Administrative organization and territorial development in Romania

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CONTENTS

1. THE ADMINISTRATIVE-TERRITORIAL ORGANIZATION OF ROMANIA
   1.1. Administrative-territorial units (localities and counties)
   1.2. The development regions as statistical units and units for coordinating regional development
   1.3. Regional development policy and institutions
   1.4. The Intercommunity Development Associations at the level of Metropolitan Areas

2. REGIONAL DISPARITIES IN ROMANIA
   2.1. Poverty - from an interregional and intraregional perspective
   2.2. The Gross Domestic Product - from a regional perspective
   2.3. The population number across regions and localities
   2.4. Employment figures across regions

3. TERRITORIAL DIMENSION OF EU POLICIES
   3.1. From regional policies to territorial policy in the EU
   3.2. Regional development and territorial cohesion in Romania in the context of the elaboration of its Partnership Agreement with the EC 2014-2020
   3.3. The ideal of polycentric development

4. THE NATIONAL PROGRAM FOR LOCAL DEVELOPMENT

5. LOCAL AUTONOMY POLICY IN ROMANIA

6. ANNEXES. Documents related to territorial development
   a) Policy context of territorial development in Romania
   b) Analysis supporting the territorial dimension of development
   c) Institutional context of administrative-territorial organization with respect to the case of Pata Cluj project, municipality of Cluj-Napoca, Cluj county, North-West Development Region, Romania (institutions and development strategies)
Administrative organization and territorial development in Romania.

General observation

During the period of time when the RELOCAL pilot case study in Romania was implemented, we decided to start the investigation of national policy (legal and institutional) frames in what regards territorial development. At the end of the day (by the end of the four case studies), our aim is to produce a study on national level in order to describe how is territorial development, and possibly the issue of spatial (in)justice defined and approached in the policy documents adopted by Romania, and how is it understood by governmental actors at national level. Beyond being a study with a value on its own, this national level study will be used as a background for each and every locally specific case study in order to highlight the shared frames of policies across national level. In the period October 2017 - January 2018, Desire Foundation's research team started the documentation work in this matter and managed to partially process the gathered materials (official documents available online, and interviews made with three persons from the Ministry of Regional Development, Public Administration and European Funds). This document will be developed further in parallel with the four case studies to be conducted in Romania starting with March 2018 and will be the base of the planned national study.

1. THE ADMINISTRATIVE-TERRITORIAL ORGANIZATION OF ROMANIA

1.1. Administrative-territorial units and their leadership

According to its Constitution, from an administrative point of view, the territory of Romania is organized in communes (comune, and its composing villages, sate) and cities (orașe) - called territorial administrative units, Unități Teritorial-Administrative, UAT) - and counties (județe). Romania has cc 13,800 localities (=LAU 2, Local Administrative Units 2), out of which 320 cities (orașe), 103 municipiums (municipii), almost 2860 communes with a total of over 13200 villages. These are included in 42 counties. Out of the cities, only those were/are transformed into municipalities that satisfy a number of criteria, most importantly the number of population and degree of urbanization. Municipalities are also ranked: the capital city (Bucharest) is considered a municipality of rank 0, there are 13 localities that are municipalities of rank I and 89 of rank II. The former ones may form the so-called metropolitan urban areas. Metropolitan urban areas are regulated by Law 353 from 6 July 2001 - regarding the Plan of arranging the national territory, as a zone formed by the voluntarily association of bug urban centers, and urban and rural areas in their surroundings to a distance of maximum 30 kilometers. Otherwise, the public administration at the level of localities (LAU2), and at the level of counties (LAU1, or NUTS3 - Nomenclature of Territorial Units for Statistics 3), is regulated by Law 215 from 23 April, 2001 - Law of local public administration. Before 1990, the last administrative reform of Romania was made in 1968, when territorial organization stopped being organized in regions (regiuni and raioane) and returned to the county-based organization (abolished after 1948).

1  http://www.cdep.ro/pls/legis/legis_pck.htp_act_text?idt=27123
2  http://www.timisoaraexpress.ro/documentar/organizarea-administrativ-teritoriala-a-romaniei-18641989_8970
The commune is constituted from one to five villages, and it is lead by a local council and mayor elected by local elections. See below the map of Romania with its rural localities.

The city is an UAT governed by an elected local council and mayor. The map from below reflects the administrative-territorial units of urban Romania.
The county is the administrative unit headed by an elected county council (that coordinates the activity of comunal and city local councils, being focused on public services at county level) and a prefect, the later being nominated by the government whose county representative he/she is and is responsible for assuring that the local and county decisions are respecting the national legislation). Romania has 42 counties, one of them being the capital Bucharest (that is not part of any county). The capital city has an elected general mayor and general council, while all of its six sectors are also having their local councils and mayors. A county has, on an average, a territory of 5 800 square kilometers and a population of 500.000. The map from below shows the territorial organization of Romania in counties.

