

Programmatic Cooperation Framework for
Armenia, Azerbaijan, Georgia, Republic of Moldova, Ukraine and Belarus



Forms and experience of Inter-Municipal Cooperation in Poland.

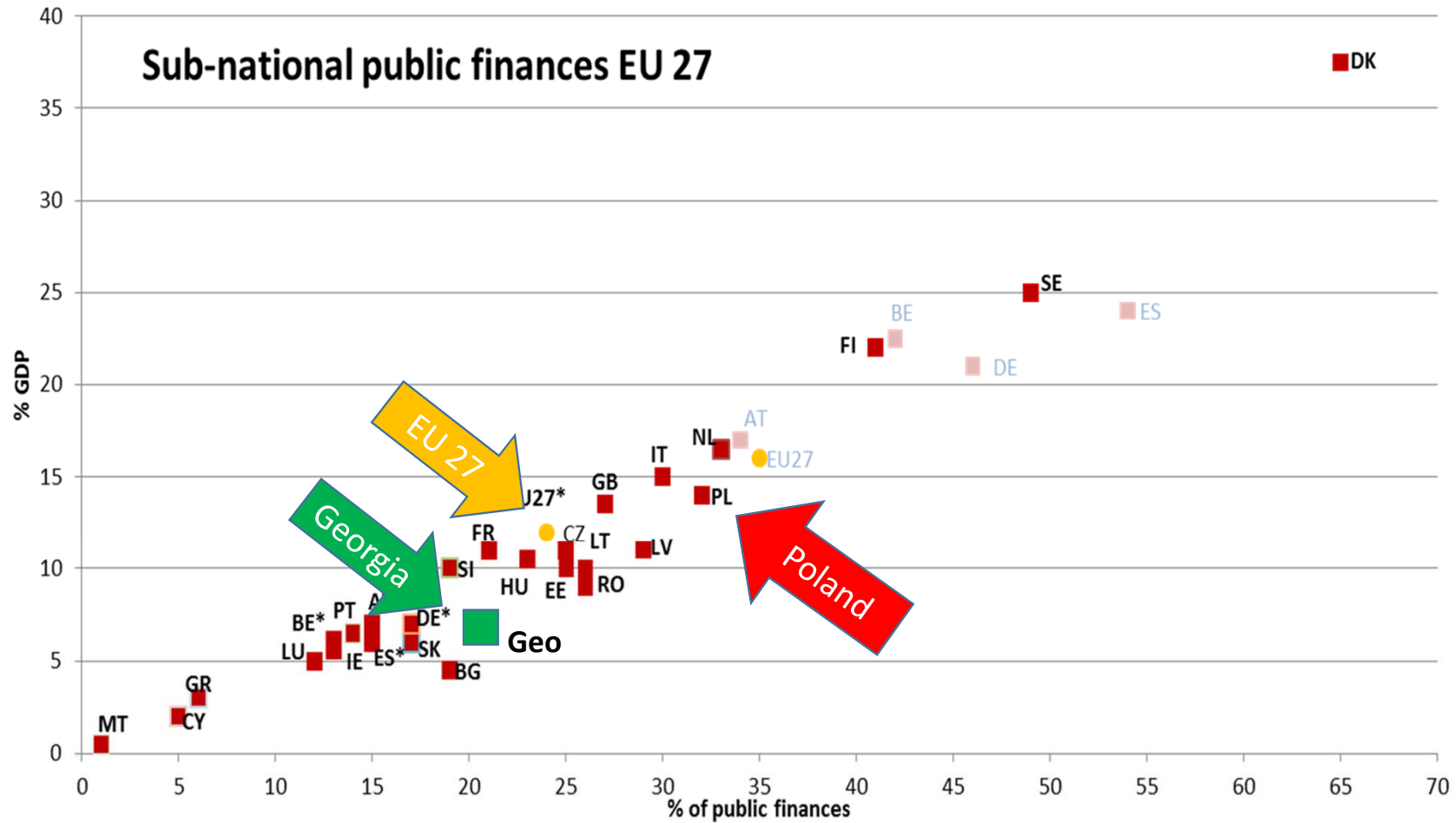
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Context for IMC in Poland:

