

5 years of
Partnership for Action
Powered by RAF



ROMANIAN-AMERICAN FOUNDATION
ANNUAL REPORT 2014

Letter from the Romanian-American Foundation

Five years ago, when the Romanian-American Foundation was created, we were just a promise to turn this "gift from the American people" into initiatives for a better Romania. Being part of an entity meant to exist in perpetuity is both amazing and humbling, and places a great deal of responsibility in crafting a sound strategy and **coherent** work methodology. We started with one of the greatest assets this country has: its people. In five years, we partnered with over forty civil society organizations and had the privilege of working alongside with some of Romania's brightest people. Together, we shared our professional expertise, vision, passion, and **dedication** to design and implement projects that capitalize on the untapped opportunities Romania offers to address some of the country's most severe problems.

As part of our strategic rethinking process, during 2014 we worked to articulate program strategies to achieve the Foundation's mission and provide a clearer framework for funding. After thorough assessments, followed by consultations with partners and stakeholders, we have defined three strategic priorities for our programs: moving

towards a vibrant rural economy, boosting economic growth opportunities through technological innovation, and fostering civic engagement and a strong civil society.

We seek to contribute to the economic development of rural areas by supporting small farmers in making the transition from subsistence farming to a profitable business, and by promoting ecotourism and the responsible management of ecotourism destinations; we believe that both these interventions are **grounded** in emerging market opportunities. Together with our partners, we reflect on the work that is done at the community level, on what works and why, and take those lessons and transform them into experiential educational opportunities for youth. We believe that this process represents the true sustainability of our **actions**, providing relevant options for future generations.

We are exploring the most significant interventions that would capitalize on the great economic potential technology and innovation possess, to determine how to assist Romania's talent grow and become competitive. We're still

crafting this particular strategy in a large consultative process that will continue through 2015.

And last but not least, we know that Romanians themselves are essential to the positive change we seek to generate. We work to help communities become actively engaged in shaping their future, encourage personal philanthropy, and support civil society in bringing relevant community issues onto the **public agenda**.

After five years of RAF-funded programs, we see small farmers becoming competitive suppliers of fresh produce through associative structures; rural communities revitalized by social enterprises; education initiatives that support teachers to adopt new methodologies that prepare students for the job markets of today and **tomorrow**; a next generation of more active citizens shaped through children assuming their serious role in the community and finding solutions to their problems; successful young professionals who choose to teach in disadvantaged communities, giving children in some of the poorest schools in the country the

chance to gain access to quality education; people donating time, money and expertise to benefit their communities.

We are now at that great moment of reflection, when the positive results of our previous work serve as valued learning for our future interventions. And we are grateful to all those who, together with us, as partners, peers, volunteers, or friendly sounding boards help us advance the mission of RAF to better serve Romania.

Phillip Henderson
Chair of the Board of Trustees

Roxana Vitan
President



The Romanian-American Foundation's mission is to be an effective leadership organization that strengthens and promotes conditions for a sustainable market economy and a democratic society that provide access to opportunities for all segments of the population in Romania.

We are a long-term investor in Romania's future, using our expertise, passion and resources to develop mechanisms that generate positive changes to help build Romania's social and economic systems.

Our team, comprising Romanian and American professionals, works together with local partners to promote entrepreneurial initiatives, continuously improve the education process, encourage philanthropic behavior in Romania, and accelerate innovation.



RAF is

a catalyst of innovative interventions

a strategic partner to over 40 non-governmental organizations

a long-term investor in Romania's future

Partnership is one of the Foundation's governing principles. Fully aware that our resources are limited and the issues we tackle are broad and complex, we join forces with people and organizations that share our values and vision, forging partnerships that help advance our mission through projects with broad impact and high replication potential.

To do so, we go far beyond providing grants. We carefully select our partners, and together we identify problems, assess needs, analyze the context and co-create project frameworks that we test and then replicate, scaling the lessons learnt and accumulated experience.

Our story is one of people - from civil society organizations to local communities, public authorities, and other key stakeholders – working together for the public good.

How We Work

Our work goes far beyond grant making. We act more like a venture fund seeking social investments in initiatives that have strong potential for replication and a broad impact.

We proactively search, support and further develop initiatives, through grants and program-related investments, matched with ongoing technical assistance.

We partner with leaders and innovators that have a long-term commitment and who share our passion and mission to affect change in the fields we consider strategic.

In general, programs are funded by invitation only. However, we are open to discuss ideas for potential initiatives from eligible organizations. All program proposals go before RAF's Board of Trustees for approval.

RAF's programming in Romania is exclusively implemented through the funding of NGOs.

Our principles

- **Partnerships:** we seek to form strong partnerships with local communities, public authorities or other organizations to increase the impact of RAF-supported projects.
- **Leadership:** our partners are established organizations, with a relevant track record, sound operations and policies and permanent staff. We invest primarily in people, since they are the ones able to make ideas grow.
- **Replicability:** we seek to support projects with high potential for replication and visible impact.
- **Reciprocity:** partners and grantees are expected to contribute their own resources (not necessarily money) to the project.



SEARCH
PARTNERS

Based on our strategic priorities, we identify partners and ideas by proactive solicitation. We carefully evaluate each of them, using a clear set of criteria. We are also open to receiving proposals at any moment.



WORK
TOGETHER

We work closely with each selected partner to develop a pilot for the idea. Our aim is to develop innovative ideas, with the potential to scale and leverage resources.



DESIGN
AND TEST

We test the idea for sustainability and impact.



SUPPORT

We build a supporting network and/or community to expand the resources available and to nurture the initiative.



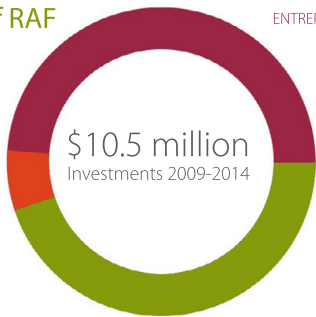
SCALE AND
REPLICATE

We support scale up and replication, where feasible, through advocacy, connecting with new funders etc.

Based on specific conditions, interventions are initiated at the appropriate stage of this process.

5 Years of RAF

COMMUNITY
DEVELOPMENT
\$0.6 million



ENTREPRENEURSHIP
\$5.1 million

EDUCATION
\$4.8 million

+ \$5.5 million

co-invested or attracted
by our partners in projects

+ \$900,000

in Program-Related Investments (PRIs)

+ 80
grants awarded

+ 40
partner NGOs



+1000

farmers and
small
entrepreneurs

benefited from RAF's interventions in **over 40 rural communities**

+250,000 students and 3,500 teachers
benefited from RAF-funded education programs



x10,000



x100



+\$1.8 million

raised from **over 500,000 individual donors**

mainly through the donation platform Donatie.ro and the efforts of the Community Foundations

RAF Strategic Priorities

Seeking to maximize impact with our limited resources, we make targeted investments in areas that are likely to generate significant change. After consultations with key stakeholders, thorough assessments and research, we identified our long-term goals, and selected three strategic priorities to guide our work: moving towards a vibrant rural economy, boosting economic growth opportunities through technological innovation, and fostering civic engagement.



