

# **OECD Rural Policy Reviews**

# **Rural-Urban Partnerships**

AN INTEGRATED APPROACH TO ECONOMIC DEVELOPMENT









#### Summary and conclusions

Main findings. (1) Discussions of the proposal by the Central Zone of West Pomeranian Voivodeship for a rural-urban partnership are in the early stages. (2) The need for a rural-urban alliance is acknowledged, but its form, function and scope have yet to be defined. (3) Partnership is a new concept in this region, and observed partnerships mainly involve the public sector, especially in inter-municipal co-operation initiatives. (4) Certain partnerships that serve as examples of different collaborative efforts in the region could provide a foundation on which to build. Some potential areas for co-operation could be the basis for a formal rural-urban Central Zone partnership. (5) The major challenges for co-operation are the limited co-ordination between different levels of government (e.g. the need for more strategic leadership at the regional scale), and weak territorial identity, which has resulted in a limited willingness to co-operate and in horizontal fragmentation in the governance scheme. (6) The Central Zone is an appropriate scale at which to look at common challenges for a group of integrated urban and rural areas.

**Territory under analysis.** The territory under analysis is the Central Zone of West Pomeranian Voivodeship, which includes 18 communes, including 1 municipal commune, 10 municipal-rural communes and 7 rural communes ranging from 2 600 to 16 800 inhabitants. The main system includes 6 towns with from 7 150 to 15 700 citizens (Drawsko Pomorskie, Złocieniec, Czaplinek, Połczyn Zdrój, Świdwin and Łobez). The Regional Office for Spatial Planning has divided the regional territory into five functional regions for development purposes. The identification of functional zones in Polish regions is part of a national strategy. The criteria used include environmental, anthropogenic and general socio-economic conditions, such as unemployment rates.

Historical background of the partnership. The regional territory has experienced profound transitions in terms of population and the composition of local society, and territorial identity and community ties are weak. However, the territory's need to provide public services and spatial planning make co-operation among small territorial units (e.g. municipalities) inevitable to deal with these challenges. Municipalities are the smallest units of government and since 1990, have had a high degree of autonomy and a wide range of competences. In 1999, an intermediate layer of government, the regions, with competences in strategic planning and development, was created in View of Poland's accession to the EU. The Regional Development Ministry has proposed that collaboration between the various authorities and agencies working within the Central Zone will enable them to address a number of pressing issues and opportunities, including these demographic challenges, more effectively than working at the municipal or county level.

**Partnership activities.** The rural-urban partnership would build either on the existing efforts of the intermunicipal co-operation or on the local action groups (LAGS). Inter-municipal co-operation is aimed at improving service provision, especially in waste management and environmental protection. The LAGS elaborate local development strategies and can formalise their partnership through contracts with regions. Given the region's mix of natural assets, one of the key proposals for a rural-urban alliance is a collaboration based on tourism, which could create other opportunities, e.g. local foods, accommodation, marketing, etc., or collaboration based on renewable energy. In 2010, the government initiated a process to build multi-level governance partnerships in the area, with the co-operation of the regional and local governments.

**Future challenges.** Since the region has already identified functional zones where urban and rural areas interact, the first task is to use these functional units as an object of policy, including the EU 2014-2020 cohesion policy. This means facilitating inter-municipal co-operation, as well as improving the dialogue between public institutions and the private sector. The main challenges are building an efficient network to overcome mistrust and lack of co-operation. A stronger strategic role for the region is seen as crucial to co-ordinate different initiatives and clarify responsibilities across different sub-national levels of government. In the longer term, a stronger territorial identity could significantly facilitate the partnerships' effectiveness, by increasing political willingness to co-operate.

