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INSTANCES OF INTER-MUNICIPAL COOPERATION IN ESTONIA – THE CASE OF  
TARTU 2024

Master's Thesis

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We have written this Master's Thesis independently. Any ideas or data taken from other authors or other sources have been fully referenced.

**Table of contents**

Abstract.....	4
Introduction.....	5
1. Theoretical foundation of inter-municipal cooperation.....	7
1.1. Theories and forms of inter-municipal cooperation.....	7
1.2. Challenges, success factors, and regional insights in inter-municipal cooperation.....	16
2. Empirical analysis of inter-municipal cooperation based on European capital of culture initiative.....	28
2.1. Data and methodology.....	28
2.2. Legislative context for inter-municipal cooperation in Estonia.....	32
2.3. Tartu 2024 EU capital of culture project analysis – IMC perspective.....	37
2.4. Results of the empirical analysis and Discussion.....	42
Conclusion.....	66
List of references.....	70
Appendices.....	75
APPENDIX 1. Interview Questions.....	75
Resümee.....	77

### **Abstract**

This paper investigates the case of inter-municipal cooperation (IMC) in Estonia, with a particular focus on the Tartu 2024 European Capital of Culture initiative. The study covers key factors that influence the success of cooperation and analyse the challenges municipalities face in cooperative projects. The research draws on theoretical multiple frameworks that are used nowadays in IMC to explore the underlying mechanisms of cooperation.

The study employs qualitative research methods, including interviews with key stakeholders involved in the Tartu 2024 initiative and analysis of the legislative context for IMC in Estonia, to gather insights into the practicalities of IMC. The research offers valuable insights into the factors that foster or hinder successful cooperation, providing practical recommendations for improving IMC frameworks in Estonia. This paper contributes to the broader understanding of how IMC can be a tool for solving regional challenges, particularly in cultural and economic development.

## Introduction

*“It is the long history of humankind (and animal kind, too) that those who learned to cooperate and improvise most effectively have prevailed.”*

*- Charles Darwin*

Inter-Municipal Cooperation (IMC) has been a valuable approach in addressing the real issues in regional development and in sustainable development. In the modern world with increasing global challenges, the relationship between municipalities through cooperation assist them to combine resources, exchange information, and harmonise their efforts towards the achievement of their objectives (Council of Europe, 2007). Such partnerships are particularly important since the problems cannot be addressed within the confines of a single municipal entity or may even extend beyond the geographical boundaries of the municipalities. For example, study by Bel & Warner (2015) show that the implementation of cooperation between municipalities is to cut on administrative costs and to improve the performance of the delivery of services, which is particularly important for regions with limited resources. Estonia with its progressive governance, innovative practices and community driven development focus, provides a good basis for understanding the nature and constraints of IMC. A very good example is the process of Tartu 2024 EU capital of culture project: a way to become one of the valuable European Capital of Culture, it demonstrates how cooperation between municipalities is vital for achieving common cultural, social and economic goals. IMC is likely to strengthen regional identity and maintain social cohesion by encouraging people to engage in joint cultural activities (Steiner, 2003).

Tartu 2024 is one of the best examples of how the municipalities can join their efforts for the purpose of regional development through cultural means. This program is a good opportunity for IMC to enhance regional identity and, at the same time, in generating economic benefits and finding solutions to the most important challenges. However, the achievement of these objectives is possible only if some difficulties such as conflicts between stakeholders, resources, legal or institutional barriers are overcome. According to research, the building of trust and creation of mutual benefits for all the parties involved determines successful cooperation (Hulst & Montfort, 2007). In this paper, based on the process and outcome of the Tartu 2024 initiative, the authors examine the motivators driving IMC and what the major challenges and their positive outcomes are that municipalities encounter in their cooperative efforts.

There are studies on IMC in different international settings, including Bel & Warner (2015) who investigated the role of IMC in reducing costs and enhancing service delivery, and Hulst and Montfort (2007) who reviewed different IMC frameworks in Europe and their transferability across the regions. For instance, Giacomini, Sancino & Simonetto (2018) assessed how IMC that is compulsory for small municipalities in Italy has assisted the smaller municipalities through the joint provision of services. Likewise, Feiock (2007) introduced the Institutional Collective Action (ICA) framework to explain how municipalities are able to overcome barriers such as distrust and resource inequalities through shared governance structures and formal agreements.

Cultural events such as Tartu 2024 bring specific aspects that have not been fully revealed in the previous literature. Those events can often act as a trigger for IMC, as shown by García (2004) in her study of the socio-economic effects of cultural events in Europe and Palmer (2004) in his review of how large format cultural events stimulate urban renewal and cooperation between municipalities. Such works highlight the significance of effective integration, strategic action and sustainable stewardship in cultural projects. Tartu 2024 is a significant cultural project, which possibly raises various issues, such as legal and financial issues, as well as may offer opportunities as strengthening of regional identity and economy.

Although the IMC is important in Estonia's local government system, which is fragmented, very little research has been done on this topic within the context of Estonia's legal, institutional and cultural context. The only available work is by Mäeltsemees, Lõhmus & Ratas from 2013 who investigated the possibilities of IMC to enhance local democracy and subsidiarity in Estonia and its importance in solving the problem of administrative fragmentation. Given the relevance of the topic, the limited availability of specific literature, and the authors' interest in the city and country, this subject was selected for more in-depth investigation.

The present thesis aims to uncover lessons learnt from cooperation of municipalities, using the example of EU capital of culture Tartu 2024 initiative.

To accomplish the aim of the Thesis, the research finds an answers to the following research questions:

- How does Estonian legislation support or hinder IMC?
- What are the key factors that enhanced cooperation in Tartu 2024 project?
- What challenges did municipalities face during the Tartu 2024 project?

The structure of the thesis is designed to answer these questions comprehensively. The first part is a conceptual framework that undertakes a literature review on IMC with regard to its different forms and types, benefits, success factors, and challenges.

Following section is an empirical analysis of the IMC legislative and institutional contexts in Estonia and the Tartu 2024 initiative, using interviews to gain meaningful insights into the practical functioning of the IMC. This paper strives to give hands-on recommendations on how to improve IMC in Estonia, and possibly in other contexts. The research should enrich the existing literature on regional development and cooperative governance by pointing out good practices, major difficulties, and opportunities for further development. Its results should be useful not only for decision-makers and experts but also for municipalities and other bodies willing to strengthen their efforts in cooperation.

**Keywords:** inter-municipal cooperation, challenges, success factors, legislative framework, Tartu 2024.

## **1. Theoretical foundation of inter-municipal cooperation**

### **1.1. Theories and forms of inter-municipal cooperation**

Inter-Municipal Cooperation (IMC) is a strategy that allows municipalities to combine their efforts, aims and assets with the goal of addressing challenges that cannot be managed by a single municipality (Hulst & Montfort, 2007). Angius (2023) called IMC an umbrella expression that includes several context specific realities. Swianiewicz (2011) stated that this type of cooperation is particularly of benefit to small or fragmented municipalities characterised by resource constraints and the necessity of cooperation to effectively provide public services. But, to put it simply, “IMC is about two or more - typically several municipalities working together” (IMC Toolkit Manual, 2010, p.8).

IMC has two main features, as originally proposed by Hulst and Montfort (2007) and later cited by Angius (2023). First, Hulst and Montfort 2007 states that the local governments’ interactions are focused on the common task or goal and are somewhat institutionalised (as cited in Angius, 2023). This is to distinguish stable cooperation from the more temporary, *ad hoc* cooperations, which include the jointly organising of a social event Angius (2023). Second, Hulst and Montfort 2007 states that the IMC is usually characterised by entities that are formally dependent on the local governments or other participating authorities for their creation and functioning (as cited in Angius, 2023). Although they may be supervised by higher level powers, such as state or regional governments, municipal decisions and actions are needed to set them in motion (Angius, 2023).

According to the Council of Europe (2007), IMC also assists in the way of reducing the service gaps across regions for fairness. There are many challenges that small municipalities may have in managing public services, such as not having sufficient funds and personnel, in this case, several municipalities can share resources, experience, and costs and, in turn, offer better services to the people, thus contributing to regional development (Council of Europe, 2007).

Swianiewicz (2011) agreed that IMC is a governance approach in which municipalities work together to tackle challenges that are beyond their individual capacity to resolve. This form of cooperation is essential when municipalities face resource constraints, overlapping responsibilities or shared regional goals. For smaller or rural municipalities, IMC offers a chance to enhance productivity and improve service delivery through combining resources and expertise (Swianiewicz, 2011). IMC is about efficiency, equity, and the ability to tackle complex regional issues, such as culture, infrastructure and services (Hulst & Montfort, 2007).

Strong legal frameworks make cooperation more effective, the Council of Europe (2007) highlights the importance of having clear agreements that explain the role of each municipality and how to handle disagreements. These agreements may help to prevent confusion and increase the possibility of failures in partnerships. In addition, offering incentives such as funding or simplified regulations is likely to encourage municipalities to form partnerships (Council of Europe, 2007).

Analysing Italy's approach to IMC there are some lessons that can be learned from Giacomini, Sancino & Simonetto (2018). For example, making IMC compulsory for small municipalities addressed many of the challenges that such communities have, particularly those regarding resource issues. These municipalities could reduce their costs and improve the quality-of-service delivery to their citizens by cooperative actions in areas like waste management or regional planning (Giacomini, Sancino, & Simonetto, 2018). Although such cooperation needs an appropriate design to make sure that all municipalities feel enjoin and that responsibilities and benefits are properly assigned. In Sweden, similar attempts have also been made in upper secondary education through the establishment of municipal federations (Persson, 2024). These federations allow municipalities to combine their administrative and financial powers and to achieve equitable access to education across regions especially in the more sparsely populated areas (Persson, 2024). However, such federations have governance challenges, which include small municipalities' feeling of not having enough say or power over the decision-making processes (Persson, 2024).

Even with mandatory cooperation, flexibility is important, the Council of Europe (2007) emphasises that allowing municipalities to adapt the structure of their partnerships to fit local needs can make cooperation more effective and sustainable.

It's worth to mention that trust is another key factor for success, the Council of Europe (2007) points out that municipalities that build trust through open communication and fair sharing of costs and benefits are more likely to succeed. The presence of regular meetings, transparent decision making and balanced leadership may help in building good relationship and decreases the possibility of conflicts.

To better understand how IMC works, it's helpful to look at the theories and forms/types that explain and shape this type of cooperation. These can show what makes cooperation successful and how municipalities can overcome common obstacles.

Economy of Scale theory is a key concept in the analysis of the IMC approaches, this theory states that it is possible for municipalities to cut costs and enhance efficiency through the integration of service delivery and sharing of fixed costs across population centres (Hulst & Montfort, 2007). Some services like sanitation, water and sanitation, and transportation are especially suitable for scale economies where the cost per unit decreases with increasing scale (Hulst & Montfort, 2007). However, economies of scale are not guaranteed and depend on factors such as geographical proximity, the compatibility of participating municipalities, and the nature of the shared services (Bel & Warner, 2016). When distances between municipalities are large, or when their priorities differ significantly, cooperation may incur additional costs, counteracting the economic advantages (Swianiewicz, 2011). For example, the Swedish municipal federations for secondary education reveal the economies of scale effects on per student costs, but they do so only if the member municipalities have similar population sizes and financial capacities (Persson, 2024). According to the Council of Europe (2007), having skilled managers and streamlined processes is key to making economies of scale work. When municipalities invest in professional management, they can avoid wasting money and make cooperation more efficient.

The Italian experience identified by Giacomini, Sancino & Simonetto (2018) shows that making IMC compulsory can help achieve economies of scale more easily. Those small municipalities that would have otherwise gone about their operations on their own were able to reduce their costs and enhance their productivity through cooperation (Giacomini, Sancino & Simonetto, 2018). However, the research also points out that to make this work, municipalities must be willing to develop trust, have well-defined agreements, and everyone

involved must know what they are supposed to do. Lack of these elements can lead to cooperation failure quickly (Giacomini, Sancino & Simonetto, 2018).

In addition to economic incentives, the Institutional Collective Action (ICA) theory offers a way to explain how municipalities manage the difficulties of cooperation (Feiock, 2007). Bel & Warner (2016) also studied ICA theory in his research and found that municipalities are likely to face obstacles such as mistrust, conflicting interests, or free riding, where one party enjoys greatly at the expense of other parties (Bel & Warner, 2016). According to ICA theory, institutional arrangements, trust building mechanisms, and shared governance frameworks are critical in overcoming these challenges (Bel & Warner, 2016). For example, successful cooperation is often accompanied by the establishment of joint decision-making bodies or legal frameworks that define responsibilities and contribution of resources (Hulst and Montfort, 2007). The existence of clear cost and financial rules helps to prevent frustration and promote long-term cooperation by ensuring that all parties contribute equally.

Network theory also plays a very important role in the process of understanding the relational dynamics of IMC. According to this theory, strong interpersonal and institutional networks between individuals, groups or in case of this research municipality enhance cooperation by building trust and maintaining a high level of communication (Borgatti & Halgin, 2011). Those municipalities that have well established networks are more likely to align their objectives and maintain long term partnerships because communication enhances cooperation and builds confidence (Swianiewicz, 2011). Persson (2024) has also found that good interpersonal and institutional networks were required by the municipal federations of Sweden to facilitate cooperation and that these networks increase trust, communication, and decision-making uniformity. On the other hand, weak networks or the absence of trust may lead to ineffectiveness, conflict and the failure of cooperative efforts. This relational aspect is particularly important in voluntary cooperation frameworks where municipalities decide to cooperate of their own free will and not because they are forced to do so (Hulst and Montfort, 2007).

From the perspectives of ICA and network theory, the Council of Europe (2007) recommends the establishment of permanent communication structures such as inter-municipal forums or shared leadership models to enhance understanding, communication and early dispute resolution.

After the theories have been analysed, the types and forms of IMC can now be explored. The types and forms of IMC are classified in various ways in literature as well as in practice.

The IMC Toolkit by Council of Europe (2010, pp.12-14) categorizes IMC into four broad types:

- Informal IMC (e.g., meetings of mayors for policy coordination)
- Weakly formalised IMC (e.g., contracts for shared services like data processing)
- Functional enterprises (e.g., public entities for utilities or cultural amenities)
- Integrated territorial cooperation (e.g., multi-purpose entities with financial autonomy)

It emphasizes that IMC is typically a voluntary, deliberate decision by municipalities to work together on legally assigned tasks, producing mutual benefits without permanently transferring competences. (Council of Europe, 2010)

Building on this foundation, other researchers have expanded the understanding of IMC by identifying a wider range of forms that reflect the diversity of local governance practices across Europe. While the Council of Europe (2010) offers a valuable core framework, additional studies have explored how IMC functions in different legal, institutional, and practical contexts. The following synthesis presents thirteen key forms of IMC, drawn from both academic literature and policy reports, highlighting their distinct structures, uses, and real-world examples.

Researchers and institutions have identified various forms of IMC, which differ based on how they are governed, their legal basis, and the extent to which municipalities work together. Key sources such as the Council of Europe (2010), Rudenko (2017), Teles & Swianiewicz (2018), Gendźwiłł, Krukowska, & Lackowska (2019), Struk & Bakoš (2021), and Potkański (2016) each offer slightly different but complementary classifications. While the details vary across countries and legal systems, many of the same core IMC types appear across these studies. Drawing from this body of work, thirteen main forms of IMC are presented below, each with its own characteristics, examples, and practical implications.

The least institutionalized form is Informal Cooperation, characterized by non-binding, voluntary arrangements among municipalities. These typically involve meetings, exchanges of information, or minor project coordination and are easy to initiate. However, due to the absence of legal obligations, they often lack continuity and accountability.

Example: Regular meetings of mayors for policy coordination or the sharing of best practices. (Council of Europe, 2010; Rudenko, 2017; Teles & Swianiewicz, 2018; Gendźwiłł, Krukowska, & Lackowska, 2019)

A more formal structure is found in Contractual Agreements, where municipalities enter legally binding arrangements for specific services. This allows clear task division and enforcement, but flexibility is limited as the agreements are often narrowly scoped.

Example: A smaller municipality contracts a neighbouring one to provide fire protection, school services, or waste collection.

(Council of Europe, 2010; Rudenko, 2017; Teles & Swianiewicz, 2018; Gendźwiłł, Krukowska, & Lackowska, 2019; Struk & Bakoš, 2021; Potkański, 2016)

Inter-municipal unions represent formal legal entities created under public law, typically tasked with providing one or two key services. These unions possess a governance structure and legal personality, enabling them to operate independently from member municipalities. (Potkański, 2016; Rudenko, 2017; Gendźwiłł, Krukowska, & Lackowska, 2019)

Example: The Inter-municipal union “Shelter for Animals” in Skałów, Poland, created by ten municipalities to manage stray dog services. (Potkański, 2016)

Associations of Municipalities, established under private law, are formed for broader cooperation goals, usually related to promotion, planning, or coordination. They do not take over service responsibilities but serve as platforms for dialogue and joint strategy development. (Potkański, 2016; Rudenko, 2017; Teles & Swianiewicz, 2018)

Example: A regional tourism promotion association formed by several municipalities.

Another option is the creation of Limited Liability Companies jointly owned by municipalities. These commercial entities operate under private law and are designed to deliver services in a financially sustainable manner. While professionalized, these structures can reduce municipal control. (Potkański, 2016; Rudenko, 2017; Gendźwiłł, Krukowska, & Lackowska, 2019; Teles & Swianiewicz, 2018)

Example: A municipal waste management company jointly owned by several towns.

In cases where flexibility and development coordination are key, municipalities may opt for Partnership Agreements based on civil law. These arrangements enable loose coordination for strategic or development-oriented purposes, particularly in Urban Functional Areas. (Potkański, 2016; Rudenko, 2017)

Example: Several municipalities cooperate on a shared infrastructure or EU-funded development plan.

Public-Private Partnerships allow municipalities to cooperate with private actors for the delivery of capital-intensive or innovative services. These arrangements are useful when public investment capacity is limited but can be complex to manage. (Potkański, 2016; Rudenko, 2017)

Example: A public parking garage constructed and operated through a partnership between a municipality and a private developer.

