

Title	Improving Quality of Urban Governance in Region West, North-West and Center from Romania
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IMPROVING QUALITY OF URBAN GOVERNANCE IN REGION WEST, NORTH-WEST AND CENTER FROM ROMANIA

Abstract:

The paper intends to present a short analysis on improving the quality of urban governance as an effect of the involvement of private actors in several development regions from Romania after 2000, i.e. in the period when Romania's negotiations with the European Union began. The selected regions for our study have the advantage of greater FDI on the whole period, better infrastructure and more private actors involved in the decision-making process. The paper is structured on five parts as following: Introduction, Paper's methodology, Public-private partnerships evolution in 2000-2006 period, How will urban governance be evaluated in the forthcoming period? and Conclusions.

In the first part of the paper, I present the main juridical measures promoted by the Romanian government in order to stimulate the participation of private sectors at the Romanian economical and social development process. There are also shown the local public administration's incentives to increase the participation of foreign investments in various economic sectors.

The second part, Paper's methodology, presents the methods used for elaborating the paper, the indicators which were taken in consideration, and also, the sources of information on the involvement degree of the private sectors.

The following two parts, Public-private partnerships evolution in 2000-2005 period and How will urban governance be evaluated in the forthcoming period? approach the main aspects of the development of public-private partnerships in infrastructure, environment, industry and other sectors, and also include a short analysis of the impact of PPPs on the income in these regions. A special attention is given to the cooperation between public authorities and private actors and civil society organizations, respectively, in following period because, from January 2007, Romania has joined the EU and as a member state will have to implement the EU policies.

The last part, Conclusions, includes several important observations on the approached subject, and the perspectives of improving the quality of urban governance in Romania.

IMPROVING QUALITY OF URBAN GOVERNANCE IN REGION WEST, NORTH-WEST AND CENTER FROM ROMANIA

1.Introduction

Economic development and elimination of economic disparities in Romania involved the achievement of major investments in the field of infrastructure and services. On one hand, the necessity of local development imposes the local authorities to use all financial, material and human resources that they dispose of in conditions of efficiency and on the other hand, the private sector is interested to participate at carrying out investments that can assure the downgrade of risks. The necessity to lay the framework in which the cooperation of the private public sector with the public sector could be performed, was evident.

1.1. Legislation on public acquisitions and PPPs in Romania

Through public acquisitions, the lawgiver understood any temporary or definite obtaining of products, works and services by a legal person on the basis of a public acquisition contract signed with the contracting party. The public acquisition contracts according to the nature of the obligations of the partners, provided the supplying of some products(supply contract) or delivery of one or more services(services contract) that could have as an object the projection and execution of works(works contract). The PPPs is defined as that project that is performed entirely or in a majority with own resources or attracted by an investor on the basis of a PPPs model, the result being a public good[Government of Romania, 2002: art.2].

1.1.1 The settlement of concessions

Law 219 from 25 Nov. 1998 regulated for the first time the granting of goods that are in the public and private property of public authorities(state, town and commune) as well as the activities and public services of national interests. The law foresaw that public goods can not be alienated under any circumstances, they are inalienable. The partner of the public authority that took in concession the goods or services on a period of time that could not exceed 49 years, was obliged to pay a due in exchange of exploiting the licensed goods. Art.2. counted which goods, activities or services could be licensed, being excepted only those goods, activities and services that were forbidden through special laws. The public authority that had in its property the good or was responsible for the licensed services(the ministries for the goods of state property) respective the local or county councils, for the goods and services found in their property, while the grantee could be any natural or legal person of private law, regardless of citizenship. The granting was possible through public auction(open or open with pre-selection) or through direct negotiation if by auction no winner was designated. The selection criteria of the offers were established by an Evaluation Committee. The offers were to be evaluated according

to the volume of the proposed investments, utilization costs, technical value, capacity to solve environmental problems as well as professional and financial guarantees.

