

CONTRIBUTIONS FOR IMPROVING PUBLIC-PRIVATE PARTNERSHIP IN RURAL AREAS OF MARAMURES

SYNOPSIS

The subject chosen as the theme for the thesis is justified by two important aspects:

- My occupational field has enabled me and at the same time it "required" from me to achieve this study, being directly involved in identifying, building and coordinating the completion of construction of the five potential public-private partnerships (LAGs) in the Maramures county territory and in carrying out the SWOT analysis and writing the local development strategy of the above partnerships.
- The phenomenon of *public-private partnership* that can strongly influence the development of the countryside, is insufficiently and superficially treated, thus determining me to return it to the attention of the countryside factors as an example of good practice and an alternative for its development.

In the first chapter of the thesis “**THE CONCEPT OF RURAL AREAS**” the concept of rural area and its main features are addressed.

The concept of rural areas is interpreted by specialists from different fields in different ways. Of the many definitions of the concept we retained:

- Rural represents fields, peasants and, in general, all activities and nonurban territories;
- The adjective “rural” is used to define everything that relates to the fields and generally to life in the countryside, which lies outside the outskirts of the major cities;
- The countryside is not only the headquarters of agricultural activities, but also of industry, handicrafts and rural commerce;
- The countryside is neither an abstract nor a uniform space, it is a heterogeneous human-geographical space;
- The countryside is divided into two sections that define, on the one hand, purely agricultural issues, and on the other hand, the rural life, for persons not dealing with agriculture;
- By rural we meant a typical landscape, an area of cultivated land, a territory in which agricultural activity is intense, which generally bears the imprint of man: ploughed fields, orchards, pastures, built-up areas and in a sense, rural areas have become culturally marked;
- The rural designates a different set from the urban.

The criteria used for defining the urban or rural character of a space or of a community reveals various approaches which can be reduced to three, namely:

- economic, the rural background is characterized through the dominance of the agricultural activities and of the treatment industry, the rural background having as a specific essential function the agricultural production.
- sociological, the rural society is characterized by a specific lifestyle, behavior and a system of values different from that of the city;

- geographical, the rural medium is distinguished by how the space is used, how the housing is clustered or dispersed.

The essential characteristics of the countryside are:

- The countryside is a place of production, where the primary sector activities can be found in a higher percentage. The rural population is often involved in both farming and non-agricultural activities;
- Population density in rural areas is low, which gives smaller and more humanized settlements;
- In terms of landscape, environment, flora, fauna, culture and folk customs, the countryside is by far more beautiful and appreciated;
- The rural life, traditions, customs form altogether the local and regional culture;
- The development of urban areas has attracted the exodus of people from rural areas, thus justifying the phenomenon of constant reduction and aging of the rural population, with consequences for the economic development process of the countryside. In countries that have made major mistakes in rural exploitation there are discussions about the phenomenon of deurbanizing or ruralizing;
- Peculiarities of farming influence the pace and standard of living of rural residents;
- Agriculture does not function satisfactorily in an economic environment ruled only by marketing laws;
- Agricultural supply follows the intended price oscillation but appears on the market after periods exceeding one year, during which changes may occur;
- Demand of agro-food products is relatively unstable, being dependent on the structure of consumption.

Chapter two of this thesis, **“RESEARCH ON THE EMERGENCE AND THE CONCEPT OF PUBLIC-PRIVATE PARTNERSHIP”**, is centered on defining the public-private partnership.

The concept of public-private partnership offers a way of cooperation between public authorities and the private sector, i.e. NGOs, associations whose activity has positive effects on employment and local development. Therefore, a *public-private partnership* is:

1. an agreement between the public and private sectors to develop a project or to provide a service, which is traditionally provided by the public sector.
2. an agreement / contract between a public authority and a person to design and build an objective, and to provide services linked to the same or only for some of these transactions related to the operation of that objective or to transfer an interest or opinions of interest concerning an asset to a private person.
3. a medium and long term relationship between the public and private (including community and voluntary) sector that involves establishing the risks and the benefits and using multi-sector functions and finance expertise to provide a service.
4. the assuming by the private sector of the public sector activities in any form (partnership or taking actions), use of Private Financing Initiatives or other “arrangements” and concession of public

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services, maintenance, construction of "necessary infrastructure", including the sale of public services or other forms of partnership.

