



# **Final Report**

## **ESPON 2006 INTERREG III Programme**

**(In accordance to article 37 of Council Regulation (EC) No 1260/99)**

**Approved by the ESPON Monitoring Committee on 2 June 2009.**

**Basic information:**

**CCI n°:** CCI 2001 RG 16 0 PC 013

**Objective n° / Community Initiative:** INTERREG III

**Member State / Region:** EU

**Title of the assistance:** INTERREG III - ESPON 2006 Programme

**Programming Years:** 2002-2008

**Managing Authority:**

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## ANNEX:

Annex I: Annual Implementation Report 2008

## **Abbreviations**

CIP:	Community Initiative Programme
CS:	Community Strategy
CU:	Coordination Unit
EC:	European Commission
ECP:	European Contact Point
ESDP:	European Spatial Development Planning
EU:	European Union
FCG:	Financial Control Group
MA:	Managing Authority
MC:	Monitoring Committee
MTE:	Mid-Term Evaluation
PA:	Paying Authority
PC:	Programme Complement
R&D:	Research and Development
TPG:	Transnational Project Group

## **1. OPERATIONAL FRAMEWORK**

No changes have been implemented until 2006 in the conditions relevant to the implementation of the assistance.

In February 2006 the Monitoring Committee (MC) decided on the revision of the Programme Complement (PC). The financial tables of the programme complement were revised in order to take into account the project consumption rate and the resources available for the externalisation of the controls according to Article 10 of Commission Regulation (EC) 438/2001 and the implementation of the improved Communication Strategy (CS). Taking into account, that a considerable under spending was recorded in the budget of Priority 4, the MC decided that a transfer of resources from Priority 4 to Priority 5 was needed, leading to a modification of the Programme financial tables. In addition, some reallocation also intervened among measures within Priorities 1-4.

In order to set the legal basis for the setting up of the Financial Control Group (FCG) in charge of controls according to Chapter IV of Regulation (EC) 438/2001, the Agreement between the Managing Authority (MA) and the Member States has also been revised in 2006. The revision took the form of an amendment, signed by all Member States. The changes were limited to the organisation of the Second Level of financial control.

Consequently, the description of the management and control system for the ESPON Programme had to be updated. The revised version was submitted in July 2006 to the European Commission (EC) in accordance with Article 13 of Regulation (EC) 438/2001 and was approved by the ESPON MC on 20 February 2006. The FCG for the ESPON 2006 Programme has been consulted concerning this update and raised no concerns at its meeting on 20 June 2006.

### **1.1. The main socio-economic trends**

During the years of implementation of the Community Initiative ESPON 2006 Programme, the general socio-economic trends have not had direct impacts on the programme implementation. However, some themes of applied research have been selected by the ESPON Monitoring Committee indirectly reflecting issues of high interest due to socio-economic developments. This is the case for themes that were not mentioned in the approved CIP which included the thematics of the first 19 projects to be carried through. By providing information to the policy process in general on territorial dynamics, the programme has rather informed about the regional distribution of socio-economic trends within the European territory.

### **1.2. Changes in national, regional, sectoral policies**

The results of the ESPON 2006 Programme have not had direct impact leading to changes in national, regional and sectoral policies. The results of ESPON applied research may however through the presentation of facts and evidence and comparable information on regions and cities of Europe have influenced national, regional and local processes that have resulted in policy adjustments or even changes. In particular, policy impact studies of different EU Sector Policies may have stimulated the discussion and reflection of future policy developments.

### **1.3. Changes in the objective 3 policy frame of reference**

The ESPON 2006 Programme was a Community Initiative under art. 53. It has consequently not been influenced by changes in the objective 3 policy frame of reference.