1.1.2 Regulation of public acquisitions

The procedures of signing the public acquisition contracts were through: auction(open or limited), negotiation(competitive or direct) if through auction no winner was designated and through invitation to tender, according to Ordinance 60/2001 or through electronic auction [Ordinance 20/2002]. The reasons for adopting one or another procedure were foreseen in art.10-13, but the contracting party had the liberty to choose the procedure that he wanted, with the respect of the principles of transparency and publicity(art.16-19). The application of the limited auction or competitive negotiation procedure, although justified, raised suspicions of corruption, claimed by the rejected ones. As well, the lawmaker left at the discretion of the contractor to find the solution when the auction did not lead to a winner or if no more than two persons answered to the invitation to tender. In order to be eligible, the candidates had to fulfill a few conditions: not to be bankrupt or in liquidation phase, to have paid the taxes, the presented information shall correspond to the truth, to have fulfilled their obligations in a previous contract(art.30). Although the contracting party was obliged to check the eligibility of the candidates and to eliminate those who did not fulfill the conditions set in art.30, there have been cases when public acquisition contracts were awarded to firms who had huge debts to the state and social insurances. Ordinance(60/2001) was modified and completed through law 212/2002 and then abolished with the came into effect of Ordinance 34/2006.

1.1.3.The regulation of PPPs contracts

For projects regarding projection, financing, construction, exploitation , maintenance and transfer of any public good based on PPPs, was promoted Ordinance 16/2002, having distinct stipulations to those of Ordinance 60/2001. The PPPs contract is defined in art.2, letter b) "as being that project that is performed entirely or in majority with own resources or attracted by an investor, on the basis of a PPPs model, the result being a public good". If for the concession and public acquisitions contracts mentioned previously, the initiative belonged to both parties, in the case of PPPs project, only the public authority had the initiative, that had to be made public within the Official Monitoring and the deadline for submitting the offers was established at 60 days from the moment of publication of the initiation intention of PPPs. The public authority selects within 30 days the letters of intent and after that a project agreement has to be signed with every investor that fulfill the conditions communicated in the initial announcement. The project agreement had to establish the mutual obligations and rights of the parties. On the basis of the project agreement, negotiations had to take place with the commission or the committees established by the public authority. Concomitant, the public authority was obliged to draw up a feasibility study of the project, necessary for completing the negotiations and establishing a hierarchy on the basis of the best offer according to the technical-economic and financial criteria (art.7). After the negotiation of the contract, between the investor and the negotiation committee named by the public authority, other than the Commission that analyzed the letters of intent, the contracts were then approved by the competent public authorities. If the negotiations did not lead to the signing of the project contract the entire procedure had to start again. The stipulations regarding the selection and negotiation allowed sufficient autonomy to the public authority to choose the desired partners, anticipated by the lawmaker by providing the way of solving the contestations(art.8).

1.1.4. The unitary regulation of public acquisitions, concession contracts of public works and of contracts of license services.

The necessity of unitary settlement of the PPPs contracts on public acquisitions was based on two reasons: 1) the settlement of these contracts was performed by a multitude of ordinances, governmental decisions and laws, for each type of contract due to the successive modifications from 1998 to 2006, what made more difficult the application and fulfillment of the requirements by the private investors. 2). The application of the *acquis communautaire* on matters of PPPs contracts was compulsory in the perspective of Romania's accession to the EU, taking in consideration that in 2004, 2 new Directives in the area have been promoted with the aim to simplify and modernize the procedures. Directive 2004/18/EC on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts and Directive 2004/17/Ec settles the procedures for the award of PPPs contracts in the field of water, energy, transport and postal services. Emergency ordinance of the government 34/2006 transposes in the national legislation the two directives and the entrance into force of the Ordinance was established for 30 June 2006, with the exception of art.14 and art. 254. Ordinance 34/2006 approved through law 337/2006, together with the Methodological Norms established through Ordinance of the government 71/2007, settles the PPPs contracts according to the community practice, renouncing at the old provisions of PPPs that required the establishment of project companies. Three types of public acquisition contracts are defined: *public works contracts* (execution of works, projection and execution), *public supply contract* (supply of one or more products) and *public services contract* (deliver one or more services). According to art.12, the stipulations of the Ordinance don't apply to the following contracts: that contracts that are declared secret by the authorities, those contracts that require the adoption of special security measures or state asserted interests impose it.

