



BUILDING URBAN-RURAL PARTNERSHIPS IN FUTURE EUROPEAN DEVELOPMENT PROGRAMMES

2nd European Seminar on Sustainable Urban-Rural Partnerships
Conference Report

ENRD Contact Point
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1 Executive Summary

Warsaw, the capital city of Poland, and the Region of Mazovia were hosts of this year's edition of the Seminar on Sustainable Urban-Rural Partnerships that took place on 24-25th of April 2013. The high-level event brought together various stakeholders, including representatives of: Organisation for Economic Cooperation and Development, European Commission, European Parliament, Committee of the Regions, Polish authorities, networks of urban and rural development stakeholders, researchers and other interested. During two days a number of issues related to urban-rural partnerships were discussed and proposals made for the post-2013 EU programming.

2 Day 1, 24th April 2013

Welcome and Opening: key-note addresses by

- Adam Struzik, Marshal of Mazovia Region (Chair)
- Elżbieta Bieńkowska, Minister for Regional Development, Poland
- Yves Leterme, Deputy Secretary-General, OECD
- Marek Woźniak, Chair of the Committee of the Regions (CoR) Commission for Territorial Cohesion (COTER)
- Normunds Popenis, Deputy Director-general, European Commission, DG Regional and Urban Policy
- Hanna Gronkiewicz-Waltz, Mayor of Warsaw, President of Eurocities

During opening session participants were welcomed by the representatives of the institutions hosting the event. While those from the OECD and CoR highlighted the importance of the urban-rural partnerships on the policy agenda, Polish stakeholders presented their various experiences in the national and regional context (Mazovia). Particular focus was on increasing territorialisation of development policy. In this respect Poland is already applying the approach basing on functional definition of regions, instead of the administrative. It was also stressed that urbanisation is a global phenomenon, which can be counterbalanced with improved urban-rural linkages. Moreover, some rural areas are characterised by a high growth potential that should be supported.

As observed by the OECD, urban-rural partnerships are also important for both development and social cohesion. Especially, they can be seen as a key tool for improving infrastructure and administration. In this context, the old urban-rural divide becomes rather misleading. There is no clarity on whether urban or rural regions are better growth poles any more. For instance, there is evidence that in some European territories, the rural regions contribute greater to growth than some urban ones. Presentations of the OECD case studies (from Europe and beyond) and discussions were continued during the six workshops.

Workshop 1: Governance approaches to urban-rural partnerships: a functional perspective to policy making

Chair: Martijn De Bruijn, European Commission

Expert: Paolo Veneri, OECD

Discussant: Iván Tosics, URBACT

The workshop was focused on functional connections between urban and rural areas and their governance. Deep territorial transformations, observed in the last decades, have significantly contributed to introducing these topics into official policy discourses. Therefore, in many cases, traditional urban-rural divide and administrative boundaries are increasingly often becoming obsolete. In order to reflect the changing reality, more attention is now paid to organisation of the territory as functional regions.

Functional regions can be defined as geographical spaces where the bulk of local economic processes is taking place, and that are increasingly different from administrative regions. This new term has been the subject of works under the mandate of the OECD Working Party on Territorial Indicators (in

collaboration with the European Commission and Eurostat). The Main results of this exercise can be found [here](#).

A more complex picture of the processes can be delivered by the geography of the urban-rural interactions. They are characterised by a high complexity of urban-rural relationships and that contribute to variability of spatial boundaries. Determinants to be taken into account in this regard are: population, human capital, commuting, services provision, investments and economic transactions, environmental goods and amenities, governance interactions – partnerships, and physical distance between urban and rural areas. In practice, partnerships often cross existing boundaries and the physical proximity (face-to-face interactions) is the major factor influencing creating the connections. They are also flexible, taking formal or informal approach.

The main challenges of using functional regions for policy purposes as identified by the OECD are: institutional fragmentation, reforms and stability, transaction costs and human resources costs, accountability towards citizens. Basing on this, two governance approaches have been distinguished: intentional (where urban-rural partnership is an explicit aim) and unintentional (where the general focus is on common local development objective).