Rural development

Entrepreneurial initiatives in rural areas create significant value for the economy and local communities



Tech & Innovation

Innovation and technology play a greater role in Romania's core economy

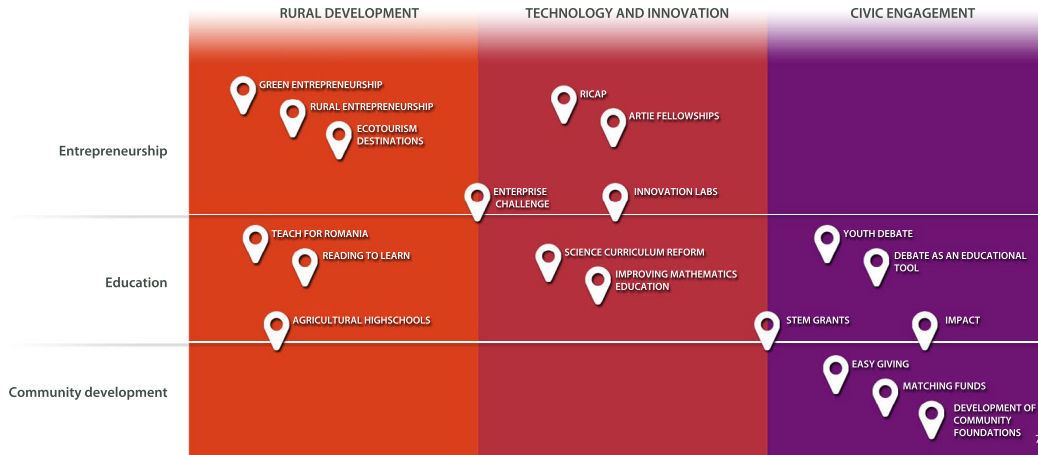


Civic engagement

Active citizens acknowledge civic issues and get involved, consolidating democracy in Romania, and philanthropy becomes a societal value, grounded in solidarity and trust

Interest Areas and Strategic Priorities

The Romanian-American Foundation is an active and innovative grant maker leading a collaborative search towards strategic interventions in three programmatic areas: entrepreneurship – which we consider essential to society, education – which we perceive as a requisite instrument in all of our endeavors, and community development – for any idea, no matter how brilliant, has little chance of being translated into facts without a passionate leader and a community to support it.



Rural Development Priority

Seeking to reduce the disparities between rural and urban areas, RAF uses its entrepreneurship and education programs as tools in developing coherent interventions aimed at capitalizing on the great potential these areas have, both in terms of human capital and natural and cultural resources. Romania still has pristine landscapes and picturesque villages where people are keepers of local traditions and identity. In the rural economy, we identified two niches where what may appear as weaknesses can be turned into market-based opportunities. Small farmers are in a very good position to respond to the growing demand for local produce, while ecotourism could responsibly capitalize on the charm of Romania's countryside, the beauty of its sceneries, local traditions, and diversity of flora and wildlife.

Through our interventions we ultimately seek to contribute to the creation of vibrant rural communities, where people choose to live and make a living.

Our strategy involves two main issues:
small farmers and ecotourism

We address these issues in a holistic approach of entrepreneurial, educational, and community development programs.



PROGRAMS AND GRANTS UNDER THE RURAL DEVELOPMENT PRIORITY

	RURAL DEVELOPMENT	TECHNOLOGY & INNOVATION	CIVIC ENGAGEMENT
Entrepreneurship	<div>1 2 3 7 9</div> <div>4 5 6 8 10</div>		
Education	<div>18 →</div> <div>11 12 13</div> <div>14 15</div> <div>16</div>		
Community development	<div>17</div>		

Rural Entrepreneurship – Small Farmers Program

1. Centrul pentru Educație Economică și Dezvoltare din România
2. Centrul Român pentru Politici Europene
3. Fundația Centrul de Mediere și Securitate Comunitară
4. Fundația Civitas pentru Societatea Civilă
5. Fundația pentru Dezvoltarea Societății Civile
6. Fundația PACT

Green Entrepreneurship 1.0

7. Fundația pentru Parteneriat
8. Centrul pentru Educație Economică și Dezvoltare din România

Green Entrepreneurship 2.0

9. Fundația pentru Parteneriat
10. Asociația de Ecoturism din România

Agricultural Highschools Program

11. Centrul pentru Educație Economică și Dezvoltare din România
12. Centrul Român pentru Politici Europene
13. Fundația Civitas pentru Societatea Civilă
14. Junior Achievement România
15. World Vision România

Teach for Romania

16. Teach for Romania

Reading to learn

17. Asociația Română de Literatură

Enterprise Challenge

18. Junior Achievement România

The Rural Entrepreneurship Program

Small Farmers

The program tested a series of interventions aimed at enabling economically active small and medium-sized farmers transition from semi-subsistence agriculture to a profitable business. Together with our partners, we assisted small farmers to access capital from local micro-lending institutions and European lines of funding, and piloted different forms of association to help them gain access to markets, by developing producers associations.

The Rural Entrepreneurship program supported four pilot cooperatives, which help over 45 farmers to better capitalize on their products, so that they can ensure a sustainable future for their business. The farmers associations can thus act as engines for local economic development.

PARTNERS

Centrul pentru Educație Economică și Dezvoltare din România (CEED), Centrul Român pentru Politici Europene (CRPE), Fundația Centrul de Mediere și Securitate Comunitară (CMSC), Fundația Civitas pentru Societatea Civilă, Fundația pentru Dezvoltarea Societății Civile (FDSC), Fundația PACT

MICRO LENDERS - PRO BONO PARTNERS

FAER Fundația pentru promovarea Agriculturii și Economiei Regionale, Fundația Patria Credit, Opportunity Microcredit Romania IFN SA, Patria Credit IFN SA, Romcom IFN SA, Societatea de Finanțare Rurală FAER IFN SA, Vitas IFN SA

Asociația de Legume-Fructe Prisacani, Iași

Partner: Fundația Centrul de Mediere și Securitate Comunitară

Cooperativa Agricolă Legume de Vidra Vidra, Ilfov

Partner: Fundația pentru Dezvoltarea Societății Civile

Cooperativa Agricolă Lunca Someșului Mic Apahida, Cluj

Partner : Fundația Civitas

Cooperativa Agricolă Miere de Câmpie - Sic, Cluj

Partner: Fundația Civitas

A fifth group did not succeed to coagulate and form an association.

Outcomes so far

Over 1,000 small farmers in 40 local communities attended training sessions in essential skills such as how to register as rural producers, how to access available financial resources and to how better organize themselves as entrepreneurs.

Our partners Fundația Civitas, Fundația pentru Dezvoltarea Societății Civile, and Fundația Centrul de Mediere și Securitate Comunitară facilitated the creation of four local cooperatives, in Cluj, Iași and Ilfov. Together, more than 45 farmers (vegetable growers and honey producers) sell up to 60% of their production through the cooperatives.

Farmers in the program were able to access big retail chains, such as Kaufland, Mega Image, Auchan and Profi.

Some of the cooperatives went beyond collectively selling their production: they use their collective power to negotiate with suppliers; they are also searching for solutions to improve their productivity.

In order to encourage replication and scalability, one of the partners (Civitas) trained an additional number of 12 Local Action Groups and 6 Non-Governmental Organizations on how to use the intervention model to assist communities by facilitating the cooperative development process. It is expected that they will further apply for European funds to scale up, in a consortium supported by RAF with cash-flow loans and additional grants, as needed.

As a result of engaging in a permanent dialogue with relevant public authorities, we were able to share our experiences from the program to help shape public policies addressing rural development in Romania.

GRANT VALUE: \$ 855,437 | DURATION: 5 YEARS | START DATE: JUNE 2012

The Rural Entrepreneurship Program

Small Farmers

Cooperativa Agricolă Lunca Someșului Mic

In Cluj County, 16 farmers from Apahida, Jucu, and Bonțida decided to create the cooperative Lunca Someșului Mic. Association in agriculture is a solution for local economic development through entrepreneurial initiatives. Assisted by Fundația Civitas, they sailed through the troubled waters of a start-up and surmounted the difficulties encountered, and today they deliver their produce to large retailers, such as Kaufland and Profi.

