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PUBLIC-PRIVATE PARTNERSHIPS FROM THE PERSPECTIVE OF THE NATIONAL RECOVERY AND RESILIENCE PLAN

ANCUȚA MARIN¹, STELIANA RODINO^{2*}

Abstract

Structured in two priority directions (reform and investment) The National Recovery and Resilience Plan is one meant to help communes, local communities in the crisis caused by COVID-19, as such any investment started after February 1, 2020, the date that is considered to be the beginning pandemic crisis, can be funded from this plan, if it complies with European regulations. Community development planning is a natural approach that aims to increase the quality of life and improve living conditions. However, the development of a community cannot be conceived in the absence of a vision of the directions in which the community wants and can develop. PNRR allocates substantial sums for the construction of water networks in rural areas, afforestation and the creation of protected areas, waste management, renewable energy, education, digital transition and last but not least research. The paper presents an analysis of areas where public-private partnerships can be created, especially in rural areas, to access these funds, as well as their importance in the rural economy.

Keywords: public-private partnerships, rural development, National Recovery and Resilience Plan

JEL classification: A19, R11, R12

INTRODUCTION

The development of a community cannot be conceived in the absence of a vision of the directions in which the community wishes and can move. The approach involves planning the development starting from the local resources and the existing opportunities, taking into account the obstacles that stand in the way of capitalizing these resources and ensuring this planning a wide legitimacy and support from the population living in that community.

A strategy for sustainable development must be a coordinated set of processes of analysis, debate, capacity building, planning and investment that seek to integrate the economic, social and environmental objectives of the community. Participatory strategic planning is the approach taken in developing the strategic plan through the cooperation and collaboration of community members. The Local Action Group (LAG) is a form of partnership set up in a rural area that brings together representatives of the public, private and civil society sectors from that territory, created in order to implement rural development methods.

The size and population of the territory covered by a LAG are variable, so that such a multisectoral cross-section of a local community can be between 5,000 and 150,000 inhabitants. LAGs are regulated by European Regulations as local, non-governmental development structures, whose main objective is the development of the areas where they are implemented. The EU's long-term budget provides € 1.8 trillion to support the reconstruction of Europe in the wake of the COVID-19 crisis.

It will strengthen flexibility mechanisms to ensure that it can meet unforeseen needs. It has been designed to respond not only to current realities but also to future uncertainties. The National Recovery and Resilience Plan is currently the subject that should interest any Romanian, any public or private organization, because this program can produce social, economic, political, ecological and legislative changes with major impact, given the amounts that can be attracted in Romania. According to the National Recovery and Resilience Plan, European money will represent a total investment of 29.2 billion euros and will be divided into two formats:

- in the form of grants - non-reimbursable loans - 14.2 billion euros,

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- in the form of loans - 15 billion euros.

The general objective of NRRP is the development of Romania by carrying out essential programs and projects that support resilience, the level of preparedness for crisis situations, adaptability and growth potential, through major reforms and key investments with funds from the Recovery and Resilience Mechanism.

MATERIAL AND WORKING METHODS

The research method used in this paper is "bibliographic analysis". It aims to extract the official data existing in the field of research of the paper. The data collection was done by accessing the data from the National Institute of Statistics, the Ministry of Agriculture and Rural Development, information bulletins published on the MADR website, Publications of the Romanian Government (government decisions, methodological norms for applying government decisions, etc.).