## 2. IMPLEMENTATION OF PRIORITIES AND MEASURES FOR EACH OF THE FUNDS

### 2.1 Description of achievements in relation to their specific objectives and targets

The ESPON Community Initiative Programme (CIP) was approved by the EC on 3 June **2002**. During this year, programme activities focused on the building up of structures of the whole management and control of ESPON. The MC, the Managing and Paying Authority (MA/PA) and a Coordination Unit (CU) office were set up. Financial control procedures at first level were developed and agreed.

While the MA invited countries European wide to join the ESPON programme, besides the EU Member States also Norway, Switzerland and Slovenia became partners contributing financially to the programme and three Candidate Countries, Malta, Latvia and Czech Republic joined the ESPON programme as observers.

During the year **2003**, first preliminary results from ESPON projects were delivered and proved to be useful for the policy development. Some of them have found their way into the Third Cohesion Report and /or to the Interim Territorial Cohesion Report published by the EC.

In **2004**, the delivery of the first final results took place - 9 projects of the first round delivered their final report. It was also a year, when all the new 10 EU Member States joined ESPON and the consequent modification of both CIP and Programme Complement had to be made.

However, the main task of this year was the enhancement of the communication activities. Considerably increased interest in the results of ESPON studies has been registered from other programmes, organisations and institutions. The ESPON Programme started its participation in the Interact Point Qualification and Transfer through a thematic interaction to bring the results of the ESPON research directly to the other Interreg III programmes. Transnational scientific networking activities were supported by the creation of an ECP (European Contact Point) financial mechanism.

Communication and promotion activities played an important role also in the activities of **2005**. In support of policy development a **second synthesis report** was published based on final results from more terminating ESPON projects. The **first cross-thematic analysis of results** was presented in this report. The results were disseminated to various players at European, transnational, national and regional/local level on a number of events. The networks of researchers, ECP, European institutions, Interreg officers and regional practitioners were continuously stimulated.

Financial control mechanism for on the spot checks and winding up of the programme were established and first considerations concerning ESPON activities after 2006 appeared.

In **2006** discussion on the results achieved by the concluded applied research projects intensified. The final deliveries of the remaining 18 ongoing projects were assessed. The **capitalisation of the results** obtained was strengthened by improving the communication activities. Support was given to some key policy developments, such as

the **4<sup>th</sup> Cohesion Report** and the **Territorial State and Perspectives of the EU** in order to test the usefulness of ESPON results.

The **administrative and financial closure of the majority of the approved operations** and the implementation of the **Second Level Financial Control** and the audit activities took place.

The last 7 Final Reports were delivered during **2007**. There were also increased inflows of reimbursement claims from the projects side and **increased intensity of communication activities to widely disseminate the results of the ESPON Programme**. The ESPON Projects results were used as a support to some key policy developments, such as the **Territorial Agenda of the EU** in order to prove the usefulness. **Second Level Financial Control** continued. €11.498,87 of ineligible ERDF has been detected. The majority of the irregularities relates to staff costs and the corresponding overheads.

The increasing recognition of ESPON was an important driver for capitalisation and communication activities in **2008**. By far the most resource demanding strand of activities within this year was the preparation of the formal **closure of the ESPON 2006 Programme**. The Programme has set the financial cut-off closing date at the 31 August 2008 and the final statement of expenditure has been established.

## 2.2. Quantification of the related indicators

The Programme complement agreed by the MC in February 2006 and approved by the EC in January 2007 provided quantified performance indicators for priority and measures level for the period 2002 – 2006 showing generally higher expectations than those defined for 2002-2004. Taking into account that all projects have delivered Final results, the following tables present the final overall results for the ESPON 2006 Programme for Priorities 1-4.

