

COMPARATIVE ANALYSIS OF THE MANAGEMENT OF THE INTEGRATED TERRITORIAL INVESTMENTS (ITI): ROMANIA AND THE CZECH REPUBLIC

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ABSTRACT

The new tools and innovative possibilities included in the Regulation for Cohesion Policy 2014-2020 are set to improve the efficiency of territorial development. The main purpose of this article is to prove that using these innovative tools, such as community led local development -CLLD or integrated territorial investments – ITI, were attractive for the EU Member States, as the majority implement these mechanisms, applying a different scenario of functioning. Taking into consideration the particularities of each region, the member states applied one of the documented scenarios in implementing the ITI: scenario 1 Metropolis X; scenario 2 sub-region Z; scenario 3 District Y: a deprived urban area; scenario 4 Twin cities. Based on these options, we tried to analyze the way of implementing the ITI in Romania and the Czech Republic. Comparing the strategy process of the ITI, choosing the territory and the funds, establishing the implementing mechanism, advantages and disadvantages of each scenario, we reached a conclusion. We cannot state that a certain model is the best model to be used, but we could affirm that using these tools represented a real benefit for the both Member State. Disregarding the casual setbacks in implementing the ITI in Romania and the Czech Republic, we consider the using these mechanisms during the next programming period as a recommendation, with certain changes in the way of implementing it, meaning a larger flexibility in programming, a simplification of the EU Regulations. Also, the need of focusing of developing the administrative capacity of the personnel involved is noticeable.

KEYWORDS: *advantages and disadvantages, integrated territorial investments, scenario of implementation*

1. INTRODUCTION

The current cohesion policy has given Member States the opportunity to use European structural and investment funds for sustainable urban development and other territorial strategies, in particular through the use of integrated European instruments.

Given that there were more possibilities to implement the new financing mechanisms, the Member States chose what was most appropriate for each individually. Thus, the vast majority has implemented and implements integrated strategies for sustainable urban development. Also, most of the Member States have chosen to use integrated territorial instruments (ITI) in the current programming period (2014-2020), but each one differently. The interest shown in using this tool makes us think that ITI “fills a gap” (van der Zwet, 2014, p. 1) in the financing needs of each state. Being a mechanism based on a multi-fund allocation, the approach was different regarding the amplitude of the financing mechanism. Thus, there are Member States that have preferred to initiate ITI through the use of funds from a single funding program, several axes within the same program,

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but also Member States that have preferred to be financed from several funding programs. Also, some Member States have used funding only from the European Regional Development Fund (ERDF), others have used funding from all existing funds, namely: ERDF, Cohesion Fund (FC), European Social Fund (ESF), European Agriculture and Rural Development Fund (EARDF), European Maritime and Fisheries Fund (EMFF).

Thus, this article aims to provide a comparative analysis of the use of new financing instruments in the form of Integrated Territorial Investments (ITI) by EU Member States, in order to identify the advantages and disadvantages of each mode of operation.

The objectives of the research are:

- O1: Analysis of the existing legal framework that led to the use of new financing mechanisms in the European Union, within the cohesion policy.
- O2: Analysis of the scenarios chosen for the implementation of new financing mechanisms by the Member States.
- O3: Comparative analysis of the elaboration of strategies, choice of funds and territories, basic characteristics of an Integrated Territorial Investment.
- O4: Determining the advantages and disadvantages of each mode of operation chosen by the Member States.

Using the method of document analysis, we set out to compare the modalities of implementation of the ITI mechanisms in the various EU Member States, with the advantages and disadvantages of each method in order to conclude whether a valid general model can be achieved that produces the best results.

The analysis of documents and secondary data consisted of:

- analysis of the partnership agreements of the Member States with the European Union in order to see the legal framework under which the structures responsible for ITI have been set up in each Member State and how many ITIs will be carried out in each individual state (Romania and the Czech Republic).
- analysis of the strategies that underpinned the creation of the ITI for each Member State that chose this way of implementing the European funds during this programming period.
- analysis of the indicative financial allocations of the programs for each ITI.
- analysis of the results of the implementation of the new financing mechanism for each Member State.

2. CONCEPTUAL CLARIFICATIONS: INTEGRATED TERRITORIAL INVESTMENTS (ITI)

The cohesion policy emphasizes the increasingly importance of the territorial instruments. This is due to a change of vision towards strategic thinking and practices. In particular, the urban dimension of cohesion policy has been strengthened by the 2013 reforms of the European structural and investment funds (Tosics, 2017, pp. 284-296).

This integrated territorial approach implies exploring and exploiting the development potential of the member states, using multiple funding source, as it is stated in the EU Provision 1303/2013ⁱ.

This approach implies a good dialogue and cooperation between institutions and actors working at different levels of management. The shaping of public policies according to the needs established on the spot should have long lasting effects for the local population.

Thus, Regulation (EU) no. 1303/2013 introduced a new mechanism for implementing integrated territorial strategies, called ITI. In order to clarify the legality, the territorial approach is defined as *the financing of urban strategies or other territorial strategies through combined investments from more than one priority axis or one or more programs (CPR, article 36, 2013, p. 347)*.

Thus, integrated territorial investment is a tool of territorial development that implies the existence of an integrated territorial development strategy for a designated territory, a set of actions that can be implemented to achieve the objectives set by the integrated territorial development strategy, an

allocation dedicated to several programs and governance mechanisms for managing integrated territorial investments.

3. POSSIBLE SCENARIOS OF IMPLEMENTING ITI IN EUROPE

Given that the use of the ITI mechanism is very tempting in terms of the beneficial effects it could have, it is clear that Member States preferred to use this instrument during this programming period. However, Article 36 of the Common General Framework (Regulation 1303/2013) does not specify how an ITI should work, which we cannot say about the other new instrument introduced by the new regulations, namely CLLD (Community-led local development).

This lack of regulation offers some flexibility in the creation and functioning of the ITI mechanisms, but it can also generate uncertainties. There are several unknown aspects, such as: what a territorial strategy should look like, how we choose the territory, how we can combine more funds, what governance mechanism we apply in implementing ITI, etc.

Therefore, the General Directorate for Regional and Urban Policy within the European Commission has prepared a document that aims to establish the possible scenarios for the implementation of ITI in the EU, after the approval of the European Regulations. Thus, in 2015 the report "Scenarios for Integrated Territorial Investments" was published, which established four possible scenarios regarding this mechanism:

- Scenario 1: Metropolis "X";
- Scenario 2: Sub-region "Z";
- Scenario 3: District "Y": A disadvantaged urban area;
- Scenario 4: Twin Cities.

Each scenario will be characterized based on the steps a Member State takes to prepare, implement and evaluate the results of using the ITI mechanism. Thus, the steps to be taken are (EC-DGRUP, 2015, p. 20):

- ITI preparation;
- Defining the purpose of ITI;
- Decision on ITI management;
- Implementation of ITI.

The figures 1 and 2 represent the main characteristics of two of the four scenarios described in the paper of the Directorate of the European Union.