- Typical reasons for IMC in Europe are:
 - LGs are too small/weak/poor to organize effectively some specific services (eg. water provision, sewage, garbage, transport, education, or ... specific types of administrative/social services, etc.)
 - LGs need cooperation in the area of development planning, or supporting economic development in the sub-regional scale – eg. tourism development, specific industry development, business support – advisory, business development loans, collateral to bank loans, etc.)
 - How does it apply to Poland?
- Characteristics of situation of Local Governments (LGs) in Poland:
 - Poland (38 mln) is one of the most decentralized countries in Europe, with rather large LG units, although internally diversified (100 large + medium cities, 800 small towns, 1500 rural municipalities):
 - Local government public expenditures in PL 14% GDP, and 33% of public expenditures,
 - EU local government public expenditures in 11,6% GDP, and 25% of public expenditures
 - Georgia local government public expenditures in 5,8% GDP, and 23% of public expenditures [2013]
 - PL local government units – on average each has 15 000 inhabitants
 - Georgia local government units (except for self-governing cities) – on average each has 27 500 inhabitants
 - Strong legal and management autonomy of LGs in Poland - as in other most decentralized countries - which helps implement IMC

Extend of fiscal decentralization in EU and Georgia



Existing legal and organizational forms and their use

| Name of the IMC legal / organizational form | New legal entity ? | Objective of cooperation | Types of services mostly delivered | Scale in Poland | Possibility of involving partners from social or private sector |
|---|---|---|---|--|---|
| Intermunicipal Union (intermunicipal enterprises) | New legal entity – body of public law | Deliver one or two specific services on behalf of member municipalities | Water, sewage, garbage collection and management, local passenger transport, stray dogs, etc. | 330 registered since 1990, but only approx. 220 still function | No |
| Association of municipalities | New legal entity - body of the private law (even if members are public) | Loose coordination of activities of member municipalities, joint promotion, new services (but not taken from members) | Preparing joint development plans, tourist promotion, regional tourism management, promotion of specific local industry, etc. | Several hundreds – No one single registry in Poland. | Indirectly – they can be supporting members (happens rarely) |

Existing legal and organizational forms and their use

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|--|---|---|---|---|---|
| Agreements on transferring tasks to other municipality | No - Only a form of cooperation. Agreement signed based on delegation of the LG Act | One municipality delivers the service on the territory of other, but the other covers costs | Passenger transport, providing school services, kindergardens, social assistance services, stray dogs | Each of 2500 municipalities in Poland has several agreements every year | No |
| IMC Limited liability companies | Yes – new legal company | Deliver one or two specific services on behalf of member municipalities – but on fully economic basis | Water, sewage, garbage collection and management, local passenger transport | No data – several hundred | No |

Existing legal and organizational forms and their use

| Name of the IMC organizational form | New legal entity ? | Objective of cooperation | Types of services mostly delivered | Scale in Poland | Possibility of involving partners from social or private sector |
|--|---|---|---|--|--|
| Partnership agreements – based on civil code | No – just a loose agreement on cooperation | Coordination of activities of independent municipalities | Most often implementation of joint development projects, | Several hundred, including 100 Urban Functional Areas – areas covers 30% of Poland | Yes – wide possibilities |
| Public – Private - Partnerships | Depending on the detailed form – often yes | Deliver new services for citizens or businesses where LG has no capital to invest | Car parks, new multi-purpose buildings for public use, Energy efficiency | Several hundred – growing need but difficult to implement | Yes – wide possibilities |
| „Local Action Groups” | Yes – a new association bringing together actors from different sectors | Develop local economy and society by cooperation (EU grants) | Originally – operators of EU micro-grants to local businesses and NGOs, builds local social integration | Over 300 – area covers almost entire Poland | Yes – by definition involves entities from public, private and social sector |

