



THE INTEGRATED TERRITORIAL DEVELOPMENT TOOLS - A KEY COMPONENT OF THE EUROPEAN COHESION POLICY

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Abstract

The publication **aims** to study the implementation of the instruments for integrated territorial development in the EU in the context of the Cohesion policy. The research framework covers a literature review and a critical comment on the concept of the idea of introducing an integrated territorial approach to achieve convergence, emphasizing the applicable three territorial development approaches in the Member States: Community-Led Local Development, Sustainable Urban Development and Integrated territorial investments. Key conclusions are drawn, which are the result of an analysis of secondary data on the financial performance of the territorial development approaches for the 2014-2020 planning period. The authors focus on the specific challenges that the EU faces in measuring the effectiveness of the integrated territorial instruments in the new programming period. This study also puts an emphasis on the need for the development of a new generation of territorial impact assessment methods, instruments and indicators for measuring combined actions capable of evaluating the integration of EU. Based on an expert assessment of interrelationships, specific recommendations are made to over-come the challenges of implementing and monitoring of the instruments for integrated territorial development during the new programming period.

Keywords

Community-Led Local Development, Sustainable Urban Development, Integrated territorial investments, Cohesion Policy

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EDITORIAL

Theoretical and applied aspects of regional policy

Cohesion policy is a foundation in the philosophy of building the European Community. It implements investment instruments to reduce regional disparities within the Union, mainly through European Regional Development Fund (ERDF 43%) and Cohesion Fund (CF 13%)¹.

Authors such as Tödting & Tripl, Barca, McCann & Rodríguez-Pose outline in some of their scientific works a tendency towards deepening economic differences between EU countries and between their regions. Intervention instruments are not achieving the expected sustainable results in terms of economic growth²³. Past experience, however, shows that regional differences are not influenced in the most effective way, despite the efforts and financial resources, which only for the past planning period 2014-2020 amounted to 32.5% of the total Community budget (351.8 bln. euro)⁴. A study at the regional level of three key, interrelated economic indicators in Bulgaria as of 2018 (Income of Household; Employment; Population), clearly outlines the unevenness in the regional situation, which can be found in Fig. 1.

¹ Crucitti, F., N. Lazarou, P. Monfort, и S. Salotti. A scenario analysis of the 2021-2027 European Cohesion Policy in Bulgaria and its regions. JRC Working Papers on Territorial Modelling and Analysis No. 06/2021, S, JRC1262. Seville: European Commission, 2021.

² Tödting, F., и M. Tripl. „One size fits all? Towards a differentiated regional innovation policy approach.“ *Research Policy* 34, 2005: 1203–1219.

³ Barca, F., P. McCann, и A. Rodríguez-Pose. „The case for regional development intervention: Place-based versus place-neutral approaches.“ *Journal of Regional Science* 52(1), 2012: 134–152.

⁴ European Commission, „Scenarios for Integrated Territorial Investments.“ 2015. https://ec.europa.eu/regional_policy/sources/docoffic/official/reports/pdf/iti_en.pdf (отваряно на 7 2022 г.)

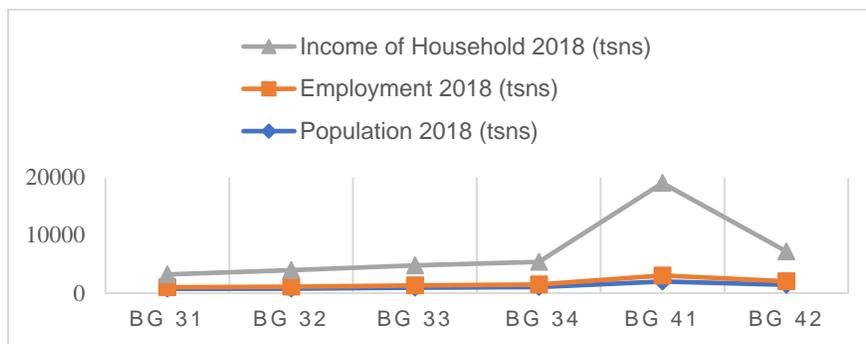


Fig. 1 Economic indicators NUTS 2 - Bulgaria
Source: Eurostat and DG REGIO (Cohesion Funding data)

One of the regions (BG 41) outstrips the other five NUTS 2 units in all three aspects, respectively, and this affects the GDP per capita for the period under consideration. At the next level, clear inequalities are also observed between northern and southern regions, with the former significantly lagging behind.

