



Critical success factors for effective IMC

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IMC national foundations

Two key questions:

- Is it possible to perform administrative activities together with other municipalities?
- Is it allowed to perform administrative activities together?

Intense cooperation between municipalities can be thought to be dangerous by the national government in politically unstable situation.

If countries provide good laws for inter-municipal cooperation, these can function as the right guidelines to form successful cooperation

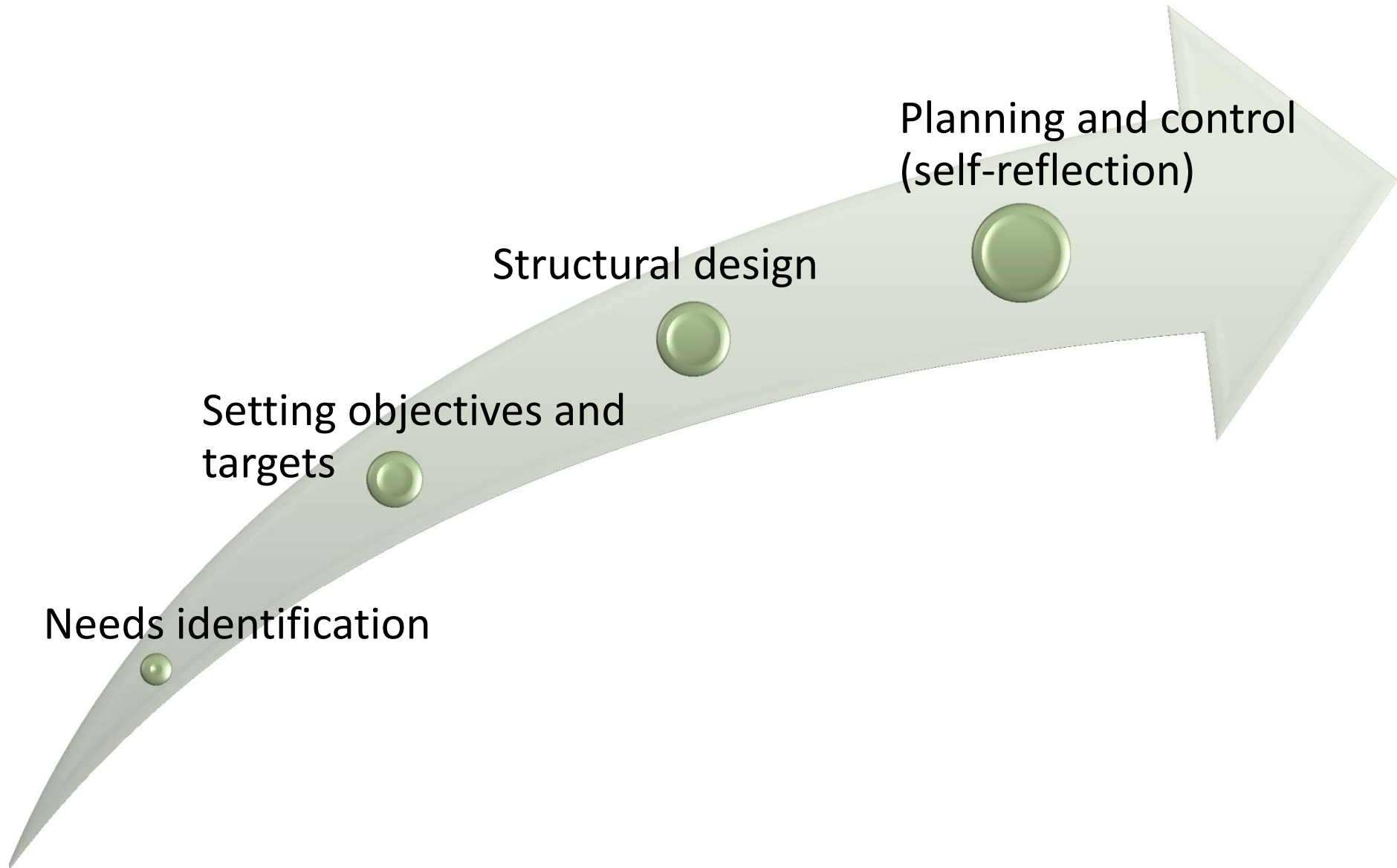
Be aware if there is a lack of regulation!

