

Partnership and Territorial Networks for Regional Policy. Romania's Experience in European Context

Luiza Nicoleta RADU,
Daniela-Luminița CONSTANTIN
Academy of Economic Studies, Bucharest, România

Partnership is a basic principle which must be observed when institutional networks for regional policy are created. If partnership works properly, the regional institutional networks will have a high chance to be viable and to offer a strong support to regional policy. This paper proposes an evaluation of the preparations for implementing Romania's Operational Programme, as a fundamental tool of regional policy. It aims to demonstrate the importance of partnership between the actors involved for the success of these preparations.

Keywords: regional networks, European context, organizations.

Regional networks – specific features and typology

Regional networks are defined as cooperation between the business environment, governmental bodies, research institutes and universities, intermediary organizations, as well as other groups. (Cappellin, 2000) The business networks, as well as the public or other institutions ones are components of the integrated system of “regional network”. The set-up of a regional network can be influenced by the partners' origin and number, by the aim of the initiative that should be implemented, as well as by the objectives to be achieved within a network.

The regional networks are characterized by the following features (Sprenger, 2001):

- participants are part of different fields of activity (business, chambers of commerce and industry, governmental organisms and public institutions, research institutes, universities, social groups);
- participation is on a voluntary basis;
- participation is based on equal rights, dialogue, consensus and compromise, as well as self-governing;
- by taking into consideration the different interests a network leads to coordination and organization;
- participants within a network do not have the authority and power to penalize the others or the authority to give directives the other regional partners;
- premises of success are the mutual trust and learning from each other.

Figure 1 depicts various types of networks and corresponding relations between participants.

The regional networks can be of various types by taking into consideration the partners involved, the partnership type within the territorial network being influenced by the region's particular problems and institutional framework, as well as by the objectives to be achieved.

Partnership – an important step towards networking. Significance for the EU economic and social cohesion policy

The partnership represents one of the principles highlighted by the European regulations regarding the Structural Funds. They envisage a partnership among Commission, the member state, authorities and organizations appointed by the member state taking into account the national laws and their current practices (EC, 2006). The partnership principles must be applied in all stages of the Structural Funds employment process. The Commission has revealed that even if the partnership within regional authorities is a well-known and accepted practice, which generally functions satisfactory, the local partnership is less developed especially due to the economic and social partners' insufficient involvement.

The partnership built between different levels of administration (central, county, local) and public sector plays an essential role in implementing the local and regional development projects financed by pre-accession and

structural funds.

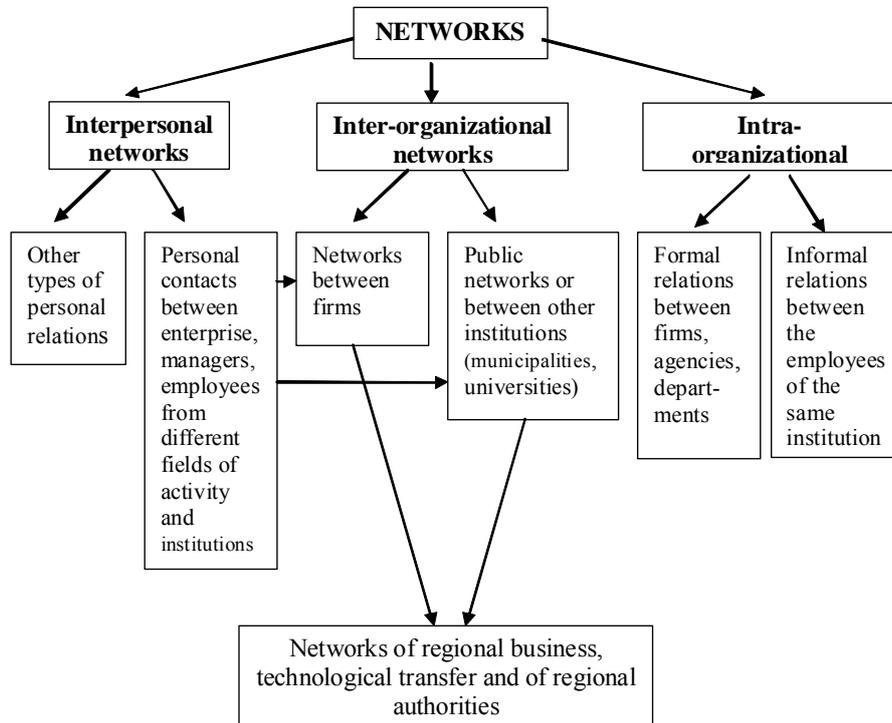


Fig.1. Types of networks and relations among participants

Source: Institute for Structural Policy and Economic Development, www.isw-online.org

Public-private partnership arrangements appear to be particularly attractive for the new EU member states in view of their co-financing requirements, budget constraints, the need for efficient public services, growing market stability and the process of privatization.

