



## SUPPORT OF REGIONAL SMART SPECIALISATION THROUGH THE IMPLEMENTATION OF INTEGRATED TERRITORIAL INVESTMENTS

Dagmara Kociuba

Maria Curie-Skłodowska University in Lublin, Faculty of Earth Sciences and Spatial Management, al. Kraśnicka 2 cd, 20-718 Lublin, Poland, dagmara.kociuba@umcs.pl

**Abstract:** In the 2014–2020 programming period, two new tools were introduced by the EU cohesion policy, namely Smart Specialisation (SS) and Integrated Territorial Investments (ITI). Their implementation aims at contributing on the one hand to activating and strengthening endogenous potentials, including those based on knowledge and innovation, and on the other hand to territorialisation of intervention for the purpose of obtaining competitive advantages or regions. The tools are based on two concepts of the development policy: smart specialisation and place-based and territorial approach to development. The article presents the rationale and prospective impact of the implementation of the tools on development programming of selected regions of Poland. Detailed analyses cover the provisions of the ITI Strategy of the Functional Urban Areas (FUAs) of Poznań (Wielkopolskie Voivodeship), Subregion Centralny (Śląskie Voivodeship), and Lublin (Lubelskie Voivodeship), as well as regional and national operational programmes in terms of potential contribution of the implementation of ITI to the strengthening of regional SS in some of the Polish region. The analyses performed for the three groups of Thematic Objectives (TO) of ESIF 2014–2020 (corresponding with 3 pillars of the Europe 2020 Strategy), i.e. ‘smart’ – TO 1–3; ‘sustainable’ – TO 4–7; and ‘inclusive’ – TO 8–10, show that the ‘sustainable’ group (in majority represented by companies from sections F, H) refers to infrastructure projects, often of a transport network; the ‘inclusive’ group is ascribed to companies from sections Q and P to generally ‘soft’ projects related to the development of social services, and ‘smart’ is related to sections M, F, J. Only in the case of 8% of projects (out of 78 analysed) it was stipulated that preferences would be given to the existing or newly established companies the profile of activity of which corresponds to regional SS. Such projects deal with the support for companies in the scope of business incubators and expansion of vocational education infrastructure in terms of adjustment to the needs of key sectors selected in RIS3 strategies of particular regions. In all of the analysed FUAs, ITI measures support regional SS in the framework of TO 3 and TO 10. The projects will be primarily implemented by companies from PCA sections M, F and P. The proposed methodology gives prospects to the analysis of future impact of interventions on the growth of the smart specialisation potential of the analysed FUAs PC.

**Keywords:** Smart Specialisation, Integrated Territorial Investments (ITI), Cohesion Policy 2014–2020, place-based and territorial approach, Poland

**JEL codes:** R11

## 1. Introduction

The search by EU Member States of a new way to conduct the development policy in the situation of failure of the “one-size-fits-all” approach (OECD 2001; Pietrzyk 2004) resulted in reaching for territorially sensitive approaches to development (Słodowa-Hełpa 2014; Szlachta & Zaucha 2014; Noworól 2013; McCann & Ortega-Argilés 2013; Storper 1997). This led to the clarification of the place-based concept proposed by Barca in the independent report ‘A Place-Based Approach To Meeting European Union Challenges And Expectations’ (2009). The key features of the new approach can be summarised as follows (OECD 2009, p. 36):

- the imperative of integrating both sectoral and horizontal policies (e.g. combination of hard investments with the development of social or human capital),
- growing attention to flows, networks, and functional interlinkages,
- shifting the focus from resources to institutions,
- attempting to substitute redistributive measures with those enhancing permanent self-reinforcing growth processes, and finally
- the revival of the multi-level governance concept resulting in increased importance of the local context.

In essence, the place-based approach deals with two fundamental issues. First, the place-based approach assumes that the geographical context really matters. The context is understood in terms of its social, cultural, and institutional characteristics. Second, the place-based approach also focuses on the issue of knowledge and innovation in policy intervention (Barca et al. 2012).

New challenges and directions were reflected in the Europe 2020 Strategy (2010). The new plan assumes that the development of the EU economy should be based on three pillars: 1) development of economy based on knowledge and innovation (smart development); 2) economy efficiently using resources (sustainable development); 3) development supporting social inclusion (employment and social and territorial coherence – inclusive development). It should also be emphasised that the objectives of the Europe 2020 Strategy ‘marginalise’ the convergence context of the cohesion policy while designating new tasks in regional development (by means of strengthening the competitiveness of regions and competition mechanisms, for instance) and giving them clear territorial focus (i.e. policy towards rural areas and urban policy, to give just one example) (McCann & Ortega-Argilés 2013).

