



Research Article

Exploring Public-Private Partnership frameworks in Europe: Study period 2020–2023

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Abstract

This paper examines both the theoretical frameworks and practical implementations of Public-Private Partnerships (PPPs) within the E.U., with a particular emphasis on their application in Romania. Highlighting a significant gap in existing literature regarding PPP frameworks tailored to Romania's unique socio-economic context, this study addresses the urgent need for localized research.

Utilizing a mixed-methods approach, the research analyzes PPP developments from 2020 to 2023 and forecasts trends for the period 2024 to 2027. The study identifies seven distinct PPP frameworks targeting key sectors, including transport, education, environment, and infrastructure. The methodology involves evaluating allocated funding between 2020 and 2023 and conducting an in-depth analysis of successful PPP initiatives in Romania. Data sourced from Eurostat and the International Monetary Fund (IMF), combined with various statistical modeling techniques, underpin the forecasts related to the growth and distribution of PPPs in the forthcoming years.

By 2020, there were 160 PPPs under development in Romania, and, by 2023, noteworthy advancements had been made in the environment, transport, and education sectors. These insights offer policymakers and practitioners valuable guidance and models for formulating and implementing effective PPP strategies in Romania.

By addressing existing gaps and providing evidence-based recommendations, this study deepens the understanding and effectiveness of PPPs as strategic tools for infrastructure development and enhanced service delivery in Romania. It offers policymakers and practitioners robust frameworks and actionable insights, facilitating the design and implementation of sustainable and adaptable PPP strategies. Additionally, the findings provide valuable lessons applicable beyond Romania, contributing to the broader adoption of PPPs for economic growth, innovation, and improved governance globally.

Keywords: E.U. approach, openness, Public-Private Partnerships, funding allocation;

Introduction

Research Methodology

Public-Private Partnerships (PPPs) represent collaborative associations designed to address a wide range of community issues through joint efforts between public entities and private or non-governmental sectors. These partnerships are established between local or central government authorities and private or non-governmental organizations with the primary objectives of providing specific services to citizens, developing projects, or conducting research aimed at innovation and development. PPPs are influenced by factors from economic, political, and social domains, making them a multifaceted approach to solving public sector challenges.

In recent years, the concept of PPPs has garnered increasing attention from financial, legal, economic, and political perspectives. This heightened interest spans various sectors, including legal firms, banks, investment associations, consultancy services, and auditing offices. At the European Union (EU) level, the PPP framework has played a significant role, particularly in economic stabilization efforts. Member states have orchestrated substantial partnerships between public authorities and the private sector to meet EU standards and objectives. These collaborations involve pooling resources and capabilities to develop infrastructure and services in a sustainable and organized manner, benefiting both public administration and other sectors over time. The effectiveness of PPPs within the EU is largely attributed to their ability to address existing needs efficiently and sustainably.

PPPs have been instrumental in tackling critical issues such as global warming by implementing climate change resilience plans, developing alternative energy sources, equipping healthcare systems with state-of-the-art technology, and enhancing citizens' access to these services. Additionally, PPPs have driven advancements in research and development, particularly within technology-related fields. The benefits of PPPs extend economic advancement and the cultivation of human resources, underscoring their value as strategic mechanisms for societal advancement.

The motivation behind this study is to deepen the understanding of PPPs by tracing the actions

and developments that underpin the establishment and evolution of these collaborative systems over time. This understanding is crucial for developing effective PPP models tailored to specific socio-economic environments. The principal aim of this investigation is to identify the components of PPPs at both the European and Romanian levels through a comprehensive review of specialized literature, with the aim of pinpointing frameworks that can foster community development.

Specifically, this study seeks to analyze statistical data to elucidate the concept of PPPs and determine frameworks that could be effectively implemented in Romania to enhance service delivery in alignment with community needs. The research aims to track the evolution of PPPs in European countries to understand the phenomenon comprehensively and identify frameworks that can drive economic and social progress through public-private collaborations in Romania.

To achieve these objectives, the study adopts a mixed-methods design, integrating both quantitative and qualitative research techniques. Empirical research is undertaken by means of qualitative methods, including document analysis and a thorough review of concepts found in specialized literature. This literature review synthesizes information analyzed and discussed by other authors to form a cohesive understanding of PPPs. The practical component involves an in-depth analysis of PPPs developed in Romania, aiming to identify frameworks that can be implemented to foster development and innovation through public-private collaborations.

By addressing existing gaps in the literature and providing evidence-based insights, this study aspires to enhance the understanding and potential of PPPs as effective mechanisms for achieving infrastructure development and improving service delivery in Romania and beyond.

Public-private partnership theoretical perspective

Collaborative arrangements between public institutions and private sector entities are strategic alliances public sector bodies and private enterprises aimed at addressing various

community needs through collaborative efforts. In accordance with the Explanatory Dictionary of the Romanian Language, a partnership is characterized as an alliance between two parties who pursue a shared vision and objective. In the context of PPPs, the public sector refers to organizational systems governed or overseen by the state, whereas the private sector includes entities operating independently of direct governmental control. As Hodge, Greve, and Boardman (2023) indicate, PPPs represent a collaboration between public authorities and private-sector participants—encompassing non-governmental organizations, investor-formed associations, and private businesses—aimed at implementing initiatives that enhance human resources and foster local economic and developmental growth. (Hodge, G. etc, 2023).