Workshop 2: Rationale for rural-urban partnerships – purposes and benefits

Chair: Karolina Jasinska-Muehleck, European Commission

Expert: Monica Brezzi, OECD

Discussant: Rene Miesen, BrabantStad

The session revealed that urban-rural partnerships are becoming a central stake of various debates. A special attention is paid to their connections and the way they are governed. The discussions should help to improve understanding of their interdependencies, identifying challenges and benefits and design governance solutions to facilitate an integrated approach.

Examination of benefits that such partnerships may bring is highly constrained. Particularly, the following methodological questions occur, when trying to identify benefits of urban-rural partnerships: How can we measure the benefits of urban-rural partnership? Can we identify “typology” of partnerships with successful strategies to increase benefits and overcome challenges? Can we identify policy instruments to improve results of urban-rural partnerships?

The OECD carried out research employing a number of evidence-based case studies from Europe and beyond. These analytical works have demonstrated that the reasons behind emergence of urban-rural partnerships can be manifold (economic development, joint planning, service provision, territorial promotion, political relevance and access to funds), while the identified challenges are based on specific linkages between urban and rural areas (demographic linkages, economic transactions and innovation activity, delivery of public services, exchange in amenities and environmental goods, governance interactions). The benefits of the urban-rural partnerships can be both of economic and social nature, and can be listed as follows: capacity building, production of public goods, account for negative externalities, achievement of higher economies of scale, overcoming asymmetries and incompleteness of information.

Workshop 3: Making rural-urban partnership effective and sustainable: challenges & experiences

Chair: Wladyslaw Piskorz, European Commission

Expert: Betty-Ann Bryce, OECD

Discussant: Thierry Baert, Eurocities

During the workshop an overview of the main typologies relating to urban-rural partnerships were presented. As explored in the research carried out by the OECD, starting points for establishing partnerships of this kind are catalytic events, such as: globalisation, demographic trends, economic decline or budget cuts. The existing forms of the urban-rural partnerships are embedded in regulatory (legislative) and political conditions, as well as dominating cultures of collaboration.

Various modalities can be taken into account, when describing such partnerships, e.g. leadership, incentives, representation, territorial identity, purpose (single/multiple), institutional form, funding source or authority to act. A significant point for consideration is how to encourage stakeholders to collaboration within urban-rural partnership and to deal with constraints. As an example – partnership from Lexington (Kentucky, USA) was highlighted, where the main constraint for sustainability is the tax system.

Urban-rural partnerships as such are not new, but the process of building their “collective identity” is only recently getting higher on the agenda. This identity may be crucial for strengthening partnership and balance between urban and rural. In this respect, lessons can be learned from the LEADER approach, which created an active community over 20 past years.

Workshop 4: Partnerships for public service provision: challenges & experiences

Chair: Charlina Vitcheva, European Commission

Expert: Sally Shortall, Queen’s University Belfast

Discussant: Jerzy Zająkła – Committee of the Regions

Challenges, positive features and associated issues were the main discussion topics in this working session, examining provision of public services by urban-rural partnerships. Focusing on challenges that partnerships needs to meet, remoteness of some rural areas was pointed as the main concern: with an increasing distance, the strength of partnership tends to weaken.

Another point concerned feasibility of urban-rural partnerships to deliver services for the remote rural areas. In such areas, voices are often heard blaming urban centres for lacking engagement in solving rural issues. Nevertheless, some examples (e.g. in Netherlands) demonstrate that these areas are positively valued as service providers for the urban zones (e.g. in outdoor activities or minimising negative climate effects). On the other hand, in urban areas fears are spreading on counter-effective subsidising rural areas. The lack of sufficient ‘vertical’ integration between rural and urban limits the effectiveness of service delivery. This can be for instance due to duplication of tasks at local level and missing regional guidance (example of Castelo Branco – Portugal), or devolved responsibility without devolution of resources and overlap of service provision (example of Extremadura – Spain).

