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## METHODS FOR EVALUATION OF THE EFFECTIVENESS LEVEL OF THE TERRITORIAL COMMUNITY'S DEVELOPMENT STRATEGY

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**Abstract.** The article considers the importance of forming a strategy for the development of territories. It is important for each territorial community to model its future development with a high quality of life, equal access to services and comfortable living conditions. The strategy is a roadmap for community development, which is formed to achieve important long-term goals and a vision, taking into account the internal strengths and weaknesses of the community, external opportunities and threats, and reducing uncertainty about the future. A methodology for assessing the effectiveness level of the territorial community development strategy based on expert criteria assessment has been developed. Among the criteria for evaluating the strategy are the following: the analytical part of the development strategy, stakeholder survey, composition of the working group on strategy development, SWOT analysis, development scenarios, the presence of the vision and its compliance with the established criteria, the mission and its compliance with the established criteria, availability of the formed Action Plan, visualization of the development strategy, consideration of the United Nations Sustainable Development Goals in the strategy, preservation of the principle of decomposition and monitoring of the strategy implementation. The strategy of development of the territorial community can be characterized by low, medium and high levels of efficiency. The results of the expert assessment make it possible to determine the index of the effectiveness of the local community development strategy. Approbation of the developed methodology on the example of territorial communities of Ivano-Frankivsk district is carried out. Strategies for the development of the studied territorial communities are characterized by an average level of efficiency. The most common shortcomings of most strategies are lack of development scenarios, lack of mission and failure to take into account the United Nations Sustainable Development Goals, and failure to take into account SMART criteria when setting operational goals. A methodical approach to assessing the effectiveness level of the strategy of development of the territorial community will increase the level of its effectiveness and increase the responsibility for the implementation of the strategy.

**Keywords:** strategy, strategic planning, territorial community, evaluation, efficiency.

**JEL Classification:** A11, H70, O21

## 1. INTRODUCTION

The development strategy is important in the activities of territorial communities in Ukraine, especially its role will increase in the postwar period, significant political changes and the economic crisis that is inevitable. The strategy is a roadmap that enables better performance and timely response to both internal and external challenges. It is one of the important concepts of the modern era (Carter, 2013), which emphasizes the effectiveness of achieving the goals (Fuertes et al., 2020). The strategy is based on the continuum from the planned to the reality (Neugebauer et al., 2016), and not vice versa, i.e. it is based on the vision of the territorial community. The planning process is a long-term creative process that is necessary for the implementation of a certain action, that the strategic optimal level of sustainability of the territorial community (Bryl' et al., 2018).

Strategic management in the public sector is not a new phenomenon. It has existed since the 1980s (Ferlie & Ongaro, 2015). Strategic planning is a thoughtful and disciplined effort aimed at addressing fundamental decisions and actions (Bryson et al., 2018). It is an analysis that involves the division of goals into steps that are managed and implemented to achieve the desired goal (Babandi, 2019). The process of strategy formation is an effective tool for territorial development (Brorström, 2020). The importance of elaborating a development strategy and its impact on the final results of achieving the goals is difficult to overestimate (Belov, 2018; Höglund & Svärdesten, 2018; Favoreu et al., 2016; Yakubiv et al., 2020). Strategic management is the basis and important stage of all processes of development of the state and its territories, which includes goals, effective means, methods and tools needed to achieve goals, as well as established indicators of achieving goals and objectives.

Alford and Greve (2017) note that public sector managers should pay more attention to the development of social value proposals when developing a development strategy, as well as involve all stakeholders and citizens in this process. Politicians, stakeholders and citizens play a role in achieving the goals of the strategy. Moore (2021) also points out that public managers should focus on “creating public value” from assets entrusted to them by the public. Such assets include government money collected through taxation to ensure public welfare.

A study of the availability of development strategies in the territorial communities of Ivano-Frankivsk district showed that only 9 out of 20 communities in this district have developed and approved development strategies (Boryshkevych & Yakubiv, 2022). This indicates the fact that the process of formation and implementation of strategies for the development of territorial communities continues and will continue due to its necessity and cyclical nature. The problem is also that the existing development strategy is not evidence of its effectiveness.

The purpose of the article is to develop a methodology for assessing the level of the effectiveness of the territorial community's strategy and determine the index of its effectiveness.