### 2.2.1. Physical output

#### Priority 1 Thematic projects on important spatial developments

Indicators 2002-2006	Total achieved	Total envisaged
Number of spatial indicators developed and applied	244	42
Number of spatial concepts defined	53	18
Number of spatial typologies tested	60	32
Number of EU maps produced	548	38
Number of ESDP policy options addressed in this field	114	52



## 1.1 Cities, polycentric development and urban rural relations

The further specification of actions within the thematic range of this measure focused on the following issues:

1.1.1.: The role, specific situation and potentials of urban areas as nodes of polycentric development (2001-06)

1.1.2.: Urban-rural relations (2001-03)

1.1.3.: Particular effects of enlargement for the polycentric spatial tissue (2001-06)

1.1.4.: The spatial effects of demographic trends and migration (2003-06)

The output indicators:

<b>Indicators</b>	<b>1.1.1</b>	<b>1.1.2</b>	<b>1.1.3</b>	<b>1.1.4</b>	<b>Total achieved</b>	<b>Total envisaged (2002-2006)</b>
Number of spatial indicators being developed	43	6	9	3	<b>61</b>	<b>15</b>
Number of spatial concepts defined	4	12	13	10	<b>39</b>	<b>4</b>
Number of spatial typologies tested	3	4	6	13	<b>26</b>	<b>10</b>
Number of maps produced	35	60	26	101	<b>222</b>	<b>10</b>
Number of ESDP policy options addressed	7	28	3	11	<b>49</b>	<b>20</b>

## 1.2 Parity of access to infrastructure and knowledge

The further specification of actions within the thematic range of this measure focused on the following issues:

1.2.1.: Basic supply of infrastructure for territorial cohesion (2001-03)

1.2.2.: Spatial effects of networks, transport and (tele-) communication services (2001-03)

1.2.3.: Identification of spatially relevant aspects of the information society (2001-06)

The output indicators:

<b>Indicators 2002-2006</b>	<b>1.2.1</b>	<b>1.2.2</b>	<b>1.2.3</b>	<b>Total achieved</b>	<b>Total envisaged (2002-2006)</b>
Number of spatial indicators being developed	n.a.	41	2	43	15
Number of spatial concepts defined	n.a.	6	1	7	7
Number of spatial typologies tested	n.a.	18	1	19	10

Number of maps produced	n.a.	78	5	83	12
Number of ESDP policy options addressed	n.a.	4	5	9	15

### 1.3 Natural and cultural heritage

The further specification of actions within the thematic range of this measure focused on the following issues:

1.3.1.: The spatial effects and management of natural and technological hazards in general and in relation to climate change (2001-06)

1.3.2.: Management of the natural heritage (2001-06)

1.3.3.: The role and spatial effects of cultural heritage and identity (2003-06)

The output indicators:

<b>Indicators 2002-2006</b>	<b>1.3.1</b>	<b>1.3.2 *</b>	<b>1.3.3</b>	<b>Total achieved</b>	<b>Total envisaged (2002-2006)</b>
Number of spatial indicators being developed	32	n.a.	30	62	10
Number of spatial concepts defined	2	n.a.	3	5	5
Number of spatial typologies tested	2	n.a.	3	5	10
Number of maps produced	33	n.a.	52	85	10
Number of ESDP policy options addressed	5	n.a.	5	10	17

\* This project's report was not considered sufficiently reflecting the specification of the project therefore a reduction of payment has been decided.

### 1.4 Deepening thematic projects and new thematic projects

The further specification of actions within the thematic range of this measure focused on the following issues:

1.4.1.: The role of Small and Medium size towns (2004-06)

1.4.2.: Preparatory Study on Social aspects of EU territorial development (2004-06)

1.4.3.: Study on Urban Functions (2004-06)

1.4.4.: Preparatory Study on Feasibility on Flows Analysis

1.4.5.: Preparatory Study on Spatially relevant aspects of tourism

The output indicators:

<b>Indicators 2004-2006</b>	<b>1.4.1</b>	<b>1.4.2</b>	<b>1.4.3</b>	<b>1.4.4</b>	<b>1.4.5</b>	<b>Total achieved</b>	<b>Total envisaged (2004-2006)</b>
Number of spatial indicators being developed	1	n.a.	n.a.	26	n.a.	27	5
Number of spatial concepts defined	2	n.a.	n.a.	n.a.	n.a.	2	3
Number of spatial typologies tested	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3
Number of maps produced	5	15	n.a.	18	n.a.	38	5
Number of ESDP policy options addressed	6	2	n.a.	35	n.a.	43	5

## **Priority 2 POLICY IMPACT PROJECTS**

<b>Indicators 2002-2006</b>	<b>Total envisaged</b>	<b>Total achieved</b>
Number of spatial indicators each developed and applied	19	228
Number of sector policies fully addressed	5	6
Number of EU maps produced	34	257
Number of ESDP policy aims addressed in that field	all	all

### 2.1 The territorial effects of sector policies

The further specification of actions within the thematic range of this measure focused on the following issues:

- 2.1.1.: Spatial diversification by the infrastructure policy of TENs (2001-03)
- 2.1.2.: Spatial effects of the EU R&D policy (2001-2003)
- 2.1.3.: Spatial effects of the EU Agricultural Policy with particular reference to the environmental dimension and policy (2001-03)
- 2.1.4.: Energy services, networks and territorial impact EU energy policy
- 2.1.5.: Territorial impacts of European fisheries policy

The output indicators:

<b>Indicators 2002-2006</b>	<b>2.1.1</b>	<b>2.1.2</b>	<b>2.1.3</b>	<b>2.1.4</b>	<b>2.1.5</b>	<b>Total achieved</b>	<b>Total envisaged (2002-2006)</b>
Number of spatial indicators being developed	9	8	80	57	n.a.	<b>149</b>	<b>10</b>
Number of sectoral policies fully addressed	1	n.a.	1	n.a.	n.a.	<b>6</b>	<b>5</b>
Number of charts on the institutional structure of sector policies	n.a.	n.a.	2	n.a.	n.a.	<b>2</b>	<b>3</b>
Number of maps produced	56	12	27	44	n.a.	<b>113</b>	<b>20</b>
Number of ESDP policy options addressed	5	8	All	4	n.a.	<b>All</b>	<b>All</b>

## 2.2 New territorial aspects of the Structural Funds and related Funds

The further specification of actions within the thematic range of this measure focused on the following issues:

2.2.1.: The territorial effects of the Structural Funds and pre-accession aid and

Phare/Tacis/ISPA (2001-03 finalising in 06)

2.2.2.: Territorial effects of the Pre-Accession Aid

2.2.3.: The effects of Structural Funds in urban areas (2001-06)

The output indicators:

<b>Indicators 2002-2006</b>	<b>2.2.1</b>	<b>2.2.2</b>	<b>2.2.3</b>	<b>Total achieved</b>	<b>Total envisaged (2002-2006)</b>
Number of spatial indicators being developed	2	51	n.a.	<b>53</b>	<b>7</b>
Number of funds fully addressed	6	4	n.a.	<b>10</b>	<b>6</b>
Number of charts on the institutional structure of sector policies	14	n.a.	n.a.	<b>14</b>	<b>6</b>
Number of maps produced	9	29	n.a.	<b>38</b>	<b>10</b>
Number of ESDP policy options addressed	10	4	n.a.	<b>14</b>	<b>All</b>

### **2.3 Institutions and instruments of spatial policies**

The further specification of actions within the thematic range of this measure focused on the following issues:

2.3.1.: The application and effects of the ESDP in the Member States (2003-06)

2.3.2.: The coordination of territorial and urban oriented policy from the EU to the local level (2003-06)

The output indicators:

<b>Indicators 2002-2006</b>	<b>2.3.1</b>	<b>2.3.2</b>	<b>Total achieved</b>	<b>Total envisaged (2002-2006)</b>
Number of countries investigated	29 (25 Member states + BU-RO-NO-CH)	29 (25 Member states + BU-RO-NO-CH)	<b>n.a.</b>	<b>15</b>
Number of funds fully addressed	n.a.	4	<b>4</b>	<b>n.a.</b>
Number of charts on the institutional structure of special planning, both in urban and territorial policies	n.a.	93 figures 37 tables	<b>n.a.</b>	<b>3</b>
Number of maps produced	18	31	<b>49</b>	<b>n.a.</b>
Number of ESDP policy options addressed	13	4	<b>All aims</b>	<b>All aims</b>

### **2.4 Deepening thematic projects and new thematic projects**

The further specification of actions within the thematic range of this measure focused on the following issues:

2.4.1.: Territorial trends and policy impacts in the field of EU Environmental Policy (2004-06)

2.4.2.: Integrated territorial analysis based on ESPON Results (2004-06)

The output indicators:

<b>Indicators 2002-2006</b>	<b>2.4.1</b>	<b>2.4.2</b>	<b>Total achieved</b>	<b>Total envisaged (2002-2006)</b>
Number of spatial indicators being employed	32	47	<b>79</b>	<b>12</b>
Number of typologies tested	5	7	<b>12</b>	<b>n.a.</b>
Number of maps produced	38	57	<b>95</b>	<b>20</b>
Number of ESDP policy options addressed in that field	4	23	<b>27</b>	<b>n.a.</b>

### Priority 3 CO-ORDINATING CROSS-THEMATIC PROJECTS

Indicators 2002-2006	Total envisaged	Total achieved
- Number of spatial concepts as mentioned in the programme explored	6	20
- Number of maps produced	20	826
- Strands and orientations of the ESDP addressed	all	all

#### 3.1 Integrated tools for the European spatial development

The output indicators:

Indicators 2002-2006	3.1	Total envisaged (2002-2006)
Number of spatial indicators being developed	89	40
Number of maps produced	89	10
Number of ESDP policy options addressed in that field	15	n.a.

#### 3.2 Spatial scenarios and orientations towards the ESDP and the Cohesion Policy

The output indicators:

Indicators 2002-2006	3.2	Total envisaged (2002-2006)
Number of spatial indicators being developed	241	45
Number of spatial concepts defined	n.a.	3
Number of maps produced	217	10
Number of ESDP policy options addressed in that field	All	all

#### 3.3 Territorial dimension of the Lisbon/Gothenburg Process

The output indicators:

Indicators 2002-2006	3.3	Total envisaged (2002-2006)
Number of spatial indicators being developed	116	n.a.

Number of spatial concepts defined	<b>20</b>	<b>n.a.</b>
Number of maps produced	<b>133</b>	<b>n.a.</b>
Number of ESDP policy options addressed in that field	<b>49</b>	<b>n.a.</b>

### 3.4 Filling gaps and new projects

The further specification of actions within the thematic range of this measure focused on the following issues:

3.4.1 Europe in the world

3.4.2 EU economic policies and location of economic activities

3.4.3 The Modifiable Areas Unit Problem (MAUP)

The output indicators:

<b>Indicators 2002-2006</b>	<b>3.4.1</b>	<b>3.4.2</b>	<b>3.4.3</b>	<b>Total envisaged (2002-2006)</b>
Number of spatial indicators used / developed	24	8	n.a	<b>n.a</b>
Number of spatial typologies applied	14	8	n.a	<b>n.a</b>
Number of maps produced	228	67	86	<b>n.a</b>
Number of ESDP policy options addressed in that field	15	n.a	n.a.	<b>n.a</b>

## **Priority 4 ESPON RESEARCH BRIEFING AND SCIENTIFIC NETWORKING**

<b>Indicators 2002 - 2006</b>	<b>Total envisaged</b>	<b>Total achieved</b>
Number of national data access surveys	<b>27</b>	<b>28</b>
Number of EU data access surveys	<b>4</b>	<b>n.a.</b>
Number of ESPON Contact Point briefings.	<b>6</b>	<b>16</b>
Number of conference with Transnational Project Groups (TPGs)	<b>12</b>	<b>16</b>