At national/central level, public administration is assured by the government organized in several ministries that coordinate the so called county directorates of several domains (example in healthcare, school education, public finances, police, etc). There are also some trans-county administrative structures, for example the regional units of the national railway company, the area commissions of historical monuments, etc.

1.2. Statistical units and the units for coordinating regional development

From a historical point of view, modern Romania was constituted as a result of the territorial unification of three provinces (Valahia - formed by Oltenia, Muntenia and Dobrogea regions, Moldova, and Transilvania - constituted of Banat, Crișana, Maramureș and Ardeal regions), fulfilled in three waves (1859, 1918 and 1944). From an administrative point of view these denominations have no importance, but they do possess an ethnic symbolic significance, due to which during the past decades none of the regionalization plans of Romania could gain political support. The regionalization process undergoing after 1990 has other connotations as discussed below, therefore the Romanian regions are not administrative units.
In 1998, under the conditions and conditionalities of Romania's accession to the European Union, in this country there were created 4 macro-regions (NUTS 1). They do not have administrative status or role, and do not possess any governmental bodies of their own, they only exist for the sake of collecting regional statistics. Romania's macro-regions are reflecting in the map from below: RO01 including Nord-Vest (North-West) and Centru (Center); RO02 including Nord-Est (North-East) and Sud-Est (South East); RO03 composed of Sud-Muntenia (south Muntenia) and București-Ilfov; RO04 inclucing Sud-Vest Oltenia (South-West Oltenia) and Vest (West).

At the same time, in 1998, the county councils were associated in 8 so-called development regions (regiuni de dezvoltare, NUTS 2), which are units without juridical personality. They were constituted with the aim to coordinate regional development in-between counties, respectvely in order to assure the gathering of regional statistics. The eight development regions are show in the map from below, and they are as follows: (1) RO1.1: Nord-Vest (North-West); (2) RO1.2: Centru (Centre); (3) RO2.1: Nord-Est (North-East); (4) RO2.2: Sud-Est (South-East); (5) RO3.1: Sud-Muntenia (South Muntenia); (6) RO3.2: București-Ilfov; (7) RO4.1: Sud-Vest Oltenia (South-West Oltenia); (8) RO4.2: Vest (West). Accordingly, the Emergency Governmental Ordinance nr. 75/2001 regarding the functioning of the National Statistical Institute, created 8 general directions for regional statistics, which alongside with the 34 county directorates of statistics do follow the aim of the development of regional statistics.
On the map from below, which includes information presented in the two maps from above, the development regions are marked in the following order: (R1) North-East (RO2.1); (R2) South-East (RO2.2); (R3) South-Muntenia (RO3.1); (R4) South-West Oltenia (RO4.1); (R5) West (RO4.2); (R6) North-West (RO1.1); (R7) Center (RO1.2); (R8) București-Ilfov (RO3.2).

1.3. Regional development policy and institutions

The Law regarding regional development in Romania (Law 315/2004) created the eight development regions mentioned above with the following aims: to act as a frame for the elaboration, implementation and evaluation of regional development policies, and of gathering of specific statistical data, according to EUROSTAT rules for NUTS 2.

This law also created the Councils for Regional Development, which are deliberativ regional organisms without juridical personality, formed at the level of each development region with the objective to coordinate the elaboration and monitoring of regional development related policies. These councils analyze and approve the regional development programs, and as well as the regional development projects selected for support at regional level; they transmit to the National Council for Regional Development the proposed projects to be selected for financial support through a national selection procedure; approves the criteria, the priorities, the allocation and the destinations of the resources of the Regional Development Funds and follows their use; coordinates and supports the regional partnerships; elaborates and approved its own rules for
functioning; approves the Statut of organizing, structuring and functioning of the Agencies for Regional Development.

The Agency for Regional Development (*Agentia pentru Dezvoltare Regională, ADR*), created by the same Law 315/2004 is a non-governmental, non-profit organism with public utility that works on the specific domain of regional development. Its functioning is financed from the European Fund for Regional Development (*Fondul European de Dezvoltare Regională, FEDR*), according to the rules and decisions approved by the Council for Regional Development. The amounts of the sums that are coming as contributions from the county councils respectively from the General Council of Bucharest are defined in their annual budgets under the particular heading named Regional development and promotion.

The main objectives of regional development in Romania, defined by Law 315/2004, are the following:

a) reducing regional unbalances (*dezecilibre regionale*), rebalancing the delays in development of the less developed regions, which were caused by specific historical, geographic, economic, social and political factors, avoiding the further creation of new unbalances;

b) correlating the governmental sectorial policies at the level of regions through stimulating the use of local and regional resources, with the aim to assure the sustainable socio-economic and cultural development of all regions;

c) stimulating interregional cooperation, both domestic and international, within the euroregions, and as well as the participation of development regions on the European structures and organizations promoting their socio-economic and institutional development, with the aim to fulfill some projects of common interest, in conformity with the international agreements on which Romania takes part.

