

THE ROMANIAN LEGISLATIVE FRAMEWORK ON PUBLIC-PRIVATE PARTNERSHIP IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT

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Abstract

Public-private partnership is both a political, social and administrative desideratum due to the positive effects that potential private investors might have on the provision of public services or the improvement of infrastructure. In recent years, the public-private partnership concept has been given increased attention at the level of the European Union where economic analysts have concluded that through this concept the weaknesses of the public sector economy can be diminished. Also in Romania there is a growing interest in the cooperation between the public and the private sector where this concept of novelty in terms of legislative regulation, which benefits from constitutional legislation starting with this year. The main objective of this research is to define and analyze the legal framework regarding the public-private partnership in Romania, its way of manifestation and the efficiency of the relations between private and public entities.

Keywords: Public-private partnership, cooperation, legal framework, Romania.

Introduction

Nowadays, a public service can be managed in a variety of ways either by a public entity (local communities, state, institutions) or by a private entity (physical or legal), and for the development of the runways all entities must be mobilized for creating a solid partnership between them. The partnership aims at exemplifying the main needs at the local level, analyzing the priorities, identifying the solutions for development and applying the integrated strategic measures.

The conceptual approach to Public-private partnership (PPP) highlights an efficient way of cooperation between the private sector and a public authority or non-governmental organizations and aims to produce productive effects for local development and the labor market. It can be represented by a medium or long-term agreement, contract, understanding the relationship between two entities (public and private) in order to analyze the risks and expertise of finance for the provision of a service (Raman Krishnan).

The PPP's importance resides in its strong influence on legislative regulation and on the sustainable development of agriculture, being an alternative to improving the current situation and also a good example for a good resources management.

PPP forms have emerged since the 20th century in Western Europe and the US, and consist of cooperation between the private sector and local authorities to implement redevelopment projects for declining industrial areas.

The first PPP structures in Europe have been identified in France since 1980 and were aimed at both preventing and combating delinquency and ensuring social cohesion.

Regarding the emergence of this concept in Romania, the first forms of PPP were formed with the National Strategy for Sustainable Development in 1999 and the Medium-Term Economic Development Strategy in 2000. In recent years there was a new orientation of the projects of public-private partnerships both in Romania and at EU level, having as a general objective the associations between the private sector and the civil society and its investments in the infrastructure sector and the operation of public services of local interest.

Literature Review

Over the past decade, the use of PPPs has grown almost five-fold (PWC, 2010), with nearly US\$ 4 billion of health PPP contracts were signed worldwide in 2010 alone (Carty, 2012). It is intriguing to note therefore that despite their global prevalence, empirical evidence of benefits is mixed. European countries and indeed governments around the world have increasingly turned to private sector involvement in the development, financing and provision of public infrastructure and services (Maynard, 1986; Zheng et al., 2008; Mahoney et al., 2009; Anderson, 2012). More specifically there has been a sharp rise e again predominantly within Europe/UK e in PPPs to deliver healthcare infrastructure including buildings, large technology systems, clinical services, and associated non-clinical maintenance and facility management services (Barlow et al., 2013; Roehrich et al., 2013). Although the PPP phenomenon has attracted a wide range of practitioner and academic comments, there is limited systematic review of evidence and the literature remains largely fragmented (Kivleniece and Quelin, 2012).

Research Methods

The present paper use one qualitative research method for the analysis of statistical data in order to effectively evaluate the impact of the increase in the number of public-private partnerships for the sustainability of Romanian agriculture. The SWOT analysis highlights the strengths of the management system for the Romanian PPP, the weaknesses highlighting the lack of interest in this field, the opportunities and threats that can occur in the medium and long term, producing negative effects on PPP

SECTION 1 - LEADER PROJECT

The development of communications and the involvement of all the structures at the local level has been achieved over time with the help of the European Commission which has created and implemented a number of specific instruments. An instrument that has proven effective in development policies is the LEADER initiative (since 2001) that helped rural stakeholders to analyze the potential of their own regions and was made accessible to structural and sustainable development funds.

The European Union has permanently supported the LEADER initiative which has quickly become an important element of rural development policy, being widely accepted across Europe. With the help of LEADER, rural development is promoted in local rural communications and is an effective way that can be adapted to situations and different areas of the rural environment and that can meet the different needs of rural areas. This initiative positively influences the reduction of economic and social imbalances and disparities between urban and rural areas.

Through the National Rural Development Program (NRDP) 2007-2013, the LEADER and Local Action Groups (LAGs) initiatives are being implemented in Romania, which in the period 2011-2012 reached a number of 163, developed on about 142000 km², representing 63% of the territory eligible and 58% of the LEADER eligible population. To be part of the LEADER program, the territory must be represented by Territorial Administrative Units of communes and small towns with a population of 20,000 or more.

