheless, in some counties, perhaps in most, the proportion of the local budget devoted to supported residential institutions is quite high; estimates ranged from 30% to 40%. Clearly there are economic values to be derived from deinstitutionalization.

The simplest or most obvious solutions are not always available. Romania has a policy--common among well-conceived national child welfare policies--that children should not be separated from their parents because of the poverty of the parents. The obvious solution is to assist the parent or parents to provide for their child, rather than removing the child or children to be raised in out-of-home care. Even though it is less costly to provide money to a low-income family to help them cover the cost of raising a child, than to pay a maternal assistant to provide foster care, there is no money available for that purpose. However, there are both national and county-level sources of funding for residential institutions – the most expensive and least-desirable option--and there is a national source of funding for maternal assistants – also more expensive and less desirable than keeping children in their own families. Thus the two more expensive and less desirable options are provided for, but the best option that costs the least is not. It is true that local governments can provide meals and other non-cash supports, and this can be supplemented from funds provided by the national government, but non-cash support is not always the most efficient approach and frequently it is not enough. This is a problem that is not unique to Romania. Many governments have struggled with the difficult question of how to provide adequate support for a family, without creating unwanted incentives or excessive dependence on government.

Cost avoidance is the surest source of savings. Prevention, keeping children with their families and out of the system of care in the first place, is the most permanent and certain way to minimize costs for out-of-home care, and it is likely to produce the best results for the child and his family, as well. Prevention represents a combination of prudent fiscal management and good social work practice. It is extremely unlikely that prevention efforts could cost as much--on a per-child or per-family basis--as out-of-home care costs. Yet such "savings"--costs avoided--are difficult to measure. It is easy to make the argument but hard to quantify for budgets or other planning purposes, and over time local and county officials may lose sight of the economic benefits they are deriving from prevention.

Prevention is also the easiest--though certainly not the

fastest--path to deinstitutionalization. A supply-side approach to deinstitutionalization avoids some of the problems, such as those having to do with devising more appropriate placement plans, and obviates others--there is no need to recruit and pay maternal assistants, for example. But it would be a mistake to rely on prevention alone because it would take far too long and because, as the discussion above reveals, there are powerful forces that operate to keep institutions open and filled with children.

Chapter III. Child Protection Structure and Financing

Child protection activities in Romania--especially the activities overseen by the National Authority for Child Protection and Adoption--were among the first of the national governmental functions to be decentralized by the Government of Romania. This has proved to be an advantage in some ways, but it also means that, as the pilot program for decentralization, child protection is encountering some of the normal bumps in the road that are to be expected in any pilot activity. Thus, some of the problems noted in this review of the structure and financing of child protection are actually associated with the process of decentralization itself, as much as they are with the management of child protection services.

At the time this review was conducted the responsibility for child protection services was shared at all three levels of government in Romania: the national level, the level of the counties, and the local level. Financing of child protection services is largely the responsibility of the national level and the counties. Local governments provide a significant share of the funding for prevention activities. The bulk of the financing for child protection is provided by the national government. Residential institutions are financed by the national government, through the Programs of National Interest (see below) with some financial participation by counties. In the counties we sampled, their share of the overall expenditures for maintenance and operation of institutions was relatively small, but that share represented a significant portion of the entire county budget.

At the time that the author of this report first examined child protection reform and the processes of deinstitutionalization and decentralization, one of the key problems facing Romania was the effective absence of taxing authority at the county and local levels. That problem has now been remedied; counties can raise revenues from a variety of sources, as can localities, and the national government has instituted a system of taxation that promises to provide a reliable and stable source of funding for child protection and other critical national issues. This is not to say that there are adequate resources in Romania to finance all the activities and improvements that are needed in child protection; but the legal and financial authority needed to raise revenue is in place, allowing public officials at the county and local levels to manage and finance child protection services. Nationally, the Government of Romania also devotes certain other funds, including some contributions from abroad, to child protection activities.