SIX MAIN FORMS OF LEGAL FRAMEWORK

1. *Non formal*
2. *Contract*
3. *Private law entity (NGO, association)*
4. *Private law entity (business firm, enterprise)*
5. *Single or multi-purpose public entity*
6. *Integrated territorial public entity*



IMC design and decision-making





IMC design and decision-making

The key reason for establishing IMC is the will to improve municipal governance.

The first step should be to diagnose the causes of current shortcomings in existing services and the reasons why some services are not being properly delivered.

Needs identification

Different types of goals:

- operational improvement (service delivery)
- tactical (strategic) improvements related to specific policies
- strategic cooperation aims at long term advantages

All stakeholders must be involved in discussions from the beginning.

The 'win-win' approach must be clearly and frequently demonstrated.



IMC design and decision-making

Without proper preliminary analysis, an IMC initiative is likely to fail.

1. Carry out the Feasibility Study
2. Establish a negotiating platform
3. Set up common goals (they need to be SMART)

Setting objectives and targets

GOALS

- S** Specific
- M** Measurable
- A** Acceptable
- R** Realistic
- T** Time-bounded

HOW AMBITIOUS WILL OUR IMC BE?

- *(just) to deliver one or more services jointly with other municipalities?* or
- *to develop a common, integrated function with other municipalities?*



IMC design and decision-making

The nature of the goals will mainly **determine the degree of cooperation** that the organization will represent.

Some goals might be achieved **simple agreements** that have to be made only **once** between municipalities, while other goals require a **completely autonomous organization**.



Structural design

Factors to be considered:

- **duration** of cooperation
- **complexity** of tasks
- the **ability to plan** activities ahead
- the **ability to contract** the agreements that are made in advance
- **risks** (the uncertainty about the course of the project)
- the amount of mutual **trust**



IMC design and decision-making

- Communication
- Financial aspects
- Physical aspects, like housing
- IT
- Legal aspects: Local by-laws and the interpretation of laws can differ.
- Personnel and staffing
- Organisational models