**1.4. Intercommunity development associations (*Asociațiile de dezvoltare intercomunitară*)**

Intercommunity development associations (*Asociațiile de dezvoltare intercomunitară, ADI*) are forms of association that the localities and counties were enforced to create, these being, in the absence of administrative regionalization, an essential condition for accessing the environmental funds of the European Union. Because the UE does not finance the development of water-sewerage system of a single locality (commun or small town), the mayors were obliged to create these organizational structures. All the participating localities, respectively all the City Halls, but also the County Council delegate one person into ADI, usually the head of the institution - this was regulated as such after a recommendation made in May 2009 by the government. Otherwise, ADIs were created through Law 286 from 6 July 2006 - Law regarding the modification and completing the Local public administration Law 215/2001.

The Guide elaborated by the Ministry of Internal Affairs (*Ministerul de Interne*) states that the administrative territorial units do have the right to cooperate with the aim to jointly fulfill some development projects of zonal or regional interest, or to jointly provide some public services through the formation of intercommunity development associations. ADIs do have a juridical personality, being private bodies with public utility, a statut that was accorded to them with an exception from the rules of Governmental Ordinance nr.26/2000 regarding associations and foundations. In order to protect and promote their shared interests, ADIs do have the right to access to and become members of national and international associations. ADIs are financed
from the contributions coming from the local budgets of the partnering administrative-territorial units, and from other sources. The government supports these associations through the National programs of development. The latter are financed annually through the state budget and are defined in the frame of Ministry of Public Administration and Internal Affairs, under the conditions regarding local public financing.

ADIs are ruled by administrative councils, headed by a president, and formed of representatives of the component administrative-territorial units delegated by the local and county councils on the base of the proposal made by mayors (or local council members) respectively by the presidents of the county councils (or county council members). For the fulfilment of its objectives, an ADI may create its technical body financed from its own resources. The organization and functioning of this technical apparatus is ruled by the Statut of ADI approved by the decisions of the associated local and county councils.

2. REGIONAL DISPARITIES IN ROMANIA

During state socialism, there was a political emphasis on reducing disparities between the counties, and as a result the growth rate of industrial production in the traditionally poor counties of Romania was impressive. In the 1980’s the less developed counties (Botoșani, Vaslui, Maramureș, Bistrița-Năsăud, Dolj, Olt, Giurgiu, Teleorman) were supposed to achieve an overall level of production per inhabitant equal to the national average.

Statistical data show that Romania has entered "the transition" with a relatively low level of regional disparities, compared to the new Member States, but that these disparities have increased rapidly. The first analysis of regional disparities in post-communist Romania has been made under the PHARE program for the period March to July 1996. It allowed the spatial localization of poverty and under-development in the country's two main areas: North-East (which includes virtually all the historical region of Moldova; and South, which is the largest agricultural area of the country called the Romanian Plain). The second report followed, in particular, to analyze trends on the evolution of sectoral imbalances in the period 1990 - 1994, in order to identify their major causes and significant changes. In this variant there were used 12 indicators, grouped into five categories.

In what follows, we are going to discuss the phenomenon of regional disparities in Romania from four perspectives: poverty, Gross Domestic Product, population, employment.

2.1. Poverty - from an interregional and intraregional perspective

Later analysis revealed that the developmental disparities in Romania should be viewed in a more nuanced way, and the awareness about the inter-regional inequalities should be completed with the acknowledgement of the intra-regional ones. In 2016, the World Bank launched its poverty maps made in Romania and among others a policy brief discussing about the territorial manifestations of poverty viewed from an inter-regional and intra-regional perspective (Pinpointing Poverty in Romania. Country Policy Brief, World Bank, March 2016). These maps combine microdata from the 2011 population census and the 2011 EU-SILC survey.
Map 1 At-Risk-of-Poverty Rates, Romania - Development regions (NUTS 2)

Map 2 At-Risk-of-Poverty Rates, Romania - Counties (NUTS 3)
The WB document explains: "The poverty maps from above confirm existing knowledge about poverty in Romania, but also reveal new insights. For example, previous surveys have shown the Northeast Region to have the highest rates of poverty (map 1), but the county-level poverty map (map 2) shows that all counties of that region, with the exception of Bacău, have elevated risk of poverty rates. In contrast, the South Region is heterogeneous, comprising counties with high poverty rates, such as Călărași and Teleorman, and counties with relatively low poverty rates, such as Prahova. Similarly, Cluj County has the second-lowest poverty rate in Romania (after Bucharest), but its neighboring counties in the Northwest Region (Bistrița-Năsăud, Maramureș, Sălaj, and Satu Mare) have higher poverty than the Romanian average." And it adds that these new perspectives are useful, because "policy makers have an interest both in areas where poverty is high and in areas that have the most impoverished people. These two are not the same: areas that are poor may also be sparsely populated, whereas large cities tend to have low poverty rates, but large numbers of poor people because of the large populations. For example, despite its lower poverty rate, Cluj County has more people at risk of poverty than Sălaj, and Bucharest has more people at risk of poverty than six other counties." Moreover, the WB policy report observes: "Poverty map 3 suggests a complementary approach to allocating resources for poverty reduction, with Bucharest and other urban areas given greater attention as many of the poor live in relatively rich areas. The maps clearly illustrate that the Northeast, especially Botoșani, Iași, and Suceava, have high poverty rates and large numbers of poor people and should be given high priority by either criterion."
2.2. The Gross Domestic Product

According to the European Regional Yearbook, 2017 with one exception all the development regions of Romania are to be classified under the category of less developed regions, because in each of these the GDP per inhabitant was less than 75% of the EU27 average. The exception is Bucharest-Ilfov, that was included into the category of more developed regions, where GDP per inhabitant was more than 90% of the EU27 average.

