

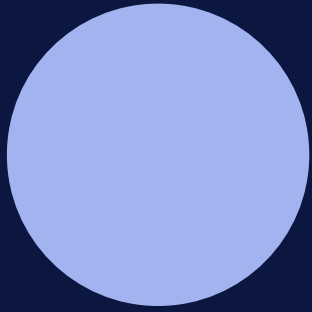


EUROPEAN UNION

Co-financed by the European Regional Development Fund

Inspire Policy Making with Territorial Evidence

// Measuring the progress towards territorial cohesion: a TIA application to the regional development programs (Territorial Cohesion, TIA, regional capacity building in spending)



Policy question

*exciding disparities across
European regions depends from
capacity building in spending*

Theoretical Postulate

*capacity building in spending is
influenced from TC and viceversa*



Bridging the gap

Challenge toward to post 2020: exciding EU regional disparities making effectiveness regional spending in the Cohesion Policy (CP) funds (Investment Bank stimulus), as the main pre-conditionality factor implementing Territorial Cohesion (TC) and *viceversa*

Technical and territorial pre-conditions (EU reached targeted level) reflect advancements in the TC as expected benefits on local economic development

- ***How establishing a coherent relation between needs in different territories and the regional capacity building in CP funds spending, in order to estimate the achieved level of pre-conditionality (prograss) to be included in the post 2020 programming?***

Functional Regional Typologies (FRTs) are required to this scope (CEMAT, 2017) and place based comparative analysis

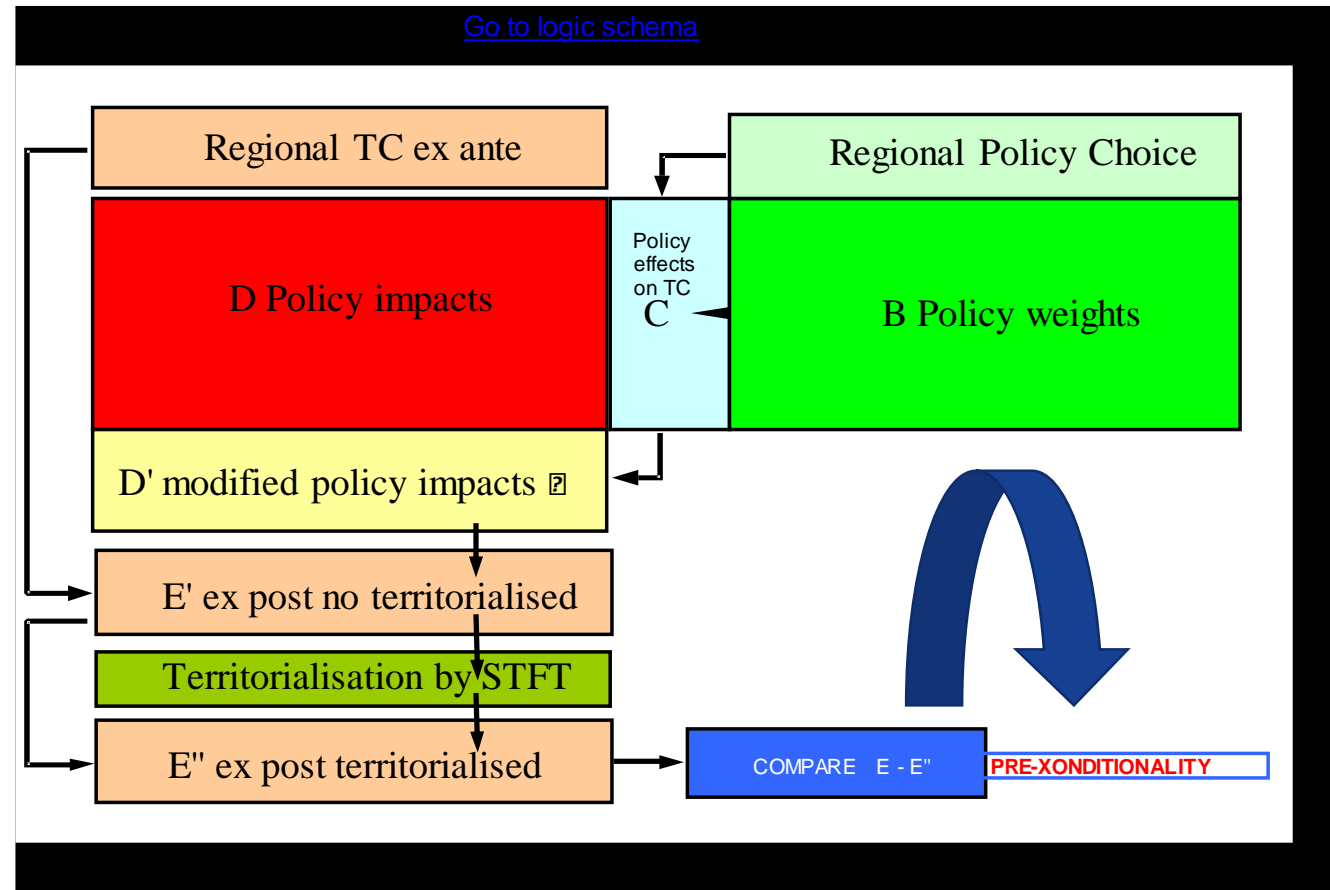
Obstacles to the capability in an efficient spending, able to increase the Territorial Cohesion, can be identified analysing the EU Regional Operational Programs (ROPs) and spatial planning (Farinos, 2018; Prezioso, 2018):