The place-based concept proposed by the Barca report (2009) in this programming period is being implemented into the Cohesion Policy. The new Cohesion Policy must respond to the specific needs of areas related to their endogenous growth potential. The key challenge will be the territorial dimension. This particular approach assumes addressing mechanisms of development to functional areas, its task being, among others, to accomplish spatial, economic, and social cohesion through making use of internal resources of development (Szafranek 2015; Szlachta & Zaucha 2014; Markowski 2013). It focuses, then, on increasing the competitive potential of functional areas in national and European context (Noworól 2014; Markowski 2011; Szlachta 2011; Barca 2009). The governing of new requirements for thematic concentration under the Partnership Agreement in 2014–2020 had a

huge impact on programming in most of the Member States. This is largely a result of the application of the territorial approach that is based on the thesis – interventions tailored to specific types of territories are more effective than traditional interventions. The approach assumes a diversion from the perception of a territory in the context of administrative boundaries, and in the case of intervention integration, it considers endogenous potential, challenges, and barriers to development (Noworól 2014; McCann & Ortega-Argilés 2013; Markowski 2011). In the scope of financing of investments the following is of the most importance: focusing on results and maximising the impact of EU funding through thematic concentration, which promotes a strategic and integrated approach in general, and delivering a more targeted Structural Funds support in practice. Two of the new instruments of the EU for improving territorial dimension deserve particular attention, namely: Smart Specialisation (SS) providing direction for interventions of the Cohesion Policy in the scope of implementation of the innovation policy, and Integrated Territorial Investments (ITI) targeting cities and their functional areas (CEC 2012). The legal basis for the introduction of the SS and ITI at EU level is determined by three Regulations of the European Parliament and the EU Council of 17 December 2013 e.i.: No. 1303/2013, No. 1301/2013 and No. 1304/2013. Both of the instruments aim on the one hand at activating and strengthening endogenic potentials, including those based on knowledge and innovation, and on the other hand at contributing to the territorialisation of interventions for the purpose of obtaining competitive advantages of regions.

The objective of this paper is to identify the conditions and assess the possibility of relatedness of two new tools of cohesion policy, i.e. ITI and regional SS. The analysis and assessment were performed for the determination of the potential impact of investments and measures implemented in the scope of ITI on the strengthening of regional smart specialisation in the context of programming of development of selected functional urban areas in the period 2014–2020.

The article presents the analysis of the rationale, objectives, financing and existing implementation of both tools set in the intervention by the Cohesion Policy practices. Then, the methodological assumptions are presented along with results of detailed analyses concerning the operationalisation of ITI in the Functional Urban Areas of Poznań, Subregion Centralny and Lublin, and possible effects of the implementation of projects/measures stipulated in ITI Strategies on the support of regional specialisation in such regions (Lubelskie, Wielkopolska, Śląskie)<sup>1</sup>. It allows to offer some conclusions of complementary character to the current implementation process of SS and ITI tools that can be possibly valuable to the future programming period of the Cohesion Policy.

---

<sup>1</sup> Due to the initial stage of programming and implementation of ITI and SS tools, specifying measurable effects of the impact of the investments, measures, and projects implemented in the scope of ITI on strengthening of regional SS is not possible. Therefore, they were adopted as potential effects, and concern the sphere of programming of the development of selected regions.

## 2. Smart Specialisation and Integrated Territorial Investments in the Cohesion Policy 2014–2020 – rationale and comparison

Smart Specialisation and Integrated Territorial Investments are the most important tools of implementation of the EU Cohesion Policy in the current programming period

### 2.1. Smart specialisation

The development of smart specialisation is aimed to be a specific antidote to the declining competitiveness of the European economy (Nowakowska 2016). The concept of ‘Smart Specialisation’ (SS) has been a leading idea of the Knowledge for Growth expert group (K4G). The concept assumes that *‘Smart specialisation is expected to create more diversity among regions than a regime in which each region tries to create more or less the same in an imitative manner. It is both an idea and a tool to help regions or countries to answer this critical question about their respective (and unique) positions in the knowledge economy’* (Foray et al. 2009). The integration of two perspectives of development of innovative capacities of regions, i.e. sectoral and regional (Foray & Van Ark 2007) constitutes the core of the concept of smart specialisations. In the scope of the sectoral perspective, attention is paid to the determination of the domain of specialisation with the identification of technological advantages of the region. The regional perspective focuses on the endogeneity and specificity of the specialisations, and the concentration and complementary character of regional potentials needed for the development of smart specialisation (so-called territorial advantage) (Nowakowska 2016). The implementation of this concept highlights the selected specialisations (domains) in the scope of which entrepreneurs would search out the innovation opportunities within their domain (Foray et al. 2009). The measures involve: 1) promotion of the use of the knowledge base of regions through adjusting interventions to the innovation potential; 2) concentration of financing in a limited number of areas (smart specialisation) for each region in which innovations can effectively develop, and 3) defining the “region” boundaries in such categories (McCann & Ortega-Argiles 2011). In practice, this means conducting regional development policy that makes use of selectively supported (not only financially, but also in terms of organisation and institutional support) scientific research and development and by selecting in each region a limited number of sectors in which innovation can most readily occur and a knowledge base be built up (Barca 2009). Therefore, regional smart specialisation is both the idea of development of innovative capacities of regions, and a tool permitting the development of a unique competitive position on the international scene (Nowakowska 2015).

The introduction of the concept of SS in 2014–2020 programming period was related to the necessity of obtaining thematic concentration in the implementation of the innovation policy and refocusing of cohesion policy in accordance with the ‘smart growth’ component of Europa 2020 Strategy (McCann & Ortega-Argiles 2015; Słodowa-Hełpa 2013). The selection of specialisations has become the key is-

sue for the EU Member States and regions (Foray 2015). Within the new Cohesion Policy, SS has been proposed as an ‘ex-ante conditionality’. This means that every Member State and region has to identify knowledge specialisations based on their assets and capabilities, and prepare a well-developed strategy (RIS3) (Regulation EU No 1303/2013) tailored upon regional specificities, in place, before it can receive EU financial support through the Structural Funds for its specifically planned innovation measures (*Guide to Research ...* 2012). This conditionality applies specifically for two of the 11 thematic objectives of the European Regional Development Fund (ERDF): TO1 Strengthening research, technological development and innovation (R&I target) and TO2. enhancing access to and use of quality of ICT (ICT target) (Regulation EU No 1303/2013).