The partnership within regional policy tends to become the nucleus for setting-up a territorial cooperation network (Maillat, 1990, Cappellin, 1997, Sprenger, 2001), having as participants the public administration, the economic, social, but also cultural actors. Partnership in the design and implementation of programmes has become stronger and more inclusive, involving a range of private sector entities, including the social partners, as well as regional and local authorities. In the partnership context, the regions have the responsibility of concentrating financial resources on the themes necessary to address the economic, social and territorial disparities at regional level.

Due to these reasons, institutionalized partnerships through **LEADER** (rural develop-

ment through integrated programme and cooperation between local groups of actions), **EQUAL** (removing inequalities and discrimination in respect with access at the labour force), **INTERREG** (encouraging the inter-regional and transnational cooperation), **URBAN** (supporting the implementation of innovative strategies in towns and urban areas), are transformed into territorial networks aiming at the valorisation of the members advantages and obtaining multiplier effects.

Furthermore, for the new programming period 2007-2013 the European Commission continues the partnership policy, by creating new initiatives such as **JASPERS** (Joint Assistance in Supporting Projects in European Regions), **JEREMY** (Joint European Resources for Micro to Medium Enterprises), **JESSICA** (Joint European Support for Sustainable Investments in City Areas), through which are promoted projects for investments, economic growth and creation of new jobs. („The Growth and Jobs Strategy and the Reform of European cohesion policy. Forth progress report on cohesion”, EC, 2006).

Partnership and networking in Romania. An evaluation of the partnership-based activity for the Structural Funds programming phase

As mentioned before, at the EU level partnership has had an essential role for establishing the priority axes and key areas of intervention, as well as for identifying the potential beneficiaries and the eligible projects. *In Romania*, in the regional policy drawing-up process were used formal as well as informal partnerships in order to ensure a regular and correct implementation of the approved programmes, their consistency with established priorities and the general programming framework and a clear distribution of responsibilities of the socio-economic and institutional partners with regard to monitoring and evaluation of the assistance used. A particular emphasis has been put on the environmental component of the assistance, within a sustainable development perspective, which creates the conditions for the use of public funds in conformity with the policy and legislation for environment of EU.

The Government Decision no. 1323/2002, regarding the elaboration in partnership of the National Development Plan provided the legal basis for creating and developing the inter-institutional relations and the partnership structures at national and regional level, also establishing, more clearly, the role of the ministries, Regional Development Agencies and other institutions involved in drafting the National Development Plan.

As a result of this government decision were set-up:

- *The Inter-institutional Committee for drafting the National Development Plan (ICP)*: the membership consists of representatives from ministries, Regional Development Agencies (RDAs), central public institutions, research institutes and higher education institutions, as well as representatives of economic and social partners;
- *Regional Committees for drafting the Regional Development Plans (RCP)*: the membership consists of representatives from the Regional Development Agencies, the Prefectures, the County Councils, the decentralized

services of central public institutions, representatives of research institutes and of higher education institutions, as well as representatives of the economic and social partners.

The created partnership structures operate through *thematic working groups*, corresponding to the analyzed issues, as well as through *plenary meetings*, in a format which ensures a balanced representation of the central and local public administration, and public and private partners.

Moreover, in Romania took place an ample partnership process for the drawing-up of the programming documents for the period 2007-2013, respectively the seven operational programmes (regional development, transport, environment, competitiveness, agriculture and rural development, strengthening the administrative capacity and technical assistance).

Taking into consideration that the Regional Operational Programme (ROP) was drafted for solving the regional development problems, there took place numerous consultative meetings with the regional partners so that to be obtained a consensus on the fields of intervention that would be financed. Furthermore, at the regional level, due to the permanent exchange of information, a process for creation of communication and information networks was crystallized between the partners. The next stage of the ROP, respectively the implementation one, will determine the created network to react through an active involvement in this process.