- i) difficulty in the policy elaboration process to catch the development real needs;
- ii) consequent difficulty in the selection of appropriate beneficiaries of local investments;
- iii) limited involvement of territorial stakeholders and citizens;
- iv) use of unsuitable (no place-based) expenditure monitoring system;
- v) lack of well suited territorial assessment tools;
- Place-neutral approaches (macroeconomics and business economics theories) vs place-based approaches (economic geography approaches)
- Empirical and targeted regional studies (e.g. by ESPON): economic-geographical diversity, as well as the choice of the assessment tool, make the difference in the estimation of cohesive regional investments in all policy sectors (infrastructure, R&D and human capital, Climate Change mitigation, etc.)

How to estimate the TC initial value and the *incremental positive TC* (□), as effect induced by policy action and related spending?

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Original TIA methodological approach (STeMA) (calculus)



Source: Prezioso 2011, revised 2018

Sustainable Territorial environmental/economic Management Approach (STeMA-TIA)

- **'SMART' process**
- **A logical combination of selected indicators related to the funds spending at different geographical scales**
- **By selecting and measuring effects coming from spending related to policy choices, the impact on TC is calculated**
- **By ex ante and ex post territorialised assessment process**
- **Working on Systemic Territorial Functional Typologies (STFTs) directly related with the initial TC value.**
- **STFTs are the basis of a quali-quantitative systemic analysis and impact assessment of policy components (Europe 2020 pillars and flags) related to regional investments (ROPs)**

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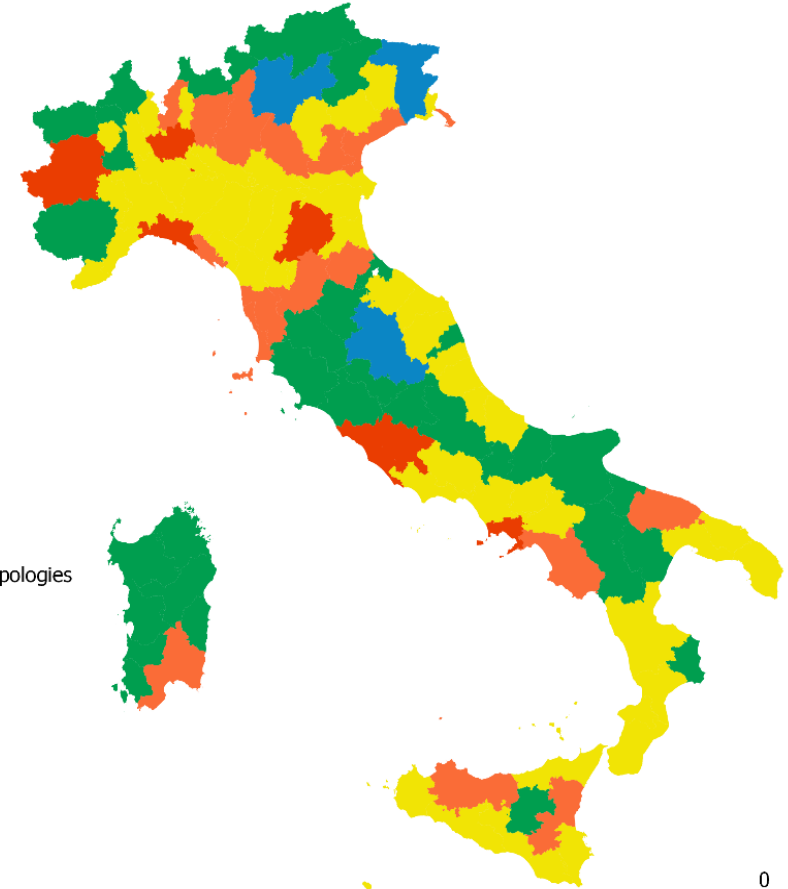
7 STFTs as basis of the STeMA TIA 3.0 (Prezioso, 2018)