2.3. The population number across regions and localities³

The most populated 10 cities from Romania in 2017

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Localities that doubled their population in the period 2007-2017

Localitățile care au dublat numărul de locuitori în perioada 2007-2017

Valori din grafic reprezintă creșterea populației, în procente. Sursă datelor: INS

Localities that lost more than 20% of their population in the period 2007-2017

Localitățile din România care, în intervalul 2007-2017 au păstrat mai mult de 20% dintre locuitori
The number of population according to region, 2011 Census and a prospectic scenario for the next 50 years without considering migration

<table>
<thead>
<tr>
<th>Regiunea</th>
<th>Numărul populației la începutul anului – în milioane locuitori</th>
<th>Reducere 2012–2060</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012*</td>
<td>2020</td>
<td>2030</td>
</tr>
<tr>
<td>1. Nord-Est</td>
<td>3,15</td>
<td>3,10</td>
<td>3,01</td>
</tr>
<tr>
<td>2. Sud-Est</td>
<td>2,40</td>
<td>2,33</td>
<td>2,20</td>
</tr>
<tr>
<td>3. Muntele</td>
<td>3,00</td>
<td>2,87</td>
<td>2,69</td>
</tr>
<tr>
<td>4. Sud-Vest-Oltenea</td>
<td>1,98</td>
<td>1,89</td>
<td>1,75</td>
</tr>
<tr>
<td>5. Vest</td>
<td>1,73</td>
<td>1,68</td>
<td>1,57</td>
</tr>
<tr>
<td>6. Nord-Vest</td>
<td>2,50</td>
<td>2,45</td>
<td>2,34</td>
</tr>
<tr>
<td>7. Centru</td>
<td>2,25</td>
<td>2,21</td>
<td>2,12</td>
</tr>
<tr>
<td>8. București-Ipslov</td>
<td>2,04</td>
<td>2,02</td>
<td>1,91</td>
</tr>
<tr>
<td>A. România-unguri</td>
<td>19,04</td>
<td>18,54</td>
<td>17,61</td>
</tr>
<tr>
<td>B. România-projecții-distinctă</td>
<td>19,04</td>
<td>18,55</td>
<td>17,63</td>
</tr>
<tr>
<td>Diferență A–B in %</td>
<td>0,0</td>
<td>-0,1</td>
<td>-0,1</td>
</tr>
</tbody>
</table>

* Datele de la 20 oct. 2011
**Number of the population according to regions, 2011 Census, and estimated values of natality and mortality in 2012**

<table>
<thead>
<tr>
<th>Regiune</th>
<th>Numărul populației - în mii locuitori</th>
<th>Rate natalității - nașuți la 1000 locuitori</th>
<th>Rate mortalității generale - decese la 1000 locuitori</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Nord-Est</td>
<td>3149</td>
<td>10,3</td>
<td>12,4</td>
</tr>
<tr>
<td>2. Sud-Est</td>
<td>2400</td>
<td>9,3</td>
<td>12,4</td>
</tr>
<tr>
<td>3. Sud-Muntenia</td>
<td>2999</td>
<td>9,0</td>
<td>13,9</td>
</tr>
<tr>
<td>4. Sud-Vest Oltenia</td>
<td>1978</td>
<td>8,2</td>
<td>13,4</td>
</tr>
<tr>
<td>5. Vest</td>
<td>1730</td>
<td>8,2</td>
<td>13,4</td>
</tr>
<tr>
<td>6. Nord-Vest</td>
<td>2495</td>
<td>10,2</td>
<td>11,9</td>
</tr>
<tr>
<td>7. Centru</td>
<td>2251</td>
<td>10,3</td>
<td>11,7</td>
</tr>
<tr>
<td>8. București-Ilfov</td>
<td>2042</td>
<td>11,1</td>
<td>11,7</td>
</tr>
</tbody>
</table>

