

# Integrated territorial investments as a tool of sustaining regional development

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**Abstract:** The problem area discussed in this article relates to evaluation of realization of Integrated Territorial Investments [ITI] within functional areas, in the context of shaping the sustainable development of territorial units. The ITI provide a new tool of the regional policy oriented towards forming the partnership-based model of cooperation of local government units and complex solving of developmental problems of cities and their functional areas. As a new instrument of realization of the development policy it must go in line with policies in force, concepts of socioeconomic and spatial development of the country. In the article, relations between the idea of territorial development – thus implementation of the ITI – and the conception of sustainable development of the country are considered. An attempt is also made at determining the influence of the ITI on the process of balancing the regional development. The analysis of the research problem is based on source documents which program the regional development of Poland. It was established that the policy of development oriented territorially goes in line with realization of the sustainable development, while the ITI may exert an influence on the process of sustaining the regional development.

**Keywords:** regional policy, region, integrated territorial investments (ITI), sustainable development

## 1. Introduction

The Integrated Territorial Investments [ITI] is an instrument which was introduced into the policy of regional development for the years 2014-2020. Its basic task is to raise the effectiveness of implementation of territorial strategies, in particular those forming the functional and spatial cohesion of regional units. In the formal-organizational sense, this instrument should facilitate realization of developmental tasks included in different operation programs. In the practical framework, its role is brought down to possibilities of obtaining financial means to realize defined tasks within various domains, including those within particular priority axes of

possibly all operation programs. The aim of introducing this instrument of territorial development is the need for strengthening the internal developmental potential on both the local level (including that of the city) and the regional one. In accordance with the assumptions accepted in the policy of development of functional areas, this is to be made possible thanks to the complexity and multi-dimensional character of this instrument.

The author of this article intends to identify the relation between the idea of territorial development and implementation of the ITI and the realization of sustainable development, and also to determine the influence of the ITI on the process of balancing the regional development. It is a vital fact that the ITI can be realized only in functional areas.

## **2. Functional areas and sustainable development in the theory and policy of development**

A functional area is a notion of a long standing tradition in the policy of regional development; nevertheless, in the current perspective of programming the development policy it has become the basic unit to which means for development are to be directed. This is the consequence of the approach towards processes of development, which has become the key concept of the regional and spatial policy of the European Union and thus of Poland.

A functional area, in the traditional formula, as an object of regional policy, is connected with the theory of nodal areas, whose borders are delineated on the basis of the range of influence of its center. A region is such an area around a larger urban center, or a group of cities, which is connected with it by a system of mutual links and gravities, that is a many-sided exchange of people, goods, services, capital and information. The integral parts of such an area are: the center – an urban center – and its sphere of influence – the so-called peripheries. Both parts perform important functions resulting from the level of socioeconomic development, as well as its functional-spatial differentiation expressed in the diversification of production and services (Kuciński, 1994).

A functional area, for the needs of the current policy, has been defined in *Koncepcja Przestrzennego Zagospodarowania Kraju 2030* [The Concept of Spatial Development of the Country] (MRR, 2012) [CSDC] and also in the document called *Krajowa Strategia Rozwoju Regionalnego 2010-2020: regiony, miasta, obszary wiejskie* [The National Strategy of Regional Development 2010-2020: Regions, Cities, Rural Areas] (MRR, 2010) [NSRD], as well as in other, dependent, planning and program documents, like, for instance, *Krajowa Polityka Miejska*

[The National Urban Policy] (MiR, 2014) [NUP]. A functional area is defined as one that is distinguished by common geographical features (socioeconomic and spatial) and it is differentiated in order to take advantage of its geographical potential for the development of the country (MRR, 2012, p. 178). As it is underlined in the NUP, the basic direction of actions aimed at functional areas is development of culture of cooperation between local government units, which should take shape of a real, partnership-based and effective cooperation of all subjects dealing with development – both in the vertical and horizontal systems (MiR, 2014, p. 125). In compliance with the assumptions of the urban policy, a special addressee of the development oriented territorially are just cities and areas undergoing urbanization processes (MiR, 2013, p. 8-9).