The Czech Republic and Romania are two of EU member states that have committed on using ITIs as stated in their Partnership Agreements with the European Commission. This paper is set to state the advantages and disadvantages of using one of the scenarios documented back in 2015 and to see if there is a better way of implementing the mechanism.

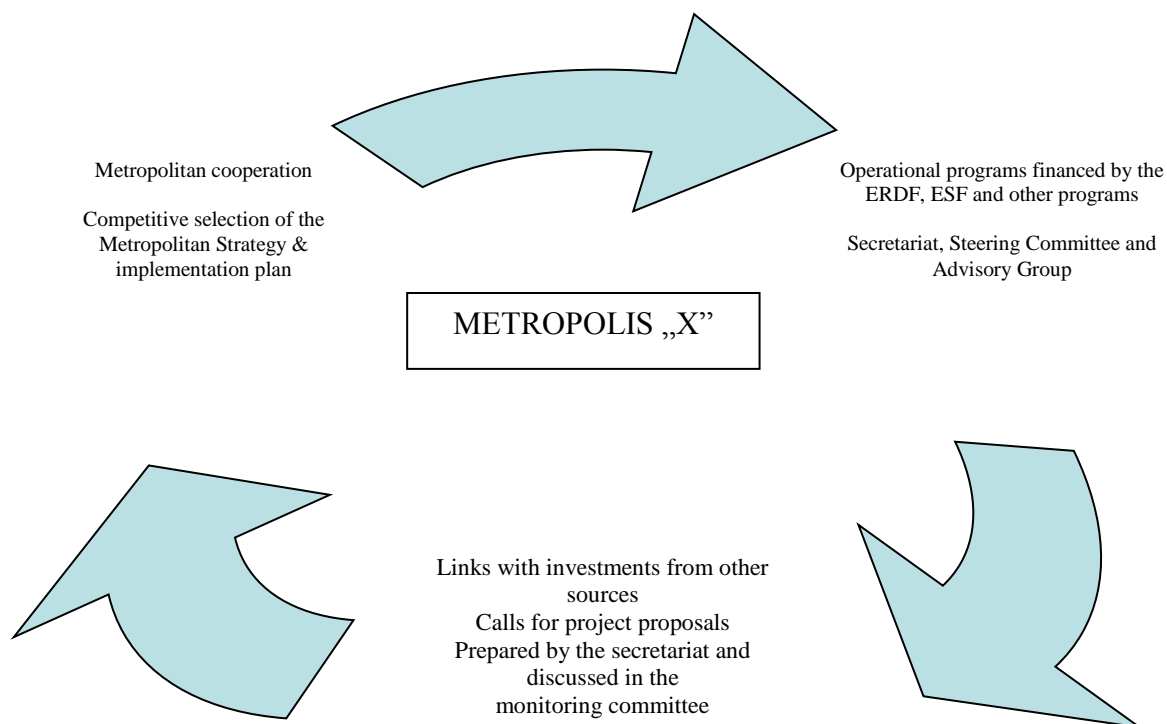


Figure 1. Main characteristics of the Metropolis „X” scenario

Source: Authors' elaboration based on the facts presented on the EC - Directorate-General for Regional and Urban Policy „Scenarios for Integrated Territorial Investments”, p. 21, available on https://ec.europa.eu/regional_policy/sources/docoffic/official/reports/pdf/iti_en.pdf

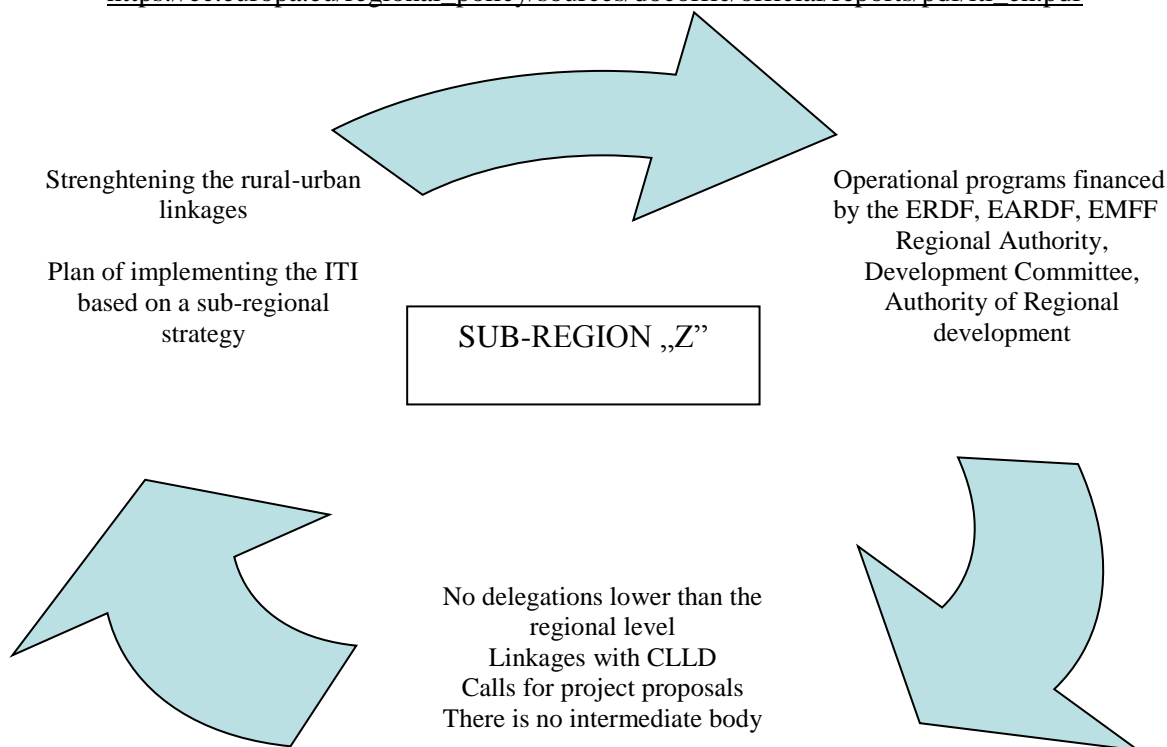


Figure 2. Main characteristics of the Sub-region „Z” scenario

Source: Authors' elaboration based on the facts presented on the EC - Directorate-General for Regional and Urban Policy „Scenarios for Integrated Territorial Investments”, p. 21, available on https://ec.europa.eu/regional_policy/sources/docoffic/official/reports/pdf/iti_en.pdf

4. ALTERNATIVE WAYS OF IMPLEMENTING THE ITI MECHANISM IN TWO MEMBER STATES: THE CZECH REPUBLIC AND ROMANIA

4.1. ITI PRAGUE AND CENTRAL BOHEMIA – A FUNCTIONAL AGGLOMERATION

According to the Partnership Agreement between the Czech Republic and the European Commission 2014 for the programming period 2014-2020, integrated territorial investments will be used in the Czech Republic mainly in metropolitan areas of national importance, in accordance with Article 36 of the Common European Regulation. The center of metropolitan areas (areas with concentrations over 300 thousand inhabitants) are the largest cities in the Czech Republic (Prague, Brno, Ostrava, Pilsen), including within their functional interior. Due to the concentration of the population and the partly common problems, the centers of Ústí nad Labem-Chomutov, Olomouc and Hradec Králové-Pardubice are added to these centers.