## 2. METHOD

The level of effectiveness of the strategy of the territorial community can be determined by carrying out an expert analysis of such a strategy. For this purpose, we create a table for evaluating the level of strategy effectiveness (Tab. 1).

Table 1. Assessment of the level of effectiveness of the territorial community's development strategy (evaluation questionnaire)

Evaluation criteria	Criterion score		
	2	1	0
The presence of an analytical part of the development strategy	The analytical part is disclosed in full	The analytical part is partially disclosed	There is no analytical part
Conducting a survey among stakeholders	The survey was conducted for several groups of stakeholders	The survey was conducted only for one group of stakeholders	No survey was conducted
Composition of the strategy development working group	Authorities of the territorial community + business + education + public	Authorities of the territorial community and individual stakeholders	Only the authorities of the territorial community
Carrying out a SWOT analysis	Displaying the results of the SWOT analysis, as well as the interrelationships of comparative advantages, challenges and threats	Displaying the results of the SWOT analysis	SWOT analysis was not conducted
Development scenarios	3 or more development scenarios are displayed	2 development scenarios are displayed	There are no development scenarios
The presence of a vision and its compliance with the established criteria	The vision is formed and meets the established criteria	The vision is formed, but it does not correspond established criteria	There is no vision
The presence of the mission and its compliance with the established criteria	The mission is formed and corresponds to the established ones Criteria	The mission is formed, but it does not correspond to the established ones criteria	There is no mission
Availability of a formed Action Plan	The action plan is formed (goals are set for SMART)	The action plan has been formed (goals have not been set SMART)	There is no action plan
Visualization of the development strategy	Visualization is present (goals are set for SMART)	Visualization is present (goals are not set for SMART)	There is no visualization
Taking into account the UN Sustainable Development Goals in the strategy	Sustainable development goals are present (set according to SMART)	Sustainable development goals are present (not set according to SMART)	Sustainable development goals are not taken into account

Compliance with the principle of decomposition	The strategy takes into account the priorities of the state and regional strategies	The strategy partially takes into account the priorities of the state and regional strategies	The strategy does not take into account the priorities of the state and regional strategies
Monitoring of strategy implementation	A separate section with monitoring + displayed indicators of achievement of operational goals	Monitoring in the strategy is displayed as a separate section	Monitoring is not reflected in the strategy
Final score			
0-8	Low level of effectiveness of the development strategy		
9-16	The average level of effectiveness of the development strategy		
17-24	High level of effectiveness of the development strategy		

Source: author's research

The table 1 shows that the territorial community's development strategy can be characterized by a low level of efficiency (0-8 points), an average level of efficiency (9-16 points) and a high level of efficiency (17-24 points). Since the maximum number of points that a territorial community can receive when assessing the level of effectiveness of its development strategy is 24, the following formula should be used to determine the effectiveness index of the development strategy:

$$I_{ef.str.} = \frac{x}{24} \quad (1)$$

$I_{ef.str.}$  – index of effectiveness of the territorial community's strategy.

$x$  – the final score for assessing the level of effectiveness of the territorial community's strategy.

Experts should include scientists who research this topic and practitioners who carry out strategic management, including developing a strategy. The proposed method of assessing the level of effectiveness of strategies for the development of territorial communities can be used both for domestic and foreign local self-government.

### 3. RESULTS AND DISCUSSION

Based on the methodology for assessing the level of effectiveness of the territorial community's strategy, we evaluate the developed strategies on the example of territorial communities of Ivano-Frankivsk district. The results of the assessment are shown in the Tab. 2.

Table 2. Assessment of the level of effectiveness of the territorial community's development strategy of Ivano-Frankivsk district

Territorial community	Assessment of the level of effectiveness of the territorial community's development strategy, points
Dubovetska territorial community *	–
Ugrynivska territorial community	11
Tysmenytska territorial community *	–
Lysetska territorial community *	–
Zagvizdianska territorial community *	–
Tlumatska territorial community	16
Yamnytska territorial community *	–
Bukachivska territorial community	13
Burshtynska territorial community	11
Starobogordchanska territorial community	16