#### 4.1 Data navigator: preparatory surveys on data access

The output indicators:

<b>Indicators 2003 - 2005</b>	<b>Achieved 2003</b>	<b>Achieved 2004</b>	<b>Achieved 2005</b>	<b>Achieved 2006</b>	<b>Total achieved</b>	<b>Total envisaged (2002 – 2006)</b>
Number of national data access surveys	18	n.a.	10	n.a.	<b>28</b>	<b>27</b>

#### 4.1.3 Monitoring Territorial Development

The output indicators:

<b>Indicators 2006 - 2007</b>	<b>Achieved 2006</b>	<b>Achieved 2007</b>	<b>Total achieved</b>	<b>Total envisaged (2006 – 2007)</b>
Number of national data access surveys	n.a.	n.a.	n.a.	n.a.

#### 4.2 ESPON briefing and scientific co-ordination of ESPON Contact Points

Measure 4.2 is not a project activity, but an action carried through including ECP co-ordination and meetings. Basically, ECPs undertake a multitude of tasks.

The following table provides the final performance indicators achieved for this measure within the ESPON 2006 programme.

The output indicators:

<b>Indicators 2003 - 2006</b>	<b>Achieved 2003</b>	<b>Achieved 2004</b>	<b>Achieved 2005</b>	<b>Achieved 2006</b>	<b>Total achieved</b>	<b>Total envisaged (2002 – 2006)</b>
Number of ESPON Contact Point briefings	3	4	5	4*	<b>16</b>	<b>6</b>

\* Including 1 ECP closing event in 2007

#### 4.3 ESPON briefing and scientific co-ordination of Transnational Project Groups

Measure 4.3 is being handled in a similar way to measure 4.2 and is a measure carried out through ESPON seminars and Lead Partners meetings, both held usually twice each year.



The output indicators:

Indicators 2002 - 2006	Achieved 2003	Achieved 2004	Achieved 2005	Achieved 2006	Total achieved	Total envisaged (2002 – 2006)
Number of conferences with TPGs	4	4	4	4	16	12

### 2.2.2. Results

#### *Overall*

Within the ESPON 2006 Programme 4 priorities were implemented. Priority 1 covered “Thematic projects” on major transnational spatial developments on the background of typologies of regions, and the situation of urban areas. Priority 2 focused on “Policy impact projects” with regard on the spatial effects of Community and Member States sector policies and Member States’ spatial development policy regarding the various types of regions with a focus on the institutional inter-linkages between the different governmental levels and the instrumental dimension of policies. Priority 3 “Co-ordinating cross-thematic projects” prepared the ground and made use of the results achieved under priority 1 and 2 and provided as well the framework for the liaison between all projects. Priority 4 finally covered the “ESPON Research Briefing and scientific networking” and provided the scientific infrastructure and co-ordination for smooth working procedures of the ESPON 2006 programme. The following results were achieved.

#### *Priority 1*

- After a precise analysis of the availability and comparability of data at Community level a consensus on indicators and necessary data was achieved;
- New database indicators and map-making were developed;
- Appropriate tools for the processing of new data base, indicators and map-making were developed;
- Applicable systems for the monitoring of new territorial development trends were developed;
- Typologies of regions revealing risks and potentials for the identified types of regions were detected;
- New territorial developments in the broader context’ were indicated;
- Access points for policy responses on new territorial developments were indicated;
- The issues within the thematic range of this measure were further deepened.