## 2.2. Integrated Territorial Investment

ITI is a tool that continues to master the Community measures conducted in the 1970’s and 1980’s in the scope of the integrated approach<sup>2</sup>. In the perspective 2014–2020, ITI is treated as a tool for integration of measures for sustainable development of cities and their functional areas.

ITI aim at supporting the implementation of thematic concentration in selected geographic regions, i.e. concentration of the intervention of the regional policy on strategic areas/potentials determining the competitiveness of regions/territories in a long term. This occurs through limiting interventions to specified categories of cross-sectoral measures/projects in the scope of selected strategic areas. ITI have beneficial financing rules – one project can receive support in the scope of several funds (ERDF, ESF and Cohesion Fund), priority axes, and programmes (CEC 2012; Regulation EU No 1303/2013). The projects can be selected based on the ITI Strategy prepared for a particular territory or functional area. The majority of entities implementing ITI, institutionalised in the scope of ITI Unions, should have the minimum scope of delegation of tasks. This permits “/.../ *entrusting the implementation of elements of various priority axes to one authority (local authorities) for the purpose of guaranteeing that investments will be managed in a complementary fashion*”. (CEC 2012, p. 9). Consequently, the implementation of ITI requires the agility and cooperation of institutions responsible for the management and implementation of particular programmes (Ratusznik 2013). The ex-ante condition for obtaining financing is the establishment of an ITI Union, and development of the ITI Strategy (Regulation EU No 1303/2013). In the development of strategies, it is important to accurately identify the development needs based on internal development potentials, resources, and knowledge. Eventually, this should allow for the implementation of measures responding to specified challenges, and simultaneously precisely adjusted to local

<sup>2</sup> In the financial aspect, the measures initiated Integrated Development Operations (1970’s/80’s) and intensified a specific action of the Communities under the name of Integrated Mediterranean Programmes (1985). The measures involved activating the endogenic potential of regions for the purpose of obtaining the effect of intervention synergy. In order to obtain such an effect, the rules of multi-level governance were implemented (Pietrzyk 2004).

conditions (Szafranek 2015). ITI can be financed in the scope of TO 1–10<sup>3</sup> for the ESIF in the 2014–2020 programming period.

It should be emphasised that ITI corresponds with the implementation of objectives of the Europe 2020 Strategy in all three pillars:

- smart economic growth (e.g., strengthening of functional dependences, benefits of agglomerations, increase in the significance of social capital and innovation);
- sustainable economic growth (taking advantage of resources of the space for renewable energy resources, shaping consolidated sustainable cities, development of pro-ecological transport, ecological corridors);
- economic growth favouring social inclusion (activation of population and facilitation of availability of work and services) (Zintegrowane... 2013, p. 10.).

The above-mentioned dimensions mark out possibilities of financing tasks directed to be implemented within determined areas. Therefore, the formulated targets of the development of particular areas formulated in ITI Strategies should concern the indicated dimensions (Szafranek 2015).

The territorial focus of the cross-regional policy, i.e. addressing intervention packages to specified types of territories, and diversification of measures depending on features (including specialisations) of particular areas has become one of the tasks of the regional policy. The selection of areas to concentrate interventions has become one of the challenges of the UE Member States.

### 3.3. Implementation of ITI and SS in the scope of CP 2014–2020 in Poland

The implementation of the place-based and territorial approach in Cohesion Policy in Poland for 2014–2020 resulted in the introduction of new requirements in the scope of thematic concentration and territorialisation of interventions resulting from the Partnership Agreement (Umowa Partnerstwa 2014). Poland decided to implement SS and ITI. On the one hand, this translated into a considerable increase in financing in the scope of TO 1–4 supporting research, technological development and innovation, ICT, competitiveness of small and medium-sized enterprises, and transition to low-emission economy in the framework of EFRR/Cohesion Fund. On the other hand, a shift occurred from the sectoral approach to focusing interventions on functional areas. Their designation resulted from the need of territorial integration as well as territorialisation of interventions. This is believed to eliminate the negative effects of the administrative boundaries and improved efficiency of measures.

Table 1 presents the basic characteristics of the implementation of SS and ITI in Cohesion Policy in Poland for the 2014–2020 programming period.

<sup>3</sup> TO1 – Research and innovation; TO2 – Information and communication technologies; TO3 – SMEs competitiveness; TO4 – Low-carbon economy; TO5 – Climate change and risk prevention; TO6 – Environment and resource efficiency; TO7 – Transport and energy networks; TO8 – Employment and labour market; TO9 – Social inclusion; TO10 – Education and training.

Table 1. Characteristics of new tools of the Cohesion Policy 2014–2020: ITI and SS.