The new concept of development oriented territorially cannot violate the ideas of development to date, but must be complementary to them. The concept and the principles of sustainable development, which have been obligatorily binding in the socioeconomic and spatial development of Poland since 1997, determine the possibility and directions of realization of other sector policies, including the regional one. Thus, the idea of territorial development which has been introduced during the current period of programming must be compliant with the realization of sustainable development.

According to the Act of Law of Protection of Environment (Journal of Laws 2001 No. 62 item 627, art. 3 par. 50), sustainable development is this kind of socioeconomic development, in which there follows a process of integrating political, economic and social actions, with simultaneous maintenance of a balance in nature and stability of basic natural processes in order to secure possibilities of satisfying vital needs of individual communities or citizens, both in the lifetime of the current generation and those to come in the future. The document which programs the long-term development of Poland states also that the essence of a lasting and sustainable development lies in tying a fast economic development and a rise in the quality of people's lives to improvement in the state of natural environment, as well as to efforts made towards preserving it in a good condition for succeeding generations (Polska 2025, 2000). Referring the presented assumptions to the idea of development of territorial areas, including also that accomplished through ITI, it must be acknowledged that the both are convergent; nevertheless, in the case of territorial development, the aspect of nature is not emphasized so clearly. It is important, though, especially with reference to possibilities of making use of nature's potential in building of a

cohesive and integrated space. The compliance of the assumptions of territorial development with the idea of sustainable development is proved also by the definition of eco-development formulated by Górk, Poskrobko and Radecki (1995, p. 75). The above-mentioned authors argue that eco-development is the way of running economic activity, taking advantage of the potential offered by the environment and organization of society, which facilitates a dynamic development of production processes, stable and long-term making use of natural resources and improvement (during the first period) and maintenance (later on) of the high quality of life.

Both the policy of sustainable development and that oriented territorially have their roots in the Lisbon Strategy and – at the same time – in the Strategy “Europe 2020” which is currently binding in Poland. The latter is a document programming the development for the years 2010-2020, whose basic assumption is attainment of a cohesive, lasting and dynamic socioeconomic and spatial development, the main determiners of the desired direction being an intelligent, sustainable development that would favor social inclusion. In practice, this means supporting innovations and development of knowledge, effective making use of resources, competitiveness and protection of environment, as well as supporting employment, social and territorial cohesion. Thus, they are planes of development which go in line with the realization of the idea and policy of sustainable development.

Summing up, it needs acknowledging that a functional area, defined in this way for the needs of realization of the policy of development, should distinguish itself with the existence of functional relations operating between its individual elements. These relations ought to shape the levelling of developmental disproportions in the social and economic dimensions. In the practical framework, such an area must remain cohesive in the spatial sphere, as well as form a unit that is subject to multi-level managing. The guidelines of the policy of sustainable development are directly or indirectly accentuated in the manner of carrying out the policy of development with reference to these areas.

### **3. The range of functional areas and balancing the development**

The aim of delimitation of functional areas is to conduct integrated development policy in relation to them, including spatial and regional policies, as well as the policy of cohesion. As a result, the development of individual units should be made more dynamic, with simultaneous efforts to level disproportions in the standards and developmental potentials. Accordingly, a

system of indexes for delimiting Urban Functional Areas (UFA) was elaborated, consisting of three groups: functional (determining ties of the nucleus of a UFA with adjacent centers), socioeconomic (concerning socioeconomic aspects of urbanization) and morphological (taking into account population density and the number of flats put to use) (MRR, 2013). The presented delimitation indexes make it possible to mark out areas which are internally similar as regards the considered categories and make themselves distinctive against the neighboring ones. They concern the social, economic and environmental-spatial dimensions, thanks to which they correspond to measures popularly applied in research of sustainable development. Independently of working out the ultimate list of indexes, it is also significant that various aspects which comprise the functioning of a cohesive group of territorial units are taken into account (i.a., GUS, 2011). In the case of both identification of functional areas and the level of sustained development, indexes within the range of at least three indicated dimensions of development must be taken into consideration. A detailed analysis of the indexes proposed for each of the compared category provides the basis to identify common fields in these analyses. The assumption can be accepted that functional areas are units (or are supposed to be ones) of sustainable development.