# Regional overview

# **Territory under analisys**

The area under analysis, the Central Zone, is located at the heart of the West Pomeranian Region (voivodeship, TL2). The region is in northwest Poland, with the German territories of Vorpommern-Mecklenberg and Brandenburg to the west, and the Polish regions of Pomerania, Greater Poland and Lubusz to the south and east. To the north, the Baltic Sea coast spans its whole length. West Pomerania has 1.7 million inhabitants, and about 40% of the regional population lives in 5 large towns. Szczecin, Poland's seventh city, is the largest, with 410 000 inhabitants (550 000 including its metropolitan area). It is the main servicing centre for the western part of the region, and its historical capital. A sea-inland port on the River Oder, it combines with Świnoujście to provide one of the more significant economic activities of the region, in port and logistics. It is also a key entry point to Poland as a whole, and one of the key locations on the north-south European transport corridor that runs from Scandinavia to Greece. To the south of West Pomerania, a further strategic transport corridor runs across Poland, linking Berlin to Poznan, where it forks, with one fork heading northeast to the Baltic states, and the other heading east to Warsaw and onwards towards Eastern Europe.

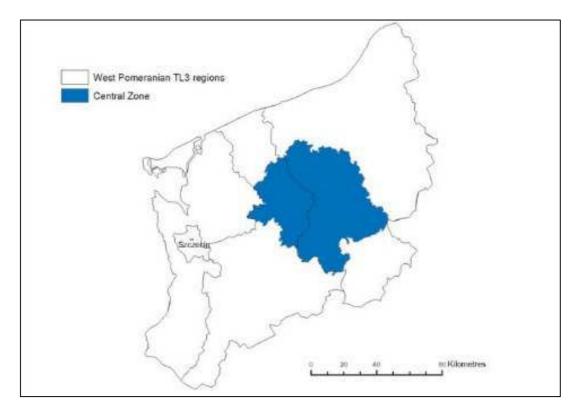
The Central Zone, the survey area, is a "functional zone" located in the central eastern part of West Pomerania. In fact, in the approved Spatial Management Plan of West Pomeranian Region (Regional Office for Spatial Planning of the West Pomeranian Region, 2012), the Regional Office for Spatial Planning has sub-divided the region into five functional zones with development purposes as follows. Figure 14.1 shows the Central Zone and the West Pomeranian region with the boundaries of its counties (NUTS3). From the figure it emerges that Central Zone covers an area that crosses three counties (Drawski, Łobeski and Świdwinski).

Table 14.1. The functional zones in the West Pomeranian region

Zone	Character and function	
Oder	Focused around Szczecin, enclosing the functional economic area of the city on the Polish side of the border, the linked port of Świnoujście and smaller centres to the east, including Stargard.	
Coastal	Includes the Baltic Coastal strip and encloses the two centres of Koszalin and Kołobrzeg, mainly a tourism and maritime economy.	
Central	A group of towns and their hinterland in the centre of the region with an economy based on tourism, some agriculture and forestry.	
Choszczno and Wałcz	A strip in the south of the region covering some protected landscapes, characterised by nature conservation, forestry, tourism and some agriculture.	
Szczecinek	A regional town to the east. with a focus on agriculture, forestry and tourism.	

Source: OECD (2012), "Rurban background report: West Pomeranian Region", OECD, unpublished.

Figure 14.1. West Pomerania showing Central Zone



*Note:* This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

### Delineating functional zones is part of a national strategy

The ministries are currently involved in an institutional reform to give more importance to sectoral coordination and territorial strategies. In 2012, the Polish government enacted a document called the National Spatial Development Concept 2030 (in Polish, "KPZK 2030"). This sets out a new integrated territorial development strategy and related investment plans, and for the first time addresses the issue of "functional zones" in spatial planning. The Concept identifies the need to identify functional zones, and the "KPZK 2030" defines them as "a problem area, where particular spatial occurrences take place or where spatial conflicts exist". The document does not say precisely how to delimit these functional zones, and criteria for delimitation remain vague at this stage: discussion on the criteria is ongoing in Poland. After delineation, the challenge will be to integrate functional zones into the next EU funding period.

For the Central Zone specifically, criteria are being developed for the area of influence of the main cities, transport accessibility from rural areas to city centres (reduced to a maximum of 30 minutes from more than an hour) and socio-economic situation (unemployment rate above the regional average).

The territory in the Central Zone consists of six cities, each of which services a small hinterland and an enclosed rural area. It has 18 communes, not all of which are municipalities, ranging in population from 2 700 to 17 500. The total population, of around 140 000, has been in steady decline for 20 years.