The initiation and completion of a public-private partnership goes through two major phases which also are regulated legally in a logical sequence: one concerns a political process that ends in a decision to initiate the creation of a partnership and the other describes an administrative procedure to ensure implementation of the political decision.

The National Council for Public-Private Partnership in the U.S. has identified four elements of success that can be taken into account when making a public-private partnership:

- the political element;
- the public sector involvement;
- communication with stakeholders;
- choosing the right partner.

Chapter three, "**RESEARCH METHODOLOGY**", describes the study method used in carrying out the thesis. The main steps that I took are:

- Analysis of the Romanian rural area and, of course, of the studied area, Maramures;
- Study on the main components of the Romanian rural area;
- Definition of public-private partnership;
- PNDR and the Leader program analysis as the main means of stimulating private-public partnership;
- Highlighting achievements of European countries in terms of public-private partnership;
- Location and description of the investigated habitat;
- Study of the current state of implementation of public-private partnership in Maramures;
- Based on the mentioned information the set up of an action of public-private partnership in the studied area.

In December 2005 the National Development Plan (NDP) for 2007-2013 was completed, the central element of the chapter four of the thesis, "**ROLE OF NATIONAL RURAL DEVELOPMENT PROGRAM IN STIMULATING PUBLIC-PRIVATE PARTNERSHIP**". It defines PNDR as a tool for prioritization of public investment for development, in which Romania will try to recover as quickly as possible the socio-economical disparities between Romania and the other European Union member states. The National Development Plan has set directions for the allocation of public funds for investment with significant impact on economic and social development from internal sources (state budget, local budgets, etc.) or external (structural and cohesion funds, EU funds for rural development and fisheries , external loans, etc.). The National Development Plan identified six national priorities for development, which grouped within a range of areas and sub-priority areas:

- Economic competitiveness growth and development of the know-how economy;
- Development and upgrade of the transport infrastructure;
- Protection and improvement of the environmental quality;
- Human resource development, promoting employment and social inclusion and strengthening

administrative capacity;

- Development of the rural economy and increasing the productivity in agriculture;
- Reduction of the development discrepancies between regions of the country.

The National Rural Development Program (PNDR), negotiated with the European Commission services in the period June 2007 - February 2008, and has received the approval of the 27 Member States in the Rural Development Committee of February 20, 2008, the European Commission Decision approving the PNDR being issued on July 16, 2008 (C/2008/3831).

In the PNDR, the support operations are focused on four priority axis:

- Axis 1: "Increase of the competitiveness in agriculture and forestry;
- Axis 2: Improving the environment and the countryside ";
- Axis 3: Quality of life in rural areas;
- Axis 4: "LEADER".

National Rural Development Program 2007-2013 is a document of 815 pages, organized into 16 chapters as follows:

1 **Program title is:** National Rural Development Program 2007-2013.

2 **The geographical area** that the program applies to: it is stated that the program will be implemented throughout Romania.

3 **Current Situation analysis:** this is an overview of the status of the agricultural sector, forestry and food industry. Environmental conditions are described (main characteristics, biodiversity, natural resource management in agriculture and forestry, ecological farming and climate change issues). A characterization of the rural economy and quality of life in rural areas is also presented (demographic situation, SMEs, tourism, rural infrastructure and services, culture, education and training). The chapter is closed by the SWOT analysis, which is the presentation of the strategy chosen to point out the strengths, weaknesses and ex-ante evaluation conclusions.

4 **Justification of proposed priorities.** Justification of the priorities is presented in relation to the proposed European Community Strategic Guidelines and National Strategic Plan. The hierarchy of objectives, priorities and justifications measures within each axis is presented here. Also included here there is a section which describes the requirements for the transition from programming period 2000-2006 to the programming period 2007 - 2013 and an identification of complementarities with other relevant instruments of the CAP. Also in this section there were included and detailed records of all proposed measures.

5 **General requirements.** Information is presented in tabular form, on the measures proposed for each axis and their descriptions (a summary of measure records).

6. **The financing plan.** It is presented as two tables representing:

- a) the annual contribution from the FEADR
- b) the financial plan on the axes.

7. **Indicative allocation for rural development measures.** There is a table included, showing the indicative allocation by measures with the clear demarcation of public and private expenditure.

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8. Additional national funding. This chapter was not provided until completion of the SEA report.