1.2. Legislation regarding transparency and responsibility of public administration

The principle of transparency proclaims the necessity to adopt an open and sincere manner, by every institution in their activity. This obligation has to be analyzed in the context of the right of the citizen to gain access to information of public interests. Any institution of the local public administration can be brought to justice if it refuses to offer the required public interest information by NGOs or ordinary citizens. In the spirit of the principle of transparency, any project of normative act that affects the interests of the citizens or of legally established associations should be debated with them. The consultation of citizens can be performed through the publication of the project in the press or on the website of the responsible authority with the mention of period of time allocated for the proposals and suggestions of those interested. Two laws have been promoted for the increase of transparency and responsibility of the local and central authority. *Law 544/2001 regarding access of the citizens to the information of public interests and law 52/2003 on decisional transparency in the public administration*. The data supplied by the public institutions reveal that more than 80% of the claims of the citizens for access to the information of public interests have been resolved favorably. According to law 52/2003, any normative project that affects the interests of the citizens and of the legally established associations has to be debated, on the site so that any

person can familiarize with the provisions of the project and express its opinion before it is adopted [Law 52/2003: art.6]. The participation of the citizens at the debates is conditioned by the confidence of the citizen in the public authorities and in their capacity to understand correctly the demands of the citizens. In the area of social policy, all organizations of civil society are interested, from trade unions, employers organizations to professional and religious associations. The European Commission acknowledges the important role of the civil society in decision-making. The role of civil society is appreciated as a structured channel for feedback, criticism and protest [Commission, 2001: 14-15]. NGOs were frequently involved in decision-making of public policies at central and local level. Especially the environmental organizations have interfered at the Environmental Protection Agencies in order to determine the respect of the environmental legislation and to diminish the water, air, soil pollution and the respect of Directives on natural protected areas, conservation of natural habitats, wild fauna. NGOs have the right to demand information of public interest from any public institution, have the right to bring the public authorities to Court when their interests are violated. The most representative case in this matter, is the case of APADOR-CH that won in the phones listening case [Jurcan, 2002: 15]. At the level of the three regions, we witness to an asymmetric distribution of NGOs: 1252 in region North-West, 891 in region Center and 460 in region West [Studii si cercetari, 2001: 6].

1.3. Criteria of evaluating urban governance

The competences and efficiency of local authorities (municipalities and communes) can be evaluated by the way they are elected, which is the weight of women within the elected authorities or in other important offices of the other public institutions, how the promotion criteria are applied in leading positions. It has to be analyzed the way the local authorities cooperate with the central ones, with other local public organizations, with actors from the private sector and if they dispose of financial autonomy. If we refer to the share of women in the local councils of the cities (county residence), we can say that the weight of women is low, not exceeding 10-15% with one exception, the local council of Sibiu municipality where the women represent almost 35%: 8 out of 23 municipal councilors, 7 were members of the Democratic Forum of Germans in Romania [Primaria Sibiu, 2004]. In Romania, local public authorities are directly elected, the mayors and the local and county councilors serve a term of 4 years, with the possibility of renewing their office in the future elections. The competences of the local authorities give them the right to initiate cooperation with other public and private organizations. What characterizes and limits sometimes the freedom to take decisions in concordance with the community needs, is the lack of compatibility between the volume of responsibilities and the allocated financial resources.

1.3.1. Financial autonomy

Decentralization means that local authorities dispose of large financial autonomy and the required necessary resources for carrying out the economic and social development projects are collected by them and not allocated entirely by the central authority. Analyzing the principles of decentralization adopted by each state, it can be estimated whether a unitary state is centralized or decentralized. For example, law 213 from March 1982 introduced in France the regions as an intermediary level between the central and local level, represented through departments and communes, changed fundamentally the statute of the territorial collectivities in the sense that their decisions became

