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(Maria Iulia Trbović)

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Glossary

B	Build
BO	Build-Operate
BF	Build-Finance
BLT	Build-Lease-Transfer
BOO	Build-Own-Operate
BOOT	Build-Own-Operate-Transfer
BOR	Build-Operate-Renew
BOT	Build-Operate-Transfer
BSE	Bucharest Stock Exchange
CEE	Central and Eastern Europe
CNVM	Romanian National Securities Commission
D	Development
DBFO	Design-Build-Finance-Operate
DBO	Development-Build-Operate
DBOM	Design-Build-Operate-Maintain
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
ERDF	European Regional Development Fund (part of the Structural Funds)
EUROSTAT	Statistical Office of the European Communities
GD	Government Decision
GDP	Gross Domestic Product
GEO	Government Emergency Ordinance
GO	Government Ordinance
Green Paper	EU Consultative document on PPPs and Community Law on Public Procurement and Concessions
IBRD	International Bank for Reconstruction and Development
IFRS	International Financial Reporting Standards
IPO	Initial Public Offer
JASPERS	Joint Assistance to Support Projects in European Regions

LDO	Leasing-Development-Operate
n.a.	not available
NAO	National Audit Office
NASSPA	National Authority for Regulation and Surveillance of Public Acquisitions
O	Operate
OMF	Order of the Ministry of Public Finance
PFI	Private Finance Initiative – a particular form of PPP in the UK
PHARE	One of the three pre-accession financial instruments
PPP	Public-Private Partnership
RAS	Romanian Accounting Standard
ROT	Rehabilitate-Operate-Transfer
UCCPPP	Central Unit for the Coordination of the Public-Private Partnership Activities

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1. Introduction

1.1. Setting of the Topic

Before describing the specific aim of this paper, some general definitions of the term Public-Private Partnership (PPP) and a short overview of PPP in general will help explain this concept. Currently, there is no standard definition of what constitutes a PPP, different institutions offering several possible definitions.

A study of the Organisation for Economic Co-operation and Development presents a short overview of some of the used definitions of this term.

“PPPs are aimed at increasing the efficiency of infrastructure projects by means of a long-term collaboration between the public sector and private businesses. A holistic approach which extends over the entire lifecycle is important here.”¹

Standard & Poor’s definition of a PPP is “any medium-to-long term relationship between the public and private sectors, involving the sharing of risks and rewards of multisector skills, expertise and finance to deliver desired policy outcomes.”²

“Public-Private Partnership is a generic term for the relationships formed between the private sector and public bodies often with the aim of introducing private sector resources and/or expertise in order to help provide and deliver public sector assets and services. The term PPP is, thus, used to describe a wide variety of working arrangements from loose, informal and strategic partnerships, to design build finance and operate (DBFO) type service contracts and formal joint venture companies.”³

¹ Organisation for Economic Co-operation and Development (2008), *Public-Private Partnerships: In Pursuit of Risk Sharing and Value for Money*, www.oecd.org/dataoecd/7/15/41082354.doc, accessed 12.03.2009

² idem 1

³ European Investment Bank (2004), *The EIB’s role in Public-Private Partnerships (PPPs)*, http://www.eib.europa.eu/attachments/thematic/eib_ppp_en.pdf, accessed 25.04.2009

The Green Paper on Public-Private Partnerships and Community Law on Public Contracts and Concessions states: “In general, the term refers to forms of cooperation between public authorities and the world of business which aim to ensure the funding, construction, renovation, management or maintenance of an infrastructure or the provision of a service.”⁴

What all of these definitions have in common is the partnership/relationship between the private and the public sector with the aim of delivering a project or service, and this in the most efficient manner, by allowing each sector to do what it does best.

In a well functioning market economy, the public system will always have limited efficiency, its performance will always be just “average”. The “excellence” is the attribute of the private system, and this also in the sectors which traditionally belong to the state: the best schools in most of the countries are private, and this remains true also in the case of other sectors, such as medical care.

The two extremes met in the years '70s and '80s, when in most countries the public debt had reached an alarming size. In order to inject private capital into public projects, the British Conservative Prime Minister, John Major, introduced the idea of a Private Finance Initiative (PFI) in 1992⁵. PFI has delivered hundreds of new hospitals, schools, sewage works and roads across the country. The idea was that the public authorities would pay little at the beginning for the project, and would actually pay for it in instalments over the next 25 or 30 years⁶. Over time, this provoked a prolonged storm of controversy, so that the Labour government of Tony Blair, elected in 1997, continued with the PFI, but shifted the emphasis on “value for money”⁷ mainly through a different allocation of risks. The allocation of risks is actually the main difference between the regular public acquisition contract and PPP / concession contract.

⁴ European Commission (2004), *Green Paper on public-private partnerships and Community law on public contracts and concessions*, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52004DC0327:EN:HTML>, accessed 12.03.2009

⁵ Gavrilă, Ana-Maria (01.11.2007), *Cu statul în aceeași barcă*, <http://www.theinvestor.ro/economie/cu-statul-in-aceeasi-barca>, accessed 14.03.2009

⁶ Sunday Herald (18.05.2008), *PFI: The 50 bill scam*, <http://www.robedwards.com/2008/05/pfi-the-50-bill.html>, accessed 15.03.2009

⁷ Morris, Nigel and Waugh, Paul (13.01.2002), *Blair insists PFI plans offer value for money*, <http://www.independent.co.uk/news/uk/politics/blair-insists-pfi-plans-offer-value-for-money-671950.html>, accessed 15.03.2009

The main advantages attributed to PPP contracts are the immediate access to a better infrastructure (without having to pay the costs as soon as the construction is finished, but in time, over the next 20 to 40 years), thus reducing the public sector debt rate (in the case that the project is structured as an off-balance sheet) and obtaining a better quality-price relationship, due to the two streams of savings:

- the private partner has all interest to provide a high quality “product” in order to avoid later maintenance and repair costs
- generally, the private sector is the more efficient manager

Eurostat, the Statistical Office of the European Communities, recommends that the assets involved in a PPP be classified as non-government assets, and therefore be recorded off the balance sheet of the government, if both of the following conditions are met⁸:

- the private partner bears the construction risk and
- the private partner bears at least one of either availability or demand risk

In order to decide which party is bearing the risks, the following clarifications were made by Eurostat in the same document:

“Construction risks” notably refers to events such as late delivery, non-respect of specified standards, additional costs, technical deficiency, and external negative effects. Government’s obligation to start making regular payments to a partner without taking into account the effective state of the assets would be evidence that the government bears the majority of the construction risks.

Regarding the “availability risk”, the responsibility of the partner is more obvious. This type of risk refers to non-delivery on time / at all of the volume which was contractually agreed, failure to meet safety or public certification standards or indeed quality standards, as specified in the contract. This must be the result of an evident lack of “performance” of

⁸ Eurostat (2004), *Treatment of public-private partnerships*, http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-11022004-AP/EN/2-11022004-AP-EN.HTML, accessed 15.03.2009

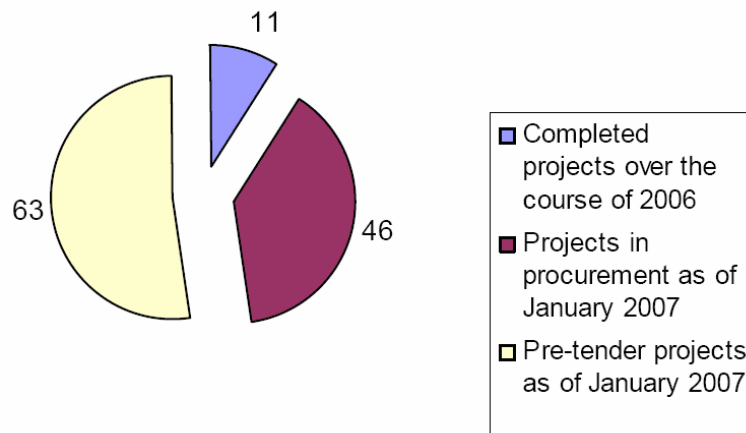
the partner. If the government is entitled to significantly reduce its periodic payments (as a penalty), it will be assumed not to bear such a risk.

“Demand risk” covers the variability of demand (higher or lower than expected when the contract was signed) irrespective of the behaviour (management) of the private partner. The government is assumed to bear the risk when it is obliged to ensure a given level of payment to the partner irrespective of the effective level of demand by the final user, thus rendering irrelevant the fluctuations in the level of demand on the partner’s profitability.

Even if PPP (with its particular form PFI) has undergone a development process in time, insofar as its form and models are concerned, it is noticeable that the magnitude of the phenomenon has increased and more and more countries choose this alternative for developing public goods. A study of Kommunalkredit Austria AG⁹ published in May 2008 offers some more information regarding the PPPs:

- Over 750 PPP contracts since 1995 in the UK (€57 billions investment)
- Over 100 PPP contracts in Germany, 120 in development
- Over 100 planned contracts in CEE (€15 billions investment), as seen in Figure 1

Figure 1 – PPP Projects in CEE



Source: DLA Piper, PPP Report 2007, Central and Eastern Europe, pgs 8-56

⁹ Stühlinger, Lukas (2008), *Public Private Partnership – Modelle in der Praxis*
http://www.kommunalkredit.at/uploads/Vortrag_StuhlingerPPP_2324_DE.pdf, accessed 16.03.2009

Regarding the profitability of such agreements, the opinions are very different. Mott MacDonald's (2002)¹⁰ reviewed the 50 largest public procurement projects in the UK over the last 20 years included 11 PPP/PFI projects. On average, the PPP/PFI projects came in under-time (compared to 17% over-time for the others), and capital expenditure resulted in a 1% cost overrun on average (relative to an average cost overrun of 47% for traditional procurement projects). A study of the UK National Audit Office (2003)¹¹ found that PFI projects were generally delivered on time and on budget in contrast to traditionally procured projects (76% of PFI versus 30% for conventional procurement were delivered on time and 78% versus 27% on budget). In 2007 KPMG¹² found that for the PPP projects from 2006, 95% of the public customers have described the performance of the PPP project as "very good" or "good".

However, many recent studies claim the contrary. There have been numerous not so successful projects, such as the Channel Tunnel that connects the French high-speed railway network with the British high-speed railway to London (this project has not been economically successful, shareholders have lost all but a fraction of their investments), the high-speed railway link from the Channel Tunnel to London (the construction project registered losses for many years until private firms and the British state negotiated how the private sector could get a return on its investment), the Swedish Stockholm-Arlanda airport link (this route is loss-making and the ticket prices are extremely high by Swedish standards, although the state financed and constructed a longer part of the line than initially planned and also offered a loan of one billion SEK to the winning consortium)¹³, the highway constructions in the Czech Republic, Portugal and Hungary¹⁴. One of the main complains was that much of the infrastructure works carried out in the early '90s would

¹⁰ MacDonald, M. (2002), *Review of Large Public Procurement in the UK (HM Treasury: London)*, [http://www.hm-treasury.gov.uk/d/7\(3\).pdf](http://www.hm-treasury.gov.uk/d/7(3).pdf), accessed 25.05.2009

¹¹ National Audit Office (2003), *PFI Construction Performance*, Report by the Comptroller and Auditor General, HMSO, London, http://www.infrastructureaustralia.gov.au/files/PFI_constn_perf_UK_NAO.pdf, accessed 25.04.2009

¹² KPMG (2007), *Effectiveness of operational contracts in PFI 2007*, KPMG LLP (UK), http://www.kpmg.co.uk/pubs/305432_PFI.pdf, accessed 25.05.2009

¹³ Alexandersson, Gunnar and Hultén, Staffan (2006), *Using Public-Private Partnerships to create high-speed railway networks in Europe – prospects and pitfalls*, <http://www.eco.uc3m.es/temp/agenda/mad2006/papers/17.%20Alexandersson,%20Gunnar.pdf>, accessed 07.04.2009

¹⁴ Liptáková, Jana (2008), *EU funds are a huge unused potential*, <http://www.ulclegal.com/sk/novinky/tlacove-centrum/1637-eu-funds-are-a-huge-unused-potential>, accessed 07.04.2009

have been cheaper if the state had opted for the classical model of public acquisition (based on an auction). Historically, the state would use the taxpayers' money in order to construct schools, hospitals, etc. The idea of the PPP was that the private partner would finance the project and then "rent" it to the public partner, so the latter would practically act as a "landlord", recovering their costs. Theoretically, this allowed the state to open more hospitals, schools, jails, etc. in a short period of time, without increasing the taxes. Actually, it represented a "mortgage" on the future, since the cost on the long run was higher than if it had been constructed directly from public money. An investigation by the Sunday Herald has revealed that the "private companies could pocket up to £50 billion in profits from investing in schools, hospitals and other public building projects. (...) Local authorities, health trusts and other public agencies will end up paying up to twice as much as they need to for the 700 developments planned or built under the UK government's Private Finance Initiative."¹⁵

In any case, the PPPs seem to be the solution when not enough public funds are available, and no more debt can be issued in order to finance these projects, due to the fact that the public debt level is already high and the Maastricht fiscal convergence criteria need to be met (the ratio of the annual government deficit to GDP must not exceed 3%).

Another important advantage could be that, unlike in a privatisation process, where the control over the "object" is lost, PPP model seems more like a fusion, with both parties sharing the risks and the gains.

Between 1990 and 2006, an EIB research has identified over 1,000 PPP projects in the EU, accounting for a capital value of almost 200 billions Euros¹⁶. The same study draws the attention to the significant political commitment to PPP evidenced by legislative development in France, Germany, Greece, Italy, Poland, Czech Republic or by the commitment of up to 10-15% PPP share in public capital expenditure in France, Germany, UK, Poland, Turkey. Another important issue is the significant variation in country records:

¹⁵ Sunday Herald (18 May 2008), *PFI: The 50 bill scam*, <http://www.robedwards.com/2008/05/pfi-the-50-bill.html>, accessed 15.03.2009

¹⁶ European Investment Bank (2008), *The contribution of PPP to Economic and Social Infrastructure investment in the EU*, http://www.eib.org/attachments/general/events/bratislava_15102008_barrett.pdf, accessed 10.04.2009

- Portugal, Spain, UK: 75% of deal value
- France, Germany, Greece, Italy: 15% of deal value
- Czech Republic, Hungary, Latvia, Poland, Romania, Slovakia, Slovenia: only 4% of deal value

Of these deals, more than two thirds of the signed projects are in the UK, followed at a distance by Spain. A more detailed overview is presented in Table 1.

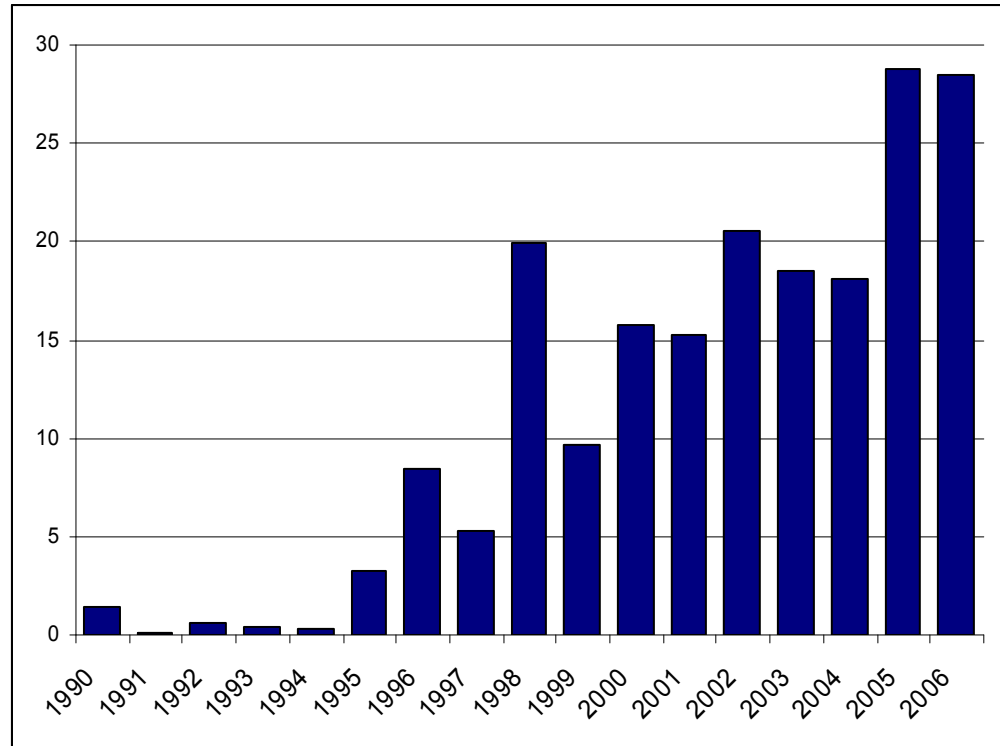
Table 1 – Percentage Shares by Country of the European PPPs¹⁷

	% of number	% of value
Austria	0.2	0.6
Belgium	0.7	1.1
Cyprus	0.3	0.4
Czech Rep.	0.2	0.4
Denmark	0.0	0.0
Finland	0.2	0.2
France	2.8	3.9
Germany	2.4	2.9
Greece	0.6	3.9
Hungary	0.8	2.7
Ireland	0.7	0.7
Italy	2.1	3.7
Latvia	0.1	0.0
Malta	0.1	0.1
Netherlands	1.0	1.7
Poland	0.4	0.9
Portugal	2.3	5.8
Romania	0.3	0.1
Slovakia	0.1	0.0
Slovenia	0.1	0.0
Spain	8.6	12.8
Sweden	0.1	0.2
UK	76.2	57.7

¹⁷ Frédéric Blanc-Brude, Hugh Goldsmith and Timo Vällilä (2007) *Public-Private Partnerships in Europe: An Update*, <http://ssrn.com/abstract=1107418>, accessed 10.04.2009

Also remarkable is the evolution of the value of the projects during the years as seen in Figure 2. If in 1991 the value of the signed projects was 81.4 millions Euros, by 2006 this has reached almost 30 billions Euros¹⁸.

