

TERRITORIAL DIMENSION OF INTEGRATED INVESTMENTS

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ABSTRACT

The paper presents new developments in territorial development plan starting from the need to accelerate them in a European context (EC,2013). It introduced the concept of Integrated Territorial Investments (ITI) as the main vector for the implementation of territorial development at the sub-regional, regional, national or trans-boundary level. It shows the features of this concept (advantages, disadvantages) and makes a brief presentation of the possibilities of implementation in Romania, Tulcea county.

KEYWORDS : *Regional Development, Integrated Territorial Investments, Horizon 2020, Integrated Territorial Development Strategy*

JEL CLASSIFICATION : O2

1. INTRODUCTION

Europe faces many challenges on the resources needed to ensure its economic and social development in the coming years. These resources being inevitably limited, new strategies and drivers for its implementation are looking for, which, through a new organizational financing forms of funding should better exploit them. Allocation of resources of all kinds, but ultimately financial, must provide investments to allow the development of an area, whether national, regional, sub-regional and/or trans-boundary(EC,2012). It appears the territorial aspect of investment that should take into account the Territorial Administrative Units (TAU) as a beneficiary of such resources but also as the entities that they manage to meet the interests of local communities(Hogwood B.W.& Gunn L.A.,2000). Also it should be analyzed the interests and the development potential of these economic entities performing various products and provides various services, either for local/regional/national community either intra or extra community(MRDPA,2014).

2. INTEGRATED INVESTMENT STRATEGIES WITH A STRATEGIC AND HOLISTIC APPROACH

2.1 European Cohesion Policy

At European level focusing resources must be made to achieve the targets of the Europe 2020 Strategy which involves the implementation of several major directions of activity for all Member States, namely:

- Performances reward
- Focus on results and closer monitoring of progress
- Strengthening territorial cohesion
- Streamlining of implementation
- Support integrated programming, combination of investments, i.e. **Integrated Territorial Investments (ITI)**

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The European Commission(EC), in its proposals in this area, **give greater importance to the territorial dimension**, aiming to **stimulate integrated urban policies** to intensify sustainable development in order to strengthen the role of cities in the context of increasing social cohesion (EC,2013). It can therefore talk about the achievement and implementation of operational policies and tools that allow achieving social cohesion, in terms of obtaining sustainable growth, based on new tools to support it, such as ITI. An emphasis will be placed on urban development at a strategic level, based on guidelines of Common Strategic Framework (CSF) that determine ways to ensure an integrated approach to the use of CSF funds for sustainable development of urban areas. It requires identification of Operational Programs (OP) which can finance integrated different objectives at the local level (Dalal C.& Bass A.,2002).

2.2 European Funds specific to integrated financing

The European Union has already created specific funds within the CSF, namely:

- European Regional Development Fund (ERDF)
- European Social Fund (ESF)
- European Agricultural Fund for Rural Development (EAFRD)
- European Fund for Fishing and Maritime Affairs (EFFMA) and
- Cohesion Fund (CF)

The last of them focus on **specific sub-areas** being placed under the responsibility of the community through **local action groups** composed of representatives of local socio-economic interests of the public and private sectors.

As a basic principle, the ERDF will support sustainable urban development through **integrative strategies**. This principle can have a dual purpose: resources must be integrated to target diverse areas affected by specific urban challenges and, in the same time these projects should be integrated within broader objectives, such as those funded by the ESF. It is anticipated that at least 5% of ERDF resources will be allocated to such projects. In Fig.no. 1 it is presented the way in which different European funds can contribute, on different axes, at financing the economic development as a result of the strategy of territorial development. There is a need to create an intermediate structure (intermediate structure) to ensure efficient distribution and management of EU funds raised through various Operational Programmes.