Characteristic	SS	ITI
Objective	To identify and support the R&D potential and entrenched or possible to run business in the region/country and using this innovation potential for obtaining competitive advantage in the knowledge-based economy	To strengthen the mechanisms for territorial coordination of interventions responding to the Functional Urban Areas' (FUA) needs and problems, as well as promoting administrative units' cooperation in the management of EU funds and territorial development of FUAs
Measures	<ul style="list-style-type: none"> <li>– promoting the use of the knowledge base of regions through the adjustment of interventions to the innovation potential</li> <li>– financing concentration on a limited number of industries and sectors (smart specialisation) in which innovation can effectively develop, emerging in the entrepreneurial discovery process</li> <li>– implementation of the national/regional innovation strategies for the purpose of building the R&amp;D&amp;I potential and competitive advantage of the country/region</li> </ul>	<ul style="list-style-type: none"> <li>– promoting the partnership model of cooperation between the different administrative units in functional urban areas in the management of EU funds</li> <li>– implementation of cross-sectoral territorial strategies through linking thematic objectives specified in the Partnership Agreement (UP 2014) and Regional Operational Programmes (ROP) to the territorial approach.</li> <li>– implementation of joint cross-sectoral, integrated projects responding comprehensively to the needs and problems of cities and their functional areas</li> </ul>
Financing measures	<ul style="list-style-type: none"> <li>– ESIF TO 1, 2 (3);</li> </ul>	<ul style="list-style-type: none"> <li>– ESIF TO 1–10;</li> <li>– combining funding of one project (implemented in the form of bundles of projects) from different funds (ERDF, ESE, CF) from several priority axes and operational programs</li> </ul>
Implementation	<ul style="list-style-type: none"> <li>– under 16 ROPs</li> <li>– under selected National Operational Programmes (OP Smart Growth)</li> </ul>	<ul style="list-style-type: none"> <li>– under 16 ROP</li> <li>– under selected NOP (OP Environment and Infrastructure and OP East Poland)</li> </ul>
Ex ante conditions	<ul style="list-style-type: none"> <li>– preparation and adopting of the National Innovative Strategy (NIS3)</li> <li>– preparation and adopting of the Regional Innovative Strategy (RIS3)</li> </ul>	<ul style="list-style-type: none"> <li>– appointing the ITI Union (by establishing an institutionalised form of partnership)</li> <li>– developing ITI Strategy identifying problems, determining the directions of intervention and including list of projects</li> <li>– concluding an agreement for the implementation of ITI between the ITI Union and the Managing Authority (MA) ROP</li> </ul>
Area of implementation	<ul style="list-style-type: none"> <li>– 16 voivodeships (under RIS3)</li> <li>– county area (under NIS3)</li> </ul>	<ul style="list-style-type: none"> <li>– obligatory in 17 FUA of Provincial Centres (FUA PC)</li> <li>– optionally in selected FUA Regional Centres (FUA RC) and FUA Sub-regional Centres (FUA SC)</li> </ul>

Source: Own elaboration based on *Guide to Research...* (2012), *Zasady realizacji...* (2013), *Umowa Partnerstwa* (2014).

## 4. Support of regional smart specialisation through the Integrated Territorial Investment tool

According to Table 1, the implementation of ITI and SS in Poland is of strategic character (RIS3/NIS3 and ITI Strategy determine the direction of measures), and intervention is thematically (support of specified SS or bundles of ITI projects) and territorially concentrated (country/region/FUA). The objective of the implementation of the tools is the increase of the innovation potential (SS) or mechanisms for territorial coordination of interventions (ITI) by strengthening selected industries and sectors (SS) or supporting FUAs through the implementation of integrated projects (ITI). In this context, we can consider the potential effect of ITI investments on the support of SS in selected regions in Poland.

### 4.1. Methodological assumptions

The following methodological assumptions were adopted in the paper:

1. ITI will be implemented through integrated bundles (infrastructural and “soft”) of projects, described in the ITI Strategy.
2. Tracing the ITI Strategy as well as the corresponding operational documents of the provincial level such as Regional Operational Programmes (ROP), and national level such as The Operational Programme Infrastructure and Environment (OPIE) 2014–2020 and the Operational Programme Eastern Poland (OPEP) 2014–2020 will enable the ‘emergence’ of the PCA (Polish Classification of Activities) section of companies implementing projects.
3. Implementation of projects by companies operating in the individual PCA sections will contribute to strengthening the capacity and the urban spatial and sectoral concentration of economic entities (regional smart specialisation) of selected industries in Functional Urban Areas of Provincial Centres (FUA PC).

### 4.2. Key studies

Detailed analyses covered three selected Polish FUA PC differing in economic structure as well as demographic and territorial potential. The characteristics were determined based on the provisions of the ITI Strategy of particular FUA, including:

Poznań Functional Urban Area (Poznań FUA) – located in the centre of the Wielkopolska Voivodeship. The ITI Strategy of Poznań FUA (*Strategy of Integrated...* 2015) considers specialisations of the region both in the diagnostic and implementation phase. It particularly focuses on smart regional specialisations designated in the ‘*Regional Innovation Strategy for Wielkopolska for 2015–2020 (RIS3)*’ (2015). These include: bio-resources, futuristic interior design (furniture and design), futuristic industry (new technologies and materials), ICT-based development, specialised logistic processes, and modern medical technologies. Particular attention was paid to innovative sectors of IT, because their development is associated with obtaining competitive advantages of the Poznań FUA in the future, as well as to the adjust-

ment of education to the requirements of the labour market (particularly industries specified in the Wielkopolska RIS3).