The partnership remains the main principle for the management and evaluation of the Structural Funds, providing added value, especially where the roles and responsibilities of the participants are clearly defined. In several cases it has led to the creation of a new institutional framework based on a series of cooperative networks or relations with various social and economic partners. In most cases it has enhanced institutional networking and cooperation between national and regional authorities. (EC, 2006).

In order to evaluate the partnership activities for the ROP a questionnaire was conceived and sent to all bodies involved within pro-

programming process (Box 1). The main questions for the assessment of partnership are:

- Were the stakeholders from the relevant sectors and regions sufficiently involved in drawing conclusions from the analyses?
- Was there sufficient consensus concerning the conclusions from the SWOT analyses?

In the survey that was executed in the framework of this evaluation regional stakeholders were asked how they were informed about the introduction of the new Structural Funds in Romania and to what extent they were involved in the preparation of the ROP. Two kinds of consultations were organized, namely:

- Consultations at national level with regional participation. This consultation process of the regional partners was organized by the Ministry of European Integration (currently (since April 2007) Ministry of Development, Public Works and Housing) took place mainly through the RDAs that are the intermediate

bodies for the ROP implementation. RDAs – working under the supervision of the Regional Councils (as decision bodies) – elaborated Regional Development Plans, including the SWOT analyses, which were used for the draft of the ROP.

- Partnership consultations at regional level with national attendance (when required). This partnership was established by the RDAs, through working groups which integrated the representatives of relevant regional and local institutes and bodies.

The questionnaire was transmitted to organizations from the database of RDAs and Ministry of European Integration (currently Ministry of Development, Public Works and Housing). The inquiry included 500 organizations from all eight development regions. The share of answers varied at regional level, so that for the data interpretation groups of regions had to be set up; the Bucharest- Ilfov region was analyzed separately due to the big number of responses.

Questionnaire used for the survey regarding the partners' involvement in the drawing-up process of Regional Operational Programme

Box 1

1. Were you informed about the opportunities that would be offered by the EU Funds for the implementation and financing of projects in your region/county?
 - a) Yes, I was already in an early stage informed on the opportunities of EU Structural Funds.
 - b) Information on these opportunities reached me almost one year ago.
 - c) I have been informed about these opportunities very recently.
 - d) I have not been informed on these opportunities at all.
2. From which authorities, bodies and/or agency did you receive this information?
 - a) The Ministry of European Integration.
 - b) Any of the other ministries. Which one?
 - c) County councils.
 - d) Regional Development Agencies.
 - e) Private consultants.
3. Were you in one or other way involved in the preparation of the Regional Operational Program (ROP)?
 - a) Yes, intensively involved in the consultation during the preparation process of the ROP.
 - b) Yes, was involved in the draft of the development strategy of my region.
 - c) I visited information and/or follow-up meetings organized in my region/ county.
 - d) Not intensively involved.
 - e) Not at all involved.
4. In which priority axes do you have the highest interest and for which do you see opportunities for your county/region for project applications?
 - a) Transport infrastructure.
 - b) Social infrastructure (health, education).
 - c) Improvement business environment.
 - d) Tourism.
 - e) Urban development.

5. Do you have already concrete projects in mind and, if so, in which field?
 - a) Yes, they are already prepared and proposed for project pipeline.
 - b) Yes, but still in preparation and development.
 - c) Yes, a feasibility study is prepared.
 - d) No, but initiatives will be launched.
 - e) No projects at all.

6. What do you see as the main bottlenecks in your region for a successful application of projects in your county/region?
 - a) Uncertainty of co-financing ()
 - b) Lack of administrative capacity ()
 - c) Lack of technical capacity ()
 - d) Lack of capacity for implementing projects ()
 - e) Difficulties in obtaining necessary environmental assessments/permits ()
 Please, rank these bottlenecks from (1) to (5)?

7. What kind of support do you need to improve you chances for successful applications?
 - a) Financial support
 - b) Technical support
 - c) Combination of them

The questionnaire results¹ revealed that over 50% of the interested actors had been informed from the beginning about the financing opportunities from the Structural Funds. In the less developed regions, respectively North – East, South-East and South the result was almost 70%, revealing that in these regions there was a better involvement of the interested actors in finding information about financial opportunities.

At the same time, the results of the questionnaire outline that during the elaboration stages of the ROP the number of actors involved increased and were consulted depending on the regional strategic programming necessities. As a result, 18% of the questioned actors found out about the financing opportunities one year before and 12% considered that they were informed recently with regard to these opportunities.