The creation of the association included four distinct stages:

1. Seeking and selecting members
2. Legally registering the cooperative and developing a business plan
3. Implementing the business plan: delivering produce (current stage)
4. The Cooperative becomes self-sustainable and functions without support from Fundația Civitas



"Getting Kaufland to sign the contract was easy. The difficulties came when we had to deliver a constant flow of quality produce on time. We were not prepared to operate within these parameters, but we did not give up. We had to go back and rethink our management plan. Today I am glad that we were given a second chance."

Sorin Bob, the President of the Lunca Someșului Mic Cooperative



The Rural Entrepreneurship Program

Small Farmers

Romanian-American Foundation Study Tour

As part of our commitment to contribute to the development of rural economy, RAF facilitates learning experiences from various models, aimed at enhancing our grantees' capacity.

In February 2014, the Romanian-American Foundation organized a study tour to the New York and Pennsylvania areas, inviting representatives of our partners in the Rural Entrepreneurship - Small Farmers Program to get a closer look at the main characteristics of the "farm-to-table" movement and the models developed to streamline the process in which food produced in small-scale farms reaches the consumer. In the U.S., the basis of the American regional food systems is the food hub. The visit was an opportunity for the participants to better understand how the food hub model works and determine to what degree it can be replicated in Romania, in order to improve market access for small farmers and to strengthen their position in the food chain.

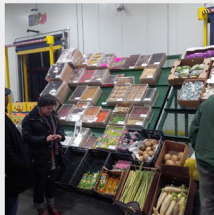
The tour included visits to several facilities in New York and Philadelphia areas, as well as meetings with NGOs working in the field and representatives of the United States Department of Agriculture, who explained how local authorities in the U.S. adopted plans to support the development of regional agri food systems.

The visited sites included: Farm-to-Table Co-Packers, Philadelphia Wholesale Produce Market, Common Market, and Reading Terminal Market.

The study tour was a great learning experience, providing participants with valuable insight on the way food hubs operate, the state support they benefit from (through agricultural public policies), and the funding sources they access.

We would like to extend our gratitude to the Surdna Foundation, whose contribution to the organization of this visit was invaluable.

The food hub is defined as an entity which manages aggregation, storage, processing, distribution, and trading of local and regional produce, but also provides technical assistance to its customers, the small farmers, on vital aspects of their business: marketing, farm management, start-up and business incubation. The two main functions of food hubs are those of local food aggregator and selling point.



Green Entrepreneurship 1.0 & 2.0

Romania still preserves great landscapes and rural communities where traditions and cultural heritage can attract tourists from all over the country and the world. Investing in the early development of these areas can have a large impact on the local population through the economic development of communities.

Green Entrepreneurship 1.0



Green Entrepreneurship 1.0 was the beginning of a beautiful and solid partnership for the long-run. Alongside our partners, Fundația pentru Parteneriat and Centrul pentru Educație Economică și Dezvoltare, we embarked on a journey to reboot rural Romania through local entrepreneurial initiatives. Having concluded the first phase of the program, we took a look at our story thus far, beginning with the entrepreneurial models we tested, the sustainable development concept we promote, looking at several case studies, talking about the seven green enterprises created and their activity, to finally put together some recommendations and offer good practice models based on our results.

The report **Green Entrepreneurship – How to Initiate Sustainable Development in Rural Communities** (available on www.rafonline.org) offers detailed insight about the communities and the people we work with, as well as the business models we try to promote in order to generate economic growth while preserving the natural resources and cultural heritage found in rural areas.



PARTNERS

Fundația pentru Parteneriat and Centrul pentru Educație Economică și Dezvoltare

GRANT VALUE: \$ 539,411 | DURATION: 3 YEARS | START DATE: JANUARY 2011

The Green Entrepreneurship 1.0 Program developed seven green start-ups in the areas of ecotourism and traditional fruit processing, which contributed to the creation of 350 jobs (some seasonal or part-time)

Agencia Greenway Tour / Asociația EcoLogic, Baia Mare
<http://www.maramuresgreenways.ro/>

Apuseni Experience: Meziad, a cave for nature and people / Centrul pentru Arie Protejate și Dezvoltare Sustenabilă Bihor (CAPDD), Oradea
<http://www.pestera-meziad.ro/ro/>

Asociația Pomiviticolă Hilița, Costuleni (Iași)
<http://www.aphilita.ro>

Rowmania the Ecotourism Center Crișan / Asociația de Ecoturism Român, Brașov & Asociația Ivan Patzaichin, Bucharest
<http://www.slowtourism.ro/crisan/>

Technical Assistance for Protected Areas / Fundația pentru Arie Protejate ProPark, Brașov
<http://www.propark.ro/>

Wild Time Green Tours eco-tourism agency / Asociația Agent Green, Bucharest
<http://www.wildtime.ro/>

Zetea Processing Manufacture of Forest Fruits and Mushrooms / Asociația Székelygyümölcs, Odorheiu Secuiesc
<http://www.szekelygyumolcs.ro/>

Green Entrepreneurship 2.0

Developing Ecotourism in Romania

Using the lessons learned from our previous programs, together with our partners and with input from other stakeholders, a new program strategy has been designed around the concept of ecotourism. We see ecotourism as a vector and engine for local development, a seed bed for small businesses and local entrepreneurs who can capitalize on the natural and cultural resources to bring prosperity to their regions.

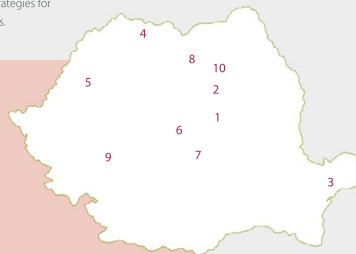
An **ecotourism destination** is a micro-region with remarkable natural and cultural assets, where sustainable tourism can be enjoyed, offering integrated experiences with minimal environment impact, by aggregating a network of complementary ecotourism service providers under the same common marketing and development strategy.

Our vision is that in 2024, Romania will have 15 to 20 functional ecotourism destinations that will contribute in a significant way to the well-being of their communities and the environmental protection of the respective areas. This will make Romania recognized as an ecotourism destination.

We worked with our partners to select ten micro-regions that have the potential to develop into ecotourism destinations. We then invited well-established local organizations to take part in a competitive process for receiving support to advance local strategies for ecotourism development over the next four years.

Selected micro-regions:

1. Băile Tușnad – Lacul Sfânta Ana
2. Cheile Bicazului – Hășmasu Mare National Park
3. Chilia Crișan – Danube Delta
4. Mara-Cosău – Creasta Cocoșului
5. Pădurea Craiului – Apuseni
6. Târnava Mare – Podișul Hârtibaciului
7. Țara Branului – Piatra Craiului National Park
8. Țara Dornelor – Călimani National Park
9. Țara Hațegului – Retezat National Park
10. Vânători-Neamț



PARTNERS

Fundația pentru Parteneriat and Asociația de Ecoturism din Romania

GRANT VALUE: \$ 1,100,000 | DURATION: 5 YEARS | START DATE: JUNE 2012

"After the constructive and successful cooperation with the Romanian-American Foundation through the Green Entrepreneurship Program 1.0 (finalized with the creation of seven green social enterprises), the two partnering organizations have decided to take the cooperation to a more strategic level. The new partnership is effective through a second joint and long-term program, which aims to enhance and to support the establishment and consolidation of a countrywide ecotourism network that will contribute to local sustainable development and nature conservation. We are very delighted and confident about the potential of this new program, thanks to the great and consolidated partnership with RAF, which is based on shared values and mutual understanding."