Many of the officials we spoke with noted that simply having the ability to raise revenues was not enough, if workers, businesses, farmers and others could not afford to pay more than they are now paying. Those are decisions for Romanian authorities to make, of course, and we have no recommendations on that subject. But it is important to note that the problem now for public officials is not that they cannot raise revenues to support child protection, but that they are faced with the budgeting and public administration decisions that other governments face, about balancing revenue and expenditures. This tension between the need for revenue and the ability to raise it makes efficiencies in government operations all the more critical, and it is clear that child protection reform is producing savings for current and future budgets that can keep the pressure for revenues from

becoming even greater. This is especially true for prevention activities and placements in less-restrictive, less costly settings than institutions. Continued emphasis on these positive child protection services can produce significant financial benefits as well. Moreover, these financial benefits of improved child protection practice are realized in the short term as well as the long term.

There follows a listing of the major sources of funding for child protection services in Romania, along with some indication of the scope of funding, either in total or, for entitlement programs, at the level of the individual beneficiary:

National Interest Programs

Source: National Authority for Child Protection and Adoption

| | <u>2000</u> | <u>2001</u> |
|--|-----------------|---------------|
| - Operation of residential institutions*: | 841 billion lei | 1,184 billion |
| - Prevention and foster care: | 72 billion lei | 212 billion |
| - Restructuring/operation of institutions for children with disabilities: | 48 billion lei | 50 b |
| - Social integration of street children | 2.5 billion lei | 15 b |
| - Specialized foster care for children with disabilities & HIV/AIDS children | | 60 b |
| - Developing a network of community based social workers | | 11 b |

* NOTE: For the year 2000 funds were directed, through these National Interest Programs, to all public residential institutions including those for children with disabilities that had just become the direct responsibility of the counties. For the year 2001 the rules were changed to allow in addition for the funding of alternative services, such as child care, mother and infant centers, etc.

Authority – HGR (Government Decision) 260/2000, HGR 380/2000, HGR 610/2000, HGR 552/2001, HGR 611/2001

Payments to Individuals and Families

1. State Allowance for Children

(alocatia de stat pentru copi) 130,000 lei

Every Romanian child is entitled to this allowance; the beneficiary is the child's family. [In January 2002, the amount was raised to 150,000 lei.]

Funding Source: The national budget and the National Solidarity Fund

The State Allowance is paid by:

- The Ministry of Labor and Social Solidarity for pre-school children (under the age of seven);
- The Ministry of Education and Research for school-age children;
- The State Secretary's Office for Persons with Disabilities for children with disability certificates (the amount per child is twice the standard allowance – **260,000 lei p. month** – and is funded from the Special Solidarity Fund for Persons with Disabilities).

Authority: Law 61/1993, HGR 591/1993, OUG (Government Emergency Ordinance) 118/1999.

2. Supplementary (additional) Allowance for Families with Children

(alocatia suplimentara)

Each family with at least two children is entitled to this allowance.

Source of Funding – the national budget and the National Solidarity Fund

This allowance is paid by the Ministry of Labor and Social Solidarity through the County Labor Directorates.

This monthly allowance is presently (Feb., 2002) fixed at:

| | |
|--------------------------------------|-------------|
| For families with 2 children | 60,000 lei |
| For families with 3 children | 80,000 lei |
| For families with 4 or more children | 100,000 lei |

Authority: Law 119/1997, HGR 443/1997, OUG 118/1999

3. The Solidarity Allowance

(alocatia de solidaritate)

This allowance is provided, for those who meet certain criteria, in addition to other existing allowances, up to a maximum of 50% of the gross minimum economy wage as determined by the Government.

Funding Source - the National Solidarity Fund

The solidarity allowance is paid by the Ministry of Labor and Social Solidarity through the County Labor Directorates. The **maximum monthly amount** a family may receive is **1,000,000 lei**.

Eligibility:

- Families with minor children with no income;
- Minors who are orphans or abandoned and residing in a family residence or in an institution;
- Persons with certain disabilities with an income per person not exceeding 50% of the gross minimum economy wage;
- Orphans over 18 years old who have resided in an institution (orphanage, placement center), until they are able to find work; and
- School-age children in families where the income per family member does not exceed 50% of the gross minimum economy wage, for the entire period of their studies.

