



Understanding Inter-Municipal Cooperation

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What is IMC?

IMC is when two or more municipalities agree to work together on any of the tasks assigned to them in order to gain mutual benefits.

IMC is a relationship between local authorities having a status of legal persons, endowed with competences, powers and resources.



- **IMC is both a universal challenge and a frequent practice.**
 - It is a logical solution for limiting the consequences of a **non-optimal** distribution of **competences** and **resources** or of inadequate municipal **boundaries**



What is IMC?

- **IMC is about municipalities working together** = partner municipalities agree to **work together at some cost to produce new benefits** that would be unavailable through isolated and unilateral action.
- The joint effort may concern **one or several domains falling within the legal competence of the municipalities**.
- **Cooperation has a cost for each partner municipality**: it needs effort, financial contributions and sharing resources (staff, land, machines, buildings, etc.).
- IMC is the **result of a deliberate decision** and not just the mechanical implementation of a legal provision. Agreement is voluntary, rather than imposed by the law (although the law may sometimes strongly encourage or even oblige municipalities to look for co-operative solutions).



What is IMC?

- **New gains** for the partner municipalities may have different characteristics, such as:
 - creating the capacity to provide services which cannot be delivered by a small municipality,
 - saving on costs of service delivery,
 - improving service quality,
 - better coordination in development planning, more efficient and visible development policy.
- **Cooperation is not incidental**; most often it is a permanent arrangement with an undefined expiry date.
- There is no permanent transfer of local tasks or competencies; municipalities keep indirect control over the decisions and services that result from cooperation.



Example from Poland – The Zielawa Valley

Local governments of five municipalities from south-eastern Poland (Lublin region) engaged in collaboration in order to develop their municipalities and promote them jointly inside the voivodship and in the country as a whole.

The resulting partnership under the name of ‘Dolina Zielawy’ covers an area of nearly 620 sq.km. The area is inhabited by more than 16,000 people.





Example from Poland – The Zielawa Valley

The municipalities sought to answer two essential questions:

- 1) How to outperform other local governments in the competition for EU funding?
- 2) How to minimise or optimise the costs of some activities?



The first partnership agreement was signed in 2008 and comprised joint efforts to prepare an application for EU funding to finance structural investments.

The joint success in winning EU funding motivated the partner municipalities to undertake further efforts to raise funding for municipality-based investments under the agreement.





Example from Poland – The Zielawa Valley

Joint projects:

- **Construction of municipal roads** which are part of the local tourist area (a total of 20 sections of municipality-level roads have been built) – project value: €4,7mln, including the EU match funding of €3,1mln
- **A ‘clean energy’ project** covering the set-up of **925 solar energy installations** on private houses and public buildings in five municipalities of the partnership – project value: €2,4mln, including the EU match funding of €2mln
- **Promotion of culture and tourism** within the tourist area: a coherent and comprehensive promotion of the partnership was conducted under two joint projects, and the ‘Dolina Zielawy’ brand was created and positioned as an area with a considerable investment capacity and a high appeal for tourism – project value: €400K , including the EU match funding of €240K
- Project entitled ‘**A comprehensive pre-school education system** in municipalities of the northern Lublin area’: a total of 16 pre-school groups were set up for children aged 3–5 in five partner municipalities; in the course of three years, pre-school education covered nearly 400 children; classes are held in newly established pre-school units and locations - EU match funding amounted to: €780K; (the facilities set up under the project continue to operate, with municipalities financing them from their own budgets).
- Project entitled ‘**Improving environmental safety in Dolina Zielawy**’ – activities include, among others, the purchase of combat vehicles for fire fighting units operating within the area covered by the partnership - project value: €835K, including the EU match funding of €708K.



Example from Poland – The Zielawa Valley

Joint projects:

Moreover, joint activities include:

- **Group-based purchase of electricity** for municipalities from the 'Dolina Zielawy' partnership, starting from June 2011;
- **Establishing a commercial company to implement tasks related to energy provision** for the area covered by the partnership, for instance by building a photovoltaic farm with a capacity of 1.4 MW.