Table 14.2. Basic statistics of the Central Zone and West Pomerania (2010)

Territory	Population	Land area (km²)	Population density (people per km²)	Number of municipalities
Central Zone	146 867	4 073	36.1	18
West	1 693 198	22 892	74.0	114
Pomerania				

Source: OECD (2012), "Rurban background report: West Pomeranian Region", OECD, unpublished; OECD (2013), *OECD Regional Statistics* (database), http://dx.doi.org/10.1787/region-data-en.

The regions were created in 1999, as Poland prepared its entry into the EU and implemented the conditions to capture EU Structural Funds for strategic planning and development. Through an agreement with the national government (regional contracts), they receive a specific budget for major public service needs (e.g. road infrastructure, healthcare and education facilities). Each region formulates a Regional Spatial Strategy and a Regional Development Strategy (involving EU funding-based activities), within the framework of a Spatial Development Plan. The *voivode* is the representative of the Council of Ministers in the territory and plays a supervisory role over territorial self-governments, directly elected by citizens.

Table 14.3. Central Zone: District and commune structure

District	Commune	Additional division within urban- rural commune (to rural and urban areas)
Drawski district	Czaplinek (3)	Czaplinek miasto (city )(4) Czaplinek obszar wiejski - (rural area) (5)
	Drawsko Pomorskie (3)	Drawsko Pomorskie miasto (city) (4) Drawsko Pomorskie obszar wiejski - (rural area) (5)
	Kalisz Pomorski (3)	Kalisz Pomorski miasto (city) (4) Kalisz Pomorski obszar wiejski- (rural area) (5)
	Ostrowice (2)	
	Wierzchowo(2)	
	Złocieniec (3)	Złocieniec miasto (city) (4) Złocieniec obszar wiejski - (rural area) (5)
Świdwiński district	Świdwin (1) city commune	
	Brzeżno (2)	
	Połczyn - Zdrój (3)	Połczyn - Zdrój miasto (city) (4) Połczyn - Zdrój obszar wiejski - (rural area) (5)
	Rąbino(2)	
	Sławoborze (2)	
	Świdwin (2) rural commune	
Łobeski district	Dobra (3)	Dobra miasto (city) (4) Dobra obszar wiejski - (rural area) (5)

	Łobez (3)	Łobez miasto (city) (4) Łobez obszar wiejski - (rural area) (5)
	Radowo Male (2)	
	Resko (3)	Resko miasto (city) (4) Resko obszar wiejski - (rural area) (5)
	Węgorzyno (3)	Węgorzyno miasto (city) (4) Węgorzyno obszar wiejski - (rural area) (5)
Stargardzki district (part)	lńsko (3)	lńsko miasto (city) (4) Ińsko obszar wiejski - (rural area) (5)

*Notes:* 1.Municipality. 2. Rural. 3. Municipal and rural/urban and rural. 4. Municipal and rural/ urban and rural: city. 5. Municipal and rural/urban and rural: rural area.

The Polish administrative hierarchy also includes a county or district level (powiat, NUTS4), between the regional and municipal level. The Central Zone includes three counties. The county level was also created in 1999 (a total of 314) and has a limited role, sharing secondary schools, hospital and healthcare services with other scales; labour market including unemployment prevention, and public transport.

Self-governed since 1990, the municipality (gmin, NUTS5, 2 479) is the smallest and oldest layer of local government. It has a high degree of autonomy and is in charge of a broad set of competences:

- land management
- developing local law in spatial planning
- basic infrastructure, including housing
- public service delivery, such as health, social, education and transport services.

# The difference between rural and urban areas

The communes are the basic self-governing units in the Polish territorial division, which uses the ULMA (Urban Labour Market Areas) classification of territorial units. Poland recognises three types of communes: municipal, rural and "urban-rural", a third type of commune. The rural-urban communes are further divided into city and rural areas (see Table 14.3). Of the 2 479 municipalities in the Country, 597 fall in the third category and account for 60% of the population. Each of these urban-rural areas includes urban centres surrounded by several villages.

The differentiation between urban and rural areas makes more sense when shifting from national policy towards cross-border co-operation. The West Pomeranian Regional Office for Spatial Planning is involved in an INTERREG IVC (inter-regional) co-operation project with five countries, called URMA (Urban-Rural partnerships in Metropolitan Areas). The goal is to exchange knowledge and good practices and improve urban-rural co-operation in innovation, research and technological development.