According to Grimsey and Lewis (2022), the core feature of PPPs lies in the distribution of responsibilities between the public administration and the private sector for producing goods, delivering services, or making public investments. Within this framework, the public entity preserves its political accountability, underwrites potential losses, and shares in any financial gains. (Grimsey, Lewis, 2022). This cooperative model capitalizes on the respective advantages of each sector: namely, the public sector's commitment to serving the common good, and the private sector's capacity for efficiency, innovation, and access to capital resources.

PPPs operate within varied legislative and governance frameworks, which differ significantly from one country to another. These differences arise from distinct legislative approaches, governance policies, and sectoral interests, resulting in the absence of a standardized framework or clearly defined protocols for establishing PPPs. Consequently, the evolution of PPPs has diverged across countries, shaped by each nation's unique needs and capabilities (Anderson, T., & Jensen, P., 2023).

Over time, as various European countries have acquired practical experience in establishing public-private partnerships, numerous guidelines have emerged to offer foundational frameworks and conceptual support. These guidelines address negotiation processes, intersectoral understanding, the planning,

allocation, and oversight of resources, as well as adherence to public procurement regulations (Bloomfield, P., 2023).

According to the Commission of the European Communities (2009), several foundational texts are available for those seeking to understand the definition, procedures, and prerequisites of public-private partnerships. These documents include the *Green Paper on Public-Private Partnership*, *Community Law in Public Procurement and Concessions*, *Applicable Rules for Public-Private Partnerships*, and *Mobilization of Investments in Public-Private Partnerships for Economic Recovery and Sustainable Development* (European Communities Commission, 2009). In the various works addressing the subject of this topic, public-private partnership is outlined in two organizational ways. There are generally two primary models for structuring public-private partnerships. The first involves execution through a contract, whereby each participating entity preserves its independent status. The second model entails the formation of a joint-stock company, in which the public sector assumes the role of majority shareholder. This latter approach typically requires an extensive project mobilization effort to bring the partnership to fruition (de Jong, M., & Mu, R., 2022).

Varieties of Public-Private Partnership frameworks

Public-Private Partnerships (PPPs) represent cooperative frameworks uniting public institutions with private-sector partners to provide public services or infrastructure. These partnerships are categorized based on their implementation methods and defining characteristics into three main types: *Contractual partnerships*, *Institutional-strategic partnerships*, and *Concession-based partnerships*.

Among the various forms of PPPs, *contractual arrangements* stand out as those founded on formalized agreements or contracts between governmental bodies and private entities. These collaborations are instrumental in developing a wide range of public goods and services, including the construction of utility buildings, public transportation systems, renewable energy facilities, educational institutions, and cultural services. The essence of contractual PPPs lies in the clearly defined contractual relationship, where both parties outline their

respective rights and responsibilities throughout the entire lifecycle of the project.

A fundamental aspect of these partnerships is the defined duration, which specifies the timeframe over which the partnership operates. This duration is explicitly detailed in the agreement, ensuring that both parties have a clear understanding of the project's timeline. The financing structure within contractual PPPs is diverse, with partners contributing financially in various ways. This can involve equal financial contributions or assigning responsibility for different segments of the project's funding, depending on the specific arrangement and the nature of the project.

Equitable risk and benefit allocation is another critical component of contractual PPPs. The agreement delineates the allocation of both risks and benefits between the public and private participants, ensuring equity and mutual interest. This balanced distribution ensures that both parties are adequately protected and can equally benefit from the project's success. To maintain accountability and ensure that the project adheres to its objectives, a robust control and monitoring system is established. This system is designed to track compliance with contractual terms and the achievement of project goals, holding partners accountable in the event of any breaches.

Performance objectives play a pivotal role in driving the overall success of contractual PPPs. Partners are often required to meet specific targets, such as reducing costs or enhancing the quality of services provided. These objectives serve as benchmarks for evaluating the project's performance and ensuring that it delivers the intended outcomes. Additionally, flexibility is a key characteristic of contractual PPPs. The partnership must be adaptable to environmental changes and evolving community needs, allowing for necessary adjustments to the collaboration as circumstances change.

The effectiveness of contractual PPPs in achieving high performance is largely attributable to their structured obligations and inherent flexibility. By clearly defining the roles, responsibilities, and expectations of each party, these partnerships create a stable foundation for successful project execution. Furthermore, the ability to adapt to changing conditions ensures that contractual PPPs remain relevant and capable of meeting dynamic public and private sector needs (World Bank, 2016).

Institutional-strategic collaborative ventures between the public sector and private entities. Institutional-strategic collaborative ventures between the public sector and private entities. (PPPs) represent a cooperative framework involving formalized arrangements between central public authorities and multiple private sector participants. These partnerships are designed for long-term cooperation aimed at achieving strategic objectives across various sectors, including infrastructure development, education, research, healthcare, and economic growth. One of the key distinguishing features of Institutional-strategic PPPs is their long-term strategic focus. These partnerships are intentionally structured to drive substantial advancements over extended periods, such as improving public services, enhancing economic competitiveness, or reducing carbon emissions.

Collaboration plays a pivotal role in Institutional-strategic PPPs, with entities representing both governmental bodies and private organizations actively engaging and thereby contributing significantly towards the attainment of established goals. This collaborative involvement ensures that each party brings its strengths to the table, fostering a synergistic environment conducive to achieving complex and ambitious objectives. Furthermore, these partnerships emphasize the equitable distribution of risks and benefits among the partners. Under these arrangements, the private sector bears the financial and operational risks associated with project implementation, while the public sector provides a stable framework and opportunities for partnership, ensuring a balanced approach to risk management.