Example no. 1 - Joint co-operation in the field of control of stray animals (animal shelters)

- The Act of „Maintaining cleanness and order in communes” obliges the communes to maintain protection against stray animals, but does not regulate the issue of running of the shelters. The „Act on animal protection”, gives the possibility of organization of such facilities in consultation with relevant local self-government authorities. But the easiest is to buy such service on the market. Both picking-up stray dogs on streets and running shelters – two separate paid services.
- 95% of shelters run by NGO i private firms. Over 100 in Poland. Services are quite expensive – approx. 3 Euro/day/dog (includes keeping, health, adoption). Beside costs, problems with controlling quality of care of animals.
- Therefore other options are necessary:
- Intermunicipal Unions established to run such service – eg. Inter-municipal Union "Shelter for Animals,, - in Skałów (municipality of Kostrzyń), union of 10 municipalities.
- Agreement among municipalities to transfer such task to one municipality – eg. Agreement of 4 municipalities to share costs of building and running a Shelter in Municipality Dobra.

Inter-municipal Union "Shelter for Animals,, - in Skatów (municipality of Kostrzyń), union of 10 municipalities (2010). Shelter is a separate legal unit.

- Union is managed by Annual Assembly (mayors of all 10 municipalities), the Boards (meets once a month – 5 mayors), Control council (3 mayors), and the Management Office (runs the Shelter).
- All conditions defined in the Charter of the Union – example provided
- Maintenance and running costs are covered in agreed proportions
- Wide interest and support from volunteers (care, adoptions) and authorities



Agreement of 4 municipalities (2013) to share costs of building and running a Shelter in Dobra. Shelter is an organizational unit of municipality of Dobra

- Costs of building were covered in proportions: 30%, 30%, 30% and 10%
- In the same proportions costs of running the Shelter – as well as the number of animals from each municipality.



Joint coordination systems (together with NGOs) for Cooperation with international donors in the field of projects implementation – two approaches in Poland.

- Option 1: Joint Office of project preparation and implementation within a group of Local Authorities (**the case of Nowy Sacz**). Staff is employed by strongest local government, but prepares projects for all members. Practically all costs of Staff is covered by budget of the projects. In Polish conditions there is no NGO among them, as some LA usually are stronger and can provide services to others, and there is no need to use NGOs.
- Option 2: Local NGOs often prepare innovative projects for, funding by international donors, but for formal reasons implementation has to be conducted by Local Authority (LA) (Local Government Unit) as the beneficiary of the grant. In such cases experienced staff from NGO is often hired by LA as their staff for the period of the project and their salaries are funded from the project budget. **Case: municipality of Spiczyn** – Swiss Government funds. Arranging such cooperation could play important role in local development, by creating venue for inter-sectoral cooperation of LA (or neighboring Las) and local NGO.
- Both above approaches share the main feature – the joint office staff is funded from projects which were gained – practically no costs for municipalities. Main obstacle is a political will to do it, and lack of trust that office will serve all. Need to cooperate with the office Staff to implement activities and use products of projects. Main success factor – highly skilled Staff. Main danger – willingness of mayors to have „own person” on the Staff.