Figure 2 – Evolution of European PPPs – Value of signed projects (EUR bn)



Obviously, PPP becomes more and more interesting and important. At the level of European Union, this kind of partnerships is very much encouraged. Proof of this is also the newly-created European PPP Expertise Centre (EPEC), a project of the European Investment Bank and the European Commission, whose aim is to enable public authorities in the EU Member States and candidate countries to become more effective participants in PPP transactions, by sharing their experience, enhancing public sector management, reducing PPP costs and increasing deal flow¹⁹. There is no wonder that such a project is

¹⁸ Frédéric Blanc-Brude, Hugh Goldsmith and Timo Välilä (2007) *Public-Private Partnerships in Europe: An Update*, <http://ssrn.com/abstract=1107418>, accessed 10.04.2009

¹⁹ European Investment Bank (2008), European institutions take lead on PPP expertise, <http://www.eib.org/about/press/2008/2008-078-european-institutions-take-lead-on-ppp-expertise.htm>, accessed 10.04.2009

needed and that, generally, more attention is drawn towards the PPPs, if one takes into account the amounts involved.

PPP European Market reported for the third year in a row a two-digits growth rate (+ 37% in 2006 as compared to the 2005 figures)²⁰. Over the coming three to five years, it is expected that EUR 100 billions will be invested in transport, health, education, environment, and other public investment projects through PPP transactions.

Having in mind the magnitude of these projects, the fact that the public authority is always considered a very safe partner in a transaction (one which can not easily become insolvent, therefore making the risk of not recovering the invested money almost inexistent) and that all these projects are normally of great public interest, it is expected that a private entity entering such a contract will be proud to announce it to its stakeholders as a success.

Karl, Pernsteiner and Schaffhauser-Linzatti (2007) take a closer look into the annual report for the financial year 2005 of the 64 companies listed at the Vienna Stock Exchange (the total of 101 companies that were listed on the Vienna Stock Exchange was adjusted by 27 firms because of IPOs and delistings, availability of annual reports available only in German language or application of HGB or US-GAAP instead of IAS/IFRS), trying to identify the Public-Private Partnerships they are involved in. The result of the study was that “in total, only 5 companies, or 9% of the sample, informed about a PPP engagement by applying the term ‘Public Private Partnership,’ short forms, or synonyms in their annual reports. 20 more companies, or 35% of the sample, indicated PPP activities by applying periphrases and indirect descriptions.”²¹ The sectors which predominantly used PPPs were construction, electricity, heavy industry, and production sector. The study also found that 57% of the whole sample did not indicate PPP activities at all.

²⁰ Gavrilă, Ana-Maria (01.11.2007), *Cu statul în aceeași barcă*, <http://www.theinvestor.ro/economie/cu-statul-in-aceeasi-barca>, accessed 14.03.2009

²¹ Karl, R., Pernsteiner, S., Schaffhauser-Linzatti, M. M. (2007) *Reporting on Public Private Partnership Projects*

The current paper attempts to replicate the experiment, this time with respect to the financial year 2006 and in the context of a CEE country: Romania. Its aim is to identify the differences between the two countries, with respect to the reporting behaviour of the stock exchange listed companies.

1.2. Structure of the Paper

The second chapter of the paper, Legal Framework, intends to provide the reader with a basis for the current legal framework for financial reporting in Romania, also mentioning the changes which occurred in time, but also focusing on PPPs, by offering an overview of the legal framework for the PPP and how it has developed in Romania.

The third chapter, Empirical Analysis, presents in its first part the methodology, research period and the sample used to draw some conclusions regarding the reporting on PPP of the Romanian companies.

The investigation about PPPs in Romania is carried further in the second part of the third chapter, where a more general internet research on PPPs in Romania is conducted, this time without the limitation of a specific time period or type of companies. The intention is to be able to offer a clearer image about how the PPP is seen from the media perspective.

The last chapter, chapter four, summarizes the finding of these researches, drawing some conclusions about the reporting behaviour with respect to PPP in Romania.

2. Legal Framework

2.1. Green Paper on Public-Private Partnerships and Community Law on Public Contracts and Concessions

In 2004, the European Commission launched a debate on applying community law to PPPs. This debate took the form of a document called Green Paper, published on 4 May 2004.

By publishing the Green Paper the Commission aimed to “explore how procurement law applies to the different forms of PPPs developing in the Member States, in order to assess whether there is a need to clarify, complement or improve the current legal framework at the European level”²², mainly to verify if the treaty establishing the European Community and its secondary legislation is suitable and sufficient to cope with the particular challenges posed by PPPs.

The document was also intended to show how the Member States should address certain legal matters related to the public contracts or concessions. It presented mainly the rules that need to be applied, after the economic and organizational choice of entrusting a mission or a task to a third party was made. This meant that the document did not try to interfere in any way with the decision to externalise or not the management of public services; this decision remained firmly within the competence of the public authorities of the Member States.²³

The Green Paper distinguishes two types of PPPs:

- PPPs of a purely contractual nature, where the partnership is based solely on contractual links and may fall within the scope of the European Directives on public procurement

²² European Commission, *Initiative on Public Private Partnerships and Community Law on Public Procurement and Concessions*, http://ec.europa.eu/internal_market/publicprocurement/ppp_en.htm, accessed 11.04.2009

²³ European Commission (2004) *Green Paper on public-private partnerships and Community law on public contracts and concessions* European Commission (2004), <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52004DC0327:EN:HTML>, accessed 12.03.2009

- PPPs of an institutional nature, where the PPPs involve cooperation within a distinct entity and may lead to the creation of an ad hoc entity held jointly by the public and the private sector representatives

The Green Paper addresses various topics directly linked to the public procurement aspect of PPPs, the most important being²⁴:

- the framework for the procedures for selecting a private partner, and in particular the advantages in this context of the competitive dialogue procedure introduced by the new Directive on public procurement (see IP/04/150), which allows public authorities to hold talks with applicant businesses in order to identify the solutions best suited to their needs
- setting up of PPPs on the initiative of the private sector
- the contractual framework and contract amendments during the life of a PPP
- subcontracting

The Green Paper was without any doubt a step forward in legal clarity of the Community legislation, which should help the expansion of PPPs.

Following the public debate on the Green Paper on PPPs, the Commission adopted the Communication on PPPs and Community Law on Public Procurement and Concessions²⁵ on 15 November 2005.

2.2. Legal Framework for Financial Reporting in Romania

2.2.1. Overview

Romania's legal framework, similarly to those of the most emerging markets, has undergone a lot of change. It was strongly influenced by the changing of the political regime after 1989 and, later on, by the negotiations for joining the European Union, which were finalised on 1 January 2007.

²⁴ European Commission (2004) *Public procurement: the Commission launches a debate on applying Community law to public-private partnerships*, accessed 12.04.2009

²⁵ European Commission, http://ec.europa.eu/internal_market/publicprocurement/ppp_en.htm, accessed 11.04.2009

The year 1989 found Romania under the communist regime. The beginning of the accounting reform started in 1991, when the former accounting system, known as budgetary accounting, where all the public institutions accounting was under the direct influence of the soviet accounting system²⁶, was replaced by a new one, that was very similar to the French accounting system.

The main pieces of legislation creating the necessary framework are:

- Accounting Law No. 82 / 1991²⁷ (Legea nr. 82/1991, Legea Contabilitatii)
- Order of the Ministry of Public Finance No. 907 / 27.05.2005²⁸ (OMF 907/2005) on the conformity of the accounting regulations with International Financial Reporting Standards (IFRS) and conformity of accounting regulations with EU Directives (ORDIN nr. 907 / 2005 al ministrului finanțelor publice privind aprobarea categoriilor de persoane juridice care aplică reglementări contabile conforme cu Standardele Internaționale de Raportare Financiară, respectiv reglementări contabile conforme cu directivele europene)
- Order of the Ministry of Public Finance No. 1752 /17.11.2005²⁹ (OMF 1752/2005) on financial reporting and related accounting requirements (Ordinul nr. 1752/2005 al ministrului finanțelor publice pentru aprobarea reglementarilor contabile conforme cu directivele europene)
- Order of the Ministry of Public Finance No. 2001/22.11.2006³⁰ (OMF 2001/2006) and Order of the Ministry of Public Finance 2374/2007, amending the OMF 1752
- Order of the Ministry of Public Finance No. 1121/4.07.2006³¹ (OMF 1121/2006) on the application of International Financial Reporting Standards

²⁶ Nistor Cristina, Filip Crina (2008) *The evolution of public accounting in Romania in the post-communist period*, <http://ssrn.com/abstract=1107774>, accessed 11.04.2009

²⁷ Monitorul Oficial no. 265 / 27 Dec. 1991

²⁸ Monitorul Oficial no. 597 /11 July 2005

²⁹ Monitorul Oficial no. 1080 / 30 Nov.2005

³⁰ Monitorul Oficial no. 994 / 13 Dec 2006

³¹ Monitorul Oficial no. 602 / 12 July 2006

The entire Romanian legislation is also electronically available on the web site of the Romanian Ministry of Justice.

2.2.2. Accounting Law No. 82/1991

The Accounting Law No. 82 / 1991 (republished in 2005 and amended by the Law No. 259/2007) sets out the requirements and procedures for the general accounting framework for Romanian entities. According to it, the following records are required to be kept: Journal Registers, Stock Register (based on an annual inventory of assets and liabilities), General / Nominal Ledger (based on the analysis of the accounting information posted from source documents or Journal Registers). It also provides that, in addition to the financial statement, the administrator's report, the report of the financial auditor and the proposal for the profit / loss distribution also have to be presented. As for the public institutions, mention is made that public institutions accounting should provide information to the credit accounting chiefs regarding the execution of the incomes and expenses budgets and the assets in administration.

2.2.3. Order of the Ministry of Public Finance No. 907/2005

The Order of Ministry of Public Finance No. 907 (OMF 907/2005) provides the categories of companies that, starting with the financial year 2006, have to or can apply the IFRS. The application of IFRS concerns listed companies, credit institutions, insurance companies, national institutions, legal entities having obtained grants or credits with state guarantees and subsidiaries of groups applying IFRS that are required to apply IFRS, but makes no mention of the preparation of the financial statements compliant with EU Directives. The application is mandatory only for the credit institution, for all other being optional. Mention should also be made that all the legal entities have to provide all the statements also according to the Romanian standards.

2.2.4. Order of the Ministry of Public Finance No. 1752/2005

The Order of the Ministry of Public Finance No. 1752 (OMF 1752/2005) specifies the layout and content of the annual financial statements, accounting principles and valuation rules, rules on the preparation, approval, auditing and publication of the annual financial statements.

In force since 1 January 2006 for the reporting year ending on or after 31 December 2006, the OMF 1752 was adopted in order to transpose the relevant European directives in force, namely Directive IV for stand-alone financial statements and Directive VII for consolidated financial statements. OMF 1752/2005 stipulates that the following general principles must apply: accruals basis, true and fair view, comparative figures are to be disclosed for all statements prepared, going concern, consistency, prudence, independence, separation, intangibility, no offset, economic substance and reality of events.

It is interesting to note that there is no direct mention of the International Financial Reporting Standards in OMF 1752/2005 or the accompanying accounting regulations.

As far as reporting and disclosure are concerned, OMF 1752/2005 distinguishes between two types of companies, by “size criteria”:

- The ones which meet two out of the following three criteria during two consecutive financial years (turnover > 7.3 mil. Euro; total assets > 3.65 mil. Euro; average number of employees > 50) or which are listed companies required to issue annually financial statements that includes:
 - Balance sheet
 - Profit and loss statement
 - Statement of changes in equity
 - Cash-flow statement
 - Explanatory notes
 - Declaration of the responsibility for the entity management for the annual financial statement
 - Administrator(s)’ report on operations

- Entities that do not meet the size criteria are required to prepare:
 - Abridged balance sheet
 - Profit and loss statement
 - Explanatory notes to the simplified financial statements
 - At their own discretion, entities below the size threshold may prepare a statement of changes in equity and/or cash-flow statement
 - Declaration of the responsibility for the entity management for the annual financial statement
 - Administrator(s)' report on operations

According to OMF 1752/2005, specific details must be included in compulsory explanatory notes preparation, such as:

- Non-current assets
- Provisions
- Profit distribution
- Analysis of operating result
- Statement of receivables and payables
- Accounting principles, policies and methods
- Interest and financing sources
- Information regarding employees, administrators, management and supervisory bodies
- Computation and analysis of the main economic and financial indicators
- Other information

Where an entity has the majority of voting rights in another entity or substantially controls another entity, or if any entity in the group is a listed company, a consolidated financial statement is required. If the company is not listed or if the preparation of a consolidated financial statements is not required by a state institution or for employees' information, it does not have to issue a consolidated financial statement, if two of the following three criteria are not met (turnover > 35.04 mil. Euro; total assets > 17.52 mil. Euro; average number of employees > 250), based on the latest annual financial statements.

2.2.5. Order of the Ministry of Public Finance No. 2001/2006

The Order of the Ministry of Public Finance No. 2001/2006 (OMF 2001/2006) is intended to modify and complete OMF 1752/2005 and includes the definition of finance and operating leasing and their accounting treatment; definitions for revenues and expenses; definitions of related parties. It also mentions that the disclosure of significant guarantees in the financial statements is mandatory.

2.2.6. Order of the Ministry of Public Finance No. 2374/2007

Similarly to OMF 2001/2006, the Order of the Ministry of Public Finance No. 2374/2007 brings further clarifications to OMF 1752/2005, such as:

- Where IFRS consolidated financial statements are prepared, there is no requirement to also have the OMF 1752/2005 consolidated financial statements
- Treatment of prior period errors and no adjustment to be made to comparative figures
- Sale and leaseback transaction treatment
- Treatment and costs for construction activities
- Revaluation of tangible assets
- What is to be recorded in the individual chart of account categories, as per the Order of the Ministry of Public Finance No. 1121/4.07.2006 (OMF 1121/2006)

OMF 1121/2006 completes the OMF 907/2005 with the statutory obligation of preparing financial statements according to the EU directives for all the companies, in addition to preparing the IFRS financial statements (either mandatory or optionally applied).

2.2.7. IAS / IFRS in Romania – A short Overview

In July 2002, the European Union adopted an IAS Regulation requiring all the companies to prepare their consolidated accounts in conformity with IAS, starting with the financial year 2005, if at their balance sheet date their securities are admitted to trading on a regulated

market of any Member State³². Insofar as the use of options in the IAS Regulation is concerned, Romania made the following decisions³³.

Table 2 – Use of Option in IAS Regulation in Romania

European Commission	Romania
<i>Article 5(a) of the IAS Regulation</i> LISTED COMPANIES 1. Will your member state use the option to permit IAS in the annual accounts for listed companies?	No, except for purposes information only. Annual financial statements that are in line with the Accounting Regulations according to the Fourth Directive are required in the relation with the Government authorities.
2. Will your member state use the option to require IAS in the annual accounts for listed companies?	No
<i>Article 5(b) of the IAS Regulation</i> OTHER COMPANIES 1. Will your member state use the option to permit IAS in the consolidated accounts of other companies? If yes, what type of companies?	Yes. According to the Order of the Minister of Economy and Finance No. 2374/2007, the entities applying the accounting regulations provided for by the European directives, except the entities whose securities are admitted to trading on a regulated market and which have the obligation to draw up consolidated financial statements, may apply either the IFRS or the accounting regulations as per the Seventh Directive.
2. Will your member state use the option to require IAS in the consolidated accounts of other companies? If yes, what type of companies?	Yes, for credit institutions.
3. Will your member state use the option to permit IAS in the annual accounts of other companies? If yes, what type of companies?	No, but for information purposes only. Financial statements in line with the accounting regulations provided for by the Fourth Directive are required in relation with the Government authorities.
4. Will your member state use the option to require IAS in the annual accounts of other companies? If yes, what type of companies?	No
<i>Article 9 of the IAS Regulation</i>	Yes (starting with the financial statements for

³² European Commission, http://ec.europa.eu/internal_market/accounting/ias_en.htm, accessed 14.04.2009

³³ European Commission (2008), *Implementation of the IAS Regulation (1606/2002) in the EU and EEA*, http://ec.europa.eu/internal_market/accounting/docs/ias/ias-use-of-options_en.pdf, accessed 12.04.2009

European Commission	Romania
(a) Will your member state use the option to defer the application of IAS until 2007 for companies whose debt securities only are admitted on a regulated market of any member state?	2007 financial year)
(b) Will your member state use the option to defer the application of IAS until 2007 for companies whose securities are admitted to public trading in a non-member State and which, for that purpose, have been using internationally accepted standards since a financial year that started prior to the publication of the IAS Regulation in the OJ of the EU?	Yes (starting with the financial statements for 2007 financial year)
Miscellaneous Is earlier adoption (before 2005) of IAS allowed? If yes, for what type of companies/ since when?	Yes (starting with the financial statements for 2001 financial year), but for information purposes only.