Legend

Systemic Territorial Functional Typologies

- STFTs 1
- STFTs 2
- STFTs 3
- STFTs 4
- STFTs 5
- STFTs 6
- STFTs 7

Regional level: NUTS 3 (2016)
Origin of data: Maria Prezioso
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0 100 200 300 km

Regional/sub-regional TC level within the 7 STFTs 2018

is the result of:

- combining of 7 typologies by STeMA (Prezioso, 2003, 2006, 2011) reviewed taking into account 4 typologies of territories with geographical diversity (ESPON, 2016), 4 typologies of Inner Periphery and 5 FRTs (ESPON, 2017)

TC in STFS is:

- the capability to valorise the local territorial capital
- **quality, efficiency and identity of territorial systems and their cooperative interrelations.**
- ability to arise socio-territorial and governance models, by joining shared principles

TC measure influences the spending capability, helping the match of local needs and political goals.

1. **MEGA and Metropolitan Systems** in 4 different morphological typologies, with high urban influence and transnational/national functions able to make cooperation between cities (or city parts) at regional, national, transnational level
2. **High Urban influence Systems** in 4 different morphological typologies, with transnational/national specialised functions able to make urban-rural cooperation between interconnected areas at regional, national, transnational level
3. **High Urban influence Systems** in 4 different morphological typologies, without specialised functions and low transnational/national functions, able to make rural cooperation between authorities in interconnected areas at regional, national, transnational level
4. **High Urban influence Systems** in 4 different morphological typologies, without specialised functions and transnational/national functions, not able to make rural cooperation between at regional, national, transnational level
5. **Low Urban influence Systems** in 4 different morphological typologies, with transnational/national specialised functions able to make rural cooperation between interconnected areas at regional, national, transnational level
6. **Low Urban influence Systems** in 4 different morphological typologies, with regional/local functions, not able to make rural cooperation between interconnected areas at regional, local level
7. **Low Urban influence Systems** in 4 different morphological typologies, without specialised functions and transnational/national functions, not able to make rural cooperation between at regional, national, transnational level.

4

STeMA TIA application to Regional Operational Programs (ROPs) to assess the pre-conditionality in Italy (mid-term analysis)