Example from Poland – The Zielawa Valley

Reflections reported by partnership members:

- The example of our partnership shows that such solutions make sense and **bring tangible benefits to participants of the agreement;**
- When starting a partnership, it is important to make sure that **it gathers entities (municipalities) with similar needs and investment capabilities;**
- In order for the idea of a partnership to be preserved, the **goals which are pursued should be shared by all partners**, and the partners themselves should be able **to think and plan in a convergent manner**, and to reach a **compromise** that would be equally satisfying to everyone;
- Such a partnership allows us to minimise costs of our initiatives by **dividing tasks and responsibilities;**
- An efficient partnership means a greater cut-through power and more opportunities to raise external finance, in accordance with the rule described as **'WE CAN DO MORE TOGETHER'**;
- A partnership means a **greater opportunity for shared and individual investment success** thanks to our cut-through power, competitiveness and appeal.



Prerequisites of successful IMC

- **Decentralised territorial administrative system**
 - Municipalities should have vital competencies that determine the quality of life of citizens and their collective welfare.
- **Autonomy of local governments**
 - The more autonomous municipalities are, the more they need to cooperate, the more they can to cooperate
- **National policy / legal framework**
- **Leadership (knowledge and understanding)**



IMC in Europe

There is a wide variety of cooperative arrangements in the European countries.

Four basic types, which are present to some degree in all EU countries:

- **Semi-regional government:** standing organisations with decision-making authority involved in the planning and coordination of local policies
- **Service delivery organisation:** standing organisations involved in service delivery
- **Service delivery agreement:** contract based cooperation with respect to service delivery
- **Planning forum:** loosely coupled networks involved in the planning and coordination of local policies



IMC in Europe

The **new rules and legislation governing the next round of EU Cohesion Policy investment for 2014-2020** have been formally endorsed by the Council of the European Union in December 2013.



Integrated Territorial Investments is a tool to implement territorial strategies in an integrated way. It is not an operation, nor a sub-priority of an Operational Programme.

ITI allows Member States to implement Operational Programmes in a cross-cutting way and to draw on funding from several priority axes of one or more Operational Programmes to ensure **the implementation of an integrated strategy for a specific territory.**

The **key elements** of an ITI are:

- a designated territory and an integrated territorial development strategy;
- a package of actions to be implemented; and
- governance arrangements to manage the ITI.



IMC in Europe

Country	<i>The composition of cooperative arrangements</i>
Belgium	Mixed public arrangements and mixed public-private arrangements are present alongside purely inter-municipal arrangements (<u>legislation forces municipalities to establish associations with a purely public character</u>)
Finland	Predominance of purely inter-municipal arrangements . Some mixed public-private arrangements in economic development, public transport and waste disposal.
France	Strong presence of purely inter-municipal forms of cooperation alongside mixed public arrangements (<i>syndicats mixtes</i>).
Germany	Strong presence of purely inter-municipal forms of cooperation ; also mixed public-private networks in economic development planning (<i>Regionalkonferenzen</i>).



IMC in Europe

Country	<i>The composition of cooperative arrangements</i>
Italy	Strong presence of different forms of purely inter-municipal cooperation in single, and multi-purpose service delivery (conventions, agreements, consortia, unions). Mixed public-private cooperation in social economic development (area pacts).
The Netherlands	Strong presence of purely inter-municipal organisations for service delivery. Limited number of mixed public organisations and networks.
Poland	Strong presence of purely inter-municipal organisations for service delivery; also mixed public-private arrangements for service delivery
Spain	Strong presence of purely inter-municipal single- and multi-purpose associations (<i>mancomunidades</i>). Growing number of mixed public organisations (consortia).
United Kingdom	Strong presence of mixed public-private arrangements in service delivery (predominantly central-local); regional public-private networks for social-economic and spatial planning. Pure inter-municipal cooperation is promoted by central government.



