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# THEORETICAL FUNDAMENTALS OF TERRITORIAL DEVELOPMENT STRATEGY

## Marta Karpa<sup>1</sup>, Nataliia Gavkalova<sup>2</sup>, Viktoriia Beliavceva<sup>3</sup>, Viktoriia Hryshyna<sup>4</sup>

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**Abstract.** The purpose of this article is to the study the presentation of the author's own definition of "territory development strategy" and the "conceptual scheme of the territorial development strategy" model. The key problem is the search for a theoretical justification for such a category as "territory development strategy", where the author provides the author's vision of this definition. In the research process, such methods were used as the method of content analysis (to analyze the definition of the category "territory development strategy"); the method of analysis and synthesis (to determine the components of the potential and risks of territorial development and the types of strategies of territorial development), the chronological method (to study the evolutionary development of the strategy), the method of generalization (to build a conceptual scheme of the strategy of territorial development). The conclusions obtained as a result of the conducted research will help in choosing a strategy for the development of the territory, taking into account the regional features of development. The practical significance of the obtained results is that the research materials can be used in the practical activities of local self-government bodies. The value of the research topic is confirmed by the growing role of strategy development at the level of individual territories, the substantiation of modern trends of strategy implementation in the regional aspect as an effective tool for achieving territorial development of the country. The hypothesis of our research is based on the perception of the strategy of territorial development as a complex and necessary tool of socio-economic development of the territory of the country, which should be developed in order to solve the problems associated with territorial imbalance.

**Keywords:** territory, territorial development, territorial development strategy

JEL Classification: R10, R11, O18 Formulas: 0; fig.: 4; tabl.: 3; bibl.: 47 Introduction. The development of market relations has a significant impact on the forms of territorial organization. The growing role of territorial factors in the development of the national economy contributes to the formation of the regional economy as an independent subject of the economy, which has certain integrity, socio-economic and financial security. The existing disproportionality of the country's territorial development, which is manifested by hyper-urbanization, the growth of unemployment in the regions of the country, the decline in production, the decrease in the income of the population, as well as serious environmental problems in the regions, require us to have a scientific and theoretical basis for solving the issues of territorial development. Today, the aspect of regulation of territorial development is given enough attention in theoretical, legal and practical dimensions. The relevance of the research topic is confirmed by the growing role of strategy development at the level of individual territories, the substantiation of modern trends in the implementation of the strategy in the regional aspect as an effective tool for ensuring the uniformity of the territorial development of the country.

The academic study of territorial development and regional politics began in the 19th century, during which various theories replaced each other. A group of theories is devoted to issues of territorial development, which laid the foundation for further theoretical and methodological grounding of issues related to the definition of territorial development of the country (Fig. 1).

It should be noted that representatives of one of the first theories of location of production, namely J. Tyunen, V. Launhardt, A. Weber, A. Loesch, for the first time introduced such categories and ideas about economic space, its properties, zonal or belt structures into scientific circulation, price and rent gradients, location factors and economic distance.

In the theory of regional economic development, Capello sees the importance of understanding the mind, as it allows the economic system to reach and boost the high pace of development [18; 34] acknowledges that regional development is not a static phenomenon. In addition, economic development often leads to regional growth due to the profoundly uneven processes of economic development, as the hour of economic globalization has become a significant world.

**Literature review**. Among the reforms that are being carried out in Ukraine, the administrative-territorial reform is of great importance, without which it is impossible to ensure sustainable economic development of individual regions, increase their competitiveness and increase the contribution of individual regions to the growth of the state's economy (Buryk, 2020).

The work of domestic and foreign scientists: [16; 17; 29; 30; 31; 34; 35; 36; 37; 42; 43; 44] and others is dedicated to the study of issues of territorial development and its strategic planning. The multi-vector nature of territorial development and the implementation of the territorial development strategy, as well as new tasks of the socio-economic development of territories, raise new questions, a number of which have not yet been exhausted, which creates the basis for further developments.