Solotvynska territorial community *	–
Bilshivtsivska territorial community *	–
Bogorodchanska territorial community *	–
Rogatynska territorial community *	–
Galytska territorial community *	–
Dzvyjnatska territorial community	16
Jezupilska territorial community *	–
Obertynska territorial community *	–
Ivano-Frankivska territorial community *	–
Oleshanska territorial community *	–

\*The community strategy has not been developed or published on the official website

Source: author's research

As we can see from the table 2, development strategies of all studied territorial communities of Ivano-Frankivsk district, except for those whose strategies have not been developed or have not been published on the official website, are characterized by an average level of effectiveness. Among the biggest shortcomings of most strategies, the following can be noted: lack of development scenarios, lack of a mission, and failure to take into account the Sustainable Development Goals of the United Nations. Also, a significant problem is that when setting operational goals, SMART criteria, which include specificity, measurability, reach, relevance, and time limitation, are not taken into account.

At the next stage, we calculate the indices of the effectiveness of strategies for the development of territorial communities of Ivano-Frankivsk district (Tab. 3).

Table 3. Indices of effectiveness of the territorial community's development strategies of Ivano-Frankivsk district

<b>Territorial community</b>	<b>Indexes of effectiveness of the development strategies</b>
Dubovetska territorial community *	–
Ugrynivska territorial community	0,46
Tysmenytska territorial community *	–
Lysetska territorial community *	–
Zagvizdianska territorial community *	–
Tlumatska territorial community	0,67
Yamnytska territorial community *	–
Bukachivska territorial community	0,54
Burshtynska territorial community	0,46
Starobogordchanska territorial community	0,67
Solotvynska territorial community *	–
Bilshivtsivska territorial community *	–
Bogorodchanska territorial community *	–
Rogatynska territorial community *	–
Galytska territorial community *	–
Dzvyjnatska territorial community	0,67
Jezupilska territorial community *	–
Obertynska territorial community *	–
Ivano-Frankivska territorial community *	–
Oleshanska territorial community *	–

\*The community strategy has not been developed or published on the official website

Source: author's research

From the table 3, it can be concluded that the most effective are the development strategies of the Tlumatska, Starobogordchanska and Dzvyunjatska territorial communities (efficiency index - 0.67). The Bukachivska territorial community is less effective with an index of 0.54. Ugrynivska and Burshtynska territorial communities are characterized by the lowest level of effectiveness of the development strategy among the studied territorial communities. In order to visualize the obtained results, we construct a diagram (Fig. 1).

