

INTEGRATED TERRITORIAL INVESTMENTS AS AN EXAMPLE OF MEASURES FOR SUSTAINABLE TERRITORIAL DEVELOPMENT

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Purpose: The aim of the study is to present the principles of Integrated Territorial Investments (ITI)¹ functioning on the example of the Bydgoszcz and Toruń Functional Area (BTFA)². An attempt has also been made to identify the barriers and limitations, including the areas requiring additional support, in the implementation of projects. The study shows that the ITI instrument is effectively implemented under the current financial perspective 2014-2020 and should be maintained in the financial perspective 2021-2027.

Design/methodology/approach: The survey was conducted among employees of the Integrated Territorial Investments Office, with a specific purpose of an attempted assessment of whether the ITI instrument has been programmed well at the national level, including evaluation of the ways in which it has been managed and implemented by the Integrated Territorial Investments for the Bydgoszcz and Toruń Functional Area (ITI BTFA)³ partnership. The subject of the study entailed the Integrated Territorial Investments instrument, as a tool for territorial development in Poland. The object of the study was the ITI BTFA partnership, comprising two core cities: the City of Bydgoszcz and the City of Toruń, as well as 23 municipalities in the functional area.

Findings: Integrated Territorial Investments (ITI) is an important instrument of territorial development, constituting a well-utilized tool of local government cooperation, co-financed by the European Union. The instrument strengthens the impact of jointly implemented projects, through an approach extending beyond the administrative boundaries of a given local government. Integrated Territorial Investments are an important tool allowing implementation of the territorial strategies of the 2014-2020 programming period, primarily in the area of integrated actions for sustainable urban development.

Originality/value: The article presents the research results arising from the survey conducted at the organization analyzed. The study indicated that the ITI partnership management system is effective, as it has allowed improvement in the efficiency of the activities undertaken as well as increased trust among the partners involved. The main factors which affected the effectiveness of the projects implemented by the ITI BTFA included: good rapport with the

¹ Polish: Zintegrowane Inwestycje Terytorialne (ZIT).

² Polish: Bydgosko-Toruński Obszar Funkcjonalny (BTOF).

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beneficiary, cooperation of the ITI Intermediate Body with the Managing Authority of the Kuyavian-Pomeranian Voivodeship Regional Operational Program⁴, and ongoing monitoring.

Keywords: regional policy, Integrated Territorial Investments, functional areas.

Category of the paper: Case study.

1. Introduction

Integrated Territorial Investments (ITI) constitutes a very important instrument of territorial development, introduced by the European Commission for the period of 2014-2020, addressed to provincial cities and their urban areas. It is conditional, however, on the establishment of an Integrated Territorial Investment Partnership, preparation and adoption of an ITI Strategy, and a signing of a relevant agreement. It is worth noting that, besides Poland, the instrument has been also implemented in fourteen EU countries: Belgium, Germany, Greece, Spain, Finland, France, Italy, Lithuania, Portugal, Romania, Sweden, Slovakia, and United Kingdom (as a member of the Union, at the time). The legal basis for the introduction of Integrated Territorial Investments, at the European Union level, has been provided by three regulations of the EU Parliament and Council of December 17, 2013: 1303/2013 (Article 36 and Article 123) (Regulation 1303/2013) 1301/2013 (Article 7) (Regulation 1301/2013), 1304/2013 (Article 12) (Regulation 1304/2013). The most important national ITI programmatic documents of strategic and operational nature, which cover the time horizon of the European Union financial perspective 2014-2020 include: the Partnership Agreement signed by the European Commission on May 23, 2014; the Act of July 11, 2014 on the principles of cohesion policy program implementation financed under the financial perspective 2014-2020 (the so-called Implementation Act) (Journal of Laws 2014 item 1146.); the National Urban Policy of October 20, 2015 (Resolution No. 198, M.P.⁵ 2015, item 1235); the Concept of Spatial Management of the Country 2030 of December 13, 2011 (Resolution No. 239, M.P. 2012, item 252), the National Strategy for Regional Development 2010-2020 (NSRD) of July 13, 2010 (M.P. 2011, No. 36, item 423); and the Ministry of Regional Development's Guidelines - Principles of ITI Implementation in Poland of July 2013 (MRR⁶, 2013).