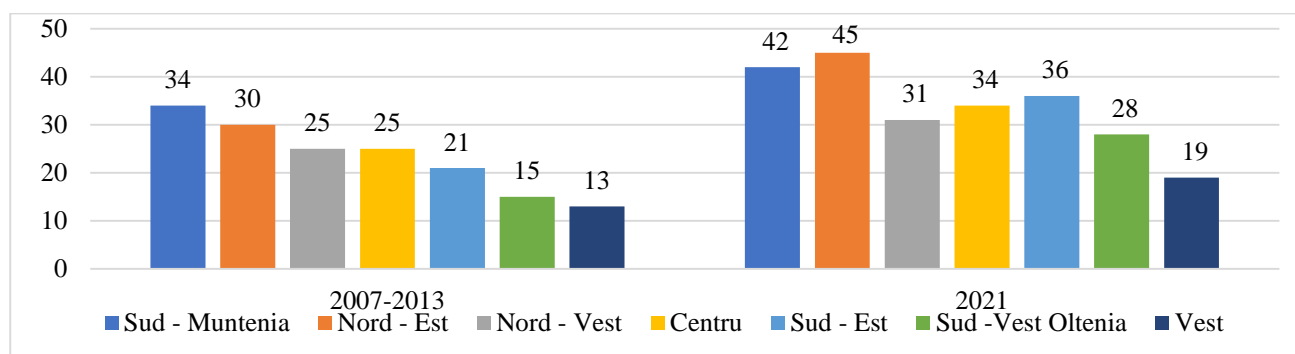
RESULTS AND DISCUSSIONS

In the period 2007-2013, 163 Local Action Groups were set up in Romania, thus covering an area of over 142 thousand km² and over 6.77 million inhabitants out of a total of approximately 19 million inhabitants in Romania. Analyzing the situation of the LAGs according to the development region, the South-Muntenia Region stands out, with 34 LAGs, covering 21.6 thousand km² and over 1.3 million inhabitants.

In second place is the North-East Region with 30 LAGs covering 26.16 thousand km² and over 1.53 million inhabitants, and in third place, in equality, are the North-West Region and the Center Region with 25 LAGs, covering 20.10 thousand km² and over 960 thousand inhabitants, respectively 24.3 thousand km² and 0.9 million inhabitants.

In 2021, the number of Local Action Groups reached 235, with 72 (44.17%) more than in the previous period analyzed, covering an area of approximately 212 thousand km² and 9.69 million inhabitants. At the level of development regions, the situation has changed, with the North-East Region now in first place with 45 LAGs, covering 35,000 km² and over 2.11 million inhabitants. It is followed by the South-Muntenia Region with 42 LAGs covering 32.5 thousand km² and 1.97 million inhabitants. On the third place is the South-East Region with 36 LAGs, covering 31.6 thousand km² and 1.23 million inhabitants (Figure 1).

Figure 1. Total number of LAGs by development regions



Source: MADR data processing

Regarding the situation of the LAGs according to counties, in the period 2007-2013, Dâmbovița County stands out with a number of 12, which covered an area of over 3,263 km² and a population of approximately 350 thousand inhabitants. Olt and Vrancea counties are on the second position with 7 LAGs each, covering areas of 4,190 km² and 5,154 km² respectively and having 264 thousand inhabitants (Olt County), respectively 304 thousand people (Vrancea County). On the third place are three counties: Argeș, Iași and Mureș, with 6 LAGs each.

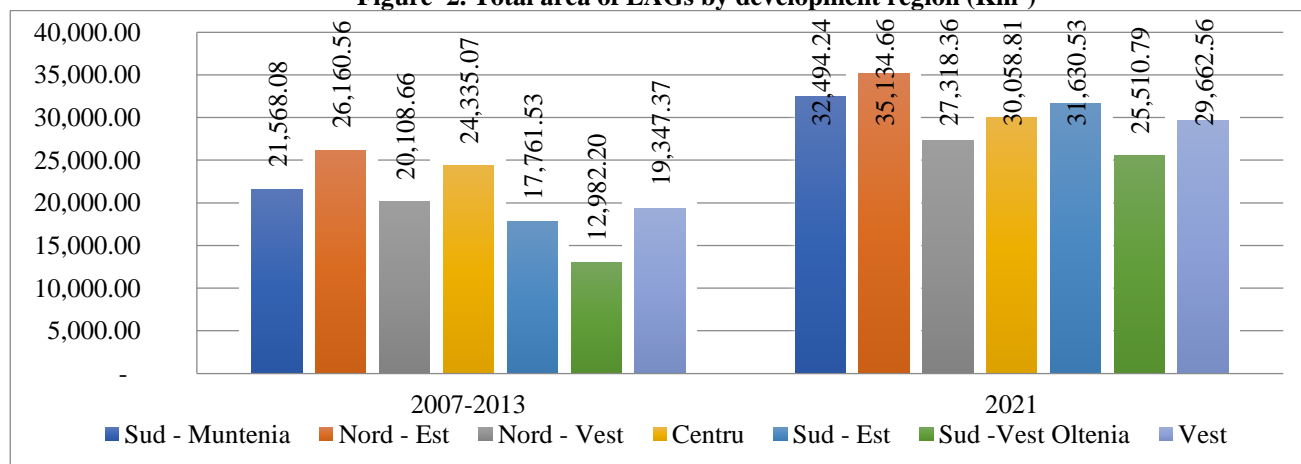
Argeş County covers 5,418 km² and a population of over 275 thousand people, Iaşi County covers 3,690 km² and a population of approximately 311 thousand people, and Mureş County covers 3,572 km² and a population of 197 thousand people. At the bottom of the ranking are three counties: Brăila, Gorj and Mehedinţi. Brăila County covers 848 km² and a population of over 35 thousand people, Gorj County covers 872 km² and a population of about 37 thousand people, and Mehedinţi County covers 1,572 km² and a population of 49 thousand people.