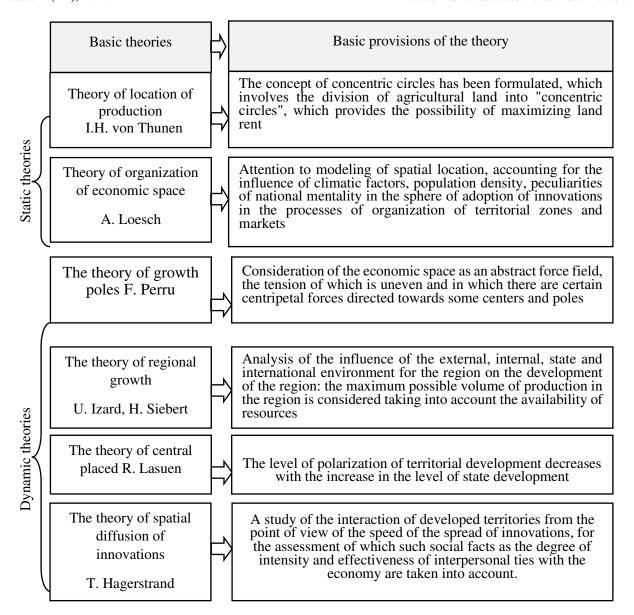


Figure 1. Characteristics of theories that studied territorial development Sources: systematized by the authors based on sources [20; 21; 26; 28]

Therefore, the substantiation of the theoretical foundations of the territorial development strategy is an urgent scientific task, which should focus not only on the internal potential of the territory, but also take into account the changes taking place in the external environment, ensuring the equality of all connections. The strategy of territorial development should not allow the isolation of the territory, but encourage participation in a joint process aimed at the development of a certain territory.

**Aims.** The purpose of this study is to provide a scientific basis for the theoretical provisions regarding the definition of "territory development", important characteristics of the region, components of the potential of territorial development, as well as the development of recommendations regarding the need to develop a strategy for the development of the territory to identify possible risks that may arise in the process of implementing the strategy. Achieving the set goal involves solving a complex of interdependent tasks:

- to generalize theoretical approaches to defining the definition of "territory development" in the context of solving regional problems;
- to provide a description of the potentials of territorial development, the balancing of which depends on the influence of endogenous and exogenous factors;
- to determine the types of risks of territorial development that arise as a result of deviations in the balance of all components of the potential of territorial development;
- to justify the need to develop a territory development strategy for the long-term socio-economic development of the territory, taking into account the experience of strategic planning of the socio-economic development of the territory abroad.

**Methodology.** The study was based on a theoretical analysis of the literature of domestic and foreign scientists. The methodological basis of the research is theoretical concepts regarding this issue, the practice of implementing various approaches and strategies, which necessitates the analysis of such experience. In the research process, such methods were used as the method of content analysis (to analyze the definition of the category "territory development strategy"); method of systematization (for characterizing theories that studied territorial development); the method of analysis and synthesis (to determine the components of the potential and risks of territorial development and the types of strategies of territorial development), the chronological method (to study the evolutionary development of the strategy), the method of generalization (to build a conceptual scheme of the strategy of territorial development).

Results. The clarification of such categories as «territory», «development», «strategy» are important in the study of the theoretical basis of the territorial development strategy. Examining the conceptual apparatus of the «territory» category, we note that it is defined by three parameters. According to the first parameter, the territory is the spatial basis of activity, the placement of natural, human, financial and other resources. Supporters of such a definition parameter include the study of V. Yakuba, who noted that «territory» is a spatial basis, a set of various resources, an environment of human interaction, nature and production [15; 44]. Another parameter of the definition of «territory» is that it is identified with certain socio-economic realities, the functions of which differ from the functions of enterprises. This is the opinion of, who considers the territory a socio-economic system that has not only a spatial location, but also a relative separation from the external environment [29]. The third parameter is related to the population, or rather to their activities, with the help of which the territory develops. In order to reproduce the vital activities of society, being the subject of management, the population acts as the center of a functioning production complex, Ya. Vermenych shared a similar opinion, noting that a person acts as a connecting link that creates conditions for one's own life [45].

Thus, a person is the central subject in a multi-component territorial system (natural - ecological, social, economic, cultural and spiritual system, infrastructure, state institutions, political order), forms an administrative-territorial unit with a multi-level and multi-purpose nature of development and leads subsystems of the region.