With regard to the level of knowledge of information, 13% of the actors who filled in the questionnaire stated that they were

not informed at all and the lowest percentage was registered in the East regions (North-East, South-East, South) and the highest percentage was recorded in Bucharest-Ilfov region (33%).

The central organizations informed the regional actors about the financing possibilities. In this way the Ministry of European Integration (currently Ministry of Development, Public Works and Housing) was mentioned by approx. 51% of the questioned actors. 72% of the questioned actors mentioned the RDAs as the bodies who informed them about the financing opportunities. This percentage can be explained by the fact that the ROP has a regional orientation, outlining the financing necessities at this level. At the same time, the RDAs organized working groups to debate the problems of each region as well as the measures to be implemented in order to solve the problems. Unlike the other regions which mentioned the RDAs to about 81%, in Bucharest-Ilfov region only 35% of the questioned actors mention the RDAs as the source of information.

The big number of answers received to this question from the region Bucharest-Ilfov, (respectively over 85%) is determined by the presence of the central institutions (ministries) in this region. At the same time the private sector (consulting firms, training firms, etc.) is mentioned as

¹ Data from the Phare Project for the ex-ante evaluation of the operational programmes in Romania, for 2007-2013. The results are commented upon by the authors of this paper in their position of expert within the Ministry of Development, Public Works and Planning involved in the questionnaire preparation (Luiza Radu) and, respectively, member in the Management Committee for the Evaluation of the Regional Operational Programme (Daniela Constantin).

a source of information to about 18%, the highest percentage being mentioned in the region Bucharest-Ilfov (21%).

The share of the questioned actors that identified the financing opportunities and the solutions for the regional problems through the ROP outline a high level for the transport and social infrastructure, respectively 22% and 25%. Excepting the Bucharest-Ilfov region where the questioned actors considered only up to 6% the need for implementing projects for transport infrastructure, for the other regions the percentage rises up to 28%. This situation reveals the low level of transport infrastructure and the necessity of projects in this area in order to increase the regions' accessibility. The low interest of Bucharest – Ilfov region is explicable because the transport network of the capital is part of an integrated development plan, at a larger scale, managed also by the Ministry of Transportation.

The high level of interest in the social infrastructure projects (health, education, social services, emergency situations), of over 23% in all development regions is determined by the existing conditions and the needs for rehabilitation, modernization of infrastructure through which social services are offered.

The priority axis for urban development has the highest share for the Bucharest-Ilfov region, respectively 32% because it provides the framework for implementing integrated projects in order to improve the living conditions in areas confronted with social problems. In the other regions (Centre, West, North- West) the interest in this priority axis does not exceed 19%.

At the same time, the Bucharest- Ilfov region has a big interest in the priority axis dedicated to business development, respectively 22%, as an effect of the economic conditions offered for this environment. For the other regions the share is only 17%.

The lowest share of interest is in the priority axis of tourism development, a total of 14%, because of the additional needs for investments in infrastructure development. The share of 12% for Bucharest - Ilfov region is determined by the lack of a tourism circuit

for all kinds of tourism, not only for the business one.

The implementing phase of the ROP was prepared by the potential beneficiaries from the programming phase. Over 50% of the respondents have projects already prepared or to be prepared for financing under the ROP. The highest share in the field of projects preparation is in the West of Romania's regions, respectively 38%. The inquiry underlines that only 8% of the questioned actors have the feasibility studies for the projects, the lowest share is in Bucharest-Ilfov region, namely 4%. A share higher than average, respectively 10%, have the North – West, West, Centre and South-West regions. The main obstacle for the implementation of projects financed through the ROP has been identified by the questioned actors as being in over 58% the uncertainty of projects co-financing. In this regard, Bucharest-Ilfov region is situated above the average. The second obstacle mentioned is in proportion of over 50% the lack of technical capacity, a higher share being encountered within the Eastern regions. Moreover, the lack of administrative capacity is in over 49% of the answers an obstacle for the project implementation. Also the other two criteria, respectively the lack of capacity for implementing projects and the difficulties in obtaining necessary environmental assessments/permits, have a share of over 40% for each region.

Concerning the required support for the success of the project implementation, over 75% of the respondents considered that the financial support, as well as the technical one are very necessary. The percentage for the financial support is higher, respectively 16%, because for all of projects financed through Structural Funds the co-financing share will be required, that can exceed 50% of the total value of the project in some cases (especially when the share of non-eligible costs is high). The lower percentage for the technical support (7%) was recorded due to the experience of beneficiaries gained by im-

plementing projects within PHARE programme - Economic and Social Cohesion component.