A more integrative approach is seen in Local Action Groups, which bring together municipalities, private sector actors, and civil society for regional development. LAGs are common in EU-funded rural development programs and are characterized by their inclusive, multi-sector structure. (Potkański, 2016)

Example: A LAG distributing EU micro-grants for local economic initiatives and NGO projects. (Potkański, 2016)

Functional Enterprises are formal entities—either public or private in legal form—that manage specific functions across municipalities. They are set up to achieve economies of scale and deliver professionalized services. (Council of Europe, 2010; Rudenko, 2017; Teles & Swianiewicz, 2018)

Example: A regional water utility jointly managed by several local governments.

Single-Purpose Associations focus on the provision of one defined service and are typically small-scale but highly specialized. These entities may resemble unions, but are more narrowly focused. (Teles & Swianiewicz, 2018; Gendźwiłł, Krukowska, & Lackowska, 2019)

Example: An association responsible solely for sewage infrastructure management in a specific river basin.

By contrast, Multi-Purpose Entities are designed to manage a variety of tasks, ranging from spatial planning to public transport or environmental protection. They are commonly used in metropolitan regions and have broad mandates. (Council of Europe, 2010; Teles & Swianiewicz, 2018; Rudenko, 2017)

Example: French *communautés* that oversee regional planning, transport systems, and local development. (Teles & Swianiewicz, 2018)

Joint Companies, either public-public or public-private, function similarly to limited liability companies but often include private shareholders. They enable efficient service delivery but require careful management to maintain accountability. (Rudenko, 2017; Gendźwiłł, Krukowska, & Lackowska, 2019; Teles & Swianiewicz, 2018)

Example: An energy company co-owned by multiple municipalities and a private investor.

Lastly, Hybrid Organizations combine features of public law institutions and commercial enterprises. These entities are common in waste management and similar service sectors and aim to balance cost-efficiency with municipal oversight. (Struk & Bakoš, 2021)

Example: A cooperative waste service organization that blends public funding with commercial operational models.

Table 1 provides a comprehensive summary of these IMC forms, detailing their respective pros and cons. This comparative overview aims to guide municipalities and policymakers in choosing the most appropriate form of IMC for their specific circumstances. Given that no single form is universally optimal, selecting the right model requires careful consideration of each municipality's unique goals and challenges. Such adaptability underscores the versatility and potential of IMC as a dynamic tool for enhancing governance and service delivery across regions.

Table 1

*Pros and cons of different IMC forms*

Form of IMC	Pros	Cons
Informal Cooperation	Low cost, flexible, easy to establish.	Lacks accountability, not sustainable in the long run.
Contractual Agreements	Clear rules, enforceable terms, tailored to specific projects.	Limited flexibility, restricted to specific projects.
Inter-Municipal Unions	Legally autonomous, stable structure, facilitates shared service delivery.	Requires formal setup, may be bureaucratic and slower to adapt.
Associations of Municipalities	Supports strategic cooperation and joint promotion, easy to form.	Lacks authority over service provision, coordination may be weak.
Limited Liability Companies	Market-based efficiency, financial flexibility, can generate revenue.	Reduced municipal control, requires corporate governance capacity.
Partnership Agreements	Highly flexible, useful for joint planning and development projects.	Lack of enforceability, depends heavily on political will.
Public-Private Partnerships	Access to private capital, supports complex infrastructure projects.	Complex to manage, risks of uneven power and unclear accountability.
Local Action Groups	Encourages cross-sectoral cooperation, access to EU funds.	Effectiveness depends on engagement of diverse partners, grant-based.
Functional Enterprises	Professional service delivery, economies of scale.	Requires strong oversight, may prioritize efficiency over equity.
Single-Purpose Associations	Targeted, efficient service management.	Narrow scope, limited in addressing broader needs.
Multi-Purpose Entities	Holistic coordination of various services, suited for large regions.	Complex to govern, may reduce local autonomy.
Joint Companies	Combines resources and expertise, operates under commercial logic.	Can reduce transparency, potential conflicts of interest.
Hybrid Organizations	Balances public oversight with private efficiency, tailored services.	Blurred accountability, governance complexity, not suited for all tasks.

Source: Composed by the authors based on Council of Europe (2010); Rudenko (2017); Teles & Swianiewicz (2018); Gendźwiłł, Krukowska & Lackowska (2019); Struk & Bakoš (2021); Potkański (2016).

The Table 1 above summarises the pros and cons of each IMC forms, helping municipalities choose the right type for their needs. There is no perfect form, each has

strengths and weaknesses. Municipalities must choose based on their goals and circumstances. This flexibility makes IMC a powerful tool for solving different challenges.

In summary, through IMC municipalities gain a strategic framework to handle common challenges by sharing resources and coordinating services and improving governance efficiency. The multiple theoretical perspectives including economies of scale and ICA theory and network theory support IMC as a flexible and context-sensitive local governance approach. The different cooperation structures ranging from casual agreements to complete integration enable municipalities to create cooperation systems which match their requirements and regional circumstances. The different forms of IMC present advantages and disadvantages yet its flexibility makes it an essential resource for enhancing service delivery particularly for smaller municipalities with limited resources. Theoretical comprehension along with proper design of cooperation mechanisms serves as the foundation for achieving sustainable long-term success in IMC initiatives.

## **1.2. Challenges, success factors, and regional insights in inter-municipal cooperation**

IMC is a strategic approach to local governance that enables municipalities to work together to address the complex issues and improve the delivery of services. This cooperative framework is particularly useful when the issues cannot be addressed by a single municipality because of issues such as resource constraints, fragmented governance, and shared regional goals (Angius, 2023 & OECD/SIGMA, 2024). The sharing of resources, expertise, and administrative efforts is something that IMC offers to increase efficiency, promote regional development, and enhance the management of shared challenges. This section also discusses the challenges that make IMC difficult to succeed, the factors that make IMC effective, and presents regional experiences in the Western Balkans, Sweden and Poland to extract useful information.

Starting from one of the biggest challenges in IMC - political and governance instability which often makes it impossible to maintain the IMC agreement. The trust between partners can be broken by changes in municipal leadership as has been observed in the Western Balkans where political fluctuations are frequent and compromise cooperative arrangements (OECD/SIGMA, 2024). Under these circumstances, it is challenging for the municipalities to make steady progress towards the objectives they have set for themselves, especially when political priorities are in conflict. Within municipalities themselves, additional obstacles emerge from ignorance, fear, and entrenched political dynamics (IMC

Toolkit, 2010). Leadership may resist IMC due to personal vulnerability or hostility from political parties, fearing a loss of control over local decision-making (IMC Toolkit, 2010). Political differences between municipalities can further complicate cooperation, though experience suggests that multi-party IMC projects can succeed by fostering consensus and compromise, provided there is willingness to negotiate (IMC Toolkit, 2010). Lack of strong institutional frameworks makes this challenge worse since agreements are easily destroyable (IMC Toolkit, 2010). Furthermore, research in Sweden reveals that the lack of formalised coordination mechanisms can limit the capacity of municipalities to sustainable partnerships (Persson, 2024). For instance, in rural areas, the municipalities engaged in federations for upper secondary education are struggling with ensuring fair decision-making powers as partners' influence and financial muscle vary (Persson, 2024). Furthermore, practice research of Slovenian municipalities has also shown that the creation of joint-municipal administrative bodies has been restricted by frequent changes in the state legislation and by delays in the promulgation of the necessary secondary legislation, this has been accompanied by mistrust and lack of coordination between the municipalities (Rakar et al., 2015).

Another major issue is the so-called “multiple principal problem” that poses a threat to IMC governance structures (Bel & Warner, 2022). This challenge occurs when several municipalities that are principals do not have a common strategy or can even give different directions to the agent that oversees cooperation (Bel & Warner, 2022). If municipalities are of different sizes, have different levels of resources or have different political views, then these differences may lead to poor performance and slow down decision making (Bel & Warner, 2022). A particularly troubling consequence is "free riding" where the less wealthy and more dependent municipalities may lean on their richer and more powerful partners to carry the burden of cooperation (Bel & Warner, 2022). This is worsened by financial motivations as some municipalities may want to outbid others to control decisions, while others may want to contribute as little as possible towards it, there is therefore a need for well-defined financial relations for revenues and expenditures (IMC Toolkit, 2010). For instance, the richer municipalities may be expected to contribute more than their fair share to the joint ventures, which may create resentment and diminish the effectiveness of the IMC (Bel & Warner., 2022). This challenge can be met not only through the formulation of solid legal contracts, but also through the provision of means to mediate disputes and encourage coordination, which are currently absent in many IMC frameworks (Bel & Warner, 2022). This is evident in Sweden in municipal federations where governance decision making powers are dominated by larger municipalities, resulting in smaller municipalities

experiencing inadequate representation and perceived inequalities in resource allocation (Persson, 2024). In Slovenia though, the risk of free riding and conflicts of interest has been increased by the tendency to create informal and rather weakly formalised IMC arrangements instead of legally binding frameworks (Rakar et al., 2015). Moreover, the lack of direct democratic legitimacy for IMC bodies further undermines their operational effectiveness (Rakar et al., 2015).

In addition, Teles (2016) points out that there is the challenge of not well-defined governance structures which result in unclear decision making and accountability in IMC. If responsibilities and authority are not clearly defined then conflicts are likely to arise between cooperating municipalities resulting in inefficiencies and delays in project implementation (Teles, 2016). Where decentralisation is recent, such as in countries like Serbia or Croatia, municipalities may prioritise autonomy over cooperation, with leadership, councillors, and staff reluctant to share competences with external authorities beyond their immediate control (IMC Toolkit, 2010). This resistance is compounded by a lack of partnership culture and initiative-taking, as municipal staff may be accustomed to awaiting government directives rather than proactively seeking solutions through IMC (IMC Toolkit, 2010). At times, the absence of a legal framework or the absence of strong legal provisions results in the member municipalities going back on their cooperation in case of shift in their priorities (Teles, 2016). To overcome these limitations, it is crucial to define legally binding agreements that would define responsibilities, have dispute resolution provisions and would be long term cooperation agreements.

Financial resources are also another important constraint that limits the potential of the IMC, because some municipalities have limited budgets. Small local governments have limited financial resources to engage in or sustain cooperative ventures and, as a result, are dependent on external donors (Potkanski, 2016). This reliance often leads municipalities to not invest in long-term orientation of their solutions, because funding is usually given to addressing immediate needs rather than implementing strategic development (OECD/SIGMA, 2024). Moreover, the unequal distribution of financial resources among the participating municipalities may cause tension and reduce the willingness of wealthy municipalities to engage in IMC initiatives. In Slovakia, Nemeč, Muthová & Meričková (2023) highlighted that the lack of financial resources is a significant barrier to IMC, especially in waste management, where municipalities perceive high initial costs for establishing cooperative structures as prohibitive, despite potential long-term savings. The reliance on external funding and low state support further exacerbates this issue, making

municipalities hesitant to commit to IMC initiatives (Nemec, Muthová & Meričková, 2023). In addition, the fear of losing flexibility and the lack of legal advisory services deter municipalities, as they struggle to navigate complex regulatory requirements without adequate support (Nemec, Muthová & Meričková, 2023). In Slovenia as stated Rakar et al. (2015), state co-financing has been recognised as a key enabler to set up joint-municipal administration (JMA) bodies. The number of JMA bodies increased significantly between 2007 and 2009 due to state incentives, but this growth was less pronounced after such incentives were withdrawn (Rakar et al., 2015). This dependence on external funding, according to Rakar et al. (2015) shows the vulnerability of the IMC structures to financial instability. For instance, Swedish municipal federations depend on stable state support to manage expensive public services like upper secondary education (Persson, 2024). If there is no consistent funding then these federations are faced with challenges in ensuring quality of service and equity across the member municipalities in their access to the service (Persson, 2024). As pointed out by Teles (2016), financial sustainability of IMC is often compromised by short-term political cycles. Since municipal leadership is changed frequently, there is a risk of new administrations not sustaining the previous IMC agreements' priority and inconsistent financial commitments are, therefore, observed (Teles, 2016). Furthermore, the use of external funding like European Union structural funds makes the cooperation dependent as opposed to being sustainable on their own (IMC Toolkit, 2010). Several officials and ministries (for instance those responsible for technical programs such as roads or waste management) have identified advantages of applying for IMC, but others are loath to go against mayors who oppose it because of political risks (IMC Toolkit, 2010). The ministries of finance may have an interest in the IMC for the purpose of facilitating fiscal management and realising the advantages of large-scale fiscal management but may lose interest in the model when it results in additional financial responsibilities for the state (IMC Toolkit, 2010). Therefore, if IMC frameworks are to become more financially stable and autonomous, shared service fees or joint tax collection strategies could be developed to generate revenue (Teles, 2016).

Another essential challenge is the administrative and human resource capacity of municipalities. The inability to manage complex inter-municipal projects is hindered by the fact that small scale local governments have limited technical expertise and a scarce workforce (Angius, 2023). Moreover, there is a big chance that no training programs tailored to IMC contexts which further complicates the matter and puts municipalities in a position where they are not properly prepared to handle the administrative aspects of cooperation

(Angius, 2023). The unavailability of experienced personnel also impairs the ability to implement effective performance monitoring of these projects (Angius, 2023). Nemeč, Muthová & Meričková (2023) emphasize that the lack of professional staff and expertise is a critical barrier to IMC in waste management, where municipalities struggle with complex coordination and management tasks. Additionally, the absence of legal advisory services and the complexity of waste management legislation further deter municipalities from pursuing cooperative arrangements (Nemeč, Muthová & Meričková, 2023). The high transaction costs associated with coordination, negotiation, and monitoring also discourage municipalities, as these processes demand significant administrative resources that small municipalities often lack (Nemeč, Muthová & Meričková, 2023). At the same time the lack of tradition of cities to prioritize citizens' needs can lead municipal staff to resist change and prefer centralized instructions over cooperative innovation (IMC Toolkit, 2010). Teles (2016) also notes that the IMC initiatives are accompanied by an administrative burden that can prevent the municipalities from long-term cooperation. The very process of coordinating several bureaucracies, the management of inter municipal contracts, and the necessity to ensure compliance with regulations can be too much of a burden for limited human resources. To this end, Teles (2016) recommends the creation of dedicated IMC management units that would focus on the management and coordination of cooperation and, therefore, alleviate the administrative burden on individual municipalities.

Citizen perceptions is also a significant challenge (IMC Toolkit, 2010). Inexperience with IMC results in citizens' opposition on the grounds of more taxes, less local control over governance, or the misallocation of citizens' taxes across multiple municipalities (IMC Toolkit, 2010). This is especially the case for sensitive matters such as waste facilities or urban planning, where people look after their own narrow interests rather than the common good. IMC Toolkit (2010) suggests that although there is often an initial opposition to IMC, satisfaction increases when it provides real services, thus it is wise to highlight the importance of an early and clear communication as it will deliver the understanding of importance of the IMC to the citizens.

Another factor that adds complexity to the implementation of IMC is diversity in regulatory and legal barriers. For instance, in Poland there are different forms of IMC that can be chosen, including contractual agreements and formal associations which both present legal formalities (OECD/SIGMA, 2024). National and regional laws differ, which results in inconsistencies that hinder cooperation across the borders and deters municipalities from pursuing IMC initiatives (OECD/SIGMA, 2024). These frameworks could be streamlined to

create a more favourable environment for cooperation. Persson (2024) states that the autonomy of municipalities makes it difficult to enforce uniform standards which is the source of legal challenges in the Swedish context as it renders municipalities independent in their region to adapt the federation they operate in. This creates inconsistencies in the governance and the capacity to deliver services of federations especially those engaged in complex tasks say in education provision (Persson 2024).

However, while decentralization enables municipalities to design cooperation to fit their particular needs, the absence of standardized legal frameworks may make IMC enforcement weak. According to Teles (2016), when legal frameworks are ambiguous, municipalities are unable to maintain long-term commitment to projects, which results in fragmentation and project discontinuity. In countries with large municipalities (e.g., Scandinavia, UK), IMC remains underdeveloped due to sufficient individual capacity, while in nations with recent decentralization (e.g., Serbia, Croatia), the lack of a partnership culture and policy priority further suspends the progress (IMC Toolkit, 2010). On the other side, IMC is better regulated in France and Germany than in Slovenia and Portugal, countries with more spontaneous or facultative schemes, which produce lower levels of institutional stability (Rakar et al., 2015). Thus, it can be concluded that legal framework is not enough – it has to incorporate enforcement provisions, financial rewards, and dispute resolution provisions to make the municipalities honour the agreements regardless of political or economic changes. Germany and France are examples of countries whose experience shows that clear legal and institutional frameworks are able to centralise and standardise IMC efforts within well-defined frameworks (Rakar et al., 2015). This is however different with Slovenia which has relied on small scale and loosely organised IMC structures that are not well institutionalised and therefore limited in their scalability and long-term impact (Rakar et al., 2015).

Innovative approaches to IMC are emerging as critical solutions to address the limitations of traditional models, particularly in enhancing efficiency and sustainability. In Slovakia, innovative IMC practices may include agreements on shared services, co-ownership agencies, and the adoption of SMART cities concepts, which leverage technology to optimize resource use and service delivery (Tej et al., 2021). For instance, shared service agreements allow municipalities to consolidate services like accounting or IT, reducing costs and improving expertise access, while co-ownership agencies, inspired by Finnish models, formalize cooperation in areas like waste management or education, though they risk over-centralization if not carefully managed (Tej et al., 2021). The SMART cities approach fosters networked cooperation, enabling municipalities to jointly implement technologies for

property management or crisis response, such as flood warning systems, enhancing regional resilience (Tej et al., 2021). These innovations, supported by legislative frameworks like the Slovak Constitution and the European Charter of Local Self-Government, demonstrate how technology and structured partnerships can overcome traditional barriers, offering scalable solutions for small municipalities facing resource constraints (Tej et al., 2021). Specifically, the implementation of shared service agreements has led to significant cost savings, with municipalities in Slovakia reporting reduced administrative expenses by centralizing functions like accounting, which previously strained individual budgets (Tej et al., 2021). Additionally, the SMART cities initiatives have improved service delivery, with examples like joint digital platforms for waste management streamlining operations and reducing response times for municipal services, thereby increasing citizen satisfaction (Tej et al., 2021). These advancements have also facilitated better coordination among municipalities, allowing for more equitable resource sharing and reducing the administrative load on smaller entities (Tej et al., 2021). The integration of digital tools, such as real-time data analytics for waste collection, has further enhanced operational transparency and decision-making, fostering greater trust among cooperating municipalities (Tej et al., 2021). The results highlight the potential of innovative IMC to not only address resource limitations but also enhance the quality and accessibility of public services across cooperating municipalities.