The Law of Ukraine "On the Basics of State Regional Policy" (2015) states that the entire territory of the country is divided into macro-regions and micro-regions. According to this Law of Ukraine, a macro region is understood as a part of the territory

of Ukraine consisting of several regions or their parts, united by common features, which are characterized by common development problems, within which special regional development programs for this territory are implemented [1-4]. In turn, a microregion refers to a part of the territory of the region characterized by territorial integrity and development features, within which regional development projects specific to this territory are implemented.

The study of the successful experience of European countries in the issue of typology of territories and the formation of an effective methodology for identifying territories of individual types allowed us to note that today a methodology for the identification of urban and rural territories in the world has also been developed, which is carried out not only at the state, but also at the supranational level [5-9]. Today, several methods of identification of territories have been developed, which differ according to two criteria:

- 1) according to indicators, as a result of the analysis of which the territory is classified as rural or urban;
- 2) by the level of territorial units, which are mostly determined according to the approved standard of territorial division of countries for statistical purposes.

The urban territory is a relatively independent system of entities of a complex level with their own governing bodies - the region and the state, which represents the interests of stakeholders and performs many internal and external functions. Rural territories, unlike urban territories, have a larger spatial location, which can be conditionally divided according to the level of geospatial organization, according to the place of rural settlements in the administrative-territorial system (Fig. 2). The whole complexity of territorial division lies in the fact that it has a «matryoshka» effect from the standpoint of hierarchical construction [10-14]. Combining rural territorial units of the grassroots level, rural territories with a district center in the form of either an urbantype village or a city of district or oblast importance form the district level. In turn, the totality of rural subsystems of the district level form the oblast level, which in turn, together with urban territories, form the national level.

Therefore, the territory with its multifunctionality and the combined set of elements plays a decisive role in achieving the country's competitiveness, forming its potential.

We substantiated the definition of «territory», highlighted its variety and its division depending on the infrastructural affiliation. In order to comprehensively understand the definition of «territorial development», it is advisable to analyze the meaning of the word «development». The word «development» is considered from two approaches. From the standpoint of the first approach, the word «development» is used as a complex of industries operating in a specific part of the territory. Such a definition does not consider the development from the position of the level of geospatial organization (base, district or regional level) we do not observe. From the position of the second approach, «development» is considered with the specification of the level of territorial organization, covering both the level of development of rural areas, as well as the city level, regional and national level of development.

By "territorial development" [27] understand the mode of functioning of the regional system, which is focused on the positive dynamics of the parameters of the level and quality of life of the population, provided with a stable, balanced and mutually non-destructive reproduction of the social, economic, resource and ecological potential of the territory. At the same time, they consider the concepts of territory and regional system as synonyms. By the territory, the authors understand a certain part of the social, natural, economic, infrastructural, cultural-historical and spatial potentials of the state, which is under the jurisdiction of local authorities.

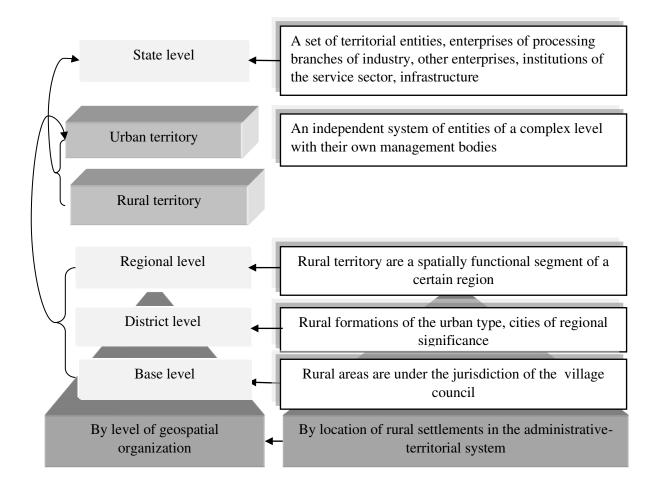


Figure 2. Characteristics of territorial level

Source: compiled by the authors [27; 43; 45]

Territorial development is understood as "such direction of changes in the territorial system, which - by stimulating such causative forces as: entrepreneurship, balancing endogenous and exogenous factors as well as competitiveness and cooperation - leads to processes consisting in creating new configurations of the elements of which the system is built" [37, p. 88].