#### Historical context

Alongside the spatial structure, the historical Context is equally important in this case study. The region, like much of Poland, has experienced significant territorial conflict in its history, shifting between Germany, Poland and Sweden through the centuries. Even after settling its national status, functional and administrative borders have evolved. The functional labour market surrounding

Szczecin is almost equally split between Germany and Poland. Due to an administrative reform in 1999, West Pomerania absorbed the territories of the former Szczecin and Koszalin regions, as well as parts of the regions of Piła and Gorzów.

This territorial instability is matched by population instability, partly caused by these ongoing territorial transitions. Profound population changes in World War II, and the resettlement policies of more recent Polish governments, have left little sense of embedded culture or territorial identity in the area and few strong ties of community. The current generation of young citizens is only the second to include a significant portion of the population born in the region. Significant enclaves of Ukrainian descent remain.

#### Socio-economic profile

The economic structure of West Pomerania has changed. A large industrial sector has been significantly reduced and the role of the maritime economy limited to transport functions only. Coastal tourism and services now play a big part in the economy. The state-run agricultural sector has disappeared in the transition, to be replaced by small private farms. Limited economic opportunities and unemployment higher than the state average are leading to significant population loss, causing long-term concerns.

Economic assets in the Central Zone include a few notable spa facilities, for example at Połczyn Zdrój, tourism and an exceptional natural environment, including a number of protected areas, lakes and forests, agriculture and forestry. Micro-food opportunities include mushrooms and honey and an assortment of other businesses, such as traditional ceramics. The joint potential of neighbouring towns may help create common economic assets and a rise in internal demand.

Central Zone<sup>a</sup> West **Poland OECD** Pomeranian Region GDP per capita 15 090 17 194 30 156 (USD, PPP), 2010 14,2 10,9 10,1 7,9 Unemployment rate (%), 2011 21,9 Elderly 16,8 18,9 22,1 dependency rate (%), 2011

Table 14.4. Central Zone socio-economic indicators

Note: a) Year 2009

Source: OECD (2012), "Rurban background report: West Pomeranian Region", OECD, unpublished; OEC D (2013), OECD (2013), OECD Regional Statistics (database), http://dx.doi.org/10.1787/region-data-en.

#### Strengths and challenges of the region

In general, weak territorial cohesion is an issue. Depopulation is a challenge: the Central Zone's population was 147 000 in 2010 and declined by 2.3% between 2002 and 2010. This resulted from a negative migration balance, which outnumbered the positive birth rate. A pattern of migration is observed from villages to small towns and small and medium to bigger towns. In this ageing community, many younger people, particularly women, choose to leave the area to seek economic opportunities.

Another key challenge is service delivery. The local level has insufficient funding to provide the required services and facilities. Transport suffers from a similar disjuncture. Connectivity is a concern, due to the lack of an integrated public transport system and poor road and rail links. Even the regional core city (Szczeein) has poor road connectivity with other urban centres. Local transport has largely been privatised, with services provided under contract to the national government or through market mechanisms. The only public transport provider at present is a Car Communication Company (PKS) as well as the Polish State Railways (PKP). Public transport provision tends to be restricted to the most popular and viable routes. Sensitivity to local needs is weak, as is response to local innovation that could help support marginal or essential, but loss-making services, through subsidies, service restructure or redesign.

Bus service is equally problematic, described by some as "inefficient", with limited economic returns. Bus companies are restricted in using capital resources to invest in new vehicles. The vehicles being used in rural communities are the same as the ones used on more popular and commuter routes. Challenges in providing transport to the elderly are also a concern. Transport (public and private) has developed formal and informal partnerships with community groups that are hired to run "community taxis" for older people for hospital appointments, picking up prescriptions and grocery shopping.

Changes in the transport system are expected to resolve some of these issues. As of 2017, local county administrations will be responsible for developing and overseeing local strategic transport planning, with this responsibility devolved from the centre. Talks are in progress for a joint public bus network between communes. The difficulty is to elaborate an efficient alternative to private cars given funding shortages for replacing deteriorated rolling stock, improving spatial accessibility of stops, shortening transfer time and increasing service frequency. Another idea would be to develop smaller buses for sparsely populated peripheral areas.

