



Local Government Creates Landmark Partnership

The City of Iasi, Romania and its twelve surrounding villages face diverse pressure regarding improving the welfare of citizens. The demand for future developments such as housing, commercial land, industrial land, and warehouses, combined with pressure regarding the environment and development needs of neighboring local government overwhelm the individual communities.

Faced with the challenge of providing services identified by citizens and increasing infrastructure spending during budget cutbacks, Iasi County Council and City Hall needed help. USAID, working with the City of Iasi, established a partnership among the local governments to face challenges and leverage resources.

Romanian legislation does not provide a specific framework to support the local government in planning and implementing land development and related investment programs. With USAID assistance, local governments in the metropolitan area developed and approved a common procedures calendar - a first in Romania - to plan and implement projects that exceed the local government boundaries. Master plans, the budgets and the capital investments are integrated and based on local and metropolitan development strategies that include citizen input and active involvement.



Photo: GRASP/Mihaela Vrabete

USAID facilitating identification of capital improvement priorities to create the Metropolitan Development Area in Iasi.

USAID, through its Governance Reform and Sustainable Partnerships (GRASP) program, works with local governments to improve economic development and services offered to citizens, and support the activities identified by citizens and local public administration to increase the quality of life in local communities. In addition to USAID support, resources for the projects in Iasi have come from surrounding villages, the City of Iasi, the County Council of Iasi, and the Romanian central government.

Eleven local governments signed an official agreement sent to the central government to finance their choice of thirty-eight capital investment projects. The Romanian Ministry of Finance accepted the project list to be included in the 2004 budget - another first in Romania. Thus far, the central government has allocated over \$600,000 for infrastructure improvements and the completion of master plans. The County Council of Iasi allocated \$15,600, and the metropolitan villages gave \$1,560 each in order to provide funds for drafting the metropolitan master plans.

“GRASP is analyzing our population structure, social problems and existing infrastructure. They will point us to healthy, speedy development. Our future utilities and infrastructure, combined with the USAID trademark, will appeal to investors.”

- Gheorghe Nichita, Iasi Vice Mayor

The Iasi County Council, City Hall and the twelve surrounding villages formed the Metropolitan Council as a non-governmental organization to cooperate efficiently and effectively as partners. Each local government unit will be represented by its mayor and has one vote. This agreement provides the structure for new community services and capital projects for over 400,000 citizens.

Success Story

