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Conceptual Framework for Assessing the Impact of Implementing an Integrated Territorial Approach for Regional Development

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Abstract

The Cohesion policy of the European Union is the basis of the principle concept of functioning in the Community. In this regard, achieving its main goals is of particular importance. In the context of overcoming the main weaknesses before achieving cohesion goals in the Community, the new paradigm of regional development based on integrated and strategic development initiatives and clearly defined competitiveness factors is becoming increasingly popular. The new approach is oriented towards compensatory actions in narrowly defined and nationally significant areas to discover and use the potential of the regions to achieve the "critical mass" necessary for further development. It is for this reason that the new approach for integrated regional development was already adopted in the previous planning period 2014-2020 in the majority of member states.

This article aims to define the conceptual framework for assessing the impact of integrated territorial investments. The methods used are content analysis of documents and GAP analysis, following standard inductive and deductive logical connections. As a result, some key challenges to implementing the integrated territorial approach in Bulgaria have been outlined. The structure of the publication contains a literature review on the topic, a methodological justification of the tools used, and a presentation of the main results and discussion questions.

Keywords: *territorial approach, integration, evaluation, challenges.*

JEL Classification: *H79, O21*

Introduction

Based on past experience with multi-level convergence processes, questions arise regarding under-effectiveness. On the contrary, imbalances in certain aspects are deepening [Tödtling & Trippl, 2005]. Economic growth is negatively affected by existing legal and administrative barriers [Camagni, et al., 2019]. High levels of inequality act as barriers to social mobility, threaten long-term prosperity as well as political stability.

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The new concept focuses on identifying common challenges and endogenous potential for development regardless of the administrative boundaries of the territory [Barca, 2009].

One of the key issues is the construction of the territorial coordination of the interventions, for which purpose two instruments are implemented - urban functional zones and integrated territorial investments. The former is part of the strategic planning aspect, while the latter is part of the state financial-programmatic aspect of the integrated territorial approach. In their essence, integrated territorial investments (ITIs) drive sustainable development of functional areas [Churski, et al., 2017]. Their main goal is to increase the impact of these areas, to strengthen territorial coordination mechanisms and to shape a culture of partnership between administrative units at the local level.

In this regard, the process of assessing the impact that ITIs have on the specific region of intervention is also of research interest. Impact assessment requires knowledge and understanding of the progress and effectiveness of integrated strategies while ensuring transparency and accountability. It is important in the evaluation process to generate information to better understand the intervention and context dependence, which is highly characteristic of territorial approaches. Both general and specific challenges can be identified, for example a possible discrepancy between expectations for internal and external integration and the lack of experience in this regard due to the lack of previous similar assessments. This process is complex and specific to different projects, but it is important to outline the general guidelines that would lead to quality results.

1. Literature review

During the past programming period 2014-2020, a total of 20 Member States adopted the use of integrated territorial investments as part of the new regional approach to achieving cohesion. Each of them independently determines the rules for the selection of areas for the implementation of integrated actions, as well as the indicative assessment of these actions at the national level [Kociuba, 2018].

In this regard, the question arises as to how the impact will be measured. Some researchers unite around three main directions for determining monitoring indicators: evaluation of integration, territoriality, and achievements [Van der Zwet et al., 2018]. The first refers to the management and fulfillment of the responsibilities of the institutions, the second to the application of the instruments and the potential effects outside the territory, and the third concerns the implementation of the strategies through projects. A number of authors outline the challenges to the process of evaluating the impact of ITIs, both in terms of qualitative indicators and quantitative ones, as one of the most significant problems can be identified in the lack of evaluation and monitoring capacity [Ferry, et al., 2018].

The European Commission, for its part, also issues various documents, manuals and reports in its attempt to give guidelines and reference points to the member states in terms of constructing the process of assessing the impact of the integrated approach on the regions. What they have in common is an emphasis on results orientation [Polverari, 2015] (European Commission, 2015). Impact assessment is part of the recommended methodology, including specific tools and techniques for analysis with a practical focus [European Commission and European Investment Bank, 2013].