In 2021, the number of Local Action Groups in Iaşi County is 12, covering 5,455 km² and over 448 thousand people. In second place is Mureş County with 11 LAGs, covering 6,257 km² and over 303.5 thousand people. In the ranking, tied for 3rd place, with 10 LAGs are Dâmboviţa and Suceava counties covering areas of 4,530 km² and 7,934 km² and having 464 thousand inhabitants (Dâmboviţa County), respectively 419 thousand people (Suceava County). In conclusion, analyzing the number of LAGs from the two periods, we find that their number increased by 72 (44.17%).

The area included in the LAGs increased by 69,547 km² (48.88%), and the number of people by 2,923,945 people (43.18%). The average area included in the LAGs increased by 27 km² (2.91%) in 2021 compared to the previous interval, while the average population included in the LAGs decreased by 561 people (1.35%). In the period 2007-2013, the largest area is occupied by the Gal in the North-East Region, followed by those in the Central and South-Muntenia Region.

The average surface of a LAG varies between 634 Km² in the South-Muntenia Region and 1,488 Km² in the West Region. The calculated average was 926 Km² for a LAG. In 2021, the North-East Region is in first place, followed by the South-Muntenia Region and the South-East Region. The average surface of a LAG varies between 774 Km² in the South-Muntenia Region and 1,561 Km² in the West Region. The calculated average was 953 Km² for a LAG (Figure 2)