Such inequalities and uneven growth rates, both between individual national territorial units and between member states, together with the new challenges of the present, shape the need to adopt a new paradigm for regional development. With the adoption of the Europe 2020 Strategy in 2010, the European Union took its first steps towards changing its policies with an emphasis on more effective interventions, promoting dialogue between stakeholders and adopting a more integrated approach to development in general⁵.

One of the main changes in the EU's Cohesion Policy comes down to the application of impact instruments such as ITIs, which allow combining different sources of funding with a view to promoting the specific potential of a given territory. This bottom-up transformation in policy philosophy aims to provide adequate and maximally responsive support to the needs of a specific region. A number of authors explore the benefit that ITIs bring to the implementation of Community Cohesion Policy and outline the potential benefits and increased influence of local authorities in decision-making⁶.

In Territorial Agenda of the European Union some of the challenges are identified, which support the idea of the need to change the mechanisms used so far due to significant changes in the conditions and environment. Such are, for example, global economic crises, demographic and social problems in the Community,

⁵ Borisov, B., E. Parashkevova, Y. Gospodinov, и M. Stoyanova. „THEORETICAL AND CONCEPTUAL ISSUES OF THE DECENTRALIZATION OF REGIONAL DEVELOPMENT POLICY.“ International E-Journal of Advances in Social Sciences, 2022, 23: 445-455

⁶ Van Der Zwet, A., S. Miller, и F. Gross. „A First Stock Take: Integrated Territorial Approaches in Cohesion Policy 2014-20.“ European Policies Research Centre, University of Strathclyde, 2014.

globalization, climate change, etc.⁷. To those mentioned in the strategic document in 2020, the events of recent years such as Covid-19 and the war in Ukraine can be added, which have a huge impact on a global scale and require rapid adaptation to dynamic conditions.

The adoption of an integrated territorial approach to overcome challenges and differences in the context of achieving sustainable effects of Cohesion policy is recommended by international organizations such as the OECD, the World Bank and the European Commission. Recognized authors in their field such as Fabricio Barca, Andrés Rodríguez -Pose, Philip McCann, Franz Tödting, Michaela Trippel ect. support the concept as well. They draw attention to the fact that to achieve better results from the Union's cohesion policy, it is necessary that interventions are not defined by administrative boundaries, but by identified common challenges and potential for development. This concept focuses on providing support to the endogenous potentials of a certain territory in a long-term aspect through targeted cross-sectorial actions and a multi-level management system⁸.

During the 2014-2020 programming period, 20 EU countries adopted ITI as part of the integrated territorial approach. Nine of them use combined ERDF and ESF funding, and the country that benefited the most from ITI funding is Poland – 3.8 billion. Euro of total 13.8 bln. Euro⁹. Bulgaria introduces the integrated territorial approach in its policy during the program period 2021-2027, and in its preparation for this process, it amends the Law on Regional Development in 2020 and adopts Methodological Guidelines for the preparation of Integrated Territorial Strategies for the Development of Planning Regions of level 2 for the period 2021-2027. However, the voting and entry into force of the final versions of the Strategies itself has not yet happened now, which creates more and more risks for the quality implementation of the strategic documents.

Financial performance of territorial development approaches for the 2014-2020 program period in EU

Integrated territorial development was indicated by the European Commission as the main challenge for future European development, which was laid down in the reformed Cohesion Policy after 2013. Among the leading factors that have forced these changes are: globalization, climate change, energy security, social

⁷ Territorial Agenda 2020 - Towards an Inclusive, Smart and Sustainable Europe of Diverse Regions.“ 2011. https://ec.europa.eu/regional_policy/sources/policy/what/territorial-cohesion/territorial_agenda_2020.pdf (отваряно на 2022)

⁸ Barca , F. An agenda for a reformed Cohesion Policy, A place-based approach to meeting European Union challenges and expectation. Independent Report for DGRegio. Brussels: European Comission, 2009.