2.3. Mandatory Reports for the Stock Exchange Listed Companies

The capital market in Romania is regulated by the Romanian National Securities Commission (CNVM). The main laws referring to the public listed companies and the capital market in general are the Law No. 297/2004 and the Regulation No 1/2006 of the CNVM.

The information required from companies whose shares are admitted to trading is as follows:

- the convocation of the General Shareholders' Meeting
- the decisions that the General Shareholders' Meetings / Board of Directors made
- changes in company control, including in the control of the entity that owns the company, management, auditor and causes for this change

- conclusion or reduction of contractual relations which have generated at least 10% of the company's income within the previous financial exercise
- publishing the merger/ spin-off project in the Official Journal
- changes of the specific features and/or of the underlying rights of different securities types
- litigation whereby the company is involved
- initiation of the procedure of cessation or restarting the activity, initiation and conclusion of legal dissolvent, legal reorganization or bankruptcy proceedings
- off-balance sheet operations with significant effects over the financial results of the issuer
- changes in companies' debts that can significantly alter the activity or the patrimonial situation of the company (at least 10% of the total assets) acquisition or alienation of assets (including leasing, asset impairment)
- the contracts concluded by the company whose value exceeds 10% of the net turnover of the last annual financial statements or contracts concluded outside the current activity of the company
- a new product or service or a new development process which has an influence over the company's resources
- quarterly reports - for the first and the third quarter of the year – need to be publicly available for at least 5 years and to include at least:
 - the profit and loss account drafted according to the applicable regulations together with some financial ratios (index of current liquidity, indicator of indebtedness, turning speed of debits – customers, turning speed of tangible assets)
- half-yearly reports – for the first semester – need to be publicly available for at least 5 years and to include at least:
 - the financial and accounting statements underlying that half-year, drawn up according to the applicable regulations
 - the balance sheet and income statement, information about the cash flow of the company, changes in the capital structure of the company, analysis of the current activity

- annual reports need to be publicly available for at least 5 years and to include at least:
 - the annual financial and accounting statement drawn up according to the applicable regulations
 - The management report which shall include: the analysis of the current activity, general information (profit, market share, turnover, exports, cash), technical level of the company, an analysis of the sales, purchases, number of employees, the evaluation of R&D activity, risk management, information about tangible assets, stocks, bonds and dividend policy, balance sheet (comparing the analyses for the last 3 years) and income statement, information about the cash flow of the company, changes in the capital structure of the company
 - the statements made by the persons responsible within the issuer, whose names and functions shall be clearly indicated
 - The financial auditor's report and his/her comments in their entirety
- other reports:
 - shareholders representing at least 5% of the total voting rights in the issuers' GSM may request the financial auditors to prepare supplementary reports
 - before the date when dividends are paid, the company shall publish the amount of dividends per share, their payment term and the payment methods
- CNVM may authorize the company to make available to the public only their own or the consolidated annual report, if the other does not contain any significant additional information
- the reports (the annual financial statements, the annual report, the report of the financial auditor) approved by the General Meeting of Shareholders must be available within maximum 4 months from the closing of the financial year; for the half-year report, this deadline is of 2 months

2.4. Legal Framework for Public-Private Partnerships in Romania

2.4.1. Overview

A united and enlarged Europe also implies common standards in the infrastructure and services, and for Romania, PPPs might be a possible solution to achieve this standards in a shorter period of time. With 347 billions Euro for the 2007-2013 period, the structural and cohesion funds represent more than a third of the EU's budget³⁴, from which Romania is expected to receive 19,7 billions Euro. In order for these funds to be absorbed, it is necessary that the private sector be involved into the projects and the PPPs seem the most natural form.

KPMG Romania is of the opinion that the only reason that the PPPs are not very much used in the CEE countries is the previous lack of political and legal stability³⁵.

The current subchapter of this thesis focuses on the evolution of the Romanian legislation regarding PPPs / concessions.

2.4.2. Government Ordinance No. 16/2002³⁶

The Government Ordinance No. 16/2002 (GO 16/2002) on public-private partnerships (amending the Law No. 219 / 1998 regarding the Concession Regulatory Framework and subsequently amended by the Law No. 528/2004) provides, for the first time, for the legal procedure for initiating a PPP and for choosing the private partner. It is a very general and short law, comprising only 12 paragraphs.

Within the GO 16/2002, the government defines the terminology related to PPP, such as for instance: concessionaire, private investor, project, user fee, central public authority,

³⁴ Coalition for sustainable EU funds, <http://www.coalition-on-eufunds.org/Index.htm>, accessed 15.05.2009

³⁵ Gavrilă, Ana-Maria (01.11.2007), *Cu statul în aceeași barcă*, <http://www.theinvestor.ro/economie/cu-statul-in-aceeasi-barca>, accessed 14.03.2009

³⁶ Monitorul Oficial no. 94 / 2 Feb. 2002

local public administration authority, document attached to the letter of intent, competitive dialogue, project agreement.

The principles on which public-private partnerships are based are, according to the GO 16/2002:

- transparency
- equal treatment
- proportionality
- mutual recognition
- free competition

2.4.3. Government Decision No. 621/2002³⁷

The Decision no. 621/2002 approves the implementation provisions for the GO 16/2002 on public-private partnership contracts. It contains three appendixes, each one describing and containing the necessary documents for one stage of a PPP.

Within the Appendix 1, the implementation provisions on setting up and carrying out the eligible investor selection procedure and on establishing the main types of public-private partnership projects (DBO, BOR, BOT, LDO, ROT) are discussed. Also the standard form for some of the documents required in this phase are set out, such as:

- Confidentiality Statement
- Impartiality Statement
- Framework of the Document Attached
- Standard Format for Letters of Intent
- Standard Format for the Notice of Intent
- Project Agreement
- Project Risks Allocation Grid (the division of the project's risks between the public and the private partner, types of risk and the responsible party)

³⁷ Monitorul Oficial no. 481 / 5 July 2002

Appendix 2 includes the implementation provisions for drafting the pre-feasibility study and the feasibility study for public-private partnership projects, for conducting negotiations with selected investors, and for the standard content of the public-private partnership contract.

Appendix 3 sets out the implementation provisions for the calculation of project costs and reference comparative costs. It also defines the necessary stages in preparing and implementing a public – private partnership contract:

- Calculation of the project cost and of the comparative cost of reference
- Preparation and publication of the intention to promote a PPP project in the Official Monitor of Romania, part VI
- Free distribution of the Document attached to the Letter of Intent
- Receipt of the Letters of Intent from the investors
- Assessment of the offers and selection of the eligible investors
- Signature of a project Agreement with each of the selected investors
- Negotiation of the implementations conditions of the PPP project (economic, financial, technical conditions of the project)
- Set out the hierarchy of the selected investors
- Receipt and settling of complaints
- Final negotiation of the project contract, preparation and negotiation of the terms and clauses of the project contract with the best-ranked investor
- Finalisation of the draft contract
- Approval of the PPP contract by Government Decision
- Enter into force of the contract
- Carrying out of the contract
- Delivery of the public assets to the public authority at the end of the period of contract

2.4.4. PPP Central Unit

In order to fully harmonise the Romanian PPP legal framework with the European acquis, to better support and coordinate the development of PPP projects in Romania and to

elaborate the Romanian Government strategy for promoting and implementing the PPP projects, in 2005, the Government Ordinance no. 208 established the Central Unit for the Coordination of the Public-Private Partnership Activities (UCCPPP) within the Ministry of Public Finance. UCCPPP focuses also on sharing best practices and experience with the central and local authorities.

The main laws and decisions creating the current framework for PPPs are:

- Government Emergency Ordinance No. 34/2006³⁸
- Government Emergency Ordinance No. 54/2006³⁹

For the moment, there is no more piece of legislation entirely dedicated to PPPs, the previous laws having been repealed. Moreover, the PPP concept was replaced with “service concessions” and “works concessions”.

2.4.5. Government Emergency Ordinance No. 34/2006

The Government Emergency Ordinance No. 34/2006 (GEO 34/2006) concerning the award of procurement agreements and of concession agreements for public works and services (subsequently approved by the Law No. 337/2006) is in force as of 30 June 2006. The change it brought about resulted in modifications to contracts where one of the parties was the Romanian State.

This new Emergency Ordinance repeals all the former acts containing provisions regarding public acquisitions, such as the GO 16/2002, the Law No. 219/1998, or the GO 20/2002 (on electronic tender procedures).

The aim of the GEO 34/2006 is the harmonisation of the relevant Romanian legislation with the provisions of:

- Directive 2004/18/EC on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts
- Directive 2004/17/EC coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors

³⁸ Monitorul Oficial no. 418 / 15 May 2006

³⁹ Monitorul Oficial no. 569 / 30 June 2006

- Council Directive 89/665/EEC on the coordination of the laws, regulations and administrative provisions relating to the application of review procedures to the award of public supply and public works contracts
- Council Directive 92/13/EEC coordinating the laws, regulations and administrative provisions relating to the application of Community rules on the procurement procedures of entities operating in the water, energy, transport and telecommunications sectors

Contracts falling under the scope of the GEO 34/2006 are:

- public procurement contracts
- public works concession contracts
- services concession contracts

The public procurement contract is granted either based on the criterion of the most advantageous offer from an economic point of view or exclusively based on the lowest price criterion.

With respect to public works and services concessions, the GEO 34/2006 establishes the general framework for granting such contracts, while the specific stipulations regarding the substantiation of the decision to undertake the project, the method of transfer and recovery of the object of the concession, the method of preparation of the granting documentation and application of procedures are regulated by the Government Decision no. 925/2006 and the Government Decision no. 71/2007 (approving the implementations provisions for the GEO no. 34/2006).

The procedures for granting public procurement contracts defined by the GEO 34/2006 are the following:

- Open tender (takes place in one single stage; any interested supplier is free to submit an offer)
- Restricted tender (takes place in two distinct stages, only the candidates selected in the first stage may participate in the second one)
- Competitive dialogue (any economic operator has the right to candidate and the contracting authority conducts a dialogue with the admitted candidates in order to identify the solutions that would best answers its needs and, on the basis of the respective solution/s, the selected candidates would elaborate the final offer)

- Negotiated procedure with or without prior publication of a contract notice (the authority discusses and negotiates the contracting clauses, prices included, with a specific supplier, contractor or provider; only candidates selected by the contracting authority in the first stage will be invited to make an offer in the second stage)
- Call for offers (the authority request direct offers from some economic operators), the thresholds (without VAT) are 40,000 Euro for services concession contracts and 250,000 Euro for public works contracts respectively (the ceiling was raised from 100,000 Euro, as provided for in the former law)
- Design contest (contracting authority acquires, specifically in the field of urban planning, architecture or data processing, a plan or a project by having it selected, on competition bases, by a jury, with or without prize awarding.)

Some special methods of granting the public procurement contracts are also stipulated, such as:

- Framework agreement (concluded between the contracting authorities and one or more economic operator(s) in order to establish the terms governing the procurement contracts to be awarded during a given period – usually not more than 4 years. As a rule, framework agreements are mandatorily concluded by applying open or restricted tender procedures)
- Dynamic purchasing system (such a system can be used only for acquiring current use goods, having characteristics generally available on the market that answer to the contracting authority's needs)
- Electronic tender (may be used only as a final stage of the open tender, or the restricted tender, of the negotiation with prior publishing of a participation announcement, on the reopening of competition between the parties to a framework agreement or on the opening for competition of contracts to be awarded under the dynamic purchasing system. It may not be used when acquiring services and works contracts which include provisions of intellectual services, such as consultancy, design or similar others.)

2.4.6. Government Emergency Ordinance No. 54/2006

The Government Emergency Ordinance No. 54/2006 (GEO 54/2006) regulates the concession of public property assets– except for the case in which such concessions of public assets are granted for the purpose of performing public works or services (in which case, the GEO 34/2006 applies). In 2007, the Government Decision No. 168 approved the implementation provisions of the GEO 54/2006.

3. Empirical Analysis

3.1. Listed Companies' Annual Reports

3.1.1. Sample, Research Period and Methodology

This paper applies the same methodology as Karl, Pernsteiner, Schaffhauser-Linzatti (2007)⁴⁰ when checking the reporting behaviour of the Austrian companies in respect to PPPs.

Such a research was started in parallel in some selected CEE countries as a common project in order to identify the similarities, but also the differences between the countries regarding the reporting behaviour of the stock exchange listed companies concerning PPPs. In order to better be able to make such an analysis, some common rules were used in defining the sample, research period and methodology. It was decided that for all the countries a sample of approximately 50 listed companies will be used, and the research will be conducted for the financial year 2006. This was considered to provide relevant information about the reporting behaviour of the companies in one country. For this purpose, the sample should be chosen in such a way that as many economic fields as possible are represented.

In the case of Romania, the sample used is the companies listed at Bucharest Stock Exchange (BSE) in 2006. Since the main index of BSE, the BET index, contains only the most liquid 10 companies listed on the BSE regulated market, another index needed to be chosen to define the sample. BET-C, the composite index of BSE market, reflects the price movement of all the companies listed on the BSE regulated market, except the investment funds. For this reason, the final sample had to take into consideration BET-C plus the five investment funds traded at BSE (which form together a separate index, namely BET-FI).

⁴⁰ Karl, R., Pernsteiner, S., Schaffhauser-Linzatti, M. M. (2007) *Reporting on Public Private Partnership Projects*.

In order to decide on the final sample, the annual report of the BSE for 2006 was checked, the finding being a number of 56 companies listed during the entire year of 2006. Table 3 presents these companies, irrespective whether they were part of the final sample list or not. Since a part of them were delisted already at the moment of this research (either because they went into bankruptcy or because they have been taken over), they were not taken into consideration in the final sample list.