Camagni points that the territorial approach is aimed at greater consideration of various development conditions and optimal use of endogenous resources (so-called territorial capitals) in the dynamization of development processes [17, pp. 62–64]

Nowakowska A. highlights [36]:

1. Reassessment of development factors, selection of diversity and diversity of resources as a source of socio-economic development;

- 2. Orientation of policy on strengthening internal and external functional connections to increase territorial unity;
- 3. Increasing the mobilization of local/regional structures, as well as social dialogue and public-private partnership in actions related to territorial development;
- 4. Building an institutional partnership and integrating the influence of public entities (integration of entity and industry policies, definition and implementation of common development goals);
- 5. Territorial differentiation of development policy departure from the universal model of policy in favor of differentiated policy, depending on specific resources, problems and mechanisms of territorial development.

A large number of studies consider "territorial development" from the perspective of a process approach, where attention is focused on the process of institutional transformation of a given territory aimed at the economic activity of the population and the implementation of strategic tasks. Therefore, the condition of effective territorial development is to provide the regional system with a stable and balanced complex of the region's potential.

Therefore, "territorial development" is changes, the positive dynamics of which depend on endogenous and exogenous factors, the process of transformation of development of which will have a positive effect if all components of the potential of territorial development are balanced namely resource and raw material, industrial, consumer, infrastructural, innovative, labor, institutional, financial) (Table 1).

**Table 1. Characteristics of the territorial development potential (TDP)** 

Name of TDP	Characteristics of TDP
resource and raw material	is determined by the provision of the territory with reserves of the main types of resources
industrial	reflects the overall result of the activity of the main areas of the territory's economy
consumer	determined by the total purchasing power of the population of the territory
infrastructural	takes into account the economic and geographical position of the territory and its saturation with infrastructure facilities
innovative	determined by the level of development of scientific research and development works and the implementation of achievements of scientific and technical progress in the territory, employment in the scientific sector, capital in this sphere
labor	determined by the number of economically active population and its educational level, age and qualification composition
institutional	characterized by the degree of development in the territory of the leading institutes of the market economy
financial	takes into account the volume of budget revenues, tax and other cash receipts to the budget system of the territory, profits of enterprises

Source: developed by authors

An important factor in the development of the territory is the structure and nature of the settlement of settlements. An important characteristic of the region is the demographic capacity, which formulates the potential ability of the region to resettle the population within its territorial boundaries, provided that the most important everyday consumers of the population are provided at the expense of the resources of the territory under consideration, while maintaining ecological balance.

One of the main characteristics of any economic space is the unevenness of territorial development, which is characteristic of all economic entities. The territorial proportions reflect the historical process of economic development of the country's space, the country's place in the world economy and finance, the cumulative effect on the regional development of the criteria of economic efficiency and social justice. The increase of disproportionality is a consequence of the lack of comprehensiveness in the development of many regions, the presence of serious disproportions between various elements of the economic, social and natural systems. The dimensions of interregional differences are a kind of reflection of the size of the area of non-competitive economy in the national space. The effectiveness of combating them in market conditions is determined by the financial capabilities of countries. At the same time, the higher the country's level of development, the lower the level of disparities acceptable to society [19].

Any deviation in the balance of all components of the potential of territorial development leads to the destruction of territorial development, and therefore carries with it risks that will negatively affect the further development of territories. Making investment decisions by a potential investor is inextricably linked to the assessment of the risk that the investment object carries and the investor's willingness to accept it. The integral risk of the territory consists of various private types of risk, such as political, economic, social, criminal, legislative, administrative, etc., each of which depends on a number of factors acting on the territory (Table 2).

Table 2. Characteristics of territorial development risks (TDR)

Name of TDR	Characteristics of TDR
political	depends on the stability of the authorities on the territory, political polarization of the population, authority of the authorities Row1
social	depends on the level of social tension
economic	characterized by the dynamics of economic processes, prospects and trends in the economic of the territory development
criminal	determined by the level of crime, taking into account the nature and severity of crimes, the intensity of terrorist acts
ecological	determined by the level of environmental pollution, including radiation
financial	is characterized by the intensity of the territorial budget, its balance with finances, the aggregate financial results of the enterprises located in the territory
legislative	determine the legal conditions for investing in certain spheres or industries
administrative	depends on the results of the exercise of powers by the authorities in the social, budgetary, legal and other spheres, taking into account the dynamics of the territory's development

Source: [16; 27]

The most significant is the legislative risk, because it depends on the stability of the conditions and rules approved in the legal norms regulating economic relations in the territory: regional and local taxes, benefits, restrictions, the presence of strategies and long-term programs for the economic investment development of the territories. Risk analysis is necessary for potential investors and stakeholders, because by forming an analytical base based on the characteristics of the territory's potential and possible risks, it is possible to determine landmarks and strategic directions of territorial development.