The strategic objectives of ITI implementation entail: the strengthening of an integrated territorial approach, promotion of a partnership model of cooperation within urban functional areas, implementation of integrated projects comprehensively addressing the needs and problems of cities, increased impact of urban functional areas on the implementation of cohesion policy, support of local development through implementation of the most crucial

⁴ Polish: Regionalny Program Operacyjny Województwa Kujawsko-Pomorskiego (RPO WK-P).

⁵ M.P. stands for Monitor Polski, the Official Gazette of the Government of the Republic of Poland.

⁶ MMR stands for the Ministry of Regional Development [Polish: Ministerstwo Rozwoju Regionalnego].

investments, as well as more accurate adaptation of the European Union aid funds, in relation to the needs and potentials of individual types of regions in Poland (Gwizda, Kosewska-Kwaśny, Żółciński, 2014).

Realization of these objectives, however, is directly related to the priority investment policy of the European Union, i.e., the cohesion policy encompassing the territorial dimension. It ensures utilization of the territorial potentials, and thus provides for elimination of barriers to the development of the specific areas of the voivodeship which intervention activities are envisaged in. This, in turn, allows more efficient use of resources and deficit leveling (RPO⁷, item 1589, 2022). During the 2014-2020 programming period, 17 provincial ITIs have been under implementation in Poland. In 2014, based on an agreement (ZIT, 2014), an Integrated Territorial Investments partnership for the Bydgoszcz and Toruń Functional Area (hereinafter ITI BTFA) was established in the Kuyavian-Pomeranian Voivodeship. The partnership comprises of a total of 25 local government units, which have developed and are implementing the ITI Strategy. The receipt of funds is subject to certain conditions, which include development of a strategy for a given area, or establishment, by individual Local Government Units, of a partnership and acquisition of an adequate institutional capacity. Under the Regional Operational Program of the Kuyavian-Pomeranian Voivodeship, an allocation of approximately EUR 166 million has been set for the implementation of the 2014-2020 ITI BTFA. The largest amount of ITI implementation funds was planned in the Silesian Voivodeship (EUR 484 million), while the smallest - in the Warmian-Masurian Voivodeship (EUR 45.2 million) (Fig. 1).

To date, the ITI instrument, as a new EU policy tool, has not yet been subjected to detailed research, while one of the national-level studies was the 2018 evaluative study "Ewaluacja systemu realizacji instrumentu ZIT" (Evaluation of the ITI instrument implementation system), which allowed assessment of whether the ITI instrument has been properly programmed, both at the EU and the national levels. The article aims to present the principles of the Integrated Territorial Investments for the Bydgoszcz and Toruń Functional Area's functioning as a tool for territorial development, as well as identify the barriers and limitations, including areas requiring additional support, in the implementation of projects. The ITI BTFA partnership, as the Intermediate Body under Agreement No. RR-VII-T.041.13.2015, has been responsible for rational spending of these funds.

⁷ RPO stands for Regional Operational Program [Polish: Regionalny Program Operacyjny].