**România**

19044


**Sursa:** numărul populației CCRPL 2011, 2012; calcul ale autorului pentru cele două rate.

<table>
<thead>
<tr>
<th>Regiune</th>
<th>Scăderea totală</th>
<th>Scăderea/creșterea naturală</th>
<th>Migrație internă netă</th>
<th>Migrație externă*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Nord-Est</td>
<td>-593</td>
<td>91</td>
<td>-104</td>
<td>-.580</td>
</tr>
<tr>
<td>2. Sud-Est</td>
<td>-560</td>
<td>76</td>
<td>16</td>
<td>.468</td>
</tr>
<tr>
<td>3. Sud-Muntenia</td>
<td>-561</td>
<td>213</td>
<td>30</td>
<td>.318</td>
</tr>
<tr>
<td>4. Sud-Vest Oltenia</td>
<td>-479</td>
<td>-155</td>
<td>30</td>
<td>-.294</td>
</tr>
<tr>
<td>5. Vest</td>
<td>-383</td>
<td>-132</td>
<td>73</td>
<td>-.324</td>
</tr>
<tr>
<td>6. Nord-Vest</td>
<td>-412</td>
<td>-93</td>
<td>17</td>
<td>-.302</td>
</tr>
<tr>
<td>7. Centru</td>
<td>-.451</td>
<td>-43</td>
<td>8</td>
<td>-.416</td>
</tr>
<tr>
<td>8. București-Ilfov</td>
<td>-318</td>
<td>-122</td>
<td>115</td>
<td>-.3013</td>
</tr>
</tbody>
</table>

**Total**

-3755

.742

0

-.3013

* incluziv a fractiunii din populația stabilă neînregistrată la recensământul din octombrie 2011;
* migranții i anumite locuri pot apărea prin rotunjire.

Internal migration in the eight regions in 2011 - thousands of persons

Life expectancy in 2010, and projections for 2050 and 2060 according to regions
2.4. Employment

According to data provided by the National Institute of Statistics, Romania has 19.64 million inhabitants. According to the labour force register, the active civilian population as at 1 January 2017 was 8,735,800, representing 44.5% of the country’s resident population. Out of the total active population, 54.6% were men and 45.4% were women.

The employed civilian population stood at 8,317,600, of whom 5,223,800 were salaried employees. Most employees were working in the services sector (3,241,700 people), while 1,857,700 persons were employed in industry and the construction sector. The number of people employed in agriculture, forestry and fisheries was 124,400. In the 2nd quarter of 2017, the employment rate of the working age population (15-64 years old) was 65.5%, with a higher rate for men (73.2%, compared to 57.7% for women).

Two different sets of data concerning the unemployment rate are calculated in Romania. The ILO unemployment rate is calculated by the National Institute of Statistics (INS) using the definition provided by the International Labour Organization. In August 2017, this rate was 5.1%, according to the monthly INS statistics bulletin of October 2017. The rate of registered unemployment, determined by the National Employment Agency (ANOFM), is calculated on the basis of the number of unemployed people registered in the ANOFM database. At the end of August 2017, this rate was 4.2%, corresponding to 366,500 registered unemployed persons.

In what regards the differences between the eight administrative regions, it is to be observed that each region has certain specific features with regard to its economic structure, which is why certain sectors play a predominant role in the development of each region. In the North-East and South-West regions, a large share of the population is engaged in agricultural activities. The civilian population is employed mainly in industry and the construction sector in the West and Centre regions, and in the services sector in the Centre, West and Bucharest-Ilfov regions. There are also several areas which have significant tourism potential (Bucovina in the North-East region, the Black Sea coast and the Danube Delta in the South-East region, etc.). At the end of August 2017, the highest rates of registered unemployment were recorded in the South-West region (7.1%) and the South-East region (6.0%). The lowest rates of registered unemployment were recorded in Bucharest (1.2%) and the West region (2.2%).

The main types of businesses on the labour market: companies (limited liability companies (SRL), joint-stock companies (SA), partnerships (SNC), simple partnerships (SCS), joint-stock partnerships (SCA), sole traders (PFA) and family associations). The main categories of employers are multinational companies, profit/non-profit state-owned companies, private companies and NGOs. According to the 2017 Coface CEE Top 500 Companies study, the largest companies in Romania in terms of turnover are: Automobile Dacia SA, OMV Petrom Marketing SRL, OMV Petrom SA, Kaufland România SCS, Rompetrol Rafinare SA, Rompetrol Downstream SRL, British American Tobacco Trading SRL, Carrefour România SA, Lidl Discount SA, and Lukoil România SRL.

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3. TERRITORIAL DIMENSION OF EU POLICIES

3.1. From regional policies to territorial policy in the EU

Territorial policy in the European Union is linked to its regional policies, which at their turn were defined as early as in the Treaty of Rome from 1957 founding the European Economic Community. In 1968, the Directorate-General for Regional Policy of the European Commission was created, while the European Regional Development Fund was established in 1975. The idea behind these initiatives was that the envisioned union might not be created if regional disparities between countries and within countries continue to exist.

On the other hand, territorial policy is linked to European cohesion policy that entered into force with the Single European Act of 1986, which transformed economic and social cohesion as objectives of convergence policy into a competence of the European Community. In order to adapt to the integration of Greece (1981), Spain and Portugal (1986) into the EU, in 1988 the Structural Funds were integrated into an overarching cohesion policy, introducing among its key principles the focus on the poorest regions. In these matters, the Maastricht Treaty (1993) introduced three novelties: the Cohesion Fund, the Committee of the Regions and the principle of subsidiarity.