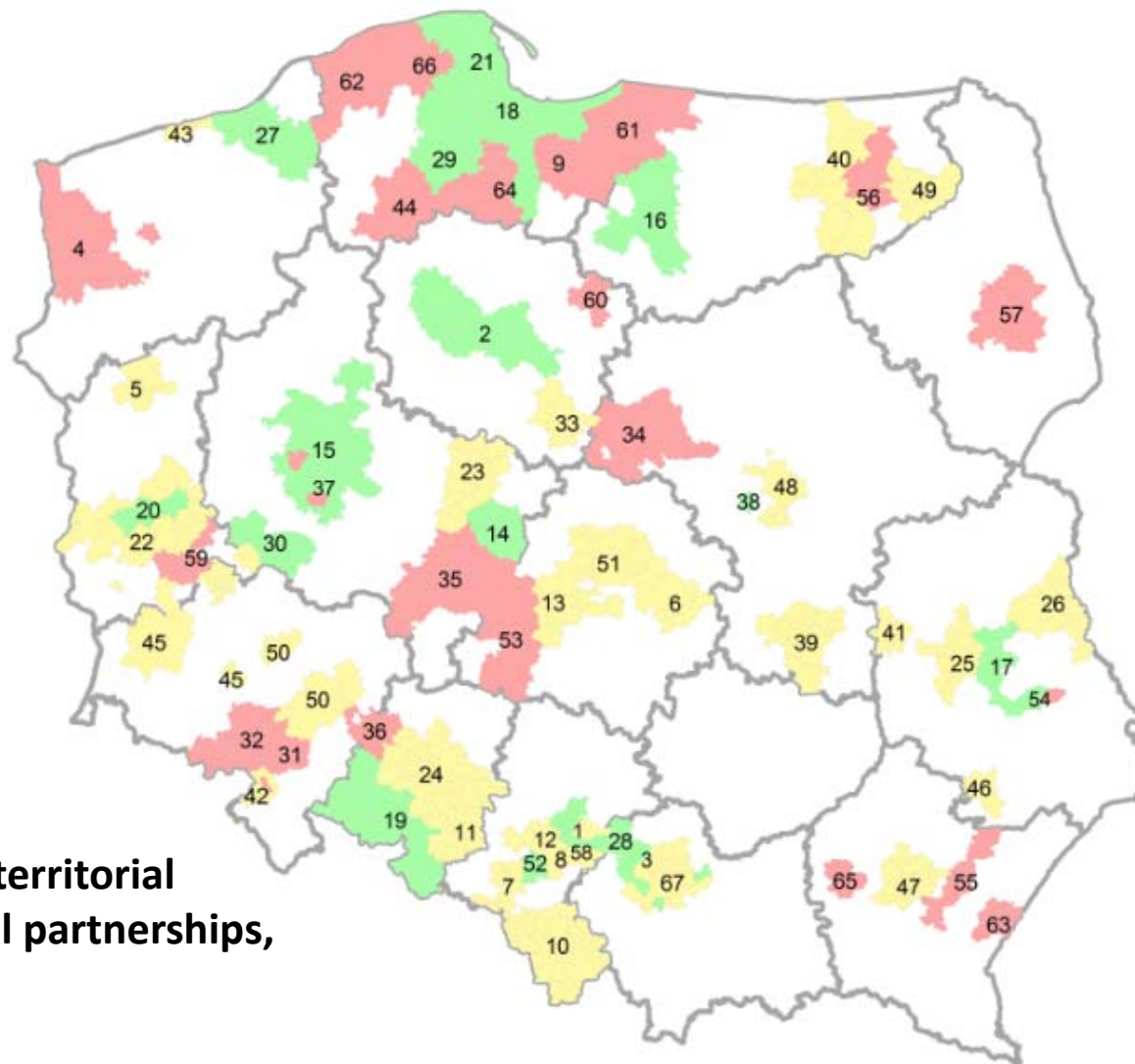
Comparison of IMC forms in Poland – vs. other EU countries:

Conclusion

- Practically the same forms of IMC exist in Poland as in other countries of EU, though in some of the latter there are better developed forms of cooperation in (so-called) metropolitan areas – large cities and their neighboring municipalities – usually one large city with surrounding rural and suburban municipalities, or among groups of medium size cities with their rural surroundings. In some countries with smaller and weaker LGs these forms are compulsory. In Poland all these forms are voluntary.