Subregion Centralny (CS) is located in the central part of the Śląskie Voivodeship. The ITI Strategy of Central Sub-region (*Strategy of Integrated...* 2015) includes a reference to SS specified in the *Regional Innovation Strategy of Śląskie Voivodeship for 2013–2020* (2012): energy, ICT and medical and health. The Sub-region is a centre of the mining (hard coal), metal, and energy industry at not only provincial, but also national scale. Numerous investments have appeared in recent years in the sector of modern technologies and electronics, as well as in the car industry.

Lublin Functional Urban Area (Lublin FUA) is located in the centre of the Lubelskie Voivodeship. In the context of the key smart specialisation designated in the *Regional Innovation Strategy of the Lublin Voivodeship by 2020* (2014), namely bio-economy, the economy of the Lublin FUA area is of agricultural-industrial character. Other smart specialisations – low-emission energy engineering, medical and health, and IT and automatics are based on the academic potential of Lublin and concentration of research and development institutions of Lublin FUA (*Strategy of Integrated...* 2016).

### 4.3. Stages of work

#### 4.3.1. Stage I. Analysis of the ITI Strategies of selected FUAs

The analysis of selected ITI of FUAs PC (Poznań, Subregion Centralny, and Lublin) permitted the designation of the prospective place of SS in building the endogenic potential of the region as a result of the future implementation of the ITI tool. The analysis concerned the descriptions of selected bundles of projects, with particular attention to data on: activities undertaken, and results and product indicators. This allowed pre-selecting PCA sections of companies that will be involved in project implementation.

#### 4.3.2. Stage II. Analysis of operational documents at the regional and national level.

ITIs are implemented through Regional Operational Programmes (RPO) at the regional level, and through complementary projects under OPIE 2014–2020, and in the case of Lublin FUA also OPEP 2014–2020. Due to the general nature of the operational programmes to the European Commission, each Managing Authority (MA) (in Poland it is the Regional Board) prepares an additional document providing details on its records under the name of '*Detailed Description of Priority Axes of the Operational Programme*'<sup>4</sup>. It contains information relating to the general rules

<sup>4</sup> The following documents were used in particular: Regional Operational Programme of Lubelskie Voivodeship for 2014–2020 (2015), Marshal Office of Lubelskie Voivodeship, Lublin; Regional Operational Programme of Śląskie Voivodeship for 2014–2020 (Detailed Description of Priority Axes) (2016), Marshal Office of Śląskie Voivodeship, Katowice; Wielkopolska Regional Operational Programme for 2014–2020 (Detailed Description of Priority Axes of the Operational Programme) (2016), Marshal Office of Wielkopolskie Voivodeship, Poznań.

and principles of the program within the priority axes, and a detailed description of individual priority axes and measures/sub-measures. The analysis focuses on the provisions relating to the following points: 2. Detailed purpose/s of action/sub-action; 3. List of direct results' indicators; 4. List of product indicators; 5. Types of projects; 6. Type of beneficiary; 7. Target Group/Final customer support; 15. Limits and constraints in the implementation of projects; 29. Description of operation and additional explanations.

A similar procedure was applied for programmes at the national level (for the purposes of this analysis, the *Detailed Description of 'Priority Axes of the Operational Programme Infrastructure and Environment 2014–2020'* (2016) and *'Priority Axes of the Operational Programme East Poland 2014–2020'* (2016)). The documents provide a detailed analysis of records concerning the following points: 1. Description of the sub-operation (including the purpose/s and the scope of intervention); 2. List of direct result indicators; 3. List of product indicators; 4. Types of projects; 5. Directional rules for the selection of projects; 6. Type of beneficiary.

#### **4.3.3. Stage III. Emergence of PCA companies involved in the projects.**

Detailed analyses performed at stage I and II permitted selecting PCA companies constituting beneficiaries of particular measures/sub-measures implemented under the ITI instrument in ROP and NOP together with an indication of the area of intervention (place of execution) for each of the analysed FUA PC. Provisions concerning a total of 87 projects/measures/project bundles (26 for Poznań FUA, 31 for CS FUA, and 21 for Lublin FUA (Kociuba, forthcoming)).

The analysis permitted the identification of the PCA sections of entities implementing ITI projects. The following PCA sections were designated: E. Water supply: sewerage, waste management and remediation activities; F. Building Industry; H. Transport and warehouse management; J. Information and communication; M. Professional, scientific and technical activities; N. Activity in the services of administration and supporting service activities; P. Education; Q. Health care and social assistance (Kociuba 2017).

In order to clarify the scope of intervention, each project was assigned to a priority axis of ROP. Because every ROP has a different layout and name of the priority axis and implemented measures/sub-measures, reference is made to the thematic objectives set out by the EU. As emphasized earlier, it has been accepted that measures of the territorial character implemented within the ITI should follow three basic dimensions related to Europe 2020 Strategy. In a broader context of financing of projects, TO were ascribed to the pillars of the Europe 2020 Strategy, i.e. 'smart' (TO1–2(3)); 'sustainable' (TO 4–7); 'inclusive' (TO 8–10).

The data are summarised in three tables (for each FUA separately). The tables present the list of projects included in ITI Strategy which will be implemented within individual priority axes of the ROP, and complementary projects within the allocation granted to OPIE 2014–2020 and OPEP 2014–2020 together with the corresponding TO, with an indication of the place of execution and sections of PCA companies involved in their implementation mode (competition and non-competition procedure) (Kociuba, forthcoming).