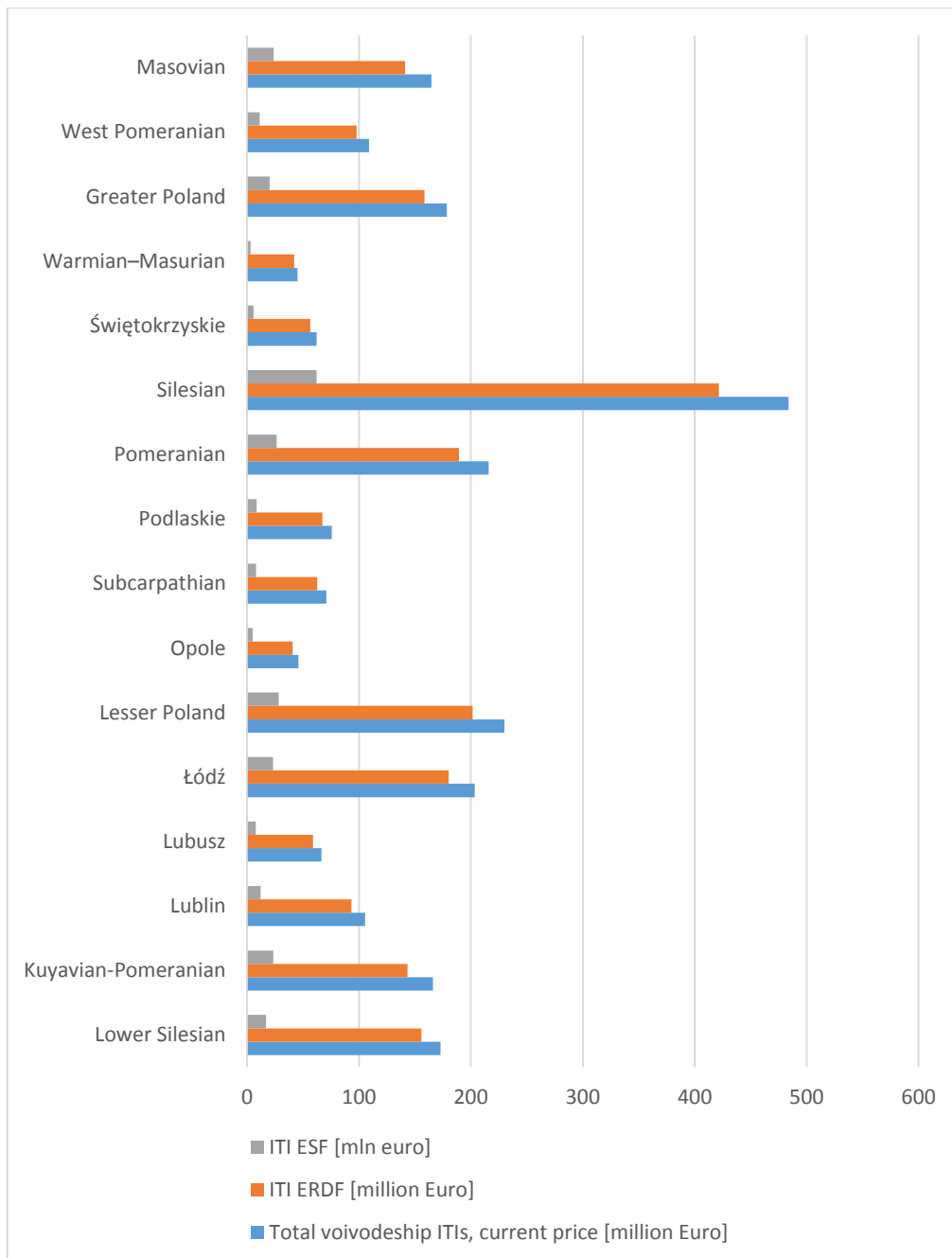


Figure 1. Estimated financial resources for implementation of Integrated Territorial Investments, by voivodeship.

Source: Financial perspective 2014-2020 programming - Partnership Agreement, Ministry of Infrastructure and Development, Warsaw 2014, p. 213.

2. Research methodology

The subject of the study is the Integrated Territorial Investments as a tool for territorial development in Poland, primarily concerning integrated actions for sustainable urban development, through which territorial strategies have been implemented in the 2014-2020

programming period. The specific study objective entails an attempted assessment of whether the ITI instrument has been programmed well at the national level, including evaluation of the ways in which it has been managed and implemented by the ITI BTFA partnership. The object of the study is the ITI BTFA partnership encompassing two core cities: the City of Bydgoszcz and the City of Toruń, including 23 municipalities within the functional area. The study covered the Department coordinating the ITI implementation. The ITI Office operates within the organizational structure of the Bydgoszcz City Hall and is responsible for efficient implementation of the tasks entrusted to the ITI Intermediate Body (ITI IB) by the Managing Authority of the Kuyavian-Pomeranian Voivodeship Regional Operational Program (MA ROP K-PV)⁸.