Thus, the use of the ITI mechanism in the Czech Republic is characterized by the following aspects:

- contributes to the objective of allocating at least 5% of the ERDF to sustainable urban development in the Czech Republic;
- it is implemented in metropolitan areas / agglomerations with at least 300 thousand inhabitants;
- receives funding from 4 ERDF operational programs and 2 ESF operational programs; there will be a part that will be classified in 2 operational programs financed by the Cohesion Fund;
- is focused on challenges in the following areas: transport, education and employment, social issues, application of research results, innovation and entrepreneurship, environmental protection and technical infrastructure;
- The Ministry of Regional Development offers national guidelines for an integrated territorial approach;
- The Ministry of Regional Development ensures the financing of ITI.
- Prague and Central Bohemia is one of the seven agglomerations that have been identified as ITI. An essential feature of ITI Prague and Central Bohemia is to combine a region of the „most developed” - the city of Prague, as well as its economic and administrative functions with one of the „least developed”, Central Bohemia - the hinterland. The metropolitan area of Prague has approximately two million inhabitants (i.e. one fifth of the population of the Czech Republic) living in 14 municipalities with extended authority. Prague hinterland has been classified into two categories (outer and inner hinterland), based on the links between municipalities and the capital.

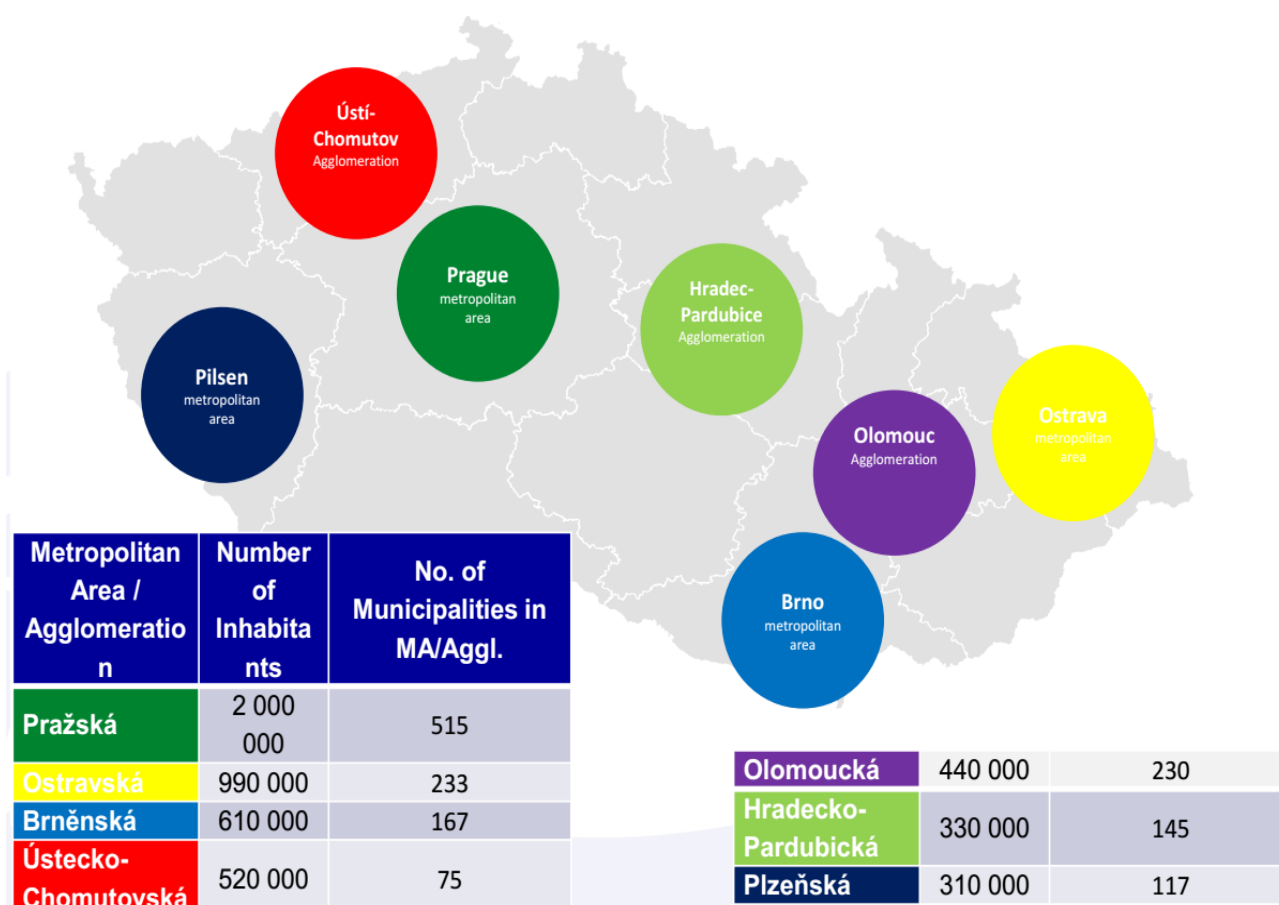


Figure 3. Distributing ITI in the Czech Republic

Source: Kubes, F. (2016), "The Support Framework for Sustainable Urban Development in the Czech Republic – the Implementation of ITI", presented during the Urban Development Network Workshop, Bucharest, available on

https://ec.europa.eu/regional_policy/sources/conferences/udn_bucharest_2016/pres_kubes.pdf

According to the Partnership Agreement, the following operational programs will be used for the implementation of Integrated Territorial Investments (CRG, 2014): Integrated Regional Operational Program (IROP), Operational Program Transport (OP T), Operational Program Environment (OP Environment), Operational Program Employment (OP Z), Operational Program Enterprise and Innovation for Competitiveness (OP EIC), Operational Program Research, Development and Education (OP RDE), Operational Program Prague - Growth Pole of the Czech Republic (OP PPR). ITI will be a prominent implementation tool in the sections of development plans for metropolitan areas and the largest urban agglomerations' (MRD of the Czech Republic, 2013, pp. 109-111). Territorial areas and themes may vary according to regional specificities and needs as defined in territorial strategies. The main areas are transport and mobility, education and the labor market, interconnection of research capacities and application of their outputs into practice, innovation and entrepreneurship, environment and public services (especially social, health and educational). In the area of transport and mobility, there are issues such as strengthening regional transport, where the core objective is to connect the core and hinterland, for example by building transfer terminals and P + R car parks (park & ride). Furthermore, the removal of traffic barriers and risks and the integration of public transport and other modes of transport. Social cohesion is aimed at ensuring sufficient capacity and quality of public services and protection against the social

exclusion of disadvantaged people or in the area of social housing. The environment supports activities such as quality air and water, the development of environmental-friendly transport, flood protection and the improvement of the system for collecting, sorting and reusing waste. In the field of education, ITI will significantly support the development of schools around large cities.