It should be emphasised that despite the differences between the three regions analysed, there is a large convergence of priorities and types of actions. The largest group included projects from the ‘sustainable’ group (TO 4–7). Infrastructural projects were dominant which aimed at supporting energy efficiency combined with low-carbon economy, public transport (investments in collective transport, development of metropolitan railways and public transport system, modernisation of railways and roads), development/construction of a system of cycling paths, emission reduction (through investments in the development of heating networks and use of energy from high-efficiency cogeneration and thermo modernisation). In the scope of implementation of TO 4, also investments in ICT solutions were supported, related to the development of the public transport network, e.g. Dynamic Passenger Information System, System of Intelligent Fleet Management, Electronic Ticket System, Traffic Management System and Communication.

When it comes to the ‘inclusive’ group (TO 8–10), three are usually ‘soft’ projects aimed at supporting social infrastructure and related educational services, health and social inclusion; health prevention services, labour market, including the increasing mobility of workers, restructuring of enterprises and outplacement, establishment of enterprises, including innovative micro- and medium-sized enterprises, as well as strengthening vocational education system, and its adaptation to the needs of the labour market. Support is also provided to projects involving consulting services, including vocational and specialised consulting.

In the framework of TO 1–3, support will be provided to measures in the scope of the e-municipalities project, support of entrepreneurship in the scope of business incubators, and facilitation of the establishment of new companies in brownfield areas.

#### 4.3.4. Stage. IV. Preparation of the consolidated list

The works were concluded with the preparation of the consolidated list of PCA sections of companies involved in the implementation of projects included in the ITI strategies of selected FUA PC, showing which companies and industries will

Table 2. Distribution of PCA sections under thematic objectives (TO)

	Poznań FUA								Subregion Centralny FUA								Lublin FUA							
	2	3	4	6	7	8	9	10	2	3	4	6	7	8	9	10	2	3	4	6	7	8	9	10
E									×		×													
F			×	×	×			×	×	×	×				×	×	×	×	×	×	×			×
H			×		×						×								×					
J											×						×		×					
M		×													×					×		×	×	
N							×								×								×	
P						×	×	×			×				×	×							×	×
Q						×	×								×	×							×	×

Source: Own elaboration based on Kociuba D (2017) Integrated Territorial Investments (ITI) in Poland. Appendix 2. In: Kopczevska K, Churski P, Ochojski A, Polko A, *Measuring Regional Specialisation – A New Approach*. Palgrave Macmillan/Springer.

be strengthened in the selected FUAs (Table 2). It should be emphasised that ITI projects should mainly affect development activities under the section particularly related to construction (section F) and transportation (section H), and then to education (section P), and health care and social assistance (section Q). The first ‘sustainable’ group (TO 4–7), in majority represented by companies from sections F, H, E, refers to infrastructure projects, often of a transport network; the second ‘inclusive’ group (TO 8–10) is ascribed to companies from sections Q, P, to generally ‘soft’ projects related to the development of social services and ‘smart’ group (TO 1–3) related to sections M, F, J focuses on ICT projects or competitiveness of enterprises.

In all of the analysed FUA PC, infrastructural projects (F) are dominant, particularly implemented in the framework of TO 4, 6, 7, 9, 10. Notice the full use of possibilities provided by the ITI instrument, namely combining infrastructural measures with so-called ‘soft’ ones using resources from EFRR and EFS, and particularly the implementation of objectives of ‘inclusive growth’ in the framework of TO 9 and 10.

#### 4.3.5. Stage. V. Selection of projects/measures under ITI supporting regional Smart Specialisation

Finally, an attempt was taken to determine which projects/measures specified in ITI Strategies and stipulated in ROP/NOP support regional smart specialisation in particular FUA PC. The same determination was done for companies – beneficiaries of support selected based on PCA sections. Provisions of ROPs, NOPs, and their *Detailed Description* were analysed which included a direct reference concerning support of measures corresponding with the implementation of regional smart specialisations selected in the RIS3 strategies of a given region. Out of 78 of the analysed projects, only 6 (almost 8%) referred to regional smart specialisation (2 from Poznań FUA, 2 from CS FUA, and 1 from Lublin FUA). They were projects concerning the establishment (Poznań FUA) and infrastructural support (CS FUA) of business incubators, establishment of new companies (CS FUA) and investment areas for companies (Lublin FUA) functioning in the area of smart specialisation, infrastructural support of vocational education under the condition of adjustment of directions of education to the requirements and needs of the labour market and regional specialisation (CS FUA). The projects will be implemented by companies from sections M, F, P (Poznań FUA), F (Lublin FUA), and F, E (SC MOF) in the scope of TO 3 and 10 (Poznań FUA, SC FUA), TO3 (Lublin FUA). The final customer of the support will be SMEs functioning in the area of regional smart specialisation (primarily ICT), as well as students and teachers of vocational schools.