Positive aspects of the urban-rural partnerships can be listed as follows: allowing areas to scale up, increasing cost-efficiencies of service provision, expanding it with broadband, providing vertical

approach to partnerships, enhancing use of regional strategic documents, strengthening equality of partners, and building a sense of belonging. There is no one-size-fits-all approach to creating urban-rural partnerships and it should take into account very diverse circumstances across Europe. Animation and capacity building can be possible solutions to overcome difficulties in this regard.

Workshop 6: Financing territorial partnerships: challenges & solutions

Chair: Wladyslaw Piskorz, European Commission

Expert: Patrick Salez

Discussant: Lynne Hack, Vice-President, PURPLE

The workshop provided an overview of the main results and issues emerging from the OECD research on financial aspects of urban-rural partnerships. Basing on this, the rationales for funding R-U partnerships are: improved governance benefitting competitiveness, better service delivery, and enhanced territorial cohesion. However, there are various associated risks for the U-R partnerships to be effective, especially in terms of transaction costs. Application of the functional approach may also cause an extensive workload and result in creating additional structures.

The U-R partnerships may rely on various kinds of funding: EU-financial mechanisms (e.g. LEADER, INTERREG, URBACT, ESPON), national funds (incentives to cooperate, grants), regional and local funds (taxes, membership dues), private funds (direct or through development companies). With regard to diverse funding options, difficulties were noted in lack of coordination between different EU-funds and low engagement of private sector into the delivery of LEADER.

Decreasing public expenses and territorial reforms were pointed out as major challenges to be met, while ensuring funding for the urban-rural partnerships. The circumstances may be particularly difficult for the sparsely populated areas, characterised by high per-capita costs for the service provision. In order to safeguard sustainability of funding, more involvement of private sector is sought. It can be particularly mobilised through innovation policies. In addition, win-win situations should be created to allow all members for gaining benefits. Yet, there is a need to examine the added value of the U-R partnerships, but it meets methodological difficulties.

Workshop 6: Which role for the private sector in Rurban partnerships?

Chair: Michael Ralph, European Commission

Expert: Graham Russell, DEFRA, UK

Discussant: Richard Wakeford, Chair, UK Sustainable Development Research Network

During this workshop, private sector was indicated as the missing piece of urban-rural partnerships. For a greater inclusion of private stakeholders, four solutions were proposed: involving them in co-design, collaborative action, communication, and as change agents. From the perspective of business sector, the partnerships may be beneficial for networking, allow for access to public funding, recognition and innovation. Public sector, on the other hand, may benefit from a joint venture delivery, useful insights or resource sharing.

In most known cases private sector is little active in urban-rural partnerships. For instance in Emilia-Romagna (Italy), SME sector is engaged with the Province acting as a facilitator (agriculture) or a

translator (tourism), while in Jyväskylä (Finland) Local Action Groups are being employed as local development companies. For the future it was recommended to expand the scope of business involvement. Following steps may be helpful on this way: beginning with fixing partnership engineering process, focusing on the issues important for the business sector, specifying required outcomes/outputs, leaving headroom for new approaches, measuring key performance indicators regularly, engaging supply chains, making boundaries flexible, and clarifying leadership.

Despite concerns, so far, there has been relatively weak effort aimed at actions for better inclusion of the private sector in U-R partnerships. Therefore, during the session, a call was made to elaborate an agenda guiding systematic process of the partnership. In this regard, "advocacy" from the EU would be helpful, while an approach should be taken that is more "entrepreneurial" than "bureaucratic". The focus could be more on economic development.

Evening Programme

After the workshops participants of the event were transferred to Karolin, the picturesque suburban area of Warsaw, where they learned about the example of an urban-rural project co-financed from the European Regional Development Fund. This particular one ("Matecznik Mazowsze – Folklore Centre") was dedicated to expanding infrastructure facilities for the well-known Polish Dance Ensemble Mazowsze and enhancing its cultural offer. Since 1948 the group has been active in promoting Polish folklore through interpretations of traditional rural dances and songs, both in Poland and abroad. With the help of the EU funding, a new building was constructed and equipped with modern technologies that facilitate artistic work of the ensemble and can be also used for other activities (e.g. organising events). Guests of the conference had an opportunity to participate in the concert, too. More information about the Polish Dance Ensemble Mazowsze and the project can be found [here](#).