4.2. ITI DANUBE DELTA – A SPECIFIC TERRITORY

Through the Partnership Agreement with Romania 2014 - 2020 (2014RO16M8PA001.1.2), Integrated Territorial Investments (ITI), are described in Section 3.1.2, specifying that: "Romania will use the ITI instrument in the Danube Delta Biosphere Reserve as a priority" (RG, 2014).

The elaboration of the integrated strategy for this area started with the help of the World Bank and the competent local authorities; the strategy will be implemented through an action plan elaborated also with the help of the World Bank, which will include the proposed interventions and the implementation mechanisms, using all ESI funds (ERDF, ESF, Cohesion Fund, EARDF and EMFF).

ITI Danube Delta

The Danube Delta (Danube Delta Biosphere Reserve) is the second largest delta in the world and is recognized for its value on the environment and biodiversity.

The strategy covers the Danube Delta Biosphere Reserve and the surrounding areas, being made up of 38 local municipalities, comprising four small-medium towns and 33 rural centers. The area covered by the territory is approximately 7,200 km² with a population of approximately 184,000.

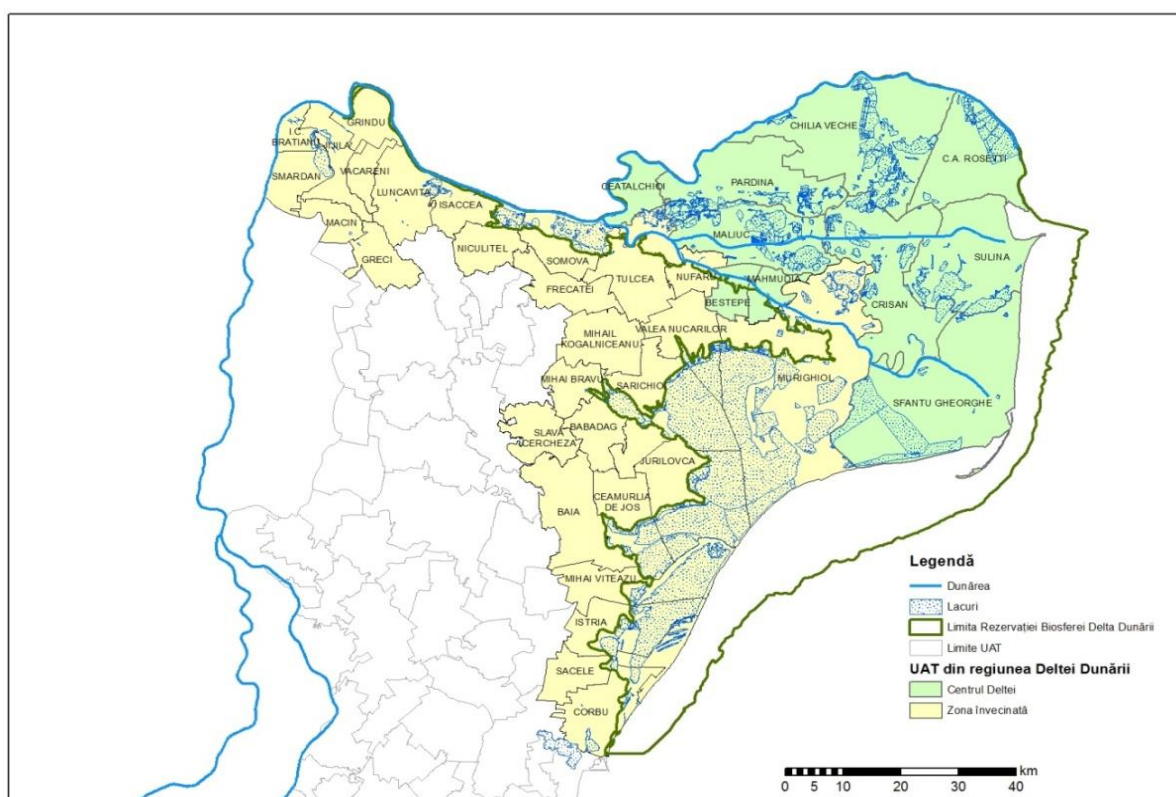


Figure 4. Territory covered by ITI Danube Deltas

Source: Romanian Government Decision no.602/2016, published in the Official Monitor no. 789, the annex Integrated Strategy for Sustainable Development for Danube Delta, p. 2, available on www.monitoruloficial.ro

There is a double challenge for the sustainable development of the Danube Delta, namely the preservation of its ecological assets and the improvement of the quality of life for its inhabitants.

The Danube Delta is the largest of the remaining natural deltas in Europe and one of the largest in the world. Also, the Danube sector here is the only river sector completely contained in a biosphere reserve. It is important to conserve all the ecological assets of this area.

The Danube Delta is perhaps one of the least populated regions in the temperate climate area of Europe, with a population of only 10,000 inhabitants in a single city (Sulina) and in the approximately 20 scattered villages. Life for the inhabitants of the heart of the delta is a challenge, and access to essential social and economic services is limited.

Delta is characterized by pronounced isolation and harsh life, mainly under subsistence conditions. Water transportation is often the only option to travel to and from destinations in the heart of the Delta. Compared to neighboring rural regions, this area has less access to basic services, such as water supply and sewage.

Health and education services are also constrained by the low level of accessibility and the declining population. The ecological importance and the economic and social challenges of this unique region made it necessary to develop an integrated development strategy to guide the sustainable development of the area.

With a budget dedicated to the territory it covers, of 1.1 billion euros from structural and government funds, ITI Danube Delta is practically Romania's largest investment project. The money comes through the same financing lines but the difference is made by the applicants' guides for the implementation of projects in the territory, tailored to local needs.

ITI Danube Delta provides financing for projects from all operational programs, including investments from the European Structural and Investment Funds: European Regional Development Fund, European Social Fund, Cohesion Fund, European Agricultural and Rural Development Fund, European Maritime and Fisheries Fund.

In the previous programming period, information on European funding was difficult for Delta people to access. In the current financial period, it was managed to find the correct information and get concrete support as a potential beneficiary. People were afraid of accessing European funds and they didn't know what they should do. Now, the situation is quite different. Many have understood how to do projects, how to proceed to get financing, what steps to take. Allocations are made on financing axes. So far, the largest allocation, of 200 million euros, is for the bridge over the Danube. Otherwise, there are small allocations, depending on the number of projects that were considered useful according to the needs of the territory specified in the Strategy,

The strategy is based on 5 pillars: 1. Protecting the environment and natural resources, 2. Improving the economy, 3. Improve connectivity, 4. Providing public services, 5. Promoting efficiency, accessibility and sustainability.