Healthcare provision in the Central Zone is considered average compared to the rest of the region. There are hospitals in 23 cities of the region, with multi-functional hospitals located in Drawsko and Połczyn Zdrój and one small hospital in Resko. Local general practice doctors have a list of 2 500 to 3 000 patients each. These private providers do not have a formal commissioning link with the main hospitals. General practitioners (GPs) provide night and holiday support, but the cost of private medical services is high.

Alongside the formal healthcare system, municipalities provide a range of community care activities, from day centres for older clients, to palliative and long-term care at home, and through voluntary and community activities, for example through local church groups. The fact that the municipalities heavily subsidise child care gives some indication that rural-urban partnerships recognise the importance of women to the area's social and economic infrastructure. The widespread view of these services is that they are of variable quality and quantity, with interruptions in the "flow" for patients. Local GPs are unable to influence the provision of hospital services contracted nationally or social services provided through municipalities. Meanwhile, hospitals are continuing to merge and divest themselves of services, with little reference to the needs profile in areas like the Central Zone.

A high rate of unemployment prevails in the region, with limited indications of how education is linked to employment and the region's strategic development. It lacks centres of higher education (only primary and secondary education units are located in the survey area) and the number of schools has dropped. The region is richly forested and has the potential to develop the logging industry and furniture making. No partnership arrangement with higher education institutions exists around labour market needs, or strategies to develop labour market potential. Neither is there investment in research and development. Since 2010, a dynamic development of broadband and wireless Internet access has

been observed. Nonetheless, the Central Zone is at an evident disadvantage with respect to ICT and Internet access, which has been evaluated as average compared to the rest of West Pomerania.

# Partnership purpose and characteristics

The Regional Development Ministry has proposed that collaboration between the various authorities and agencies working within the Central Zone would enable them to address a number of pressing issues, including these demographic challenges, more effectively than working at the level of either the municipal or county level. Collaboration would also prepare the areas within the zone to maximise opportunities to secure external investment from, in particular, EU funding, given the increasing focus of the 2014-2020 EU programmes on functionality. Discussions with representatives from the zone made clear that the proposal is attractive because it recognises that actors in the zone need to operate on a larger scale that could command more attention from the regional and national level. The key levels for operational delivery in Poland seem to be the national and the municipal level. Interim levels at regional and county level are much more about policy interpretation and administration. The regional level is meaningful in the creation and management of Regional Operational Programmes, among other actions. Decentralisation, if it was occurring, was a slow process of transition, with little focus on local capacity building to create more momentum. The economy is in transition from large state-organised enterprises to developing regional economic strategies. The region is at an early stage in this process and the economic strategy for the region is "open". In other words, it is not yet developed. Strategic documents at a range of levels (local, regional, national) have yielded little horizontal or vertical integration. West Pomerania is strategically located with easy access to Germany, Central and Eastern Europe and Scandinavia. Once capacity is developed, its location will give the region a natural advantage.

Partnership is a new concept in West Pomerania. Some partnerships in place serve as examples of different collaborative efforts in the region and could provide a foundation on which to build. Some potential areas for co-operation could be the basis for a formal rural-urban partnership. Both these forms are discussed below.

#### Partnership structure

#### Inter-municipal co-operation

Today, 60% of municipalities at national level are engaged in inter-municipal co-operation. No tradition of municipalities co-operating existed before 1989. The Regional Development Ministry proposal is that collaboration between the authorities and agencies working within the functional zones would enable them to address a number of pressing issues and opportunities more effectively than working at the level of either municipality or county.

The Central Zone does not seem to have any real experience of collaborative practice between municipalities. One example discussed was an initiative to develop a waste management facility for an area covering most of the proposed territory, and involving rural-urban partnerships. This had been designed to serve 100000 people. Once the facility was established, some frustration ensued after a change in the national law requiring redesignation of waste management territorial boundaries required the facility to scale up to service 150 000 people, at a time of population decline and overcapacity in local facilities. This left the partnership in financial difficulty and created some caution about such initiatives in future.