3 Day 2, 25th April 2013

Panel discussion 1: Key issues to consider in the future programming period

- Panel of 6 experts from the parallel sessions
- Commentator: William Tompson, Head of the OECD Urban Programme
- Moderator: Jacek Zaucha, Associated Professor, University of Gdansk

The discussion focused around the main findings from the previous day workshops. Following proposals were raised during the session:

- Urban-rural partnerships should take a functional approach and should be clearly distinguished from other approaches. They can overcome constraints posed by the existing administrative boundaries.
- A supportive environment should be ensured for urban-rural partnerships. An integrated approach with facilitation of the partnership process (dialogue, strategic planning) could be helpful that refer to local and regional circumstances. The rationale for the urban-rural partnerships has to be also recognised by the top-level of decision making. On the other hand, not all dimensions of the partnership need to be linked to policy.
- Appropriate mechanisms to measure progress, success and the added value of such partnerships should be reflected already at the start and elaborated. They should be accountable for the decision makers (tangible results), but also useful for beneficiaries (intangible results). And eye should be kept on equal distribution of benefits between the urban and rural areas. Benefits need be also weighed against time, money and compromises to be met. The perception of success among partnership members could be also explored.
- In provision of public services through urban-rural partnerships the ideology is not enough. Instead benefits must be clear. Capacity building could be the key to service provision and be employed whilst evaluating partnerships.
- Funding for urban-rural partnerships should be a part of a wider incentives package and should be aligned, including funds from the public sector. Nevertheless, funding should not be the main drive for establishing an urban-rural partnership. Funds should be available there, where the added value of partnership is clear.
- The engagement of private sector should be an essential imperative of the partnership rather than an approach. Business partners could help to keep a focus on what matters for the economy in terms of issues and priority investments. It will help to streamline partnerships towards measurable outcomes and reporting progress.
- Future economic viability of the communities is a question to be answered, when creating a partnership. This means valuing costs and benefits and sometimes making difficult decisions, e.g. if a school in a remote rural commune should be closed or not.
- Partnerships should be included in the innovation policy. However, there is still too less knowledge on what works in this respect, in contrast to the rich knowledge on what does not work. The focus should, however, not be only on measurable outcomes (which is a policy domain), because this does not give the complete picture of innovation.

Panel discussion 2: Implications for programming and implementation

- Dilwyn Roberts, Councillor, Leader of Conwy County Borough Council in North Wales
- Calin Chira, Romanian Association of Municipalities, Member of the Council of European Municipalities and Regions (CEMR)
- Christian Stampfer, Head of Unit, EU-Regional Policy, Province of Tyrol
- Zbigniew Strzelecki, Director, Bureau for Regional Planning, Mazovia
- Piotr Żuber, Counsellor General, Ministry for Regional Development, Poland
- Charlina Vitcheva, Director European Commission, DG Regional and Urban Policy
- Moderator: Jacek Zaucha, Associated Professor, University of Gdansk

Main points from the discussion:

An example of building a partnership in the Conwy County (North Wales) was presented by Dilwyn Roberts. In particular, he stressed the financial constraints the partnership has to deal with: "we are all under pressure to do more with less". When creating partnerships, the needs of various stakeholders should be well recognised, and the needs of rural areas are also specific. LEADER approach is a good example that urban-rural partnerships can learn from. Partnerships should also reflect changing environment, e.g. political rotations due to elections. Tangible results of the partnerships can be identified in services that they provide or innovative approaches that had not been practiced in a certain territory before.