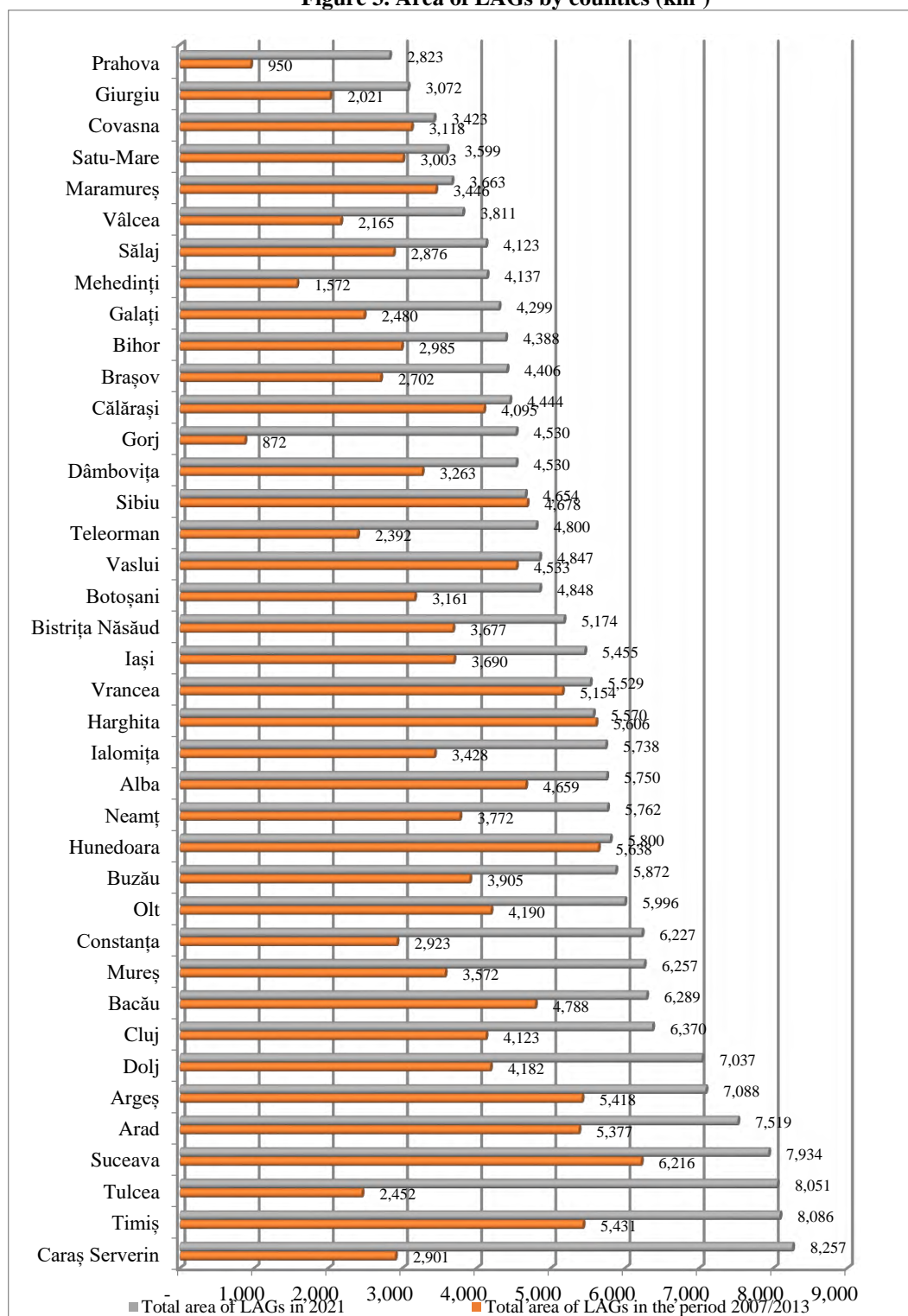
Figure 2. Total area of LAGs by development region (Km²)



Source: MADR data processing

Regarding the situation of the areas occupied by LAGs according to counties, in the period 2007-2013, Suceava County stands out with 6,216 Km², followed by Hunedoara with 5,638 Km² and Harghita with 5,606 Km². As I said, at the bottom of the ranking is Brăila County with an area of 848 km². However, most counties fluctuate around the calculated average of 3,557 km². In 2021, the ranking is totally changed, on the first 3 places being located the counties of Caraş-Severin (8,257 km²), Timiş (8,086 km²) and Tulcea (8,051 km²). In 2021, at the end of the ranking are the counties of Brăila (1,653 km²), Prahova (2,823 km²) and Giurgiu (3,072 km²). However, most counties fluctuate around the calculated average of 5,295 km² (Figure 3).

Figure 3. Area of LAGs by counties (km²)