Many analytical methods and approaches exist for impact analysis, including econometric modeling and input-output models. They focus not only on the use of metric data, but also on qualitative research among beneficiaries and stakeholders. However, linking the results to implementing a specific integrated territorial strategy, for example, remains a challenge. It is important to note here that guidelines are needed to ensure adequate actions even at the level of summarizing the data obtained. In their study, Ferry and Davies identified four main options for designing the evaluation approach: experimental, theory-based, case-based, and meta-evaluation [Ferry & Davies, 2015]. Each group has its advantages but also disadvantages, and this fact reinforces the conclusion that the combination of approaches and tools for impact evaluation, depending on the specifics of the program and the nature of the intervention, is of utmost importance.

2. Methodology

The research is mainly based on content analysis, expert evaluation, and comparative methods. In the preparatory stage, 26 approaches for random, unrepeated evaluation were studied, due to the relatively small volume of the general population. From them, 8 approaches that are used for impact assessment have been derived and analyzed in more depth. In the actual stage of the study, the advantages and disadvantages of the selected group are identified and systematized through induction, deduction, and translation. In the final stage, the conceptual framework for evaluating integrated territorial investments is outlined through expert assessment and admission.

3. Results and Conceptual Framework

As a result of the conducted study, it was concluded that to achieve a qualitative assessment of the impact of the application of integrated territorial investments, one of the considered approaches cannot be fully adopted. Each of them has a different focus and certain disadvantages. To achieve an optimal effect, it is necessary to perceive the so-called mixed method impact assessment to combine aspects of different approaches. The advantages of using mixed methods are generally as follows [Greene, et al., 1989]:

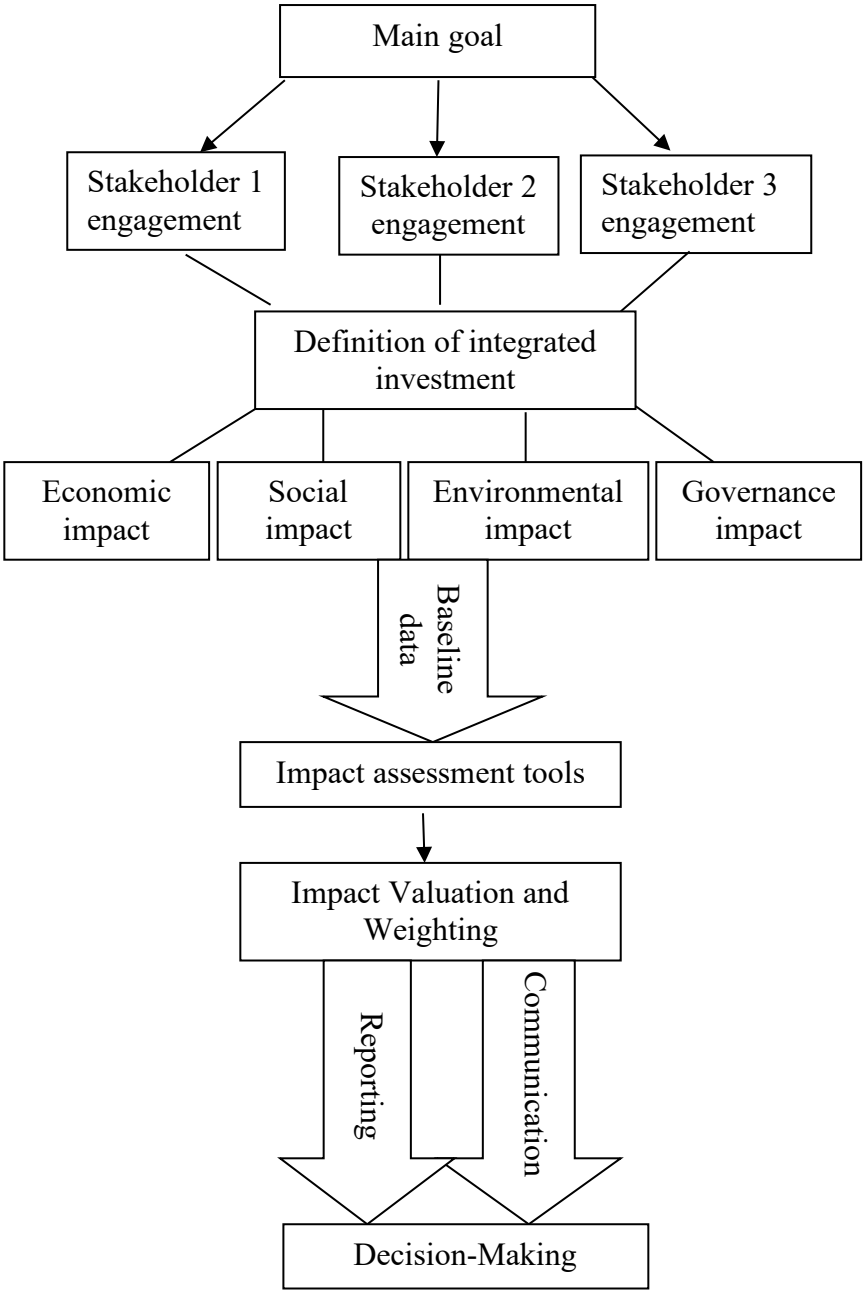
- Triangulation of evaluation results – refers to strengthening the credibility of evaluation results by comparing information obtained from different data collection methods.
- Development - based on understanding to create tools for a new approach based on the results of another.
- Complementarity – expansion and deepening of knowledge through results obtained from different methods.
- Insight - generating new insights based on analyzing inconsistencies in the results obtained from different methods.
- Diversity of value – includes a broader understanding of the value generated by using different.