Table 3 – Sample Companies Listed at Bucharest Stock Exchange in 2006

No.	Symbol	Name of the company	Homepage national language	Market capitalisation (%)	Parts of the sample
1	ALR	ALRO S.A.	www.alro.ro	4.57%	yes
2	ALT	ALTUR S.A.	www.altursa.ro	0.06%	yes
3	AMO	AMONIL S.A.	www.amonil.ro	0.09%	yes
4	APC	VAE APCAROM S.A.	www.voestalpine.com	0.06%	yes
5	ARM	ARMATURA S.A.	www.armatura.ro	0.02%	yes
6	ARS	AEROSTAR S.A.	www.aerostar.ro	0.13%	yes
7	ART	T.M.K. - ARTROM S.A.	no page in romanian	0.28%	yes
8	ASA	AGRAS VIENNA INSURANCE GROUP S.A.	www.agras-vig.ro	0.02%	yes
9	ATB	ANTIBIOTICE S.A.	www.antibiotice.ro	1.10%	yes
10	AZO	AZOMURES S.A.	www.azomures.com	0.11%	yes
11	BCC	BANCA COMERCIALA CARPATICA S.A.	www.carpatica.ro	0.90%	yes
12	BIO	BIOFARM S.A.	www.biofarm.ro	0.44%	yes
13	BRD	BRD - GROUPE SOCIETE GENERALE S.A.	www.brd.ro	18.20%	yes
14	BRK	S.S.I.F. BROKER S.A.	www.ssifbroker.ro	0.26%	yes
15	BRM	BERMAS S.A.	no own site	0.04%	yes
16	CBC	CARBOCHIM S.A.	www.carbochim.ro	0.05%	yes
17	CMF	COMELF S.A.	www.comelf.ro	0.06%	yes
18	CMP	COMPA S.A.	www.compa.ro	0.26%	yes
19	COS	MECHEL TARGOVISTE S.A.	www.mechel-tgv.ro	0.56%	yes
20	ECT	GRUPUL INDUSTRIAL ELECTROCONTACT S.A.	www.electrocontact.ro	0.02%	yes

No.	Symbol	Name of the company	Homepage national language	Market capitalisation (%)	Parts of the sample
21	EFO	TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA S.A.	www.eforienord.ro	0.12%	yes
22	ELJ	ELECTROAPARATAJ S.A.	www.electroaparataj.ro	0.09%	yes
23	ENP	COMPANIA ENERGOPETROL S.A.	www.energo.ro	0.01%	yes
24	EPT	ELECTROPUTERE S.A.	www.electroputere.ro	0.05%	yes
25	EXC	KANDIA - EXCELENT	delisted	0.14%	no
26	FLA	FLAMINGO INTERNATIONAL SA	www.flamingo.ro	0.39%	yes
27	IMP	IMPACT DEVELOPER & CONTRACTOR S.A.	www.impactsa.ro	0.83%	yes
28	MEF	MEFIN S.A.	www.mefin.ro	0.01%	yes
29	MJM	MJ MAILLIS ROMANIA S.A.	www.maillis.ro	0.06%	yes
30	MPN	TITAN S.A.	www.titan.ro	0.24%	yes
31	OIL	OIL TERMINAL S.A.	www.oil-terminal.com	0.23%	yes
32	OLT	OLTCHIM S.A. RM. VALCEA	www.oltchim.ro	2.39%	yes
33	PCL	POLICOLOR S.A.	www.policolor.ro	0.23%	yes
34	PEI	PETROLEXPORTIMPORT S.A.	www.petex.ro	0.07%	yes
35	PPL	PRODPLAST S.A.	www.prodplast.ro	0.04%	yes
36	PTR	ROMPETROL WELL SERVICES S.A.	www.petros.ro	0.10%	yes
37	RBR	RULMENTUL Braşov	delisted	0.02%	no
38	RRC	ROMPETROL RAFINARE S.A.	www.rompetrol.ro	2.61%	yes
39	SCD	ZENTIVA S.A.	www.zentiva.ro	0.97%	yes
40	SIF 1	SIF BANAT CRISANA S.A.	www.banat-crisana.com	2.53%	yes
41	SIF 2	SIF MOLDOVA S.A.	www.sifm.ro	2.40%	yes
42	SIF 3	SIF TRANSILVANIA S.A.	www.transif.ro	2.30%	yes
43	SIF 4	SIF MUNTENIA S.A.	www.sifmuntenia.ro	2.10%	yes
44	SIF 5	SIF OLTENIA S.A.	www.sifolt.ro	2.89%	yes
45	SLC	SILCOTUB Zalău	delisted	0.33%	no

No.	Symbol	Name of the company	Homepage national language	Market capitalisation (%)	Parts of the sample
46	SNO	SANTIERUL NAVAL ORSOVA S.A.	www.snorsova.ro	0.09%	yes
47	SNP	PETROM S.A.	www.petrom.ro	45.18%	yes
48	SOCP	SOCEP S.A.	www.socep.ro	0.12%	yes
49	SRT	SIRETUL PASCANI S.A.	www.siretul.ro	0.02%	yes
50	STZ	SINTEZA S.A.	www.sinteza.ro	0.04%	yes
51	TBM	TURBOMECANICA S.A.	www.turbomecanica.ro	0.39%	yes
52	TLV	BANCA TRANSILVANIA S.A.	www.bancatransilvania.ro	5.60%	yes
53	UAM	UAMT S.A.	www.uamt.ro	0.02%	yes
54	UCM	U.C.M. Reșita	www.ucmr.ro	0.08%	yes
55	VNC	VRANCART S.A.	www.vrancart.ro	0.09%	yes
56	ZIM	ZIMTUB S.A.	www.zimtub.ro	0.02%	yes

The websites of all the companies were visited and the annual reports for the year 2006 were downloaded. In case they were also available in English, the English version was preferred, since this allowed a better comparability with the results for the other CEE countries.

More detailed information like for example balance sheet total for 2006, average number of employees, how long have they been public listed companies, the field of activity, if they published their annual reports on their websites, the language of the said reports, etc for all the sample companies can be found in the Annex 1.

Some statistics of this information are presented in Table 4.

Table 4 – Statistics of the Samples' Information

Field	No. of companies
Equipment	17
Banks and financial services	10
Chemicals	6
Materials	5
Services	5
Consumer goods	4
Pharmaceuticals	3

Field	No. of companies
Energy	2
IT	1
Utilities	1

Annual report electronically available	No. of companies
Yes	33
No	19
Partially yes	2

Individual or consolidated financial statement 2006	No. of companies
Consolidated	4
Individual	28
Both	3
None	19

Languages consolidated financial statement 2006	No. of companies
English and Romanian	13
Romanian	21
English	1
n/a	19

Accounting-standards individual financial statement	No. of companies
RAS	28
IFRS	1
RAS and partially IFRS	1
IFRS + RAS	1
n/a	23

Accounting-standards consolidated financial statement	No. of companies
RAS	0
IFRS	6
RAS and partially IFRS	0
IFRS + RAS	1
n/a	47

As it can be observed, most of the companies listed at the BSE operate in the equipment or financial fields, which do not so commonly enter into PPPs.

Only 64% of the companies' annual reports are electronically available, the remainder either not having a well functioning website or presenting only the last year's annual report on their website. It is also very frequent that they publish only the balance sheet or a very brief annual report (a summary of a maximum of 10 pages, typically in a table format).

7 companies or 13% of the sample list their consolidated financial reports according to the IFRS standards, in this case, all of this reports being also available in English. These are the three banks which are part of the sample, one company from the service sector, one company from the IT sector, one from the utilities sector and one from the equipment one.

In order to determine if the companies report their PPPs, the annual reports were checked for indications of such an activity. Keeping in mind the necessity to conduct this part of the research in a similar way in all CEE countries, a common list of keywords was created. These keywords were chosen from the Green Paper on public-private partnerships and Community law on public contracts and concessions, from the list from the Romanian Chamber of Commerce (CCIR)⁴¹ and other related literature, as words describing or suggesting a PPP.

This paper distinguishes between two sets of keywords: direct and indirect ones.

The sample companies' reports have been searched for expressions or words which might lead to the conclusion that they were involved into PPP activities, using the list of direct and indirect keywords.

3.1.2. Direct Keywords

The direct keywords are all the short forms and synonyms that are used in the legislation or in practice in order to refer to PPP activities: "BLOT", "BOO", "BOOT", "BOR", "BOT", "BROT", "BTO", "DBFO", "LDO", "MOO", "MOT", "PFI", "PPP", "Private Finance Initiative", "PSPP", "Public-Private Partnership", "ROD", "ROT". In case such a keyword was found in any annual report, it could be concluded that that company was involved in a PPP.

As mentioned before, many reports were available only in Romanian, the expressions for which a Romanian translation was available have been translated, so that the search could be conducted identically in all reports.

Table 5 summarises the frequency distribution of all these direct keywords, after an electronic search on all available annual reports, in English or Romanian.

⁴¹ Camera de Comerț și Industrie a României, *Ghid pentru Parteneriat Public Privat, ediția a III-a, revăzută și adăugită*, București, 2006

Table 5 – Results – Direct Keywords

Direct key word	No. of occurrences
BLOT	0
BOO	0
BOOT	0
BOR	0
BOT	0
BROT	0
BTO	0
DBFO	0
LDO	0
MOO	0
MOT	0
PFI	0
PPP	1
Private Finance Initiative / Initiativa Finantarii Private	0
PSPP	0
Public-Private Partnership/ Parteneriat Public - Privat	0
ROD	0
ROT	0

Interestingly, only one company has mentioned anything at all about a PPP, and even this mention refers to a future project. In the annual report for 2006 of the company IMPACT DEVELOPER & CONTRACTOR S.A., it is mentioned that “the Lomb District will be started at the end of 2007. It is the first large scale **PPP** in residential development in Romania and the biggest mixed-use real estate development outside Bucharest to date. It will be developed on 205 ha and will include 2500 flats and 3200 houses.”⁴²

3.1.3. Indirect Keywords

The indirect keywords are all the words or expressions which might be an indication of a PPP activity. In this category fall all the main fields / sectors, where a PPP contract might

⁴² Impact Developer & Contractor S.A.(2007), *Consolidate Financial Statement for the year 2006*, <http://www.impactsa.ro/!res/fls/si tuatii-financiare-consolidate-pentru-anul-2006.pdf>, accessed 10.02.2009

be used (such as, for example, “highway”), but also other types of contracts, which might be used to express a partnership (such as “concession” contract of works or services).

Obviously, many of these words, for instance “construction”, are bound to appear rather often in every report; that is why, instead of a simple electronic check, similar to the one used for the direct keywords, in this case, every result needed to be verified in order to determine which ones really indicate a PPP contract.

Also, like in the case of direct words, since a lot of reports were available only in Romanian, all these words had to be translated, so that the search could be conducted identically in all reports.

The findings are summarized in Table 6.

Table 6 – Results – Indirect Keywords

Indirect Keywords	Total results	Indications of a PPP
Authorit / autorit	71	1
Concession / concesi	23	1
Construction / constructie	158	0
Construction risk / risc constructie	2	0
Cooperation / cooperare	18	1
Franchising	1	0
Hospital / spital	7	0
Infrastructure / infrastructura	31	0
Jail / inchisoare	0	0
Joint venture	7	0
Motorway / autostrada	0	0
Municipalit	6	0
O&M contract	0	0
Port	3	0
Private entit / entitate privata	0	0
Private fund / fond privat	0	0
Private partner / partener privat	0	0
Private sector / sector privat	0	0
Public contract / contract public	0	0
Public entit / entitate publica	1	0
Public fund / fond public	0	0

Indirect Keywords	Total results	Indications of a PPP
Public health / sanatate publica	1	0
Public law / lege publica	0	0
Public partner / partener public	0	0
Public sector / sector public	1	0
Public service / serviciu public	2	0
Public suppl / furnizor public	0	0
Public undertaking / preluare publica	0	0
Public work / lucrar public	0	0
Rail / cale ferata	7	0
Risk allocation / alocarea riscului	0	0
Risk distribution / distribuirea risc	0	0
Shadow toll	0	0
Transport	56	0
University / universitate	35	0
Waste / deseuri	36	0
Water suppl / alimentare cu apa	0	0
Waterway / canal	0	0

As shown by the table above, some of the words have been found a lot of times. “Construction” or the Romanian translation “constructie” was found 158 times, but none of these occurrences was actually an indication of a PPP. Such was also the case of “transport” – with 56 results, “university” (and the Romanian translation “universitate”) – with 35 results, “waste” (and the Romanian translation “deseu”) – with 36 results or “infrastructure” (and the Romanian translation “infrastructura”) – with 31 results.

Only three times the use of some indirect keyword might be an indication of a PPP. The exact paragraphs found in the annual reports are the following:

BANCA TRANSILVANIA S.A. – “2006 plans included many programs dedicated to the community. BT supported over 150 projects and events, in various fields like education, culture, sport, healthcare etc. Amongst all projects sponsored by Banca Transilvania, the most important proved to be the one we called “You choose - Banca Transilvania gets involved”, aiming the achievement of a special concept, initially developed within four cities in Transylvania: Alba Iulia, Bistrita, Deva and Sibiu. In each of these cities, the bank, in a close partnership with the local **authorities**, proposed three projects which needed

financial support. Our customers, members of these communities, had the possibility to select where to Banca Transilvania's financial contributions would go, voting the projects considered most important for them.”⁴³

FLAMINGO INTERNATIONAL S.A. – “The Group has the right to use certain plots of land in free-tax area Giurgiu, based on **concession** contracts concluded with Regia Autonoma “Administratia Zonei Libere Giurgiu” in the period 1998 – 2001. The plots of land are not included within the Group financial statements as there are used under an operating lease agreement.”⁴⁴

BANCA COMERCIALA CARPATICA S.A. – “Starting 2006 the bank has initiated several contacts with national institutions involved in projects of financing the main clients of the Bank: The Farmer Program belonging to the Ministry of Agriculture, Forest and Rural Development, as well as the Investment Program and Start-up Program, in **cooperation** with the National Agency for Small and Medium Enterprises and Cooperation.”⁴⁵

3.1.4. Conclusions

In spite Romania's having to close a big gap as compared to other EU member states when it comes to any type of infrastructure (with the exception of the railway infrastructure), the important amount of money from the structural and cohesion funds which are allocated to the country and of the fact that the PPPs being considered a good alternative for developing certain projects in a shorter period of time, it seems that, for the year 2006, the evidence of any PPP contracts for the BSE-listed companies is almost completely missing.

⁴³ Banca Transilvania (2007), *Annual report 2006*, <http://www.bancatransilvania.ro/uploads/raport2006.pdf>, accessed 10.02.2009

⁴⁴ Flamingo International S.A. (2007), *Consolidated Financial Statements For The Year Ended 31 December 2006*, http://www.flamingo.info/download_files/Auditors_Reports/2006/en/Flamingo_International_IFRS_31_12_2006_EN.pdf, accessed 08.02.2009

⁴⁵ Banca Comerciala Carpatica S.A., *Raport Anual 2006 / Annual Report 2006*, <http://www.carpatica.ro/download/SituatiiFinanciare/RAn2006.pdf>, accessed 05.02.2009

Some possible explanations might be:

- The legislation for the PPPs has undergone many changes during the years, and only towards the middle of the year 2006 has the legal framework been updated to its current form, thus being harmonised with the EU legislation, so that more companies felt confident enough to get involved in such projects
- The companies listed at BSE are not necessarily a representative sample of companies which would have the interest to get involved in such projects, having in mind that, generally, consulting and construction companies or companies working in the waste / sewage treatment field typically enter into PPPs, which are almost completely missing from our sample
- The UCCPPP was created only towards the end of 2005, so that the statistics for 2006 could still be not too much influenced by the new Government's efforts
- The reports of most of the Romanian companies for 2006 (except for the banks and other financial institutions, and in general for the services-oriented companies or for the ones operating mainly on the international markets) seem to be very vague and containing only the mandatory figures. Very frequently, the annual reports are extremely short and presented almost in a table format, supplying mostly figures with only very short description of their activity
- The conclusion for the Austrian market, that “voluntary reporting on PPP does not seem to be attractive. Those few firms pointing out PPP in their annual reports (mis?)use PPP reporting as public relation instrument to emphasize their economic and political influence, and hence only provide limited information.”⁴⁶, seems to apply also in the case of Romania

⁴⁶ Karl, R., Pernsteiner, S., Schaffhauser-Linzatti, M. M. (2007) Reporting on Public Private Partnership Projects

Because of the lack of more concrete results, this paper intends to extend its initial purpose and look more depth into the PPPs in Romania, this time not limiting the research to the listed companies and to a specific period of time, but trying a more general Internet research on the PPP projects in Romania.

3.2. Internet Research

3.2.1. Overview

In order to find out more information about PPPs in Romania, the paper identifies a few new directions of research:

- The legislation (government approved projects)
- The UCCPPP database of the Ministry of Finance
- The county councils' websites
- Articles, news on the internet

3.2.2. Government Approved Projects

One of the most important sources of potential identification of the PPP projects in Romania is again the legislation. Some of the projects are approved by the government, and these are easy searchable in the approved legislation. The website of Romanian's Official Monitor (Monitorul Oficial) offers the possibility to search in all Romanian legislation after certain keywords. Using as a keyword the Romanian translation of private-public partnership, "parteneriat public-privat" the search returned 17 results. The short form "PPP" returned no results.

These can be divided as follows:

- New law, decision or ordinance – 3 results
- Modifications / Amendments to an existing law, decision or ordinance – 7 results
- Specific / New PPP projects – 3 results
- Modifications / Amendments to an already approved project – 4 results

The three government approved projects found are:

- Potable Water Supply in Zalau, Simleul Silvaniei, Jibou and Cehul Silvaniei

- Dambovita Center
- Esplanada City Center

In 2002, the GD No. 1315 / 2002⁴⁷ approved the first investment objective: “**POTABLE WATER SUPPLY** in Zalau, Simleul Silvaniei, Jibou and Cehul Silvaniei”, a PPP project, model DBO. The details of the project should have been later approved by a different law, but such a law does not exist. A further research on the Internet identified a contract between these cities’ councils and S.C. Compania de Apă Someș S.A., signed in 2006 regarding the concession for 30 years of the water and wastewater services⁴⁸.

GD 304 / 2003⁴⁹ approved the construction of the “**DAMBOVITA CENTER**”, the rehabilitation of Casa Radio, an unfinished Romanian building in Bucharest. There have been four government decisions regarding this project and many more Bucharest City Council’ decisions during the last 5 years, so that this agreement has undergone through many changes during the time.

The initial contract stipulated that the government, which provided the building, would get only 10% of the income, after the construction of a hotel and a mall called "Dâmbovița Center" by the Turkish company Cenk Vefa Kucuk.

The government annulled the contract in 2005⁵⁰, after many irregularities regarding the tender, the company and the financing were revealed. In the winter of 2006, Plaza Center entered into a PPP agreement with the Government of Romania to develop the approximately US\$1 billion Dambovita Center, one of the largest projects to be developed in Bucharest, which will include 600,000 square meters of retail space, offices, hotels, and homes by 2013 – the new deadline for the project, initially set for 2012⁵¹.