⁹ Kociuba, D. „Implementation of integrated territorial investments in Poland – rationale, results, and recommendations.“ QUAESTIONES GEOGRAPHICAE 37(4), 2018.

vulnerability and environmental vulnerability¹⁰ which local communities must take into account when developing the potential of the territories they belong to. In this regard, 10 years later, an essential role is played by European structural and investment funds (ESIF), which financially secure this part of the European cohesion policy. In its implementation in the last, two program periods 2014-2020 and 2021-2027, three territorial development approaches are applied: CLLD, SUD and ITI. Their application during the past program period in the member states provides a basis for deriving good practices and opportunities for improving the approach with a view to achieving higher efficiency in spending European funds in the future.

CLLD is the successor in the 2014-2020 program period of the so-called LEADER approach of financing, the focus of which is mainly rural areas. In the 2014-2020 program period and the new program period, this approach has expanded its scope, reaching urban communities as well. A distinctive feature, compared to the others, is that it is based on clearly defined target territories, where representatives of public and private local socio-economic interest implement strategies for local development.

ITIs are another tool that complements CLLD, directing funding not only to small target territories, but also to large areas (NUTS III, metropolitan areas), resp. and macro projects. Given the scale of its application in ITIs, organized civil society is not as involved as in the community-led local development micro-scheme¹¹. The latter is seen as a negative feature in the context of the European Cohesion Policy and the new program period envisages that the instrument to be modified, giving more opportunities to local communities regardless of size.

The third pillar of integrated territorial development approach, implemented through the European cohesion policy, is SUD. According to European Commission data, Europe's urban areas are home to over two-thirds of the EU's population, which justifies the application of an instrument summarizing the common interests of local citizens, civil society, industry and various levels of government. The new program period continues the implementation of the priorities for urban development from 2014-2020 program period: Smarter, Greener, Connected, and Social Europe, adding a new goal: bringing European citizens, communities and institutions closer both horizontally and vertically¹².

¹⁰ Ferry, M., S. Kah, и J. Bachtler. „Integrated territorial development: new instruments - new results?“ IQ-Net Thematic Paper 42(2), 2018.

¹¹ Ferry, M., S. Kah, и J. Bachtler. „Integrated territorial.....“

¹² Pavlova-Banova, M., D. Kostov, E. Ovchinnikov, Ts. Pavlov, A. Aleksandrova, и M. Stoyanova. „Aspects of financial integration in the context of regional development policy.“ 24th RSEP International Conference on Economics, Finance & Business – Virtual/Online. Vienna: RSEP, 2022. 137-148.

The mentioned three territorial development approaches have been successfully implemented in the member states during the past program period with different significance in individual countries. In the course of the development of the Covid-19 pandemic, which had an impact on all aspects of public and social life¹³, some of the countries did not apply Integrated Territorial Investment (ITIs) as a tool for territorial development, incl. and Bulgaria. The application of the instrument is expected to start in the new programming period, which is seen as another opportunity to overcome the negative consequences of the pandemic. The financial dimension of the investments made for the period 2014-2020 is EUR 44 305 million or 8.4% of the total European budget for the relevant program period. The share of the attracted resource varies, but not less than 3% of the allocated European budget of each member state for the period. Appendix 1 shows that the territorial dimensions of integrated development are highest in the Czech Republic, The Netherlands and Germany, which apply all three territorial approaches to development (CLLD, SUD and ITI). The Czech Republic directs 27.6% (EUR 25 775 million) of its European funding towards integrated territorial development, contributing to the creation of higher added value, quality services, modern infrastructure, etc. The fact that the investments made for integrated territorial development amounted to 0.53% of the created GDP in the country for the relevant period is also indicative in this regard, with significantly lower values for the other countries. According to the authors' calculations, the only comparable values in this case are those of Cyprus and Bulgaria, which allocate respectively 0.78% and 0.30% of the created GDP in this direction. The latter two countries, however, did not use ITIs during the past program period, which distinguishes them from the group of countries using the full potential of the instruments for integrated territorial development. Appendix 1 presents the distribution of the member countries according to the locally applicable instruments for integrated territorial development. Three groups of countries are distinguished: those using all three instruments, others that do not use ITIs, and others that do not apply SUD or it is implemented through ITIs.