A further example of collaboration is the joint work successfully undertaken by an association of 22 municipalities along the Parsęta River, from the Baltic Sea to the northeast sector of the Central Zone. The main objective was to organise water and sewage management in the Parsęta River Basin, a watercourse renowned for its attractiveness and its range of spas. This association has operated since 1992 around such objectives as increasing energy efficiency (renewables), reducing greenhouse gas emissions and improving health and living conditions. Accounts of this project highlighted the important leadership role of the mayor of one of the municipalities from outside the Central Zone in creating and leading the partnership, bringing together other actors and defining clear economic, tourism and environmental goals.

# Partnerships in the local action groups and local fishing groups

West Pomerania has 15 local action groups (LAG) and the Central Zone has 4, promoting the LEADER approach and funded 60% by the EU European Agricultural Fund for Rural Development (EAFRD). An LAG involves several villages and a few towns; its partnership involves three kinds of stakeholders: local governments, the civil society and individuals, and the private sector. The local government is dominant (through funding), and the private sector's participation is limited. Partnership between public and private stakeholders appears difficult to implement, and misunderstanding between the two could be attributed to historical reasons, such as state centralism.

The LAGs formulate local development strategies and can formalise partnerships in contracts with regions. No clear LEADER National Strategy is perceived from the local actors, but "overadministration" is considered particularly constraining. This is particularly true of project management, project selection and assessment procedures. There are basically four major fields of activity for the LAG projects:

- regeneration of rural areas and rebuilding of social infrastructure
- micro-enterprises and business creation
- diversification of agriculture, in particular towards agro-tourism
- small projects (less than EUR 6 000) of local community development.

The local fishing groups (LFGs, common in Poland) are built on the same structure and the same type of partnership as the LAGs. Their objective is to promote sustainable local actions in valorising fishing products and diversifying fishing activities. Every LFG includes representatives of the public, economic and social sectors. Their EU funding source is the European Fisheries Funds (EFF), rather than the EAFRD.

### Potential areas for collaboration

Given the mix of natural assets in the region, one of the key proposals made by the Regional Development Ministry as a foundation for a rural-urban partnership is a collaboration to complement the region's asset of the Baltic coast. This could be marketed as an additional opportunity for visitors to the coastal strip. A variation on this proposition is to develop a more differentiated tourism proposition, not only to divert existing visitors to the region, but to combine and build on some of these resources to appeal more broadly. Examples include a "wellness" package, taking advantage of the spas, the natural landscape and its potential for hiking, cycling and other active pursuits, and a range of local food production opportunities that could be scaled up. This would probably target a different market and interest visitors drawn to the coast. The new market could include visitors from Szczecin and eastern Germany, and also other parts of Poland. This has the potential of being based on a more solid employment offer linked to production and services, but would also require scaling up in terms of investment and marketing.

Further collaboration to enhance accommodation could extend tourism beyond day visitors, given the limited spatial development in the towns. Linking up with areas outside the Central Zone on marketing could be promoted by the Regional Ministry or other regional functions, and also to differentiate this from existing initiatives such as the Parseta initiative. Some work appears to be under way, at least in Połczyn Zdrój, to identify and document possible tourism opportunities, including collaboration related to local foods. However, the regulatory environment imposes constraints in promoting local food production opportunities, which may need to be addressed through the region and national legislation.

An alternative proposition is to focus on activities such as energy generation (wind famis, bio-gas) and waste management, where unused rural land could offer opportunities for investment and employment. Development in waste management has been under consideration to address local supply requirements, but local residents are not yet sure that expanding this to a wider scale is desirable.

# Partnership strengths and weaknesses

From the outset, some important strengths and weaknesses clearly exist. The first is the designated scale for the collaboration, the 19 municipalities. The others are linked to factors that will affect the partnership, no matter what the scale chosen. These include a lack of capacity, leadership, horizontal and vertical partnerships and networking, excessive central regulation, and the social and cultural legacy that has left a society with few skills to undertake the type of initiatives typical of the EU approach.