However, the practice of regional development indicates that the basic criterion of including communes into functional areas is an expression of the will of membership by the local authorities. This is the indispensable condition for a given functional area to become a subject of the regional policy, yet it may raise a doubt whether it is sufficient. From the point of view of realization of sustainable development, it also seems to be significant to show the will of cooperation by organs responsible for the policy of development of regions for a cohesive socioeconomic and spatial development. Without this condition it is not possible to realize either the ITI or sustainable development.

#### **4. Realization of the ITI and sustaining the development of functional areas**

Delimitation and introduction of functional areas into active development policy connected with regional and sub-regional cities depend, to the largest extent, on the will of local and regional governments. This results from the principles defined for realization of the ITI in governmental documents and is brought down to the necessity of acceptance of an

institutionalized subject of management of such an area and elaboration of the ITI strategy (MRR, 2013b, p. 8). The range of tasks which are the responsibility of the given managing subject is varied, depending on the degree of entrusting the subject with tasks while managing Regionalny Program Operacyjny [Regional Operation Program] (ROP). Carrying out tasks in the system of determined partnership formula requires its members to respect many principles of cooperation, including: coherence, coordination, sustainability, fiscal responsibility, flexibility, holism, particularity, participation and subsidiarity (Kaczmarek, 2013). All of the above-listed principles entail the need for working out a cohesive system of management and its transparency. Both functional and selective cooperation of individual units which form a partnership is necessary, with securing equal treatment of all its subjects. The mentioned principles are – in a direct or indirect way – convergent with realization of sustainable development. The principle of coherence, according to which it is indispensable to respect a cohesive and – at the same time – transparent management system – shows the strongest relation. Then there come the principles of coordination, that is functional and sector-related cooperation through relevant organs and institutions, that of sustainability, understood as treating cooperating subjects, or that of holism, which consists in respecting the specifics of the whole area, varied as regards the needs and possibilities of development, as well as the principle of participation, which guarantees participation of local communities and their representatives in the management process. An important issue is also working out principles of financial responsibility that would be relevant to the outlays-effects relation. Establishing a determined formula of partnership, which results in respecting the above-presented principles of cooperation, requires the subjects that form it to possess a high degree of awareness and maturity in the sphere of running the development policy on the level higher than the local one. The key aspect connected with the purposefulness of realization of the ITI is including development strategies and programs of supra-local character by the authorities and local communities which know best the conditionings and needs of development of the units composing functional areas.

Another vital condition behind realization of the ITI within functional areas is elaboration of a strategy. By assumption, it is expected to have the nature of a program document taking into account diagnostic-strategic and operation-implementation parts. It is vital that the diagnosis of the situation should be thematically oriented towards the challenges defined in Strategy Europe 2020. One of the conditions behind positive acceptance of the ITI strategy by the European