executive and their financial autonomy was sustained on judicial autonomy, having the competence to interfere in the economic area [Law 213/82]. The financial resources of the local collectivities are formed of own incomes, endowments and state subventions or from other local collectivities and from loans. Their own resources are explicitly defined for every territorial collectivity (commune, department and region). Their own revenues are based on direct and indirect fiscality. Direct fiscality of the local collectivities consisted of: land tax on properties without construction, taxes on living buildings and professional taxes. Can we talk in Romania of a real decentralization of financial authority of the local authorities represented through County Councils, Local councils and mayoralty? If we analyze the text of law 339/2004 regarding decentralization we observe that the following principles are invoked: a) subsidiarity; b) equality of chances in front of the local public authorities; c) guaranty of quality of public services offered to the citizens by the local public authorities; d) the stimulation of competition as a way of increasing the efficiency of the public services; e) the exercise of competences by the local public authorities situated at closest tier to the citizen; f) assuring an equilibrium between the administrative decentralization and financial decentralization at the level of each administrative territorial unit and transparency of decision-making; g) assure financial decentralization based on transparent rules regarding the calculus of the allocated financial resources to the financial administrative units [Parliament of Romania, 2004: art.4]. From the principles included in art.4, only principles from letter a, d, e and f) are relevant from the point of view of decentralization, the others being principles that belong to the fundamental rights. The last principle, of transparent rules that should govern the allocation of resources to the administrative tiers might suggest the dependence of the local authorities on the center. Indeed, art. 26 corroborated with art.29 reveal that the budgetary revenues of the administrative –territorial units consist of own revenues from the state budget and other revenues as they are regulated by law, but they are not by far sufficient for covering the expenses, representing just an important part of the revenues. The sums deducted from the state budget for equilibrating the local budget were distributed on counties, according to the criteria adopted through law [Parliament of Romania, 2004: art.31]. This last phrase reveals another reality: it was at the freedom of the government to grant consistent sums to that administrative units where the mayors and presidents of the County Councils were members of the governing party. Law 195/22 May 2006 holds back only 2 principles from the ones enunciated in law 339/2004 (subsidiarity and equilibrium between tasks and resources) but it introduces 2 new principles, that of the responsibility of authorities according to the obligations that are established through law and that of budgetary constraints that forbids the resort to subventions or other special transfers for covering the local budgetary deficits. This principle transposes the principle of efficiency of local authorities on managing financial resources. The fifth principle of decentralization referred to the equality of chances in front of the local public authorities but it shouldn't be invoked here, its place belongs to the human rights section. Law 195 defines three types of competences: exclusive, shared and delegated. The exclusive and shared competences are defined explicitly by law in art.20-26 for each administrative tier (commune, city, county). The delegated competences are according to art. 27 from law 195/2006, that competences received from the central public authorities regarding the payment of an allowance and of indemnity for children and adults with disabilities. Regarding the financing of local public administration authorities, there are no specifications regarding their own incomes, how much they represent on average from the total revenues of the local budgets or the percentage quota of the sums allocated from the state budget.

1.3.2. The control of local authorities by the government

The decentralization law, no. 339/2004, foresaw that the decentralization process should represent the objective of analysis and debates within the Interministerial Committee established especially with this aim (art.20). It is necessary to clarify the relations between the public authorities situated at different administrative tiers. The Interministerial technical committee had the following tasks: a) the coordination of the activities of the working groups in sectorial decentralization; b) the assurance of a debates forum and consultation on decentralization solutions presented in the Green Paper; c) to analyze the possibility of creating new working groups at the proposals of ministries that administrates the area of decentralization area [Government of Romania, 2001/2004: art.2]. The central public authority has control prerogatives on the local authorities from the point of view of respecting the legal provisions, the prefectures have to verify the legality of the actions given by the local authorities, but with the respect of the juridical decisions, in the case of contentious administrative. For the area where is regulated a share of competences, each administrative level contributes with funds for the project financing, in the conditions of a clear separation of decision-making power for each responsible authority in part.

2. Paper's methodology

The necessary dates for elaborating the paper were extracted from the official publications of the National Statistics Institute, report of the Regional Development Agency, report of the Delegation of European Commission in Romania as well as the Regional Development Plan for the period of 2007-2013. The legislative measures taken in order to promote the PPPs, public acquisitions and decision-making transparency of the public administration were analyzed through their impact on the development of the regions and their concordance with the community law. The lack of precision of some stipulations to the regime of signing the contracts, highlighted the necessity to transpose in the national legislation the Directives of the EU in order to increase the transparency of the patentee and eliminate the suspicions of corruption. In the following sections are presented a part of the heavy problems faced by the public authorities at county, municipal and local level, especially those related to water supply, sewerage, wastewater treatment and management of waste. The cities and municipalities from the three regions confront each other with the problem of wastewaters treatment and waste management, problems that will be solved gradually till 2008, according to the established schedule within the accession negotiations [Puscas, 2003]. In the following part are presented a few projects carried at municipalities and county level regarding the extension, modernization and rehabilitation of the drinking water distribution system and of wastewater treatment stations. Romania's accession to the EU opens up new perspectives for increasing the efficiency of urban governance: the accession of the Structural Funds for developing the transport, environment, education infrastructure, for intensifying the participation of the private sector at carrying out projects, the involvement of civil society at choosing solutions at local level.