The research by Bel & Warner (2022) presents Spain as a case of how supra-municipal governance structures (level of governance that operates above individual municipalities but below the national government) like counties can be used to centralise and standardise IMC efforts. This approach also eliminates legal burdens on the coordination of individual municipalities and avoids legal inconsistencies (Bel & Warner, 2022). However, it is crucial to exercise control to prevent the violation of the principles of municipal autonomy and stakeholder equality (Bel & Warner, 2022). The Spanish model shows how the separation between the governance and the operations of the IMC framework can enhance the effectiveness and robustness of the framework (Bel & Warner, 2022). As Spain's model of supra-municipal governance, the IMC offers valuable lessons, but also cautionary tales of over-centralization. It addresses inefficiencies caused by fragmented municipal authority, but at the price of marginalising smaller municipalities by concentrating decision making power at a higher level. Teles (2016) points out that one of the key risks of highly centralized IMC models is the erosion of local autonomy, which can lead to disengagement from local actors and resistance to cooperation. This raises a broader challenge in IMC: the need to balance institutional integration with local democratic legitimacy. This can be mitigated by local

government associations by providing information to municipalities about the benefits of IMC, which are based on international practice, but the league's power is limited by the consensus of mayors, who typically prefer local control to collective action (IMC Toolkit, 2010). International organizations, NGOs and foreign donors have different positions towards IMC: some of them do not consider it at all, while others, including the United Nations Development Programme (UNDP), Local Government Initiative (LGI) and Council of Europe (CoE), support it, but have limited resources and ineffective approaches (IMC Toolkit, 2010). This suggests that there is a need for a unified approach from all the involved parties (IMC Toolkit, 2010). Effective IMC frameworks should not so much enforce rigid legal mandates, as incorporate adaptable governance models that recognise the diverse needs of municipalities whilst also providing legal certainty and accountability.

Despite these challenges, there are factors that are vital in the successful implementation of IMC. Economy of scale is a clear advantage because through pooling of resources and personnel, municipalities can reduce costs especially in areas with high costs such as transport and waste management (Hulst & Montfort, 2007). In Poland, the joint infrastructure projects are an example of how IMC can help reduce the operating costs while improving the service delivery (Potkanski, 2016). Take the case of Intermunicipal Unions in Poland, where over 220 active unions out of 330 registered since 1990 tackle services like water supply, sewage systems, and garbage management (Potkański, 2016). By splitting infrastructure costs across multiple municipalities, these unions lighten the financial load on any single local government, especially smaller ones with limited budgets. For example, a group of 10 municipalities in Skatów formed an Intermunicipal Union to run a stray animal shelter, sharing maintenance costs proportionally and ensuring consistent care—a service too pricey for one town alone (Potkański, 2016). In Estonia, Põldnurk (2015) found that a proposed IMC initiative in the Harju region for waste management exemplifies economies of scale, with estimated savings of EUR 10–28 per inhabitant per year through shared infrastructure and coordinated services (as cited in European Commission, n.d.). Similarly, four municipalities in Dobra agreed to fund a shelter with a 30-30-30-10 cost split, making it feasible to build and operate where solo efforts might falter (Potkański, 2016). This mirrors broader European trends where joint infrastructure cuts operating expenses while maintaining or boosting service quality (Hulst & Montfort, 2007). Additionally, economies of scale can also enhance access to technology and innovation to enhance the quality of services that are to be delivered (Hulst & Montfort, 2007). As example small towns teaming up to afford a modern water treatment system something none could manage alone, which not only saves

money, but also ensures cleaner water for everyone (Hulst & Montfort, 2007). Soukopová & Sládeček (2018) found that intermunicipal cooperation in waste management, through joint public procurements and shared waste collection companies, reduces costs more significantly for smaller municipalities with fewer than 1,000 inhabitants in the Czech Republic.

Economies of scale are a strong argument for IMC, but they are not always effective, their effectiveness depends on the nature of cooperation. According to Teles (2016), financial resource sharing is most effective when municipalities also engage in strategic planning and service delivery coordination. Without aligning governance structures, combining services usually leads to poor administration rather than cost reduction. There are cases where IMC agreements for infrastructure development are formed by municipalities, but decision-making processes are not integrated, thus creating overlapping responsibilities and resource misallocation (Teles, 2016). For example, two towns building a shared road, but arguing over who pays for the asphalt, due to such issue the progress stops, and costs most probably will go higher. Therefore, the success is not so much a function of scale as it is of the institutional cooperation depth. In Poland, Potkański (2016) notes that IMC's role in keeping service costs down is increasingly vitally important against the backdrop of declining rural demographics, where joint transport or waste systems prevent the need for costly mergers. Põldnurk (2015) also found that in rural Estonia, logistical challenges are evident in the Harju region's proposed waste management IMC, where high transportation costs and fragmented collection services hinder efficiency (as cited in European Commission, n.d.). These issues underscore the need for coordinated infrastructure to address inefficiencies in small municipalities.

Another very important element is the issue of strategy and development. The IMC provides the municipalities with the possibility of aligning their goals and developing long-term regional strategies. This approach has been most effective in the Western Balkans, where cooperation in the field of economic planning and tourism development has stimulated regional growth (OECD/SIGMA, 2024). In doing so, the municipalities involved can ensure that their resources are properly utilized and that their actions are contributing to the broader regional objectives. As an example, instead of each town promoting its own small festival, they pool resources for a region-wide event that draws bigger crowds and boosts everyone's economy. This is because strategic planning also leads to better IMC, which results in the elimination of duplications of efforts and enhancement of the effectiveness of the implemented initiatives (OECD/SIGMA, 2024). In Slovakia, Soukopová & Sládeček (2018) found that strategic IMC in public services like joint transport planning saved money and improved service reach. However, strategic alignment is not only about mutual goals, but also

about the capacity of municipalities to work in the intergovernmental environment (Teles, 2016). As Teles (2016) explained, IMC initiatives are most times a failure when the regional and national governments push their agendas to the local level, which is often not compatible with local realities. In some situations, where municipalities have no control over the decision-making process, cooperation is then more a matter of policy than of choice (Teles, 2016). This emphasizes the need to develop IMC frameworks that enable municipalities to retain some level of local discretion while fulfilling regional goals. It is a balancing act; therefore, IMC is not just a matter of achieving cost reductions through large-scale operations, it is a matter of creating effective governance arrangements that would support effective cooperation and adaptability. Feiock (2007) adds that the ICA framework helps here, showing how shared rules and trust can bridge these gaps, making cooperation a win-win rather than a top-down work.

Access to funding and expertise is another critical success factor. The existence of joint offices for project preparation, for instance, in Poland studies show how IMC can lead to access to funds that would have been unavailable to individual municipalities (Potkanski, 2016). Such shared structures enable municipalities to access larger-scale investments and develop innovative solutions. Additionally, the municipalities for example may address the issue of skills gap and implement more complex projects because they are able to pool their expertise. As an example, technical experts can assist in the design and execution of projects to ensure that they meet the needs of the local population as well as the regulatory requirements. Jaaidane & Larribeau (2023) highlight that in France, cuts in central grants since 2014 have driven municipalities to embrace IMC, as pooling resources becomes a lifeline when local budgets shrink. This external pressure or the promise of grants acts as a spark, motivating cooperation to sustain services like transport or social care.

Bakoš, Soukopová, & Šelešovský (2015) emphasize that in Central Europe, particularly in the Czech and Slovak Republics, joint funding bids enhance project management by fostering structured cooperation and resource alignment. They point to historical examples where municipalities pooled efforts for EU supported initiatives like regional development projects leading to streamlined administration and clearer accountability. In the Czech context, IMC partnerships often set up joint committees to oversee funding applications, ensuring deadlines are met and resources are used efficiently. This cooperative approach not only secures bigger granted money but also makes project execution smoother and more professional. (Bakoš, Soukopová, & Šelešovský, 2015)

Trust and shared governance are the foundation of any successful IMC initiative. Transparent decision-making processes, clear roles and responsibilities and effective conflict management mechanisms are crucial for building the cooperative environment (Angius, 2023). The sustainability of partnerships over time depends on building trust among stakeholders. These include communication, joint decision making, sharing of benefits and other measures that foster trust (Angius, 2023). When trust exists, the municipalities will continue to be committed to the partnership even if they face challenges. However, trust cannot be established only by formal contracts. According to Teles (2016), good IMC structures are characterised by informal cooperation networks which are additional to legal arrangements. When local authorities continue to cooperate on a regular basis outside of the formal agreements, social capital is created to support the cooperation in the long run (Teles, 2016). A team building meetings as local leaders chatting over coffee or at regional meetups, regular online meetings and chats build a safety net for when things get tough. This implies that the most efficient IMC models are those that combine both the institutional structures and the trust building practices and therefore guarantee the continuation of cooperation when the formal structures are subjected to political or financial shocks.

Beyond these, leadership and motivation play huge roles. Strong leaders who champion IMC can unite municipalities around a shared vision, smoothing over conflicts and keeping momentum alive. Feiock (2007) highlights how a “policy entrepreneur” someone with clout and drive can turn sceptics into believers. Motivation, too, keeps the fire burning, whether it’s pride in regional identity or the lure of economic perks, a clear “why” fuels commitment (Swianiewicz, 2011). Bel & Warner (2022) argue from a review of IMC cases that municipalities stay engaged when cooperation delivers visible wins like increased tourism or upgraded infrastructure offering practical payoffs that sustain partnerships. IMC Toolkit (2010) also emphasizes that “The leadership must be willing to drive IMC because it sees its value. Transparency and good communications in individual municipalities will support the foundation of mutual trust that IMC requires.” (p.24). Bel & Warner (2022) also note that tangible benefits often outweigh initial setup costs, with European examples showing IMC boosting local revenues through shared services like waste management or joint tourism boards. For instance, when municipalities see concrete returns, for example as more visitors filling local hotels or roads easing daily commutes, the cooperation shifts from routine to obvious, reinforcing long term buy in. Soukopová & Sládeček (2018) also emphasize that motivated leadership in IMC often hinges on clear performance metrics like tracking cost savings or service improvements.

Effective IMC is based on the following critical success factors summarised in the table below:

Table 2

*Key Challenges and Success Factors in Inter-Municipal Cooperation*

Challenges	Success Factors
<p><b>Political and Governance Instability:</b> Frequent political shifts disrupt IMC agreements, making long-term cooperation difficult. Weak institutional frameworks further exceed the instability.</p> <p><b>Multiple Principal Problem &amp; Free Riding:</b> Municipalities often have conflicting priorities, leading to governance inefficiencies. Wealthier municipalities may carry a disproportionate burden, leading to imbalances in cooperation.</p> <p><b>Financial Constraints &amp; External Dependency:</b> Many municipalities rely on external funding, making IMC agreements vulnerable to financial instability, the external support is reduced or withdrawn. Unequal financial contributions create tensions among</p> <p><b>Administrative and Human Resource Limitations:</b> Small municipalities often lack the expertise and staff to manage IMC effectively, leading to project inefficiencies and an increased administrative burden.</p> <p><b>Legal and Regulatory Barriers:</b> Differences in national and regional laws compress the cooperation across borders, while insufficient frameworks weaken enforcement and commitment.</p> <p><b>Citizen Resistance:</b> Unfamiliarity and fear of losing control or higher costs lead citizens to oppose IMC initially, particularly on sensitive issues like waste facilities or tax allocation.</p> <p><b>Central Government and External Actor Inconsistency:</b> Ambivalence from central authorities and varied support from international organizations/NGOs hinder a unified IMC strategy, requiring a national champion to drive policy.</p> <p>-</p>	<p><b>Institutional Stability and Legal Certainty:</b> Clearly defined responsibilities, dispute resolution mechanisms, and binding legal agreements ensure long-term IMC sustainability.</p> <p><b>Effective Governance Structures:</b> Transparent decision-making and equitable representation prevent larger municipalities from dominating IMC agreements and ensure balanced cooperation.</p> <p><b>Financial Sustainability and Long-Term Investment Planning:</b> Shared tax mechanisms and financial autonomy reduce reliance on external funding, ensuring more stable IMC agreements.</p> <p><b>Capacity-Building and Administrative Efficiency:</b> Dedicated IMC management units and targeted training programs enhance municipalities’ ability to manage complex projects.</p> <p><b>Standardized but Flexible Legal Frameworks:</b> Establishing clear legal structures while allowing for regional adaptability enhances IMC effectiveness and long-term success.</p> <p><b>Trust and Cooperative Governance:</b> Transparent communication, participatory decision-making, and informal cooperation networks foster strong, resilient IMC partnerships.</p> <p><b>Coordinated Policy Support and Advocacy:</b> Advocacy National leadership and steady funding like Local Government Associations align efforts and reduce uncertainty</p> <p><b>Leadership and Motivation:</b> Strong leaders and clear incentives unite commitment and sustain momentum</p>

Source: Composed by the authors based on Angius, 2023; OECD/SIGMA, 2024; Bakoš, Soukopová, & Šelešovský (2015); Bel & Warner (2022); Potkanski, 2016; Persson, 2024; Rakar et al., 2015; Teles, 2016; IMC Toolkit, 2010; Soukopová & Sládeček (2018).

To conclude, the implementation of IMC provides a strong tool for improving regional governance and public service delivery and resource efficiency. The implementation of IMC

faces multiple complex challenges that include political instability, administrative capacity limitations, financial constraints, legal ambiguities and limited citizen engagement. The regional experiences of Poland, Sweden, Slovenia and Spain demonstrate both the difficulties and successes of IMC through the necessity of well-structured governance models and financial sustainability and legal clarity and strategic alignment for long-term cooperation. Innovative practices, such as digital dashboards, smart contracts, cooperation hubs, and crowdfunding, have proven effective in overcoming these barriers, fostering trust, equity, and efficiency. The growth and effectiveness of partnerships depend heavily on trust-based cooperation and strong leadership together with sustained motivation. IMC success requires a balanced approach between formal institutional frameworks and informal cooperation to enable municipalities to maintain stability while adapting to regional needs.

## **2. Empirical analysis of inter-municipal cooperation based on European capital of culture initiative**

### **2.1. Data and methodology**

IMC is an essential factor in large-scale cultural projects and processes, such as Tartu 2024 – European Capital of Culture. This cooperation is a perfect example of how municipalities can use IMC to enhance regional development, cultural promotion, and economic growth. Through cooperation, these municipalities combine resources, share knowledge, and present a single cultural programme that goes further than Tartu. This strategy enhances regional integration, strengthens local institutions, and increases the effectiveness of the European Capital of Culture title. The practical application of IMC in the implementation process is analysed in this section, including the challenges of administrative coordination, funding distribution, and stakeholder engagement. Additionally, the cooperation fostered innovative approaches to community engagement, such as participatory workshops that empowered local artists.

To achieve the research objectives and to delve into the Tartu 2024 project, a qualitative design has been chosen, with two main data collection methods: semi-structured interviews and analysis of legal documents in Estonia. These methods are meant to offer a holistic view of the cooperative processes, lessons learned, and the legal framework governing IMC within the Tartu 2024 project. The qualitative approach also allowed for capturing nuanced perspectives on cultural identity preservation during the project, as such methods are particularly well-suited for exploring complex, fluid, and context-dependent

understandings of identity from the perspective of participants themselves (Urrieta & Hatt, 2019).

To illustrate how the thesis objectives were met, the author developed Figure 1, a diagram outlining the empirical research plan and detailing the steps involved in the empirical component.

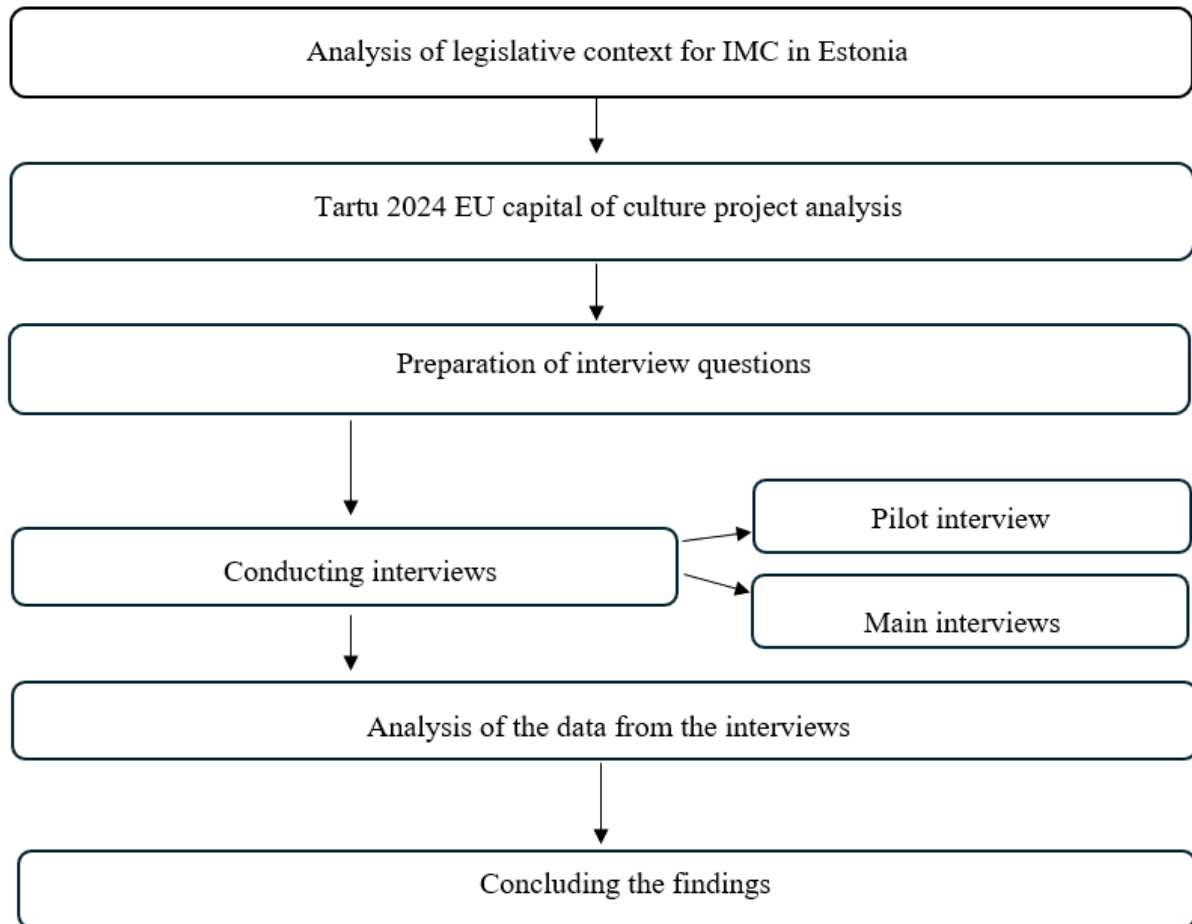


Figure 1: Empirical research plan diagram

Source: Compiled by the authors

First, the qualitative analysis of legal acts in Estonia was used to determine the level of legal framework development of IMC. The legislations that were explored include the municipal cooperation legislations and cultural project legislations that may have an impact on the Tartu 2024 project. This analysis enriches the interview data by offering a more general organizational viewpoint on the opportunities and constraints that exist for municipalities.