Commission is presentation of a set of interconnected actions which serve a long-lasting improvement of social, economic, environmental (including climatic), demographic conditions of the given functional area (MRR, 2013a). This is thus direct making reference to the need of realization of sustainable development. The both of the discussed ideas in the aspect of programming must comply with the program guidelines for Poland's development. In the case of realization of sustainable development, the document called *Polska 2025 – długookresowa strategia trwałego i zrównoważonego rozwoju* (Poland 2025 – the Long-Term Strategy of Lasting and Sustainable Development) (Rada Ministrów, 2000) must be seen as one of key importance. Respecting this far-reaching document in the development policy should secure a harmonious development of the country, with preservation of both natural and cultural heritage, as well as facilitation of a civilization and economic progress, which are supposed to be beneficial to all groups of society (Strategia..., 1999). As E. Mazur-Wierzbicka concludes (Miejsce..., p. 321-322), this task must be realized over a long time span and requires to be conducted at two stages at least: the first of them is a period of balancing the course of the process and monitoring the effects of the processes of socioeconomic and environmental development, with simultaneous maintaining the capacity of the economy for a dynamic growth. This should make it possible for Poland to enter the group of highly-developed countries within a relatively short time. The other stage is a period of sustaining the achieved balance between key components of the development processes, in particular balancing the economic development, social development and the broadly-conceived sphere of protection of environment. It is imperative that the capacity of the economy for satisfying traditional social needs and those newly-arising in the future should be maintained with reference to the broadest possible groups of citizens, in compliance with the principles of equality and social justice (Mazur-Wierzbicka, p. 322).

While elaborating on a development strategy for functional areas, it is vital that the projected actions should not lead to a deeper spatial differentiation, but level the standards of development and cohesion between urban centers and other communes that form the functional area. Therefore, what should be effective in order to work out the ITI in the space of a strategic functional area is a strategic approach which makes it possible to determine a reliable diagnosis of the given area, thus – an effective investment of financial means. It is indispensable to respect the principle of social justice and also to take into account all the dimensions of territorial

development: social, economic and environmental. It is necessary to set the direction for financing tasks dealing with the common vision of development of the area covered with the ITI, but it is unacceptable to subordinate financing to particular interests of communes, especially the dominating urban commune (Ratusznik, 2013, p. 52).

From the point of view of realization of the ITI it is vital to discuss the principles and conditions of realization of investment projects in the context of sustainable development. Taking into consideration the goals and principles of realization of the ITI, the integrated character and complementariness of projects were accepted as the most important criterion of their realization. The following were indicated as preferred possible directions of intervention for realization within the framework of the ITI strategy (MRR, 2013a, p. 5-7)

- development of sustainable effective transport linking the city and its functional area;
- restoration of the socioeconomic functions of degraded areas;
- improvement in the state of natural environment;
- energy efficiency and promotion of low-carbon-dioxide strategy;
- strengthening the development of symbolic functions which build up the rank of the area on the supra-regional scale, improvement of the quality of public services;
- strengthening and expanding research activity, technological development and innovations.

All of the above-mentioned directions of intervention must be coherent with the thematic goals of the NSRD. These are questions written in the cohesion policy of the EU and – at the same time – in the needs of Poland's development. They are so universal that they find their application for each type of functional area and each of the sector policies. It should be underlined that these aspects go directly in line with the policy of sustainable development. The process of programming the development of functional areas assumes the possibility of realizing only a few of the directions presented in the list, yet not fewer than two. In this respect, the criterion of choosing the direction of intervention is made dependent on conditions and challenges of development of each of the functional areas, and also is determined by the range of operation programs. It is vital that projects and tasks defined within functional areas were cohesive with goals and priority axes of operation programs. In the case of functional areas formed, for example, on the territory of Opole Province, the tasks necessary to realize within the ITI are those which go in line with the following priority axes: Competitive economy and Low-



carbon economy. Accordingly, each of the functional areas covered by the ITI strategy must have tasks taken account of, ones that respect natural resources and thus realize the principles of sustainable economic development.

### **5. The goals behind realization of the ITI in functional areas and the idea of sustainable development**

The aim of territorial development founded on functional areas is to make use of the socioeconomic and spatial potential of concrete spatial units in order to sustain the development and make it more dynamic, securing a high quality of inhabitants' lives. In this context, the principles of sustainable development formulated by T. Borys (2005, p. 47-48), which guarantee harmony of its individual dimensions (social, economic, spatial), can also be accepted as appropriate for realization of territorial development. Among them the following are indispensable in the process of sustainable development in functional areas (Borys, 2005, p. 47-48):

- integrity of dimensions – sustainable use, protection and development of the natural environment capital, social and human capital, as well as material capital (produced by man, in particular cultural and economic capital);
- subsidiarity;
- sustainable participation, including inter-sector partnership.