4.3. IMPLEMENTING ITI MECHANISM DIFFERENTLY – ITI PRAGUE AND CENTRAL BOHEMIA AND ITI DANUBE DELTA

Starting with the main characteristics of an ITI, namely a strategy, a territory and a governance mechanism, we made a comparison between the two ITIs in order to conclude which of two alternative options is better.

So, in terms of the strategy, and means of establishing it, the conclusions were as follows:

In case of **ITI of the Prague** Metropolitan Area, the first step was a Memorandum of Cooperation. Mayor Tomáš Hudeček and Governor Josef Řihák signed the City of Prague and the Central Bohemian Region Memorandum on the preparation of this Integrated Strategy on 19 June 2013. After a broad discussion with partners in the territory and with reference to relevant strategic documents of both key partners, the pillars of the future development of the territory and the solution of the key problems that may prevent this development were identified. These include transport and mobility, environmental quality and regional education.

On 22 January 2014, the Institute of Planning and Development of the City of Prague was entrusted with the creation of the Integrated ITI Strategy. For this purpose, it established the ITI Project Office, which is responsible for the support of the Steering Committee, methodological guidance and management of the preparation of the strategy, and coordination of negotiations with relevant ITI partners.

There were made important steps in contouring the strategy regarding the territory established to be subject of the ITI Prague and Central Bohemia, such as: definition of functional territory for ITI application (a functional area is represented by various types of territories encompassing a relatively large collection of mutual dependent areas, as stated in EU Cohesion Policy Report based on the Territorial Agenda (Böhme et al., 2011, p. 26)) ; socio-economic analysis; problem analysis; needs analysis.

The situation in the effective management of the territory is hampered by fragmentation in public administration and the dominant role of local governments, even in the case of major investments in the territory; and ineffective system of regional planning or regional administration of the territory. Taking into consideration the problems of Prague agglomeration, such as parking problems, insufficient capacity; Park and Ride systems; insufficient integration of public transport; Inadequate flow of watercourses and retention potential of the landscape; inadequate warning, reporting and warning systems; insufficient pre-school and school capacity facilities in Prague suburbs; outdated or inadequate equipment of schools for the needs of quality teaching and labor market links, basic ITI topics identified as pillars of the future development of the territory and the solution of key problems.

The identified problems and their solutions in the Prague metropolitan area were thus formulated into a vision and further into a global objective branching into priority areas and their targets. The vision for the Prague Metropolitan Area was formulated for time horizon 2023 and represents the desired future status to be achieved by implementing the strategy (Priority area 1 - Intelligent transport; Priority area 2 - Protection against natural hazards; Priority area 3 - Affordable and quality education).

The vision of the Prague Metropolitan Area represents a targeted and desirable future situation in the time horizon 2023 and in the subsequent period when the set objectives in the ITI Strategy will be fulfilled. The Prague metropolitan area is not a homogeneous and coherent space with common

features, but on the contrary it is a very concentrated area of Prague with accumulation of economic and administrative functions with a number of environmental problems, surrounded by a ring of residential facilities with requirements arising from dynamically growing population.

This situation raises requirements for adapting infrastructure capacities and offering services both in Prague itself and in its hinterland. Due to the intensive movement of inhabitants between Prague and the municipalities of the Central Bohemian Region, it is also necessary to adapt the infrastructure that interconnects the two territories. Last but not least, it is necessary to strengthen a coordinated approach in tackling flood-related issues, as it is an area interconnected by the main river basins.

The Urban and Regional Laboratory operating under the Faculty of Science, Charles University defined the territory of the Prague Metropolitan Area (PMO). The delimitation was done by triangulation of methods. Real data were also used in the form of data of mobile operators, by means of which the commuting links of the Central Bohemia Region and the City of Prague were monitored as well as the time spent in Prague by the inhabitants of the Central Bohemian Region.

Based on the analysis, the ITI strategy defines the problems and needs of a given metropolitan area that hinder its development and a coordinated development approach.

It defines the key priority areas and priorities funded by the European Structural and Investment Funds in the 2014-2020 programming period, namely the Operational Program Prague - Growth Pole, the Integrated Regional Operational Program and the Operational Program Environment.

Every ITI strategy has its bearer, which is always the city. In the case of the Prague Metropolitan Area (ITI PMO) it is specifically the Institute of Planning and Development of the City of Prague.

Unlike other metropolitan agglomerations that handle integrated territorial investments in the Czech Republic, in the case of PMO, it is not an integrated space with common features, but it is a very concentrated area of Prague with a combination of economic and administrative functions and a number of environmental problems, surrounded by a ring residential background with requirements arising from a dynamically growing population. This situation gives rise to requirements for the adaptation of infrastructure capacities and offer of services both in Prague itself and in its facilities. It is also necessary to adapt the infrastructure that interconnects the two territories.

In case of **ITI Danube Delta**, the situation is as follows:

Between June 2013 - December 2015, the Ministry of Regional Development and Public Administration implemented the project "The integrated strategy for sustainable development of the Danube Delta and its implementation through an integrated territorial investment", co-financed by the European Regional Development Fund through the Operational Program Technical Assistance 2007-2013, in cooperation with the World Bank, based on a Service Agreement signed in September 2013.

The main results of the project consisted in the realization of an integrated Strategy for sustainable development of the Danube Delta and in the foundation of the Integrated Territorial Investment that will be implemented in the ITI territory during 2014-2020.

Through the integrated strategy of sustainable development of the Danube Delta, the framework necessary for the process of planning the interventions that will take place in the Danube Delta area, with a time horizon of 2030, establishing the main directions of development on the sequence: vision - strategic objectives - pillars - domains - sectoral objectives - types of interventions.

The local authorities, although not directly involved in the development of the strategy, were consulted continuously in this process, contributing both to the analysis and in particular to the identification of the project portfolio. Representatives of companies, associations, NGOs and civil society also took part in the consultation, which mainly took the form of meetings at local level. Following the consultation, the draft strategy has been adjusted several times, in particular with regard to the priorities of the intervention and the project portfolio. Finally, the strategy was submitted for public consultation in the Strategic Environmental Assessment (SEA) procedure.

Consultation with local authorities was considered a challenging phase: local authorities often focus on their own interest on a small scale; the general interest represented by the strategic objectives and the special needs of the protected areas were to some extent difficult to accept for the local actors. For example, the Ministry attempt to provide a short list of key strategic projects for sustainable development of the area has failed. On the other hand, some local actions, for example related to large tourism infrastructure, have been rejected as they are not in line with the strategic objectives.

The strategy includes a chapter that describes the monitoring and evaluation system. Monitoring responsibility is shared locally, which will report every three months, in particular on financial procedures and procedural issues (for example, project implementation issues) and the Ministry, which will carry out the monitoring. general program. The strategy contains two sets of indicators: the first, comprising outcome and impact indicators to measure the impact of the overall strategy on the affected area (practically corresponds to Europe 2020 environmental and socio-economic indicators); the second, which is more detailed, contains output indicators at the level of the specific sectors of intervention. Base values and target values, however, are not quantified for any set. Also, an evaluation system was created.