Authority: OUG 118/1999, HGR 743/2000

4. Placement Allowance for Children in Placement (alocatie de plasament)

Family placement and placement with maternal assistants, **monthly per child allowance** financed by the national budget and paid by the Ministry of labor and Social Solidarity through its County Labor Directorates, is **500,000 lei**. (The *salaries* of maternal assistants are paid from the County Councils' budgets.)

Institutional placement (in placement centers) allowances cover a daily food allowance, school supplies, equipment, a daily allowance for personal use and staff wages. This amount is paid by the County Council out of its own budget.

Authority: OUG 56/1994, OUG 26/1997, HGR 331/2001.

5. Special Benefits for Children with Disabilities

(drepturi speciale acordate copiilor cu handicap)

- The State Allowance is twice the standard amount [number 1, above] **260,000 lei** [300,000 lei as of January, 2002].
- The Placement Allowance **per child per month** for children in family placement is increased by a 50% bonus (500,000 lei + 250,000 lei) = **750,000 lei**.
- For children (and for adults) with disabilities, a state-paid personal assistant may be provided.² The personal assistant receives a salary paid by the local authorities. Upon request, if the local authorities do not have the necessary funds, part of this salary may be covered from the Special Solidarity Fund for Persons with Disabilities, based on a convention signed by the State Secretary's Office for Persons with Disabilities and the Local Councils.
- Persons with disabilities receive additional benefits in Romania; among them an exemption from paying radio and TV subscriptions, no charge for telephone installation or subscription, and free medical care.

Authority: OUG 102/1999, OUG 40/2000

6. Social Assistance

(ajutorul social)

Awarded on a monthly basis, by the mayor from the local budget, Social Assistance is available to low-income single persons or families, in accordance with income criteria established by law. For example, a family consisting of a mother and one child, with no income, would be entitled to 268,000 lei per month. The first 130,000 lei would be comprised of the state allowance for children and the remainder would be 138,000 lei in social assistance. In addition, Emergency Assistance (ajutorul de urgenta) is available locally, awarded when necessary by the mayors, and emergency assistance is provided for from the national budget under special circumstances specified in legislation.

Authority: Law 67/1995

Current expenditures from the Program of National Interest (see number 1, above) include 75,118,400,000 lei for 33,535 children for the prevention of child abandonment.

These are the main sources of funding for child protection activities in Romania. They are augmented by services, commodities, and technical assistance provided by NGOs, by labor contributed by volunteers, and by contributions from "twin" cities in other countries, religious organizations in Romania and abroad, and a large array of foreign donors, public and private.

To offer a picture of the overall scope of Romanian expenditures for child protection, in the national budget for budget year 2000 (Romania budgets on a calendar year basis) some fifty-one trillion lei (51,285,507,007,000 lei) are devoted to “Social Aid, Allowances, Retirement Pensions, Aids and Compensation.” This is one of several budget categories that provide financing for social service programs. Within that category 335.4 billion lei were allocated for Maternity and Child Care Leave, an entitlement benefit provided by the Romanian government to allow a parent to stay at home with young children for a specified period after birth. This financial support for new parents, combined with the practice of frequent medical home visits during infancy, is surely a key element of prevention, helping to avert abandonment and child maltreatment.²

In addition to the funding provided by the National Authority, that agency also provides technical assistance, budget and financial services, leadership, and management for the national system of child protection and adoption, and the Authority coordinates with other Ministries that provide funding for children and families. The National Authority publishes a national *Strategy Concerning the Protection of Children's Rights*, and collects and analyzes child protection data supplied by the counties.

² This is another example of advanced social service practice in Romania from which the U.S. government and others could learn valuable lessons.

Chapter IV. Child Protection Data and Analysis

The Monitoring Unit within the National Authority operates a data-gathering system that produces important information for planning program activities, monitoring program accomplishments, measuring changes in the child protection population, and providing for adequate financing of the child protection system nationwide. The data are supplied by every county and the Monitoring Unit compiles both national tables and tables that show figures for each county. It is possible that some counties do not report, or do not report completely, for every period in a reporting year. As a result, the figures given below cannot be regarded as entirely accurate, and if anything they are probably understated.

The Monitoring Unit's information system includes data on prevention activities, adoption and family reintegration, temporary family care, and residential care. Each topic is discussed in more detail below. All data reported in this chapter are from Monitoring Unit tables as of the end of December, 2000.