As part of the study, interviews were conducted with the substantive staff of the ITI BTFA Office, using an interview questionnaire consisting of 14 open-ended questions as the research tool. The ITI Office has nine employees, who possess relevant qualifications and three-year experience in the implementation of EU projects.

3. Research results

The ultimate area of intervention under the ITI BTFA was determined on the basis of, among other things, the delimitation process based on detailed analyses of indicators, described in a separate document, which specified that all Territorial Government Units expressing their willingness to be part of the ITI BTFA partnership shall fulfill the imposed criteria of linkage to the core cities (expressed by an appropriate value of indicators) (Delimitacja, 2022). According to ITI Office staff (63%), the delimitation of the Bydgoszcz and Toruń functional area was carried out properly.

The respondents pointed to, *inter alia*, the integration of the area as well as support and exchange of experience in their justifications. According to 37% of the Office employees, the Bydgoszcz and Toruń area delimited was too large, and the delimitation imposed by the Ministry of Finance and Regional Policy was not fully accurate, due to the fact that the municipalities in the Toruń part of the area do not exactly share social, economic interconnections with the Bydgoszcz area municipalities. All the ITI Office employees surveyed concluded that all the Integrated Territorial Investments Intermediate Bodies in the country have performed, at the very least, the minimum mandatory scope of the 2014-2020 financial perspective tasks. Similarly, all the surveyed stated that the project selection criteria for the ITI-dedicated allocation were co-drafted by the ITI BTFA Office and the ITI municipal coordinators.

⁸ Polish: Instytucja zarządzająca Regionalnym Programem Operacyjnym Województwa Kujawsko-Pomorskiego (IZ RPO WK-P).

Subsequently, as part of the ITI IB and working meetings of and MA ROP K-PV, draft criteria were developed. The joint (IP ZIT and MA ROP K-PV) draft criteria were approved by the Kuyavian-Pomeranian Voivodeship Board and were adopted by the ITI Working Group operating at the 2014-2020 ROP K-PV Monitoring Committee. At the next stage, the proposal criteria developed by the ITI Working Group were reviewed by the ITI BTFA Board. Ultimately, a resolution on the adoption of project selection criteria was passed by the 2014-2020 ROP K-PV Monitoring Committee. All ITI Office employees stated that participation in the criteria drafting, in terms of strategic assessment particularly, involved participation of the ITI IB in the activities of the ITI Working Group at the 2014-2020 ROP K-PV Monitoring Committee regarding project selection criteria (in competition and non-competition mode) co-drafting. The ITI IB additionally participated in the voting on the resolution of the Monitoring Committee on the approval of the project selection criteria. According to the respondents, the strategic assessment of the projects co-financed from the ESF funds was carried out by persons holding a certificate confirming participation in a mandatory training program. The vast majority of the ITI Office employees (75%) believe that the applied manner and tools of ITI strategy monitoring and implementation proved to be effective. In terms of the possibility of generating reports on the monitoring of implemented projects (e.g., the value of signed grant agreements, the value of submitted and approved payment applications, the degree of performance framework indicator achievement), the surveyed assessed the ITI strategy monitoring and implementation tools introduced, i.e., the SL2014 information and communication technology system, positively. 25% of the ITI BTFA Office employees indicated that monitoring could be improved with another, more advanced IT tool. Also 25% of the ITI Office staff believe that a more sophisticated IT tool could serve as a good means of improving the ongoing monitoring of project implementation in 2014-2020. Half of the ITI Office employees (50%) believe that all activities dedicated to territorial policy have addressed the problems diagnosed in the ITI Strategy, which included, inter alia, urban mobility, construction of bicycle routes in particular, revitalization, general and vocational education. The same number of the ITI Office employees believe that the actions dedicated to territorial policy only partially addressed the problems diagnosed in ITI BTFA area local government units. The problem areas most often indicated by the ITI Office employees surveyed, which have not been included in the territorial policy, pertain to entrepreneurship and roads (27%), tourism and senior citizen policy (13%), waste management (7%). The measures dominant in the territorial policy, as indicated by the respondents, include thermo-modernization (96 signed agreements with funding of more than PLN 154 million), sustainable urban mobility (49 signed agreements with funding of almost PLN 245.5 million), and revitalization (54 signed agreements with funding of PLN 114 million), respectively. The ITI BTFA Office staff additionally indicated a range of factors which were influential on the achieved effectiveness level of the projects implemented under the territorial policy. The majority of the respondents stated that the most important factor affecting the effectiveness