3. PPPs evolution in the period 2000-2006

Good governance, the participation of the local communities at programming and implementing the regional development projects, on the basis of decision-making decentralization and introduction of new reforms for improving the quality of life,

represent current objectives of the Romanian authorities. But the way these objectives are set into practice is similar to what is happening at EU level? At EU level is affirmed that the 21st century will be “ the century of cities”[Ratcliffe and Krawczyk, 2004: 2], knowing that more than 50% of the world population lives in the urban area.

3.1. Problems of governance at municipality and commune level in Romania

In Romania, in only 4 regions(South-East, North, North-West and Center) if we don't take in consideration the region 8 Bucuresti-Ilfov, the urban population is in majority[INS 2006]. The county analysis reveals a concentration of the urban population in South West, West, North-West of the country, only in 5 counties from 20, situated in the Eastern, South-East and South of the country, the urban population is in majority. In regions West, North-West and Center the weight of the population from the urban environment is clearly in majority, although there are 4 counties where the rural population is predominant. Table 1 presents the situation in 2004 in Romania and in the above mentioned three regions.

Table1. The weight of the population after the residence environment in 2004

Region	Total population		Urban		Rural	
	Number	%	Number	%	Number	%
West	1939514	100.00	1235006	63.68	704508	36,32
North-West	2738461	100.00	1444677	52.76	1293784	47.24
Center	2539160	100.00	1524022	60.02	1015138	39.98
Romania	21673328	100.00	11895598	54.89	9777730	45.11

Source: Statistical Annual Yearbook, 2005

Towards the national average, only in region North-West existed a balance of the population after the residence environment, probably because only in 3 counties(Cluj, Bihor and Maramures) from the 6 counties of the region, the population from the urban area exceeds 50%. In region West all 4 counties present values of over 50% of the population from the urban environment, while in region Center there was only one county, Harghita, which has the average of population from the rural environment in majority. The situation of the population after the residence environment is influenced also through the number of municipalities and cities from these regions, comparatively with the number of the rural localities. From the point of view of the number of municipalities and cities, the situation is as follows: : region Center holds the biggest number of municipalities and cities from Romania(57), the density of municipalities and cities is of 1,67/1000km², higher than the national average(1,32).

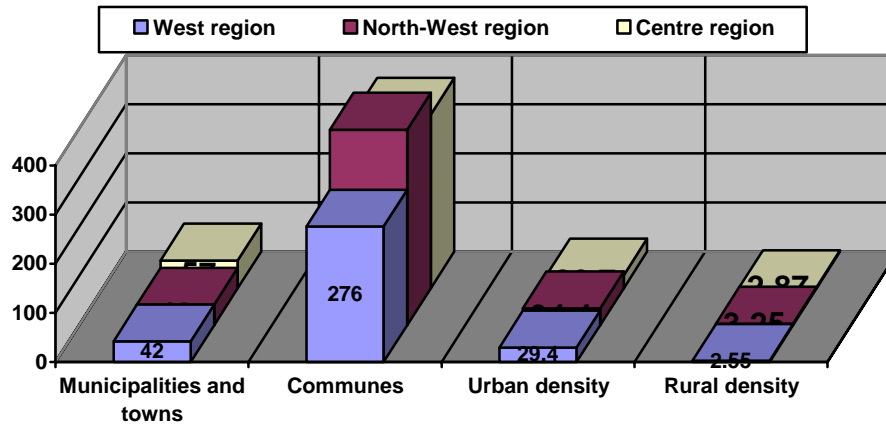


Figure 1. The comparative analysis of the localities and population from Romania and the three development regions

Source: Statistical Annual Yearbook, 2005

The average of inhabitants reported to the number of cities and municipalities indicates a greater concentration of the population in region North-West. On the other hand, in July 2004, there were only 4 municipalities with over 200,000 inhabitants: Oradea with 206,235, Brasov with 284,653, Cluj-Napoca with 298,006 and Timisoara with 307,265 inhabitants. Other 5 municipalities (Arad, Baia Mare, Satu-Mare, Sibiu and Targu-Mures) had between 100,000 and 200,000 inhabitants. The problem with which the municipalities and smaller towns were faced with are related to water supply, extension of the sewerage network, the building of new wastewater treatment plants and the rehabilitation of the existing ones, technological outlived and not sufficient under capacity aspect, industrial and municipal waste management, supply with thermal energy and natural gases. Many of these municipalities and cities were important industrial centres before 1990, but the problems of air, water and soil pollution are still unresolved, even though, meanwhile, important changes in production or control strategy and monitoring of pollution sources have occurred. At 2004 level, in spite of all efforts underpinned by the EU and through the Pre-accession financial instruments, Romania is far from the average level of endowments of EU.