Effective governance and management are fundamental to the success of Institutional-strategic PPPs. Clear governance structures are established, accompanied by well-defined performance indicators and robust monitoring mechanisms. These elements are essential for maintaining productive collaboration and ensuring that the partnership remains aligned with its strategic objectives. Transparency and accountability are also critical components of these partnerships. By adhering to principles of transparency, accountability, and integrity, Institutional-Strategic PPPs foster trust among the public and stakeholders, enhancing the credibility and sustainability of the collaboration.

Moreover, Institutional-Strategic PPPs are designed to be flexible and adaptable, allowing them to respond to changes in the business

environment and the evolving strategic goals of the partners. This flexibility is crucial for modifying partnership agreements as needed, ensuring that the collaboration remains relevant and effective in addressing emerging challenges and opportunities. These characteristics collectively distinguish Institutional-Strategic PPPs from other forms of public-private collaborations, enabling them to effectively address complex and long-term public needs (O.E.C.D., 2016).

Concession-Based collaborative ventures between the public sector and private entities (PPPs) represent a collaborative framework in which a private entity is granted the exclusive right to operate or provide a public service on state-owned property for a specified period. In exchange for this concession, the private partner compensates the state either directly or through fees paid by service users. This framework is particularly prevalent in fields such as transportation infrastructure, renewable energy, water administration, and waste management, where large-scale investments and long-term operational commitments are essential.

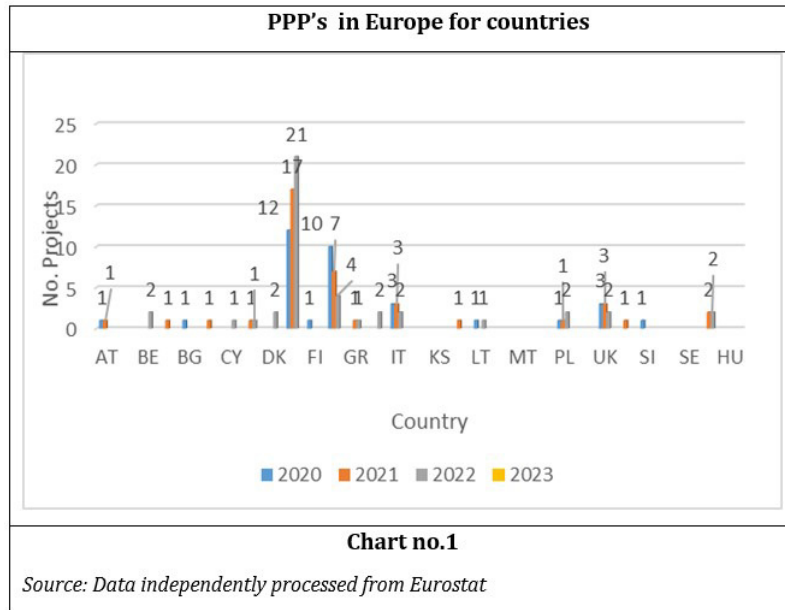
One of the primary characteristics of Concession-based PPPs is private financing assurance. These partnerships secure private investment for infrastructure or public service projects, thereby alleviating the financial burden on public budgets. By attracting private capital, governments can undertake significant projects without immediate expenditure, spreading costs over the duration of the concession period. Mutual involvement is another key feature of this model. Both governmental and commercial stakeholders engage collaboratively, each playing a pivotal role in ensuring the success of the initiative. The public sector establishes the requisite regulatory framework and offers supportive measures, while the private sector contributes specialized expertise, operational efficiency, and innovative strategies for project execution and management. Risk transfer is a fundamental aspect of Concession-based PPPs. In these partnerships, project-related risks are predominantly shifted from the public to commercial entities operating independently of direct governmental oversight.

The concessionaire assumes accountability for the operation and maintenance of the public service or infrastructure, thereby mitigating the government's exposure to potential financial and operational uncertainties. The Duration and

Contractual obligations of concession-based PPPs are typically long-term, often spanning several decades. These partnerships come with clearly defined obligations for both parties, ensuring sustained operation or service provision. The contractual terms outline the scope of work, performance standards, and financial arrangements, providing a stable and predictable framework for project implementation. Control and Monitoring are integral to maintaining the integrity and performance of Concession-based PPPs. A stringent control and monitoring system is established to track the concessionaire's performance and ensure compliance with contractual terms. Such oversight mechanisms serve to ensure the private entity's compliance with the established standards and fulfill their obligations effectively, safeguarding public interests.

Finally, Property Reversion is a crucial component of Concession-based PPPs. Upon completion of the concession period, ownership pertaining to the infrastructure or service typically reverts to the public sector. The concessionaire may receive financial compensation as stipulated in the contract, ensuring a fair return on their investment while transferring the asset back to public ownership. Concession-based PPPs effectively combine public oversight with private sector efficiency, facilitating the delivery of essential public services while ensuring financial and operational accountability. This framework leverages the strengths of both sectors, promoting sustainable development and enhancing the quality of public infrastructure and services (Ministry of Economy and Finance, 2008).

The legislative framework governing PPP in Romania, comprising Laws No. 178 of 2010, No. 233 of 2016, and Emergency Ordinance No. 39 of 2018, provides a comprehensive structure for fostering collaboration between the public and private sectors. These laws establish clear procedures for the creation, implementation, and termination of PPPs, ensuring that projects of public interest are financed efficiently, executed transparently, and managed responsibly. By leveraging private sector expertise and resources, Romanian public authorities can achieve their objectives more effectively, thereby enhancing public services and infrastructure for the benefit of society.