Moreover, the analysis of the Tartu 2024 project from IMC point of view has been done. This part of the analysis offers a detailed overview of the project’s structure,

coordination mechanisms, and funding model, helping to explain why this case is especially relevant for studying and understanding inter-municipal cooperation in Estonia.

The primary data collection technique used in this study is the semi-structured interviews conducted with stakeholders of the Tartu 2024 project. These interviews are meant to capture the real-life experiences, challenges, and success factors that influenced cooperation between municipalities, to learn lessons from the project. The research method is suitable because IMC presents complex relational dynamics and informal governance structures and context-specific challenges according to Swianiewicz (2011) and Angius (2023). The research method of semi-structured interviews is commonly used in ICA and Network theory studies, because it allows exploration of trust and cooperation and interpersonal relations through open-ended conversations (Feiock, 2007; Hulst & Montfort, 2007). In addition, qualitative research was selected because there is limited existing data about IMC experience in Estonia, so stakeholder insights became critically important to understand the initiative's specific details.

The number of interviews conducted was limited due to the centralized coordination of access to participants. The authors firstly contacted several people involved in the Tartu 2024 project, but the Southern Estonia Coordinator replied on behalf of the whole Tartu 2024 team, indicating that he/she would facilitate the process. A list of suitable interviewees was discussed and given by the coordinator, which ensured relevance, but also limited the number of potential participants. This approach, although limiting the number of interviews, was in line with the focused scope of the study and ensured that the insights were obtained from the key stakeholders who were directly involved in the project. The centralized coordination also streamlined the scheduling process, enhancing the efficiency despite the constraints.

In total, the authors conducted six semi-structured interviews with representatives from various municipalities and stakeholders involved in the Tartu 2024 European Capital of Culture project. The interviewees included municipal officials from Tartu, Luunja, Võru, Viljandi and Tõrva as well as project coordinator and Southern Estonian Municipalities representative in Tartu 2024 board who played key roles in the implementation of the cooperation initiative. The full list of participants and interview details can be found in Table 3 including their positions, the dates of the interviews, the duration of the interviews, and the length of the transcriptions. The interviews were conducted online via Zoom and Microsoft Teams, depending on the availability and location of the interviewees. The authors used a deductive approach, meaning that the theoretical framework and key concepts were established prior to conducting the interviews. Additionally, the authors employed thematic

analysis to identify patterns within the participants responses, aligning these with the pre-existing theoretical categories.

The study is conducted ethically and all the respondents volunteered to participate in the study. All participants gave written consent for their participation in the study, including the use of the personal data such as positions and analysis of the audio recordings from the interviews. Data protection and confidentiality principles were strictly followed throughout the research process, and all collected materials were securely stored and used exclusively for academic purposes.

Table 3

*The list of interviews*

Position of interviewee	Date	Duration	Pages transcription
Sothern Estonia Coordinator in Tartu 2024 Project	29/01/2025	50 min 25 sec	19 pages
Southern Estonian Municipalities representative in Tartu 2024 board	13/02/2025	30 min 38 sec	11 pages
Deputy Mayor of Tõrva Municipality	14/02/2025	24 min 30 sec	9 pages
Deputy Mayor of Tartu in Education, culture, science, youth work, physical education and sports.	13/03/2025	33 min 18 sec	13 pages
Head of Tourism in Luunja Municipality	09/05/2025	37 min 10 sec	15 pages
Cultural Specialist of the City of Viljandi	16/05/2025	20 min 57 sec	8 pages

Source: Compiled by the authors

The interview questions were developed to address the research questions and are grouped into three thematic areas: the legal framework, success factors that motivate cooperation, and challenges that arose in the Tartu 2024 project. The list of guiding questions is presented in Appendix 1. These questions provide a general structure to which additional probes can be added to capture more detailed responses from participants. The transcription entailed a verbatim recording of the interviews followed by the identification of recurring themes and subthemes. This analysis is based on three main research questions:

- How does Estonian legislation support or hinder IMC?
- What were success factors during the IMC in Tartu 2024 project?
- What challenges did the municipalities face during the entire time of the Tartu 2024 project?

Qualitative research approach was considered most appropriate for this study because of the complexity and context specificity of IMC in the Tartu 2024 project. While quantitative methods entail the use of large samples and statistical inference, qualitative

research enables the detailed examination of stakeholder opinions and legal specifics (Creswell, 2014).

The analytical process combines the insights from interviews and legislative analysis to answer the research questions. Findings interpret with reference to existing literature on IMC and the practical implications of the results to discuss for the enhancement of cooperation in future projects like Tartu 2024. This dual-method approach provides a robust understanding of the dynamics of IMC in Estonia, combining experiential data from stakeholders with the structural context provided by legislation.

## **2.2. Legislative context for inter-municipal cooperation in Estonia**

According to authors' research, the legal basis for IMC in Estonia is mainly laid down in the following documents:

### **1. Local Government Organization Act (LGOA).**

The LGOA is the key legislation on local government in Estonia. It provides municipalities with a wide range of powers and defines their powers and duties. According to the LGOA, municipalities are permitted to cooperate in the delivery of services, management of resources and solving of challenges of concern to the two or more municipalities. The Act allows municipalities to conclude cooperation agreements with one another, set up joint administrative bodies and transfer assets for projects. (Local Government Organization Act, 1993)

Key provisions relevant for IMC:

- Municipal autonomy is guaranteed, allowing municipalities to manage local affairs independently within their legal powers (§ 2).
- Explicit legal basis for voluntary and mandatory municipal cooperation, allowing local governments to cooperate via agreements, joint administrative bodies, or institutions (§ 6<sup>3</sup>, § 6<sup>22</sup>).
- Detailed provisions for establishing joint administrative agencies, creating a structural basis for sustainable cooperation (§ 6<sup>22</sup>).

For IMC it provides foundational legal legitimacy and clear structural guidance for inter-municipal partnerships, joint administration, and cooperative governance.

### **2. Administrative Cooperation Act (ACA).**

The ACA gives a legal framework for cooperation for public authorities including municipalities. It defines how joint administrative bodies should be created, how resources

should be divided and how the different activities should be organized. The ACA also underscores the voluntariness, mutual advantage and transparency of IMC. (Administrative Cooperation Act, 2003)

Key provisions relevant for IMC:

- Establishes explicit legal procedures for municipalities to delegate administrative tasks to private or public entities, including clear authorization processes (§ 3–§ 9).
- Sets clear criteria for delegation, mandating economic justification, performance evaluation, and the protection of public interests (§ 5).
- Defines rules and procedures for the provision of professional assistance between administrative authorities, enhancing cooperation efficiency (§ 17–§ 20).
- Clarifies conditions for entering and terminating administrative contracts crucial for IMC stability (§ 10–§ 16).

For IMC it facilitates structured delegation and coordination between municipalities, ensuring transparent and accountable cooperative arrangements.

### 3. Territorial Reform Act.

The Territorial Reform of 2017 – 2018 was undertaken with the aim of decreasing the number of municipalities in Estonia and promoting cooperation among them. The reform was undertaken to address the challenges that result from municipal fragmentation, most especially in the rural regions. The Act encouraged voluntary mergers and cooperation networks to enhance service delivery and decrease administrative costs. (Territorial Reform Act, 2017)

Key provisions relevant for IMC:

- Regulates processes and conditions under which municipal mergers and boundary adjustments occur (§ 1–§ 3).
- Provides a legal framework for both voluntary and government-initiated territorial reforms, aimed at consolidating administrative capacity (§ 7, § 8).
- Establishes criteria for evaluating the success of territorial reforms, promoting improved municipal effectiveness and service delivery (§ 9, § 10).

For IMC it encourages and enables territorial consolidation as a structural foundation for stronger inter-municipal cooperation and efficient service provision.

### 4. Public Procurement Act.

The Public Procurement Act regulates how municipalities can cooperate in the procurement of goods and services. It enables municipalities to undertake combined procurement arrangements to cut costs and increase the efficiency of the procurement process. This is especially important for IMC in areas like waste management, public transport and infrastructure development. (Public Procurement Act, 2017)

Key provisions relevant for IMC:

- Defines clear procedural rules for municipalities engaging in public procurement (§ 2, § 5–§ 9).
- Mandates principles of transparency, equality, and competitiveness in procurement processes, essential for accountability within IMC (§ 3, § 15–§ 20).
- Explicitly includes procedures for joint public procurement, enabling multiple municipalities to coordinate purchasing and infrastructure projects (§ 16–§ 18).

For IMC it provides municipalities with practical, transparent mechanisms for jointly purchasing goods and services, enhancing financial efficiency and operational cooperation.

#### 5. The European Charter of Local Self-Government.

Although it is not a domestic law, the European Charter of Local Self-Government signed by Estonia plays an important role in IMC. The Charter praises the concepts of subsidiarity and local self-government, which allow municipalities to work together while retaining their independence. (Council of Europe, 2007)

Key provisions relevant for IMC:

- Affirms the right of municipalities to cooperate, form consortia, and enter into agreements to pursue common interests (Article 10).
- Provides international recognition and backing of local self-governance, including the right to engage in IMC autonomously within national legal frameworks (Articles 3, 6).
- Stresses the importance of municipal financial autonomy, which is foundational for successful IMC (Article 9).

For IMC it ensures international standards supporting municipal cooperation are respected and integrated into national legal contexts, strengthening the legitimacy of IMC initiatives.

#### 6. Administrative Reform Act.

Key provisions relevant for IMC:

- Defines objectives and procedures for Estonia’s administrative reform, primarily focusing on enhancing municipal capacity and sustainability (§ 1, § 2).
- Establishes conditions and incentives for municipalities to voluntarily merge or cooperate, creating larger, more capable administrative units (§ 3–§ 5).
- Provides mechanisms for state-driven mergers, ensuring alignment with broader governance and service-delivery efficiency goals (§ 7, § 8).

For IMC it sets clear strategic direction toward consolidating administrative units, facilitating stronger inter-municipal cooperation and sustainable municipal service management. (Administrative Reform Act, 2016)

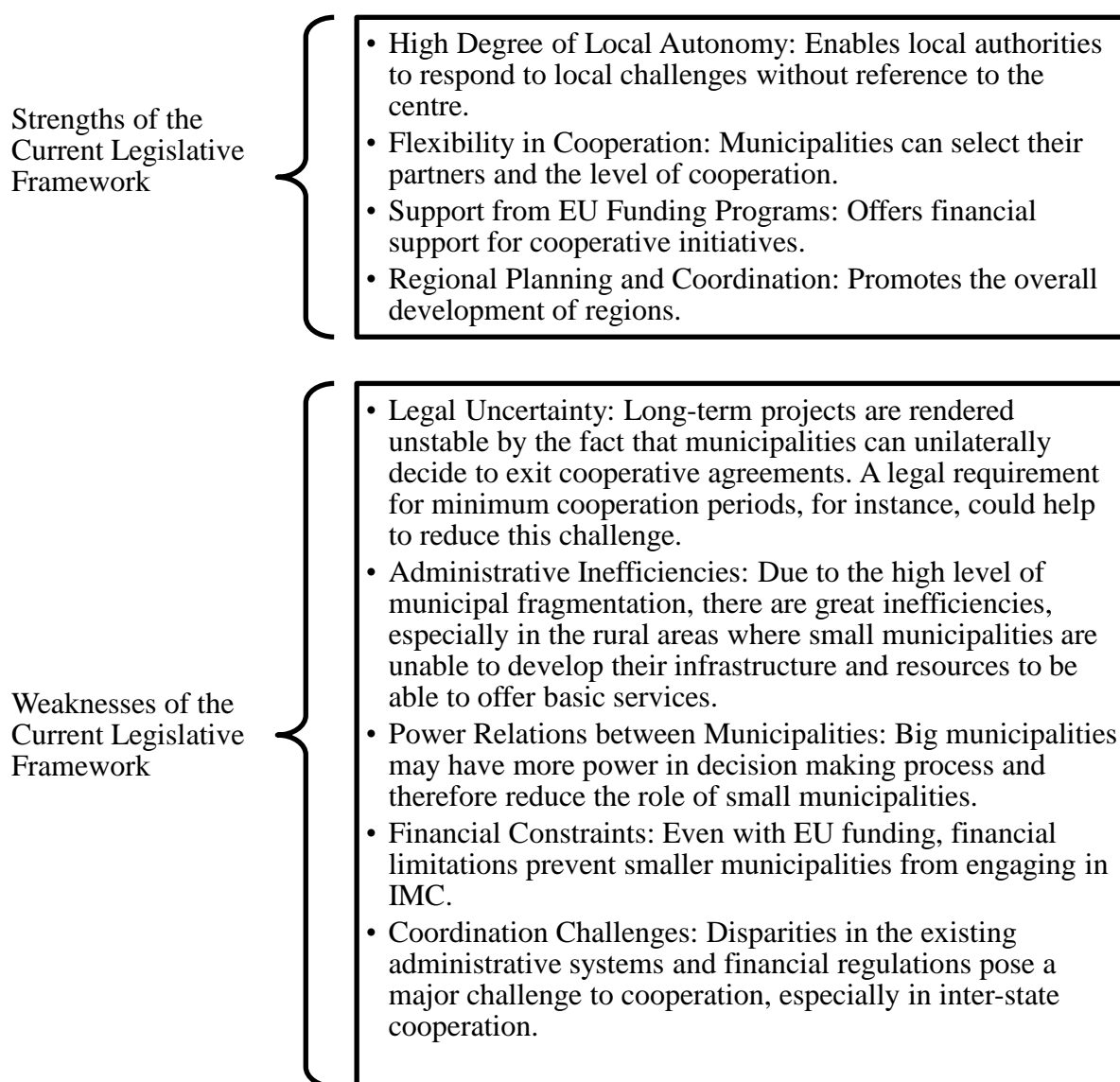
#### 7. Local Government Association Act.

Key provisions relevant for IMC:

- Specifies the legal basis for forming municipal associations, explicitly enabling municipalities to create structured bodies for representing collective interests (§ 1, § 3).
- Details governance structures, decision-making procedures, and financial management principles for municipal associations (§ 4–§ 7).
- Supports municipalities in collectively advocating their interests to the central government, enhancing their policy influence and coordination (§ 8–§ 10).

For IMC it provides municipalities with institutional and organizational tools to formally cooperate, advocate jointly, and strategically manage shared services or projects.

These structures are very important in ensuring that initiatives like Tartu 2024 are promoted and municipalities can work together on common cultural and developmental interests. Furthermore, these initiatives are intended to enhance regional cohesion and sustainable development by addressing issues that crosscut the boundaries of municipal institutions. However, there are variations in national legal systems that can be a barrier to cooperation (Swianiewicz, 2011). The authors highlighted the strengths and weaknesses of the Current Legislative Framework which can be seen in the Figure 2.



*Figure 2: Strengths and weaknesses of the current legislative framework*

Source: compiled by the authors

According to Mäeltseems, Lõhmus, & Ratas (2013) the very high level of municipal fragmentation in Estonia where many local governments have less than 2,500 population presents administrative inefficiencies and limit their capacity to provide essential services. This imbalance between the big cities and rural municipalities has led to increasing inequalities and thus IMC is necessary for sustainable development of regions (Mäeltseems, Lõhmus, & Ratas, 2013).

To conclude, from the findings of the analysis of legal acts, the following recommendations are made to enhance the legal and institutional framework for IMC in Estonia:

- Enshrine Cooperative Agreements in Law

Schemes of cooperation between municipalities should specify the duration of cooperation, the manner of termination of cooperation and the notice period to increase the level of cooperation and responsibility.

- Enhance Financial Incentives for IMC

The state should offer specific grants and administrative support to encourage participation of smaller municipalities and to enhance cooperation.

- Increase Leadership Training and Capacity Building

Municipal officials need training in financial management and project coordination among other areas to enhance their participation in IMC.

- Model Agreements and Financial Tools should be developed.

The creation of templates of agreements and financial instruments would help to facilitate the administrative burden and make cooperation easier.

### **2.3. Tartu 2024 EU capital of culture project analysis – IMC perspective**

The Tartu 2024 European Capital of Culture initiative is a year-long cultural program aimed at celebrating Southern Estonia's heritage, promoting tourism, and fostering economic and social development. The Figure 3 shows a total of 20 Southern Estonian municipalities: Antsla Municipality, Elva Municipality, Kambja Municipality, Kanepi Municipality, Kastre Municipality, Luunja Municipality, Nõo Municipality, Otepää Municipality, Peipsiääre Municipality, Põlva Municipality, Rõuge Municipality, Räpina Municipality, Setomaa Municipality, Tartu city, Tartu Municipality, Tõrva Municipality, Valga Municipality, Viljandi city, Võru city and Võru Municipality (Tartu 2024, n.d.).