In the Lisbon Strategy of 2000, the priorities of cohesion policy were shifted to reflect the newly defined EU priorities, such as growth, jobs and innovation. The regional aspect of development became more crucial also under the circumstances of the enlargement of the EU towards CEE, as a result of which the EU ended to include 283 regions and more regional disparities. Consequently, in 2008 the Treaty of Lisbon introduced a third dimension of EU cohesion: territorial cohesion, completing the already existing social and economic convergence objectives. Moreover, in 2008 the Green Paper on Territorial Cohesion launched a wide consultation process on this subject. Eventually, territorial cohesion became an integral part of cohesion policy from 2013.

More recently, the role of the territorial dimension within the development policies and strategies is reflected in the document "Territorial Agenda of the European Union 2020. Towards an inclusive, smart and sustainable Europe of diverse regions". This was agreed at the Informal Ministerial Meeting of Ministers responsible for Spatial Planning and Territorial Development on 19th May 2011. Meanwhile, a new 10-year strategy, Europe 2020 was proposed by the European Commission on 3 March 2010 aiming at a "smart, sustainable, inclusive growth" with greater coordination of national and European policy. Therefore, all the priorities of the Territorial Agenda 2020 are correlated with the objectives of Europe 2020:

- the promotion of a polycentric territorial development sustains smart growth by investment into education, interactions between EU's metropolitan regions, and interactions between national growth poles, and as well as it promotes inclusive growth by sustaining people's access to economic services of general interest;

- the encouragement of integrated development in cities and rural areas aims at smart growth by recognizing the potential value and specificity of each territory, it follows the sustainable growth objectives by developing compact and sustainable cities, and it is committed to inclusive growth by enlarging the local labor market;
- the fulfilment of territorial integration in the transnational and transborder regions is aiming at 
smart growth by supporting territorial cooperation with a significant territorial impact;
- the assurance of the region's global competitiveness on the base of strong local economies is 
following the aims of smart growth via increasing the accessibility of all the regions to the 
global/European networks, or via the territorial potential of each region and via supporting local 
systems of innovation; it serves sustainable development by the development of public transport, 
sustainable transport, by increasing access to energy network and production of renewable 
energy at local level; and it promotes inclusive growth by urban regeneration;
- the improvement of territorial connections for individuals, communities and companies aims at 
smart growth via increasing the connections between metropolitan areas and other important 
centers, the electronic-connectivity and the access to energy networks; and it sustains inclusive 
growth through assuring everybody's access to economic services of general interest and 
improving public transport;
- the administration and connection of ecological, landscape and cultural values of all the regions 
serves smart growth via the smart management of patrimonial goods.

3.2. Regional development and territorial cohesion in Romania in the context of the 
elaboration of its Partnership Agreement with the EC 2014-2020

The Memorandum of approving the actions and documents in what regards the preparation of 
accessing and implementing European Funds in the period between 2014-2020, elaborated 
within the National Partnership Frame of Consultation for the elaboration of these documents 
and adopted in 13th of June 2012, contains methodologies of programming for a smart, 
sustainable and inclusive growth (the objective of Europe 2020 Strategy) and the creation of the 
institutional structure suitable for the elaboration of the Partnership Agreement between 
Romania and EU. The latter was formed by 12 consultative committees, out of which two were 
representative for regional development (CCDR) and territorial cohesion (CCCT). The mission 
of Consultative Committee for Territorial Cohesion and Cooperation (Comitetul Consultativ 
pentru Coeziune Teritorială, și Cooperare, CCCT) was to assure the consultations in what 
regards the elements with great impact on territorial cohesion, the urban dimension of cohesion 
policy, and on the macroregional strategies (most importantly the EU Strategy for the Danube 
region). Its focus was on the EU objective regarding Territorial Cooperation and on creating the 
bases for the territorial dimension of the Partnership Agreement and of the programming 
documents. Moreover, CCCT aimed at analysing the proposals regarding integrated territorial 
approaches, respectively integrated territorial invetsments, interventions for urban development 
and communiy-led-local-development. There were organized Working Groups to assure the 
implementation of territorial development policy on the following subjects: strategic frame for

5 Comitetul Consultativ privind Coeziunea Teritorială, http://www.mdrap.ro/comitetul-
consultativ-privind-coeziunea-teritoriala
6 http://www.mdrap.ro/comitetul-consultativ-privind-coeziunea-teritoriala
7 http://www.mdrap.ro/dezvoltare-teritoriala/cooperare-si-coezistriune-teritoriala
territorial development in Romania; urban dimension, instruments of territorial development; UE Strategy for the Danube Delta Region and other macro-regional strategies; European territorial cooperation.