László Potozky, Director, Fundația pentru Parteneriat

Education in Rural Areas

Due to the long-term nature of our goals, one of our greatest investments is in the next generation. Education has thus become a cross-sector instrument in all of our interventions. Through education we prepare tomorrow's workforce and **entrepreneurs** for the challenges and demands of the market, shaping tomorrow's leaders and raising the type of engaged citizens the country needs to move forward.

Rural entrepreneurial programs in agriculture and ecotourism are complemented by initiatives in education that ensure the long-term sustainability, taking the know-how and the lessons learned in implementation and transforming **them** in experiential education in schools. We also support programs that contribute to the improvement of rural education and the decrease of disparities between students in rural and urban areas.

Planning Grant in Agricultural High Schools



RAF and its partners, a consortium of five NGOs, started to assess the agricultural high school status in order to plan for a long term intervention to improve the quality of pre-university agricultural education and its relevance for the market. The group engaged in a partnership building process with a shared vision about the future in agriculture, the role of agricultural schools and the most meaningful ways to intervene.

PARTNERS

Centrul pentru Educație Economică și Dezvoltare din România, Centrul Român pentru Politici Europene, Fundația Civitas pentru Societatea Civilă, Junior Achievement România, World Vision România.

GRANT VALUE: \$ 42,200 | DURATION: 4 MONTHS | START DATE: DECEMBER 2014

Reading to Learn



The program aims to improve the students' literacy skills, providing teachers with training to use appropriate teaching strategies to ensure that the students have the ability to: read text, understand information, make connections between text subjects and other knowledge they have, formulate an opinion, and express their opinion. The lack of literacy skills is one of the reasons for poor national and international test results. Students often face difficulties in understanding the exams requirements, especially in rural areas. The European Commission places a **high** level of importance on literacy. Established in February 2011, a EU high level group of experts on Literacy examines the most effective and efficient ways to improve reading skills in Europe.

The Reading to Learn program views literacy as a shared responsibility among disciplines, with all the teachers in a school understanding the importance of using literacy strategies in the classroom and practicing them with perseverance, with the support of the training and mentorship program.

PARTNER Asociația Română de Literație

GRANT VALUE: \$ 359,046 | DURATION: 3 YEARS | START DATE: FEBRUARY 2014

Education in Rural Areas

Teach for Romania

Teach for Romania attracts exceptional graduates of prestigious universities in Romania and abroad and prepares them to teach in schools from poor or rural areas, which other teachers try to avoid. For a period of two years, teachers bring innovative teaching into the classroom, building the knowledge and skills of their students and, even more important, instilling values and the motivation for education and personal growth.

The program is part of a global network of organizations going back 20 years, and present in 36 countries. In 2014, the first Leadership Summer Academy organized by Teach for Romania prepared 19 young professionals to become teachers. During their training, assisted by tutors and other educational experts, they taught classes throughout the summer for over 180 children a disadvantaged community in the village of Tărlungeni, Braşov County.

On September 15, 2014 the first generation of Teach for Romania teachers initiated their activity of serving over 2,700 students in 13 schools in the central and Southern part of Romania. With support from tutors and mentors, the teachers bring a positive change, improving children's achievements and attitudes in the classroom, in school and in the community.



PARTNER: Teach for Romania

TOTAL APPROVED: \$450,000 | DURATION: 3 YEARS | START DATE: MARCH 2014



"Together with our NGO partners, our financial supporters and our many in-kind donors we believe that a new vision of Romanian education is not only possible, but it's inevitable."

John Soleanico, Co-founder, Teach for Romania

Education in Rural Areas

Enterprise Challenge

This program is a cross-cutting intervention, serving the general scope of building awareness of entrepreneurship and an entrepreneurial mindset, which we consider of utmost importance.

Entrepreneurs are key players in the market economy. Junior Achievement România develops entrepreneurial education programs that inspire and prepare youth to build a career and become successful by allowing them to acquire a set of skills essential for their personal and professional development. JAR programs prepare teachers to deliver hands-on entrepreneurial education classes, while the Company of the Year competition gives students the unique experience of starting their own business, allowing them to get a taste of what it is like to be real entrepreneurs.

Junior Achievement's My Company was the first program funded by RAF. Each year the number of teachers interested in hands-on entrepreneurial education has grown, currently reaching more than 1,000 teachers and over 30,000 students in the 2014-2015 school year.

PARTNER: Junior Achievement România

GRANT VALUE: \$ 290,000 | DURATION: 3 YEARS | START DATE: JUNE 2012



The Story of the Young Entrepreneurs from the Miroslava Agricultural High School

Andi Andriucă and his colleagues, all students at the Mihail Kogălniceanu Agricultural High School in Miroslava, Iași County, proved that good ideas, and the courage to think them through and make them happen can be the key to success. Together, Andi and his team started the Merry Animals Farm, and participated in the 2012 Junior Achievement' competition "Company of the Year". They won the Investment of the Year Prize, offered by the Romanian-American Foundation. Proving entrepreneurial talent, a new business idea emerged. Andi and his colleagues invested the \$1,500 prize in acquiring a new asset: the pony Amadeus. The team found a smart way of growing their business and went on to open a horse paddock and a riding club on the school premises, this new business idea resulting in their winning the 2014 "Company of the Year" Award.

Technology & Innovation Priority

RAF acknowledges the vast economic potential technology and innovation possess, and is exploring the most significant interventions that would help improve the future environment in Romania.

The technology and innovation sectors represent 16 % of the Romanian GDP and have been declared a priority by the government to support sustained future economic growth. Contributing to the betterment of the ecosystem could considerably advance its position in the economy, while providing greater numbers of jobs, improved services to citizens, and new products to market.

There is tremendous opportunity for technology and innovation to become the primary motor of the Romanian economy, capitalizing on local talent and an effervescent environment. We believe that a closer and systematic interaction among university-based stakeholders (students and professors), entrepreneurial communities, industry, and investors would bring added value to the entire market and its players.

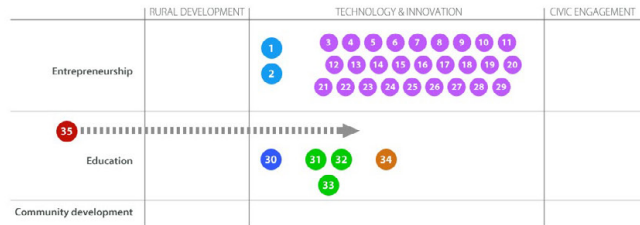
We seek cross-sector collaboration and coordination in order to achieve, fully realize, and accelerate the potential of Romania through technology and innovation. In order to meet the stated goals, we are currently in discussions with a wide spectrum of interested individuals, entrepreneurs, corporations, and academics to assist in collectively identifying the most valuable area within the technology and innovation ecosystem to create change with the highest possible level of positive impact.

Through pilot programs and consultations with key stakeholders, RAF is realigning its strategy that will shape future programming in this field.

To date, our interventions included: The Romanian Commercialization Assistance Program (RICAP), ARTIE Fellowships, Innovation Labs, Science Curriculum Reform, and Improving Mathematics Education.

We also encourage Community Foundations to run local STEM funds.