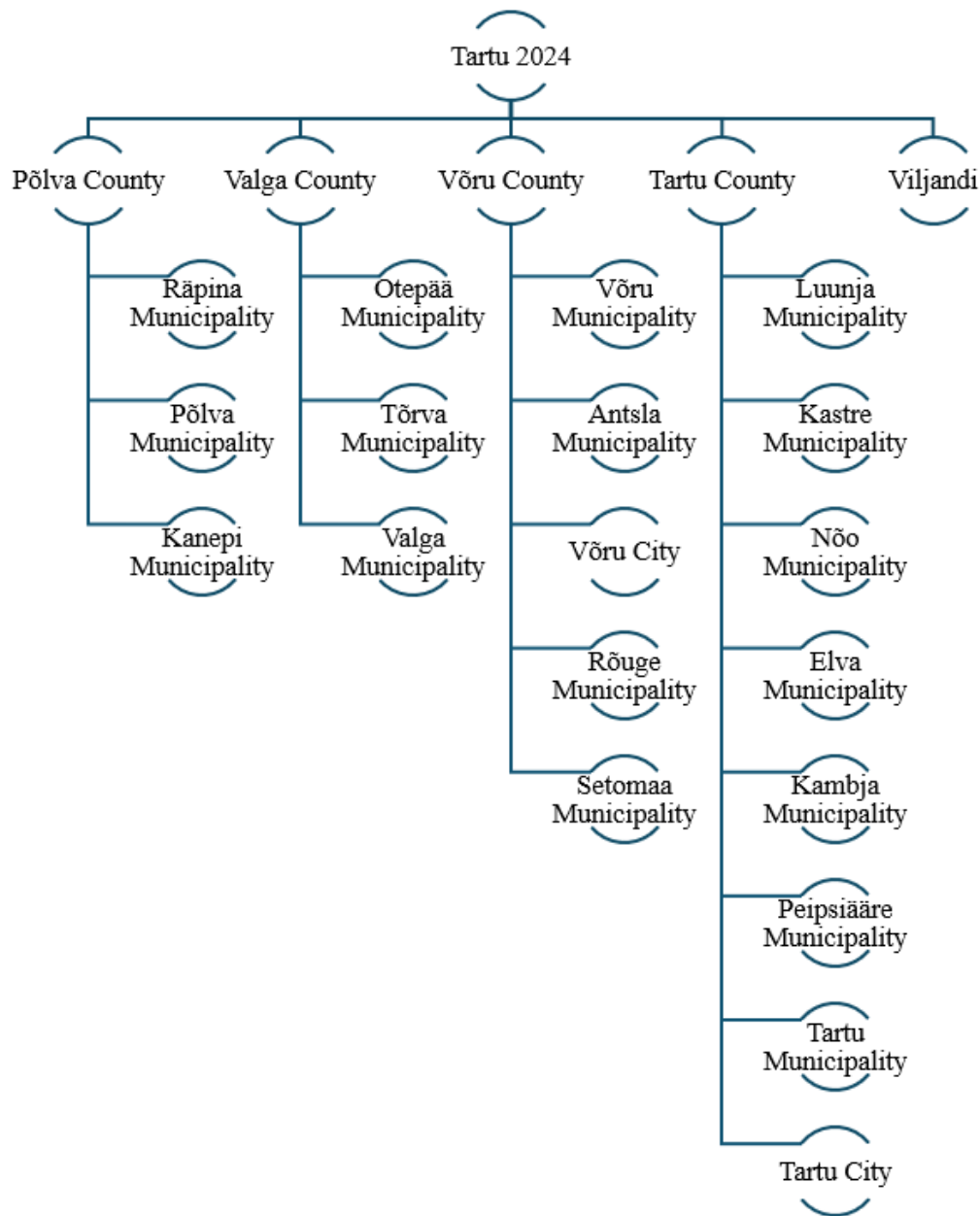
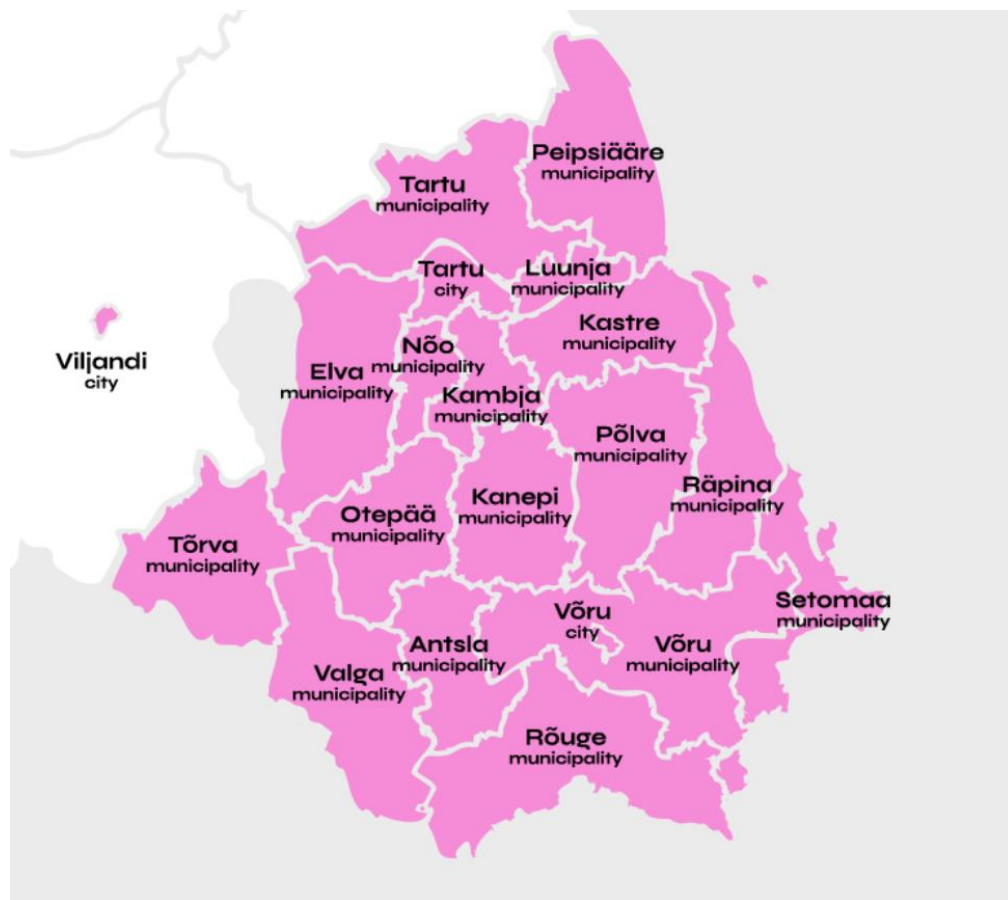


Figure 3: Southern Estonian Municipalities Involved in Tartu 2024 project

Source: Compiled by the author based on the Tartu 2024 web page

To enhance clarity and provide a more effective visual representation, the authors depict the municipalities involved in the project on a map in Figure 4.



*Figure 4:* Southern Estonian municipalities involved on a map  
Source: Tartu 2024 web page

Under the theme “Arts of Survival,” focusing on uniqueness, sustainability, awareness, and co-creation, the program featured over 1,600 events across more than 350 projects. Programme included such events as: the “Nature Creates” festival, highlighting biodiversity in urban spaces; the Tartu Opinion Festival, fostering public debates; exhibitions like “Veil of Nature” (June 22–July 28, 2024) and Ryoji Ikeda’s audiovisual installation at the Estonian National Museum; the Viljandi Heritage Festival, exploring folklore and sustainability and opening week activities, such as an open-air rave at the Estonian National Museum and a street art tour in Tartu’s Soup Town. Additional exhibitions were implemented in museums like the Tartu Toy Museum and Estonian Agricultural Museum, alongside community academies under the Tartu World University initiative, connecting local communities with global experts. These events also spurred local entrepreneurship by showcasing regional crafts. The bidbook further notes that the program aimed to attract 1 million visits by the end of 2024, enhancing the region’s visibility through international

media coverage and partnerships, which supported IMC by amplifying the collective impact of the municipalities' efforts (Tartu 2024 “The Arts of Survival”, n.d.).

Moreover, becoming the European Capital of Culture is a quite complicated process. Based on a guide for cities preparing to bid - European Capitals of Culture 2020 to 2033 (n.d.), the following 6 criteria are applied to determine a city as a candidate for the European Capital of Culture, on which the applications of applicant cities must be based:

- 1) Long-term strategy
- 2) European dimension
- 3) Cultural and artistic content
- 4) Possibility of implementation
- 5) Community outreach and involvement
- 6) Management

The first agreement took place in 2018 followed by an agreement at Suur Munamäe in April 2019. A detailed cooperation agreement received approval in autumn 2020 before being signed in January 2021 for program creation, marketing and funding of 2021–2025. That contractual agreement IMC form for the project. The Tartu 2024 Foundation handled the management while municipalities provided financial support proportional to their population numbers (1–2.2 euros per resident per year) for marketing along with cultural programming and coordination and local event activities. (Tartu 2024 Cooperation Agreement, 2020)

This represents a clear example of a contractual IMC form presented by Rudenko (2017); Council of Europe (2010), where municipalities enter into formal, legally binding agreements to manage joint responsibilities. It reflects a structured and enforceable model of cooperation, typically applied to specific projects or functions. While such agreements ensure accountability and clarity of roles, they often lack the flexibility needed for broader or evolving cooperation.

The funding system allows researchers to assess whether its financial structure produces fair participation levels and reduces risks for smaller partners which presents a key IMC difficulty. Through the project municipalities-built connections between their staff members who focused on cultural and communication activities. The networks prove that IMC cooperation goes beyond formal agreements because it depends on regular working connections which create essential foundations for building trust as well as long-term relationships and effective communication. The financial model also encouraged smaller municipalities to propose innovative projects to maximize their contributions. The bidbook highlights that this funding structure was designed to ensure equitable access to resources,

with additional support from a €1.5 million Melina Mercouri prize awarded by the European Commission, which further incentivized cooperation among municipalities (Tartu 2024 bidbook “The Arts of Survival”, n.d.).

Tartu 2024 European Capital of Culture represents a clear demonstration of IMC operation within Estonia. This extensive project that combines Tartu city with 19 neighboring municipalities serves as a good example for evaluation on how numerous local governments can coordinate and cooperate during an extended period within a voluntary partnership. The project stands out for research because it shows how cooperation can be organized between municipalities with different resource capacities and goals. The Tartu 2024 Foundation operated as a central coordinating entity, while joint forums—such as the Municipal Leaders’ Forum and expert groups ensured that representatives from each municipality participated in planning and decision-making. These structures demonstrate the practical methods through which responsibility sharing and communication systems operate within an IMC framework.

The project’s structure highlights the potential of IMC to achieve collective goals that hard to achieve by individual municipalities. Through per-capita funding municipalities could collect resources together to overcome typical limitations that small rural entities face. The approach achieved cost efficiency through shared marketing efforts as well as coordinated events while mirroring strategies used in European IMC projects. The networks which included culture and communication segments provided a foundation for regional cooperation that aligned with network theory principles from Borgatti & Halgin (2011) for establishing relational ties. The cooperative efforts also led to the development of new cultural tourism routes across Southern Estonia (Tartu 2024 bidbook “The Arts of Survival”, n.d.). The Tartu 2024 Foundation's operational framework through its cooperation agreement establishes a template for upcoming IMC programs that aligns with established partnership recommendations.

In Estonia, where IMC is voluntary rather than legally mandated, Tartu 2024 is particularly relevant for addressing the thesis’s first research question regarding how national laws support or limit municipal cooperation. Given that the thesis also examines factors that facilitate, or hinder cooperation, the project’s structure, funding, and coordination mechanisms provide valuable insights into research questions concerning key success factors and challenges. For Estonia, Tartu 2024 project represents a significant advancement in promoting IMC as a tool for regional development. Operating within a legal framework that supports voluntary cooperation, the project may demonstrate how municipalities can cooperate to elevate their cultural and economic status, offering a potential solution to issues

like rural depopulation and resource disparities. By involving smaller municipalities in a major international initiative, Tartu 2024 enhanced their visibility and capacity, creating opportunities for future cooperation in areas such as infrastructure or public services. This cooperative model provides a framework for other Estonian regions, illustrating how IMC can bridge urban-rural divides and contribute to cohesive, sustainable development across the country. Overall, Tartu 2024 goes beyond its role as a cultural project, serving as a brilliant case study of how municipalities can cooperate over time, offering significant insights into the organization, funding, and maintenance of IMC in Estonia.

#### **2.4. Results of the empirical analysis and Discussion**

Before beginning the analysis, the authors of the thesis would like to be fully transparent and note that, as mentioned earlier, one of the key challenges was obtaining responses to interview invitations. The authors reached out to representatives of each municipality multiple times, but unfortunately, not all responded.

The authors aimed to present two perspectives that could be analysed. The first is the viewpoint of the municipalities involved in Tartu 2024 project. Their reactions to the project's successes, challenges, opinion about Estonian legislation and operations within the project and lessons learned. To ensure a thorough analysis of municipal perspectives, the municipalities were divided into the following groups:

The city of Tartu – the lead city of European Capital of Culture 2024. The perspective of the host city is represented by the Deputy Mayor of Tartu responsible for education, culture, science, youth work, physical education, and sports.

A city that participated in the project but was not the cultural capital itself. In our case, this is Viljandi, a relatively large city by Estonian standards. The perspective of the host city is represented by the cultural specialist of Viljandi city that has been assigned as a representative of the city during the project.

The perspective of a smaller municipality, this group is represented by the Deputy Mayor of Tõrva Municipality, head of tourism in Luunja and the Southern Estonian Municipalities representative on the Tartu 2024 board, who represented Võru Municipality.

Secondly, the authors were able to connect with a coordinator who represented the interests of the entire project, had their own team, and had access to all the necessary information to provide a comprehensive picture from the organizers' side.

This structure allows for a well-rounded overview that captures the perspective of the organizers as well as different levels of municipal involvement. The interview analysis is

structured according to the same groups as the questions, as outlined in Appendix 1. The analysis follows the same structure as the interview guide used (see Appendix 1), focusing on motivations, legal context, operations, success factors, challenges, outcomes, and recommendations.

### **Municipal's and coordinator's perspectives on cooperation within Tartu 2024**

- Tartu Perspective:

Deputy Mayor of Tartu in Education, culture, science, youth work, physical education and sports highlighted the importance of Tartu 2024 initiative for promoting IMC in Estonia. He/She stressed that even though municipalities had different expectations, they were able to keep the unity and shared vision of the project. He/She pointed out that this level of cooperation is not typical for Estonia and was maintained through mutual respect and strong leadership.

- Viljandi Perspective:

The Viljandi Cultural Manager underlined that participation in the Tartu 2024 process enabled the city to increase its cultural impact and build cooperation with both larger and smaller municipalities across Southern Estonia. He/She supplemented that even if Viljandi possesses an already developed cultural identity, the project presented new opportunities for cooperation with rural districts in co-producing events, thereby leveling regional exposure. He/She highlighted the cooperative development of a regional cultural program that integrated traditional folk arts with contemporary creative industries. This not only showcased Viljandi's cultural strengths but also promoted mutual learning and resource-sharing across municipal borders.

- Smaller Municipality Perspective (Tõrva, Luunja and Võru):

The Deputy Mayor of Tõrva noted that municipalities in Southern Estonia had historically cooperated mainly at the county level. The Tartu 2024 initiative was a breakthrough in creating deeper ties between municipalities. The Southern Estonian Municipalities representative from Võru emphasized that the project allowed even smaller communities to be part of a large-scale cultural undertaking, creating a sense of unity and long-term cooperation potential. Southern Estonian Municipalities representative in Tartu 2024 (2025) board passionately reinforced this, stating:

*“I think everybody who works all around South Estonia loves the place where they work and live and it motivate to cooperate.”*

The Head of Tourism in Luunja, who served as a producer for two festivals under Tartu 2024, described her role in organizing the Winter Trails Festival, which highlighted historical routes and Estonia's largest wetlands, and a piano festival celebrating the Estonian composer Franz Tobi, born in Luunja. She emphasized the opportunity to showcase Luunja's cultural and historical assets, which fostered local pride and strengthened ties with neighbouring municipalities, particularly through shared cultural initiatives.

- **Project Representative:**

The Southern Estonia Coordinator described the project as a transformative experience that significantly elevated cooperation between Southern Estonian municipalities to a new level and allowed to exploit the relationships and networks built by this initiative to use soon. She noted that municipalities traditionally worked in isolation, and this joint effort helped build a framework for more integrated regional development in the future.

### **Legislative Context**

- **Tartu Perspective:**

The Deputy Mayor of Tartu stated that Estonian law does not have any limitations for IMC, nor it does not actively enforce it.

*“In general, Estonian legal system is supportive, the issues with municipalities cooperating are not there, it's more to do with administrative structure in Estonia and the way taxation works.”* (Deputy Mayor of Tartu in Education, culture, science, youth work, physical education and sports, 2025)

Instead, cooperation typically occurs through informal arrangements or foundation agreements. He/She highlighted that the Tartu 2024 foundation, which operated based on equal per-capita contributions, provided a functional legal and financial structure.

*“Leveraging existing laws applying to setting up foundation is the way to go.”* (Deputy Mayor of Tartu in Education, culture, science, youth work, physical education and sports, 2025)

This flexible framework was crucial to maintaining cooperation and could be replicated in future regional initiatives.

- **Viljandi Perspective:**

The Cultural Specialist of Viljandi city agreed with the opinion of most of the respondents that there are no laws that are supporting or hindering a cooperation between municipalities in Estonia. He/She also outlined that when applying for a grant for making a

huge cultural project to the EU, the cooperation with other municipalities is a big bonus and bigger funding could be received.

*“To become a EU cultural capital, the project had to be sent and apply for funding and there is one trick that if city is cooperating with other municipalities, the project could get more money, what was also an additional motivation to work together. It did not help from the legislative point of view, but it motivated, that if the project is ready to work with other municipalities, it may receive bigger grant.”* (The Cultural Specialist of Viljandi city, 2025)

- Smaller Municipality Perspective (Tõrva, Luunja and Võru):

The Deputy Mayor of Tõrva acknowledged that while Estonian law does not explicitly require cooperation, nor motivate to cooperate.