The most important for the study are the countries that successfully introduced the approach already at the beginning of the past program period and resp. have managed to apply the full potential of the tools. These are 12 member countries: Belgium, Czech Republic; Germany, Spain, France, Italy, Portugal, Romania, Sweden, Slovenia, Slovakia and UK. Examining their budget parameters, it is found that 5 of the 6 EU funds provide their financial framework: EAFRD, ERDF, ESF, EMFF and CF. In the majority of cases CLLD budget funds come from several

¹³ Zahariev, A., и др. „THE BANK INSOLVENCY: FROM LEHMAN BROTHERS TO COVID-19.“ INTERNATIONAL REMARKS AND NATIONAL PECULIARITIES Economic and Social Development(58), 2020.

different funds (e.g. Germany) and in others single fund financing (Belgium) is applied, in which case the financing is provided by the EAFRD. Regarding SUD, it also applies as single fund financing as well as multi fund financing. In the first case, financing is provided by EAFRD (Romania) and ERDF (Germany and Sweden). For multi fund financing, ERDF has the most significant contribution, as part of the investments are provided with the support of ESF and EARDF. Regarding ITIs, it can be concluded that depending on the type of economy being financed, different funds gain priority. ERDF participates in the financing of all countries of the analyzed group, while ESF and EARDF are present only in selected member states. Only in Romania are ITIs also financed through the EMFF, although other member countries have access to the fund. The Integrated Territorial Investment mechanism (ITI) was implemented in Romania to the territory of ITI Danube Delta in the 2014-2020 programming period¹⁴ and during the short time of their application; problems of the rural areas within the same territory were successfully solved by means of the instrument. In this sense, the country can be cited as an example of good practice in the utilization of funds for integrated territorial development, using the full potential of the instruments.

The second group is formed by the member states that use only two of the three applicable territorial approaches, in the case of SUDs not participating. The countries Finland, The Netherlands, Croatia, Lithuania and Luxembourg are included here, which direct 4 to 10% of European funding to other territorial development approaches. In fact, each country adopts a Partnership agreement, which indicates the future actions related to the strategic planning in the country for the respective program period, confirming the applicable instruments and the relevant funding funds. By the end of July 2022, according to European Commission data, 14 of the member states, including Bulgaria, have already adopted this strategic document for the shared use of EU funds. The timely legislation of these relationships not only guarantees access to European financial resources, but also allows the relevant member state to implement the instruments for integrated territorial development from the very beginning of the new program period.

The last group of countries are united by the fact that they do not use ITIs in the context of European cohesion policy during the past program period. It is about 9 member states, which distribute among themselves EUR 6326, 8 million with direction of integrated territorial development (Austria, Bulgaria, Cyprus, Denmark, Estonia, Greece, Hungary, Ireland, Malta). When examining their budget parameters, it is established that 4 of the 6 EU funds provide their financial

¹⁴ PROFIROIU, A. G., C. C. NASTACĂ, și M. Caraman. „Perceptions on the Implementation of the Integrated Territorial Investment Mechanism (ITI) and Its Impact on Sustainable Development and Resilience of Danube Delta.” *Transylvanian Review of Administrative Sciences*(Special Issue), 2021: 104-126.

framework: EAFRD, ERDF, ESF and EMFF. In each of the cases, CLLD budget funds are received based on multi-fund financing, with a certain leading role of the EAFRD and a complementary one of the ESF and EMFF. Regarding SUD, single fund financing is applied more often than multi fund financing. In the first case, the funding ensures the ERDF for all countries applying this funding method. In fact, only Bulgaria and Greece used multi-fund financing during the past program period, and in both cases the ESF partially financed investments for urban development, resp. has a complementary role in this process. A special feature here is the presence of the EMFF, which provides investments for urban development only in Hungary.