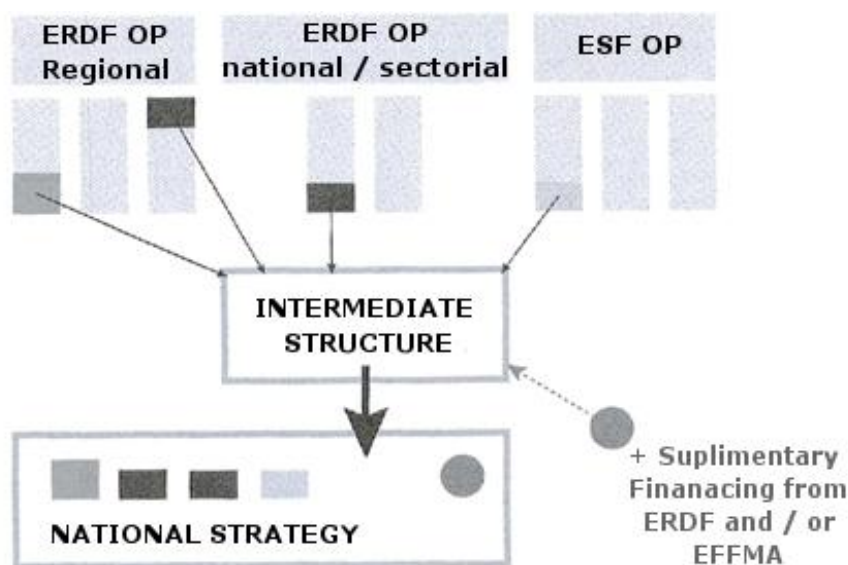


Figure 1. Funding regional strategy through an intermediate structure

Source: processing by author

3. INTEGRATED TERRITORIAL INVESTMENTS (ITI) – EFFICIENT AND FLEXIBLE TOOL. CASE STUDY

3.1 ITI- Integrated Investment Methodology at local level

ITI is a tool for implementing territorial strategies in an integrated manner, allowing each EU member state to implement operational programs across sectors and to resort to funding scenarios from several priority axes of one or more several operational programs to ensure implementation of an integrated strategy for a specific territory (Ec, 2006). This concept can not be used effectively unless the area/territory has an integrated cross-sectorial territorial strategy. The essential elements of an ITI are:

- a) A designated territory and a strategy for integrated territorial development
The respective territory must have specific features, from certain urban neighborhoods with unfavorable conditions to urban, metropolitan, subregional, regional or trans-boundary level. Cooperation must be ensured at all levels, including the inter-state one (Dunn W.N., 2003).
- b) A set of actions to be implemented
Objectives to be achieved must be integrated into the operational programs to include investment from the ERDF, ESF and FC. Combination of tangible investments in infrastructure financed by ERDF are needed along with investing in human capital financed by the ESF to achieve sustainable development.
- c) governance mechanisms for managing ITI

The ultimate responsibility for the management and implementation of the operations of ITI rests with the management authority of the operational program. It may designate intermediate bodies, including local authorities, bodies of territorial development or NGOs. The following chart summarizes how can an ITI benefit of the investments within one or more priority axis in view of multidimensional or inter-sectorial interventions. ITI can support any operation corresponding to investment priorities of the key axes participating in territorial development (Robinson T.R., 2006).

3.2. Possible Implementation of the ITI Concept in Tulcea County

The specifics of this county is that it is mostly surrounded by water, mainly the Danube and Black Sea. It is therefore important to ensure water transport infrastructure and therefore specific port structures. Danube is part of Corridor VII pan-european linking the North Sea with the Black Sea through the Rhine-Mainn Canal and the Danube.

(Chart no.1). There are several ports in Tulcea County that can be the destination of ITI allowing further development of the entire county. We refer to ports Macin, Isaccea, Tulcea and Sulina that are the backbone of the transport water throughout the county. (Chart no.2). We believe that investment can be made in upgrading these ports using as the main source the ERDF funding. In Chart no.3 the European corridors were presented transiting Romania, the Danube being part of Corridor VII.



Chart 1. Corridor VII paneuropean and Tulcea County
Source: Maritime Danube Ports Administration(MDPA) Galati 2014