9. Elements needed for assessment in compliance with competition rules. There is presented evidence of conformity with Articles 87, 88 and 89 of the Treaty of Accession to the EC.

10. Complementarities with measures financed by other CAP instruments. We presented and identified complementarities with other financing instruments (structural instruments)

11. The designation of the responsible authorities for the implementation of the PNDR. There are presented in great detail and schematically the elements of the administration, control and implementation institutional system of the PNDR (management authority, certification organism, APIA, coordination organism).

12. Monitoring and evaluation. It describes the structure of the monitoring system, of the reporting mode and data management. It also presents the description of the evaluation system (objectives, stages of evaluation and reporting mode).

13. Actions for information and publicity. This describes the ways to inform and make aware the public opinion and the potential beneficiaries of how to access funds, of the content of the measures and of ways of promoting the program's results.

14. Designation of the partners of the consultation process. The methodology and the results of the consultation process in developing PNDR are described here. The list of partners is included in the organized working groups for each axis.

15. Equal opportunities between women and men without any discrimination. Here are presented the measures taken to promote equality between men and women and prevent all forms of discrimination.

16. Technical assistance operations. There are described preparatory, management, monitoring, assessment, information and control activities.

In chapter four, "**LEADER APPROACH AS PUBLIC-PRIVATE PARTNERSHIP ANALYSIS**" I approached Leader, later to become axis four of LEADER National Rural Development Plan. LEADER was launched in 1991 with the aim of improving the development potential of rural areas by exploitation of local initiative and skills, promoting the acquisition of knowledge of local integrated development and disseminating this knowledge to other rural areas. There were three generations of LEADER: LEADER I (1991-1993), LEADER II (1994-1999) and LEADER + (2000-2006). During this period, Member States and regions had autonomous LEADER programs, funded separately from funds reserved by the EU.

The LEADER program is identified with the establishment of local action groups that actually represent a public-private partnership under the LEADER principles (principles that are specified in axis 4 of PNDR) and with its operation (writing the local development strategy and its implementation in territory). The Local Action Group should:

- draw together around a relevant common project the interest groups in a given area;

- be autonomous in making decisions and be able to watch the local resources from an original perspective;
- correlate the different measures;
- take advantage of opportunities offered by the local resources;
- be open to innovative ideas;
- be able to link and integrate different sectorial approaches.

The area eligible for implementation of the Leader axis is the rural area as defined under the legislation of Romania (communes and cities) plus a number of 206 small cities (not exceeding 20,000 inhabitants). Including cities within eligible Leader will ensure a coherent territory, the necessary critical mass in terms of human resources, financial and economic, to support a viable local development strategy. Thus, the area eligible for Leader includes a population of about 11.7 million, of which about 2 million are from the cities, and the area eligible for implementation of Leader axis is 227,000 km² (207,000 km² rural areas defined under the national definition, to which is added about 20,000 km² area of cities with a population up to 20,000 inhabitants). Thus, 17% of eligible LEADER space may come from small towns and approximately 9% of the eligible area will be owned by small towns with up to 20,000 inhabitants.

Analyzing the examples of projects implemented by public-private partnerships in various EU countries, presented in chapter six of the thesis, “**STUDY ON PUBLIC-PRIVATE PARTNERSHIP IN EUROPEAN UNION COUNTRIES**”, we can observe a real beneficial impact on the daily lives of the residents in those rural areas. The examples presented here give a hint of the variety and creativity of rural development strategies being implemented by LAGs in different parts of Europe.

In chapter seven, “**STUDY ON THE DEVELOPMENT POTENTIAL OF MARAMURES**”, I tried a description of Maramures county, in both natural and anthropogenic ways. Maramureș is located in the north west of Romania, on the border with Ukraine, near parallel 47'55" north latitude and the meridian 23'55" east, so, close to the geographical center of Europe. The area is 6.304 km². Why is this region considered unique and those who have been here want to return? The answer - a mixture of three things: amazing landscapes, honest and simple people and the wood civilization, with its famous churches whose towers can be seen from far away. Nature, people, houses and churches are spiritually connected and have maintained this connection so far. Maramures is situated in central Europe in strictly geographical terms, so in Sighetu Marmatiei there is a sign set by the Austro-Hungarian Geographical Society that marks the center of Europe.