*“There is no Law that prevents cooperation. I think we don’t need any law for it. During those 5 years of cooperation, I did not see any problems that should be fixed by law.”* (Deputy Mayor of Tõrva Municipality, 2025)

The Deputy Mayor of Tõrva also added that cooperation was agreed by the agreement and the fact that cooperation is not centralized in the Estonia did not bring any challenges as well.

*“Estonian law says that everyone may have cooperation between themselves. Overregulating is bad”* (Deputy Mayor of Tõrva Municipality, 2025)

The Southern Estonian Municipalities representative on the Tartu 2024 board, representing Võru, reinforced this interpretation by referencing the Local Government Organisation Act. He/She explained that while the law does not enforce cooperation, it subtly mandates it by shifting developmental responsibilities from counties to individual municipalities, necessitating cooperative action for regional success.

*“Law came in 2017 when Estonia had municipal reform, before this municipal reform, county level cooperation has been state responsibility, but after the reform, the law says that county level development is municipal responsibility, so I think this law asks to and somehow help cooperation on municipal level”* (Southern Estonian Municipalities representative on the Tartu 2024 board, 2025)

The Head of Tourism in Luunja expressed that she did not feel direct legislative support during the project, noting a lack of tangible assistance from the state in terms of legal frameworks or funding. She highlighted challenges with inflexible tax and funding regulations, particularly when cooperating with other municipalities for the Winter Trails

Festival, suggesting that more flexible legislative mechanisms could enhance inter-municipal initiatives.

- Project Representative:

The Southern Estonia Coordinator viewed the legal framework as neutral—neither prohibitive nor actively encouraging cooperation. She pointed out that without a specific legal instrument enabling municipalities to partner easily, all cooperation had to be based on negotiated agreements. While this offered municipalities a degree of flexibility, it also meant that every form of cooperation had to be built from scratch, potentially slowing down the process.

### **Motivations and Key Factors for Cooperation**

- Tartu Perspective:

The Deputy Mayor of Tartu emphasized that a key motivation for joining the initiative was the opportunity to place Southern Estonia on the cultural map of Europe. It has been noted that beyond visibility and funding, there was a strong desire to foster regional solidarity and cultural growth. For Tartu, the initiative was both a strategic opportunity and a moral obligation to act as a leader without dominating smaller partners. He/She also stressed that experience gained in building trust and shared leadership models was an asset for future cooperation.

*“In Estonia municipalities are most underfunded from all the EU member states, in Estonia municipalities have the least financial autonomy of operations.”* (Deputy Mayor of Tartu in Education, culture, science, youth work, physical education and sports, 2025)

He/She highlights that municipalities in Estonia are having limitations and projects as Tartu 2024 may help to promote the municipality and bring the investments and interest to the region.

- Viljandi Perspective:

The Cultural Specialist of Viljandi city mentioned that Viljandi was ambitious regarding the Tartu 2024 project. Viljandi city aimed to attract more tourists, to promote the municipality and become more known.

*“I think the main motivation was glory and fame.”* (The Cultural Specialist of Viljandi city, 2025)

In addition, The Cultural Specialist of Viljandi city mentioned that funding played as a huge motivation aspect for Viljandi city.

- Smaller Municipality Perspective (Tõrva, Luunja and Võru):

The Deputy Mayor of Tõrva underlined marketing, promotion of the municipality and visibility as essential drivers of participation.

*“Goal was to attract more tourist, so more and more people know about our municipality, to make good cultural programme and to learn something new, something that we could use later on also.”* (Deputy Mayor of Tõrva Municipality, 2025)

He/She also mentioned the importance of the experience received from the initiative, as it significantly improved the cooperation between the municipalities after the project end. In addition, he/she also mentioned that the aspect that motivated all municipalities to participate was to help Tartu city to win the title of the EU culture. Furthermore, it has been added that additional motivation was to make youth and community active culturally through such initiative as Tartu 2024.

*“When the goal was made, we saw the opportunity to make our communities more active, through such big event, to make our youth active.”* (Deputy Mayor of Tõrva Municipality, 2025)

The representative from Võru - Southern Estonian Municipalities representative in Tartu 2024 board highlighted the emotional and cultural motivations behind participation, describing it to develop the region and strengthen the local identity. For them, the project was not just a practical opportunity but also a matter of regional pride and belonging.

*“Firstly, they wanted to do something together in South Estonia and I think that this culture capital was a great opportunity to make better cooperation between municipalities in South Estonia.”* (Southern Estonian Municipalities representative in Tartu 2024 board, 2025)

Secondly the representative from Võru highlighted that municipalities wanted to get more experiences in organising good cultural events and get a proper promotion for the municipalities as a reason to cooperate, in what municipalities have succeeded. The Head of Tourism in Luunja identified three primary motivations for Luunja’s participation: the prestige of being part of a coordinated cultural capital initiative, access to significant funding that significantly increased municipal investments, and the opportunity to realize ambitious cultural projects that enhanced local pride and visibility. She noted that the project allowed Luunja to attract attention to its cultural heritage, making the municipality more appealing for tourism and investment.

- Project Representative:

The Southern Estonia Coordinator explained that municipalities were motivated by a combination of practical and emotional drivers. On one hand, there was a clear strategic benefit in terms of funding, investors interest in the region and capacity building.

*“If the region is attractive overall, then its attractive also for investors, who will bring their companies to the Southern Estonia and if the region is attractive, then it is attractive for people to come and live in Southern Estonia, so through this attention the region becoming more attractive and boosting the development of the region.”* (The Southern Estonia Coordinator of Tartu 2024, 2025)

On the other, there was a strong sense of regional pride and responsibility among municipal leaders to make their communities more livable and culturally vibrant. He/She also noted that creating shared experiences through cultural programming was a unifying force among municipalities with otherwise diverse goals. However there has been one more very important aspect that motivated as Tartu as other municipalities to unite and played a key role for participating. According to the Southern Estonia Coordinator of Tartu 2024 (2025) project

*“We had the competitor which is Narva and eastern Virumaa and we needed to win and we both realised that it is quite challenging competition, because there was quite a lot of support towards Narva and we understood that we can win it only if we unit – Tartu and Southern Estonia.”*

Hence, the competition, played a critical role in motivation for the Southern Estonia municipalities to participate in the project and win it as it was the only possibility for Tartu and Southern Estonia to win. In addition, all interviewees agreed on the point that love to the Southern Estonia and region played a big role. As was previously mentioned the statement by the Southern Estonian Municipalities representative on the Tartu 2024 board (2025) clearly defines the importance of the personal love and “emotional dividends” the people get from the cooperation:

*“I think everybody who works all around South Estonia loves the place where they work and live and it motivate to cooperate.”*

### **Challenges Encountered**

- Tartu Perspective:

The Deputy Mayor of Tartu in Education, culture, science, youth work, physical education and sports stated that there were many challenges from his point of view. The Deputy Mayor of Tartu acknowledged that financial constraints posed ongoing challenges throughout the project. While the per-capita funding model was equitable in theory, it placed a disproportionate burden on smaller municipalities and sometimes led to delays in budgeting and decision-making. He also noted that external factors like inflation and rising production costs added unexpected stress to project implementation. Despite Tartu’s leadership role, the

city had to navigate political sensitivities carefully to avoid appearing dominant, which occasionally slowed coordination.

Another challenge that has been mentioned is that:

*“The way business structured by the foundation raised a lot of questions among experienced cultural operators, some of whom said – we are in a strange situation where a new foundation with people that have not had much experience in organizing cultural events teaching us working in the field.”* (The Deputy Mayor of Tartu in Education, culture, science, youth work, physical education and sports, 2025)

This highlights the importance of the correct choice of the personal as some people may have governance legitimacy and expertise gap, however such critique may partially reflect individual frustrations or previous disagreements, which can color perceptions of legitimacy and expertise.

- Viljandi Perspective:

The Cultural Specialist of Viljandi noticed that the main challenge that Viljandi city faced is that within the project, the Viljandi has been a so called “on the other side of the big lake (Võrtsjärv)”. It means that geographically, Viljandi is located farthest from the Tartu if comparing with other municipalities and cities and has been mentioned that mostly, other municipalities has been already working and cooperated before the project and they all had some connections and networks, but for Viljandi it was a new experience in cooperation. It has also been mentioned that within the project there has been some small disagreements, but fortunately Viljandi did not face it and mostly the disagreements were resolved by the coordination of the project, what also highlights the importance of the coordination within the cooperation of the municipalities. One more point has been noticed that while the project the staff in the municipalities were changing frequently, what sometimes brought some small challenges, but thanks to experienced coordinator, most of the issues has been solved. It has also been mentioned that during the project, the mayor of the Viljandi city was changed and ambitions towards the project was changed as well.

*“I do not know how Tartu feels as a leader of the project, but in Viljandi when there was a decision to join or not to join, then I think it had to be thought trough very accurately, because when we joined, we had mayor who had a big ambition and it was glory and fame what we wanted, but later the mayor has been changed and the attitude and interest towards the project has been changed. I feel that the plans were really big, but outcomes were minimum, because there were less ambition and interest.”* (The Cultural Specialist of Viljandi, 2025)

Such case shows the importance of the common goal and vision. As it can be seen after the switch of the mayor, the attitudes towards the project were changed, the interest has dropped. Potentially with the higher contribution to the project, the outcomes could be better.

- Smaller Municipality Perspective (Tõrva, Luunja and Võru):

The Deputy Mayor of Tõrva pointed to limited personal resources and a focus with motivation as a major obstacle.

*“We wanted to motivate youth and communities to stay active through such even, sadly with this 5 years it did not happen as we wished. The problems were as from our side also, as we had lack of motivation, because programme was so long - 5 years, we lost our focus in some point, because we had also some movements in staff, so there were many movements and focus lacked as we had also day to day problems to solve and unfortunately we did not hire and lacked a coordinator from Tõrva side who would deal only with specific Tartu 2024 initiative. We decided that we will divide the tasks from the Tartu 2024 project within the employees we already have and that was a mistake when I look behind.”* (Deputy Mayor of Tõrva Municipality, 2025)

He/She has also added that there were some small disagreements in the beginning stage when the contract was prepared regarding the amount of financial support Põlva must prepare for the project and what would be received in exchange for participation, but agreement was properly discussed, and challenges disappeared. Other than that, Deputy Mayor of Tõrva Municipality stated that there were no critical challenges, the biggest challenge for the Tõrva was the time planning, to find enough resources to participate in cooperation properly, some small communication challenges, because of the shifts in the employees as from Tõrva as well as from the Tartu 2024 project side.

It highlights the importance of being prepared for overload when participating in such events as Tartu 2024 and it may be seen that the fact that Tõrva lacked the coordinator from their side challenged the cooperation as there was lack of focus and motivation because of daily tasks of the municipality employees. Fortunately, Tõrva did not face any financial challenges due to the agreed agreement and all parts were satisfied.

The Southern Estonian Municipalities representative from Võru outlined that during the preparation for the project municipalities faced an unexpected financial as well as political challenges such as a Russian Ukrainian war as well as Covid-19 what significantly affected on the effectiveness of the project preparation.

*“Firstly, I think there were political challenges, because each municipality council made the decision that we will participate on this process and we will put money in and if*

*municipality should put money in, such decision is important and coming harder. Also, there were financial challenges. Between this 5 year of preparation there was a Covid-19, energetical crisis, Russian Ukrainian war and municipal's spendings were more than incomes what challenged the municipalities to find the money for the participation."*

(Southern Estonian Municipalities representative on the Tartu 2024 board, 2025)

He/She has also added that there was a logistical challenge related to public transport. Issue was that there was a limited access to cultural events and hence reduced participation.

*"How to bring the people from Tartu and other cities of Estonia to Võru county. We wanted people to come from all around of Estonia and Europe and it was really challenging."* (Southern Estonian Municipalities representative on the Tartu 2024 board, 2025)

Moving forward, The Southern Estonian Municipalities representative from Võru also highlighted that there were some small disagreements during the project implementation.

*"There were some requests how to make event. Our people felt that we have done it a lot of years, and we know how to make a good event, but they came and said that this way we did the events is not good and you must do it on our way."* (Southern Estonian Municipalities representative in Tartu 2024 board, 2025)

Fortunately, it has been resolved after a detailed meeting, however some parts were left the way Tartu 2024 project saw it. This situation highlights that even though there a trust and support from the heads of such projects, but smaller municipalities may get pressed and influenced to make changes by requests of the project management. Southern Estonian Municipalities representative in Tartu 2024 board still pointed out that municipalities have been treated equally.

The Head of Tourism in Luunja identified significant financial and logistical challenges. Financially, Luunja faced a crisis due to lower-than-expected attendance at the piano festival (300–400 attendees instead of the anticipated 1,000), resulting in a deficit of over €10,000, a substantial burden for a small municipality. Logistically, the Winter Trails Festival posed transportation challenges due to its remote wetland location, accessible only by a single road, that point agrees with the challenge outlined by the Southern Estonian Municipalities representative on the Tartu 2024 board. Organised bus services were underutilised, as attendees preferred personal vehicles for flexibility, highlighting a misjudgment in planning. These logistical challenges mirror those in Estonia's Harju region mentioned by (Pöldnurk, 2015), where high transportation costs impede efficient waste management in a proposed IMC scheme (as cited in European Commission, n.d.). This

highlights rural transport infrastructure as a common barrier for IMC in Estonia.

Additionally, Luunja felt unsupported in marketing and sales, expecting more assistance from Tartu 2024, which led to unmet expectations and strained trust.

- Project Representative:

The Southern Estonia Coordinator explained that three types of challenges were most significant: financial inequality, political divergence, and logistical complexity.

*“I think the biggest challenge was the finances. Because in our case municipalities also invested in Tartu 2024. 1.5 million came from municipalities, what is not small amount in Southern Estonian context and to create the fair system took time and was one of the biggest challenges.”* (The Southern Estonia Coordinator of Tartu 2024, 2025)

As it was mentioned the agreement for the fair system was a big journey for the coordination team and it took a year to implement. The Southern Estonia Coordinator of Tartu 2024 (2025) says that

*“If somebody had a comment or proposal for agreement, I needed to agree this comment or proposal with all other municipalities. We had common agreements for all municipalities.”*

This once more time highlights the importance of the equal involvement of municipalities in common questions, solutions and challenges that the team had to solve together. It also strengthens the network between all stakeholders.

He/She also highlighted those unexpected external shocks such as the COVID-19 pandemic and the Russia-Ukraine war had a compounding effect on municipalities that already struggling with capacity. Logistically, coordinating across municipalities with uneven infrastructure and limited transport options often created bottlenecks that slowed momentum.

### **Operational Aspects**

- Tartu Perspective:

The Deputy Mayor of Tartu praised the open operational model used in the Tartu 2024 initiative, emphasizing that it allowed for inclusive governance without centralization. Tartu took care not to dominate decision-making, instead supporting the creation of shared structures such as regular inter-municipal meetings and joint project boards. He saw this as a demonstration of how a larger city can provide leadership without overpowering smaller partners and used model helped build mutual respect and trust.

The Deputy Mayor of Tartu in Education, culture, science, youth work, physical education and sports (2025) stated that

*"We have sensible political leadership, we have good cultural operators and coordinators, everyone is willing to work together, and this is something that we can build the next steps on. "*

The Deputy Mayor of Tartu in Education, culture, science, youth work, physical education and sports (2025) also highlighted the importance of having proper coordination within such big initiatives.

*"There has been special agent coordinator, who has been the very close contact with the cultural departments of the municipalities, who made sure their municipality concerns and stance are taken into account."* (The Deputy Mayor of Tartu in Education, culture, science, youth work, physical education and sports, 2025)

- Viljandi Perspective:

The Cultural Specialist of Viljandi city highlighted the importance of the coordination within the project. He/She praised the coordinator of the project, who managed all the inter-project networks and made sure that all responsibilities were shared fairly. It has been also noticed that the communication that was ensured by the coordination supported that there is a trust between all the members of the municipalities.

- Smaller Municipality Perspective (Tõrva, Luunja and Võru):

The Deputy Mayor of Tõrva found that the cooperation agreement simplified decision-making across municipalities, especially those with limited administrative capacity.

*"We had agreement that has been made on the beginning already with the direct plan – how money will be divided, what they are looking from us, etc. Also we have even now each friday information hours meeting to work better together. So this is how they managed to built the trust."* (Deputy Mayor of Tõrva Municipality, 2025)

The Southern Estonian Municipalities representative from Võru also agreed with the The Deputy Mayor of Tõrva and noted that the agreement has played an important role in the operational aspects.

*"Firstly, I think the trust was built through the contracts municipalities made and secondly, they have made special contract for funding and for funding from culture of capital – Tartu. And, culture representatives and municipal leaders had special meetings where was discussed different problems and it played good role in building trust between each other"* (Southern Estonian Municipalities representative in Tartu 2024 board, 2025)

He/She stressed that regular meetings and a formal funding contract helped foster equity, though smaller municipalities still needed extra support to keep pace. Even though

during the project there were some disagreements, he stressed out that the operational emphasis on equality and voice was appreciated, even if it demanded more time and effort.

*“I think overall the cooperation was good, even though there were some problems, the problems also came because this process was new for the region and it was first time. I think after all, all problems were solved. Some municipalities are not so happy, but all certainly are because we went all together through this process and got very good experience in making cooperation on South Estonian level and this cooperation will certainly continue in the future, on cultural level and maybe on other levels too.”* (Southern Estonian Municipalities representative in Tartu 2024 board, 2025)

He/She also stressed out that the fact there was assigned person for coordination of the project - The Southern Estonia Coordinator of Tartu 2024, very helped overall from operational and organisational point of view. It is important that all municipalities are heard and ideas and issued are delivered to the higher management of the project and The Southern Estonia Coordinator of Tartu 2024 allowed that to happen, which allowed to implement the project successfully. Southern Estonian Municipalities representative in Tartu 2024 board (2025) also added that:

*“If there were some problems, The Southern Estonia Coordinator of Tartu 2024 did not give up.”*

The Head of Tourism in Luunja highlighted the importance of smaller, focused action groups (e.g., 10-person gatherings) over large-scale conferences for effective cooperation, which highlights the differences in opinion and personal preferences of the stakeholders. She noted that trust was initially built through contracts, but expectations for marketing and sales support were not fully met, leading to misunderstandings. Despite detailed agreements, the lack of centralized support strained operations, particularly for smaller municipalities like Luunja, which struggled to manage large-scale events independently.