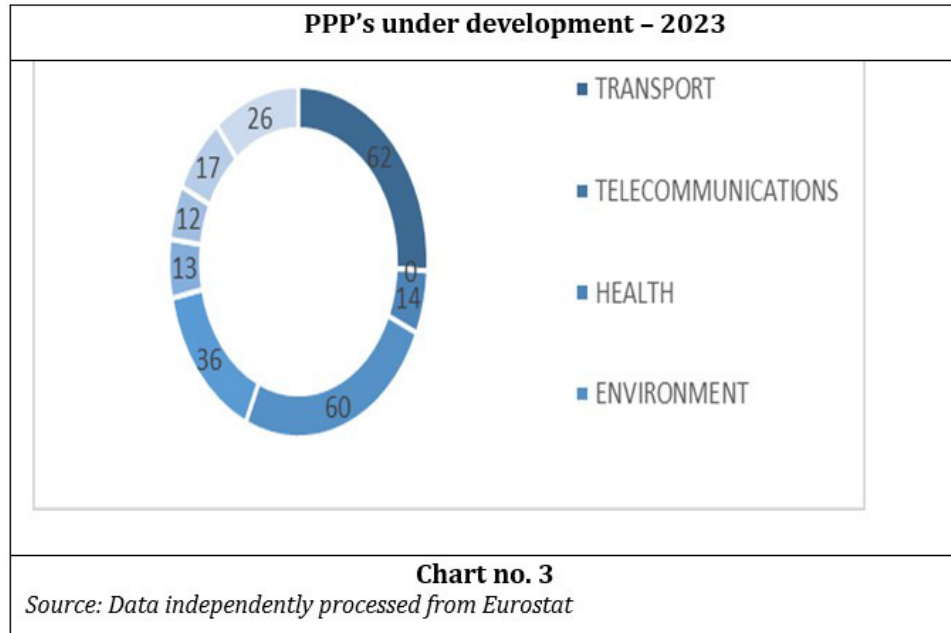


Implementation challenges and successes of PPPs in Romania

Public-Private Partnerships (PPPs) are pivotal in driving infrastructural development and enhancing public service delivery in Romania. These collaborations between governmental institutions and private sector organizations are influenced by various factors, including regulatory frameworks, economic conditions, and project-specific challenges. This section explores the distribution of PPP projects across different countries from 2020 to 2023, the domains these projects cover, and the specific

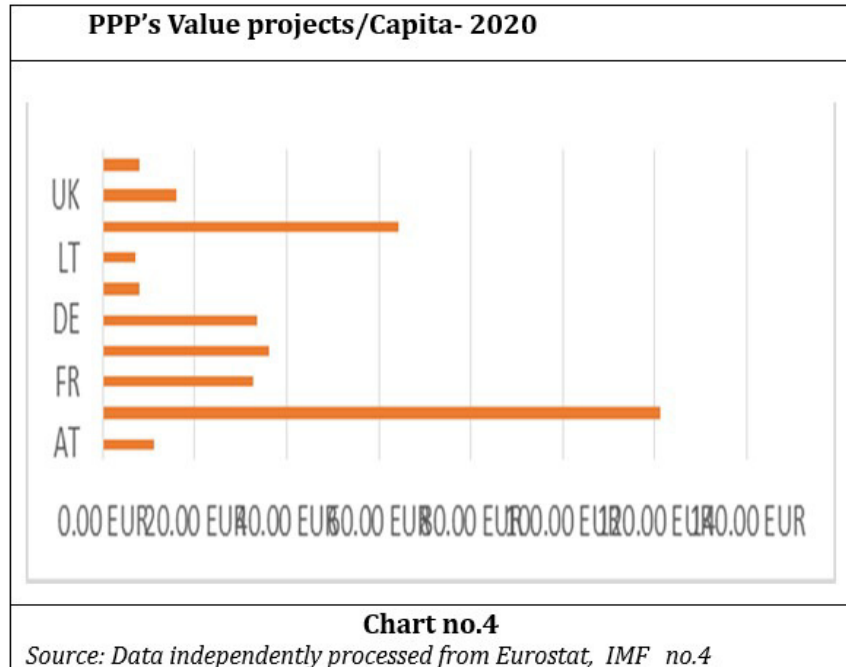
challenges and successes encountered in Romania.

In 2020, there were 160 PPP projects under development across Europe, with Romania accounting for two of these initiatives. The distribution of projects by country was as follows: Albania (1), Austria (1), Belgium 22, Bosnia and Herzegovina (1), Czech Republic (1), Cyprus (1), France (52), Germany (8), Greece (16), Ireland (4), Italy (14), Latvia (1), Lithuania (1), North Macedonia (1), Malta (1), Netherlands (2), Poland (11), Portugal (2), United Kingdom (9), Romania (2), Serbia (4), Slovakia (1), Slovenia (1), and Turkey (3).



In the subsequent year, in 2021, the number of PPPs under development increased to 172, with Romania participating in one project. The distribution shifted slightly, with Belgium leading at 25 projects, France increasing to 53, Germany to 15, Italy to 19, and the United Kingdom to 10, among others.