⁴⁷ Monitorul Oficial no. 0870 / 03 December 2002

⁴⁸ Zalau City Hall (2006), *HOTĂRÂREA nr. 73 din 10 aprilie 2006*, http://www.zalausj.ro/cms/hotarari_more.php?id=A145_0_7_0_M, accessed 14.04.2009

⁴⁹ Monitorul Oficial no. 0238 / 08 April 2003

⁵⁰ Ziarul Financiar (25.052005), *Contractul pentru Casa Radio va fi reziliat* <http://www.zf.ro/eveniment/contractul-pentru-casa-radio-va-fi-reziliat-3023078/>, accessed 10.04.2009

⁵¹ Moga Cristi (31.03.2009), *Proiectul Dambovita Center de pe platforma Casei Radio, evaluat la un miliard de euro la finalizare*, <http://www.zf.ro/companii/proiectul-dambovita-center-de-pe-platforma-casei-radio-evaluat-la-un-miliard-de-euro-la-finalizare-4115245/>, accessed 10.04.2009

The Romanian Government remained a 15% partner in the scheme. Construction began in June 2007, after a decision to demolish 70% of the initial building was made, and to keep only the facade and the structural framework.

Another real estate project, approved by the GD 1080 / 2005⁵², is “**ESPLANADA CITY CENTER**”. This is a PPP between the government and the company Trigranit, on a project to build a small city with shopping, living, working and leisure functions integrated into one enormous complex, developed on an area of 107,140 square meters.

The works on the Esplanada Project is due to start in the second half of 2009. The entire project will become property of the Romanian State after 49 years of partnership, at the end of which the private party will have the option to buy the complex.

3.2.3. The PPP Central Unit Database of the Ministry of Finance

As already mentioned, a new body for the promotion of PPP was created in 2005 within the Ministry of Finance. This PPP Central Unit (UCCPPP) focuses on sharing best practices and experience with the central and local authorities.

The UCCPPP’s website identifies five projects in which the Romanian Government is involved, most of them being for technical assistance.

There is only one finalised technical assistance project, namely the “**Technical Assistance for Preparing a Feasibility Study on Establishing a Local Infrastructure Investment Trust in Romania**”, financed by the World Bank, through the Dutch grant programme TF 054659⁵³. This project, with duration of approximately 6 months, had the following objectives⁵⁴:

- preparation of the feasibility study on establishing a Local Infrastructure Investment Trust (LIIT) in Romania (feasibility study to be carried out in four phases: alternative fund design options; pre-test of fund structuring options with potential

⁵² Monitorul Oficial no. 0853 / 21 September 2005

⁵³ Ministry of Public Finance – Romania, <http://portalmfp.mfinante.ro/wps/portal>, accessed 14.05.2009

⁵⁴ Ministry of Public Finance – Romania (2006), *Request For Expressions Of Interest “Technical Assistance for Preparing a Feasibility Study on Establishing a Local Infrastructure Investment Trust in Romania”*, http://www.mfinante.ro/REoI_LIIT_%20FINAL.htm, accessed 14.04.2009

investors; fund prospectus; and pre-marketing of LIIT and identification of fund sponsor)

- providing training in the field of Public Private Partnerships i.e. mobilising private finance at the local level

The experts' team, which presented the final report on 26 October 2007, was composed of:

- ECORYS Nederland BV (Netherlands)
- International Capital Partnerships Ltd. (Great Britain)
- PPP Legal Advisors (Great Britain)
- Gutium & Asociații SCA (Romania)

There are also two on-going projects, namely the **“Technical Assistance for Strengthening the Administrative and Managerial Capacity for an Efficient Development, Promotion, Implementation and Monitoring System for Public-Private Partnership Projects – Romania (PHARE – no. nr. 2005/017-553.05.01)** and the **“JASPERS project”**.

The first one involved experts from Deloitte Romania, UK and Netherlands, as well as from the company Louis Berger SAS, France. Its objectives were to provide⁵⁵:

- a detailed PPP manual for all the sectors in which projects through PPP or concessions are possible
- a PPP toolkit for the contracting authorities, a detailed guide to legal, technical and financial issues to be taken into account when approaching the issue of involving private sector into infrastructure projects
- a training program for the local authorities' personnel involved in PPPs activities;
- a national PPPs database
- a standardised questionnaire in order to evaluate the needs and information related to PPP of the local and central authorities
- a training program for the UCCPPP's personnel

⁵⁵ Ministry of Public Finance – Romania, *Proiecte de asistență tehnică în derulare*, http://portalmfp.mfinante.ro/wps/portal/!ut/p/.cmd/cs/.ce/7_0_A/.s/7_0_2009/_s.7_0_A/7_0_2009;jsessionid=0000j2OJAqIRFDTFGLmNvTA3WTw:10id29ssj, accessed 14.04.2009

The JASPERS project is a “major joint policy initiative of the EIB, European Commission (Regional Policy Directorate-General - DG Regio) and the EBRD which aims to assist beneficiary countries to prepare major infrastructure projects which will be assisted by the EU Structural and Cohesion Funds over the next budgetary planning period 2007-2013. All assistance will be offered free of charge. Assistance may be given to prepare individual projects or horizontal studies that cover more than one project or more than one country.”⁵⁶ In Romania, JASPERS will in addition⁵⁷:

- try to identify potential projects which will be developed as case studies
- inform UCCPPP on the bidding process of the projects

The UCCPPP has also two technical assistance projects in the preparation phase⁵⁸:

The first one is “**Technical Assistance for implementation of municipal Public-Private Partnership**” projects PHARE – no 2004/016-772.05.01.01 - to assist 5 authorities at local level in their endeavour to enter into a PPP, namely Slatina – Regional Transport, Craiova – Local Transport, Videle, Oradea, Brasov – District Heating.

The overall objective of the project is to assist the municipalities and corresponding utility companies to enter into a PPP with the objective of:

- improving the level of the services of the relevant utility
- increasing their efficiency
- making optimal capital investments
- ensuring the long-term financial, technical and environmental sustainability of the system

“**Monitoring of the ISPA Programmes with a PPP component**” is the second project in the preparation phase.

The ISPA programmes concerned are presented in Table 7.

⁵⁶ JASPERS, <http://www.jaspers.europa.eu/>, accessed 20.04.2009

⁵⁷ Ministry of Public Finance – Romania, *Proiecte de asistență tehnică în derulare*, http://portalmpf.mfinante.ro/wps/portal/!ut/p/.cmd/cs/.ce/7_0_A/.s/7_0_2009/_s.7_0_A/7_0_2009;jsessionid=0000j2OJAqIRFDTFGLmNvTA3WTw:10id29ssj, accessed 14.04.2009

⁵⁸ Ministry of Public Finance – Romania, <http://portalmpf.mfinante.ro/wps/portal>, accessed 14.05.2009

Table 7 – ISPA Programme in Romania with a PPP Component

CODE	Programme title
2000/RO/16/P/PE/002	Rehabilitation of sewerage network and wastewater treatment facilities – Craiova County
2000/RO/16/P/PE/001	Solid waste management programme – Piatra Neamt County
2002/RO/16/P/PE/024	Solid waste management programme - Teleorman County
2001/RO/16/P/PE/017	Rehabilitation of solid waste collection, transportation, treatment and landfill facilities - Dambovită County
2005/RO/16/P/PE/001	Solid waste management programme - Argeş county
2004/RO/16/P/PE/007	Solid waste management programme - Bacău and surroundings
2003/RO/16/P/PE/027	Solid waste management programme - Galați and surroundings

During the last year, this unit has developed a database with the PPPs in Romania, which has the purpose to inform all the stakeholders about the successes or problems related to these agreements. The complete database can be found in Annex 2. Some statistics of the PPP projects in Romania are reproduced in Table 8.

Table 8 – Statistics Regarding the PPP Projects in Romania⁵⁹

Sector	Number of projects by sector
Waste	7
Wastewater	6
Airports	4
Roads and motorways	4
Transport infrastructure / parking	3
Energy	3
Electricity	3
Urban transport	2
Tourism/recreational infrastructure	2
Real estate - buildings	2
IT	1
Railways	1
Social services	1
Bridges	1

⁵⁹ Ministry of Public Finance – Romania, <http://www.anaf.ro/public/wps/portal/BazaDatePPP>, accessed 14.04.2009

Location	Number of projects by location
South-East	11
North-East	9
South	5
Bucharest - Ilfov	5
West	3
South-West	2
Center	1
North-West	4

Status	Number of projects by status
On-going contract	9
No status indicated	3
Pre-tendering phase	13
Cancelled project	11
Tendering phase	4

Most of the listed projects are related to infrastructure (airports, roads, parking, urban transport, railways, bridges and tourism/recreational infrastructure), representing 42,5 % of the total projects. Infrastructure is Romania's weakest point, often considered the main obstacle in the development of the tourism and economy in general. Obviously, PPPs are seen as a feasible solution to reduce this deficit.

There are no completed projects in this database, most of the listed ones being on pre-tendering phase or have already been cancelled, the reason for this not being stated.

3.2.4. County Councils' Websites

In order to complete this section, the websites of all the 42 Romanian counties (41 counties plus the capital Bucharest) were checked. Since in most of the cases the websites are only partially available also in English, this research used the Romanian translation of the original English keywords.

An electronic search was performed using the Google search engine and its option "Search within a site or domain". In case the singular and the plural form of the keyword are so different that the search machine would not consider them both, the search was performed for both forms separately and the results were added. The same procedure was also applied

for the definite and the indefinite article of Romanian keyword translations which could change the form of the substantive. A higher difficulty was encountered in the case of expressions such as “construction risk”. The Romanian translation of such expressions may differ according to the grammatical case, definite and indefinite article and number, and since in the case of expressions the search was carried out with the exact phrase, the results obtained could only represent a minimum of results, since not all the combinations could be tested.

The total number of occurrences is summarized in Table 9.

Table 9 – Usage of Keywords within the County Councils’ Websites

English Keyword	Romanian Keyword	Total no. of occurrences
BLOT	BLOT	0
BOO	BOO	0
BOOT	BOOT	0
BOR	BOR	0
BOT	BOT	0
BROT	BROT	0
BTO	BTO	0
DBFO	DBFO	2
LDO	LDO	0
MOO	MOO	0
MOT	MOT	0
PFI	PFI	0
PPP	PPP	137
Private Finance Initiative	Initiativa Finantarii Private	0
PSPP	PSPP	0
Public-Private Partnership	Parteneriat Public - Privat	967
ROD	ROD	0
ROT	ROT	0
authority	autoritate	3,662
concession	concesiune	3,320
construction	constructie	2,613
construction risk	risc constructie	0
cooperation	cooperare	5,372
franchising	franchising	0
hospital	spital	3,255
infrastructure	infrastructura	4,488

English Keyword	Romanian Keyword	Total no. of occurrences
jail	inchisoare	868
joint venture	joint venture	22
motorway	autostrada	709
municipality	municipalitate	205
O&M contract	contract O&M	0
port	port	6,179
private entity	entitate privata	6
private fund	fond privat	4,786
private partner	partener privat	15
private sector	sector privat	407
public contract	contract public	5
public entity	entitate publica	20
public fund	fond public	641
public health	sanatate publica	1,492
public law	lege publica	30
public partner	partener public	3
public sector	sector public	448
public service	serviciul public	10,231
public supply	furnizor public	14
public undertaking	preluare publica	0
public work	lucrare publica	1,869
rail	cale ferata	586
risk allocation	alocarea riscului	1
risk distribution	distribuirea riscului	1
shadowtoll	shadowtoll	0
transport	transport	25,643
university	universitate	450
waste	deseuri	2,604
water supply	alimentare cu apa	5,176
waterway	apa-canal	1,755

As it can be observed, the acronyms are not used at all, with the exception of “PPP”, with 137 results and DBFO, with 2 results. Due to the large number of occurrences in most of the cases and to the fact that many websites post also legislation or other materials which may refer merely to the public administration (the used indirect keywords are almost entirely also public administration keywords), it is very difficult to identify the ones which genuinely indicate a PPP.

The detailed distribution of keywords within the different county councils websites can be found in Annex 3.

In order to retain only the results which indicate a PPP project, the research was restricted in the next phase to only the county councils' approved projects. Moreover, the search was limited to only two keywords: "public-private partnership", with its Romanian translation "parteneriat public-privat", and "concession", with its Romanian translation "concesiune". As in the case of the listed companies' annual report, the word "concession" does not always imply automatically a PPP, which is why the content of the decision was verified in order to determine if it is indeed an indication of a PPP or not.

In the cases when a local search engine was available on the website, this method was preferred; otherwise, it was proceed with a manual search in all the decisions of the local county council. Some of the websites were not functioning or had not published their decisions; in this case, "n.a." is indicated in the table. Furthermore, it was interesting to specify the sector in which the PPP was used.

The results of this check are presented in Table 10.

Table 10 – Indications of a PPP within the County Councils Approved Decisions

County	Website	"Concesiune"		"Parteneriat public-privat"	Sector
		results	hint		
Alba	http://www.cjalba.ro	14	3	0	water, wastewater
Arad	http://www.cjarad.ro	37	3	2	culture
Arges	http://www.cjarges.ro	1	1	1	IT
Bacau	http://www.csjbacau.ro	1	1	0	infrastructure
Bihor	http://www.cjbihor.ro	1	1	0	water
Bistrita-Nasaud	http://www.cjbillions.ro/	0	0	0	
Botosani	http://www.cjbotosani.ro	0	0	0	
Braila	http://www.portal-braila.ro	23	15	0	infrastructure
Brasov	http://www.judbrasov.ro/cjbv	2	2	0	infrastructure
Buzau	http://www.cjbuzau.ro	6	2	3	services
Calarasi	http://www.calarasi.ro	0	0	0	
Caras-Severin	http://www.cjcs.ro	3	0	0	
Cluj	http://www.cjcluj.ro	21	2	1	waste, infrastructure

County	Website	“Concesiune”		“Parteneriat public-privat”	Sector
Constanta	http://www.cjc.ro	5	4	0	airport
Covasna	http://www.covasna.info.ro	20	2	0	energy
Dambovita	http://www.cjd.ro	28	0		culture
Dolj ⁶⁰	http://www.cjdolj.ro	0	0	0	
Galati	http://www.cjgalati.ro	0	0	0	
Giurgiu	http://www.cjgiurgiu.ro	0	0	0	
Gorj ⁶¹	http://www.cjgorj.ro	0	0	0	
Harghita	http://www.cchr.ro	n.a.	n.a.	n.a.	
Hunedoara	http://www.cjhunedoara.ro	n.a.	n.a.	n.a.	
Ialomita	http://www.cicnet.ro	0	0	0	
Iasi	http://www.icc.ro	1	1	0	electricity
Ilfov	http://www.cjilfov.ro	0	0	0	
Maramures	http://www.cjmaramures.ro	5	3	4	services
Mehedinti	http://www.cjmehedinti.ro	n.a.	n.a.	n.a.	
Mures	http://www.cjmures.ro	6	2	25	waste, services, infrastructure
Neamt	http://www.cjneamt.ro	7	0	6	-
Olt	http://www.cjolt.ro	3	0	0	
Prahova	http://www.cjph.ro	2	2	6	IT, waste, water, infrastructure
Salaj	http://www.cjsj.ro	0	0	0	
Satu Mare	http://www.satumare.ro	n.a.	n.a.	n.a.	
Sibiu	http://www.cjsibiu.ro	0	0	0	
Suceava	http://www.cjsuceava.ro	0	0	0	
Teleorman	http://www.cjteleorman.ro	0	0	0	
Timis	http://www.cjtimis.ro	0	0	4	IT
Tulcea	http://www.cjtulcea.ro	4	4	1	IT, infrastructure
Valcea	http://www.cjvalcea.ro	0	0	0	
Vaslui	http://www.cjvs.ro	0	0	0	
Vrancea	http://www.cjvrancea.ro	0	0	3	services
Bucuresti	http://www.pmb.ro	6	2	6	IT, infrastructure

⁶⁰ Data available only for 2009.

⁶¹ Data available only for 2009.

As in the case of the UCCPPP's database, the sector with the most approved projects is infrastructure (with 9 results). Very important seem to be also the projects more closely within the local public administration's scope, such as water, wastewater and waste (with 7 results). IT and other services (each with 4 results) seem also interesting for PPPs. One novelty is the projects in the culture sector (with 2 results).

A check to a deeper level of administration structure was impossible, taking into account that there are 103 cities, 267 towns, and 2,686 communes in Romania, and only a small number of them have well-functioning webpages.

3.2.5. Articles and other News on the Internet

The research was started with the idea of checking all the direct and indirect keywords, using the Google search engine.

Three separate searches were performed, one for the keyword with the condition that the website be written in Romanian, one for the combination of the English keyword with the word "Romania" and one for the Romanian keyword in the combination with the word "Romania".

The methodology of reporting the results of this search is identical with the one used in the case of county councils' websites. In addition, if the Romanian and the English word are identical, such as in the case of "transport", the results are presented in the column "Word in English + "Romania"". The same difficulties related to the search in the case of expressions, previously faced during the search on the county councils' websites, was encountered also in this case (the Romanian translation of such expressions may differ according to the grammatical case, definite and indefinite article and number and since, in the case of expressions, the search was carried out with the exact phrase, the number could only represent a minimum of results, since not all the combinations could be tested).