PROGRAMS AND GRANTS UNDER THE TECHNOLOGY & INNOVATION PRIORITY



Romanian Innovation Commercialization Assistance Program (RICAP)

1. Centrul Român pentru Inovație în Dezvoltarea Locală
2. Larta Institute

ARTIE Fellowships

- 3-29 ARTIE Fellows

Innovation Labs

30. Tech Lounge

Science Curriculum Reform

31. Societatea Academică din România
32. Centrul Educația 2000+
33. Societatea Română de Fizică

Improving Mathematics Education

34. Societatea de Științe Matematice din România

Enterprise Challenge

35. Junior Achievement România

The Romanian Innovation Commercialization Assistance Program (RICAP)

The Romanian Innovation Commercialization Assistance Program (RICAP) is designed to act as a bridge between Romanian companies that create innovative technologies and international markets. Most innovative technology entrepreneurs have the technical know-how to make great products but lack the capital, business expertise and connections to bring their ideas to market and become profitable. The program created a local network of innovative companies and mentors and linked them to a global network, allowing for Romanian innovators to benefit from both the guidance and support of local mentors, and U.S.-based commercialization advisors. It is also a great opportunity for international stakeholders to become acquainted with Romanian talent in technological novelty.

The RICAP program is implemented by Centrul Român pentru Inovație în Dezvoltarea Locală (CRIDL) in partnership with Larta Institute. CRIDL manages a local network of innovative companies and mentors and introduces them to Larta's "network-centric" methodology, a commercialization practice that for the past 20 years helped thousands of innovators.

"It was an honor and a privilege to partner with RAF on RICAP, the leading entrepreneurship and innovation program in Romania. As the founding sponsor, RAF has the interest, imagination and energy to make a big difference in unleashing Romania's potential in the "connected economy" of today. As a U.S.-based anchor, we look forward to working with RAF to build a sustainable entrepreneurial ecosystem in the country"

Rohit Shukla, CEO, Larta Institute

PARTNERS

Centrul Român pentru Inovație în Dezvoltarea Locală (CRIDL) in partnership with Larta Institute



The first two cycles of RICAP saw 30 innovative companies address specific commercialization needs, work on their go-to-market strategies, and establish over 90 meaningful strategic introductions.

"RAF helped us get closer to our vision of developing a functional innovation ecosystem in Romania. With the support of the U.S.-based Larta Institute, the Romanian Innovation Commercialization Assistance Program (RICAP) succeeded in revealing the potential of several tech-based innovators and preparing them for a global market launch. Beyond the amazing demonstration effect for the new wave of emerging tech-entrepreneurs, the process itself of working alongside promising entrepreneurs, to shape their technology, to advise them with a group of top-notch inspirational mentors and prepare them for international success was extremely rewarding. RICAP is only the beginning of a great journey of Romanian entrepreneurs on the winding and challenging road from lab to global market that we could not have started and pursued without the critical and tremendous support of RAF"

Dragoș Pîslaru, Program Director, RICAP

ARTIE (Applied Research, Technological Innovation and Entrepreneurship) Fellowships

One of our first interventions was ARTIE Fellowships, which encouraged researchers to develop a proof-of-concept with commercial potential that would ultimately result in marketable products appealing to investors. After a thorough assessment and evaluation process, 27 researchers grouped in eight teams were selected and received grants to conduct their research, while benefiting from technical assistance and mentorship from experts and a Scientific Advisory Board.

ARTIE Scientific Advisory Board

Virgil Gligor

Co-Director of CyLab and Professor of Electrical and Computer Engineering at Carnegie Mellon University

Mihai Huzmezan

Innovation Manager (CTO) at A. Eberle GmbH & Co. KG

Gheorghe Nenciu

Senior Scientific Researcher at the Simion Stoilow Institute of Mathematics of the Romanian Academy, Bucharest

Radu Popescu-Zeletin

Professor at the Technical University of Berlin; Director of the Fraunhofer Institute, Berlin

Florin Udrea

Professor of Semiconductor Engineering at Cambridge University; non-executive director of Cambridge Enterprise; founder of two start-ups

Bogdan Vernescu

Professor and Head of the Department of Mathematical Sciences at Worcester Polytechnic Institute

ARTIE Fellows

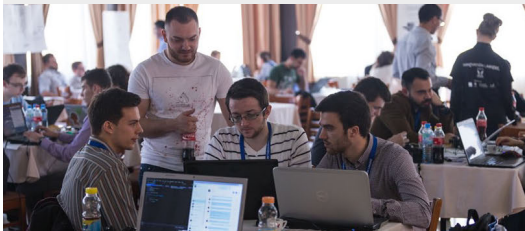
(in alphabetical order of the acronym of the application)

1. Teodor Dogaru	Rapid detection of metal particles using giant magnetoresistive (GMR) eddy current sensors	Albany Instruments Inc,
2. Dan Vasile		
3. Lect. Dr. Eng. Romulus Valeriu Flaviu Turcu	Method and Tools for In Situ High-Pressure Magnetic Resonance Spectroscopy/Imaging (HARNESSING)	Babes-Bolyai University, Cluj-Napoca
4. Prof. Dr. Simion Simon		
5. Lect. Dr. Mihai Vasilescu		
6. Dr. Bogdan Frentiu		
7. Radu Bratfalean	High Contrast Gallium Mirrors (HCGaMs)	INCOTIM Cluj-Napoca
8. Marconi Daniel		
9. Ungurean Alia		
10. Aurelian Trufasu	Plano and Single Vision Reading complete glasses manufactured using 3-D printing process that eliminates various optical variabilities caused by current manufacturing processes (INlabGLASES)	University POLITEHNICA of Bucharest
11. Ciprian Ion Rizescu		
12. Georgeta Sorohan		
13. Horia Cucu	Noise-robust, domain-adaptable, large-vocabulary automatic speech recognition (ASR) system for the Romanian language (LVCSRROM)	University POLITEHNICA of Bucharest
14. Lucian Petrica		
15. Corneliu Burileanu		
16. Andi Buzo		
17. Ecaterina Matei	New magnetic module for waste water treatment (MAGNTREAT)	University POLITEHNICA of Bucharest
18. Andra Predescu		
19. Ruxandra Vidu		
20. Andrei Berbecaru		
21. Dan Stefan Tudose	PollutionTrack performs air quality tracking, helps you improve your lifestyle by providing insights about how noxious your environment is	University POLITEHNICA of Bucharest
22. Rizea Daniel Octavian		
23. Alexandru Corneliu Olteanu		
24. Prof. Dr. Gabi Drochioiu, PhD	Process for one-step production of two different high quality corn flours by non expensive screening and eco-friendly chemical separation (QUALIFARIN)	Institute of Macromolecular Chemistry "Petru Poni" Iasi
25. Dr. Brindusa Alina Petre, PhD		
26. Dr. Manuela Murariu, PhD		
27. Dr. Catalina Ionica Ciobanu, PhD		

TOTAL VALUE: \$ 584,325 | DURATION: 12 MONTHS | START DATE: OCTOBER 2013

Education Programs under the Technology & Innovation Priority

Innovation Labs



At the end of 2014, RAF became one of the funders for the third edition of the Innovation Labs – a hands-on entrepreneurial program for tech universities students. The program selects startup teams of students and young tech enthusiasts and incubates them into a support program aimed at enhancing their business skills through Hackathons, tech talks, workshops, and pitching events. Innovation Labs takes place in the Polytechnic University of Bucharest and the Babeş-Bolyai University in Cluj-Napoca, the focus areas being: the Internet of Things, disruptive retail, and mobile apps.

PARTNER: Asociația Tech Lounge

GRANT VALUE: \$ 30,980 | DURATION: 1 YEAR | START DATE: DECEMBER 2014

Improving Mathematics Education



The program brought together teachers from the university and K-12 systems who worked to make a positive change in mathematics education in schools. In 2014, the program focused on offering teachers support to improve the evaluation of students' competencies criteria, as well as on increasing the Romanian students' interest in mathematics.

The number of students enrolled in the "Future Olympics" competition quadrupled in four years, nearing 19,000 in 2014. The best 188 students attended the 2014 summer camp in Câmpulung Muscel, where, assisted by 52 teachers, they took part in the final stage of the math competition and various personal development activities, being exposed to novel ways of employing mathematics in real life.