### The Central Zone: Challenges ahead for a successful functional region

The Central Zone is composed of small-scale municipalities with no experience of collaboration, a local focus and a lack of shared identity. The West Pomeranian region's effort to draw together municipal capacity to collaborate at a larger scale seems praiseworthy. But the few examples of this being successful seem to rely on the vision and efforts of individuals, with a general absence of catalytic initiatives to support networking or build capacity from higher levels. External drivers that did prove successful, such as local action groups supported by the EU LEADER programme, relied on charismatic individuals who needed a high level of motivation to secure relatively small levels of resources.

It is not immediately clear why the Central Zone was designated as a territory, given that other areas close by, such as Choszczno, Wałcz and Szczecinek, share similar functions in their focus on tourism and agriculture and similar challenges in service delivery. Informants suggest that the Central Zone has been designated as a territory because it can be easily accessed from nearby areas, such as Choszczno, Walcz and Szczecinek, within 30 minutes. In the provision of public services, a population of 140 000 makes sense, being towards the lower end of a good scale for enabling a strategic approach to services like local healthcare and primary and secondary education. Nonetheless, in an area such as the Central Zone, dealing with strategic issues of economic development and provision of key services seems problematic.

Matching the scale of governance to issues of functionality is an important consideration for any partnership. Common economic and service delivery challenges exist within the Central Zone, but although it was described as a "functional area", no clear sense emerged of what the function concerned. Instead, informants report that the partnership is less about fiinction and more about making a cluster of towns "functional" or at least deriving ways to make the towns more "multifunctional".

It is too early to conclude whether the Central Zone as a functional region is the way to address current issues of territorial fragmentation. Nevertheless, it seems to be the right answer for analysing the issues and to consider a common group of challenges faced by the six towns and their hinterlands. Stronger collaboration between the Central Zone municipalities will be a pre-requisite to making this a success.

These functional zones are a good fit with the new EU governance framework and could allow Poland to take advantage of the EU proposals for cohesion and rural development policies in the next programming period (2014-2020). The operational difficulty could be twofold: first, to integrate these functional areas in the EU programming scheme; and second to implement and manage projects in cooperation with West Pomerania. The question is how to deal with the risk of increasing competition between municipalities in these functional zones.

The new functional zones, targeted to development and service provision issues, appear to be the right scale to implement a territorial cohesion strategy involving rural-urban partnerships, particularly through LAGs. The possibility of expanding LAGs in other types of territories in the next EU funding programming period is welcome: agglomerations could be included in the current rural-urban partnerships. Perhaps joint management of the programmes could be implemented through Associations of Local Government Units (an association legally approved in Poland).

#### **Governance challenges**

Fragmentation horizontally and vertically in the governance structure is evident. The weaknesses of vertical co-ordination (between scales) include, first, that spatial and development instruments at different scales (local "studies of conditions", local zoning plans, development strategies, multiple-year investment plans, economic development plans, sectoral programmes) do not seem to be sufficiently articulated and co-ordinated. Second, the key scales for operational delivery in Poland are the national and the municipal levels. Interim levels at regional and county level are concerned with policy interpretation and administration. Strategic leadership is lacking at regional level, and decades of centralisation of decision making seems to have given municipalities too much autonomy. The multilevel governance scheme appears fragmented.

Strategic goals for the region were developed before the regulations governing the EU programmes were agreed upon. These regulations did not always allow for regional goals to be pursued. The EU provides a crucial source of funding, but it is important that this help make things possible, not block them. The region needs to develop the capacity to identify and pursue strategic regional goals, and to make these work with the available funding. At present it feels as if EU money is being "chased" and that this determines the activity undertaken. Rigid adherence to EU rules supplants any attempt at imaginative interpretation.

In future, greater articulation and clarity is needed to make planning responsibilities of municipal, county and regional levels more coherent and efficient. Enhancing the strategic role of regions by increasing their political legitimacy and their capacity to arbitrate should also be considered a priority. Regions should be given more power for spatial planning and adopt a more forward-looking perspective. The distribution of competences between regions, counties and municipalities requires further clarification, regarding in particular health and the labour market. The decentralisation process will be useful in this regard, but it is a slow transitional process. One of the aims of the National Spatial Development Policy and its Concept (see above), now debated for two years, is to strengthen cooperation between the entities engaged in development policy implementation. This includes precisely

the possibility for the central government to design an incentive programme to promote the establishment of voluntary associations.