In chapter eight of the thesis, “**DESIGNING APPLIED SELECTION CRITERIA, CURRENT STAGE OF ESTABLISHMENT AND IMPLEMENTATION OF PUBLIC-PRIVATE PARTNERSHIP IN MARAMURES**”, we investigated and presented several criteria which were taken into consideration when selecting future partnerships territories (LAGs) of Maramures and the main elements considered in determining the composition of public-private partnership. Then we focused on presentation of the selected LAGs by the mentioned criteria.

Membership of these areas is detailed below:

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- **Mara-Gutâi area:** Bârsana, Budești, Giulești, Săpânta, Ocna Șugatag, Vadu Izei, Cavnic, Desesti, Sărasău, Câmpulung la Tisa, Călinești. (11 ATU)

- **Valea Izei area:** Sălișteea the Sus, Săcel, Ieud, Botiza, Dragomirești, Strâmtura, Rozavlea, Bogdan Vodă, Șieu, Poienile Izei. (11 ATU)

- **Valea Ruscova area:** Vișeu de Sus, Vișeu de Jos, Poienile de sub Munte, Ruscova, Petrova, Repedea, Bistra, Moisei, Borșa, Leordina. (10 ATU)

- **Fărcașa area:** Fărcașa, Sălsig, Oarța de Jos, Ardușat, Gârdani, Ulmeni, Ariniș, Asuaju de Sus, Băsești, Bicăz, Băița. (11 ATU)

We have not only summarized to the geographical demarcation of the four LAGs, we also followed the degree of development of each zone and phase of the public-private partnership.

Over the last chapter of the thesis "**CONTRIBUTIONS FOR IMPROVING PUBLIC-PRIVATE PARTNERSHIP IN RURAL AREAS IN MARAMURES THROUGH THE TAIEX WORKSHOPS**" we approached the opportunity to promote public-private partnership by organizing seminars on the subject, for partnerships (LAGs) identified within Maramures.

As a continuation of the building and coordination activity of the four potential partnerships, I had the opportunity to organize, as an expert in rural development (as recognized by the European Commission) two TAIEX events (one seminar with a field visit and a workshop), with financial support from the EU Commission (approximately 70,000 Euro). The topics were:

24.09.2009-25.09.2009 – Baia Mare,

1) „Development of rural areas in Romania (Maramures) by involving public-private partnerships”

Event Structure: -24.09.2009, seminar, presentations by lecturers from the EU (Austria, Finland), president of the Commission of Agriculture of Chamber of Deputies of the Romanian Parliament
-25.09.2009, field visits, identification of specific endogenous potential of the countryside in Maramures;

04.09.2010 – 05.03.2010 – Baia Mare,

2) „Operation of a Local Action Group (LEADER type LAG - public-private partnership). Develop strategy development. Implementation on the ground."

Event Structure: -04.03.2010, seminar + workshop, lecturers from the EU (Austria, Germany, Netherlands)
-05.03.2010, Seminar + workshop, lecturers from the EU, experts from the Ministry of Agriculture and Rural Development (MADR) and Payment Agency for Rural Development and Fishing (APDRP).

The purpose of the meetings was to raise awareness and develop the active participation of key stakeholders, involving public-private partnerships (Leader approach) in developing the countryside of Romania. Topics being considered include:

- Definition of rural areas in Romania;
- Problems of rural areas in Romania;
- Public-private partnership - key element in rural development in Romania (exemplification);
- LEADER-type approach for public-private partnership; advantages of this approach type;
- Involvement of local authorities in implementing the Leader and development of activities / projects to potential LAGs (Local Action Groups) in Maramures.

Regarding the implementation of Leader axis in Maramures, the most important problems identified are:

a) local authorities do not realize the importance of the fact that public-private partnership is the process by which public, private and administrative staff are driven to work in research, development and implementation of solutions that would not be likely to succeed on the assumption that each partner would strictly follow their own interests. Realization of joint projects focusing on areas, on exploitation of common, endogenous potential are beneficial to the harmonious development of the countryside.

b) keeping records related to the application for participation in the selection process - lack of funds necessary for financing the development strategy, required for the applications to be submitted for selection at national level.

Practical results obtained:

- a potential new partnership called: LAG, "Mara Natur" which consists of 16 ATU,
- three projects submitted as [431.1 - Phase 3 – „Financial support for preparation of files for selection of LAG"](#) financed from FEADR in the PNDR-axis IV (LEADER), one of them mentioned in the Annex of the thesis.