PARTNER: Societatea de Științe Matematice din România

GRANT VALUE: \$ 506,729 | DURATION: 3 YEARS | START DATE: MARCH 2011

Education Programs under the Technology & Innovation Priority

Science Curriculum Reform

Teachers play a key role in ensuring the success of all the educational programs developed by RAF. We believe that once we find the best solutions to support teachers, we will see a significant improvement in the teaching and learning methods in schools, which will increase both the impact and sustainability of our investment.

For years, the methodology of teaching Physics in Romanian schools relied more on theory and less on experiential learning, which made the subject very difficult to assimilate by students. Lab experiments were scarce to none, and the cryptic formulas taught made it hard to imagine that the notions introduced in class actually made reference to phenomena encountered in everyday life.

In the case of the Physics curriculum, the change came from within, from a group of passionate teachers. The Reform of Teaching Physics project started in 2011, when these teachers showed that Physics could be made attractive to students if they reformed the instruction method and supported students to better understand phenomena rather than just memorize formulas. Their approach was developed and substantiated to respond to the newest trends in learning Physics (such as inquiry-based learning, where starting from a powerful question the students are supported to find answers themselves by using experiments and by working in teams). Applying these methods in class helps children understand Physics, and even more – it teaches them to think and allows them to acquire a set of skills they can further use for the rest of their lives.

This inquiry-based teaching method can be applied in teaching other subjects.

PARTNER: Societatea Română de Fizică

GRANT VALUE: \$ 70,000 | DURATION: 8 MONTHS | START DATE: JULY 2014

PREVIOUS FUNDING FOR THE PROGRAM: \$ 528,568
DURATION: 3 YEARS | START DATE: JUNE 2011



- In addition to **930 teachers** from eight counties previously trained, **261 new teachers** from the remaining counties joined the movement in 2014
- A rigorous process of expert reviewing took place for all the developed materials, including **825 Physics lessons** and coinciding support materials
- **433 support handouts prepared**, **+1,000 filmed experiments**, **76 tasks for top performing students**, **recommendations for class management**.

Civic Engagement Priority

Citizens play a key role in social change. The type of lasting, significant change RAF seeks to generate is unimaginable without the active participation of citizens. The society we envisage is one where people identify issues, seek solutions, and ultimately solve problems, where people think beyond their own self and understand the importance of contributing to the overall well-being of their communities. Shifting the mindsets is challenging, due to a variety of factors. The youth lack role models and the opportunities to learn active citizenship are limited. Civic participation and philanthropy, which RAF sees as core societal values, are not yet cultural norms in Romania.

On the other hand, there are positive signs that a new generation of active citizens is in the making: more and more people volunteer, young people are increasingly involved in civic life and contribute to solving problems, make donations, vote and hold officials accountable, proving that they adhere to democratic values.



PROGRAMS AND GRANTS UNDER THE CIVIC ENGAGEMENT PRIORITY

	RURAL DEVELOPMENT	TECHNOLOGY & INNOVATION	CIVIC ENGAGEMENT
Entrepreneurship			
Education		<div>1</div> <div>2</div> <div>3</div> <div>4</div>	<div>5</div> <div>6</div>
Community development			<div>7</div> <div>8</div> <div>21</div> <div>9</div> <div>10</div> <div>11</div> <div>12</div> <div>13</div> <div>14</div> <div>15</div> <div>16</div> <div>17</div> <div>18</div> <div>19</div> <div>20</div>

Community Foundations STEM Fund

1. Fundația Comunitară București
2. Fundația Comunitară Cluj
3. Fundația Comunitară Iași
4. Fundația Comunitară Sibiu

Youth Debate

5. Asociația Română de Dezbateri, Oratorie și Retică

Debate as an Educational Tool

6. Asociația Română de Dezbateri, Oratorie și Retică

IMPACT Clubs

7. Fundația Noi Orizonturi

Easy Giving

8. Asociația pentru Relații Comunitare

Community Foundations Matching Funds

9. Fundația Comunitară Alba
10. Fundația Comunitară Bacău
11. Fundația Comunitară București
12. Fundația Comunitară Cluj
13. Fundația Comunitară Covasna
14. Fundația Comunitară Iași
15. Fundația Comunitară Mureș
16. Fundația Comunitară din Odorheiu Secuiesc
17. Fundația Comunitară Oradea
18. Fundația Comunitară Prahova
19. Fundația Comunitară Sibiu
20. Fundația Comunitară Țara Făgărașului

Development of Community Foundations in Romania

21. Asociația pentru Relații Comunitare

Philanthropy Programs

Community Foundations Matching Fund for Individual Donors

In order to encourage the Community Foundations' efforts to stimulate personal philanthropy in Romania, in 2012 RAF decided to establish a Matching Fund for the amounts they were able to raise from individual donors, for a period of three years. The amount of the matching grants was set at one-to-one ratio, with an annual cap of \$10,000 per Community Foundation. Through various creative activities and events, the Community Foundations get their communities involved and raise not only funds, but also awareness with respect to local issues, empowering people to actively contribute to local causes they consider relevant.

"An individual donor is a person who takes action to address the issues they care about. Their involvement is essential for the changes the Bacău Community Foundation tries to make, and working in partnership with RAF to develop personal philanthropy is a strategic component of our activity."

Mihai Căprioară

Executive Director, Fundația Comunitară Bacău



PARTNERS

Fundația Comunitară Alba, Fundația Comunitară Bacău, Fundația Comunitară București, Fundația Comunitară Cluj, Fundația Comunitară Covasna, Fundația Comunitară Iași, Fundația Comunitară Mureș, Fundația Comunitară din Odorheiu Secuiesc, Fundația Comunitară Oradea, Fundația Comunitară Prahova, Fundația Comunitară Sibiu, Fundația Comunitară Țara Făgărașului

TOTAL COMMITMENT: \$ 390,000 | DURATION: 3 YEARS | START DATE: MAY 2014

"The activities through which private individuals become donors of the Bucharest Community Foundation, though not as effective as corporate sponsorships, represent a long term investment in the community. Via initiatives such as Swimathon, the fundraising swimming event, we offer a platform for hundreds of people to get financially involved in projects that are relevant to them. Donors understand that their money make a difference if they are used transparently and efficiently. On the longer term, they trust us and become a solid partner of the Foundation. Thus, we become an organization that truly represents the needs and interests of all members of the Bucharest community."

Alina Kasprovski

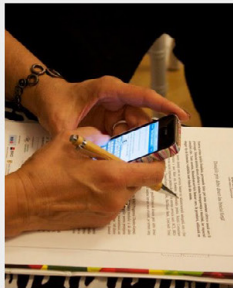
Executive Director, Fundația Comunitară București

Community Development Programs

Easy Giving

The Easy Giving program is a tool for philanthropy, offering donors the possibility to use the Donatie.ro platform to make financial contributions to causes they believe in. Developed by Asociația pentru Relații Comunitare in partnership with three mobile phone carriers and six banks, the donation platform is a simple and transparent way for individuals to donate, either by text message (SMS) or direct debit.

Besides providing the donation platform, the program shapes an infrastructure for philanthropy, addressing both the donors and the fundraisers. From teaching people how to donate wisely to trainings for organizations to attract recurrent donors by direct debit, and public awareness aimed at stimulating a philanthropic behavior, the program helps an increasing number of individuals make financial contributions to support civil society organizations address issues that are relevant for their communities.