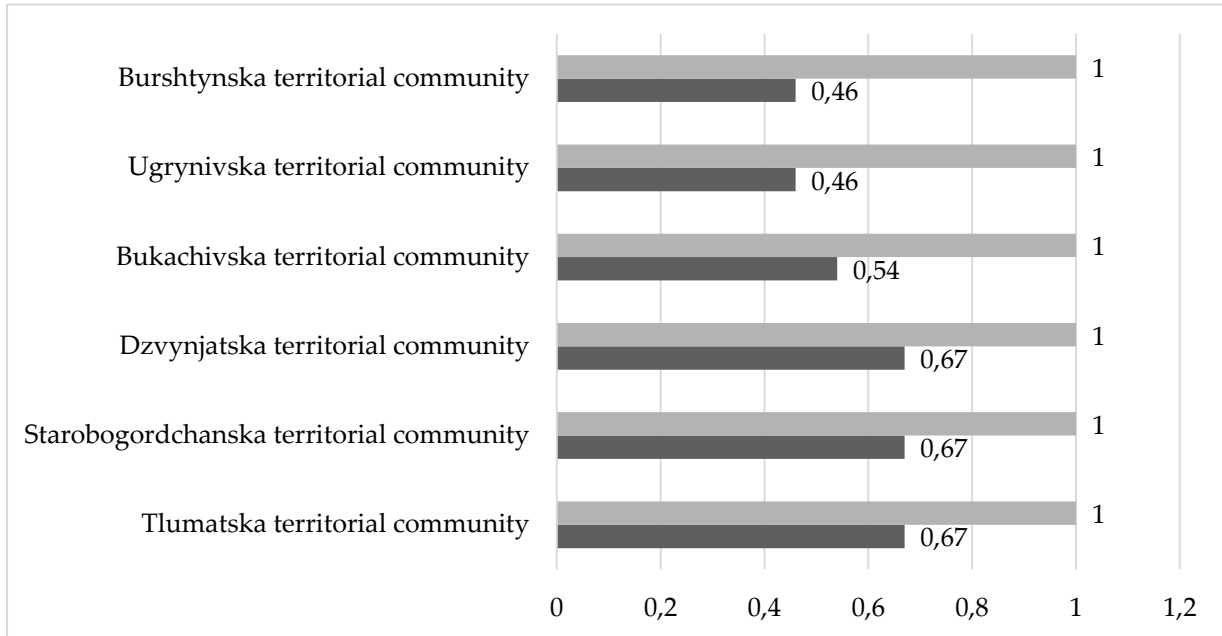


Fig. 1. The degree of achievement of the maximum effectiveness of development strategies of some territorial communities of Ivano-Frankivsk district

Source: author's research

Thus, the developed methodology for assessing the level of effectiveness of the strategy for the development of the territorial community makes it possible to identify the shortcomings of the formed strategy and the possibility of eliminating them after appropriate revisions at the meetings of the working group.

#### 4. CONCLUSION

Strategic management is the basis and an important stage of all processes of development of the vital activities of the state and its territories, especially in the post-war period, which includes goals, effective means, methods and tools necessary to achieve goals, as well as established indicators of achievement of set goals and objectives. The developed strategy should be aimed at increasing competitive advantages and improving the attractiveness of the investment climate. On the one hand, the strategy acts as a tool for achieving set goals, and on the other, as a means of connecting the community with the market environment. However, it is important not only to have a development strategy in the territorial community, but, first of all, its effectiveness and ability to achieve all set goals. The territorial community development strategy must be of high quality and meet all the criteria related to its construction.

The developed methodology for assessing the level of effectiveness of the territorial community development strategy makes it possible to eliminate errors during the implementation of the strategy and increases its quality and effectiveness from implementation. The proposed method can be used both in domestic and foreign conditions.

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Боришкевич Ірина, Якубів Валентина, Марцін Завіцкі. Методика оцінки рівня ефективності стратегії розвитку територіальної громади. *Журнал Прикарпатського університету імені Василя Стефаника*, 9 (3) (2022), 28-35.

У статті розглянуто важливість формування стратегії для розвитку територій. Для кожної територіальної громади важливим є моделювання її майбутнього розвитку із високою якістю життя, рівним доступом до наданих послуг та комфортними умовами проживання. Стратегія є дорожньою картою розвитку громади, що формується для досягнення важливих довгострокових цілей та сформованого бачення, враховуючи внутрішні сильні та слабкі сторони громади, зовнішні існуючі можливості та загрози, а також знижуючи рівень невизначеності майбутнього. Розроблено методику оцінки рівня ефективності стратегії розвитку територіальної громади, що ґрунтується на експертній критеріальній оцінці. Серед критеріїв оцінювання сформованої стратегії виокремлено наступні: наявність аналітичної частини стратегії розвитку, проведення опитування серед заінтересованих сторін, склад робочої групи з розробки стратегії, проведення SWOT-аналізу, сценарії розвитку, наявність візії та її відповідність встановленим критеріям, наявність місії та її відповідність встановленим критеріям, наявність сформованого Плану заходів, візуалізація стратегії розвитку, врахування Цілей сталого розвитку ООН у стратегії, збереження принципу декомпозиції та моніторинг впровадження стратегії. Стратегія розвитку територіальної громади може характеризуватись низьким, середнім та високим рівнем ефективності. Результати експертної оцінки дають можливість визначити індекс ефективності стратегії розвитку територіальної громади. Здійснено апробацію розробленої методики на прикладі територіальних громад Івано-Франківського району. Стратегії розвитку досліджуваних територіальних громад характеризуються середнім рівнем ефективності. Встановлено, що найчастішими недоліками більшості стратегій є: відсутність сценаріїв розвитку, відсутність місії та не врахування Цілей сталого розвитку ООН, а також не врахування SMART-критеріїв при постановці операційних цілей. Запропоновано методичний підхід до оцінки рівня ефективності стратегії розвитку територіальної громади, що забезпечить підвищення рівня її результативності та збільшить відповідальність за реалізацію сформованої стратегії.

**Ключові слова:** стратегія, стратегічне планування, територіальна громада, оцінка, ефективність.