An additional advantage of using a mixed evaluation approach is that it provides better compatibility between quantitative and qualitative evaluation indicators, thus allowing the analysis of the impact at a more complex level. Due to the complexity of some processes in a territorial aspect, combined with difficulty in achieving and measuring results, the selection of a combination of appropriate impact assessment methods with a balanced use of

quantitative and qualitative indicators is a challenge. Based on the conducted research and content analysis of primary and secondary sources, a conceptual framework for assessing the impact of integrated territorial investments was constructed.

Figure 1.

Conceptual Framework for Assessing the Impact of ITI



(Source: Author's Contribution)

The conceptual framework for the impact assessment of integrated investment provides a structured approach to evaluating the effects of investments that encompass multiple dimensions, such as economic, social, environmental, and governance impacts.

For defining **Main goal** is essential to establish the context and rationale for conducting the impact assessment. After the goal is set it is necessary to identify and categorize all **relevant stakeholders**, including investors, communities, government agencies, and NGOs. For proper engagement of the stakeholders in the assessment process it is important to develop a plan for their engagement and consultation. In the next phase the components and sectors covered by the integrated investment are clearly outlined. This includes mainly description how these components are interconnected and mutually reinforcing.

Four main **impact dimensions** are identified: economic, social, environmental, and governance. It is necessary to identify specific indicators and metrics for each impact category. Regarding that **baseline data** for each impact category is collected to establish a reference point for evaluation. Considering the information from that actions impact **evaluation tools** are being selected. In the next phase **values or weights** to different impact categories based on their significance and importance are assigned. It is appropriate to develop and a composite index or scoring system to aggregate impacts into a single metric, if necessary.

For reaching the final decision-making, reporting and communication processes are running.

Conclusion

In conclusion, it can be emphasized that the new territorial approach adopted by the EU faces a number of challenges, both in terms of its implementation and in relation to the assessment of the impact of the interventions used on the development of territorial units. Integrated territorial investments are considered to be the main instrument designed to develop the internal potential of the regions and strengthen their specification. It is for this reason that the evaluation of the impact of their implementation has a key role in accumulating knowledge to allow the proper coordination of actions, so as to achieve optimal results and to strengthen convergence, both at national level and within the EU. As a result of the study of advantages and disadvantages of a range of known approaches to impact assessment, it was concluded that no single specific approach to action could be adopted, but a combination should be proposed to suit the specific features of the object of assessment or etc. mixed approach.

The framework in which knowledge is generated for the purpose of impact assessment generally follows the logic of first gaining confidence that the objectives set are achievable and that their scope maximizes synergies. These actions focus on the strategic aspect of the assessment, which then moves to the operational level. It focuses on analyzing the effectiveness and efficiency of management and implementation to address challenges and build on good practices. In the final phase, based on the accumulated knowledge from the previous iterations, it is necessary to critically assess to what extent, how and why the territorial approach has yielded results or not.

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