- Project Representative:

The Southern Estonia Coordinator described the operational setup as both a strength and a challenge. The project had a system how to make the regional cooperation work. The first level of cooperation is the board of Tartu 2024, that consisted of 5 members, which consisted of municipality representatives and who were elected right after the title was won. Second is the circle of the municipality leaders with whom there was a meeting on most important operational topics and decisions. And thirdly, in everyday work, every municipality appointed one person who were contact person of municipality. In addition, there were weekly meetings for going through all the relevant topics on regional cooperation and all

other activities that influenced Tartu 2024 and municipality cooperation. Lastly there was a network of municipality communication and cultural managers, through what the marketing and communication as for the project as well as for municipality has been done. In addition, the coordinator has been visiting the municipality councils to explain why and what has been done from the project perspective and to keep the officials updated.

Combining all together project borrowed cooperative models from previous IMC experiences, adapting them to local needs. Southern Estonia Coordinator of Tartu 2024 emphasized that the flexibility gained through this model was valuable but came at the cost of slower implementation. It is important to mention that trust is one of the key elements in successful IMC and The Southern Estonia Coordinator of Tartu 2024 said that:

*“It took really time, but really what was helping is personal trust, in Southern Estonia, you can work only if people know You, you cannot come from Tallinn or Saaremaa or Natva and just start to influence and motivate people to cooperate. You are not trusted, they don’t know you, it takes a lot more time to gain the respect and trust. What we did is the team where there were people from Southern Estonia and I am personally from Setomaa municipality and most of the people already knew me for a long time and what I have done for Southern Estonia and that I really care.”* (The Southern Estonia Coordinator of Tartu 2024, 2025)

This highlights one more time the importance of the trust between the stakeholders one more time. It is almost impossible to implement such huge cooperative project without a trust between municipality representatives and all stakeholders. As it was mentioned, the respect and trust come not only from the agreements or goodwill contracts, but also with the years of effort and especially in Estonia and even more precisely in Southern Estonia most of the people know each other in specific working areas and it’s important to sustain healthy environment and trust while working under IMC. The weekly calls is a good example of how coordination, participation and care of municipalities have been ensured. In addition, one more way has been used to ensure the trust between municipalities.

*“It is possible to build the trust, and the system also based on the trust to the people who are working for the project, so also when we hired people to our team, we also looked what they have done before and do they have background which is trustful for the Southern Estonians.”* (The Southern Estonia Coordinator of Tartu 2024, 2025)

This highlights the importance of the management of the IMC projects to ensure that the right people have been chosen on the positions, without the appropriate people, the cooperation have higher chances to fail.

### **Successes, Outcomes and Lessons Learned by the interviewees**

- Tartu Perspective:

The Deputy Mayor of Tartu considered one of the most important outcomes to be the establishment of a durable regional cooperation network. He emphasized that the initiative succeeded in creating not just a cultural program, but also a model for future cooperation built on trust, shared leadership, and mutual respect. The lessons learned in coordinating municipalities with different capacities and interests would inform how Tartu approaches regional governance and development in the future.

- Viljandi Perspective:

The Cultural Specialist of Viljandi mentioned that one of the biggest successes that the Viljandi got from the IMC and the Tartu 2024 initiative is that the Viljandi city got mentioned in the international terms and received a attention trough the events that has been organised trough the IMC. Another lesson learnt is that IMC really depends on the people.

*“I have experienced in my life that cooperation starts with the people. If you feel that get along with the person, the cooperation starts, but if there is no so called click between the representatives of the municipalities, the cooperation will fail.”* (The Cultural Specialist of Viljandi, 2025)

Most of the respondents agreed with the point that without a common goal, vision and good atmosphere between all of the stakeholders in cooperation, the cooperation will fail.

- Smaller Municipality Perspective (Tõrva, Luunja and Võru):

The Deputy Mayor of Tõrva emphasized importance of the network that has been built now in the Southern Estonia and the professional development opportunities the initiative brought to cultural managers in smaller municipalities.

*“On of the biggest success is that all of us were put together, gathered together, we had one goal to make this project happened and that was the success that all gathered and we made it happen. Secondly, all the meetings played a big role and professional development for our cultural people. Now it is really nice that we have contacts all over Southern Estonia, if we have any problems we know where to call. Now we already having a project planning for the future what is a great success.”* (Deputy Mayor of Tõrva Municipality, 2025)

An important lesson has been highlighted by the The Deputy Mayor of Tõrva, that there must be a coordinator or main contact person in each municipality who only responsible for projects, planning and cooperation. Secondly, there was outlined the need to promote a

cooperation by smaller community projects as before there was not happening any cooperative events in the municipalities

The Southern Estonian Municipalities representative from Võru highlighted that cooperation led to deeper relationships between municipalities and cultural institutions. One major takeaway was that small municipalities, when provided with equal decision-making opportunities, can contribute meaningfully to large-scale initiatives.

*“Firstly, I think our cultural people started to make more cooperation with each other even outside of the project. Also, they got more deep and important experience how to make such big projects as Tartu 2024 and I think also municipalities started to make more cooperation with each other daily. Important to add that all parts in IMC should have the same goal to achieve the success”* (Southern Estonian Municipalities representative in Tartu 2024 board, 2025)

Similarly, Põldnurk (2015) found that the Harju region’s proposed waste management IMC projects savings of EUR 10–28 per inhabitant and a 2.5-fold increase in recyclable material collection (as cited in European Commission, n.d.). Both cases underscores IMC’s potential for economic and environmental gains through IMC, complementing Tartu 2024’s cultural achievements.

Southern Estonian Municipalities representative in Tartu 2024 board highlighted that good lesson is to use best practices from previous projects and learn from other mistakes. Secondly, he/she outlined the importance of communication and argumentation while cooperating with each other and while implementation of big projects.

Both also recognized that clear structures for trust-building, communication, and shared funding models were essential for equitable participation. The Head of Tourism in Luunja viewed the ability to realize ambitious projects, such as the Winter Trails and piano festivals, as a major success, enhancing local pride and cultural visibility. The Winter Trails Festival became a recurring event in 2025, leveraging new knowledge about historical routes for tourism development. Lessons learned included the need for precise role definitions in contracts to avoid misunderstandings, particularly regarding marketing and sales support. Luunja also gained insights into accessibility planning, such as accommodating people with disabilities, which improved future event organization. However, she noted that the scale of Tartu 2024 sometimes left smaller municipalities feeling overwhelmed, suggesting a need for stronger support networks.

- Project Representative:

The Southern Estonia Coordinator highlighted that the most important success that they have achieved with the project is the unification and strengthening of relations within the Southern Estonia. In addition, The Southern Estonia Coordinator considered the creation of a shared regional identity to be a valuable legacy of the project.

*“I think and I have been told also by municipality leaders that the biggest success is that now we are working as a one unit – Southern Estonia. Earlier we did not have such kind of system where all Southern Estonia moving towards one agreed goal. We hope that we can also use that in the future to solve other Southern Estonia’s challenges as well.”* (The Southern Estonia Coordinator of Tartu 2024, 2025)

It has been emphasized that long-term success depends on maintaining the communication networks and strategic mindset that emerged during the initiative.

The key lessons that were highlighted by the coordinator are:

The one cannot push 20 different units too fast because they all are quite different. Also, it is needed to plan the time for discussions and listen carefully the proposals with the care and ideas of all municipality participants without the rush.

*“You need to plan these activities to the schedules which fits to municipalities working processes, so we had to plan carefully and leave enough time for everybody, and we did it! Also, what is important – You really listen, what municipalities have to say, because trough the questions they have, we realise what their worries and are we had to know what the feelings behind the questions were, based on that we could propose the solutions.”* (The Southern Estonia Coordinator of Tartu 2024, 2025)

Another lesson that has been highlighted is to have everything transparent.

*“We had open calls, several open calls to make the programme for Southern Estonia, so everybody had access to come with their ideas without the fear, not taking into account the size of the municipality, everyone should be equal”* (The Southern Estonia Coordinator of Tartu 2024, 2025)

The coordinator stated that there are several systems to choose from, and previous EU capital of culture experiences showed it, but Tartu 2024 project had an open system which succeeded. The so-called “open system” allows everyone from the project to be honest with their opinions, challenges they face or suggestions which also strengthening the network, personal connections and trust within the project.

### **Future Recommendations**

- Tartu Perspective:

The Deputy Mayor of Tartu recommended building on the foundations created during Tartu 2024 by institutionalizing inter-municipal cooperation through long-term agreements or even formal frameworks. He/She emphasized the need to develop clear strategic plans and secure funding mechanisms for future projects. He/She also suggested establishing a permanent regional cultural council or forum to ensure that cooperation does not dissolve after the project ends. Tartu, as the largest municipality, should continue to support smaller partners without overshadowing them.

- Viljandi Perspective:

The Cultural Specialist of Viljandi highlighted the importance of very detailed analysis of the outcomes that the municipality may get from IMC projects such as EU Capital of Culture Tartu 2024 and strategic plan for all cases that could be faced. The ambitions and dreams could be big, but to achieve those there must be a common vision, goal and detailed analysis. During the analysis it could be seen, if there a potentiality in joining into a IMC projects. Viljandi faced a switch in a leadership, which affected the contribution in the project and cooperation, fortunately, there has not been shared that there was a communicational challenge, Viljandi were treated equally, however changes inside municipality brought a bigger challenge which is a loss of ambition and common goal. The Cultural Specialist of Viljandi also added that there a good legislation for IMC in Estonia and that cooperation should be voluntary, at least in cultural project area and should not be forced by the law.

- Smaller Municipality Perspective (Tõrva, Luunja and Võru):

The Deputy Mayor of Tõrva recommended creating support structures for municipalities with fewer administrative resources, such as legal templates or advisory bodies. He/She has also added that it is important to ensure that all stakeholders are up to date and are focused on the goal achievement and motivated.

*“I really don’t have a good answer for that I must say. Maybe the thing how to motivate people to keep the focus. We lost focus lot of times, there is a need to look how to stay focused and motivated”* (Deputy Mayor of Tõrva Municipality, 2025)

The Southern Estonian Municipalities representative from Võru stressed that from his opinion Estonian laws are not preventing the cooperation and Estonia has quite good environment for that. He/She added that cooperation starts with the people and their will and agreed with the point of the coordinator that the staff should be chosen carefully and that everybody should have one clear goal and vision. The Southern Estonian Municipalities representative from Võru added that the funding is critically important in cooperation,

without money invested it would be really hard to implement such project, and that some legislation could be implemented to motivate cooperation from funding point of view. Also, both agreed that long-term success depends on ensuring equal voice and visibility for smaller partners. They also called for improved public transport and infrastructure planning to enhance event accessibility across the region. The Head of Tourism in Luunja advocated for dreaming big and exploring innovative perspectives, such as leveraging history or local culture, to create unique projects. He/She recommended clearer contractual definitions of responsibilities, particularly for marketing and sales, to prevent misunderstandings. Additionally, she suggested more flexible legislative frameworks for funding and taxation to facilitate cooperation and emphasized the value of small, focused action groups to enhance cooperation efficiency.

- Project Representative:

The Southern Estonia Coordinator highlighted the importance of sustained political commitment and strategic vision beyond single projects.

*“We visited EU parliament with our CEO in December 2024 and we already gave our detailed suggestions. Of course from my personal side I would like that the State would also support more the regional cooperation, so it would motivate also municipalities to cooperate more. However the state still invested a lot in this project – 10 million which is big amount of money.”* (The Southern Estonia Coordinator of Tartu 2024, 2025)

In addition, the coordinator highlights the importance of future cooperation models that should include mandatory planning sessions at regular intervals. He/She also suggested that the state could play a larger role in providing financial support and expert resources, especially for capacity-building in smaller municipalities. Most importantly, he/she emphasized maintaining the networks of trust and communication established during Tartu 2024. This also supports collective network-building brought by Swianiewicz's (2011) that IMC can create long-lasting regional partnerships and Southern Estonian Municipalities representative in Tartu 2024 board's experiential view provides a practical touch to the structural results that Southern Estonia Coordinator in Tartu 2024 Project emphasizes.

Taking into consideration the findings from the Tartu 2024 European Capital of Culture initiative, the correspondence between the practical and theoretical dimensions of IMC is evident. The authors found that trust and interpersonal relationships were foregrounded in both the theoretical frameworks and empirical data, aligning with network theory's emphasis on relational dynamics, as highlighted by Borgatti and Halgin (2011) and Swianiewicz (2011). However, while theoretical perspectives like Institutional Collective

Action (ICA) and economies of scale focus heavily on institutional mechanisms and formal agreements, as noted by Feiock (2007) and Hulst and Montfort (2007), the empirical data revealed that trust, emotional closeness, and familiarity played an equally, if not more, critical role in sustaining cooperation. This was particularly noticeable in Southern Estonia, where regional pride and a shared cultural identity served as powerful incentives, extending beyond the theoretical focus on efficiency and governance structures.

The theoretical frameworks underscore the importance of formal agreements, clear governance roles, and legal frameworks to ensure effective IMC (Council of Europe, 2007). The Tartu 2024 case supports this, as stakeholders, including the Deputy Mayor of Tõrva and the Southern Estonian Municipalities representative from Võru, emphasized the role of structured coordination mechanisms such as weekly meetings, transparent funding contracts, and clear role definitions in facilitating cooperation. These mechanisms mitigated coordination challenges, a common barrier identified by Teles (2016), and enabled municipalities with varying capacities to participate equitably. For example, the cooperation agreement simplified decision-making for smaller municipalities like Tõrva, aligning with the Council of Europe's (2007) assertion that clear agreements enhance partnership stability. The Southern Estonia Coordinator's year-long effort to negotiate a fair funding agreement, involving extensive consultation with all municipalities, further addressed financial inequalities, fostering equity. This practical application of formal mechanisms reflects the theoretical emphasis on institutional arrangements to overcome barriers like mistrust or conflicting interests (Feiock, 2007). However, the empirical findings extend beyond this focus, highlighting the pivotal role of trust and interpersonal relationships in a culturally cohesive region. The Southern Estonia Coordinator (2025) emphasized that personal familiarity and regional ties were critical for gaining trust, noting: "You can work only if people know you, it takes a lot more time to gain respect and trust." This underscores a key divergence from theory: while institutional frameworks provide the scaffolding for IMC, human elements rooted in familiarity, regional ties, and emotional commitment act as the key factor that sustains cooperation, particularly in culturally driven projects.

The legal framework's role further illustrates the interplay between theory and practice. Theoretically, robust legal provisions and financial incentives are advocated to standardize and sustain IMC (Rakar et al., 2015). In contrast, Estonian municipalities valued the flexibility of the country's permissive legal environment, which allowed them to configure cooperation in their own way. Most respondents, including the Southern Estonian Municipalities representative from Võru, considered existing laws sufficient and preferred

autonomy over legal coercion, viewing the legal framework as facilitating but not decisive. This contrasts with experiences in countries like Germany and France, where centralized IMC structures enhance stability (Rakar et al., 2015) and suggests that flexibility can be a strength in culturally motivated projects, enabling municipalities to tailor agreements to local needs. For instance, the open call system and regular inter-municipal meetings allowed smaller municipalities to contribute ideas and feel valued, fostering a sense of ownership. However, this reliance on voluntary cooperation and informal trust introduces vulnerabilities, as Teles (2016) warns, particularly in the absence of institutional guarantees to ensure long-term commitment. The Tartu 2024 case thus highlights a trade-off, while flexibility fosters local initiative and adaptability, it may limit scalability and consistency without stronger legal or financial incentives, particularly for municipalities with limited resources.

The problems identified in the theoretical literature coordination issues, budget differences, and staff limitations were also observed in Tartu 2024, confirming theoretical concerns about imbalances in IMC partnerships, as discussed by Bel & Warner (2022). Smaller municipalities, such as Luunja, faced significant challenges, including a €10,000 deficit from the piano festival due to lower-than-expected attendance and logistical issues with the Winter Trails Festival, which was hindered by a single road and underutilized bus services. These align with Nemeč, Muthová & Meričková's (2023) observations about resource constraints in smaller municipalities and Bel & Warner's (2022) "multiple principal problem," where unequal contributions can lead to free-riding or resentment. The Head of Tourism in Luunja noted unmet expectations for marketing support from Tartu 2024, which strained trust and highlighted the challenges of aligning responsibilities across municipalities with differing capacities. However, structured coordination, clear roles, and regular communication mitigated these issues, as evidenced by the project's inclusive governance practices. Weekly meetings and designated contact persons ensured smaller municipalities had a voice, while the Southern Estonia Coordinator's proactive engagement with municipal councils addressed concerns and maintained momentum. This practical solution diverges from the theoretical emphasis on formal financial equalization mechanisms, suggesting that participatory governance and transparent communication can partially compensate for resource disparities in the short term, particularly when supported by trusted coordinators.

A striking empirical finding is the role of emotional and cultural motivations, which theory tends to underemphasize. The shared vision of a unified Southern Estonian identity, coupled with regional pride, motivated municipalities to overcome logistical and financial hurdles. The Deputy Mayor of Tõrva highlighted the professional development opportunities

and networking benefits, noting that the project created a lasting regional network: “Now we have contacts all over Southern Estonia, if we have any problems we know where to call.” Similarly, the Southern Estonia Coordinator emphasized the emergence of Southern Estonia as “one unit” moving toward a common goal, a legacy that strengthens regional cohesion. This aligns with Steiner’s (2003) observation that cultural initiatives can enhance regional identity through joint activities but adds nuance by showing how emotional bonds can outweigh material incentives. The theoretical focus on economies of scale and efficiency (Hulst & Montfort, 2007) is thus enriched by the Tartu 2024 case, which demonstrates that non-material factors, such as collective vision and cultural affinity, are critical drivers of IMC success, particularly in regions with strong local identities. For example, the emotional commitment to Southern Estonia fostered patience and dedication, even when external shocks like the COVID-19 pandemic and the Russia-Ukraine war strained budgets and logistics, as noted by the Southern Estonia Coordinator.