Prevention Services

Nationally, more than 40,000 (40,175) children were reported as receiving prevention services during calendar year 2000, and the number of children currently receiving such services at year-end was 15,734.³ Prevention services are those activities designed to reduce the number of inappropriate placements in institutions of all types, and to serve children in their own families or in more appropriate family-like settings in their own communities. Prevention cases amounted to nearly 39% of all new cases entering the child protection system nationwide in 2000. An impressive array of discrete prevention services was provided throughout Romania.

Among the different types of services reported as being used for prevention were:

³ For the purposes of analyzing trends and measuring progress and accomplishments it is important to have both the annual count of children served over the course of the year *and* the point-in-time count of the number of children currently receiving services at year's end. The National Authority's information system is therefore well designed to produce useful analyses of data over time.

| <u>Type of Prevention Service</u> | <u>Number</u> |
|--|---------------|
| Maternal Centers | 24 |
| Day Care Centers | 16 |
| Centers for Parent Counseling & Support | 13 |
| Monitoring, assistance & support for pregnant women who may abandon their children | 8 |
| Day Care and Recuperation Centers for children with disabilities | 11 |
| Support services for reintegration of delinquent children | 6 |

A dozen or more additional services were reported as having been employed for prevention purposes, including pre-conception services to prevent child abandonment, services for children to secure their rights and express their views, and services for street children.

Permanent Placement

Permanency--being in a place where one will grow to adulthood, and remaining in that place – is critically important to children. Ideally, all children will have a permanent placement in a loving home. The two most stable types of permanent placements are described in this section: adoption, and reunification with the child’s biological family.

During 2000 the counties cumulatively reported an impressive number of children returned to their families from out-of-home care. Nearly 7,800 children (7,783) were returned to their families, and more than half of them (52%) were returned from residential care. This figure is an important index of the success of deinstitutionalization efforts in Romania. Another 16% of the children reunited with their families were returned from other family placements, such as placements with Maternal Assistants, and the remaining 31% were returned to their families from emergency protection.

With respect to adoption, the other type of permanent placement, there was a very large number of children adopted. Nearly 1,300 domestic adoptions were reported (1,291), and more than 3,000 intercountry adoptions (3,035). Thus, less than a third (29%) of the adopted children were placed with families in Romania.

Temporary Foster Care

At the end of 2000 there were more than 30,500 children in temporary family care. Following are the sub-types of family placement in Romania and the number of children in each type as of Dec. 31, 2000:

| | |
|---|--------------|
| No. children placed temporarily with relatives ⁴ | 18,629 |
| No. children placed temporarily with other families | 4,757 |
| No. children placed temporarily with Maternal Assistants ⁵ hired by the Specialized Public Service (SPS) | 4,029 |
| No. children placed temporarily with Maternal Assistants hired by the Private Authorized Organization (OPA) | 1,128 |
| No. children in temporary family placement pending adoption | <u>1,240</u> |
| <u>Total</u> number of children in temporary placements | 30,572 |

Temporary Residential Care

There were 57,181 children in institutional care (in Placement Centers) at the end of 2000. Of these, most (53,335) were in SPS centers, and 6.9% of the children in these centers were between the ages of 0 and 3 years old. Another 3,846 children were in OPA centers, and a significantly higher proportion (11.4%) of these children was aged 0 to 3.

Costs Per Child for Child Protection Services

The costs per child per month, predictably, vary considerably according to the type of placement. In the fourth quarter of 2000, the greatest monthly cost per child, 7,623,262 lei, was for children placed in emergency reception and assessment centers, sometimes called receiving centers. The lowest monthly cost per child in the fourth quarter, 2,016,273 lei, was for children placed with Maternal Assistants. Institutional placement in emergency centers, the most costly type of placement, was more than three and three-quarters times as costly as foster care. Costs for placement centers, the most common type of institutional care, were more than two and one-half times the cost of foster care.

Costs per child per month for the fourth quarter of 2000 may be compared as follows:

⁴ Biological family, to the fourth degree of consanguinity.