The process of elaborating and approving the strategy was very long (it took more than three years). Repeated changes in the management of the local association during this period, as well as the complex inter-institutional architecture could have contributed to this situation.

In terms of choosing the territory, each ITI made it differently. So, **ITI Prague** had a serious research at the bottom of the chosen territory.

The delimitation of the metropolitan area was preceded by a search of theoretical and methodological approaches and an overview of the delineation of urbanized landscape in the hinterland of Prague based on different sources. This section serves mainly to argue for subsequent selection methods for the actual delimitation of the Prague metropolitan area.

The delimitation of urbanized areas is one of the long-term tasks of settlement geography and urban studies in general. While in the pre-industrial period the urban environment was clear bounded and separated from the rural background by the city walls, at present, the settlement system is characterized by a smooth transition of the urban in the suburban and suburban in the urban-rural continuum.

Thus, in the current scientific discourse and in the documents of the decision-making sphere, various forms appear rural typology (Perlín et al., 2010) or urban department, suburban and rural settlements (Ouředníček et. al., 2013).

However, the urban lifestyle in the form of so-called indirect urbanization makes it significantly more difficult delimitation of the urban and rural environment or urban and rural society.

According to Pahl (1970), in actual urbanized society, the city is „everywhere and nowhere” and cannot be clearly defined and bounded (Pahl, 1970). In a detailed view of the contemporary suburban settlements, for example, in the hinterland of Prague, it is clear that even within one suburban villages with new suburban construction side by side can reside households entirely different lifestyle and dependence on the core city (Doležalová and Ouředníček, 2006). It is therefore very difficult to decide whether such settlements as a whole are (sub) urbanized and, by nature, belong to a metropolitan area or not.

Large cities are currently hard to delimitate territories whose regional ones ties spread over large areas outside the city's administrative boundaries. Similarly, the regional settlement structure in the hinterland of Prague is organized. The constructional growth of Prague in the 19th century exceeded the medieval city walls and town houses 12 the population and the urban way of life have expanded into originally purely rural hinterland. Since then, the issue of defining the urbanized landscape in the hinterland of Prague is topical question in academic texts and for practical purposes, especially regional planning.

Prague's metropolitan area (PMO) is very specific because it includes two so-called region categories. Central Bohemia as a less developed region and the capital city of Prague (Prague) as a more developed region with different conditions for fulfillment the principle of thematic concentration and, inter alia, various requirements for co-financing activities. Specification of the main problem areas, respectively financing proposed the measure is thus limited in the possibilities of financing from the thematic operational programs, the Integrated Regional Operational Program and the Operational Program Prague - the growth pole of the Czech Republic.

The area covered by the Integrated Strategy for Sustainable Development of the **Danube Delta**, called the Danube Delta Region, comprises the Danube Delta Biosphere Reserve (DDBR) and its surrounding areas. The Danube Delta region comprises Tulcea, four cities (Babadag, Isaccea, Măcin and Sulina), 29 communes in Tulcea county (the total number of communes in Tulcea county is 46) and 4 communes (Corbu, Istria, Mihai Viteazu and Săcele) from Constanta county (RGD no 602, 2016, p. ix from the annex).

The territory is represented by a mixture of inhabited areas, with large demographic disparities, socio-economic and density issues. Communities are spread throughout the Reserve Biosphere (especially in the center of the Delta) and outside it (the surrounding areas), most areas having a high ecological value.

The Danube Delta region has a mixed functional structure, with diverse economic activities, which are operated in different sub-areas. The general economic profile is based on tourism, fishing activities and agriculture, which are closely linked to natural resources and to more diversified functions in urban areas, where most of the activities in the industrial sectors take place to services.

The degree of urbanization of the region is very low, taking into account demographic indicators and economic. The network of cities consists of a municipality and four small compact cities, each having a specific profile and character.

Regarding the governance mechanism, we reached to these conclusions:

In case of **ITI Prague**, the overall role of coordinating the integrated territorial instruments is the responsibility of the Regional Development Ministry, which is the managing authority for one of the POs that fund ITIs, and also four other national ministries that have management authority (MA) roles.

The main implementing body is the Prague City Hall, which acts as the holder of the ITI strategy. However, most of the tasks for implementing the ITI strategy were assigned by the Prague City Hall to the Prague Planning and Development Institute. Moreover, a special department was created within the Prague City Hall to act as an intermediary body for the ITI strategy (for ERDF-funded projects). The key partner in the implementation of the strategy is the Central Bohemian Region. The selection of operations is organized in two phases. First of all, the project files are taken into consideration. After identifying a set of projects that meet the call parameters, applicants complete the standard project applications. In the second phase, the integrated projects are selected. In the case of the Integrated Regional Operational Program (IROP) projects (ERDF), the ITI Intermediate Body, the IROP Intermediate Body and the MA are involved in the selection process.