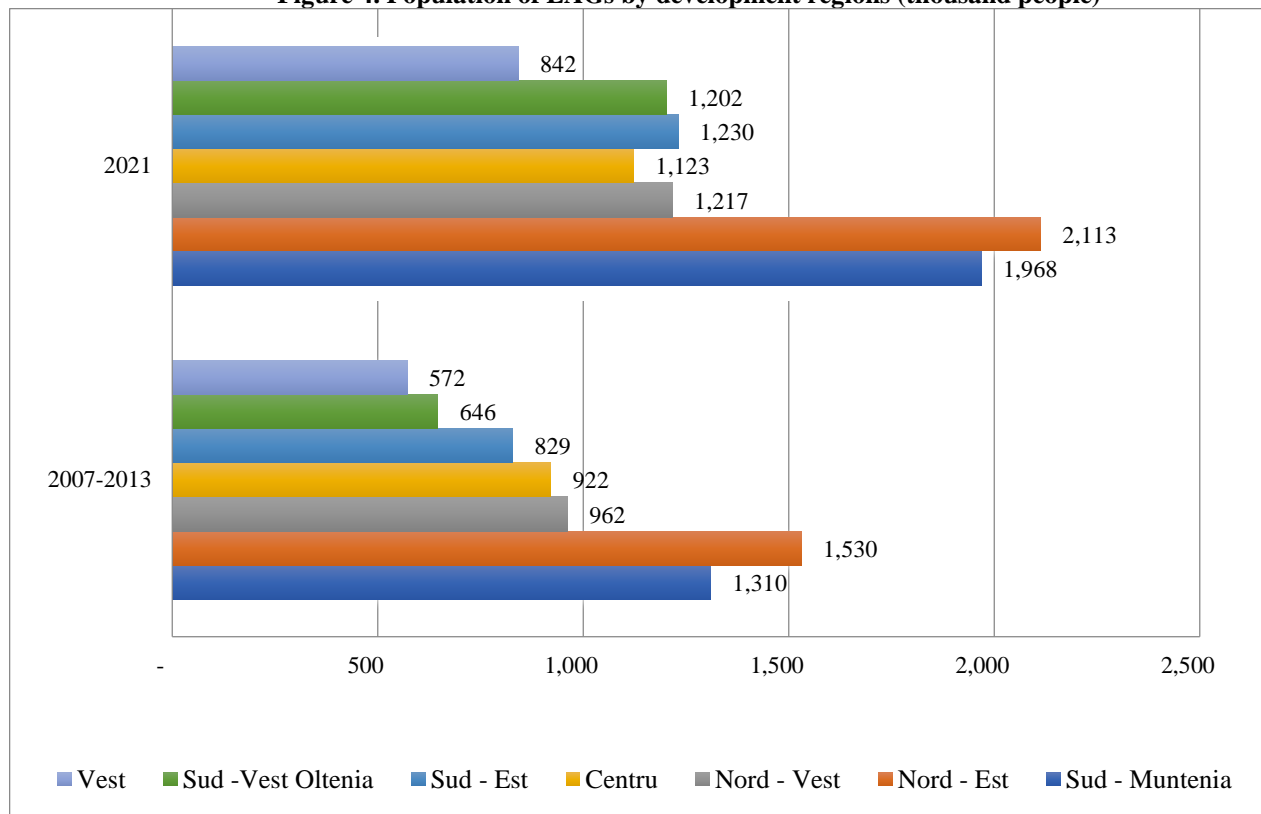


Source: MADR data processing

In the period 2007-2013, the number of persons in the LAGs was 6,770 thousand persons, and in 2021 9,695 thousand persons, with 2,925 thousand persons (43.2%) more. By development regions, in the first analyzed interval, on the first place was the North-East Region (1,530 thousand people), followed by the South-Muntenia Region (1,310 thousand people) and the North-East Region (962 thousand people). In 2021, the ranking is the same, differing only the number of people in LAGs: North-East Region (2,113 thousand people), South-Muntenia Region (1,968 thousand people) and South-Muntenia Region (1,230 thousand people) (Figure no.4).

By counties, in both analyzed periods, on the first place was Dâmbovița County with 348,768 persons in the period 2007-2013, respectively 463,584 persons in 2021, and on the last place Brăila County with 35,169 persons in the period 2007-2013, respectively 63,354 persons in 2021. However, most counties fluctuate around the calculated average of 169,265 people in the period 2007-2013, respectively 242,364 people in 2021 (Figure 5).

Figure 4. Population of LAGs by development regions (thousand people)