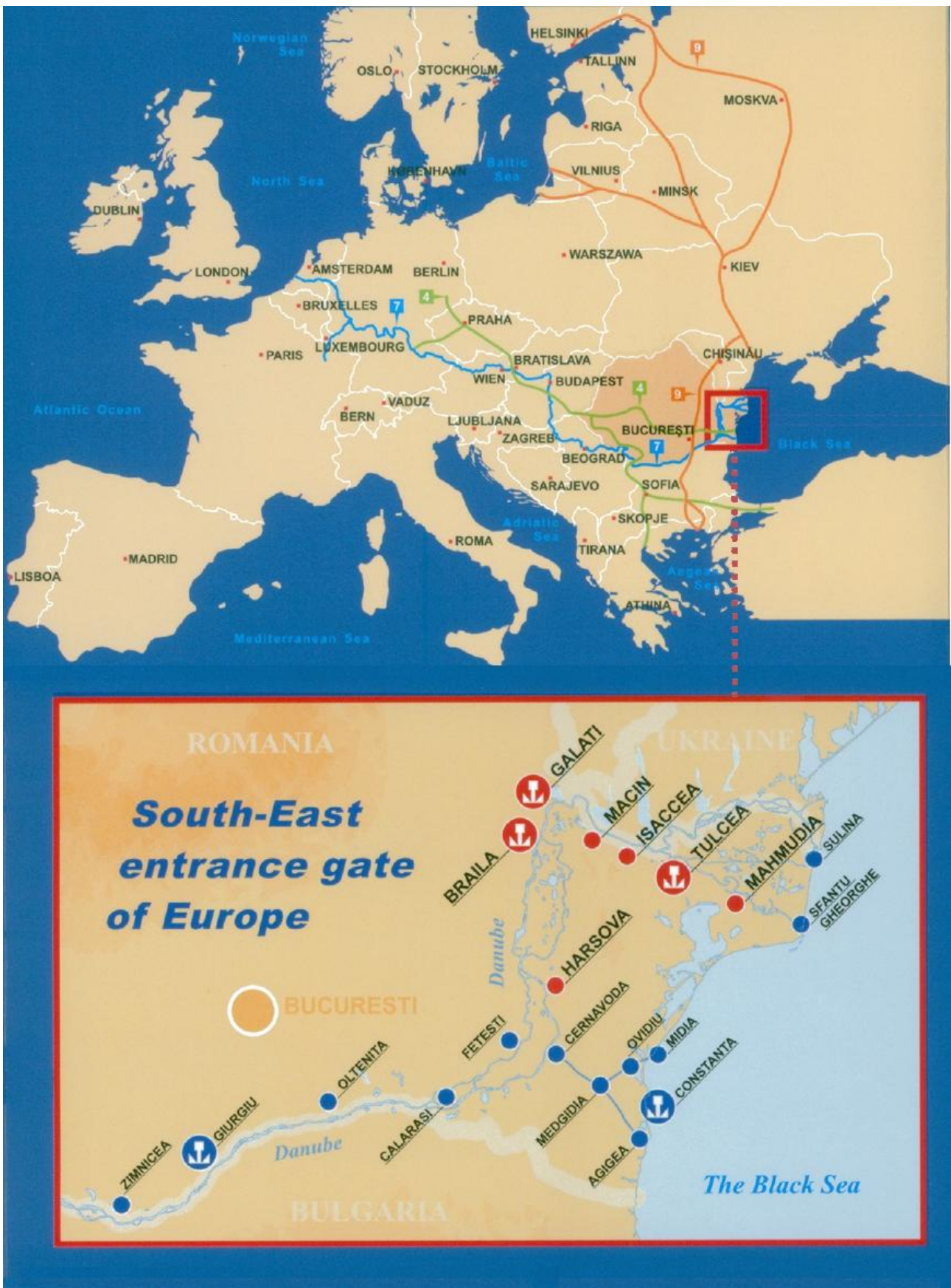


Chart 2. The Danube ports in Tulcea County

Source: MDPA Galati 2014

3 main Pan-European transport corridors pass through Romania:

■ Corridor 4, road and railway: Dresden-Nurnberg-Prague-Vienna-Bratislava-Budapest-Arad-Bucharest-Constanta, with the branch: Craiova-Sofia-Thessaloniki-Plovdiv Istanbul.

■ Corridor 7, waterway route: The Danube-Rhine-Main-Sulina-Galati-Cernavoda, with the branch: the Danube-Black Sea canal - Constanta-Regensburg-Passau-Rhine-Rotterdam.

■ Corridor 9, road and railway: Helsinki, Sankt Petersburg-Moscow-Kiev-Iasi-Bucharest-Giurgiu-Dimitrovgrad-Alexandropolis.

The Romanian government is a participant to the Memorandum of Understanding on the development of the Pan-European Transport Corridor VII (The Danube) signed at Rotterdam on the 6th of September 2001.

The Maritime Danube Ports

- located on the Pan - European Corridor VII - Rhine - Main – Danube waterway
- close to the borders with the Republic of Moldova and Ukraine
- 80 Nm between Galati and the Black Sea
- access to sea-going and IWT vessels, designed water depths:-6,5m
- on the way between the Middle East and Western Europe
- connected to the national and European road system
- connected to the national railway system; the port of Galati has a Russian standard railway network along the berths, connected to the CIS countries
- free zones in Galati and Braila
- located in an industrialized area, at the entrance gate to the Danube Delta

Chart 3. European Transport Corridors transiting Romania

Source: MDPA Galati 2014

CONCLUSIONS

Achieving sustainable development at the local level (sub-regional, regional, interregional, transboundary) can be made directly using European funds by capitalizing various facilities offered by the existing operational programmes. For this it is necessary to realize a Territorial Strategy that allows the implementation of European funding. ITI by consistent funding scenarios, can provide the necessary funds for sustainable development of a territory such as Tulcea County.

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