Notes, Büttenbender P. L. that the bases of territorial development in the knowledge society are identified in the strategies focused on cooperation networks that involve public power (state structure at all levels), companies (entrepreneurs), universities (research and development centers, schools at all levels), and community organizations (churches, NGOs, associations, cooperatives, unions, etc.) [16].

In order to intensify the territorial development of the country, it is important to study the development strategies of a certain territory, which contains a plan, namely step-by-step actions with a long-term perspective of the effective operation of all structural elements of the territory. Territorial development is a key element, as they draw attention to the variety of strategies required for proper situational response to problem solving, decision making.

Successful achievement of the set goals is, first of all, a correctly chosen strategy. Recently, any strategy has become a priority direction for planning the development of any sphere of life, namely: political, socio-economic, cultural, and other directions, both at the state and regional levels.

Büttenbender and Sausen (2020) note that strategies have gone through their evolutionary path in the aspect of territorial development. The authors highlighted the following strategies that developed over a certain period of time (fig. 3)In this context, constitutive elements of development were established, highlighting regions capable of investing and integrating research, science, and technology with the productive systems of the territory, assuming, therefore, affirmative repercussions in the approach of territorial development.

The word "strategy" comes from the ancient Greek "stratos" (the art of leadership, public, political struggle), strategy means readiness for events that occur beyond the effectiveness of the management system [30]. There are other definitions where strategy is interpreted as a process by which the organization maneuvers in its environment, these are decision-making rules.

So, the concept of «strategy» was defined by two opposite approaches to its understanding. The first approach explains the expediency of developing a strategy from the stage of determining the final state. The desired end state becomes the defining step through which actions are formed, and which should bring the formed plan to the end state [20]. From the standpoint of this approach, strategy is considered as a long-term plan with defined goals and functions. As disadvantages, we note that the implementation of such a strategy, in our opinion, involves undesirable changes in the adjustment of actions and stages of the strategy in the conditions of environmental changes [41]. The second approach considers the strategy as a long-term specific

direction of the development of the territory, which is in constant interaction with internal and external stakeholders. Such a strategy is characterized by stochasticity, the stages of which can be adjusted depending on the situation. Thus, the development of a strategy should begin with a comprehensive analysis of the territory, its aggregate elements, study of the potential of the territory, analysis of possible risks that may arise in the process of implementing the strategy, planning of the vision of the development of the territory and evaluation of future strategic alternatives.



Figure 3. Evolution of strategies in the direction of territorial development Source: developed by authors

The popularity of strategy development in the world is due to the transition of reference countries-leaders to a new system of market relations, which requires strategic planning of strategy selection, which is an important task of officials at various levels of management, whose competence is development planning. There are three groups of territorial development strategies: state territorial development strategies, macro-regional strategies and meso-regional strategies (Table 3).

In order to achieve synchronicity in the implementation of projects that ensure the effectiveness of strategic tasks at the state level, the interaction of regions with different potential and experience in the implementation of the development strategy of this territory is a guarantee of the success of the implementation of the strategic goals set for the country [21-25]. Therefore, the bases of territorial development in the knowledge society are identified in the strategies focused on cooperation networks that involve public power (state structure at all levels), companies (entrepreneurs), universities (research and development centers, schools at all levels), and community organizations (churches, NGOs, associations, cooperatives, unions, etc.).

The importance of the development and implementation of the strategy is evidenced by the Resolution of the Cabinet of Ministers of Ukraine "On the Approval of the State Strategy of Regional Development for 2021-2027", other legal documents [40]. The need to prepare this Strategy is caused by the end of the implementation period of the State Regional Development Strategy for the period until 2020, as well as the presence of new challenges that have appeared before Ukraine during the past seven years and significantly affect the situation in the regions, as well as the quality of life of the residents of cities and villages [28, 30].