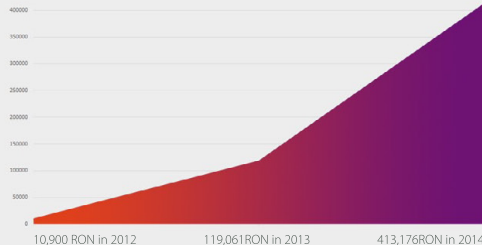
PARTNER: Asociația pentru Relații Comunitare in partnership with major banks¹ and the mobile phone companies²

¹BCR, BRD - Groupe Société Générale, Banca Transilvania, ING, Raiffeisen Bank and UniCredit Ţiriac Bank

²Orange, Telekom, Vodafone

GRANT VALUE: \$ 198,700 | DURATION: 40 MONTHS | START DATE: AUGUST 2012

Funds raised through direct debit



Almost half a million individual donors used the donatie.ro platform since its launch in 2012, their contributions amounting to 5,744,339 RON.

In 2014:

- 4,000 new donors by direct debit, supporting 9 organizations
- 5 sessions of face-to-face fundraising training sessions for 32 specialists in 20 NGOs
- 40 SMS campaigns
- 3,000,000 RON raised by SMS donations

Civic Education Programs

IMPACT Clubs Program

The IMPACT Clubs are an innovative model of civic education, based on community service learning, involving volunteer teachers and students. Currently in its second funding cycle, the grant provides the support needed to ensure sustainability and growth of the program by enabling the organization to attract and diversify funding and redesign the operating model. Supporting the existent clubs to take over more responsibilities towards becoming independent allows for resources to be directed towards opening new clubs, making the program available to more students.

PARTNER: Fundația Noi Orizonturi

GRANT VALUE: \$ 449,440 | DURATION: 3 YEARS | START DATE: APRIL 2013



A flexible, easily replicable model, IMPACT is the first educational program created in Romania to extend internationally, being adopted in nine other countries, including: U.S.A., Nicaragua, Honduras, Dominican Republic, Mexico, Haiti, Armenia, Albania, and the Republic of Moldova.



IMPACT Clubs Story

In 2002 in the Jiu Valley there were hardly any development opportunities for youth. The IMPACT program started from the idea of ending civic apathy and encouraging people to work together to bring positive changes to their communities.

Through community involvement, IMPACT contributed to the development of over 6,000 youth and children, guided by over 300 volunteer IMPACT Club leaders.








From a single IMPACT Club, the program managed to expand the network in 28 counties in the 2014 -2015 school year, in approximately 150 schools in Romania, and worked yearly with over 2,000 youths and 300 volunteer teachers.

Each year, the IMPACT Clubs work on nearly 200 projects, benefiting approximately 35,000 people: children, youth, adults and seniors alike. The addressed issues include poverty, pollution, social exclusion, human rights infringement, discrimination, violence, reduced access to resources or education, and health issues.

One of the alumni, Daria Cimpean (27, Montessori teacher), shares what IMPACT meant to her: *"IMPACT helped me define my standards, strengthen the values I believe in, trust myself and others. IMPACT is the backbone of my adult life, supporting me to become a self-aware and responsible person, with a sense of belonging to my community".*

Portfolio of Active Grants in 2014

Priority	Program	Program Manager	Area	RAF Funding (US\$)	Funds disbursed in 2014 (US\$)
	Rural Entrepreneurship Duration: 5 years Start date: June 2012	CEED, FDSC, Civitas, CMSC, CRPE (Network)	ENT	855,437	334,088
	Green Entrepreneurship 1.0 Duration: 3 years Start date: January 2011	REPF, CEED	ENT	539,411	4,000
	Green Entrepreneurship 2.0 Ecotourism Destinations Duration: 5 years Start date: July 2014	REPF (Network)	ENT	1,100,000	155,000
	ARTIE Fellowships Duration: 10 months Start date: October 2013	8 teams of 27 ARTIE fellows	ENT	584,325	344,092
	Romanian Innovation Commercialization Assistance Duration: 2 years Start date: August 2013	CRIDL, LARTA	ENT	448,206	205,771
	Social Enterprises Program Duration: 5 years Start date: January 2010	NESsT	ENT	500,000	48,184
Total Entrepreneurship				4,027,379	1,091,135
	Enterprise Challenge - National Program for Entrepreneurship Competencies at Ages 15 to 19 Duration: 3 years Start date: June 2012	Junior Achievement Romania (JAR)	EDU	290,000	79,000

Priority	Program	Program Manager	Area	RAF Funding (US\$)	Funds disbursed in 2014 (US\$)
	Reading to Learn Duration: 3 years Start date: April 2014	Asociația Română de Literație	EDU	359,046	102,005
	IMPACT - A Sustainable Development Model Duration: 3 years Start date: April 2013	Fundația Noi Orizonturi	EDU	449,440	216,408
	Science Curriculum Reform Duration: 8 months Start date: August 2013	Societatea Română de Fizică	EDU	153,404	69,539
	Science Curriculum Reform Duration: 9 months Start date: July 2014	Societatea Română de Fizică	EDU	70,000	69,000
	Improving Mathematics Education Duration: 3 years Start date: March 2011	Societatea de Științe Matematice din România	EDU	506,729	85,921
	The Youth Debate Duration: 7 months Start date: April 2014	Asociația Română de Dezbateri, Oratorie și Retorică	EDU	19,800	19,800
	Debate as an Educational Tool Duration: 3 years Start date: December 2014	Asociația Română de Dezbateri, Oratorie și Retorică	EDU	200,000	0

Portfolio of Active Grants in 2014

Priority	Program	Program Manager	Area	RAF Funding (US\$)	Funds disbursed in 2014 (US\$)
	Teach for Romania Duration: 3 years Start date: March 2014	Asociația Teach for Romania	EDU	450,000*	276,268
	Article Series on Teach for Romania Duration: 8 months Start date: November 2014	Asociația Media DOR	EDU	3,136	3,136
	Incentive Fund for STEM Education in local communities Duration: 9 months Start date: December 2014	Fundația Comunitară București, Fundația Comunitară Cluj, Fundația Comunitară Iași, Fundația Comunitară Sibiu	COM DEV EDU	39,500	28,000
	Innovation Labs 2015 Duration: 1 year Start date: December 2014	Asociația Tech Lounge	EDU	30,980	29,480
	Planning Grant for an Initiative in Agricultural High-schools Duration: 4 months Start date: December 2014	CEDR, CRPE, Fundația Civitas, Junior Achievement România, World Vision Romania	EDU	42,200	16,000
	RAF Education Challenge Duration: 2 years Start date: November 2011	Asociația TechSoup	EDU	121,461	2,000
	Career Counseling Duration: 4 months Start date: December 2014	Asociația Alternative Sociale	EDU	453,717	8,434
Total Education				3,189,413	1,004,991

Priority	Program	Program Manager	Area	RAF Funding (US\$)	Funds disbursed in 2014 (US\$)
	Easy Giving Mechanism Duration: 40 months Start date: August 2012	Asociația pentru Relații Comunitare (ARC)	COM DEV	198,700	68,040
	Community Foundations Matching Fund for Individual Philanthropy Duration: 3 years Start date: May 2014	Fundațiile Comunitare: Alba, Bacău, București, Cluj, Covasna, Iași, Mureș, Odorheiu Secuiesc, Oradea, Prahova, Sibiu, Țara Făgărașului	COM DEV	390,000*	96,210
	Development of Community Foundations in Romania Duration: 20 months Start date: January 2015	Asociația pentru Relații Comunitare (ARC)	COM DEV	130,000	40,000
Total Community Development				718,700	204,250
	Partnership for Action – the Story of Seven RAF-funded Programs Duration: 4 months Start date: July 2014	Centrul pentru Jurnalism Independent with: ARC, Civitas, FNO, JAR, REPF, SRF, TFR	ENT EDU COM DEV	39,375	39,375
Total Communication Grants				39,375	39,375

Total Grants Disbursed in 2014 **US\$ 2,339,751**

Total Grants and PRIs Approved in 2014 **US\$ 3,022,421**

* Total value of RAF commitment; contracted annually.