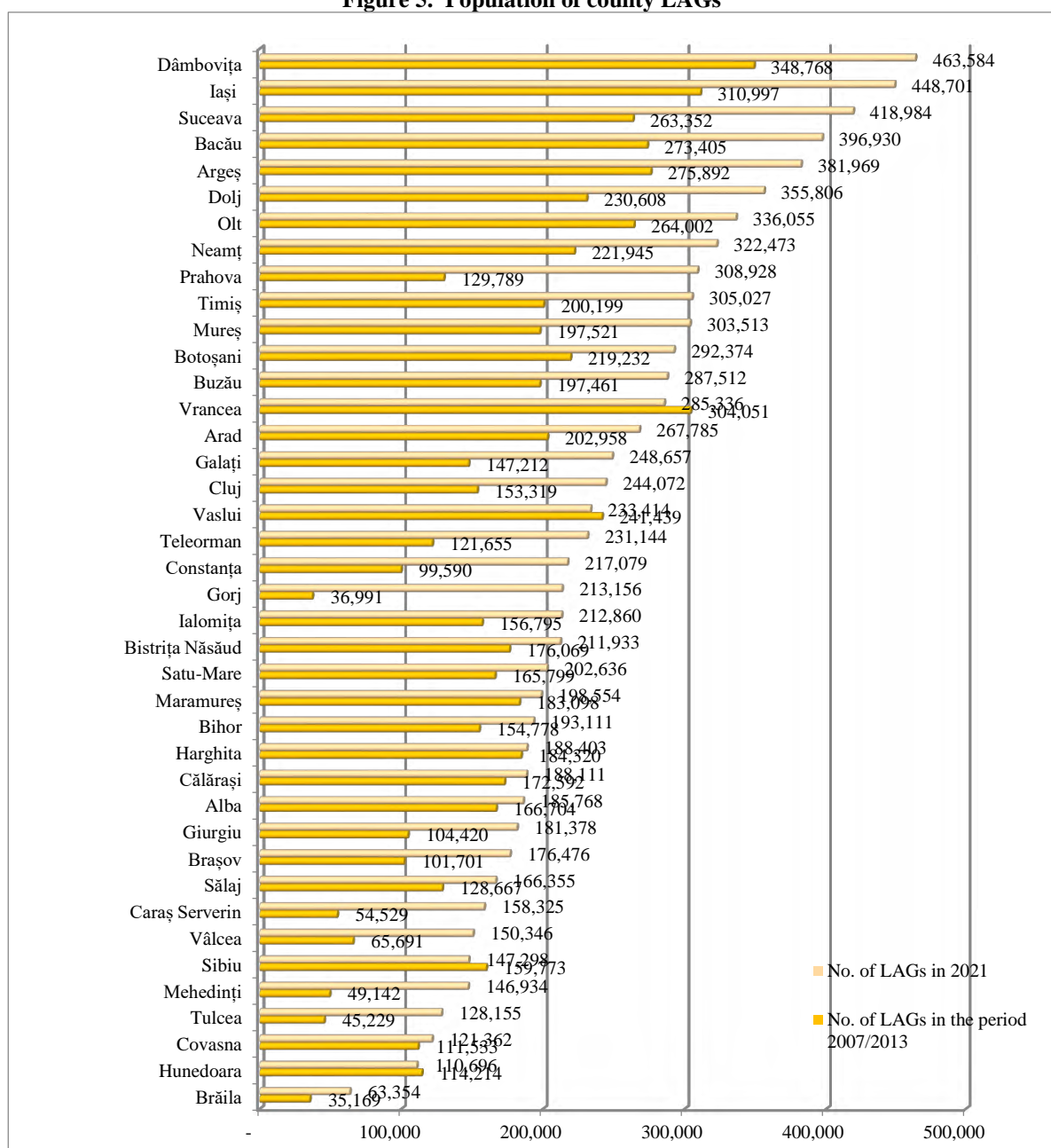


Source: MADR data processing

One explanation for the increase in the number of LAGs is the fact that in the period 2007-2013 each Local Action Group had at its disposal a project launch budget of 2,850,000 euros from which they launched funding lines. The previously available public financial aid was about 370 million euros. In the period 2014-2020, the figure increased to approximately 650 million euros, which will be distributed through Local Action Groups on various types of projects.

As it is known, the main objective of the LAG is the development of the respective area, through the elaboration and implementation of the projects offered by the LEADER program, the elaboration and implementation of integrated rural development strategies, having as starting point the needs identified locally and the endogenous potential. projects to be funded, preparation and provision of specialized assistance to local legal entities and individuals who want to participate in projects under the NRDP, actions to promote public-private partnerships, supporting the balanced use of local resources.

Figure 5. Population of county LAGs



Source: MADR data processing

This means that, in consultation with important local actors, the financing priorities of the territory are set. Each Group proposes a number of 6-7 priority financing lines for the area, whether we are talking about farm development, investments in tourism, non-agricultural services, the installation of young farmers, the development of associations and cooperatives. The establishment of these priority funding lines depends very much on what the LAG Steering Committee establishes, through public consultation. Each LAG adapts its own strategy to specific local conditions.

Romania's National Recovery and Resilience Plan (PNRR) is designed to ensure an optimal balance between the European Union's priorities and Romania's development needs, in the context of the recovery after the COVID-19 crisis that significantly affected the country, as it affected the entire European Union and the whole world.