3.3. The ideal of polycentric development in Romania

In what regards Romania, and in particular its polycentric development, it is placed on an intermediary position (ESPON 2006), along countries as Bulgaria and France. Compared to other (usually smaller) countries, such as Hungary or Finland, the role of the capital city is not that prominent in Romania, due to the existence of regional development poles across the country, with an important territorial role and developmental function. However, this network of regional centers is not always sustained in the territory by complementary small and middle-sized towns. Therefore, even if these centers know a particular level of development that places them after the capital city, they have in their neighborhoods underdeveloped rural areas where the level of public services is very low and the access to services of public interest such as hospitals, educational institutions, banks is well below the national average. The huge impact of the problems with the infrastructural development across Romania (i.e. less than 50% of rural population has access to water and sewerage networks) might be acknowledged if considering that circa 90% of the territory of the country belongs to rural areas, or that 17 zones including 452 communes do not have in their proximity (in an area between 25-30 kilometers) any towns. Even the developments of the larger cities, due to the ways these happened (i.e. through an unregulated spatial expansion) generated a new series of social, economic and environmental problems.

4. NATIONAL PROGRAM FOR LOCAL DEVELOPMENT

The policy frame for local development is defined in Romania's National Program for Local Development (PNDL). This is a fundamental instrument by which Romania tries to reduce the socio-economic disparities between itself and other countries of the European Union. Furthermore, PNDL is a component of the National Strategy of Economic Development. According to the terms of cohesion policy, PNDL is an instrument for setting up the priorities of the public investment for development. Furthermore, this program represents the main source of financing local infrastructure and it is based on the idea that each locality must be provided with a minimum of public services in the domain of healthcare, education, water and sewage, electricity including public illumination, transport/roads, sanitation, culture, housing and sport. The Program was launched through the Emergency Ordinance of the Government 28/ 2013 approved by Law 89/2015. The second round of the program (PNDL II) is announced for 2017-2020.

According to its mechanisms, the amounts of money are first distributed from the central government towards the counties, and afterwards they are allocated among the localities within

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8 Programul național de dezvoltare locală, [http://www.mdrap.ro/lucrari-publice/pndl](http://www.mdrap.ro/lucrari-publice/pndl)

9 [https://www.slideshare.net/edezvoltare/programul-national-de-dezvoltare-localapndl-etapa-a-iiia](https://www.slideshare.net/edezvoltare/programul-national-de-dezvoltare-localapndl-etapa-a-iiia)
each country. Investments might enjoy multiannual support, but support is always provided within the available annual budget. Within PNDL I the highest amount of support went to Timiș country (945.5 million lei), and the lowest to Bucharest (93.1 million lei). In-between these extremes, for example Iași county received 735.2, Arad 400.1, Maramureș 463.3, Brașov 343.8, Cluj county 330.4 million lei. For the PNDL II there was submitted to MDRAP local authorities submitted a total request of 67.4 milliards RON, while MDRAP allocated an initial budget of 30 milliards RON for this purpose: the highest amount was given to Suceava county (928.5 million lei), and the lowest to Bucharest (166.2 million); Iași was afforded 831.3, Timiș 751.4, Maramureș 715.4, Cluj 670.4 and Brașov 587.1 million lei. With the exception of housing, all the above mentioned public services received financial support from the budget of PNDL II: the highest amount (17.72 milliards lei) was offered for improving roads and streets, a total of 8.94 milliards were given for water and sewage supplies, 3.79 milliards for crèches, kindergartens and schools, 1.21 milliards for bridges, 1.10 milliards for medical units, and 0.10 milliards for public illumination and the same amount also for public institutions offices. MDRAP considers that PNDL is a vital program for local and regional development, it supports projects elaborated locally according to the real needs of the communities and it is functioning in the direct relation of cooperation between the central government and local authorities. Moreover, MDRAP stresses that this is a program that has a clear and objective methodology and transparent process of selection, which has no political connotations or partisanships.

5. LOCAL AUTONOMY POLICY IN ROMANIA

As Member State of the European Union, Romania has to respect the European Charter for Local Autonomy, which it ratified even earlier its accession to the EU, that is in 1997. Therefore it had to totally (re)make its legalisation on the domain of public administration and related public financing.

Local autonomy in Romania, according to the law is assured through the authorities of public administration. In particular, the local councils in the communes and cities are the deliberative, legislative leadership structures, while the City Halls are the executive bodies that act based on the principles of decentralization and local autonomy. Law 215 from 23 April 2001 regarding local public administration affirms: "the public authorities, through which local autonomy is maintained are the local councils and local mayors elected according to the law."

The Constitution of Romania, in its Art. 120, regarding the leading principles of local public authorities affirms the following: “public administration in the territorial-administrative units is based on the principles of decentralization, on local autonomy and deconcentration of public services." Moreover, the Law on local government no. 215/2001 states that “the administrative-territorial units are legal persons of public right with full legal capacity and their own heritage”. They have initiative in all matters of local public administration, exercising within the law the status of authority within the administrative-territorial limits.However, whenever documents/laws are talking about autonomy, they immediately add: the application of the principles of local government cannot affect the status of national unity and indivisibility of the Romanian state. Furthermore, the Law of decentralization no. 195/2006 defines that decentralization is "the transfer of administrative and financial powers from the central government to the local government or private sector." The principle of decentralization involves the transmission of an important part of the decision-making power in administrative matters.
from the national level authorities to the public authorities of the local government, which enjoys autonomy, having power of decision on the collectivity they have been designated by, power which is not in juridical relationship with the central power.

