INTERNATIONAL PRACTICES IN INTER-MUNICIPAL COOPERATION

13 December 2016
Trieste – Piazza Oberdan, 10

Consiglio Regionale
Regione Autonoma Friuli Venezia Giulia
Sala Tessitori
INTER-MUNICIPAL COOPERATION

Reference material: “Toolkit for Inter-Municipal Cooperation” - Council of Europe, 2010

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**IMC** refers to a relationship between two or several local authorities (i.e. entities in the first level of territorial administration) having a status of legal persons, endowed with competences, powers and resources in accordance with the European Charter of Local Self-Government.

**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** needs effort, financial contributions and sharing of resources (staff, land, machines, buildings, etc.).

**IMC** is the result of a deliberate decision – the is voluntary (although the law may sometimes strongly encourage it).
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.
PURPOSE OF ESTABLISHING IMC

Partner municipalities agree to work together at some cost to produce new benefits that would be unavailable through unilateral action, on account of: limited availability of financial resources and/or capacity, limited capacity to attract private investors’, etc.

Delivering better services and promote development, becoming more efficient and effective than would have been otherwise possible.
PRE-CONDITIONS FOR IMC

Decentralised territorial administrative system

• Municipalities should have vital competencies that determine the quality of life of citizens and their collective welfare.

Level of 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

• IMC is often practiced at a very basic level -> a national policy on IMC is needed, with special legal provisions and with incentives to facilitate its expansion.
The forms of IMC vary from country to country, however macro trends in IMC may be identified:

- **Informal IMC**
- **Weakley formalized** – agreement/contract based
- **Functional IMC** – 1. Private law entity (NGO, association), 2. Private law entity (business firm, enterprise), 3. Functional IMC - Single or multi-purpose public entity
- **Integrated territorial public entity**
REASONS FOR ESTABLISHING IMC

• **Economies of scale:**
  - When a service is provided for two or more municipalities, the number of service users increases; this allows a reduction in unit costs.

• **Better services:**
  - IMC might allow a group of municipalities to improve services, or even provide new services and infrastructure.

• **Catchment area:**
  - Recover the full cost of services used by citizens in surrounding municipalities

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**E.g.**

In the 1990s in Hungary, and later in the Czech Republic and Slovakia -> “Joint Offices” for two or more municipalities to deliver administrative services. – IMC Toolkit, 2010

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**E.g.**

The case of a city bus - where passengers from the suburbs become “free-riders” (i.e. indirectly subsidised by tax-payers from the city). - IMC Toolkit, 2010
REASONS FOR ESTABLISHING IMC

• Joint management of infrastructure and public functions:
  • Many infrastructure networks are constructed across more than one municipality, as a result of physical or of a former administrative system.

• Better visibility and marketing
  • E.g. Tourism

• Access to external funds
  • European funding programmes

E.g.
The Association of Jura Municipalities (40 municipalities, Poland). They plan and mark tourist tracks, promote the region in national and international tourism fairs.

E.g.
A project to improve water supply in several municipalities of Cluj Region, Romania, received strong support from the European Investment Bank.
DOMAINS OF IMC

Health care

Welfare support and social assistance

Education services

Environmental management & protection

Waste collection & disposal

Water distribution & sewerage

Agricultural irrigation

Economic and territorial development

Cultural events

Urban planning

Management of EU funds

Roads

Public transport

Traffic regulation

Fire and rescue services

Tax collection

Public procurement

Hr management and development

Administrative tasks

Technical services
POSITIVE SIDE-EFFECTS OF IMC

Better **management practices**

Encourages a more **co-operative political culture**

May help to develop the will and capacity of each individual municipality for **partnership** with – public and private organizations.

More **time to mayors to focus on strategic responsibilities** by reducing time allocated to minor issues.

Lower level of corruption arising from the use of personal connections.

Greater sense of **solidarity** between partner municipalities.
NEGATIVE SIDE-EFFECTS OF IMC

**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**
COUNCIL OF EUROPE
FRAMEWORKS AND TOOLS FOR INTER-MUNICIPAL COOPERATION

The role of the Centre of Expertise for Local Government Reform
Good Local Governance – CoE support

• The Centre of Expertise for Local Government Reform is the Council of Europe operational arm in the field of multi-level governance, supporting central, regional and local authorities to improve their institutions, regulations, capacity and action.

• It supports the achievement of Good Local Governance through:
  • Legal assistance programmes
  • Capacity-building programmes of local authorities thus ensuring an improved quality of local and regional governance.
  • The European Strategy for Innovation and Good Governance at Local Level, enouncing 12 European Principles of Good Democratic Governance,
  • The Centre has a pool of capacity-building experts and capacity-building tools and programmes which it introduces to member States at their request.
I. IMC TOOLKIT

TOOLKIT
MANUAL

INTER-MUNICIPAL
COOPERATION

Initiating IMC
Establishing IMC
Implementing and evaluating IMC
IMC TOOLKIT – THE STEP LADDER

Phase 1: Initiating IMC
- 5: Build awareness and support
- 4: Decide on entering IMC and set up negotiating platform
- 3: Analyse the legal and economic environment
- 2: Identify potential partners and possible areas of cooperation
- 1: Identify needs and opportunities

Phase 2: Establishing IMC
- 10: Finalise agreement/statute
- 9: Define the institutional arrangements
- 8: Determine the financial arrangements
- 7: Choose the legal form
- 6: Identify scope for IMC

Phase 3: Implementing and evaluating IMC
- 15: Conduct regular evaluations
- 14: Ensure continuous and effective communications
- 13: Ensure continuous monitoring and self-assessment
- 12: Develop co-operation mechanisms
- 11: Establishing management and representative structures

Trieste, 13/12/2016
II. Council of Europe – Training Programme

TOOLS:
• IMC Manual,
• Practitioners Guide
• Web-page (www.municipal-cooperation.org)

MODULES:
• Module 1: Understanding IMC
• Module 2: Enabling IMC-friendly environment
• Module 3: Triggering IMC
• Module 4: Choosing a legal form
• Module 5: Financing IMC
• Module 6: Accountability for IMC
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