⁵ The term "Maternal Assistant" is similar to the term "foster parent," except that Maternal Assistants are paid, and foster parents (in the U.S. and elsewhere) frequently are not.

| <u>Type of Placement</u> | <u>Cost p. Child/Month</u> |
|---|----------------------------|
| Children in Emergency (Receiving) Centers | 7,623,262 lei |
| Children in Maternal Centers | 6,456,456 lei |
| Children in Placement Centers | 5,354,023 lei |
| Children placed with Maternal Assistants | 2,016,273 lei |

The costs for each type of care rose steadily from quarter to quarter during 2000, but at disparate rates. The cost per child per month for all four types of care can be compared between the third and fourth quarters of 2000, and in almost every case both the amounts and the rates of increase are substantial.

| <u>Type of Placement</u> | <u>Cost in Lei p. 3rd Quarter</u> | <u>Child/Month 4th Quarter</u> | <u>Percent Increase</u> |
|--------------------------|--|---|-------------------------|
| Emergency Centers | 3,461,682 | 7,623,262 | + 119% |
| Maternal Centers | 3,460,469 | 6,456,456 | + 86% |
| Placement Centers | 4,938,264 | 5,354,023 | + 8% |
| Maternal Assistants | 1,570,568 | 2,016,273 | + 28% |

For the two categories of out-of-home care that are most important to analyze for the purposes of this report – children in placement centers and children living with Maternal Assistants – cost per child data are available for all four quarters in calendar year 2000. Thus, it is possible to compare both the cost per child per month for institutional care versus foster care, and the rate and extent of cost changes for each type of placement over the course of the year.

| | <u>Quarter</u> | <u>Cost in Lei per Child per Month</u> | <u>% Increase Over Previous Quarter</u> |
|--|----------------|--|---|
| Placement Centers | 1 | 1,895,374 | - - |
| | 2 | 2,777,231 | 46% |
| | 3 | 3,413,706 | 22% |
| | 4 | 5,354,023 | 8% |
| (Cumulative increase, last three quarters of 2000: | | 182%) | |

| | <u>Quarter</u> | <u>Cost in Lei per Child per Month</u> | <u>% Increase Over Previous Quarter</u> |
|---------------------|----------------|--|---|
| Maternal Assistants | 1 | 1,057,000 | - - |
| | 2 | 1,470,899 | 39% |
| | 3 | 1,570,568 | 6% |
| | 4 | 2,016,273 | 28% |

(Cumulative increase,
last three quarters of 2000: 90%)

Judging by these figures for the year 2000, not only is institutional care much more costly in absolute terms, it is also increasing in cost at a rate that is double the rate of increase for foster care placements.

Expenditure figures are affected to an unknown extent by the fact that the state released funds from the National Interest Programs (PINs, described in the previous chapter) late in the fiscal year. Moreover, these funds may not be carried over to subsequent fiscal periods. There was therefore a surge in spending late in the year, as counties paid outstanding bills and otherwise acted to liquidate the PIN funds before the expiration of spending authority.

Chapter V. Conclusions and Recommendations

The National Authority for Child Protection and Adoption, and the Government of Romania at large, both at the national level and at the level of the counties, is displaying remarkable progress in improving child protection services, preserving families, reintegrating children with their families, and moving children out of institutions and placing them instead in more appropriate settings. The progress is remarkable in the sense that it constitutes a major improvement over the past decade, and it is remarkable in the sense that it represents a significant and welcome change in Romanian law, stated public policy and social welfare practice. Such progress as has been made comes after considerable effort over the past ten to twelve years, and after numerous national initiatives, and countless reports and plans prepared by Romanian officials, international donors and both foreign and Romanian NGOs.

The progress to date confirms that Romania can reach the noble aspirations of its national strategy, and that the National Authority, working with the counties and localities, can achieve the national child protection goals. However, this progress is uneven across the country, and grossly incomplete. Now that the necessary national legislation is in place, and national policies are clear, the task remains to implement those laws and that policy in a way that reaches all of the children in Romania who need protection. In some ways what remains is the most difficult part of the job, because it requires finding and directing adequate resources, transferring successful programs from one county to many others, and changing the public mentality while at the same time convincing local and county officials to change and improve their administration of child protection programs.