Table 1 gives us a clear idea that the member states in the third group actively use both territorial approaches to investment. Excluding Malta, 5 to 10% of the European budget is allocated in this direction, demonstrating a strong commitment to realizing progress in achieving economic, social and territorial cohesion between all EU regions. It should be noted that the use (or not) of ITIs does not complete the possibilities for integrated territorial development of a given region, given the fact that there are other possible means of investment in this direction. Some of the countries, in fact, have already taken actions to fulfil the requirements for applying the ITIs mechanism in the new program period. In this way, another prerequisite is created in the conditions of deepening processes of public sector decentralization in countries as Bulgaria, for the integrated territorial approach to managing regional development to expand its significance, contributing to solving the existing problems of local level¹⁵.

Table 1. Distribution of EU Member States according to applicable territorial approaches for the 2014-2020 program period

	MS	Territorial dimension amount ¹⁶	Share of total EU budget ¹⁷	Share of GDP ¹⁸	Applicable territorial approaches	Sources of funding
Group 1	Belgium	293,4	9	0,11	CLLD	EAFRD
					SUD	ERDF, ESF
					ITI	ERDF
	Czech Republic	7113,9	27,6	0,53	CLLD	CA, ERDF, ESF, EAFRD
					SUD	ERDF, ESF

¹⁵ Pavlova-Banova, M., и A. Aleksandrova. „FINANCIAL RESOURCES OF MUNICIPALITIES IN BULGARIA AND EUROPEAN UNION COUNTRIES.“ International Scientific Conference Globalism, Regionalism, Security. Sofia: UNWE Publishing complex, 2021. 65-76

¹⁶ The values are in EUR millions for the period 2014-2020

¹⁷ The values are in percentages, measured on the basis of the total EU budget for the period 2014-2020

¹⁸ The values are in percentages, measured on the basis of total GDP for the period 2014-2020

					ITI	ERDF, CF
Germany	4077,24	12	0,02	CLLD	ERDF, ESF, EAFRD, EMFF	
				SUD	ERDF	
				ITI	ERDF, ESF	
Spain	4935,24	9	0,06	CLLD	ERDF, ESF, EAFRD, EMFF	
				SUD	ERDF, ESF	
				ITI	ERDF, ESF	
France	3588,4	10	0,02	CLLD	ERDF, ESF, EAFRD, EMFF	
				SUD	ERDF, ESF	
				ITI	ERDF, ESF, EAFRD	
Italy	4902,32	8	0,04	CLLD	ERDF, ESF, EAFRD, EMFF	
				SUD	ERDF, ESF	
				ITI	ERDF, ESF	
Portugal	1730,28	6	0,13	CLLD	ERDF, ESF, EAFRD, EMFF	
				SUD	ERDF, <i>ESF</i> ¹⁹ , <i>EARDF</i>	
				ITI	ERDF, <i>ESF</i> , <i>EARDF</i>	
Romania	2464,49	7	0,19	CLLD	ERDF, ESF, EAFRD, EMFF	
				SUD	EAFRD	
				ITI	ERDF, ESF, EAFRD, EMFF	
Sweden	415,35	9	0,01	CLLD	ERDF, ESF, EAFRD, EMFF	
				SUD	ERDF	
				ITI	ERDF	
Slovenia	225,7	5	0,07	CLLD	ERDF, EAFRD, EMFF	
				SUD	EMFF, ESF	
				ITI	EMFF, ESF	
Slovakia	1655,6	10	0,28	CLLD	EAFRD, ERDF	
				SUD	ERDF, ESF	
				ITI	ERDF, ESF	
UK	980,76	6	0,01	CLLD	ERDF, ESF, EAFRD, EMFF	
				SUD	ERDF, ESF, EAFRD	