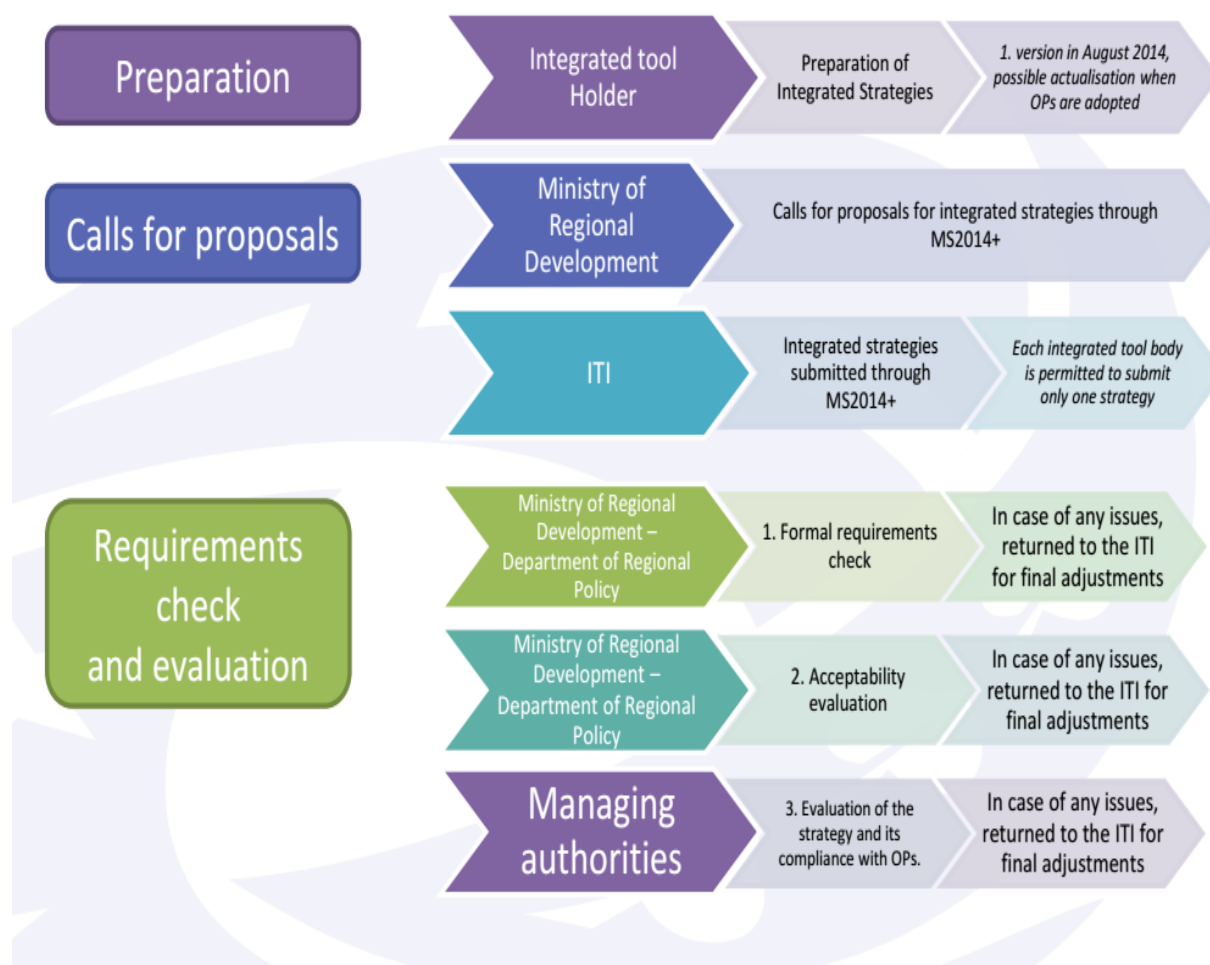


Figure 5. Implementing ITI in the Czech Republic

Source: Kubes, F. (2016), "The Support Framework for Sustainable Urban Development in the Czech Republic – the Implementation of ITI", presentation during the Urban Development Network Workshop, Bucharest, available on https://ec.europa.eu/regional_policy/sources/conferences/udn_bucharest_2016/pres_kubes.pdf

In case of **ITI Danube Delta**, the strategic coordination of European Structural and Investments Funds 2014-2020 (ESIF) will take place through the Coordination Committee for the Management of the Partnership Agreement (MPASC). Two subsequent levels of coordination, thematic coordination sub-committees and functional working groups will support the activities of the MPASC.

The ITI functional working group will ensure close coordination between all partners involved in the implementation of the ITI through an institutional coordination mechanism. Ministry of European Funds will act as a single point of contact between all parties involved in the implementation of the ITI mechanism, through a permanent secretariat.

The Inter-Community Development Association ITI Danube Delta (IDA ITI DD) has the main role of coordinating the different interventions that will be financed through the ITI Danube Delta and to ensure a technical support for all potential ESIF beneficiaries who initiate projects relevant to implementation of the strategy.

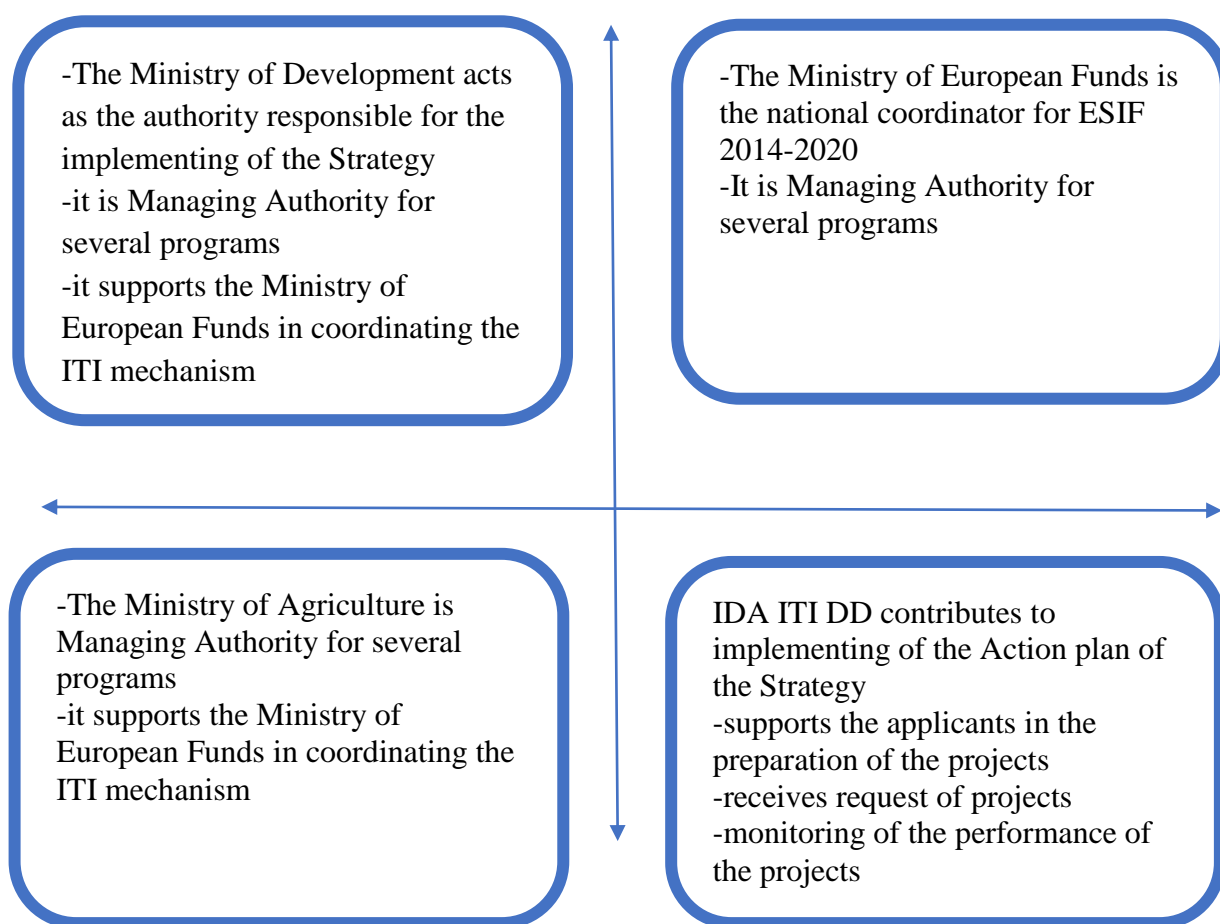


Figure 6. Responsibilities of the institutions in implementing the Strategy and ITI Danube Delta

Source: Adapted by the authors from the Integrated Strategy for Sustainable Development for the Danube Delta, approved by the Romanian Government Decision no. 602/2016, published in the Official Monitor no 789, p. 313

Once we established that the writing of the strategy completed a similar process in both cases, but the needs to fulfill were different because the chosen territory is not similar for the two ITIs, we proceeded in analyzing the key features of ITI Prague and ITI Danube Delta. The results are shown below:

Table 1. Key features of ITI Prague Strategy and ITI Danube Delta

ITI	ITI Danube Delta	ITI Prague
Type of strategy	Non-Sustainable Urban Development ITI	Sustainable Urban Development
Type of region	Less developed Region	More developed region
Implementing mechanism	Integrated Territorial Investments	Integrated Territorial Investments
Applied geographical area	Rural and intermediate region	Functional urban area/ metropolitan area
Planning horizon	2030	2023
The Strategy is new?	Completely new	Completely new
Size of the city	100.000-250.000 inhabitants	1,000,000 – 5,000,000 inhabitants
Surface covered	7,206.6 sqkm	5,000 sqkm
Funds involved	ERDF, EARDF, ESF, EMFF, Cohesion Fund Regional Operational Program (32,1% of the ITI Allocation) Large Infrastructure Operational Program (36,6% of the ITI Allocation) Rural Development National Program (15,1% of the ITI Allocation) Competitiveness Operational Program (5,4% of the ITI Allocation) Human Capital Operational Program (5,4% of the ITI Allocation) Fisheries and Maritime Affairs Operational Program (3,6% of the ITI Allocation) Administrative Capacity Operational Program (1,4% of the ITI Allocation) Technical Assistance Operational Program (0,4% of the ITI Allocation)	ERDF and the Cohesion Fund The Integrated Regional Operational Program (81% of the ITI Allocation) The Operational Program Growth Pole Prague (16% of the ITI Allocation) Operational Programme Environment (3% of the ITI Allocation)
Implementing body/structure	The Intercommunity Development Association – ITI Danube Delta – main activities in supporting the applicants The Ministry of Regional Development and Public Administration – responsible with the strategy	The City of Prague – responsible with the strategy The Institute of Planning and Development Prague – main activities in preparing and implementing

Source: the authors elaborationⁱⁱ

Furthermore, we analyzed the financial arrangements for both ITIs in question scaling it to the number of the inhabitants and spatially. These are the results we got after the analyze:

Table 2. Financial arrangements for ITI Prague and ITI Danube Delta

ITI PRAGUE			
Type of fund	Name of the fund	Value (millions)	EU contribution (millions)
ESIF	ERDF	202.966 euro	160.917euro
	Cohesion fund	6.373 euro	5.417euro
Other funds	-		
ITI DANUBE DELTA			
Type of fund	Name of fund	Value (millions)	EUcontribution(millions)
ESIF	ERDF	723.10 euro	614.64 euro
	Cohesion Fund	107.64 euro	91.49 euro
	ESF	76 euro	64.60 euro
	EMFF, EARDF	37 euro	31.45 euro
	EARDF	168 euro	142.8 euro
Other Funds	-		
Indicators		ITI Prague	ITI Danube Delta
Funds allocated to number of inhabitants		418 - 2,093 euro/person	4,446.96 – 11,117.40 euro/person
Funds allocated spatially		154,266.92 euro to 1sqkm	41,867.92 euro to 1 sqkm

Source: the authors elaboration

5. CONCLUSIONS

In conclusion we can say that using this new mechanism of integrated territorial investments is full of benefits. We mention these:

1. the existence of a structure in the territory that is close to the beneficiaries. There is in the administrative culture of the territory the perception of trust is higher in a structure that is of the same rank and in the same territory with him, who understands his problems being near him.
2. the structure having contact with all the programs, with all the Managing Authorities has the vision on everything that means ESIF financing, can make comparisons between programs, between what works well and where they are potential, and can propose improvement solutions.
3. providing an interface between the Managing Authorities that manage at central level and the local beneficiaries.
4. the involvement of these structures from the writing stage of the strategies gives them the advantage of knowing all the problems of the territory and where it must be reached with the implementation of the strategy.

On the other hand, there are several disadvantages, mentioned below:

1. the involvement of these structures is required more in the absorption of funds but their powers are limited, being not involved at all in the life cycle of a project.
2. not being part of the management system, makes it difficult for these structures to have access to the information from the electronic applications of the programs.

Given these facts, we consider that there are enough aspects to be improved. This is the reason why we consider that it is of use to make some improvement proposals:

1. Keeping the existing structure, possibly with increasing number of experts.
2. Giving increased powers; respectively the selection of projects
3. Open calls with continuous submission -correlating the projects between them and opening the calls in a logical order of the interventions (e.g. first water-sewerage, then road, then investments in educational, social, cultural infrastructure, etc., at the same time as financing the improvement of the administrative capacity of the personnel involved)
4. Monitoring the indicators of the strategy to be carried out on some measurable indicators, the data coming from each project, then to be aggregated, and the indicators referring to statistical data to be separated within the Strategy.

We consider that the post-2020 regulations should provide greater flexibility in thematic focus to avoid a situation where local strategies cannot use fully integrated approaches. A possible improvement could be a provision allowing the development of a priority axis dedicated to integrated place-based approaches, especially implemented by ITI. This priority axis could consist of multiple thematic objectives and could offer more flexibility than the current approach of extracting from multiple priority axes.

Also, one thing we think of great use is improved indicators for measuring the specific added value of strategies. For example, strategies effectively contribute to the goals of Thematic Objective 11, as they positively contribute to the development of governance frameworks. However, strategies cannot report their contribution, as in most cases TO11 is not included in the connected OP. A new legal framework should provide a more flexible approach in which strategies can relate the potential of this contribution to investment priorities, such as strengthening institutional capacity and the efficiency of public administrations and public services.

Evaluation should become an integral part of strategy implementation. The strategy should contain explicit evaluation plans. The responsible authorities need to consider different evaluation frameworks between the funds (both European and domestic).

Clearly, ITI offers significant potential for added value in the debate on future reforms. One would see an evolution towards more international and cross-border cooperation and become more experienced (CEMR, 2015, p. 9). Specifically, it has the potential to target development needs and issues and to project bottom-up responses with the active involvement of citizens and local institutions to ensure that "no person or region is left behind." It also has the potential to respond to localized shocks or unexpected developments through integrated packages that provide substances to action plans. However, it is necessary to design and implement strategies to be more "agile and flexible", to ensure that beneficiaries can access funds and deliver projects quickly, which involves a significant reassessment of regulatory requirements.

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ⁱ "Member States and regions are increasingly facing challenges related to the impact of globalization, environmental and energy concerns, population aging and demographic change, technological changes and innovation requirements, as well as social inequalities. Due to the complex and correlated nature of these challenges, ESI funds should support integrated, multi-sectoral and multidimensional solutions. In this context and in order to increase the effectiveness and efficiency of policies, it should be possible to combine ESI funds into integrated packages adapted to meet specific territorial needs. "

ⁱⁱ Data regarding the territory and population was extracted from the Strategies approved by the Government of the two member states. Data regarding the allocations of funds was extracted from each program approved by the European Commission. It is to be mentioned that all the allocations are indicative.