The recommendations of this report are therefore not aimed at broad national policies, nor are they aimed at changing Romanian policy or practice. Instead, they are aimed at proposing ways that the National Authority and other Romanian officials might realize the promise of existing policy by putting it into practice nationwide.

The recommendations fall into a number of broad categories: technical assistance and technology transfer; oversight and enforcement; additional studies; review of laws and policies; and the administration of child protection services.

Technical Assistance and Technology Transfer

- 1) County officials in Ialomita know that they can move children out of institutions serving children with disabilities, because they are closing other institutions. NGO staff in Iasi know that they can recruit maternal assistants for children with disabilities, because they have recruited foster families for other children. Knowledge such as this, and experience such as this, are powerful assets available to the National Authority in its efforts to bring child protection reform to every corner of Romania.

The National Authority should consider undertaking an active technology transfer campaign to identify successful experience and make that experience available in a

practical manner in areas where it is needed. Such a campaign might: a) identify the counties with successful experience in critical areas of child protection reform, such as closing institutions, developing successful foster care programs, and creating prevention programs; b) identify the key actors who are responsible for the success; and c) recruit and prepare these actors--probably a combination of professional staff and political leaders--to share their experience with their peers in other counties. This can be done in a number of ways, depending on what is most appropriate for the participants. Those who have the experience can travel to other counties, to hold seminars for their colleagues, or they can invite others to visit their county, which frequently is more effective. And the success stories can be told at regional and national conferences where public officials (such as County Secretaries) or child protection officials from the Directorate for Child Protection, can discuss the challenges they faced, the problems they overcame, and the price in effort, money, and perhaps political and personal capital that had to be paid. They can also talk about the results they achieved, the condition of children now compared to earlier years, and the cost savings they have achieved. Our experience of hearing profound doubts from a number of intelligent and experienced people has convinced us that those who have accomplished child protection reform have the best chance of convincing those who still believe it cannot be done.

Technology transfer activities work best when they are carefully planned. It is worthwhile to invest time in preparing the presentation for each particular audience, anticipating objections or concerns, and developing a strategy that will allow the audience to learn what they need to learn in order to convince themselves.

While the actual presenters of information and experience in a technology transfer activity are the persons who achieved or oversaw the success, it may be useful for them to be assisted in some way by staff of NGOs or others who are experienced at providing technical assistance.

- 2) The National Authority should consider continuing and expanding the training and technical assistance activities currently underway in many places within Romania. Many of these training and technical assistance activities have been essential for the accomplishment of certain child protection reforms. The staff of some of the NGOs operating in Romania have developed considerable expertise in critical activities, such as recruiting and retaining foster and adoptive families, reintegrating children with their families, and preparing children to live independently. If the National Authority were to organize regional or national child protection conferences, NGO staff could be very useful as presenters on topics where they have expertise. Such conferences, sponsored by the national child protection agency, have been very helpful in the U. S. and elsewhere as forums for exchange of practical techniques and opportunities to promulgate national directives and policies.
- 3) Technical assistance, in the form of public information, needs to be directed toward the public at large. One reason often given for the slow pace of child protection reform in Romania, and the fact that successes appear to be isolated and relatively rare, is that the general public holds views that are at variance with the Authority's

strategy. People still believe, we were told, that it is a good idea to relinquish children to the state if the parents are poor; or they are said to believe that children with disabilities can only be cared for in institutions. And it may still be a common view in some quarters that there is something wrong with taking children into your home as foster or adopted children. Discrimination, too, can inhibit child protection reform. In one place we learned that Roma children could not get health care because the local pediatricians would not list them among their patients. As a result, these children had poorer health and were more likely to suffer disabilities that later placed them in the care of the state. Some of the persons we spoke with described public relations campaigns that they said succeeded in changing public attitudes and positively affected the behavior of a fair number of citizens.

- 4) The National Authority should consider commissioning studies of child protection accomplishments in Romania, perhaps by graduate students or writers interested in the subject. The studies, if written in accessible language and aimed at a popular audience, could help considerably in changing the general mentality by explaining the reasons for child protection reform and personalizing the results for particular children and families. In addition, such studies could serve as case studies for the transfer of technology from one county to another. Case studies can be very effective educational tools, and they could serve to document the successes of the National Authority as well.