Structural design

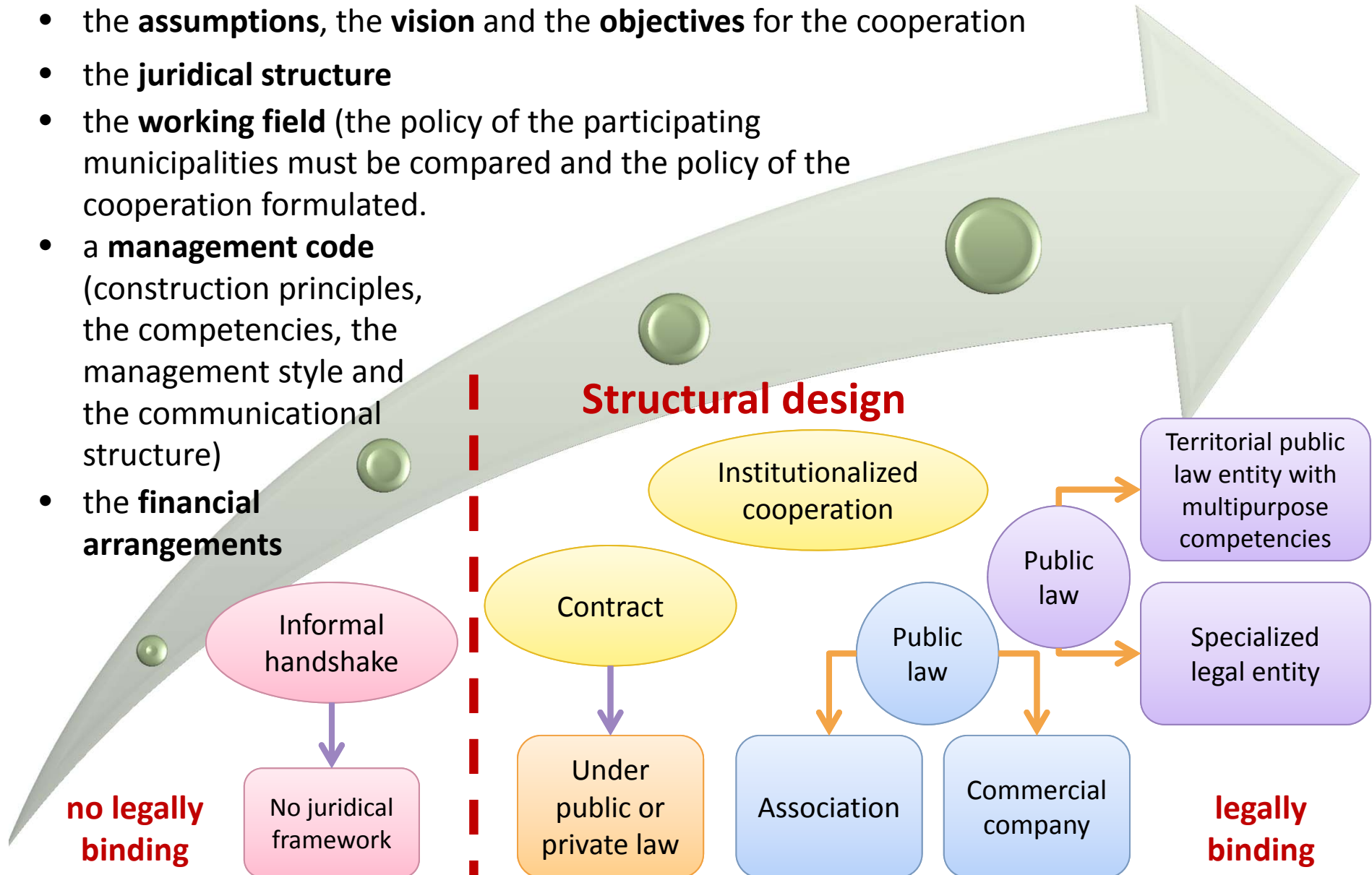
Sources of revenue

- ***Charges** levied on consumers of services;*
- *Local **taxes**, levied by municipalities and accruing to their budgets;*
- ***Inter-governmental transfers** consisting of general purpose **grants**, earmarked grants or shares of specific national taxes;*
- ***Fees** paid for permits, licences and other administrative processes;*
- ***Long / medium term loans** to fund capital investment;*
- ***Short term loans** to meet cash flow imbalances.*