## 5. Conclusion

As we can observe, Integrated Territorial Investments may be treated as a tool strengthening the specialisation of selected Functional Urban Areas of Provincial Centres through the measures aimed at supporting on the one hand selected sectors and industries involved in the implementation of projects, and on the other hand a large group of companies/persons constituting beneficiaries of projects. This is also

to be reflected in the establishment of new companies. As shown by the performed analyses, future implementation of ITIs could contribute to the increase of the potential and spatial and geographic agglomeration, as well as sectoral concentration of companies providing activity in selected PCA sections (particularly F, P, and Q, to a lower degree M and N, J, and E). It should be emphasised that in the analysed FUA PC, activities conducted in the scope of the implementation of ITI strengthening the endogenic potential of the area based on regional specialisation largely focus on supporting smart specialisation specified in RIS3 strategies, among others in the scope of TO 3 aimed at the implementation of 'smart growth' (activities aimed at increasing the competitiveness of small and medium-sized enterprises; especially to support IT), and TO 10 supporting 'inclusive growth' (among others by investing in infrastructure for education and adapting staff qualifications to the needs of the labour market in industries specified as regional SS).

At this stage of implementation of the tools, it can be determined that the provisions of the ITI strategy in the scope of descriptions of measures/projects moved to ROPs include references to regional smart specialisation, and the mechanism does not work the opposite way, although similar measures are stipulated in RIS3 of the selected regions. This concerns among others the concentration of support for companies or adjustment of competences and qualifications of personnel for industries selected as regional smart specialisation. Improving the complementary character of the provisions of RIS3 with ITI strategies would cause closer association of financing of measures aimed at an increase in innovative potential in the scope of ROPs.

The proposed methodology allows to identify the impact of interventions conducted in the system of the EU regional and functional area on the growth of smart specialisation potential of the analysed FUAs PC (in some cases with an indication of a specific intervention area – municipalities, towns, streets etc.). Its further development can be used in analytical and comparative works concerning the effectiveness and complementarity of measures and interventions in the scope of implementation of SS and ITI in the new EU financial perspective

According to the analyses, the implementation of regional SS and ITI in Poland shows that the new Cohesion Policy responds to the specific needs of areas related to their endogenic growth potential, and strengthens the mechanisms for coordination of territorial intervention. Therefore, it can effectively support regions in increasing their competitive advantages.

## References

- Barca F (2009) *An Agenda for a Reformed Cohesion Policy, A place-based approach to meeting European Union challenges and expectations*. Independent Report for DG Regio. European Commission, Brussels.
- Barca F, McCann P, Rodríguez-Pose A (2012) The Case For Regional Development Intervention: Place-Based Versus Place-Neutral Approaches. *Journal of Regional Science* 52(1): 134–152.

- CEC (2012) *Elements for a Common Strategic Framework 2014 to 2020 the European Regional Development Fund the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund. Part I*, Commission Staff Working Document. SWD(2012) 61. Final, 14.3.2012, Commission of the European Communities, Brussels.
- Detailed Description of 'Priority Axes of Regional Operational Programme of Lubelskie Voivodeship for 2014–2020'* (2016). Marshal Office of Lubelskie Voivodeship, Lublin.
- Detailed Description of 'Priority Axes of the Operational Programme Infrastructure and Environment 2014–2020'* (2016). Ministry of Development, Warsaw.
- Detailed Description of 'Priority Axes of the Operational Programme East Poland 2014–2020'* (2016). Ministry of Development, Warsaw.
- Europe 2020. Strategy for intelligent and sustainable growth promoting social inclusion*, Commission Communication, Brussels, 3.3.2010, COM(2010) 2020 final.
- Foray D (2015) *Smart Specialisation – Opportunities and Challenges for Regional Innovation Policy*. Routledge.
- Foray D, Van Ark B (2007) Smart Specialization in a Truly Integrated Research Area is the Key to Attracting More R&D to Europe. *Knowledge Economists Policy Brief 1*.
- Foray D, David P, Hall B (2009) Smart Specialisation. The Concept. *Knowledge Economists Policy Brief 9*.
- Guide to Research and Innovation Strategies for Smart specialisations (RIS 3)*, 2012.
- Kociuba D (2017) Integrated Territorial Investments (ITI) in Poland. Appendix 2. In: Kopczevska K, Churski P, Ochojski A, Polko A, *Measuring Regional Specialisation – A New Approach*. Palgrave Macmillan/Springer.
- Markowski T (2011) Dylematy terytorialnego wymiaru w krajowych i regionalnych dokumentach strategicznych (Dilemmas of territorial dimension in national and regional strategic documents). *Studia KPZK 137*: 75–96.
- Markowski T (2013) Territorial Dimension of Integrated Development Policy – Expectations and Challenges Concerning Planning and Institutional Systems. *Studia Regionalia 35*: 51–64.
- McCann P, Ortega-Argilés R (2011) Smart specialisation, regional growth and applications to EU cohesion policy. *Working Papers 2011/14*. Institut d'Economia de Barcelona (IEB).
- McCann P, Ortega-Argilés R (2013) Some practical elements associated with the design of an integrated and territorial place-based approach to EU Cohesion policy. In: Crescenzi R, Perocco M (eds.) *Geography, Institutions and Regional Economic Performance*: 95–118. Springer, New York.
- McCann P, Ortega-Argilés R (2015) Smart specialization, regional growth and applications to European Union cohesion policy. *Regional Studies 49*(8): 1291–1302.
- Nowakowska A (2015) Inteligentne specjalizacje regionalne – nowa idea i wyzwanie dla polityki regionalnej (Regional smart specializations – a new idea and a challenge for regional policy). *Prace Naukowe Uniwersytetu Ekonomicznego we Wrocławiu 380*: 310–318.
- Nowakowska A (2016) Inteligentne specjalizacje – nowa architektura regionalnej polityki innowacyjnej (Smart Specialization – Towards a New Architecture for Regional Innovation Policy). *Studia KPZK 170*: 56–66.
- Noworól A (2013) Zarządzanie rozwojem w kontekście nowej polityki regionalnej. *Studia Ekonomiczne 169*: 157–167.
- Noworól A (2014) Territorial partnerships as an instrument of urban policy. *Biuletyn KPZK 253*: 11–28.
- OECD Territorial Outlook* (2001) Paris.
- OECD, Investing for Growth: Building Innovative Regions, Background Report and Appendix to the Background Report* (2009). Paris.