Even if in some of the regions the partnership is better developed, the principles guiding these actions were taken into consideration during the ROP drawing-up.

The results of this questionnaire outline that there was a permanent communication be-

tween all levels involved in the ROP elaboration, but, the most important, there was the necessary feedback among the participants in the programming stage. The figure below presents the existing relations among the actors that contributed to the elaboration of the national strategy for regional development, as background for the ROP (Figure 2).

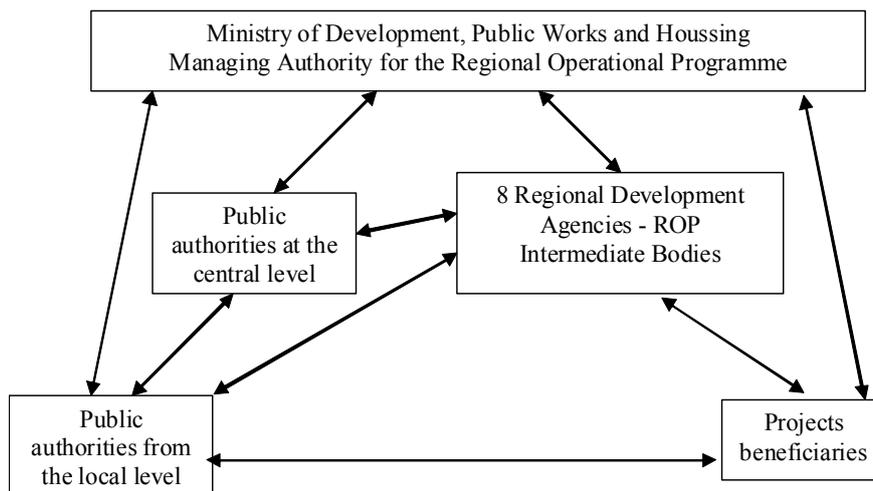


Fig.2. The partnership framework for drawing-up the ROP

Concluding remarks

An organizational model such as territorial network is capable to promote the development and the continuous change of the available knowledge within an individual local production system by achieving a synergy between the internal resources of the local firms and the external resources of other regions and countries. Within the territorial network the institutional dimension of the local economic development process is very important. The increase of economies decentralization and complexity determines the involvement of public institutions or of new collective organizations. Thus, the role of local and regional institutions is a catalyst one, integrator for promoting new solutions based on resource complementarity, stimulating local actors in project elaboration, proposals of strategic programmes and offering technical assistance for their implementation (Cappellin, 2002).

At EU level the partnerships have had a positive impact for improving the programming process and the implementation of the proce-

dures for the public administration with attributions in the field of Structural Funds management. In many cases the partnerships lead to the creation of new institutional frameworks based on cooperative networks or relations with different socio-economic partners. In Romania, the partnership principle applied during the elaboration of the Regional Operational Programme has contributed to the creation of broad networks able to support the implementation of the cohesion policy via Structural Funds. The results of our analysis reveal that there was a permanent communication between all levels involved in the ROP elaboration, and, the most important, there was the necessary feedback among the participants in the programming stage, which is an encouraging sign for networking as a result of the action of partnership structures.

References

- Cappellin, R., "The governance of regional networks in the process of European integration", *The CD-ROM Collection of Papers of the 41st Congress of European Regional*

Science Association, Zagreb, 2000

- Cappellin, R., “Federalism and the network paradigm: guidelines for a new approach in national regional policy”, in *Regional Governance and Economic Development*, Edward Elgar, London, 1997
- European Commission, Council Regulation no. 1083/2006, laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund
- European Commission, “Territorial State and Perspectives of the EU Document – Towards a Stronger European Territorial Cohesion in the Light of the Lisbon and Gothenburg Ambitions”, Bruxelles, 2006
- *** “Ex-ante evaluation of the Operational Programmes in Romania for 2007-2013”, PHARE Project, Bucharest, 2006
- Government of Romania, The Government Decision no. 1323/2002, regarding the elaboration in partnership of the National Development Plan, Bucharest, 2002
- Maillat, D., “SMEs, innovation and territorial development”, in R. Cappellin, P. Sprenger, R.U., *Inter-firm Networks and Regional Networks*, NSS ADAPT, Bonn, 2001