Program Related Investments (PRIs)

In addition to grants, the Romanian-American Foundation uses Program Related Investments (PRIs) in the form of soft loans or repayable grants to support the cash flow of qualified Romanian charitable organizations whose activity is in line with RAF's mission.

RAF was the first foundation in Romania to offer these innovative philanthropic financial instruments.

RAF's use of PRIs to provide bridge loans has broadened the ability of our partners to gain access to European Union funds.

Although regarded as a high risk investment by mainstream financial institutions, our records show that the portfolio quality is outstanding, with no single day of delayed payments registered. We started offering PRIs in 2011 and since then the following borrowers have paid back the loans in full: Asociația Alternative Sociale, Centrul pentru Educație Economică și Dezvoltare în România, Fundația pentru Dezvoltarea Societății Civile, and Fundația Motivation România.

"The loan received from the Romanian-American Foundation helped us access EU funding to launch one of NESsT's biggest projects, in partnership with Fundația Civitas. This allows us to create two community social enterprises in Timișoara: a cultural center and a fair trade café that will employ 13 disadvantaged people. This instrument supported NESsT to advance its vision to create new jobs and social enterprises with significant impact."

Zoltan Bereczki
Country Director, NESsT Romania

Purpose	Borrower	Approved \$	Disbursed \$	Outstanding \$
Mortgage for headquarters acquisition	FDSC	350,000	350,000	75,000
Guarantee and Cash Collateral for max 25 student loans	PRI to a Bank for Student Loans	77,000	77,000	77,000
Bridge Loan for EU Funded Project	NESsT	150,000	0	0
Bridge Loan for EU Funded Project	Fundația Civitas	450,000	0	0
Total PRI		1,027,000	427,000	152,000



RAF House

RAF House is a symbol of our long-term commitment to contribute to Romania's development. It is the epicenter of our work, from where ideas and solutions for a better Romania propagate throughout the country.

We take pride in calling this remarkable historical building with significant architectural value our home, and in sharing it with people and organizations whose work lends a hand to building a better Romania. From the onset, we envisaged the ground floor rooms as a gathering space for our partners and civil society organizations whose activity matches our scope of work. The event rooms in the RAF House are offered free of charge, as an informal portfolio of in-kind grants, which has proven extremely useful for NGOs. Each year, the number of events grows and the meeting themes broaden.

In addition to being the Foundation's headquarters, the RAF House also hosts the offices of three other organizations: Fundația Comunitară București, TechSoup Romania, and Fundația GRASP.

- ✔ 128 organizations hosted their events in the RAF House, free of charge
- ✔ 180 events held in 2014 alone, gathering over 2,900 participants
- ✔ \$158,000 in-kind contribution to our partners' events



"We were delighted to have been given the opportunity to organize several meetings in the RAF House, within our programs for student's education and development. The partnership between AIESEC Bucharest and the Romanian-American Foundation allows us to benefit from the logistic support offered in this great venue."

Camelia Tiu,
Vice President Public Relations, AIESEC Bucharest

Romanian-American Foundation

Consolidated Financial Statements

as of and for the Year Ended December 31, 2014

ROMANIAN-AMERICAN FOUNDATION CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2014

The Romanian-American Foundation is audited by Deloitte Audit SRL, a member of Deloitte Touche Tohmatsu.
For the full audit report, including notes, please visit www.rafonline.org

ASSETS	December 31, 2014 \$	December 31, 2013 \$
Investments, at fair value (Notes 3 and 5):		
Mutual Funds – Equity	30,455,479	25,856,750
Mutual Funds – Fixed Income	12,031,534	11,386,085
Mutual Funds – Other	8,323,423	8,230,534
Cash and cash equivalents (Note 3)	17,764,454	5,081,629
Cash restricted in bank deposits as collateral for student loans guarantee (Note 3)	77,000	77,000
Program related investments, committed (Note 3)	232,000	371,000
Prepaid expenses and other assets	11,432	13,237
Property, net (Note 7)	3,662,681	3,820,272
Total Assets	72,558,002	54,836,506
LIABILITIES AND UNRESTRICTED NET ASSETS		
Accounts payable and accrued expenses	61,516	59,273
Program related investments, payable (Note 3)	150,000	105,000
Grants payable (Note 3)	1,784,219	1,708,528
Total Liabilities	1,995,735	1,872,801
Unrestricted Net Assets (Note 2)	70,562,267	52,963,705
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	72,558,002	54,836,506

ROMANIAN-AMERICAN FOUNDATION CONSOLIDATED STATEMENTS
OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2014

	Year ended December 31, 2014	Year ended December 31, 2013
Changes in net assets:	Unrestricted	Unrestricted
	\$	\$
INCOME		
Interest and dividend income (Note 5)	1,046,768	638,189
Support and Contribution income - Romanian-American Enterprise Fund (Note 4)	20,000,000	-
Total income	21,046,768	638,189
EXPENSES		
Employee compensation and benefits	647,414	452,195
Occupancy expenses	151,854	141,880
Professional services	86,016	137,260
Trustees' expenses	137,947	112,536
Advisory Board expenses	-	63,953
Administrative and other	201,354	161,569
Depreciation and amortization	161,630	150,488
Total operating expenses	1,386,215	1,219,881
Grants (Note 6)	(2,415,441)	(1,714,000)
Income in excess of grants and expenses	17,245,112	(2,295,692)
Net realized gain (loss) on investments (Note 5)	810,290	1,496,709
Net unrealized gain (loss) on investments (Note 5)	(450,319)	3,308,278
Net currency remeasurement (losses)/ gains	(6,521)	1,253
Total increase in unrestricted net assets	17,598,562	2,510,548
Unrestricted net assets, beginning of year	52,963,705	50,453,157
Unrestricted net assets, end of the year	70,562,267	52,963,705

ROMANIAN-AMERICAN FOUNDATION CONSOLIDATED STATEMENTS
OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2014

	Year Ended December 31, 2014	Year Ended December 31, 2013
Cash flows from operating activities:	\$	\$
Increase in unrestricted net assets	17,598,562	2,510,548
Adjustments to reconcile increase in unrestricted net assets to net cash used in operating activities:		
Net realized (gain) loss on investments	(810,290)	(1,496,709)
Net unrealized (gain) loss on investments	450,319	(3,308,278)
Depreciation and amortization	161,630	150,488
Decrease (increase) in cash collateral guarantees	-	(77,000)
Decrease (increase) in program related investments, assets	139,000	342,000
Increase (decrease) in program related investments, payables	45,000	(140,000)
Increase (decrease) in grants payable	75,690	294,191
Decrease (increase) in prepaid expenses	1,805	(153)
Increase in accounts payable and accrued expenses	2,242	16,955
Net cash (used in)/ provided by operating activities	17,663,958	(2,485,167)
Cash flows from investing activities:		
Proceeds from sales of investments	12,372,380	22,885,200
Cost of investments purchased	(17,349,474)	(19,286,134)
Cost of building improvements	-	-
Cost of fixed assets	(4,039)	(2,247)
Net cash provided by / (used in) investing activities	(4,981,133)	3,596,819
Net increase in cash and cash equivalents	12,682,825	1,111,652
Cash and cash equivalents, beginning of year	5,081,629	3,106,905
Cash and cash equivalents, end of year	17,764,454	4,218,557

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