3.1.1. The potable water supply

Romania disposes of water resources in order to cover the necessary consumption and for other utilization related to the preparation of food. In spite of all these, the distribution of drinking water of cities and municipalities from Romania regarded under the aspect of the necessary funds for building modern wastewater treatment stations and rehabilitation of the drinking water distribution system for all its inhabitants and more than that they are confronted with serious problems like the assurance of the necessary water supply and it delivers water in intermittent regime. Drinking water distribution systems have a total length of 40,269 km, covering 71% of the total street length in urban areas.

Although the cities and municipalities from the regions North-West, Center and West find themselves in a better situation from this point of view, the problems that are posed to them are related to the rehabilitation of the old distribution systems, the extension of water supply for all inhabitants and to deliver quality. In figure 2 is presented the existing situation in 2004 regarding the supply with drinking water in the three development regions and at national level. In every region there are significant differences regarding

the supply with potable water. In region West, Timis county has the largest number of localities connected at the potable water distribution system(71 of which 10 in the urban area) while Caras-Severin disposes of drinking water distribution systems in only 30 localities(of which 8 are in the urban area).

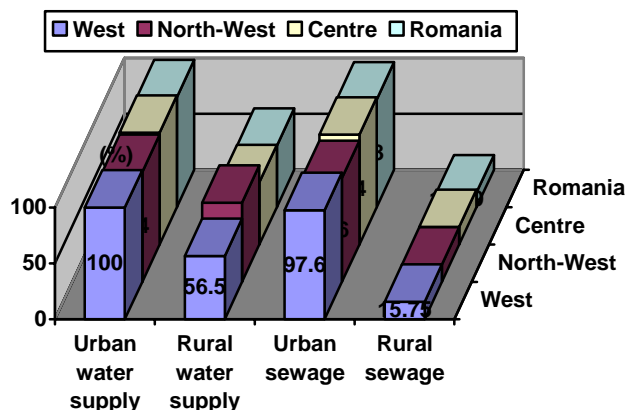


Figure2. Situation regarding potable water supply and sewerage in 2004

Source: Statistical Annual Yearbook, 2005

In region North-West, three counties (Cluj, Bihor and Maramures) are on top with 72 localities(6 in the urban area), 71(10 in the urban area) and respectively 63 localities(13 in the urban area) connected at the drinking water distribution systems, while in Bistrita-Nasaud county there were only 34 localities(4 in urban area) that dispose of drinking water in a centralized system. The fewest localities connected at the distribution system with water is Covasna county (22 of which 5 in the urban area) but the county is smaller, having only 39 localities. North-West is on the first place with 100% connected localities for the urban localities and 70,9% for the rural area. Although the three regions are better positioned from the point of view of drinking water distribution, high above the national average, not all inhabitants of cities and municipalities or communes beneficiate of drinking water in centralized system. From this point of view, all municipalities and cities still have to resolve the problem of extending the distribution system at locality level and the replacement of the outlived distribution networks and to provide the potable water at permanent regime.

3.1.2.The sewerage system

The municipal and city authorities have to resolve the sewerage system. The situation of the sewerage is much difficult than that of water supply: the wastewaters are discharged directly in emissary without prior treatment or are evacuated and their consequences are difficult to evaluate: contamination of soils and of phreatic waters, of the water used for human consumption. At 2004 level, in the urban area, only in region Center did all localities dispose of water supply within the distribution system and sewerage (Figure 2). At national level, the number of rural localities that have water and sewerage represents only 24,05%, reported to the number of localities that beneficiate of water supply. In region Center 56 rural localities are connected at the sewerage system, but these represent only 19,86% of the communes that dispose of drinking water within the

distribution system. Only in region North-West the share of the regions that dispose of water supply and sewerage surpasses 30%. More than that, the sewerage system is more limited than that of water supply at the level of many localities. It is also necessary to rehabilitate the sewerage system which is up to 30-40 years old. The lack of sewerage systems is strictly related to water and soil pollution with municipal wastewaters because the wastewater treatment stations are limited in number. The amplexness of pollution with municipal wastewaters is evident if we notice how many localities dispose of sewerage at national level: 373 communes out of 2827.