In a similar way as in the case of realization of sustainable development, interpenetration of four policies: ecological, economic, social and spatial, as well as the system of management and running the country is vital in the sphere of development of functional areas. Achievement of the following is assumed primarily to be the effect of realization of the ITI: development of cooperation and integration, including partnership-based model of cooperation, realization of integrated projects in a complex way with reference to the needs and problems of development of a functional area, and also augmenting the influence of cities and functional areas on the shape and way of carrying out actions supported in their areas within the cohesion policy (MRR, 2013a, p. 4). The second of the above-mentioned effects seems to be directed straight at the effectiveness of implementing integrated projects and also at sustaining the development of territorial units. It expresses the assumption that programming and planning development for functional areas will be cohesive in all of the dimensions: social, economic and environmental-spatial. In this case, it

is necessary to admit only such projects for realization that cover at least a few spheres of the socioeconomic and spatial development, and – at the same time – whose effect will be of at least supra-local significance.

## 6. Conclusion

Accepting the conception of territorial development through implementation of the ITI for functional areas does not exclude the necessity of realization of other policies which are superior to it, having the status of sector ones. One of them is the policy of sustainable development. Both in the program and institutional dimensions, the new current of regional policy and the policy of sustainable development are convergent. The effectiveness of application of the ITI for the needs of regional development, simultaneously respecting sustainable development, results – to a great extent – from proper delimitation of functional areas, as well as a right diagnosis of the state of the socioeconomic and environmental-spatial development. Furthermore, the skill of creative and constructive cooperation between units which form the functional area is of great importance here, as well. Among the assets of the ITI, there are the possibility of assessing and making use of the whole developmental potential of cities, communes and, hence, that of the given region, and also inclusion of all local actors in the process of running the policy, which can tighten the cooperation for leveling developmental problems.

The Integrated Territorial Investments, as an effective instrument of development of functional areas, requires respecting the policy of sustainable development, while a policy oriented territorially facilitates balancing the level of development in the social, economic and spatial dimensions.

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## ***Zintegrowane Inwestycje Terytorialne jako narzędzie równoważenia rozwoju regionalnego***

### ***Streszczenie***

Podjęmowana problematyka dotyczy oceny realizacji Zintegrowanych Inwestycji Terytorialnych [ZIT] w obszarach funkcjonalnych, w kontekście kształtowania rozwoju zrównoważonego jednostek terytorialnych. ZIT są nowym narzędziem polityki regionalnej, ukierunkowanym na kształtowanie partnerskiego modelu współpracy jednostek samorządowych oraz kompleksowe rozwiązywanie problemów rozwojowych miast i ich obszarów funkcjonalnych. Jako nowy instrument realizacji polityki rozwoju musi się wpisywać w obowiązujące polityki oraz koncepcje rozwoju społeczno-gospodarczego i przestrzennego kraju. W artykule rozważano relacje między ideą rozwoju terytorialnego, a zatem wdrażania ZIT i koncepcją zrównoważonego rozwoju kraju. Dokonano próby określenia wpływu ZIT na proces równoważenia rozwoju regionalnego. Analizę problemu badawczego oparto na dokumentach źródłowych programujących rozwój regionalny Polski. Ustalono, że polityka rozwoju ukierunkowana terytorialnie wpisuje się w realizację zrównoważonego rozwoju, a ZIT mogą wywierać wpływ na proces równoważenia rozwoju regionalnego.

***Słowa kluczowe:*** polityka regionalna, region, zintegrowane inwestycje terytorialne, rozwój zrównoważony