of the projects entailed good rapport with the beneficiaries (25%). Among the factors affecting the achieved level of project effectiveness, 22% of surveyed indicated good cooperation between the ITI IB and the MA of the ROP K-PV, 19% indicated current monitoring, while 13% indicated properly diagnosed problems in the ITI Strategy and the support obtained in situations of threats to project implementation. It is worth noting that all the employees surveyed indicated a number of areas which, in their opinion, require additional support, either due to insufficient resources in these areas or because they are not included in the territorial policy at all. The areas which should receive additional support, as indicated by a vast majority of the ITI BTFA Office employees, particularly include bicycle routes and public transportation (18%), water and sewage management (15%), thermal modernization and revitalization (9%), vocational education (6%). According to half of the respondents, the best project selection mode for ITI instrument implementation is non-competitive mode. The use of a non-competitive mode provides an opportunity for implementation of comprehensive and strategic projects to solve problems affecting the entire functional area.

This mode enables reservation of funds to support projects. According to the respondents, both competitive and non-competitive modes should be allowed in the 2021-2027 financial perspective. The use of competitive mode provides the best projects, selected through competition between the applicants, with a chance of implementation. Under this mode, beneficiaries can apply for support to meet their own internal needs. None of the ITI Office employees indicated that ITI BTFA projects should be implemented in the competitive mode only.

According to ITI BTFA Office employees, the ITI instrument promotes a partnership model of cooperation between various administrative units in urban functional areas, by increasing the efficiency of the actions taken, through implementation of integrated projects comprehensively addressing the needs and problems of cities and the functionally related areas. The ITI Office staff assessed the ITI partnership management system as effective and efficient, as it has brought tangible benefits, allowing achievement of the goals of building cooperation between Territorial Government Units. It is noteworthy that the efficiency of the actions taken, as well as trust among the ITI partners involved, have also improved, according to the respondents. The partners were able to exchange information and share experience. All the respondents confirmed that the ITI instrument should be maintained in the 2021-2027 perspective. As per the respondents, the ITI formula has proven effective in the current financial perspective, while the experience gained should be used to improve both ITI implementation and the utilization of this instrument in the future financial perspective. The building of a network of contacts and good rapport between the local government officials, as well as the exchange of experience, the development of a good and effective practices base, and the possibility of reciprocal consultation regarding problems proved to be of high importance. This instrument also allowed implementation of joint projects of supra-local significance, such as investments in bicycle routes.

4. Conclusion

The survey conducted among the ITI BTFA Office staff indicated a positive assessment of the ITI Intermediate Body's functioning. The management ITI partnership management system is effective, as it allowed improvement in the efficiency of the actions taken as well as increase in the trust among the ITI partners involved. The main factors which have affected the effectiveness of the projects implemented by the BTOF ZIT include good rapport with the beneficiary, cooperation between the ITI IB and the MA of the ROP K-PV, as well as ongoing monitoring. The area requiring additional support, under the territorial policy in the new financial perspective 2021-2027, should certainly involve a greater amount of dedicated EU funds for public transportation, bicycle routes and water and sewage management.

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