3.1.3. Wastewater treatment stations

At national level, only 28,8% from the total volume of wastewaters resulted in 2004, were effectively treated, 42% were partially treated and 29,3% weren't treated [Government of Romania, 2005: 108]. The largest part of these wastewaters was discharged by operators from power stations and thermal energy plants (over 49% of the total), communal industrial facilities (over 39%); chemical treatment (approx. 4%), extraction and metallurgical industry. In 2004 existed 1,359 treatment plants of which only 555 stations (40,8%) were adequate, the other 804 were not adequate. Out of the 2,609 urban centres of over 2,000 equivalent inhabitants, 340 urban centres have been identified as having treatment plants [Government of Romania, 2005: 109] of which one third were mechanical wastewater treatment stations and 62,3% were mechanic-biological plants. In the 263 municipal wastewater treatment stations, only 77% were purified, the rest being evacuated directly in emissary without prior treatment. In 2004, 47 urban localities were identified, that were county residence like Bucharest, Craiova, Braila, Galati and Tulcea which discharged important quantities of wastewaters directly in emissary without treatment [Government of Romania, 2005: 110].

3.1.4. Waste management

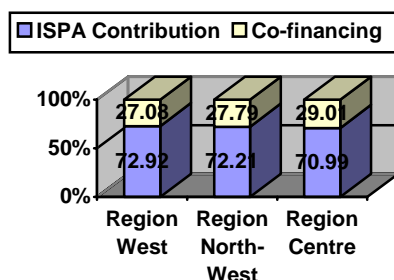
At 2005 level, in Romania there were about 116 ecological storage facilities for not dangerous wastes of which only 11 fulfilled the criteria foreseen in Directive 1999/31/EC, 4 storage had to be modernized in order to fulfil the requirements till 2009 and the rest of 101 are inappropriate, they will have to be closed down until 2017, when the last 23 storage will be shut down [Government of Romania, 2005: 276]. Until 2009, the not dangerous waste will be stored in appropriated or inappropriate ecological storage facilities, but after this date only the wastes that can not be treated will be stored in adequate storage facilities. At regional level, in the period of 2001-2004, only a few ecological storage facilities have been built, although the ISPA program financed such works.

3.2. PPPs in the period of 2000-2005

In the period of 2000-2005, Romania beneficiated of non refundable funds allocated through the ISPA program for the rehabilitation, extension and improvement of water supply plumbing and for wastewater treatment. It was possible the construction and modernization of 22 wastewater treatment plants and of 16 new water treatment stations, the extension of the water distribution system with 265 km and of the sewerage system with 831 km [Delegation EC, 2006: 7-10]. The works represented rehabilitations of the water supply plumbing, rehabilitations of the wastewater treatment plants and extension of the potable water supply networks and sewerage pipes. Figure 3 and table

2 present the projects financed through ISPA program and their values in the three development regions.

Table 2 Number and values of the projects



Source: Delegation of European Commission in Romania, 2006

Fig.3.ISPA contribution to the financing of projects

The objectives were performed through PPPs contracts. The majority of contracts were awarded to foreign enterprises from Austria, Germany, France, Hungary, Greece, Italy and Holland and only two contracts were granted to Romanian firms and these cooperated with firms from Germany and Israel[Delegation of EC, 2006: 11-14]. The Romanian firms active on the market in this field, are in majority micro-enterprises and SMEs. Only 3 out of 32 firms and companies situated in the three regions are large enterprises with more than 250 employees.