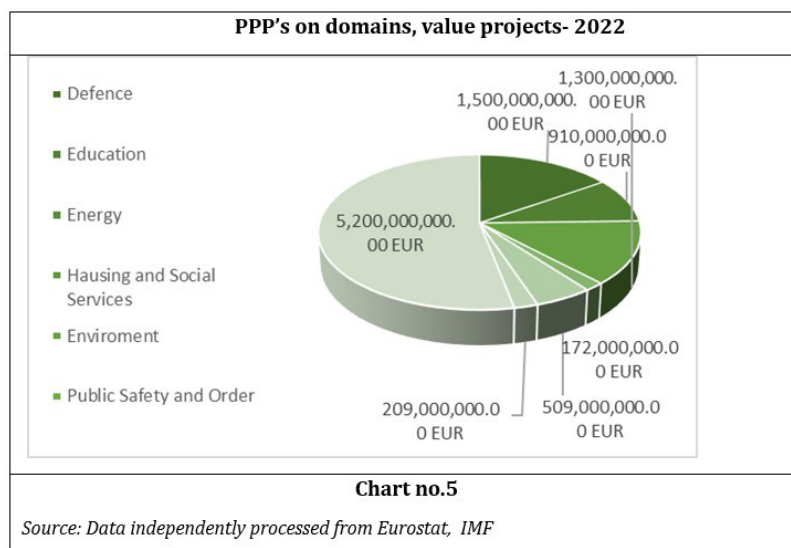
By 2022, the total number of PPPs under development rose to 199. Romania maintained its involvement with two projects, while countries like France continued to dominate with 50 projects, Greece surged to 28, and the United Kingdom saw an increase to 18 projects (Chart no. 5; own processing of data from Eurostat, IMF).



In 2023, the number of PPPs remained at 199 but was distributed across 240 projects, with Romania involved in one project. France continued to lead with 56 projects, followed by Greece with 34, Italy with 39, and the United Kingdom with 23 projects. This year also saw the introduction of Israel into the PPP landscape with four projects

The domains of these PPP projects have also evolved over the years. In 2020, out of 160 PPP

projects, 55 were in transport, 8 in health, 22 in education, 26 in environment, 11 in telecommunications, and 38 in other fields. By 2023, the distribution had shifted to 62 transport projects, 14 in health, 36 in education, 60 in environment, 12 for public services, 13 in safety and public order, 17 in social services, and 26 in other areas.



Romania faces several practical challenges in implementing PPPs. Public authorities often show reluctance to engage in investments and provide the necessary financial support for project execution. Excessive bureaucratic procedures and limited expertise in document preparation significantly deter investors from engaging in contractual agreements. Waiting times for project execution further complicate the implementation of services through PPPs.

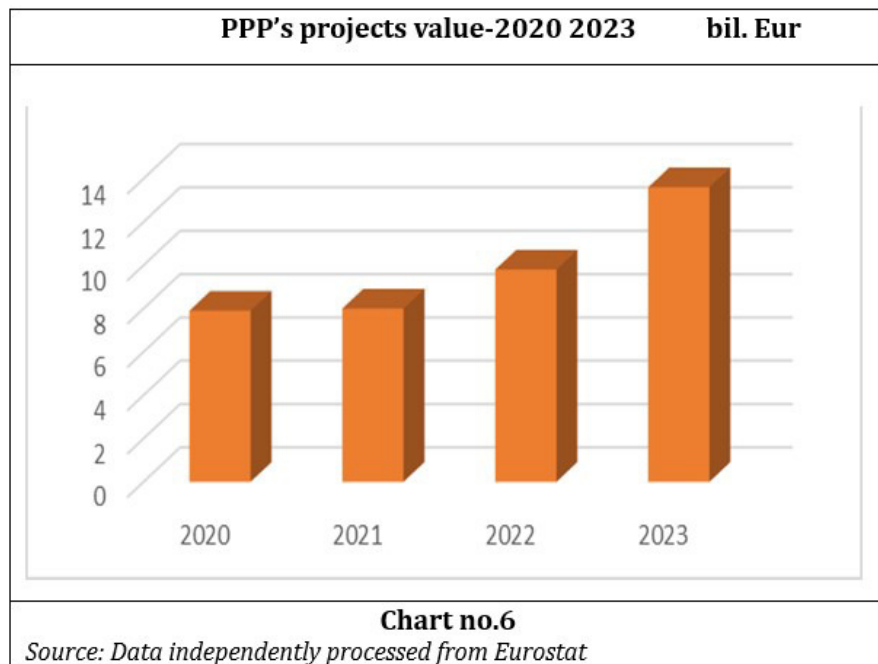
Several proposed PPP projects in Romania have not materialized due to these challenges. For instance, the construction of the Braşov-Comarnic highway initially involved a PPP concession with the French company Vinci, with an investment of 480 million euros. Later, the involvement of the Greek company Akor and the Austrian partner Strabag increased the estimated project costs to 1.58 billion euros with a 25-year execution period. However, the project's complexity and collaboration difficulties among the three private firms and the public partner have prevented the partnership from materializing.

Another example is the rehabilitation of airports in Bacău, Iaşi, and Oradea. In Bacău, the airport was concessioned to a private company for 34 years, but failure to meet objectives within five years led to the project's cancellation. In Iaşi, despite interest from the China Harbour Engineering Company Ltd, no suitable private partner was identified under the proposed institutional PPP model. Similarly, in Oradea, the

airport's modernization required 69 million euros in funding, which did not materialize through PPPs, prompting the pursuit of European funding alternatives.