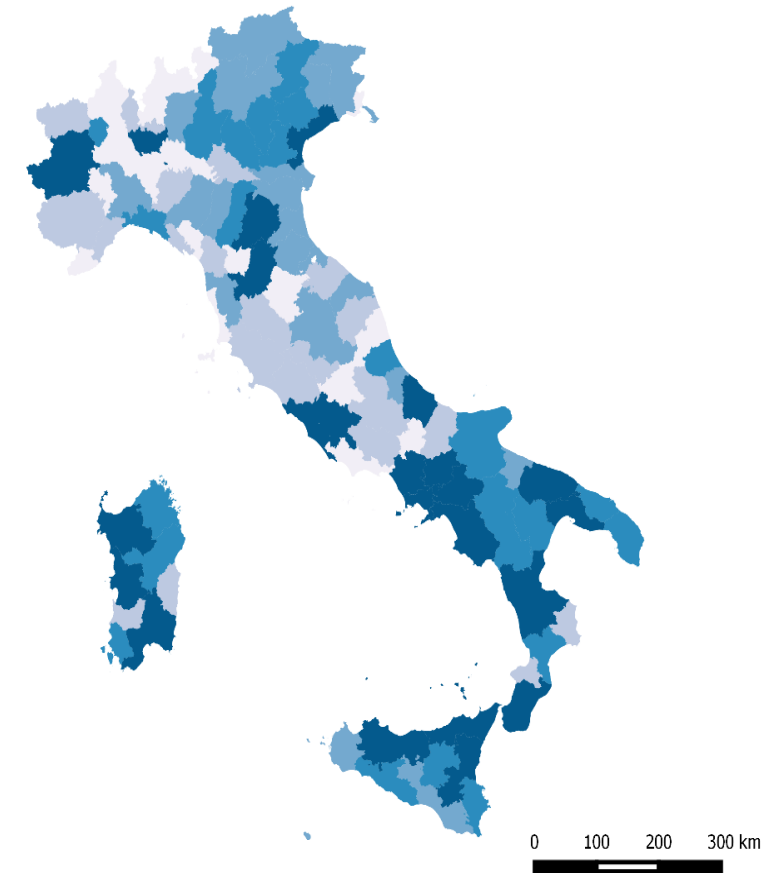
Legend

Programming period 2014-2020

- 10.048.066 - 24.973.729
- 24.973.729 - 59.075.581
- 59.075.581 - 107.566.976
- 107.566.976 - 283.312.225
- 283.312.225 - 3.069.268.890

(in €, at 31 october 2018)

Regional level: NUTS 3 (2016)
Origin of data: Opencoesione 2018
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- Impact of spending level (in absolute value) related to ESIF in Italian regions and provinces: does not reinforce (institutional mission) TC when investments are not place-based
- Some regions have high spending performance in absolute value (metropolitan regional cities and some coastal zones) increasing TC at *urban level* but **not** at *territorial level*
- The low ability in spending is confirmed in some mountain zones and in isolated rural areas. TC is not increased (**rispetto a?**)
- The fragmented North-South diagonal area demonstrates that the regional capacity is independent from the geographical localisation.
- Provinces more participating in cooperation projects have higher TC and reinforce the regional capacity

Impacts by the STeMA-TIA application:

Some previous STFTs are able to influence the spending capacity, also by involving neighbouring territories, and to increase TC.

The territorialised spending produces, in some cases, a high level of local investment, and a medium-low impact: for example, the High Urban influence Systems without specialised functions and low transnational functions (STFT Type 3) influence the potential effect of a high regional capability in spending.

Type 3 areas are closer to Metropolitan cities, they are often excluded from the direct participation in cooperation projects, also if they indirectly benefit of the metropolitan advantages 'per contact'.

Several 'localism' systems emerge, which remain isolated failing to interconnect with a transnational policy level.

It means regions should involve more interdependent and contiguous systems at local level in order to extend benefits of a localised spending.

Legend

Spending level on STFTs	
1A	4C
1B	4D
1C	4E
1D	5A
1E	5B
2A	5C
2B	5D
2C	5E
2D	6A
2E	6B
3A	6C
3B	6D
3C	6E
3D	7A
3E	7B
4A	7C
4B	7D
	7E

Regional level: NUTS 3 (2016)
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how it contributes to improving the understanding of European territorial development and cohesion

Territorial Cohesion within the European policy post 2020 is at a crucial turning point