As for the 2014-2020 period, the LEADER objectives are to continue to fund the capitalization of local resources, to develop the innovative character of the integrated approach and to promote local specificity. Through LEADER, local communities develop in a specific way to their needs and priorities and analyze existing problems by providing reflex solutions in specific actions.

Leadership - The contribution of civil society to local development. In the period 2007-2013, a total of 163 Local Action Groups (LAGs) were set up and financed, 81 in 2011 and 82 in 2012, with a 90% contracted allocation of funds. LAGs have been formed as public private partnerships in which civil society organizations and economic partners accounted for 50% of the total, and partnerships with entities represented by NGOs have a much smaller proportion. In the present programming period, it is hoped to improve cooperation between local actors, interconnection of local members, dissemination of knowledge and new innovative methods to contribute to the development of rural areas in Romania.

In order to meet these directives, within the LEADER framework of the NRDP 2014-2020 the measure was adopted by which the partnership must be made up of 51% representatives of the private environment and the selection criteria of the partners that are mostly composed of the private sector, environmental organizations, organizations of a local minority, associative forms relevant to the territory

The total allocation for the NRDP for the period 2014-2020 is 9,441,583,798 lei for which a total number of 56,332 projects have been submitted out of which only 53% have been selected for which payments were made in the amount of 3,289,636,599 lei. The measure with the largest amount allocated is Measure 4 - Investments in fixed assets with 2,385,189,650 lei, that is, a quarter of the allotted amount, which attracts funds in the amount of 637,467,509 lei. Measure 13 - Pay areas with natural constraints is the one for which most payments were made, namely 927,999,278 lei, representing 70% of the total allocated.

Table 1. The status of the submitted projects and the amounts allocated through the National Program for Rural Development 2014-2020

Measure	Public allocation PNDP 2014-2020	Projects submitted		Selected projects		Payments made
		No.	Value	No.	Value	
Measure 19 - Local LEADER development	637,589,491	5,366	293,901,209	4,073	232,778,085	131,424,842
TOTAL	9,441,583,798	56,332	8,498,702,276	30,185	4,255,836,735	3,289,636,599

Source: Author calculations based on the data provided by <http://PNDR.ro>

SECTION 2 - NGO

Partnerships - rural development through the participation of NGOs

In general, the notion of PPP suggests a way of cooperation between public authorities and the private sector that have the common goal of achieving local development projects in all respects.

One of the main objectives of the European Union is the sustainable development of rural areas by promoting a general harmonious development in order to reduce the differences between the levels of development of the regions.

Regarding the approach in Romania, it is envisaged the application of the Common Agricultural Policy that consists in the implementation of some measures planned and promoted by the local public administration authorities in partnership with private entities. The purpose of this policy is to achieve dynamic and sustainable economic growth by rationalizing agricultural potential to improve living conditions and to promote quality and diversity.

NGOs are made up of groups of people who are associated to promote their interests and share the common goal of supporting the development of different regions and supporting and promoting the interests of society.

Training and counseling actions to assist the unoccupied workforce in order to reduce unemployment and exploit labor market opportunities are supported by NGOs by supporting the development of human resources in rural areas. Some rural partnerships formed through NGOs aim to facilitate access to vocational training, counseling, employment services and dissemination of information of rural interest to members of rural areas.

Conclusions

Romanian agriculture sector is defined as an ensemble between partners for contribution, resources, market, risk, technology and benefits. In addition, lately in our country there is a high interest for the cooperation between the public and the private sector in the context of the financial development and foundation of some infrastructure projects in several sectors of activity. The private sector shows an increase in availability in terms of assuming responsibilities and risks, and the public sector has a willingness to privatize public utility services resulting in an initiation of the PPP concept to meet its economic and social objectives from Romania.

The strategies are based on the links of the stakeholders that affect local development and the general programs both at the community level and at regional and national level. At the level of local communications there is a difference in the level of capacities, cooperation experiences and institutional culture, which results in the need for a more transparent analysis of the reality design in order to achieve a partnership.

In general, two main models can be identified as follows: The first model that brings together local partners in a new legal entity is primarily a non-profit association representative of the participating local parties and which must have as the main transparent feature and which must be answer both to local partners and to its financiers. This model is like a balance between participants and their power in making decisions according to local goals. Another type of partnership is that they should not be dominated by a single interest group, be it public or private. The second model of partnership is highlighted by the need to cooperate with a partner with a high administrative capacity where these can be the "responsible body" for legal and administrative issues. And for this model, the representative principles are: openness, transparency, accountability.

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