IMC design and decision-making

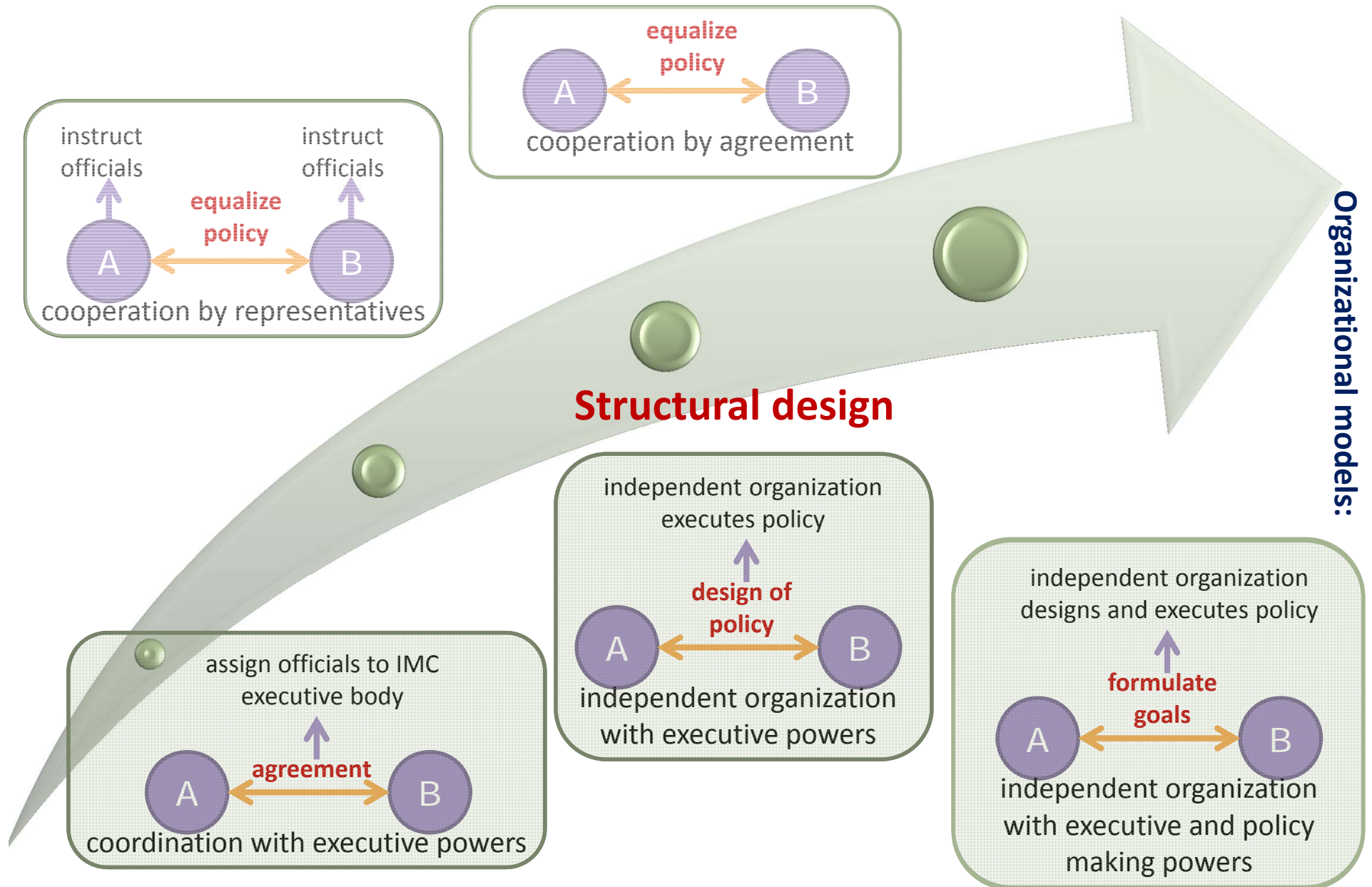
- the **assumptions**, the **vision** and the **objectives** for the cooperation
- the **juridical structure**
- the **working field** (the policy of the participating municipalities must be compared and the policy of the cooperation formulated).
- a **management code** (construction principles, the competencies, the management style and the communicational structure)
- the **financial arrangements**





IMC design and decision-making

(based on: VNG Int. IMC Introduction Guide)