- Operational Programme Eastern Poland 2014–2020* (2014). Ministry of Infrastructure and Development, Warsaw.
- Operational Programme Infrastructure and Environment 2014–2020* (2014). Ministry of Infrastructure and Development, Warsaw.
- Pietrzyk I (2004) *Polityka regionalna UE i regiony w państwach członkowskich*. Wydawnictwo Naukowe PWN, Warszawa.
- Ratusznik I (2013) *Realizacja Zintegrowanych Inwestycji Terytorialnych w Polsce. Ekspertyza*. Centrum Doradztwa i Rozwoju Kompetencji, Wrocław.
- Regional Innovation Strategy for Wielkopolska for 2015–2020 (RIS3)*, Poznań, 2015.
- Regional Innovation Strategy of Lubelskie Voivodeship by 2020*, Lublin, 2014.
- Regional Innovation Strategy of Śląskie Voivodeship for 2013–2020*, Katowice, 2013.
- Regional Operational Programme of Lubelskie Voivodeship for 2014–2020* (2015). Marshal Office of Lubelskie Voivodeship, Lublin.
- Regional Operational Programme of Śląskie Voivodeship for 2014–2020 (Detailed Description of Priority Axes)* (2016). Marshal Office of Śląskie Voivodeship, Katowice.
- Regulation (EU) of the European Parliament and of the Council No 1303/2013 of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repeal Council Regulation (EC) No 1083/2006.
- Regulation (EU) of the European Parliament and of the Council No. 1301/2013 of 17 December 2013 on the European Regional Development Fund and the specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006.
- Regulation (EU) of the European Parliament and of the Council No 1304/2013 of 17 December 2013 on the European Social Fund and repealing of Council Regulation (EC) No 1081/2006.
- Słodowa-Hełpa M (2013) Inteligentna specjalizacja polskich regionów. Warunki, wyzwania i dylematy (Smart Specialization of the Polish Regions. Conditions, Challenges and Dilemmas). *Roczniki Nauk Społecznych* 5(41) 1: 87–120.
- Słodowa-Hełpa M (2014) Dokąd zmierzamy – odnowa czy od nowa...? Nadzieje, obawy i dylematy związane z instytucjonalnym stymulowaniem zintegrowanego rozwoju w Polsce. *Nierówności Społeczne a Wzrost Gospodarczy* 37(1/2014): pp. 20–42.
- Storper M (1997) *The Regional World. Territorial Development in a Global Economy*. The Guilford Press, New York.
- Strategy of Integrated Territorial Investments of Central Sub-region of Śląskie Voivodeship for 2014–2020* (2015). Gliwice.
- Strategy of Integrated Territorial Investments of Functional Urban Area of Poznań* (2015). Poznań.
- Strategy of Integrated Territorial Investments of Lublin Functional Area for 2014–2020* (2016). Lublin.
- Szafranek E (2015) Cohesion of Planning and Programming the Development of Regions in the Conditions of a Territorially-oriented Policy. *Studia Regionalia* 41–42: 169–184.
- Szlachta J (2011) Strategiczne programowanie rozwoju regionalnego, w kierunku krajowego systemu myśli strategicznej w sferze polityki regionalnej. In: Kolczyński M, Żuber P (eds.) *Nowy paradygmat rozwoju – najnowsze trendy i perspektywy polityki regionalnej*. Ministry of Regional Development, Warsaw.

- Szlachta J, Zaucha J (2014) Wzmacnianie terytorialnego wymiaru polityki spójności w Polsce w latach 2014–2020. In: Klasik A, Kuźnik F (eds.) *Miasta – metropolie – regiony. Nowe orientacje rozwojowe*. WUE w Katowicach, Katowice.
- Umowa Partnerstwa (Partnership Agreement) (2014). Ministry of Infrastructure and Development, Warsaw.
- Wielkopolska Regional Operational Programme for 2014–2020 (Detailed Description of Priority Axes of the Operational Programme)* (2016). Marshal Office of Wielkopolskie Voivodeship, Poznań.
- Zasady realizacji Zintegrowanych Inwestycji Terytorialnych w Polsce (Rules for the implementation of the Integrated Territorial Investment in Poland)* (2013). Ministry of Regional Development, Warsaw.
- Zintegrowane Podejście Ukierunkowane Terytorialnie* (2013). Ministry of Infrastructure and Development, Warszawa.

**To cite the article:**

Kociuba D (2016) Support of regional Smart Specialisation through the implementation of Integrated Territorial Investments. *Studia Regionalia* 47: 71–86. doi: 10.12657/studreg-47-05