In other words, territorial decentralization is related to the recognition of local communities and their right to administrate themselves, implying the activity of solving the local problems by administrative authorities chosen by the local collectivity according to Law 67/2004 on the election of local public administration.

Technical decentralization consists in the recognition of a certain autonomy and in granting of legal personality to several institutions or public services organized at the local administrative-territorial level. The provisions of Law no. 215/2001 on local public administration readjust the principle of decentralization of public services, creating the concrete framework for the local public administration authorities to provide for the population the public services of local interest.

Therefore, in accordance with the powers set out in art. 36 and art. 91 of the local public administration law, local and county councils have attributions relating to the establishment of local institutions, autonomous or specialized services which are under their authority. From the category of public services expressly established by art. 36 and art. 91 of Law no. 215/2001 to be organized by the local public administration, we can mention: water, gas, sewerage, sanitation, energy, public lighting, local public transport, construction, maintenance and upgrading of county roads and social services, health culture, youth, environmental protection and restoration services, emergency, public roads and bridges, etc. Administrative decentralization is the system which requires local authorities to be the representatives of local collectivities and not the representatives of the state. In this context, we have to keep in mind that the mission of the local councils, county councils and mayors is to practice local autonomy in the administrative-territorial units. It follows therefore that the power of these authorities of the local public administration is given by the voters’power and not the central power. It is estimated that elections are the criterion of decentralization, which is based on the free exercise of rights and freedoms of citizens at the local level. But the autonomous nature of these authorities should not be understood as meaning that their work is entirely independent of the state activity. Local authorities established by free elections does activities which must fall within the legal order of the state, to be recognized by it, ensuring the harmonization of the local territorial-administrative units' interests with the general interests of the national community.

Further on, the Romanian law recognizes that it is necessary that the delegation of the administrative responsibilities from the central to the local level should be supported by adequate measures in what regards the necessary financial resources, since one cannot talk about a real administrative decentralization without fiscal decentralization. In other words, under the decentralized regime it is imperative to ensure appropriate resources to the skills transferred. Therefore, in parallel with the legislation directly connected to matters of public administration, the following laws are covering the related financial affairs: Law of public finances from 1996, Law of local public finances from 1998, the Law regarding local taxes and contributions from 1994, the Law of state budget, that is a legislation which was reviewed for several times ever since their initial adoption by the Parliament.

The decentralization process represents an ongoing concern of the Romanian Government. This is reflected in the National Reform Program, the main instrument of European Commission to monitor the fulfillment of the Europe 2020 Strategy objectives, but also in the General Strategy of
Decentralization from 12 April 2017,\textsuperscript{10} and as well as in the National Strategy for the consolidation of public administration 2014-2020, approved through the Governmental Decision nr. 909/2014 that was an ex-ante conditionality for the 2014-2020 financial programming period.

6. ANNEXES - Documents related to territorial development

a) Policy context of territorial development in Romania

- Politica de dezvoltare regională, [http://www.mdrap.ro/dezvoltare-regionala/politica-de-dezvoltare-regionala](http://www.mdrap.ro/dezvoltare-regionala/politica-de-dezvoltare-regionala)
- Parteneriatul național pentru dezvoltarea teritoriului României, [http://www.mdrap.ro/dezvoltare-teritoriala/-7671](http://www.mdrap.ro/dezvoltare-teritoriala/-7671)

b) Analysis supporting the territorial dimension of development

- Atlasul zonelor urbane marginalizate
- Atlasul zonelor rurale marginalizate
- Fond suveran de dezvoltare și investiții, http://gov.ro/ro/guvernul/sedinte-guvern/fond-suveran-de-dezvoltare-i-investitii-pentru-administrarea-i-valorificarea-efficienta-a-participatiilor-statului, http://obiectivbr.ro/content/fondul-suveran-de-dezvoltare-%C5%9Fi-investi%C5%A3ii-cheia-reindustrializ%C4%83rii-rom%C3%A2niei
- POR 2014-2020
- CLLD, 2014-2020
- Programe preaderare, http://www.mdrap.ro/dezvoltare-regionala/-6986


c) Institutional context of administrative-territorial organization with respect to the case of Pata Cluj project, municipality of Cluj-Napoca, Cluj county, North-West Development Region, Romania

Institutions:

- Prefectura Județului Cluj
• Consiliul Județean Cluj
• Agenția de Dezvoltare Regională Nord-Vest, https://www.nord-vest.ro/
• Primăria Municipiului Cluj-Napoca, http://www.primariaclujnapoca.ro/
• Consiliul Local al Municipiului Cluj-Napoca, http://www.primariaclujnapoca.ro/

Development strategies:
• Strategia de Dezvoltare a județului Cluj, https://www.cjcluj.ro/centrul-de-marketing/