Conversely, some PPP projects in Romania have been successfully implemented. In Constanţa county, a PPP was established to create a Pilot Center for Community Services for Persons with Disabilities and Training in Techirghiol, financed through The European Bank for Reconstruction and Development (EBRD). In Mureş county, a PPP aimed at creating an ecological deposit zone involved public and private stakeholders, including Vaste Italia and Agenda 21 SA. Additionally, in Timiş County, a PPP was formed to develop a Business Incubator and Technology Transfer Center in the software field, targeting youth migration reduction and unemployment alleviation. Despite its initial success, authorities later requested the dissolution of the project after eight years, indicating ongoing challenges in sustaining PPP initiatives.

Overall, the PPPs implemented in Romania have generally achieved the expected results when they are well-planned and managed, adhering to the principles of transparency, equity, and responsibility. These successful collaborations have positively impacted the economy and public services. However, Romania has also experienced instances where PPPs faced significant hurdles during conception and implementation or had to be terminated due to project delays.



Forecasts for the next four years indicate a continued interest and investment in PPPs, as illustrated in Chart no. 8 (own processing of data from Eurostat, IMF). Public-Private Partnerships in Romania have the potential to significantly enhance public services and infrastructure by leveraging private sector expertise and resources. However, the successful implementation of PPPs requires overcoming substantial challenges, including bureaucratic inefficiencies, corruption, and project management issues. Strengthening the regulatory framework, improving transparency, and fostering better collaboration between public authorities and private investors are essential steps to ensure the continued growth and success of PPPs in Romania.

Types Of Public-Private Partnership Frameworks

Public-Private Partnerships (PPPs) encompass various collaborative frameworks between public authorities and private entities aimed at delivering public services or infrastructure. These frameworks are distinguished by their execution methods and defining characteristics, primarily falling into *three categories: Traditional PPP frameworks, Construction and maintenance PPP frameworks, and Design-build-operate PPP frameworks.*

Traditional Public-Private Partnership framework. The Traditional PPP framework involves a partnership where a public authority collaborates with a private entity to execute a public service or manage a public asset. In this arrangement, the public partner retains ultimate authority, initiates the project, and seeks funding. Conversely, the private partner undertakes the execution of the project, utilizing either its own resources or securing financing from external sources. Common examples of this framework include the provision of public lighting systems and public transportation services. This framework emphasizes the public partner's control over the project's direction while leveraging the private sector's efficiency and expertise in execution.

Construction and maintenance Public-Private Partnership framework. In the Construction and maintenance PPP framework, the private partner is entrusted with both the creation and ongoing maintenance of the project throughout the contractual period. The public partner retains ownership of the asset or service only after the private entity has fully recovered its investment and secured a minimum profit margin. If the private partner continues to maintain the asset or service, they are entitled to generate profits from the project. Examples of this framework include the development of toll

roads and paid parking facilities. This framework ensures that the private partner remains invested in the long-term success and sustainability of the project, aligning their interests with those of the public sector.

Design-construction Public-Private Partnership framework. The Design-construction PPP framework focuses on the creation of public utilities or services, where the public partner acts as the project owner and primary funding source. The private partner assumes responsibility for drafting project designs and overseeing the actual construction. This framework is commonly applied to the construction or rehabilitation of public utility buildings such as schools, hospitals, kindergartens, and administrative units. By clearly delineating the roles of the public and private partners, this framework facilitates efficient project execution while ensuring that public interests are prioritized.

Design-build-operate Public-Private Partnership framework. Similar to the Design-construction model, the Design-build-operate PPP framework extends the private partner's responsibilities to include not only the design and construction but also the operation of the service. In this arrangement, the public authority remains the main funding source and retains ownership. An example of this framework is the rehabilitation and management of airport activities, where the private partner handles the entire lifecycle of the project, from initial design to ongoing operations, ensuring comprehensive management and accountability.

Finance-design-build Public-Private Partnership framework. The Finance-design-build PPP framework places the primary responsibility for financing, planning, and constructing the project on the private partner. Additionally, the private entity manages maintenance throughout the contractual period. The public sector's involvement is limited to providing financing if necessary upon project completion, following fulfillment of the contractual obligations, ownership is transferred to the public authority as per the agreed-upon terms. Transport infrastructure projects often utilize this framework, allowing the private sector to drive project development while the public sector ensures alignment with broader public goals.

Specific frameworks for education and finance in Romania. In Romania, specific PPP frameworks have been proposed to address unique sectors

such as education and community development. One notable example is the initiative to equip and renovate schools in rural areas, aimed at supporting education in disadvantaged regions. This project involves the construction, renovation, and equipping of educational institutions and school complexes, potentially developed through contractual PPPs at the local level or institutional-strategic PPPs on a national scale. The objectives include human capital development, enhancing the quality of education, and creating optimal conditions for the professional development of teaching staff. This initiative aligns with the Operational Program for Education and Employment 2021–2027, targeting the stabilization of human capital, continuous professional training, improvement of education quality, and reduction of unemployment. Stakeholders in this project encompass public entities such as the Ministry of Education and local councils, private investors and developers, non-governmental organizations like the Save the Children Association, and financial supporters including the European Investment Bank (EIB) and private funds (Constanța County Council, 2017).

Another proposed framework focuses on community development through the establishment of a Community Development Fund, which provides loans for rural community development. This PPP aims to support rural areas by creating decent living conditions, investing in human capital, fostering economic development, and reducing disparities between rural and urban regions. The partnership involves public authorities, private entities specialized in finance and insurance, and beneficiaries from rural communities. Funding is sourced from European funds through the Inclusion and Social Dignity Program 2021–2027, with implementation facilitated by the European Fund for Strategic Investments and the EIB (Mureș County Council, 2006).