Table 3. Types of territorial development strategies

Table 5. Types of territorial development strategies					
Name of the strategy	Content of the strategy				
I. State strategies for territorial development					
Strategy of selective priority development	Concentration of resources in territories with a historically high level of development				
Strategy of balanced development	Equalization of disparities in levels of development				
Strategy of proportional distribution of resources	Distribution of resources in proportion to the selected parameter (population balance, etc.)				
II. Macro-regional strategies					
Localization strategy	Implementation of the strategy using the existing potential				
Concentration strategy	Implementation of the strategy due to the involvement and development of the potential of the maximum possible number of regions				
III. Mesoregional strategies					
Strategy of self-sufficiency	Achieving self-sufficiency and self-sufficiency of the existing potential in the territory				
The strategy is stabilization	Mobilization of own intellectual and production resources				
The strategy of attracting external resources	Interaction of regions with different scientific and technical levels				
Strategy for the implementation of exceptional opportunities	Ensuring development at the expense of the exceptional resources available in the region				
Strategy of intellectual cooperation	Implementation of the strategy due to the involvement and development of the potential of the maximum possible number of regions				
Strategy of technical and technological leadership	Concentration of efforts in the development and production of technologies, the desire of the territory to be a leader in exports				

Source: developed by authors

The primary tasks of the new regional policy are to accelerate the economic growth of the regions, increase their competitiveness based on the effective use of internal potential, create new jobs, improve the employment of the population, create conditions for the return of labor migrants to their homeland. With the aim of effective activities in the direction of the development of a territorial development strategy, the Ministry of Community and Territorial Development of Ukraine published, with the support of the Project «Government Reform Support in Ukraine» (SURGe), developed

and provided as a guide methodical recommendations on the procedure for development, approval, implementation, monitoring and evaluation of the implementation of strategies for the development of territorial communities.

On the example of Poland, the "National Strategy for Regional Development until 2030" prepared by the Minister of Investment and Development of Poland and approved by the Council of Ministers of Poland is the basic strategic document of the state's regional policy, which defines the systemic basis for conducting regional policy as a state in relation to the regions and within the region. This strategy contains a set of common values, principles of cooperation between the government and local authorities and socio-economic partners for the development of the country and voivodships [32, 33].

The postulates regarding the new territorial agreement formula formulated in the strategy were specified in the "National Strategy for Regional Development until 2030" and introduced into the legal order based on the provisions of the Law of July 15, 2020 on Amendments to the Law on Principles of Development Policy and some other acts . The main feature of the adopted decisions is the decomposition of the functions performed by existing contracts into three independent instruments: a program contract, a branch contract and a territorial agreement (Salamon J., 2022).

The program contract refers to the regional operational program, and the agreements contained in it refer to resources from European funds distributed through it. Within the framework of the territorial agreement, integrated territorial investments (ITI) are allocated, the purpose of which is to support the sustainable and comprehensive development of urban areas, mainly cities of voivodships and their functional zones. A sectoral contract differs from a program contract and a territorial contract in that it consists in its full connection with national funds (which come both from the state budget and from the budgets of regional governments) and territorial jurisdiction, which can extend beyond the boundaries of one region, which enables the implementation of projects of supra-regional and inter-regional significance [36].

**Discussion.** The hypothesis of our research is based on the perception of the strategy of territorial development as a complex and necessary tool of socio-economic development of the territory of the country, which should be developed in order to solve the problems associated with territorial imbalance. The development of the territorial development strategy should be aimed at achieving self-sufficiency and self-sufficiency of the existing potential in the territory. Self-sufficiency is a connecting link of the totality of the territory's potential; it follows from the objective necessity of the complexity of economic and social development [18]. Thus, the need to develop a territorial development strategy is to resolve the objective contradictions of the territorial reproduction process and create the well-being of the territory at the expense of national interests. The strategy does not allow the isolation of the territory, interacting with all interested parties. It ensures the equivalence of all connections of the internal and external environment and determines its participation in common with others and the solution of emerging problems in the territories.