The results of this research are presented in Table 11.

Table 11 – Results – Internet Keywords Research

Keyword	Websites written in Romanian	Word in English + "Romania"	Word in Romanian + "Romania"
Direct keywords			
BLOT	7,460	103,000	
BOO	257,000	421,000	
BOOT	388,000	1,900,000	
BOR	382,000	1,090,000	
BOT	948,000	2,240,000	
BROT	11,500	49,500	
BTO	20,800	32,000	
DBFO	163	1,580	
LDO	8,960	13,000	
MOO	34,100	488,000	
MOT	246,000	1,440,000	
PFI	25,800	61,900	
PPP	77,500	989,000	
Private Finance Initiative ⁶² / Initiativa Finantarii Private ⁵⁷	3	4,830	3
PSPP	485	656	
Public - Private Partnership ⁵⁷ / Parteneriat Public - Privat ⁵⁷	87,600	59,800	54,800
ROD	305,000	1,730,000	
ROT	168,000	376,000	
Indirect keywords			
authority ⁶³ / autoritate ⁵⁸	593,000	7,580,000	693,000
concession / concesiune ⁵⁸	231,000	253,000	114,300
construction / constructie ⁵⁸	2,020,000	32,300,000	816,070
construction risk ⁵⁷ / risc constructie ^{57,58}	8	2,533	27
cooperation / cooperare ⁵⁸	939,000	6,744,000	1,429,000
franchising	19,800	2,390,000	
hospital / spital ⁵⁸	1,140,000	9,280,000	2,020,000
infrastructure / infrastructura ⁵⁸	1,130,000	4,820,000	846,000
jail / inchisoare ⁵⁸	1,350,000	925,000	1,065,000
Joint Venture ⁵⁷	66,000	706,000	
motorway / autostrada ⁵⁸	940,000	267,000	1,987,000
municipality ⁵⁸ / municipalitate ⁵⁸	111,000	5,020,000	61,600
O&M contract	171	10,400	
port	9,430,000	9,130,000	
private entity ^{57,58} / entitate	1,430	23,800	1,664

⁶² Searched as an expression, when necessary also for the expression in the plural form.

⁶³ Searched also for the plural form, since it is significantly different; the two results were added.

Keyword	Websites written in Romanian	Word in English + "Romania"	Word in Romanian + "Romania"
privata ^{57,58}			
private fund ⁵⁷ / fond privat ^{57,58}	7,950	16,200	23,600
private partner ⁵⁷ / partener privat ^{57,58}	1,040	8,760	2,128
private sector ⁵⁷ / sector privat ^{57,58}	9,210	889,200	6,879
public contract ⁵⁷ / contract public ^{57,58}	6,520	21,560	2,230
public entity ^{57,58} / entitate publica ^{57,58}	5,470	28,200	2,645
public fund ⁵⁷ / fond public ^{57,58}	96,400	65,900	36,400
public health ⁵⁷ / sanatate publica ^{57,58}	377,000	1,140,000	232,000
public law ⁵⁷ / lege publica ^{57,58}	15,540	107,000	14,890
public partner ⁵⁷ / partener public ^{57,58}	1,170	2,380	439
public sector ⁵⁷ / sector public ^{57,58}	24,100	1,035,000	17,600
public service ⁵⁷ / serviciul public ^{57,58}	1,016,900	885,000	270,400
public supply ⁵⁷ / furnizor public ^{57,58}	1,108	6,400	837
public undertaking ⁵⁷ / preluare publica ^{57,58}	18	4,120	12
public work ⁵⁷ / lucrare publica ^{57,58}	224,000	297,600	85,100
rail / cale ferata ^{57,58}	823,000	3,050,000	665,000
risk allocation ⁵⁷ / alocarea riscului ^{57,58}	170	3,310	102
risk distribution ⁵⁷ / distribuirea riscului ^{57,58}	320	1,470	276
shadowtoll	0	207	
transport	2,050,000	2,730,000	
university / universitate	6,980,000	44,000,000	40,900,000
waste / deseuri	825,700	2,820,000	432,000
water supply ⁵⁷ / alimentare cu apa ^{57,58}	663,000	627,000	232,000
waterway / canal	838,000	218,000	694,000

In each case, the first approximately fifty results were briefly examined in order to decide if they are indeed referring to a PPP or not.

Unfortunately, very soon the conclusion was reached that almost all the acronyms and abbreviation like "BLOT", "BOO", "BOOT", "BOR", etc have a different meaning, being

as well abbreviation for something else, so that the results of this kind of research would have very little relevance.

The acronym “PPP” could not be use in such a context, since this is also the acronym for “Purchasing Power Parity” and it would be impossible to estimate how many of the results refer strictly to Public-Private Partnerships.

The only acronym for which most of the results do indicate a PPP is “DBFO”. This became also evident having regard to the relatively small number of results as compared to the ones produced by the rest of the acronyms.

In the next phase, the first approximately 300 results returned by the search using the expression “parteneriat public-privat” as criterion were briefly analysed with the view of identifying some of the most media covered PPPs. An overview of these findings is presented in the Table 12.

For each one of these projects, a separate search was conducted, again using the Google search engine, in order to establish how often the project was mentioned in different articles, legislation etc. The search used the name of the project (in Romanian) and the expression “parteneriat public-privat”, so as to narrow the error possibility that the return results refer to something else. Only in the case of the motorways projects a parallel search without the expression “parteneriat public-privat” was conducted. These being more special projects, the possibility that erroneous results would be returned was much smaller. The results of this second search are presented in the same column, in brackets.

Table 12 – Some of the most Media Covered PPPs

Project	Project Sector	Project Location	Results	Value of the project (mil. Euro)
Comarnic-Brasov motorway ⁶⁴	infrastructure		1,450 (29,900)	2,800
Ploiesti-Buzau-Focsani motorway ⁶⁵	infrastructure		325 (1,490)	n.a.
Sibiu-Pitesti motorway ⁶⁶	infrastructure		229 (6,050)	1,260
Bucharest ring road ⁶⁷	infrastructure		36 (168)	1,000
Iasi-Roman-Tg. Mures motorway ⁶⁸	infrastructure		31 (1,030)	n.a.
Municipal clinic hospital ⁶⁹	public health	Timisoara	1,910	45 - 63
Car Parking – Bucharest municipality ⁷⁰	parking	Bucharest	1,760	420
Esplanada project ⁷¹	real estate	Bucharest	1,420	1,000
Dâmbovița center ⁷²	real estate	Bucharest	1,350	1,000

⁶⁴ Ministry of Transport – Romania (2008), *Comunicate De Presa - Ministerul Transporturilor, Ianuarie 2008* http://www.mt.ro/evenimente/arhiva_comunicate/mt/ianuarie2008_MT.html, accessed 16.05.2009

⁶⁵ Mediafax (20.08.2008), *Louis Berger se ocupa de autostrada Ploiesti-Focsani*, www.zf.ro/eveniment/louis-berger-se-ocupa-de-autostrada-ploiesti-focsani-3180399/ accessed 14.05.2009

⁶⁶ Government of Romania (2006), *Peste 1.000 kilometri de autostradă până în 2012*, <http://x.gov.ro/presa/integrare/afis-doc.php?idpresa=200>, accessed 16.05.2009

⁶⁷ Jurnalul National (2008), *Centura promisiunilor*, basmul fara sfirsit, <http://htdig.informatia.ro/jurnalul/afisez.php?sid=130073&date=2008-07-24&afisez=local> accessed 16.05.2009

⁶⁸ Stan, Livia (2008), *RomaniaTrack Record: Track PPPs*, http://discutii.mfinante.ro/static/10/Mfp/PPP/PPPs_Romania2008.pdf, accessed 16.05.2009

⁶⁹ Timisoara City Hall (2004), *Spitale în administrarea Primăriei Timișoara*, <http://www.primariatm.ro/monitorul/index.php?menuId=1&viewCat=5&viewItem=847>, accessed 14.05.2009

⁷⁰ Bucharest City Hall (2006) *Anunt De Intentie – "Parcaj Subteran Gara De Nord"*, http://www1.pmb.ro/pmb/dir_investitii/di/anunturi/contracte_lucrari_publice/intentie/2006/2006-03-13-intentie-investitii_519.htm, 14.05.2009

⁷¹ Pârvolescu, Marian (2008), *A fost aprobat contractul de parteneriat public-privat Esplanada*, http://2008.informatia.ro/A_fost_aprobat_contractul_de_parteneriat_public_privat_Esplanada-243951, accessed 16.05.2009

⁷² Lupoae, Catalin (07.06.2007), *Demolarea Casei Radio din Capitala da startul proiectului Dambovita Center*, <http://www.zf.ro/eveniment/demolarea-casei-radio-din-capitala-da-startul-proiectului-dambovita-center-3025017/>, accessed 16.05.2009

Project	Project Sector	Project Location	Results	Value of the project (mil. Euro)
Integrated informatics' system ⁷³	IT	Prahova County	795	1.7
NetCity – Bucharest municipality ⁷⁴	IT	Bucharest	527	200
Integrated informatics' and communication's system for the city councils ⁷⁵	IT	Mehedinti County	517	3
Bridge over the Danube River at Braila ⁷⁶	infrastructure	Braila	429	318
Reconstruction of the Casa Presei Libere City Park ⁷⁷		Bucharest	357	0.13
Airport ⁷⁸	infrastructure	Brasov	312	150
Airport ⁷⁹	infrastructure	Iasi	264	200
Euroclinic	public health	Bucharest	263	10
Real estate project ⁸⁰	real estate	Cluj-Napoca	239	600
Chemotherapeutical department at Oncologic Institute "Prof. Dr. Al. Trestioreanu" ⁸¹	public health	Bucharest	202	n.a.
Bacau international airport ⁸²	infrastructure	Bacau county	145	45

⁷³ Prahova County Council (2005), Raport Privind Activitatea Desfasurat De Consiliul Judetean Prahova În Perioada Iulie 2004 - Iunie 2005, http://www.cjph.ro/upload/files/raport_presedinte.pdf, 16.05.2009

⁷⁴ Mateescu, Valentin (13.10.2008), *Netcity - proiectul care a ingropat telecomunicatiile in Bucuresti*, http://www.financiarul.com/articol_14927/netcity---proiectul-care-a-ingropat-telecomunicatiile-in-bucuresti.html, accessed 16.05.2009

⁷⁵ Tudor, Valentina (16.12.2004), *3 milioane de Euro in informatizarea judetului Mehedinti*, http://www.marketwatch.ro/articol/504/3_milioane_de_Euro_in_informatizarea_judetului_Mehedinti/, accessed 16.05.2009

⁷⁶ BaniNostri.ro (28.03.2005) *Ministerul Transporturilor va construi un pod peste Dunare de 318 milioane de euro*, <http://www.infonews.ro/article1934.html>, accessed 16.05.2009

⁷⁷ SMART financiar (07.11.2007), *Reamenajarea unui parc bucurestean a generat un parteneriat public - privat complex*, <http://ro.wordpress.com/tag/parteneriat-public-privat/>, accessed 16.05.2009

⁷⁸ Eftimie Ovidiu (16.04.2008), *Aeroport în 30 de luni!*, <http://www.aeroportbrasov.ro/stiri/index.php?itemid=32>, accessed 16.05.2009

⁷⁹ Evenimentul regional al Moldovei (28-01-2006), *Parteneriat public-privat pentru reconstrucția aeroportului*, <http://www.evenimentul.ro/articol/parteneriat-public-privat-pentru-reconstrucția.html>, accessed 16.05.2009

⁸⁰ Ziarul Financiar, ediție de Transilvania (15.10.2008), *Criza financiară nu afectează cartierul Lomb*, <http://www.clujeanul.ro/cluj/criza-financiara-nu-afecteaza-cartierul-lomb-investitorii-sustin-ca-au-fondurile-necesare-3315974>, accessed 16.05.2009

⁸¹ Medfam (18.03.2004), *Parteneriat public-privat în domeniul oncologic*, <http://www.medfam.ro/rompres/modules.php?name=News&file=article&sid=4077>, accessed 16.05.2009

⁸² Filip, Olimpia (14.11. 2008), *Aeroportul, concesionat operatorului privat Blue Air*, <http://www.evz.ro/articole/detalii-articol/828337/Aeroportul-concesionat-operatorului-privat-Blue-Air/>, accessed 16.05.2009

Project	Project Sector	Project Location	Results	Value of the project (mil. Euro)
New private section within Polizu Hospital ⁸³	public health	Bucharest	122	n.a.
Aqua Magic Park ⁸⁴	tourism	Galati	83	n.a.
Modernizing of Poiana Brasov resort ⁸⁵	tourism	Brasov county	63	11.5

The big infrastructure projects are always very controversial ones. Unfortunately, the word “autostrada” (motorway) was involved in many scandals. The local media wrote many reports on this sensitive subject. For example, that for the Bucharest-Brasov motorway, there were problems from the very beginning in the negotiations with the private partner. Eventually, in 2004, three companies (Strabag, Vinci and Roichmann-Alsthom) were chosen, each one being responsible for one sector of this project (Comarnic-Brasov being one of it), which made everything more difficult to follow. In 2006, the new government cancelled the contracts with the three companies⁸⁶ and it was decided that two out of the four sectors of the motorway would be financed from the state budget, one (Comarnic-Brasov) would be constructed through a PPP (concessions of works), while for one of them, it is still not decided whether the concession of works or a public tender⁸⁷ is the optimal solution. This example is a typical one for the motorways’ construction in Romania.

Integrated informatics’ and communication’s system for the city councils in Mehedinti County is part of the EUDIS project (European District Systems) and the private partners involved were CG&GC, in partnership with Connex, Microsoft, Fujitsu Siemens Computers and Softwin.

⁸³ Medfam (09.06.2004), *Parteneriat public-privat la Maternitatea Polizu*, <http://www.medfam.ro/rompres/modules.php?name=News&file=article&sid=4884>, accessed 16.05.2009

⁸⁴ Portalul National de Administratie Publica, (3.10.2007), *Parteneriat public-privat la Galati pentru sediul primariei si Aqua Magic Park*, <http://www.administratie.ro/articol.php?id=15077>, accessed 16.05.2009

⁸⁵ Ziua (12.02.2005), *Parteneriat public-privat pentru modernizarea statiunii Poiana Brasov*, <http://www.ziua.ro/mail.php?id=169398&data=2005-02-12>, accessed 16.05.2009

⁸⁶ Cireasa, Doru, (5.05.2005), *Companiile care au investit in autostrada Bucuresti-Brasov intentioneaza sa dea statul in judecata*, <http://www.adevarul.ro/articole/2005/companiile-care-au-investit-in-autostrada-bucuresti-brasov-intentioneaza-sa-dea-statul-in-judecata.html>, accessed 16.05.2009

⁸⁷ Compania Nationala de autostrazi si drumuri nationale din Romania, *Constructie autostrazi*, <http://www.cnadnr.ro/proiecte.php?tip=92>, accessed 16.05.2009

The development of the Esplanada project and the Dâmbovița Center were presented in the section 4.1 - Government approved projects of this thesis.

The reconstruction of the Casa Presei Libere City Park is part of a larger project of the Bucharest City Hall: “Adopta un spatiu verde! (Adopt a green area!)”. The companies part of this project are Petrom, Vodafone Romania and Raiffeisen Bank.

A project very much debated in the media is NetCity. Its aim is to move the cables in the underground, by introducing an optic fibre network in the capital, and its estimated cost could reach 200 million for a total length of 1,427 km. The plan is that the municipality will provide the public land under which the cables are to be buried and one operator will build the new infrastructure and rent it to all the communication service providers using cable infrastructure. The project has raised concern among cable players operating in Bucharest, as they have to drop their own developed infrastructure and start to rent it from the managing company NetCity.

One example of a successfully completed PPP is Euroclinic. Construction company Diekat built Euroclinic, the first private hospital in Romania, owned by the insurance company Interamerican through its branch Medisystem Romania⁸⁸. The contract between the Romanian government and the private partner was signed in 2001 and the new medical centre opened its gates in June 2005. Being one of the first projects of its kind, the lack of experience made that some steps lasted longer than initially foreseen, but it can still be counted as a success⁸⁹.

One explanation why most of the projects listed above encountered difficulties of different kinds is certainly the lack of experience. But also, one must not forget that media generally specialises in reporting about “hot” subjects, such as projects in which different problems occurred. A project where everything runs smoothly would probably be considered uninteresting by a journalist.

⁸⁸ Popa, Ioana (21.10.2002), *Diekat wins auction for hospital*, <http://www.bbw.ro/domains.php?did=8&pager=741>, accessed 16.05.2009

⁸⁹ Leaua, Ioana (06.06.2005), *Interamerican are ca țintă 60.000 de polițe de sănătate în 3 ani*, <http://www.apropo.ro/cash-in/financiar/interamerican-are-ca-tint-60-000-de-polite-de-s-n-tate-in-3-ani-2151017>, accessed 16.05.2009

4. Final Conclusions

Romania joined the European Union in 2007 and this strongly influenced also the development of the PPPs in the country. In the process of accession, the legal framework for PPPs needed to be harmonised with the European *acquis*, this being also one of the reasons for which the laws regarding this type of partnerships have suffered several changes during these years

Until 30 June 2006, the PPP contracts were explicitly regulated by the GO No. 16/2002 and its implementing provisions.