The following are two possible *frameworks* of public-private partnerships specific to the fields of education and finance that can be implemented by the public sector in Romania together with private sector partners.

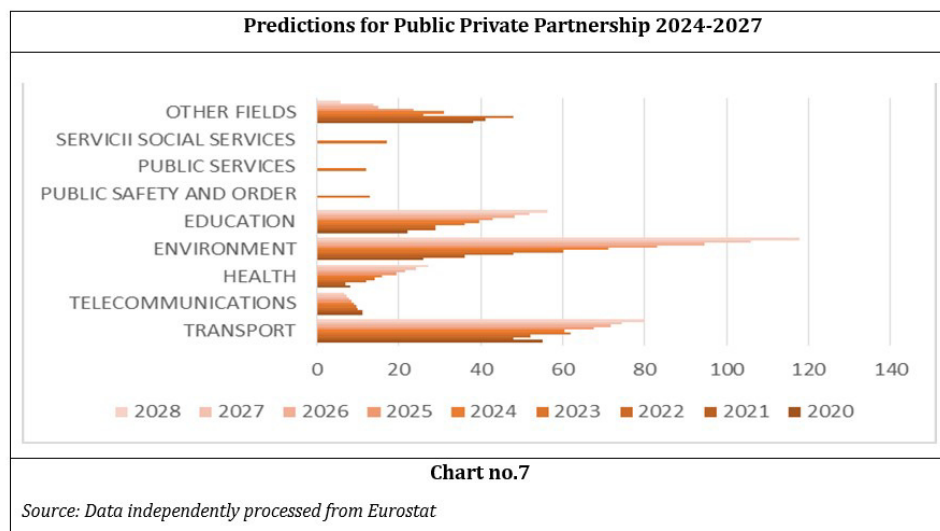
Equip and completely renovate schools in rural areas to support education in disadvantaged areas. Presentation through the development of such a public-private partnership, the construction, renovation, and equipping of all

educational institutions and school complexes in the form of campuses are pursued. This variant of public-private partnership may be structured as a contractual arrangement at the local level, and in the case of national development through institutional-strategic public-private partnerships. This partnership aims at - Human capital development - Construction, renovation, and equipping of educational institutions - Improving the quality of education and the study environment - Creating optimal conditions for the professional development of teaching staff. The project can be included in the Operational Program for Education and Employment 2021–2027 because it addresses the need for: a.) stabilization of human capital, b.) continuous professional training for lifelong learning, c.) improvement of education quality, and d.) reduction of unemployment. The field of development is Education. Stakeholders that can be involved in this project are from: a.) Public sector: Ministry of Education, County School Inspectorates, Municipalities, and Local Councils b.) Private sector: investors, developers c.) Non-governmental sector: Save the Children Association and d.) Other partners: teachers, parents, Financial Support - EIB; POEO; Private Funds; Donations Partnership Period: The project must be completed by 2027 with the possibility of extension until 2030, and the contract period can be extended by partners for up to 30 years.

Community development fund providing loans for rural community development. The aim is to

support rural development. Loans are granted with the purpose of creating decent living conditions, investing in human capital, repopulating, coexisting, and fostering economic development in these areas. Presentation: A public-private partnership is created between a governmental authority and a private entity specialized in finance and insurance with the aim of establishing a source of financial support for those wishing to develop rural communities. The start will be made with the help of the European Fund for Strategic Investments and the EIB. Objectives: a.) economic and social stability, b.) support for rural communities, c.) reducing differences between rural and urban areas, d.) raising the standard of living, e.) citizen welfare, f.) job creation, and g.) civilization through education and evolution. Development field: Community development Involved stakeholders: a.) Public: Municipalities and Local Councils b.) Private: Legal Entities specialized in finance and insurance c.) Beneficiaries: citizens of rural areas.

Financing will be provided from European funds through the Inclusion and Social Dignity Program 2021-2027 Period 2023-2027 with the possibility of extension until 2030. The partnership relationship will be institutionalized and represented through a closed-end joint-stock company, and, in case the private entity wishes to divest shares after the partnership period expires, they will be sold to the public authority.



Practical challenges and successes in Romania. Despite the potential benefits, PPPs in Romania encounter several practical challenges. Public authorities often exhibit reluctance to engage in investments and provide necessary financial support for project implementation. Excessive bureaucratic procedures coupled with limited expertise in preparing comprehensive documentation serve to discourage potential investors from entering into PPP contracts. Furthermore extended waiting times for project execution complicate the implementation of certain services through PPPs.

Several proposed PPP projects in Romania have not materialized due to these obstacles. For instance, the construction of the Braşov–Comarnic highway was initially pursued through a PPP concession with the French company Vinci, involving a 480 million euro investment. However, subsequent involvement of the Greek company Akor and the Austrian partner Strabag raised project costs to 1.58 billion euros with a 25-year execution period. The complexity of the project and difficulties in collaboration among the three private firms and the public partner have prevented the partnership from materializing.

Similarly, the rehabilitation of airports in Bacău, Iaşi, and Oradea faced significant setbacks. In Bacău, a 34-year concession with a private company was terminated after the private partner failed to meet objectives within five years. In Iaşi, despite interest from the China Harbour Engineering Company Ltd, no suitable private partner was identified for an institutional PPP framework. In Oradea, the required 69 million euros for airport modernization did not materialize through PPPs, leading authorities to seek alternative European funding sources (Timiș County Council, 2014).