Horizontal co-ordination (between instruments at the same scales) is also subject to fragmentation, which makes inter-municipal co-operation difficult. Although establishing municipal spatial plans is a legal requirement, only 20% of local governments have elaborated one. These local spatial plans focus on municipal borders (instead of on functional areas) and they rarely involve inter-municipal co-operation. In addition, there is no alignment between municipal spatial plans. As an example of inconsistency, investments in roads decided upon and launched by one municipality can be blocked by another. The difficulty of establishing an integrated transport system between urban areas and the slow development of housing within towns and cities may be a consequence of these governance weaknesses.

Inter-municipal co-operation is a bottom-up process that municipalities initiate without any formal administrative structure. Regions simply include it in their strategy and provide the necessary provisions. Willingness to co-operate to support business, joint investment and clustering is weak, possibly because of the area's historical lack of identity. Potential for inter-municipal co-operation is limited by:

- the absence of precedent for this type of approach (before it started in 1989)
- a lack of a legal and financial platform to engage municipalities in common tasks (the central government has a key role to play here)
- a lack of incentives from the central and regional governments for inter-municipal cooperation.

Polish society is in transition from a centrally planned state to democratic structures with devolved responsibilities. This leaves scope to build territorial identity and develop the capacity for people to deal with this social structure. Several types of co-operative initiatives exist, but the efficient networking needed is hampered by a historical mistrust of top-down initiatives and government regulations.

The impact of the LEADER projects has been limited by this lack of willingness to co-operate. Clearly, the priority of local actors in charge of organising the LAGs is to create a networking community, a willingness to co-operate and sense of participation. The lack of co-operation between the LAGs is also a challenge: as for the municipalities, many of the LAGs have little contact with each other. Meanwhile, Finland has established a National LEADER Strategy and sound experience in rural local development, with a high level of networking and a culture of participation with the private sector. This could be a source of inspiration for Poland.

One of the positive outcomes of the LAGs is that they encourage communities to celebrate their "roots" and their "human identity". This cultivates a sense of self-confidence and is beginning to allow people to take the initiative and develop, for example, craft-based activities linked to identity. This partnership structure can play a crucial role in capacity building and developing leadership skills. The LAGs' success seems to rely on charismatic individual leadership. Cultivating such leadership skills and people's ability to assume responsibility is crucial.

Such improvements will take time. Appropriate indicators must be used to assess these partnerships (for co-operation, cohesion, identity, mutual respect, horizontal and vertical integration), not the standard limited indicators measuring outcomes, such as number of jobs created and revenue raised.

# Conclusions and looking ahead

The essence of creating the Central Zone is to bring together towns at a radius of about 30 minutes to take advantage of their joint potential. However, discussions about the Central Zone proposal for a rural-urban partnership are in the early stages. The need for a rural-urban alliance is acknowledged, but the form, function and scope of this collaboration has yet to be defined. The Central Zone region is an excellent example of an area that can greatly benefit from exposure to other models of rural-urban initiatives in the EU and OECD. Neither a strong sense of leadership - essential in such a fragmented area - nor a strong external influence that could act as an alternative catalyst is yet in place. To realise the Central Zone vision, a convergence of top-down and bottom-up processes is needed. Additionally, the proposal for stronger collaboration has to be balanced against the importance of not intervening with the autonomy of the municipalities or overlapping with other levels of authority.

Considering whether the Central Zone is the correct geography, given the current functional systems in West Pomerania, is an essential first step in addressing the area's economic and service provision challenges. Indeed, a reflection of this nature is essential to address the economic and service provision challenges in the region. There is also a need to understand and work together on the functional linkages - including the rural-urban partnerships in areas like tourism and transport - which are likely to include relationships with places outside the Central Zone.

Developing capacity and self-identity through collaboration is a potential result of this proposed partnership. The social and cultural context shapes how partnerships and specifically rural-urban partnerships develop and no precedence or tradition of a community and voluntary sector or partnership working exists. Developing this capacity will take time. The initial collaboration should be understood as a necessary prerequisite for building capacity and the ability to "speak with one voice" to negotiate for resources and strengthen cultural, regional and inter-municipal ties. This would be a key step in the right direction to bring it in sync with other rural-urban partnerships in OECD countries.

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