External shocks provoked challenges, aligning with OECD/SIGMA’s (2024) warnings about political and economic instability disrupting IMC. The Southern Estonian Municipalities representative from Võru cited financial pressures from inflation and global crises, which compounded resource disparities. Yet, the project’s adaptive strategies, flexible scheduling, dedicated coordinators, and transparent communication proved more effective than theoretical models might suggest. The preference for smaller, focused action groups over large conferences, as noted by the Head of Tourism in Luunja, addressed coordination challenges by fostering trust and engagement, highlighting the value of discussion formats. Logistical issues, such as limited public transport in Võru and Luunja’s single road access to the Winter Trails Festival, reflect theoretical concerns about rural infrastructure. Learning from such occurred challenges to improve accessibility planning, such as accommodating people with disabilities suggests that IMC initiatives can serve as learning platforms, where initial failures inform future improvements.

The Tartu 2024 case enriches IMC theory by highlighting the interplay between formal structures and informal relationships. While ICA and economies of scale emphasize efficiency and institutional design, as Feiock (2007) and Hulst and Montfort (2007) argue, the empirical findings underscore trust, regional identity, and inclusive governance as equally critical, particularly in cultural projects. This calls for a more integrative theoretical model that balances structural and relational dynamics, recognising that successful IMC often hinges on combining formal agreements with interpersonal trust. Practically, the success of open governance models, such as the open call system and regular inter-municipal meetings,

suggests that transparent, participatory processes can enhance equity and engagement, particularly for smaller municipalities. However, the financial and logistical challenges faced by smaller municipalities underscore the need for targeted support, such as state-backed funding or capacity-building programs, as recommended by the Southern Estonia Coordinator. The preference for flexibility over rigid mandates implies that policymakers should prioritise enabling tools, like model agreements or coordination templates, rather than enforcing mandatory cooperation, which may stifle local initiative. The Tartu 2024 case thus offers actionable insights for strengthening IMC, particularly in culturally driven regional development projects, by demonstrating how formal and informal factors can be harmonized to achieve equitable and sustainable cooperation.

**Key lessons learned summary:**

The lessons learned from the project are based on the real-life experiences, obstacles and achievements of municipalities at different levels. The following points summarize the most important findings that can be used in future joint cultural initiatives in Estonia and beyond.

**Financial stability:** Sustainable funding models are needed to address financial disparities that may hinder equal participation by municipalities of different sizes. The project identified problems with per capita funding models that, although theoretically fair, place a disproportionate burden on smaller municipalities, leading to delays and financial strain. The significant deficits faced by smaller municipalities due to lower-than-expected event attendance highlight the need for robust financial planning, contingency measures and diversified funding sources to ensure stability, especially for those with limited budgets. External shocks such as inflation and global crises further highlight the importance of flexible and sustainable financial frameworks to support long-term cultural initiatives.

**Sufficient time for negotiations:** Allowing sufficient time for discussions is essential for building trust between different municipalities. Hasty decisions can lead to resistance and disunity, especially when municipalities have different priorities and capabilities. In addition, stakeholders emphasized that listening carefully to municipal concerns, especially during emotionally charged or stressful phases, helped to identify hidden concerns and promote empathy, which further strengthened joint decision-making.

**Clearly defined roles:** Clearly defined roles and responsibilities are crucial for improving operational efficiency. Uncertainty in expectations, especially regarding marketing and sales support, led to misunderstandings. The project demonstrated that detailed

contractual agreements and transparent communication systems, such as weekly meetings and designated contact persons, are essential for aligning stakeholder responsibilities. The problems that arise when centralized support does not meet expectations highlight the importance of precise agreements that define each party's responsibilities, ensuring that smaller municipalities are not forced to manage large-scale tasks on their own.

An additional lesson was the urgent need to appoint a dedicated coordinator in each municipality, especially in smaller ones. The Tõrva experience showed that relying on overburdened existing staff weakens focus and undermines consistency.

**Focus on long-term projects:** To maintain engagement in multi-year initiatives, it is necessary to keep all partners motivated. The Tartu 2024 project showed that while long-term cooperation can yield significant results, such as regional identity and tourism development, maintaining focus over long periods is challenging, especially for smaller municipalities with limited resources. The main risk for long-term projects is political change, as was the case in Viljandi, where a change of mayor led to a loss of ambition. Personal and trust built on long-term relationships and regular meetings were crucial to strengthening cooperation. The South Estonia coordinator emphasized that trust was earned through acquaintance and proven commitment to the region, while weekly meetings and transparent recruitment processes-built confidence among stakeholders. Challenges such as financial strain and logistical difficulties tested trust, but open communication and fair decision-making helped maintain partnerships. This lesson highlights the need for ongoing trust-building mechanisms, such as regular forums and common governance structures, to ensure the long-term success of the cooperation. Importantly, stakeholders emphasized that trust in South Estonia is personal and localized – relationships are more important than positions.

**Prioritise accessibility and infrastructure planning:** Ensuring accessible infrastructure and transport is vital for IMC. The Tartu 2024 project identified challenges such as limited public transport in Võru and logistical constraints at the Winter Trails festival in Luunja, where a single road and underused bus routes hindered participation. The head of tourism in Luunja makes efforts to accommodate people with disabilities, which further highlights the need for inclusive event design. Strategic infrastructure planning is essential to maximise participation and ensure equitable benefits across all municipalities, which is in line with the project's goal of regional cohesion.

**Building organisational resilience:** Building resilience to external shocks is crucial to maintaining IMC in complex projects. The Tartu 2024 initiative has faced disruptions due to the COVID-19 pandemic, inflation and the war between Russia and Ukraine, which has

strained budgets and logistics, as noted by the South Estonia coordinator. Developing contingency plans, flexible logistical frameworks and robust crisis communication systems can ensure that municipalities remain flexible and cooperative under pressure, strengthening the long-term viability of the project.

Emotional and cultural motives as unifying forces: Participants noted that their deep personal ties to Southern Estonia and their regional pride were the most important factors for cooperation. Emotional commitment led to increased patience, dedication and community involvement. IMC efforts should recognise and strengthen these cultural and emotional ties to maintain long-term cooperation.

Open and transparent governance promotes fairness: The ‘open competition’ system and co-financing agreements allowed even the smallest municipalities to contribute and feel valued. The system required transparency to prevent large partners like Tartu from dominating the process, while maintaining joint ownership of the results. Open management mechanisms that emphasize transparency and clear communication, as well as equal participation, form the basis of fair IMC.

Staff continuity and the human factor in the success of IMC: stakeholders have repeatedly stated that the success of IMC depends on relationships between people. Successful cooperation depends on dedicated individuals who are known and embedded in the region. High staff turnover in Viljandi and Tõrva has created continuity problems. Future projects should invest in staff development, continuity and team cohesion.

These lessons collectively highlight the importance of balancing flexibility with structure in IMC, ensuring that financial, operational, and relational aspects are carefully managed to maximize the benefits of regional cooperation. The Tartu 2024 project serves as a model for how municipalities can overcome challenges to create lasting partnerships, with implications for cultural, economic, and social development in Southern Estonia and beyond.

### **Conclusion**

IMC functions as a useful governance approach for areas with multiple municipalities and scarce budgetary resources. The case of Estonia serves as a relevant study area to understand IMC dynamics because its legal framework is permissive yet underdeveloped and its municipalities cooperate voluntarily. The present thesis aims to uncover lessons learnt from cooperation of municipalities, using the example of EU Capital of Culture Tartu 2024 initiative.

The thesis's theoretical section built IMC foundations through institutional and conceptual frameworks that included institutional collective action theory alongside network theory and economies of scale. The research studied both the success factors and challenges of IMC throughout European regions while stressing the need for established governance systems, mutual trust, common goals and equal resource distribution. The Estonian legal framework enables voluntary municipal partnerships yet it fails to establish robust institutional backing or financial rewards for long-term IMC. The lack of specific legal provisions and standardized model agreements and steady state backing creates obstacles for maintaining consistent and sustainable IMC initiatives.

The stakeholders of Tartu 2024 initiative jointly participated in semi-structured interviews to reveal how their work was based on a shared cultural perspective and emotional connection to the unified Southern Estonian identity. The European Capital of Culture designation created a powerful motivation for municipalities across the region to cooperate because it facilitated partnerships between smaller communities. The municipalities maintained their effective cooperation through a combination of Tartu leadership control and local leader trust and dedicated coordination. The implementation process included weekly meetings together with clear role allocation and transparent communication.

Multiple challenges hindered the progress of the program since its inception. The financial and administrative capabilities of Tartu and its neighbouring municipalities differed significantly thus creating disparities in their contributions and decision-making influence. The smaller municipalities occasionally experienced situations where they felt left out from the process or inadequately represented. The process of coordination became more difficult because of political changes and the presence of unclear role responsibilities. The rural transport deficiency in the area created problems when people tried to reach events in those locations. The identified obstacles underlined the importance of establishing inclusive financial terms alongside continuous trust development and adaptable planning systems and institutional durability.

The empirical analysis provided direct answers to the research questions posed at the beginning of the thesis. First, while Estonian legislation permits IMC, it does not actively support it with binding provisions or practical tools, making cooperation highly dependent on individual leadership and informal structures. Second, key success factors in the Tartu 2024 project included a unifying cultural objective, emotional and strategic alignment, trusted coordinators, and transparent governance practices. Third, challenges included resource disparities, unclear governance roles, political instability, and infrastructural limitations, all of

which required active management and adaptive strategies. Based on these findings, several recommendations are suggested to improve the IMC framework in Estonia. Legal provisions should include more detailed requirements for cooperation agreements, including rules for termination, dispute resolution, and duration. The state could support IMC with targeted financial incentives and capacity-building initiatives. Model agreements and coordination tools should be developed to reduce administrative burdens, while permanent forums and shared governance bodies could support long-term cooperation. Cross-party and institutional commitment would help ensure continuity despite political changes. Interviewees supported many of these proposals. They emphasized the need for state and EU level financial support, particularly for smaller municipalities. Accessibility and integrated transport planning were highlighted as critical issues in rural areas. The role of project coordinators was viewed as essential for operational focus and communication, with some participants preferring a centralized model and others favouring a network of local coordinators. Learning from other European Capitals of Culture, was also recommended to enhance strategic planning and avoid common mistakes.

This study has several limitations that should be considered. First, the reliance on qualitative data from a limited number of semi-structured interviews with Tartu 2024 stakeholders restricts the generalizability of the findings. The sample size, while sufficient for an in-depth case study, may not fully capture the diversity of perspectives across all Southern Estonian municipalities or other IMC contexts. Second, the focus on a single case study, the Tartu 2024 initiative, limits the applicability of the findings to other cultural or non-cultural IMC projects, as the European Capital of Culture framework introduces unique dynamics. Third, the qualitative approach, while valuable for exploring stakeholder experiences, lacks quantitative data to measure the economic or social impacts of the cooperation, such as precise financial deficits or regional tourism growth. Finally, the study's context-specificity to Estonia's permissive legal framework may limit its relevance to countries with more formalized IMC structures.

Future research could address these limitations through several avenues. First, quantitative studies could complement this work by analysing financial data, event attendance, or economic outcomes of the Tartu 2024 project to provide a more comprehensive assessment of IMC impacts. Second, comparative studies across multiple European Capitals of Culture or other IMC initiatives in different countries could identify universal success factors and contextual variations, enhancing the generalisability of findings. Third, the studies tracking the sustainability of Tartu 2024's communication networks and

regional identity over time could evaluate the long-term efficiency of the cooperation. Finally, exploring IMC in non-cultural sectors, such as environmental management or healthcare, could broaden the understanding of trust and other key factors in diverse cooperative contexts, offering practical insights for policymakers and practitioners.

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## Appendices

### APPENDIX 1. Interview Questions

#### *References to the interview questions*

Question	Source
Introduction & Background	
1. Could you briefly introduce yourself, your role, and your municipality's involvement in the Tartu 2024 initiative?	General introductory question, no specific source.
2. What motivated your municipality to participate in the Tartu 2024 project?	Swianiewicz, 2011; Angius, 2023.
Legislative Context	
3. How does Estonian law help municipalities work together?	Council of Europe, 2007
4. Were there any legal rules or frameworks that made the Tartu 2024 cooperation easier? Did you face any challenges, and how did you solve them?	Rakar et al. (2015); Council of Europe (2007).
Motivations and Key Factors for Cooperation	
5. What were the main reasons municipalities decided to work together for Tartu 2024 (e.g., funding, shared goals, or pooling resources)?	Hulst & Montfort, 2007; Swianiewicz, 2011.
6. How was trust built, and how did you ensure resources and responsibilities were shared fairly? Did external support, like EU funding or national policies, play a big role?	Council of Europe, 2007; Angius, 2023
Challenges Encountered	
7. What were the biggest challenges your municipality faced while working with others (e.g., political, financial, or logistical)?	Rakar et al. (2015); Angius (2023)—Challenges and barriers in IMC.
8. How were disagreements handled, and did differences in goals or resources cause any issues? If so, how were they resolved?	Bel & Warner., 2022.

## Operational Aspects

9. How were leadership, communication, and decision-making handled during the cooperation? Council of Europe, 2007.

10. Did you face any coordination challenges, and how were benefits shared fairly among municipalities? Council of Europe, 2007; Angius 2023.

## Outcomes and Lessons Learned

11. What were the biggest successes of the Tartu 2024 cooperation? Swianiewicz, 2011.

12. What lessons would you share with others planning similar projects? Angius, 2023; Rakar et al., 2015.

## Future Recommendations

13. What changes would you suggest improving laws or processes for inter-municipal cooperation in Estonia/EU? Council of Europe, 2007.

14. Are there any tools or policies that could better support projects like Tartu 2024 in the future? Council of Europe, 2007; Angius, 2023.

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Source: Compiled by the authors

**Resümee****OMAVALITSUSTEVAAHELISE KOOSTÖÖ JUHTUMID EESTIS – TARTU 2024  
JUHTUMIUURING****Nikita Mitjakov & Mikhail Tsanova**

Käesoleva magistritöö eesmärk oli uurida omavalitsustevahelist koostööd Eestis, keskendudes Tartu 2024 Euroopa kultuuripealinna algatusele kui koostöö platvormile. Töö teoreetilises osas käsitletakse erinevaid koostöövorme ja -raamistikke, sealhulgas mastaabisäästu teooriat, institutsionalistlikke kollektiivse tegevuse mudeleid ning võrgustikuteooriat. Samuti tuuakse välja rahvusvaheliste ja Eesti näidete põhjal koostöö peamised õnnestumise ja ebaõnnestumise tegurid.

Empiirilises osas kasutati kvalitatiivset uurimismeetodit, viidi läbi poolstruktureeritud intervjuud Tartu 2024 projektiga seotud omavalitsusjuhtide, koordinaatori ja turismiametnikega. Lisaks analüüsiti Eesti seadusandlust, mis reguleerib või mõjutab omavalitsustevahelist koostööd. Tulemused näitasid, et Tartu 2024 algatus võimaldas Lõuna-Eesti omavalitsustel tihendada koostööd, tugevdada piirkondlikku identiteeti ja saavutada kultuurilisi ning halduslikke arengueesmärke.

Uurimistöö järeldustest ilmneb, et IMC (inter-municipal cooperation – omavalitsustevaheline koostöö) võib olla tõhus vahend piirkondliku arengu edendamiseks, kui täidetud on teatud eeltingimused nagu usaldus, selged rollid ja vastutused, jätkusuutlik rahastus ning tõhus koordineerimine. Samuti ilmses, et kultuuriline motivatsioon ja emotsionaalne side piirkonnaga mängisid koostöös olulist rolli.

Töö põhjal selgus kümme peamist õppetundi, mis toetasid koostöö edukust:

- Finantsiline stabiilsus – vajadus paindliku ja õiglase rahastusmudeli järele;
- Piisav aeg läbirääkimisteks – usalduse ja konsensuse loomiseks eri tempoga tegutsevate omavalitsuste vahel;
- Selged rollijaotused ja lepingud, sh kohalike koordinaatorite määramine;
- Fookus pikaajalistele eesmärkidele – et säilitada motivatsioon ja tagada jätkusuutlikkus;
- Usalduse loomine ja hoidmine – eriti läbi isiklike suhete ja läbipaistva juhtimise;
- Ligipääsetavus ja taristu planeerimine – osalemisvõimaluste tagamiseks hajaasustusega piirkondades;
- Organisatsiooniline vastupanuvõime – valmisolek välisteks šokkideks nagu pandeemia või inflatsioon;

- Emotsionaalne ja kultuuriline motivatsioon – koostöö sisemine väärtus ja piirkondlik uhkus;
- Läbipaistev juhtimine – võrdne ligipääs otsustusprotsessile kõigi partnerite jaoks;
- Inimressursside järjepidevus ja usaldusväarsus – koostöö edukus sõltub sageli isikutest, mitte ainult struktuuridest.

Samuti, töö toob esile ka peamised võimalused, mida IMC Eestis pakub:

- Mastaabisääst ja ressursside koondamine;
- Piirkondliku identiteedi ja koostöö tugevdamine;
- Ühine ligipääs Euroopa Liidu rahastusele ja suurprojektidele;
- Kultuurilise ja majandusliku arengu toetamine;
- Professionaalsete võrgustike loomine ja kogemuste jagamine.

Samuti tuvastati mitmeid piiranguid ja riske:

- Poliitiline ebastabiilsus ja juhtide vahetumine;
- Ebavõrdne osalus ja mõju väiksemate omavalitsuste poolt;
- Õigusraamistiku nõrkus ja vabatahtlikkuse probleemid;
- Finantsilised ja inimressursside piirangud;
- Avalikkuse vähene teadlikkus koostöö eelistest.

Kokkuvõttes näitab töö, et kuigi Eestis on IMC seaduslikult lubatud, sõltub selle edukus eelkõige poliitilisest tahtest, inimestevahelisest usaldusest ja pädevast juhtimisest.

Tartu 2024 näitel ilmneb, et kultuurilised projektid võivad olla võimsaks tõukejõuks püsiva, võrdse ja tõhusa omavalitsustevahelise koostöö loomiseks.

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**21/05/2025**