The general objective of PNRR is the development of Romania by carrying out essential programs and projects that support resilience, the level of preparedness for crisis situations, adaptability and growth potential, through major reforms and key investments with funds from the Recovery and Resilience Mechanism.

The specific objective of the PNRR is also linked to that of the mechanism, detailed in the Regulation, namely to attract the funds made available by the European Union through NextGenerationEU in order to reach the milestones and targets for reforms and investments.

PNRR is structured on 15 components that cover all the 6 pillars provided by the Regulation. Following the consultation of the economic and social partners, it was considered necessary for the LAGs to benefit from additional allocations from the funds available for the transition period, which will be used to implement the strategies and cover local needs for the period 2021-2022. The distribution to the LAGs of the additional allocations from the transition funds will ensure the maintenance of a sustainable development at local level, ensuring continuity until the implementation of the future strategies starts. LAGs have the opportunity to channel support to address specific issues in the territory covered, in particular those arising from the pandemic and economic crisis. These will be used by the LAGs as support for the staff, animation and operating expenses necessary to carry out the activity in order to manage these funds, in order to achieve the objectives of the SDL. The efficient conduct and ensuring the continuity of the LAGs' activity is an important aspect in the next period.

In order to ensure sustainable socio-economic development, in the context of the COVID-19 health crisis, there is a need for continuity in the work of LAGs as well as the preparation of strategies for the next programming period. Thus, the funds earmarked for SM 19.1 and SM 19.4 contribute to the achievement of the EURI objectives.

In this context, following the consultation of the economic and social partners interested in the implementation of the measure, it became necessary to make some changes to the M19 file, as follows:

1. Funds from the EURI will be directed both to the preparation of strategies for the next programming period (MS 19.1) and to the running and running costs of the LAG for the 2014-2020 programming period (MS 19.4), and funds from the the multiannual financial framework will be used for the implementation of current local development strategies (MS 19.2). Thus, it is desired the continuity of interventions at the level of LEADER territories in order to ensure a sustainable socio-economic development, especially in the current context caused by COVID-19.
2. LAGs will benefit from additional allocations from funds available for the transition period. The distribution of these funds is based on the area and the population concerned, to the LAGs that meet certain performance criteria and demonstrate the ability to manage additional funds. The distribution mechanism and criteria will be detailed in the national implementation framework.
3. LAGs authorized for operation in the period 2014-2020 may benefit from preparatory support for the purpose of developing the SDL for the next programming period. The source of funding for this type of support is LEADER funds for the transition period. Both new partnerships and existing LAGs can benefit from this support. LAGs implementing the SDL for the 2014-2020 programming period can benefit from this type of support provided that the double funding measures are complied with.

According to the provisions of the CPR on LAGs, there are no more restrictions on the number of inhabitants, therefore, using the same funding mechanism as the previous preparatory support, the allocation of 0.1 euro/inhabitant for animation costs is maintained, but offers the possibility of financing a larger territory, the limitation to 15,000 euros being only from a financial point of view, the animated territory can have a number of inhabitants greater than 150,000 inhabitants. Thus, the preparatory support for the elaboration of the SDL for the next programming period, coming from the transition funds, will be granted up to the maximum amount of 30,000 Euro non-reimbursable public value for SDL submitted by the partnership.

CONCLUSIONS

Sustainable development has become an important component of local and regional development strategies, and local development programs proposed to international funders are evaluated according to this feature and must be closely related to the Regional Development Process and priorities. and the directions established in the National Development Plan.

From those presented in this material, several conclusions resulted:

LAGs are the best known form of public-private partnership in rural areas. They currently cover 89% of the country's surface (211,811 km²) and 51% of the population (9,695,000 people).

Most of the LAGs are in the North-East Region (45), and within it Jud. Iasi with 12 LAGs.

As a surface, the LAGs from the North-East Region occupy the most (approximately 35 thousand km²), and within it Jud. Suceava occupies the first place with 7,934 km².

As a population, the LAGs in the North-East Region lead in the top with approx. 2,113 million inhabitants. However, Jud. Dâmbovița has the largest population in Gal, respectively 464 thousand people.

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