Oversight and Enforcement

- 1) The National Authority should expand and improve the information base available to national and county level managers and planners. Nationwide implementation of child protection reform requires that the National Authority should have the ability to measure accomplishment of the objectives it has set, identify and correct problems, analyze costs and evaluate alternative methods. Oversight and planning, both key functions of the National Agency, require a good and reliable database, and prompt and accurate financial and programmatic reporting from the county level. The Monitoring Unit provides an excellent basis on which to build, and the systems developed by the World Bank will strengthen the agency even more. The child welfare information system recommended in USAID reports will add further to the Authority's capacity to manage change and implement reforms.
- 2) The National Authority might also consider developing a field review capacity, in which it would send oversight teams to counties to review their child protection activities in detail and offer criticism and recommendations as warranted. This could be done by National Agency staff, or by counties in a peer review mode. Probably the best approach, at least at the beginning, would be a combined National Authority/county team that would conduct the review on a joint basis. Field reviews give more meaning to the data that counties submit, and provide opportunities to identify emerging problems or issues before they become serious. They also provide a natural vehicle for the provision of technical assistance. The inclusion of child protection experts--perhaps from schools of social work

or from NGOs--on review teams can add to the quality of the review and at the same time help to sharpen the skills and knowledge of the county and National Authority participants.

Additional Studies

This study was necessarily too limited to cover all the important topics related to child protection reform in Romania, and some of those topics remain as attractive subjects for further study. For example:

- 1) A study of the factors associated with closing an institution. It could be very useful to have a serious examination of what went into the closing of a number of institutions, in an effort to pinpoint the key factors that must be addressed in order to succeed. Is it possible to identify the factors that lead to success, or that inhibit success? What lessons can be learned from the experience of those who have closed institutions? Is it possible to produce a checklist of critical steps, or a set of recommendations for dealing with the economic and political considerations?
- 2) A national study of the status of deinstitutionalization and inventory of institutions. Which institutions have closed, and what happened to the children? What happened to the staff? Which institutions are to be closed, and what is the timetable for each? What are the fiscal savings resulting from closure, and how can they be measured? What are the results for the children, and can these be documented? What remains to be done, and what actions on the part of the National Authority could support or speed the process of deinstitutionalization?

Review of Laws and Policies

- 1) The National Authority should convene a group of experts to review all the laws and financial practices and requirements that affect child protection, to determine where barriers exist and then to consider which of the barriers might be eased or removed.
 - For example, we were told that it is not permissible, under current law, to pay differential rates to maternal assistants, even when that is reasonably necessary to recruit or retain competent caregivers for children with disabilities.
 - The Authority might also consider whether it would be useful to allow Program of National Interest (PIN) funds to be carried over from one budget period to the next for approved projects. Under the current rules, PIN funding authority expires at the end of the budget period and since some projects may not be approved until the budget year is well underway, there may not be much time at all to achieve the intended objectives.
 - We have already suggested considering a broader use of PIN funds, for operating expenses of prevention activities and other activities that are consistent with national objectives.

- Some financial provisions should be reviewed for the effects of inflation, to determine whether adjustment is needed--in certain allowances, for example--to enable them to achieve their intended purposes.
 - A study should be undertaken of the effects of moving children across county lines, and whether existing laws provide inequities. We understand that children in institutions are supported in most cases by financial contributions from their home communities, but that once they are moved out of an institution, they become the financial responsibility of the locality where they then reside.
- 2) The National Authority should consider providing more financial support for domestic adoption in order to ease the financial burden on adopting families, and simplify and speed up the process. Domestic adoption is a key element in deinstitutionalization, and a critical child protection service. It needs more support. Completion and publication of the adoption standards being produced by a USAID-sponsored group of adoption professionals would be one helpful step. And the National Authority should study whether the provision of a financial supplement to adopting families – similar to the stipend available from the Special Solidarity Fund for Persons with Disabilities - for the families of certain children with disabilities--would increase the number of adoptions of children with special needs, including sibling groups.