For most of the PPP investors, the risks associated with such a contract in Romania made such investments not very interesting for a long time. The political risk, namely the lack of transparency and incompleteness of the legal framework, but also the extra financial risk represented by exchange rate risk in a non - Euro country, added to the regular risks involved in a PPP and the limited experience, made “an unpalatable cocktail of risks”⁹⁰.

Since 30 June 2006, the date when the GEO No. 34/2006 came into force, the PPP concept was replaced by concepts related to the concession of public works and services.

The authority managing the implementation of the GEO No. 34/2006 in Romania, namely the National Authority for Regulation and Surveillance of Public Acquisitions, has mentioned that no future legislation designed to define and implement the PPP legal framework is envisaged in Romania in the near future⁹¹, which should be reassuring for the possible investors.

The research related to the reporting behaviour of the stock exchange listed companies has not returned any relevant information (except for one mention about a future project).

⁹⁰DLA Piper Group (2007), European PPP Report 2007, <http://www.dlapiper.com/files/Publication/34d8ee56-757a-4238-81af-0102bc35cc79/Presentation/PublicationAttachment/60378925-ce10-4299-88e2-1155edfdb670/European-PPP-Report2007.pdf>, accessed 14.03.2009

⁹¹Global Legal Group (2007), *The International Comparative Legal Guide to: PFI / PPP Projects 2007*, <http://www.iclg.co.uk/khadmin/Publications/pdf/1027.pdf>, accessed 14.04.2009

Obviously, these companies either are not involved in any PPPs or they do not report them. A later investigation conducted in order to verify which one of the two possibilities is more probable to be true has found no single indication of a PPP activity of any of our sample companies, so it can be concluded that companies in general would probably be reporting a PPP in case they were indeed involved in one.

This thesis has focused also on PPP initiatives as seen by the local or central authorities and by the media. There are numerous reports about PPP projects, most of them in infrastructure. However, there is no complete database for PPPs, although the PPP Central Unit made a first attempt to create one.

Checking additional sources (the legislation, government approved projects, the UCCPPP database of the Ministry of Finance, the county councils' websites, articles, news on the Internet), it became obvious that information only partially overlapped, while many times one project can be found only in one of these sources. Hence, it could be concluded that reporting / informing about PPPs is only to some degree complete. One possible explanation is that media generally specialises in reporting about the "hot" subjects, namely the projects in which different problems occurred, while the official sites of the government, local authorities etc. will report much more about successful projects.

There are opportunities for the PPP contracts beyond infrastructure and health, in various fields such as technology, energy, electricity, real estate or services, as for instance training. Each of these sectors has its success stories, but also its downsides, as it was proved before.

Although there were numerous difficulties during the time, the interest for these agreements is continuously growing. The need of new infrastructure and the lack of public money were drivers for PPPs and when more experience is accumulated, better results should also follow.

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Annexes

Annex 1 – Sample Companies – Results

	Company	Type of security	First day of trading	Headquarters	Sector	NACE Rev. 2 Code	Average amount of employees 2006	Balance sheet total 2006 (mil. EUR) ⁹²	Annual report electronically available	Individual or consolidated financial statement 2006	Languages financial statement 2006	Accounting-standards individual financial statement	Accounting-standards consolidated financial statement
1	ALRO S.A. ⁹³	Equity	16.10.1997	inland	materials	2442	3,721	568.83	-	-	-	-	-
2	ALTUR S.A.	Equity	03.12.2004	inland	materials	2932	1,511	18.74	yes	individual	Romanian	IFRS	
3	AMONIL S.A.	Equity	11.12.1997	inland	chemicals	2015	704	38.54	no	-	-	-	-
4	VAE APCAROM S.A. ⁹⁴	Equity	20.06.1997	inland	equipment	3020	256	24.37	no	-	-	-	-
5	ARMATURA S.A.	Equity	20.02.1997	inland	equipment	2814	485	7.73	no	-	-	-	-
6	AEROSTAR S.A.	Equity	10.02.1998	inland	equipment	3316	1,687	30.64	yes	individual	English und Romanian	RAS	

⁹² Calculated using the Annual average exchange rate 1 Euro = 3.5246 RON.

⁹³ Annual report available only after 2007 (IFRS, consolidated).

⁹⁴ Part of Voestalpine AG Konzern, no consolidated report for 2006.

	Company	Type of security	First day of trading	Headquarters	Sector	NACE Rev. 2 Code	Average amount of employees 2006	Balance sheet total 2006 (mil. EUR) ⁹²	Annual report electronically available	Individual or consolidated financial statement 2006	Languages financial statement 2006	Accounting-standards individual financial statement	Accounting-standards consolidated financial statement
7	T.M.K. - ARTROM S.A. ⁹⁵	Equity	20.11.1995	inland	equipment	2420	962	165.11	no	-	-	-	-
8	AGRAS VIENNA INSURANCE GROUP S.A.	Equity	15.07.1999	inland	banks and financial services	6520	100	8.78	no	-	-	-	-
9	ANTIBIOTICE S.A.	Equity	16.04.1997	inland	pharmaceuticals	2110	1,556	73.88	yes	individual	English und Romanian	RAS	-
10	AZOMURES S.A.	Equity	16.01.1996	inland	chemicals	2015	2,548	128.97	yes	individual	Romanian	RAS	-
11	BANCA COMERCIALA CARPATICA S.A.	Equity, Bonds	09.06.2004	inland	banks and financial services	6419	2,025	458.73	yes	consolidated	English und Romanian	-	IFRS
12	BIOFARM S.A.	Equity	30.11.2005	inland	pharmaceuticals	2120	332	24.36	yes	individual	English und Romanian	RAS	-
13	BRD - GROUPE SOCIETE GENERALE S.A.	Equity	15.01.2001	inland	banks and financial services	6419	7,286	8,137.06	yes	consolidated	English und Romanian		IFRS
14	S.S.I.F. BROKER S.A.	Equity	05.02.2005	inland	banks and financial services	6612	136	29.49	only balance sheet	individual	Romanian	RAS	
15	BERMAS S.A.	Equity	16.04.1998	inland	consumer goods	1105	296	6.54	no	-	-	-	-
16	CARBOCHIM S.A.	Equity	11.02.1997	inland	materials	2391	391	20.53	no	-	-	-	-
17	COMELF S.A. ⁹⁶	Equity	20.11.1995	inland	equipment	2892	1,102	19.87	no	-	-	-	-
18	COMPA S.A.	Equity	12.06.1997	inland	equipment	2932	1,849	68.75	yes	individual	Romanian	RAS	
19	MECHEL TARGOVISTE S.A.	Equity	30.01.1998	inland	materials	2410	4,496	108.72	yes	individual	Romanian	RAS	

⁹⁵ Part of TMK Moscova GROUP, consolidated report for 2006.

⁹⁶ Reports available only from 2007 on.

	Company	Type of security	First day of trading	Headquarters	Sector	NACE Rev. 2 Code	Average amount of employees 2006	Balance sheet total 2006 (mil. EUR) ⁹²	Annual report electronically available	Individual or consolidated financial statement 2006	Languages financial statement 2006	Accounting-standards individual financial statement	Accounting-standards consolidated financial statement
20	GRUPUL INDUSTRIAL ELECTROCONTACT S.A.	Equity	24.12.1998	inland	equipment	2712	224	5.53	no	-	-	-	-
21	TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA S.A.	Equity	15.08.2002	inland	services	5510	807	64.86	yes	individual	Romanian	RAS	-
22	ELECTROAPARATAJ S.A.	Equity	14.11.1997	inland	equipment	2712	969	37.16	no	-	-	-	-
23	COMPANIA ENERGOPETROL S.A.	Equity	30.01.1998	inland	equipment	4321	307	4.92	no	-	-	-	-
24	ELECTROPUTERE S.A. ⁹⁷	Equity	24.12.1998	inland	equipment	2711	2,611	200.07	no	-	-	-	-
25	FLAMINGO INTERNATIONAL S.A.	Equity	18.07.2005	inland	IT	4651	49	70.90	yes	both	English und Romanian	IFRS +RAS	IFRS +RAS
26	IMPACT DEVELOPER & CONTRACTOR S.A.	Equity	07.06.1996	inland	services	4110	193	109.37	yes	consolidated	English und Romanian		IFRS
27	MEFIN S.A.	Equity	04.03.1997	inland	equipment	2932	841	9.15	yes	individual	Romanian	RAS	
28	MJ MAILLIS ROMANIA S.A. ⁹⁸	Equity	04.04.2001	inland	services	2221	136	15.45	no	-	-	-	-
29	TITAN S.A. ⁹⁹	Equity	19.06.1997	inland	consumer goods	1061	810	59.51	no	-	-	-	-

⁹⁷ reports available only from 2007

⁹⁸ part of M.J. Maillis Group, consolidated report for 2006

⁹⁹ part of Loulis Mills Group, consolidated report for 2006

	Company	Type of security	First day of trading	Headquarters	Sector	NACE Rev. 2 Code	Average amount of employees 2006	Balance sheet total 2006 (mil. EUR) ⁹²	Annual report electronically available	Individual or consolidated financial statement 2006	Languages financial statement 2006	Accounting-standards individual financial statement	Accounting-standards consolidated financial statement
30	OIL TERMINAL S.A.	Equity	09.02.1998	inland	energy	5224	1,309	44.70	yes	individual	Romanian	RAS	
31	OLTCHIM S.A. RM. VALCEA	Equity	18.02.1997	inland	chemicals	2014	5,048	390.78	yes	individual	Romanian	RAS	
32	POLICOLOR S.A.	Equity	12.03.1997	inland	chemicals	2030	470	25.48	yes	individual	Romanian	RAS	
33	PETROLEXPORTIMPORT S.A.	Equity	04.01.1999	inland	services	4671	36	19.86	-	-	-	-	-
34	PRODPLAST S.A.	Equity	11.08.1997	inland	chemicals	2229	369	20.98	yes	individual	Romanian	RAS	
35	ROMPETROL WELL SERVICES S.A.	Equity	18.06.1998	inland	equipment	910	338	17.81	yes	individual	Romanian	RAS	-
36	ROMPETROL RAFINARE S.A.	Equity	07.04.2004	inland	equipment	1920	973	1,119.38	yes	both	English	RAS and partially IFRS	IFRS
37	ZENTIVA S.A. ¹⁰⁰	Equity	13.08.1998	inland	pharmaceuticals	2120	1,012	93.74	yes	individual	Romanian	RAS	-
38	SIF BANAT CRISANA S.A.	Equity, Futures	01.11.1999	inland	banks and financial services	6499	119	134.51	yes	individual	English und Romanian	RAS	-
39	SIF MOLDOVA S.A.	Equity, Futures	01.11.1999	inland	banks and financial services	6499	110	113.32	yes	individual	English und Romanian	RAS	-
40	SIF TRANSILVANIA S.A.	Equity, Futures	01.11.1999	inland	banks and financial services	6499	104	169.55	yes	individual	English und Romanian	RAS	-

¹⁰⁰ part of The Zentiva Group, consolidated report for 2006

	Company	Type of security	First day of trading	Headquarters	Sector	NACE Rev. 2 Code	Average amount of employees 2006	Balance sheet total 2006 (mil. EUR) ⁹²	Annual report electronically available	Individual or consolidated financial statement 2006	Languages financial statement 2006	Accounting-standards individual financial statement	Accounting-standards consolidated financial statement
41	SIF MUNTENIA S.A.	Equity, Futures	01.11.1999	inland	banks and financial services	6499	16	397.48	partially yes	individual	Romanian	RAS	-
42	SIF OLTENIA S.A.	Equity, Futures	01.11.1999	inland	banks and financial services	6499	87	174.39	yes	individual	Romanian	RAS	-
43	SANTIERUL NAVAL ORSOVA S.A.	Equity	09.06.1998	inland	equipment	3011	695	27.13	yes	individual	Romanian	RAS	-
44	PETROM S.A.	Equity, Futures	03.09.2001	inland	energy	610	32,837	5,495.75	yes	individual	English und Romanian	RAS	
45	SOCEP S.A.	Equity	18.11.2005	inland	services	5224	678	16.89	yes	individual	Romanian	RAS	
46	SIRETUL PASCANI S.A. ¹⁰¹	Equity	05.02.1998	inland	consumer goods	1391	550	7.00	no	-	-	-	-
47	SINTEZA S.A.	Equity	12.05.1997	inland	chemicals	2020	226	7.41	yes	individual	Romanian	RAS	-
48	TURBOMECANICA S.A.	Equity	07.10.1998	inland	equipment	3030	636	40.93	yes	individual	Romanian	RAS	
49	C.N.T.E.E. TRANSELECTRICA S.A.	Equity, Futures	29.08.2006	inland	utilities	3512	2,156	1,123.69	yes	both	English und Romanian	RAS	IFRS
50	BANCA TRANSILVANIA S.A.	Equity, Futures	15.10.1997	inland	banks and financial services	6419	4,500	2,363.63	yes	consolidated	English und Romanian		IFRS
51	UAMT S.A.	Equity	20.11.1995	inland	equipment	2932	743	22.48	no	-	-	-	-
52	UCM Resita	Equity	25.07.1197	inland	equipment	2811	n.a.	6.10	no	-	-	-	-
53	VRANCART S.A.	Equity	15.07.2005	inland	consumer goods	1721	779	24.41	yes	individual	Romanian	RAS	-
54	ZIMTUB S.A.	Equity	25.07.1997	inland	materials	2420	193	10.51	yes	individual	Romanian	RAS	-

¹⁰¹ Reports available only from 2007 on.

Annex 2 – Official List of Public-Private Partnership Projects ¹⁰²

No.	Project title	Project sector	Project location	Contracting authority	Project status	PPP model	Private partner	Value of the project (mil. Euro)
01	Multi storey car park, Botosani	Transport infrastructure/parking	North-East	City Halls	Pre-tendering phase	DBFO + user tax		
02	Rehabilitation, modernisation, extension and maintenance of public lighting in Botosani	Electricity	North-East	City Halls	On-going contract	DBFO	Flash Lighting Services S.A.	2.2
03	Modernisation and operation of George Enescu - Bacau International Airport	Airports	North-East	County Councils	On-going contract	DBFO	S.C. BLUE AIR TRANSPORT AERIAN S.A.	45.4
04	Parking in Iasi	Transport infrastructure/parking	North-East	City Halls	Pre-tendering phase	DBFO		50
05	Palas Project in Iasi	Urban transport	North-East	City Halls	On-going contract	DBFO	Iulius Grup SRL Iasi	150-200
06	Moldova Business Center - Iasi	Real estate - buildings	North-East	City Halls	-	DBFO	SC Inproiect SRL Iasi	
07	Preventing the pollution in the municipality by introducing a wastewater treatment system in Braila	Wastewater	South-East	City Halls	Tendering phase	BO + user tax		19.5
08	Concession of public lighting system in Braila	Electricity	South-East	City Halls	On-going contract	user tax	CET Braila	0,2
09	Concession of thermal energy system in Braila	Energy	South-East	City Halls	On-going contract	D	SC Luxten Lighting Company SA Bucuresti	8
10	Planning of local transport in Braila	Urban transport	South-East	City Halls	-	O + user tax	SC Braicar SA	0.0128

¹⁰² Ministry of Public Finance – Romania, *Lista proiectelor*, <http://www.anaf.ro/public/wps/portal/BazaDatePPP>, accessed 13.04.2009

No.	Project title	Project sector	Project location	Contracting authority	Project status	PPP model	Private partner	Value of the project (mil. Euro)
11	Social services at home for older persons in Braila	Social services	South-East	City Halls	-	O	Lumina Foundation	0.148
13	International Airport in Braila	Airports	South-East	County Councils	Cancelled project	DBFO + user tax		
14	Bridge over the Danube between Tulcea and Braila counties	Bridges	South-East	County Councils	Cancelled project	DBFO + user tax		
15	Comarnic Brasov motorway	Roads and Motorways	South	Ministry of Transport	Tendering phase	DBFO + user tax		
16	Bucharest ring road	Roads and Motorways	South	Ministry of Transport	Pre-tendering phase			
17	Construction and operation of a water treatment plant in Ilfov County (2 villages)	Waste Water	Bucharest - Ilfov	County Councils	Cancelled project	DBFO + user tax		17.1
18	Construction and operation of a water treatment plant in Ilfov County (3 villages)	Waste Water	Bucharest - Ilfov	County Councils	Cancelled project	DBFO + user tax		28.1
19	Construction and operation of a water treatment in plant Ilfov County (7 villages)	Waste Water	Bucharest - Ilfov	County Councils	Cancelled project	DBFO + user tax		80.9
20	Construction and operation of a water treatment in plant Ilfov County (4 villages)	Waste Water	Bucharest - Ilfov	County Councils	Cancelled project	DBFO + user tax		43.7
21	Construction and operation of a water treatment in plant Ilfov County (2 villages)	Waste Water	Bucharest - Ilfov	County Councils	Cancelled project	DBFO + user tax		16.2
22	Modernisation of Stefan cel Mare Airport in Suceava	Airports	North-East	County Councils	Pre-tendering phase	DBFO + user tax		100
23	Construction of the gas supply infrastructure in several villages in Suceava County	Energy	North-East	County Councils	Cancelled project	DBFO + user tax		50