¹⁹ Funds marked in *italic font style* are partially used for financing

					ITI	ERDF, ESF, EAFRD
Group 2	Poland	3643,8	4	0,11	CLLD	EAFRD and the EMFF
					ITI	the ERDF and the ESF
	Finland	246,65	5	0,02	CLLD	EAFRD, EMFF
					ITI	ERDF
	Croatia	483,64	4	0,14	CLLD	EAFRD, EMFF
					ITI	ERDF, ESF
	Lithuania	746,72	8	0,25	CLLD	EAFRD, EMFF, ESF
					ITI	ERDF, ESF
	Luxembourg	28,44	9	0,01	CLLD	EAFRD
					ITI	ERDF
The Netherlands	446,56	16	0,01	CLLD	EAFRD	
				ITI	ERDF, ESF	
Group 3	Austria	400	6	0,02	CLLD	ERDF, EAFRD
					SUD	ERDF
	Bulgaria	1111,7	10	0,3	CLLD	ERDF, ESF, EAFRD, EMFF
					SUD	ERDF, ESF
	Cyprus	98,28	9	0,78	CLLD	EAFRD, EMFF
					SUD	ERDF
	Denmark	210,3	10	0,01	CLLD	EAFRD, EMFF
					SUD	ERDF
	Estonia	242,75	5	0,15	CLLD	EAFRD, EMFF
					SUD	EAFRD
	Greece	2488,2	10	0,2	CLLD	ERDF, ESF, EAFRD, EMFF
					SUD	ERDF, ESF
	Hungary	1355,65	5	0,15	CLLD	ERDF, ESF, EAFRD
					SUD	EMFF
	Ireland	389,79	9	0,02	CLLD	EAFRD, EMFF
					SUD	ERDF
Malta	30,06	3	0,04	CLLD	NA	
				SUD	NA	

Source: Author's interpretation of national documents and Annex 2 to the Final Report on Project Background study for the Preparation of the Implementation Structure for the 2021+ Period [24]

Challenges and recommendations to the monitoring and evaluation of the integrated territorial approach

The European Committee of the Regions in its opinion "Territorial Vision 2050: What Future?"²⁰ calls for more clarity on the Territorial Agenda post-2020. The challenges that the European Union will face in the next 30 years in terms of social and economic development, raised by regional differences are the focus of policy makers. Cohesion policies and interventions do not sufficiently address economic and social fragmentation. Spatial interrelationships in social and economic development affect regions differently. Positive and negative externalities are increasing and regional differences are becoming more critical. Against this background, policy decisions increasingly go beyond administrative boundaries, but there is a significant mismatch between geographic impact and political competence and scope. Within the Community, multi-level governance is not at the required performance of functionality.

Measuring the effectiveness of integrated territorial investments requires the development of new methods and tools for impact measurement. This is caused by the fact that Integrated territorial strategies e.g. Integrated Territorial Investments, combine different in type and structure Funds and thematic objectives, which creates multiple challenges when measuring their effectiveness.

The effectiveness evaluation of the integrated territorial approaches 'implementation is a crucial component that functions as a foundation for making in-formed political and management decisions for the Cohesion Policy of the Union²¹. The EPSON's Policy Brief "Indicators for integrated territorial and urban development" defines the following most significant determinants in the creation and selection of appropriate tools for measuring the effectiveness of the applied integrated territorial approaches:

- Actual content, territorial coverage, budget and scope of the integrated strategies;
- Purpose of the indicators – measuring achievements/impact in territories and populations versus
- Measuring direct performance of EU-funded programs and projects;
- Data availability issues, which place constraints on what can be measured;

²⁰ European Committee of the Regions. „Opinion of the European Committee of the Regions – Territorial Vision 2050: What future?“ 2015. <https://www.espon.eu/sites/default/files/attachments/Synthesis%20report%20Sofia%202018.pdf> (отваряно на 29 07 2022 г.).

²¹ Truskolaski, T. „Integrated Territorial Investments as an Instrument of Urban Policy: The Case of the Bialystok Functional Area.“ European Research Studies Journal Volume XXIII Issue 3, 2020: 757-772.

- Administrative capacity of the managing institutions as well as leadership in prioritizing evaluation aspects²².