Observation for Poland:

- Number of single / multi service IMC is still medium low compared to other EU countries, play important role in local conditions, but since LG are quite big – this is not seen as the first priority by authorities, done only when necessary, need of further promotion, in future it will be necessary to keep the unit costs of services down
- IMC aiming at development planning - (Partnership agreements – based on civil code) – still low but growing number of cases of strategic cooperation of several LGs aiming at development of entire sub-regions. Growing importance of involving institutions from other sectors (PPP, Local Action Groups, Partnership Agreements)



**Coverage of Poland by territorial
development inter-municipal partnerships,
2016**

(colours denote different assistance projects
implemented by Ministry of Regional Development)

International context for IMC in Poland - Norway:

- **Poland vs Norway** – a European country from outside of EU:
- Norway consists of 450 LGs (50% small – less than 5000) – IMC is supported by the state since 1960s.
- Regional Councils consisting of authorities of all municipalities in the region – a planning and coordination body for all activities that are important for LGs (municipalities) – development plans, spatial planning, education, transport, etc.) If the members (mayors of municipalities) come to conclusion that they need a formal decision of their municipalities – then they request such decisions from their municipal councils .
- Large number of IMCs – on average each LG is engaged in approx. 10 IMCs in different legal and organizational forms: development of sewage and water network as well as garbage collection and management, adult education, specialized social services (home for elderly people, assistance for unemployed persons, for orphans without parents), assistance for persons in personal/family crisis, management of real property (municipal housing, municipal offices), joint business promotion and marketing of the region, maintaining computer networks of LGs and databases of LGs in a safe and cost-effective way, joint public procurement, centers for assisting entrepreneurs, joint maintaining of archives of several LGs, training for newly arriving refugees, and several others.
- Different institutionalized forms of cooperation: inter-municipal companies (unions), associations, joint stock inter-municipal companies, agreements on providing services, etc.
- Important!!! Norway does not receive EU funds, but the same processes and IMC tools exist – because they are universal!

Issues and obstacles for IMC in Poland (and Georgia? - common issues ?)

- Lack of competences of LG personnel for implementing IMC – role of Central Government advisory assistance programs, donor programs and own activity of Assoc. of Polish Cities
- Joint delivery of services through IMC may help increase quality and accessibility of services
- Key objective of IMC in Poland nowadays (demographic decline in rural areas) – deliver joint services (transport, social services, education) to keep the rising costs of services down
- Is IMC a way to prevent amalgamation? – Yes. Without IMC in 10 years a huge amalgamation would have to occur in Poland. Same in most of EU countries.
- Urban Functional Areas ! – an important role of IMC in transport, social services, assistance to businesses development (own businesses and external investors). New dimension – creating joint Agencies for Economic Development, choosing such investments in urban centers that would also serve rural areas around.
- Lack of new sufficiently flexible legal forms of cooperation in Urban Functional Areas
- Development of IMC (development planning, implementation of projects supporting local economies in rural areas) may help in keeping young people from out-migration by creating new opportunities for them to develop own businesses or get job in others businesses, promote Energy Efficiency in public institutions and in private households

Role of the Association of Polish Cities in promoting IMC

- Programs implemented in cooperation with the Government (Ministry of Reg Dev.)
 - In partnership with Ministry of Regional Development – provide advisors to IMC candidates to assist in organizing partnerships, and during their work on joint strategy development
 - Conferences and workshops, networking and peer-learning
 - Database of good practices in IMC (a section on IMC in our Database of Good Management Practices - <http://www.dobrepraktyki.pl/index.php?p1=6&p2=20>)
 - Publications on the current status as well as objectives, strengths & weaknesses of IMC, eg. - http://www.zmp.poznan.pl/aktualnosc-1889-publikacja_zmp_o_wspolpracy_samorzadowej.html
 - Development of the reference Model for IMC (10 standards of good IMC) – chapter 8 of the publication (as above), as well as self-assessment tool (how close the situation is vs. the Model)
 - Promotion of legal changes that would eliminate obstacles for IMC – suggestions of amendment to the law, allowing new flexible forms of intermunicipal partnership
- Promotion of the IMC culture:
 - Website with all information IMC - <http://www.partnerstwasamorzadowe.pl/> (future tool kit)
 - Articles in the local government media promoting IMC as the approach to public management

Model for IMC cooperation – 10 standards of good cooperation within territorial based partnerships

Remark: the model fits better to strategic development cooperation within a given territory (Development Partnerships), then to cooperation on particular services (only certain parts would apply)

Dimension of strategic management in partnership (standards no. 1-7)

- **Standard 1. The composition of partnership is adopted to the objectives of inter-municipal cooperation**

Partnership-based cooperation in the territory is established to realize the selected public objectives and brings together entities operating in 3 sectors (public, social and economic one).