Conversely, some PPP projects have been successfully implemented in Romania. For example, in Constanța county, a PPP was established to create a Pilot Center for Community Services for Persons with Disabilities and Training in Techirghiol, financed through the EBRD. In Mureș county, a PPP aimed at creating an ecological deposit zone involved public and private stakeholders, including Vaste Italia and Agenda 21 SA. Additionally, in Timiș County, a PPP was formed to develop a Business Incubator and Technology

Transfer Center in the software field, targeting youth migration reduction and unemployment alleviation. Although this project yielded results, authorities later requested its dissolution after eight years, highlighting ongoing challenges in sustaining PPP initiatives.

Overall, PPPs implemented in Romania have generally achieved the expected results when they are well-planned and managed, adhering to principles of transparency, equity, and responsibility. These successful collaborations have positively impacted the economy and public services. However, Romania has also experienced instances where PPPs faced significant hurdles during conception and implementation or had to be terminated due to project delays.

Forecasts indicate a continued interest and investment in PPPs over the next four years, driven by the need for infrastructure development and public service improvement (Chart no. 8; own processing of data from Eurostat, IMF). Projects are expected to span various domains, including education, community development, transportation, and public services, with a focus on sustainable and efficient project execution.

Conclusions and recommendations

After conducting a thorough theoretical and practical analysis of Public-Private Partnerships (PPPs) in Romania, several key conclusions and recommendations have emerged. It is evident that while PPPs hold significant potential for fostering service development, economic restructuring, and job creation, their adoption in Romania remains limited. Nevertheless, there have been commendable efforts to establish partnerships aimed at addressing these areas.

A key determinant contributing to the success of public-private partnerships is comprehensive training for both public and private sector participants. Effective training programs should focus on identifying opportunities, evaluating and managing risks, and fostering collaborative efforts that generate profitable outcomes for the community. Public administration must be adept at understanding and addressing the needs of citizens while maintaining excellent organizational capabilities. Simultaneously, the private sector should prioritize the common good alongside individual gains when engaging in such collaborations.

The establishment of public services through PPPs requires robust and well-developed legislation. It is essential to accumulate experience in this field through dedicated study, practical implementation, and adherence to established PPP frameworks. The evolution of both the public and private sectors is facilitated through these collaborative partnerships, leading to enhanced public services and infrastructure.

The practical application of these findings is evident in the various PPP frameworks identified, which provide a structured framework for implementing projects in Romania. For example, the Construction and Maintenance framework is ideal for infrastructure projects, while the Finance-design-build framework suits large-scale transport and educational initiatives. Implementing these frameworks effectively necessitates a clear legal framework, comprehensive risk management strategies, and a balanced focus on the alignment of the interests of both the public and private sectors. Additionally, training programs for public officials and private partners are crucial to ensure the successful execution of PPPs.

Forecasts for the period 2024-2027 indicate a steady increase in PPP projects across key sectors, particularly in transportation, environment, and education. This trend suggests a growing reliance on PPPs for infrastructure development and public service provision, offering significant opportunities for both public and private stakeholders to collaborate on projects that drive economic and community development.

To enhance the attractiveness of PPPs and encourage public authorities to increasingly engage in PPP development, several recommendations are proposed. First, establishing a national repository consolidating both quantitative statistics and qualitative information on Public-Private Partnerships (PPPs), including completed projects, ongoing initiatives, and potential opportunities, is essential. This database would provide valuable insights and facilitate informed decision-making.

Second, legislative amendments are necessary to streamline PPP processes. Creating a comprehensive guide to assist private partners in understanding the procedures for establishing PPPs and accessing available funding sources would significantly lower barriers to participation. Such a guide would

demystify the PPP process and highlight financial opportunities, making it easier for private entities to engage in public sector projects.

Third, investing in education programs aimed at fostering PPPs is crucial. These programs should target both the public sector-specifically public officials and support staff involved in PPP activities and private companies interested in participating in development projects through partnerships. Comprehensive training will equip all stakeholders should be equipped with the requisite expertise and competencies to effectively navigate the multifaceted complexities inherent in Public-Private Partnerships (PPPs), ensuring their success and sustainability.

Public-Private Partnerships in Romania possess substantial potential to enhance public services and infrastructure by leveraging the expertise and resources of the private sector. However, realizing this potential requires addressing significant challenges, including bureaucratic inefficiencies, corruption, and project management issues. Strengthening the legislative framework, improving transparency, and fostering better collaboration between public authorities and private investors are essential steps to ensure the continued growth and success of PPP initiatives in Romania.

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This article is **dedicated to the esteemed prof. Allan Rosenbaum**, a prominent scholar in Public Policy and Administration at Florida International University (FIU) and the Immediate Past President of the American Society of Public Administration (ASPA). His substantial contributions to public administration, alongside his unwavering commitment to the principles of public service, have profoundly influenced both academic research and practical governance.

Allan Rosenbaum's work was characterized by his dedication to advancing democratic governance, fostering institutional capacity, and advocating for the role of public administration in promoting social equity. His scholarship and leadership played a pivotal role in shaping contemporary discourse on administrative reform and policy development. Through his extensive research, mentorship, and service, he influenced generations of scholars, practitioners, and policymakers worldwide.

His passing represents a significant loss to the global public administration community. However, his intellectual legacy and unwavering belief in the transformative power of public service will continue to guide and inspire future generations. The values and principles he championed remain deeply embedded in the ongoing efforts to strengthen public institutions and improve governance. While he will be profoundly missed, Allan Rosenbaum's contributions to the field of public administration will endure as a testament to his lifelong commitment to excellence and service.

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