The substantiation of theoretical questions regarding the strategy of territorial development made it possible to propose a conceptual scheme of the strategy of

territorial development, which is presented in Figure 4, and to provide the author's vision of the definition of "Strategy of territorial development", which has an interdependent synthesis of two concepts, such as "strategy" and "territorial development" and defines a long-term plan for the development of the territory, where, subject to the balance of all components of the potential of territorial development and the harmonious interaction of the authorities, business structures, public organizations, citizenship depends on a positive effect on joint decision-making by them, which will contribute to the systematic development of all spheres of life in a certain territory.

C	Component strategies o	f territorial development	
Block 1. administrative	Block 2. marketing	Block 3. informative	Block 4. legal



# Principles of territorial development strategy development comprehensive planning of the territorial development strategy the principle of informing stakeholders about the need for a TR strategy the principle of rational combination and mutual complementation of infrastructure elements, the principle of priority development of the most priority directions for the territory; information cooperation and formation of a common information environment; principle of openness of the system, use of interregional and international cooperation



## Requirements for the modern strategy of territorial development

- 1. contain clear goals, the achievement of which is decisive for the overall result;
- 2. support public initiatives;
- 3. promote adaptation of the development of the territory to external changes;
- 4. direct the actions of local self-government bodies in the necessary direction;
- 5. plan the sequence of actions;
- 6. development of organizational measures aimed at formation and development;
- 7. use of specific indicators to measure development success;
- 8. interaction with stakeholders necessary for the successful achievement of the set goals



Results of the territorial development strategy
☐ increasing the investment attractiveness of the territory, using the existing potential of the territory
<ul> <li>□ solving the task of ensuring significant growth of the gross product;</li> <li>□ formation of clusters of enterprises, institutions, institutions that form a positive image on the</li> </ul>
territory;
□ ensuring the integration of science and business through their participation in a single innovation system based on the commercialization of knowledge and scientific and technical

Figure 4. Conceptual scheme of the territorial development strategy

Source: developed by authors [31; 42]

The others of scientists investigated the effectiveness of stakeholder interaction in the context of ensuring the sustainable development of territories and identified the following criteria are used to assess the implementation of territorial development programs: program relevance (compliance with regional development needs and priorities); implementation level (clearly formulated and substantiated successful program implementation); cost effectiveness (program results correlation with the stated goals) [42].

In Poland, for the development programs assessment, statistical information on the territorial socio-economic development is used and data on program's objectives monitoring and experts' research regarding the previous program implementation results. A gradual assessment is envisaged: information and data collection; information and data analysis; reports compilation; results evaluation (comparison with the predicted indicators); deviation determination; deviations' causes' analysis; planned corrective measures [38, 39].

In general, according to the European Union countries' practice, several stages of evaluation are used to analyze the territorial development programs effectiveness: the previous one (to assess the program starting point: how its implementation can affect the target groups status and improve the overall situation in the region); intermediate (to find the answer to the questions of the strategic goals' correct set, measures for their implementation); final (carried out after the program completion and, therefore, aimed at assessing its long-term impact on the target groups status). A conceptual scheme is proposed, which provides for the application of a comprehensive territorial development strategy (administrative, marketing, informative, legal), the success of which depends on the requirements for a modern territorial development strategy and the principles of territorial development strategy development.

Conclusions. The strategy of territorial development, being a regulator of the development of the territory, allows creating conditions for promising development. In the conditions of an open regional and international competitive market of socioeconomic transformations, the strategy of territorial development is the most adequate tool capable of consolidating the efforts of the government and society in solving the problems of socio-economic, technical-technological and other transformations. The implementation of the territorial development strategy improves the image of the territory and promotes the active position of civil society, by creating a single vector of efforts. The presence of a strategy will help to attract foreign investors for the implementation of projects faster. In order to determine the future, the territorial development strategy should be developed in a multilateral process and constructive dialogue between business, public authorities, society and stakeholders.

One of the key contributions of the European Spatial Development Perspective, as a strategic document for the territorial development and planning of Europe, was the proposal of the development of a balanced and polycentric urban system and a new urbanrural relationship. This was one of the main goals to promote sustainable development of the EU through a balanced spatial structure (EC, 1999). Indeed, nowadays, in an ever-increasing urban world, it is hard to conceive any kind of regional

development strategy that neglects the crucial role of cities as regional economic engines, either in a stand-alone mode or via a web of urban networks [31].

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