Possible domains of IMC

HEALTH CARE	CONSTRUCTION AND MAINTENANCE OF ROADS
WELFARE SUPPORT AND SOCIAL ASSISTANCE	PUBLIC TRANSPORT
EDUCATION SERVICES	TRAFFIC REGULATION
ENVIRONMENTAL MANAGEMENT AND PROTECTION	FIRE AND RESCUE SERVICES
WASTE COLLECTION AND DISPOSAL	TAX COLLECTION
WATER DISTRIBUTION & SEWERAGE	PUBLIC PROCUREMENT
AGRICULTURAL IRRIGATION	HR MANAGEMENT AND DEVELOPMENT
ECONOMIC AND TERRITORIAL DEVELOPMENT	ADMINISTRATIVE TASKS
CULTURAL EQUIPMENT AND EVENTS	TECHNICAL SERVICES
URBAN PLANNING	ELECTRONIC DATA PROCESSING (EDP)
MANAGEMENT OF EU FUNDS	????



Possible domains of IMC

Country	<i>The tasks of cooperative arrangements</i>
Belgium	Cooperation is almost exclusively limited to public service delivery
Finland	Public service delivery dominates to some extent, but planning for social-economic development and the management of EU structural funds at the regional level.
France	Public service delivery dominates. Substantial number of associations in urban areas engages in spatial planning .
Germany	Public service delivery dominates to a large extent. Limited number of associations concerned with planning of land use and spatial planning .
Italy	Public service delivery dominates to a large extent. Planning and coordination occurs with respect to social-economic development , and the provision of social and health services .
The Netherlands	Public service delivery dominates to a large extent. Limited number of arrangements engages in spatial planning and/or the planning of public housing .
Poland	Public service delivery dominates. Some planning and coordination for social-economic development on a regional level .
Spain	Public service delivery dominates to a large extent.
United Kingdom	Public service delivery dominates. Some planning and coordination for social-economic development on a regional level .



The scope of cooperation

Country	Single-purpose or multi-purpose
Belgium	Cooperative arrangements are predominantly single-purpose . Multipurpose arrangements are present but must include functionally interdependent activities.
Finland	Cooperative arrangements are almost exclusively single-purpose . New forms of cooperation tend to be multi-purpose.
France	Both forms are present , the single-purpose arrangements clearly losing ground to multi-purpose arrangements.
Germany	Cooperative arrangements are almost exclusively single-purpose .
Italy	Predominance of multi-purpose forms of cooperation (conventions, unions, mountain communities).
The Netherlands	Both forms are present . There is a tendency to dissolve integrated associations into separate single-purpose arrangements.
Poland	Both forms are present . New forms of cooperation tend to be multi-purpose.
Spain	Both forms present . <i>Mancomunidades</i> are predominantly multipurpose. Consortia are predominantly single-purpose.
United Kingdom	Arrangements are predominantly multi-purpose .



IMC economic rationale

- ❖ reduces unit costs and **enables economy of scale** (by increasing the number of units of product delivered relative to the costs of production)
- ❖ **strengthens negotiation**, particularly in out-sourcing deals (by extending the number of users / beneficiaries)
- ❖ reduces the number of beneficiaries receiving services at ‘below cost’ (by **extending the catchment area**)
- ❖ **raises “own” investment capacity** of partner municipalities (by bringing together their limited capital funds)
- ❖ **enhances creditworthiness** and the **ability to attract external funds** - both public and private (by improving costs-benefit ratios of projects)

IMC makes affordable and effective for the many what would neither be affordable nor effective for the one alone!

ECONOMY OF SCALE:

If a local government wants to build a tarmac road it needs to invest in a lot of machinery. However, for just this road, the machinery will not fully be used.

If a second government also needs to build a road, they can share the costs of such machinery in order to reduce the costs of the two roads.

(VNG International)



Side-effects of IMC



- may positively influence **management practices**
- may encourage a **more co-operative political culture**
- may help to develop the will and **capacity of each individual municipality for partnership-working** with other public, private and voluntary organisations
- can **give more time to the Mayor to focus on strategic responsibilities** by reducing demands on his/her time from minor issues
- can **reduce the level of corruption** arising from the use of personal connections
- may develop a **greater sense of solidarity between partner municipalities**



- **duplication** of costs and personnel
- **democratic deficit** - procedures for decision-making in IMC institutions are less transparent
- **political costs** of co-operation
- IMC is **not a panacea for a weak municipality**