Administration of Child Protection Services

- 1) The National Authority should consider institutionalizing the working group currently in place to make short-term recommendations on child protection, by convening a coordinating body of officials from the many Ministries that provide funding for child and family services, or that have some legal responsibility for children. We were told frequently that there is inadequate coordination, leading to situations in which scarce resources are wasted, and/or children do not get the services they need. In many other places, the U.S. included, coordination of services for families and children is also a serious problem. Many jurisdictions have had success with coordinating bodies, especially where the body's charter is explicitly advisory, so there is less likelihood of conflicting authority.
- 2) The National Authority should consider the preparation and issuance of an Annual Report that would recount the agency's accomplishments for the year, report and analyze the data compiled by the Monitoring Unit, and evaluate the status of deinstitutionalization and other national strategic priorities. The publication and dissemination of such information is itself a valuable tool for engaging the support of the counties, and for informing and engaging partner agencies such as NGOs and donor organizations. An annual report also underscores the transparency of a government agency's operations, and increases public confidence. Most of the information that would be in an annual report must be prepared for one reason or another anyway, and the compilation of a single, authoritative document could save considerable effort in responding to numerous requests in the course of a year.

Appendix:

List of Persons Interviewed

Appendix: List of Persons Interviewed for this Report

| | | |
|-------------------|---|-----------|
| Constantin Cabuz | Secretary of the County Council | Tulcea |
| Traian Panait | Vice-President of the County Council | Tulcea |
| Ion Calina | Director, County Directorate for Children's Rights Protection | Tulcea |
| Dumitra Sit | County Directorate for Children's Rights Protection | Tulcea |
| Ion Utanu | Vice-Mayor, City of Tulcea | Tulcea |
| Maria Brudiu | Secretary, City of Tulcea | Tulcea |
| Nicolae Spataru | Financial Director, City of Tulcea | Tulcea |
| Nicolai Caraua | Mayor, Greci | Tulcea |
| Nicolai Gemanaru | Mayor, Babadag | Tulcea |
| Ecatarina Laudatu | Chief, Department of Child and Family Protection, Office of the Ombudsman | Bucharest |
| Ramona Gotteszman | Interim Director, Holt International | Bucharest |
| Linda North | Executive Manager, European Children's Trust | Bucharest |
| Christian Rosu | Program Coordinator, European Children's Trust | Bucharest |
| Jane Wimmer | Director, Bethany Social Services | Bucharest |
| Mariela Neagu | Child Welfare Coordinator, European Commission Delegation | Bucharest |
| Gabriela Coman | General Secretary, National Authority for Child Protection and Adoption | Bucharest |
| Teodora Bertzi | General Director, Monitoring & Strategies Department, National Authority | Bucharest |
| Tatiana Popa | Director, Monitoring Department, | |

| | | |
|----------------------|--|-----------|
| | National Authority | Bucharest |
| Liliana Momeu | Director, Strategies Department, National Authority | Bucharest |
| Maria Andreescu | Expert, Juridical Department, National Authority | Bucharest |
| Alia Mekkaoui | Financial Director, National Authority | Bucharest |
| Adrian Guth | Child Welfare Coordinator, World Bank | Bucharest |
| Constantin Stoenescu | Secretary of the County Council | Ialomita |
| Paul Marcu | Director, County Directorate for Children's Rights Protection | Ialomita |
| Stefan Dobris | Director, Directorate of Labor and Social Solidarity | Ialomita |
| Laura Petre | Financial Director, County Directorate for Children's Rights Protection | Ialomita |
| Mihaela Moroianu | Chief of Service, County Council, Budget and Finance Department | Ialomita |
| Ivan Vasile Ivanoff | Secretary of the County Council | Dambovita |
| Anda Tirlea | Director, Directorate for Children's Rights, Sector 4 | Bucharest |

In addition, we spoke with other public officials and experts in Bucharest and in Tulcea, and we visited institutions in Tulcea, Slobozia, and Babadag, where we had an opportunity to speak with officials and staff. Everyone we spoke with in connection with this project was very helpful and forthcoming. The authors of this report are indebted to all the persons who helped us by providing information; by explaining the interaction of child protection finances and social policy generally with cultural, economic and political issues; and by helping us to understand the critical issues involved in child protection reform in Romania.