No.	Project title	Project sector	Project location	Contracting authority	Project status	PPP model	Private partner	Value of the project (mil. Euro)
24	Construction and operation of an underground parking in Satu Mare	Transport infrastructure/parking	North-West	City Halls	Pre-tendering phase	DBFO + user tax		7.5
25	Rehabilitation and operation of a recreation area - thermal water in Satu Mare	Tourist/recreational infrastructure	North-West	City Halls	Tendering phase	DBFO + user tax		10
26	Rehabilitation and maintenance of roads in Satu Mare	Roads and motorways	North-West	City Halls	Pre-tendering phase	BF		5
27	Operation of a public lighting system in Satu Mare	Electricity	North-West	City Halls	Pre-tendering phase	DBFO		10
28	Sanity (Sanitation?) service in Constanta	Waste	South-East	City Halls	Pre-tendering phase	O		332
29	Modernisation of Constanta train station	Railways	South-East	City Halls	Tendering phase	BO		10
30	Construction of 1000 apartments annually for people younger than 35 years in Constanta	Real estate - buildings	South-East	City Halls	Pre-tendering phase	B		
31	Tourist and entertainment port in Constanta	Tourist/recreational infrastructure	South-East	City Halls	Pre-tendering phase	DBO + user tax		
32	Design, building and operation of the local waste repository in Mures County	Waste	Center	County Councils	Cancelled project	DBO	SC Agenda 21 SA Bucharest	30
33	Gas supply in Drobeta Turnu Severin in Mehedinti County	Energy	South-West	County Councils	On-going contract	DBFO + user tax	SC GEZZI GAZ SRL	30
34	The information system and integrated communication in Mehedinti County	IT	South-West	County Councils	On-going contract	DBO	SC CG-GC SA	2.2
35	Enlarging of the NR7 Santuhal-Hunedoara	Roads and motorways	West	County Councils	Cancelled project		Asset Management System S.A. Bucuresti	
36	Airport near Deva City	Airports	West	County Councils	Cancelled project		Asset Management System S.A. Bucuresti	

No.	Project title	Project sector	Project location	Contracting authority	Project status	PPP model	Private partner	Value of the project (mil. Euro)
37	Sanitary landfill for domestic waste in Hunedoara County, Petrila	Waste	West	County Councils	On-going contract	DBO	Swietelsky Baugesellschaft mbH - Bucuresti, Romania	8
38	Waste management programme in Piatra Neamt	Waste	North-East	City Halls	On-going contract		S.C. Brantner Servicii Ecologice S.A + Brantner AG Austria	
39	Rehabilitation of collection, transportation, treatment, landfilling of solid waste in Dâmbovița County	Waste	South	County Councils	Pre-tendering phase			
40	Disposal and treatment services for solid municipals waste in Teleorman County	Waste	South	County Councils	Pre-tendering phase			
41	Collection and transport services for solid municipals waste in Teleorman County	Waste	South	County Councils	Pre-tendering phase			

Annex 3 – Distribution of Keywords within

County Councils' Websites

Romanian Keyword	Alba	Arad	Arges	Bacau	Bihor	Bistrita-Nasaud	Botosani	Braila	Brasov	Buzau	Calarasi	Caras-Severin	Cluj	Constanta	Covasna	Dambovita	Dolj	Galati	Giurgiu	Gorj	Harghita	Hunedoara	Ialomita
BLOT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BOO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BOOT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BOR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BOT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BROT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BTO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DBFO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0
LDO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MOO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MOT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PFI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PPP	0	3	8	1	1	1	5	0	1	0	3	0	2	49	5	6	1	0	3	3	0	4	0
Initiativa Finantarii Private	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PSPP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parteneriat Public - Privat	6	20	109	42	17	12	28	116	2	29	31	13	78	52	12	24	6	2	4	13	0	26	1
ROD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ROT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
autoritate	99	309	333	124	47	24	166	104	10	92	35	9	90	195	37	83	25	15	90	134	9	81	38
concesiune	81	359	93	185	27	12	113	116	7	94	16	12	185	100	20	72	22	0	85	110	5	98	73
constructie	9	45	641	77	27	34	38	94	23	30	34	7	109	78	2	78	17	1	25	12	0	31	30
risc constructie	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cooperare	35	434	333	114	125	148	120	126	27	31	104	45	148	102	26	71	107	379	105	82	25	56	32
ffranchising	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
spital	5	560	1,140	69	23	54	59	69	29	27	20	2	60	92	8	46	7	13	15	12	2	26	31

Romanian Keyword	Alba	Arad	Arges	Bacau	Bihor	Bistrita-Nasaud	Botosani	Braila	Brasov	Buzau	Calarasi	Caras-Severin	Cluj	Constanta	Covasna	Dambovita	Dolj	Galati	Giurgiu	Gorj	Harghita	Hunedoara	Ialomita
infrastructura	26	155	429	98	54	64	100	152	59	37	43	26	75	105	45	67	32	16	32	27	30	65	49
inchisoare	21	4	809	2	1	1	0	4	0	0	1	0	5	8	0	0	0	0	0	0	0	0	1
joint venture	0	0	0	0	0	2	1	0	0	0	0	0	0	2	0	0	1	0	0	0	0	0	0
autostrada	2	7	331	4	10	1	1	4	6	0	21	0	23	9	1	44	1	0	2	0	0	10	11
municipalitate	1	3	135	3	0	2	1	5	0	0	0	3	0	2	0	0	2	0	1	3	0	3	0
contract O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
port	6	152	176	93	31	563	9	153	0	2	13	1	650	124	4	75	23	6	120	9	6	9	9
entitate privata	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0
fond privat	6	49	182	492	79	5	175	52	644	176	105	0	2	688	238	2	85	0	68	123	1	188	7
partener privat	0	0	2	0	2	0	0	0	0	0	0	0	2	0	0	1	0	0	0	2	0	0	0
sector privat	4	12	65	14	4	4	30	17	1	1	16	1	5	17	0	3	5	0	7	18	4	5	3
contract public	1	0	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
entitate publica	0	1	2	0	0	2	0	0	0	0	0	0	3	0	0	1	3	0	0	0	0	0	0
fond public	1	5	56	42	9	0	25	7	0	9	4	3	8	44	27	6	16	1	3	3	6	28	9
sanatate publica	4	15	270	67	41	27	12	65	7	22	23	6	76	38	15	29	10	2	22	15	0	10	27
lege publica	5	0	1	0	1	0	0	0	0	0	0	0	1	0	0	4	3	1	1	0	0	0	0
partener public	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
sector public	4	12	54	17	4	3	10	24	2	11	10	3	5	25	5	7	6	3	9	15	3	28	3
serviciul public	66	170	1,214	237	162	127	297	128	284	112	90	9	258	365	63	334	38	37	86	89	94	127	102
furnizor public	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
preluare publica	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
lucrare publica	35	40	102	192	7	81	98	87	1	7	7	2	132	41	1	150	28	3	9	4	0	79	104
cale ferata	1	66	236	9	2	5	1	19	2	4	3	3	5	46	2	4	6	2	2	8	0	16	4
alocarea riscului	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
distribuirea riscului	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
shadowtoll	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
transport	137	925	1,650	1,220	256	260	649	493	996	305	215	311	753	1,100	357	468	200	98	297	288	481	455	197
universitate	3	7	330	4	0	1	2	3	1	1	0	0	2	6	0	0	1	0	3	1	0	0	1
deseuri	14	58	323	22	14	73	49	90	6	7	16	12	41	15	79	57	10	9	19	16	1	15	10
alimentare cu apa	37	148	314	168	29	92	211	837	18	45	46	14	176	342	27	192	23	14	66	24	2	126	36
apa-canal	4	243	179	165	5	27	8	26	26	2	3	7	183	181	87	29	4	1	17	2	0	19	26

Romanian Keyword	Ilfov	Maramures	Mehedinti	Mures	Neamt	Olt	Prahova	Salaj	Satu Mare	Sibiu	Suceava	Teleorman	Timis	Tulcea	Valcea	Vaslui	Vrancea	Bucuresti
BLOT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BOO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BOOT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BOR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BOT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BROT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BTO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DBFO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LDO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MOO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MOT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PFI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PPP	0	2	1	11	2	1	2	0	0	0	3	2	2	0	7	0	0	0
Initiativa Finantarii Private	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PSPP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parteneriat Public - Privat	11	12	11	133	7	10	9	15	1	2	7	7	24	6	20	16	6	0
ROD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ROT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
autoritate	27	21	133	223	97	104	93	92	4	31	29	253	30	33	109	102	19	2
concesiune	15	14	107	191	90	79	91	168	0	81	9	111	139	80	83	25	4	1
constructie	22	14	40	205	46	34	108	62	18	42	81	22	146	78	89	41	12	1
risc constructie	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cooperare	52	96	113	326	15	88	85	89	8	71	190	112	647	103	104	83	21	1
franchising	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
spital	18	14	16	172	17	30	75	39	117	51	20	35	62	23	42	61	15	1
infrastructura	45	64	47	345	65	75	105	137	7	49	65	43	1,050	72	65	168	52	35
inchisoare	0	0	0	5	0	0	0	0	4	0	1	0	0	0	0	0	1	0
joint venture	0	0	0	4	0	0	7	0	0	0	0	2	0	0	0	0	0	0
autostrada	25	5	0	47	1	0	38	19	1	3	1	2	55	0	7	2	2	1

Romanian Keyword	Ilfov	Maramures	Mehedinti	Mures	Neamt	Olt	Prahova	Salaj	Satu Mare	Sibiu	Suceava	Teleorman	Timis	Tulcea	Valcea	Vaslui	Vrancea	Bucuresti
municipalitate	0	2	0	8	2	0	1	3	4	2	1	3	2	1	1	3	1	1
contract O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
port	4	7	8	1,610	377	6	1,340	219	1	6	6	9	10	278	44	11	3	1
entitate privata	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
fond privat	45	6	1	67	34	5	116	93	0	462	4	5	9	79	137	80	41	0
partener privat	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0
sector privat	7	9	5	45	6	4	8	6	1	10	1	6	16	13	28	0	1	0
contract public	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0
entitate publica	0	0	0	0	0	0	1	2	0	0	0	0	0	0	0	0	2	0
fond public	2	13	5	89	36	16	10	46	0	6	5	3	9	2	21	35	1	1
sanatate publica	20	9	17	104	20	45	36	25	4	9	17	19	165	19	44	47	16	0
lege publica	0	4	1	2	0	0	0	0	2	0	0	1	0	1	0	2	0	0
partener public	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
sector public	0	7	6	8	3	12	12	2	13	2	3	3	43	4	30	14	1	0
serviciul public	128	103	186	819	314	202	702	412	4	955	302	113	397	216	187	235	155	0
furnizor public	0	0	0	2	0	0	0	2	0	0	5	0	0	0	2	1	0	0
preluare publica	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
lucrare publica	83	8	45	22	24	33	33	19	0	41	3	33	109	98	17	48	1	1
cale ferata	2	5	0	49	6	2	10	7	2	3	9	2	18	1	13	4	4	1
alocarea riscului	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
distribuirea riscului	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
shadowtoll	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
transport	174	211	185	1,082	709	369	774	518	122	1,580	2,680	508	2,440	471	542	352	81	26
universitate	0	3	0	24	2	3	0	3	0	21	8	0	6	1	3	0	0	0
deseuri	13	24	6	169	32	13	53	27	2	40	76	7	1,040	28	45	15	11	1
alimentare cu apa	99	21	8	764	121	114	122	58	1	39	58	7	249	94	121	55	136	0
apa-canal	34	10	7	95	15	7	25	67	2	32	1	10	31	42	31	7	1	0

Annex 4 – German Abstract

Diese Masterarbeit analysiert ob – und wenn ja, in welchem Ausmaß – Unternehmen, Landesbehörden und Presse über Public-Private Partnership (PPP) Projekte im CEE Staat Rumänien berichten.

Der erste Teil gibt dem Leser einen Überblick über die gegenwärtigen rechtlichen Rahmenbedingungen des externen Rechnungswesens sowie über PPP in Rumänien und deren zeitliche Entwicklung.

Die empirische Untersuchung ist in zwei Abschnitte gegliedert. Der erste Abschnitt analysiert das Berichtsverhalten sowohl aus einem qualitativen als auch aus einem quantitativen Standpunkt. Dafür werden die Geschäftsberichte des Jahres 2006 von den börsennotierten Unternehmen auf den Zusammenhang mit PPPs untersucht. Im zweiten Abschnitt wird eine allgemeinere Internet Recherche über PPPs in Rumänien durchgeführt. Dazu werden verschiedene Quellen (Rechtstexte, Rechtssprechung, Projekte der Regierung, PPP Central Unit Datenbank des Finanzministeriums, Websites der Verwaltungsbezirke, Artikel und andere Internet Nachrichten) konsultiert.

Die Ergebnisse zeigen, dass die Geschäftsberichte der Unternehmen nur wenig relevante Informationen über PPP beinhalten. Die Informationen betreffend PPPs aus den unterschiedlichen Quellen überschneiden sich nur teilweise; dies zeigt, dass die Berichterstattung über PPPs nur bis zu einem gewissen Grad vollständig ist.

Annex 5 – English Abstract

This paper examines whether – and if so, to what extent – companies, authorities and media report on Public-Private Partnership (PPP) in the CEE country Romania.

The first part of the paper provides the reader with a basis for the current legal framework of financial reporting in Romania, describing the changes that occurred in time, but also focusing on PPPs, by offering an overview of the legal framework for the PPP and how it has developed in Romania.

The empirical analysis is structured in two parts; the first one examines the reporting behaviour on PPPs of Romanian companies, by investigating the annual reports for the year 2006 of the sample (BSE listed firms), from both a qualitative and quantitative point of view.). In the second part of the empirical analysis, a more general Internet research on PPPs in Romania was conducted, checking additional sources (legislation, government approved projects, PPP Central Unit database of the Ministry of Finance, county councils' websites, articles and other news on the internet).

The results outline that annual reports of the companies contain very limited information on PPPs. Reporting information regarding PPPs coming from different sources only partially overlaps, which indicates that reporting on PPPs is only to a certain degree complete.

Annex 6 – Curriculum Vitae

IULIA TRBOVIC

Date of birth: 2 August 1980
 Birthplace: Cluj-Napoca, Romania

Marital status: Married, one child
 Citizenship: Romanian

Education:

Sept.1995 – June 1999 Computer Science High School, Cluj – Napoca, Romania
 High School Diploma (Matura)
 Oct. 1999 – Jan. 2004 Babes-Bolyai University, Cluj – Napoca, Romania
 Bachelor Diploma in International Management
 Oct. 2006 – University of Vienna, Austria
 MA Studies – International Business Administration
 Major: Corporate Finance

Professional Experience:

Sept. 2004 – June 2006 S.C. Promod S.R.L, Cluj – Napoca, Romania

Branch: importer and distributor in the fields of electrical equipments, interior decorations and home textile

Position: **Sales Manager – Key Accounts Department**

Responsibilities:

Meeting the budgeted revenue target
 Setting the sales and marketing strategies, setting deadlines for the implementation of these strategies, planning the promotions campaigns
 Analyzing the sales and marketing reports
 Negotiating with the Key Account clients (Baumax, Cora, Praktiker, Selgros, etc.) pricing, delivery conditions, payment terms and post-sale services.

Nov. 2003 – Aug. 2004 Ecolution, Cluj – Napoca, Romania

Branch: eco-focused hemp textile products manufacturer

Position: **Product Manager**

Responsibilities:

Managing the relation between the Romanian office and the U.S. office regarding deliveries
 Managing the relations with a group of clients

May – November 2003 Camp Metamora, Michigan, USA

Branch: children summer camp

Position: **Program Director**

Responsibilities:

- Assisting the Camp Director in the management of camp programs and activities
- Scheduling all daily and weekly activities for campers, staff and volunteers
- Submitting reports regarding the campers' number and activities
- Assisting the Camp Director in staff training and staff evaluations

Summer positions or student practice:**June – August 2002 Camp Metamora, Michigan, USA**

Branch: Children Summer Camp

Position: **Camp counsellor – Unit leader**

Responsibilities:

- Supervising the children from the unit (20-30 children / unit)
- Evaluating the other counselors from the unit (3-4 / unit)

Languages:

Romanian – mother tongue

English – excellent knowledge

German – excellent knowledge

Italian – working knowledge

IT Knowledge:

WindowsXP, MSWord, MSExcel, MSPowerPoint, MSAccess, MSOutlook:

MS Navision

Oracle

very good

very good

good