IMC design and decision-making

Accountability

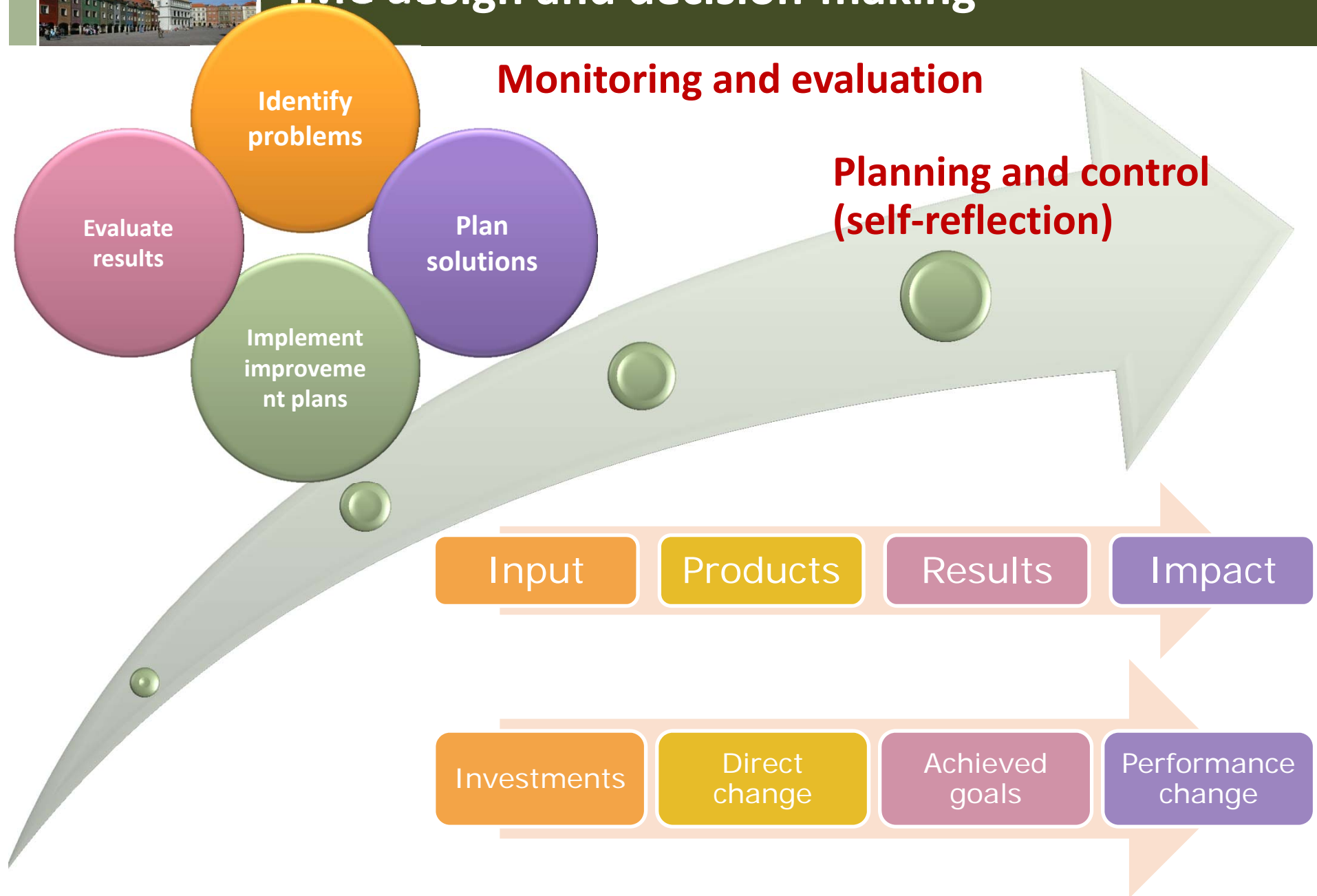
IMC activities are still municipal activities; they are public services whatever their legal form may be, whether private or public. They must be run with the same consideration for democracy:

Planning and control (self-reflection)

- *Care of citizens' interests,*
- *Efficiency and effectiveness,*
- *The need to minimise public costs,*
- *The importance of respecting the ethics of public administration,*
- *Local accountability (democratic, technical...)*



IMC design and decision-making





IMC STEPLADDER

→ see table in the CoE Toolkit (pp.38-41)

Initiating IMC

Identify needs and opportunities

Identify potential partners and possible areas of cooperation

Analyse the legal and economic environment

Decide on entering IMC and set up negotiating platform

Build awareness and support

Establishing IMC

Identify scope for IMC

Choose the legal form

Determine the financial arrangements

Define the institutional arrangements

Finalise agreement / statute

Implementing and evaluating IMC

Establish management and structures

Develop co-operation mechanisms

Ensure continuous monitoring and self-assessment

Ensure continuous and effective communications

Conduct regular evaluations