The perspective of municipalities and regions from across Europe was outlined by Calin Chira. It is felt that the urban-rural relationships are becoming even more complex with the time. The challenge lies especially in the way to define them and to design policy interventions. In this regard, various approaches are practicable in several countries that distinguish between metropolitan, urban-rural and rural areas, whilst defining them as functional areas can be even more helpful. The ERDF can potentially encourage cooperation of urban and rural stakeholders, but there is a need for strategic documents and financial mechanisms (operational budget for partnerships, funding for projects or a mix of both). Partnership agreement is now under discussion and a greater focus is promoted on thematic objectives rather than the geographic distribution between urban and rural areas. In many cases, as observed by the CEMR, the focus of urban-rural functional areas is on transport, service delivery and sharing resources. Key issues are here administrative barriers, scoping of partners, their competition and governance mechanisms. Moreover, in many cases rural partners are seen as weak partners (due to their relative economic wealth).

Christian Stampfer, the representative of the Tirol Province focused his presentation on the Regionalmanagement in Tirol, highlighting the process of defining different types of administrative structures and improvement of their coordination. It can be interpreted as a good example for the future CLLD. The necessary conditions for a successful approach, as revealed in this case, are motivation and commitment of various stakeholders at the local level. There is a need for specific documents guiding this approach, but the groups should be formed voluntarily, have a relevant budget, decision making body and focus on local needs. Moreover, one region should have only one strategy, applying an integrated approach. This should also embrace upon innovation policy that requires clear and flexible rules, common understanding at all levels. Successful pilot projects can be helpful to explore innovative potential.

The experiences of the region that host the event, Mazovia, were presented by Zbigniew Strzelecki. The main focus was here on the issues related to demarcation between urban and rural areas. There are visible difficulties, while trying to coordinate the rapid process of urbanization. Rural communes located around major cities of Mazovia are losing their rural character, but on the other hand farmlands can be still found in the cities. Even in one region, differences can be observed in three major cities. Spatial planning has a particular role to play in this process. It is an approach bringing various partners together that is imposed by the relevant legislation under the Polish law. It must, however, transcend preparation of strategic documents, and also focus on development needs of the communities. The partnership approach can be encouraged by introducing project selection criteria that would favour projects bringing diverse partners together.

In addition, Polish perspective on urban-rural partnerships was explained by Piotr Żuber. Territorial dimension is seen as crucial for cohesion policy, but urban-rural partnerships are only an element of the overall territorial approach. Poland is currently undergoing the process of change in this respect. At the national level there have been different units dealing with rural and urban areas, but the need for crossing these boundaries is systematically growing. There is an intention to discuss common goals for both urban and rural areas. This had been particularly reflected in the preparations for the future CLLD. In Poland operational documents were prepared that will facilitate introducing this approach. The urban-rural partnerships should be also more promoted within a particular structure or a programme, while the rural areas may need to put more effort in order to “catch-up”.

Charlina Vitcheva pointed on the progress of better understanding what an urban-rural partnership is. This should be enhanced by the communication at all levels and DG REGIO has prepared several strategic documents that will guide this process in the next years. It is however a responsibility of the Member States, and not of the European Commission, to identify the territories and explain their definitions. Complementarity is also possible between the ITI (Integrated Territorial Investment) and CLLD. The first one is planned to have a more top-down approach, while the second – a more bottom-up. LEADER can be also seen as a very good example of the CLLD approach. It builds upon networking that important for engaging partners together. EC will set a platform for this purpose and there should be more exchanges of good practices.

"We need to mix up the bottom-up and top-down approach" (Charlina Vitcheva, DG REGIO)

Conclusions from panel discussion 2: Implications for implementation

- Richard Wakeford, Chair, UK Sustainable Development research Network
- Michael Ralph, Adviser to the Deputy Director-General, DG Regional and Urban Policy, European Commission
- Jan Olbrycht, Member of the European Parliament, Chair of URBAN Intergroup

The final session was dedicated to wrap-up of the main discussion points from both conference days. Concluding remarks were presented by Richard Wakeford, who pointed on the following implications of urban-rural partnerships in the future European development programmes:

- Coherent implementation of EU and other policies: In the urban rural territories, coherent approaches needed to be designed, engaging the programmes of DG REGIO, as well as the Rural Development Programme and other EU programmes such as those investing in science.
- Scale: The territorial approach demanded implementation programmes extending across urban, suburban, peri-urban, rural and remote rural areas - all of which might depend on economic and service linkages. The representatives from all parts of the region might create a "functional regional partnership" or a "territorial partnership" ensuring sufficient critical mass to act with authority.
- Scope: The issues addressed needed to contribute to common strategic goals - answering the question "what will help the whole region?". The priorities could be for instance physical infrastructure for broadband and mobile phones, ecosystem services or supply chains. One idea was for a minimum of 5% of programme spending to be devoted to urban-rural integration.
- Strength: programmes needed to be created and led by strong partnerships of people who understood growth, jobs, innovation and competition policy. Business and higher education leaders needed to be engaged, alongside public authorities. Partnerships needed to reflect the whole territory and address competition issues within the region.
- Establishing clear outcomes: Partners should start by being clear about the outcomes they were looking to achieve, before going on to address the project outputs that would contribute the most to those outcomes. The proposed thematic concentration on 11 functional objectives should help ensure that territorial needs as a whole would be addressed.
- Projects and decision making: the opportunity of project funding itself created a significant investment incentive, while ideas such as ITI and CLLD could help ensure some coherence so that the overall outcomes were achieved. There were some reservations about CLLD, in that while it helped to make better use of parallel funding streams, the local objectives set may not themselves be the best contribution to the territorial vision set at the wider scale. Other ideas included pilot projects, but these should not be encouraged unless there were clearly going to be resources available later for a mainstreamed delivery programme taking account of the lessons learned from the pilot.
- Monitoring progress: Some public sector partnerships could be marked by the enthusiasm of the individual members, all championing their own ideas for individual projects, without a test of whether the outputs would contribute sufficiently to outcomes. Avoiding this demanded a good discipline from the project coordination team, with regular reports on progress towards outcome measures. At national government level, quarterly reports on GDP had assumed some significance in the current financial climate.
- Motivation to adopt good management practice: there had not been a great deal of focus on this dimension at the conference. But one significant point was that the ITI diagram on the EC website seemed to suggest that ITI applied only in urban places. But urban leadership (drawing on €330 million directly administered by the Commission for innovative approaches) did not rule out spending on the rural elements of rural urban partnership approaches.

In response Michael Ralph underlined that urban-rural partnerships are rather a new topic in the EU policies. An increasing interest in this is observable at various levels of decision making. In particular, cohesion policy is embracing on urban-rural partnerships and they are discussed in the context of the

integration between various EU funds. There are still, however, many questions on actual implementation, partnerships visibility and reporting mechanisms. Specific issues relate to evaluation methodologies and focusing partnerships on results.

Within the European Parliament, represented here by the Polish MEP – Jan Olbrycht, the discussion on urban-rural partnerships is linked with a search for synergies between various EU policies and financial instruments. For instance, in the past, rural development policy was a part of the Cohesion Policy, whilst at the moment it is more included in the Common Agricultural Policy. Rural areas are, however, part of regions and thus also object of regional development. The new tool – CLLD – should help to achieve more synergy. It cannot be viewed as a “new LEADER”, but rather as a form of the LEADER approach. Moreover, considerations should be also made on how to transfer it into other type of territory than solely rural. In this respect, Partnership Agreement should be helpful: it will guide ministers in joint work and allow for a common responsibility in coordination of the EU policies.

Further Links

Website of the event

http://ec.europa.eu/regional_policy/conferences/rurban/2013/programme_en.cfm

OECD work on urban-rural partnerships

<http://www.oecd.org/regional/rurbanrural-urbanpartnerships.htm>

ENRD TWG1 Targeting rural territorial specificities and needs

http://enrd.ec.europa.eu/policy-in-action/improving-implementation/typologies-and-targeting/en/typologies-and-targeting_en.cfm