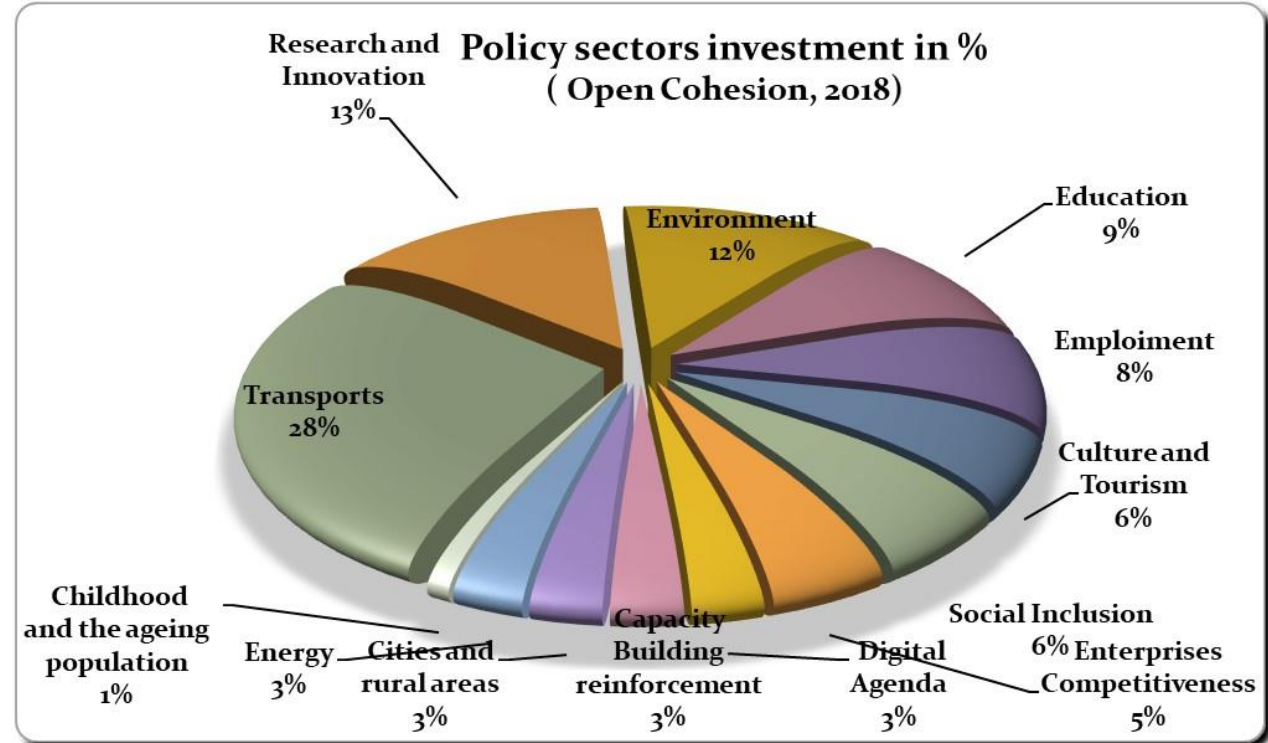
- ❑ TC and TIA process become instrumental pre-conditionality of investment, and its "measure" through STFTs reduces the political wrong
- ❑ TC increase (territorial features and regional capacity building in spending) could be considered in the assessment
- ❑ STFTs represent both a useful way for the depiction of the initial TC at the beginning of a programming period and a flexible instrument to assess the regional progress obtained during the funds spending phase.
- ❑ STFTs are “the Cohesion sentinel” able to re-address the initial declared ROPs targets in order to give an appropriate answer to local policy needs maintaining the coherence with the national ones
- ❑ STeMA-TIA uses STFTs, managing ex ante and ex post time series, in order to highlight the place evidence of the reached cohesive territorial pre-conditionality useful to post-2020 .

from a critical review: literature and experiences (2006-today)

- STeMA-TIA designed Systemic Territorial Functional Typologies (STFTs) in order to identify projects to exploit with financial instruments (e.g. ITI).
- It is crucial to pick up the evaluation of the spending in investments required by the post 2020 European course, by transferring this approach in the decision-making processes, stressing its adaptability (flexibility) to different contexts
- Several transnational, national, regional and local projects testify its flexible application to EU regions and policy sectors: ESPON, ENPI CBC Med, Cadsis, URBACTII, metropolitan and inner periphery plans, regions
- Italy and its large diversity is a good testing arena: capacity building reinforcement, digital transition and inner peripheries were declared as main political target goals 2020. **Have they been reached by regions?**

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to what extent it can be generalised?
calculus of the pre-conditional in mid-term review to re-addressing the spending and in final review to enter in post 2020



NUTS3 scale of STFTs seems the correct basis to match local needs and cohesive solutions, to ensure that regulation and expenditure (control, simplification, effectiveness in funds spending) properly support the increase of regional capability and its spill-over effects. **It measures the regional (NUTS2) capability**

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To what extent it is relevant for policy making

Make institutions responsible (accountability) is especially useful in front of the proposed architecture of the new Cohesion Policy, which could see Southern macro-region segregated from the European competitive core

- ❑ The process transform Territorial Diversity in an endogenous variable in the pre-conditionality assessment within the post 2020 negotiation
- ❑ Local territorial features and regional capacity building in spending bind innovating capacity building
- ❑ Adoption of STFTs as place evidence is needed in innovating regional public policies based on the regional capacity
- ❑ They support new policy generations, within the post 2020 negotiation and beyond the strong asymmetry among regions
- ❑ They make clear and real the process of negotiation towards post 2020 between regions and EC bodies, as well as the review process, in fulfilling the ex-ante conditionality, and reducing the risk of funds underspending
- ❑ Practically, STFTs by STeMA-TIA also provide a basis of shared knowledge for both designing and evaluating programs in the territory, and implementing the regional capacity of intervention for the modification of the funds allocation *in itinere*



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Thank you

Maria Prezioso, University of Rome "Tor Vergata"

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