Precise measuring of the effect of integrated approaches applied requires a specific combination of quantitative and qualitative indicators. Mark Friedman proposes results-based accountability (RBA) in his paper Results-based Accountability: Producing Measurable Improvements for Customers and Communities²³. In the last few years, more and more RBA has been implemented in the new assessment and monitoring tools of the integrated territorial approach. Results-based Accountability emphasizes the quality of life conditions of the entire system. The integration of the RBA method to measure the effectiveness of the applied territorial approaches is the focus of various agencies and administrative management structures. They identify indicators and create baselines, but also consider best practices, action plans and budgets to be implemented, monitored and continuously improved. Concerning the new programming period and the significance of the integrated territorial investments, the emphasis in the debate on evaluation tools is shifting to ITIs.

The integrated indicators for measurement and evaluation must take into account the impact of integrated territorial investments, as a prerequisite for this is that the instruments are proportionate and flexible incl. to take into account significant variations. In addition, new methods and tools should be user-friendly and customizable to be able to capture qualitative and quantitative knowledge²⁴. Finally yet importantly, they must be realistic, financed through appropriate grants and technically supported.

To determine, however, only evaluation indicators is not enough. It is necessary to create a specific model that is flexible enough to allow the application in evaluation of results from different integrated projects with different impacts. In order to achieve a real assessment of the impact of the implementation of integrated territorial investments, it is important to go through the strategic and operational level of the process in sufficient depth first, and then move on to building the specific design of the assessment.

Given the emphasis, put on integrated territorial investments within the new programming period, the focus on the development of new policies and actions at the regional and local levels should be placed precisely on ITIs. In this context, it would be necessary to implement a more effective system for shared and centralized

²² ESPON. „Indicators for integrated territorial and urban development, Policy Brief .“ 2018. https://www.espon.eu/sites/default/files/attachments/Policy%20Brief%20Indicators%20for%20integrated%20development_ (отваряно на 20 7 2022 г.)

²³ Friedman, M. Results-based Accountability: Producing Measurable Improvements for Customers and Communities. Organisation for Economic Co-operation and Development, 2009.

²⁴ Gramillano, A., P. Celotti, G. Famili, B. Schuh, и M. Nordstrom. Development of a system of common indicators for European Regional Development Fund and Cohesion Fund interventions after 2020. Luxembourg: Directorate-General for Regional and Urban Policy,, 2018.

management of policies and initiatives to multiply the effect and strengthen the impact of applied ITIs. This is achievable through a program combination and systematic efforts implied in the new program period of the EU, in the direction of grounding a sustainable practice in the field of implementation of integrated territorial investments. The next step is to improve the flexibility of financial instruments and meet the need for innovative management solutions for integrated territorial investments' implementation. Through them, the available financial, intellectual, environmental and industrial capital will grow and generate benefit, which is a result of the policies and interventions carried out through the instruments for territorial development, and more specifically, the integrated territorial investments.

Conclusion

The deepening of regional differences in recent years in the EU has gradually shaped the need for a change in the approach and tools for impact. During the 2014-2020 program period, the Community begins to implement an integrated development approach and develops a new strategy to achieve the goals of the Cohesion Policy. Its essence is expressed in the "setting" of the direction by the national authorities by outlining in advance the parameters that will be required to be covered in order to ensure compliance with the objectives of the sectorial policy. In the foreground are the identified general needs and potential of a certain territory. Cooperation and close liaison with stakeholders is encouraged.

Measuring the effectiveness of the integrated territorial instruments in the new programming period faces specific challenges, which are due to the multi-thematic and multi-fund integrated approaches, the clash between the thematic concentration and the territorially integrated approach. To a significant extent, territorial cohesion policy and territorial approaches are defined by the strong emphasis that the European Union places on integrated territorial investments and their implementation, as well as the expectation that this will result in mitigating fragmentation. It depends on the development of a new generation of territorial impact assessment methods. It is crucially important for the future, to de-fine indicators for measuring combined actions capable of evaluating the integration of EU-funded projects, initiatives and measures.

The adoption of the integrated territorial approach challenges the countries with the need to adapt adequate methods for assessing the impact of the implementation of ITI, as the accumulated knowledge in this regard allows strengthening regional convergence

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