- **Standard 2. Diagnosis of situation and development needs of the functional area (FA)**

Partnership-based cooperation in the territory is based on reliable and periodically updated diagnoses on problems, resources, and competitiveness of a functional area and key qualities of partners and entire partnership

- **Standard 3. Analysis of functional links in terms of public services within the territory of FA**

The key element of diagnosing the situation of partnership operating in the territory is an analysis of functional links in terms of provision of public and market services within the FA.

Model for IMC cooperation – 10 standards of good cooperation within territorial based partnerships – cont. (1).

- **Standard 4. Programming of functional area development**

The objectives of the partnership cooperation in the territory are achieved by formulating and implementing a development strategy and sectoral operational programmes for the functional area

- **Standard 5. Integration of public services and infrastructure within the FA**

The level of coordination / integration of public services and infrastructure management in the FA is a measure of the long-term success of partnership cooperation – in terms of cost control

- **Standard 6. Integration of strategic / operational documents of partnership and of partners**

In order to be successful, the partnership-based cooperation within the territory requires that strategic and operational documents of partners involved - would correspond to a jointly defined strategic and operational documents of the partnership.

- **Standard 7. Monitoring and evaluation of activities of the partnership**

Partnership-based cooperation in the territory should be systematically monitored and periodically assessed, especially with regard to its relevance to the needs, effectiveness of implementation of objectives, and efficiency of activities.

Model for IMC cooperation – 10 standards of good cooperation within territorial based partnerships – cont. (2).

- *Dimension of management of partnership relations (standards no 8-10)*
- **Standard 8. Communication with inhabitants and with other local stakeholders (eg. businesses)**
Partnership-based cooperation in the territory is based on the reliable exchange of information and opinions between partners, inhabitants, and other stakeholders, building a sense of community.
- **Standard 9. Space for debate and dialogue between partners, and internal communication**
An efficient cooperation in terms of territorial partnership requires constructing and developing the space for debate and dialogue between partners. Permanent development of the scope and forms of the debate will enhance the conscious and responsible participation of stakeholders in the process of planning and management of development.
- **Standard 10: Mutual trust among partners**
Partnership cooperation in the territory requires mutual trust, partnership-based relations among partners, along with the feeling of shared responsibility for the current status and future development of the FA.

Model in action – self-assessment **how does the model work in practice?**

(Remark: Assessment done in the context of strategic development partnerships of LG units – so called Partnership Development Agreements)

- Standard 1. The composition of partnership is adopted to the objectives of inter-municipal cooperation **(most of Polish IMC partnerships achieved level 3 where 5 is maximum – level 3 of 5)**
- Standard 2. Diagnosis of situation and development needs of the functional area **(level 4 of 5)**
- Standard 3. Analysis of functional links in terms of public services within the territory of FA **(2 of 5)**
- Standard 4. Programming of functional area development **(4 of 5)**
- Standard 5. Integration of public services and infrastructure within the FA **(2 of 5)**
- Standard 6. Integration of strategic/operational documents of partnership and of partners **(2 of 5)**
- Standard 7. Monitoring and evaluation of activities of the partnership **(3 of 5)**
- Standard 8. Communication with inhabitants and other local stakeholders (eg. businesses) **(2 of 5)**
- Standard 9. Space for debate and dialogue between partners, and internal communication **(3 of 5)**
- Standard 10: Mutual trust between partners **(2 of 5)**