Table 3. Distribution of firms involved in water treatment, on size categories and regions

Region	West	North-West	Center
Values of projects (mil.euros)	126,112	173,15	124,21
Number of projects	4	5	3

Size	Region West		Region North-West		Region Centre	
	Number	[%]	Number	[%]	Number	[%]
Micro-enterprises (0-9 employees)	2	22.22	5	35.71	4	44.45
Small enterprises (10-49 employees)	4	44.44	3	21.44	3	33.33
Medium size enterprises(50-249 employees)	2	22.22	5	35.71	1	11.11
Large enterprises(250 and over)	1	11.12	1	7.14	1	11.11

Source: Delegation of European Commission in Romania, 2006

During the period of 2000-2005, 30 ISPA financed projects were approved for drinking water, sewage networks and wastewater treatment, 6 projects were dedicated to the integrated waste management and 6 to technical assistance programs. The total value of the approved projects reaches €1.457 billion, of which €1.071 billion out of ISPA grant.[Government of Romania, 2005: 118]. In 2007 there were 1,398 wastewater stations, of which 797 supply with drinking water communities up to 5000 persons. According to the qualitative test, 25% of wastewater treatment plants do not fulfil the quality standards(bacteriological parameters, turbidity, ammonia and iron).

4. How will urban governance will be evaluated in the forthcoming period?

The concept of governance was used till recently in the academic literature with the aim to underline the responsibilities of the governmental administration. This was justified, on one hand, because the state was the main actor on the international scene and on the other hand, at national level most of the competences were concentrated in the hands of the government. The reforms promoted at the end of the 80s within the European Union regarding decision-making and implementation of the regional policy have lead to changes in the significance of the concept of governance. Governance as defined by the World Bank [World Bank, 1994] underlines the connection between power and state prosperity. This definition is assumed by the majority of institutions, including the UN, although in the academic literature another definition has imposed, formulated by J. Kooimans which makes reference to the rules between the governing and the governed [Olowu, 2002: 3]. This approach of the concept of governance is very interesting because it allows the researcher that studies the relations between the governing and governed, to observe the existing asymmetry in the distribution of power and resources between the centre and periphery, meaning, between the holders of power and the society in its whole. J. Kooimans and his fellows admit that governance implies the unfolding of an entire process at which not only NGOs but also the non governmental sector participate. In this context, the concept of governance exceeds the frontiers of public administration, under the aspect of the relations between public authorities and society [Hyden and Court, 2002: 8]. In Hyden's opinion, governance is a conceptual approach that can constitute a framework for comparative analysis of the macro-policies and it includes important constitutional elements on the political ruling and it represents at the same time a way through which the political actors can interfere with the aim to optimize the structures in order not to inhibit the human initiative. A relative recent approach on the EU, sustains that governance is of major importance because it involves a plurality of state and non state actors that are in a continuous negotiation process for solving functional problems. In the last decade, in the academic literature have been approached the relations of these tiers with Brussels but also the impact that the institutionalization of partnership had on the national political system and the increase of the involvement degree of the sub-national actors in decision-making[Thomasson and Rosema, 2006: 8].

In Romania, the Europeanization process will lead to the alignment of the national policies to the community policies and in this way other policies, processes and institutions will be promoted, the changes being substantially. As an example, the French decentralization from 1982, allowed the development of multi-level governance. Concomitant, the application of the regional policy after the decentralization stage represented a shift through the creation of the regional level to which the state

transferred some competences. Transformation as institutional adaptation will predominate not only in Romania but also in most of the states that joined the EU after 2004. For these states, Europeanization represented: structural and institutional reforms, democratization, new institutional framework that should implement the community policies. Although Europeanization is confronted with the phenomenon of inertia manifested by institutions and actors situated at sub-national level, the effect is that they delay or postpone the transposition of the directives in the national legislation or impose a longer implementation period. In the case of Romania, we can ask ourselves which institutions and actors will present signs of inertia and in which areas? Most probably, inertia will be activated in the case of environment policy, agriculture policy and even regional policy.

5. Conclusions

Good governance involves the participation of the sub-national actors at planning and implementing the projects of regional development on the basis of principles of partnership and subsidiarity. At national level, the promotion of good governance depends on the increase of the public administrative capacity to propose new public policies in the interest of the citizen, to adopt new reforms that should improve the quality of life. In the paper have been presented the measures adopted by the public authorities to promote the interests of the community and to involve the private sector in the economic development process, the attention being focused on issues like: water supply, rehabilitation of sewerage networks and the wastewater treatment stations. The development stadium touched by the three regions from Romania in the period of 2000-2006 represents the starting point for the post-accession period. The environmental problems can be resolved sooner than 2018 only if the public authorities (central and local) will succeed in attracting additional funds outside the grants received from the EU and of the state budget allocated financial resources.

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