### *Priority 2*

- Consensus on indicators and necessary data was reached after a precise analysis of the availability and comparability of data at the Community level;
- New database indicators and map-making were developed;
- Methods for a territorial impact assessment of sector policies were developed;
- Information on the EU wide effects of the most important EU and Member State sector policies in terms of economic relocation and other spatial criteria was gained;
- Typologies of regions revealing risks and potentials for the identified types of regions were detected;
- Appropriate indicators, typologies and instruments to detect regions and territories most negatively and positively affected by territorial developments were found;
- Institutional settings and instruments which support a better co-ordination of sector policies towards spatial concerns were defined;
- Answers on possible policy adjustments in order to avoid unintended effects were provided.

### *Priority 3*

- Consensus on indicators and necessary data was reached after a precise analysis of the availability and comparability of data at the Community level;
- The geographical level/technology for data collection, and the availability of data was defined;
- Tools for the identification of threads and potentials for a more balanced territorial development such as indicator lists, databases, mapping methods were created covering all themes in a comprehensive and integrated way;
- Orientations on the implementation of spatial objectives into the existing EU policies – from analytical tools to policy measures were identified;
- Methodologies for prospective scenarios were prepared;
- Policy scenarios in written and visual form were developed which help to understand the importance and potentials of the territorial development;
- Ideas were proposed for the possible orientation of the up-date of the ESDP policy and of the Cohesion policy at the EU level.

### *Priority 4*

- The ESPON internal compendium on national data access and mapping capacities as input for the TPG in the Member/Candidate and Partner States were developed;
- Annual meetings of ESPON Contact Points and Bi-annual TPGs for a co-ordinated and coherent ESPON approach between the TPGs and ESPON Contact Points for scientific briefing and co-ordination of projects were organised;
- Permanent scientific monitoring of the approach and progress was implemented.

### ***2.2.3. Impacts of the priorities and measures***

Due to the fact that impacts can first be evaluated properly after a certain amount of time some of the following points are to be understood as being still preliminary. Regarding the coverage projects elaborated under the ESPON 2006 Programme consider the whole EU territory and the neighbouring countries.

Measures under Priority 1 developed typologies which allowed identifying and comparing the variety of territories in Europe. This allowed a better and more focused assessment of territorial developments and territorially orientated policies. Projects took into account the ESDP policy options and made proposals for their specification and advancement with particular regard to the Interreg areas. An improved analytical base for evidence based policies was achieved due to the fact that the measures required some type of indicator work as well as data collection.

Measures under Priority 2 supported the development of tools/methods for a territorial assessment of sectoral policies. A systematic assessment of the EU sector policies allow to develop more focused territorial interventions and a better understanding of the conflicts between sectorally and territorially orientated policies, as well as potential solutions for these conflicts.

Measures under priority 3 were devoted to the co-ordination between studies and the production of added value by the exploration of the outcomes from the other priorities. Spatial Scenarios and additional information were achieved. The results contributed to mutual understanding by administrators, politicians and a wider public using charts, maps, listing of advantages and disadvantages of approaches. This way it was also possible to raise the understanding of EU territorial development issues among the mentioned groups.

The measures under Priority 4 directly contributed to these impacts, through the provision of data access, and the support for scientific co-ordination and networking. Finally the construction of the TPGs allowed involving many institutes from all countries of the EU Member States, the candidate and partner countries.

### 3. FINANCIAL IMPLEMENTATION

The table below provides information on the total certified expenditure actually paid out by the PA and the respective community contribution broken down by project. The table provides as well the execution rate for each project and priority.

Priority / Measure	Available in CIP (A)	Commitments (B)	% of Commitments (B/A)	Final cumulative payment (E)	Execution rate (E/A)	Community contribution
1.1. - Polycentric development and urban-rural relations	€1.602.000,00	€1.533.400,11	95,72%	€1.533.400,11	95,72%	€766.700,06
1.2. Access to infrastructure and knowledge	€1.027.000,00	€1.003.081,90	97,67%	€1.003.081,90	97,67%	€501.540,95
1.3. Natural and cultural heritage	€1.196.000,00	€1.130.726,11	94,54%	€1.130.726,11	94,54%	€565.363,06
1.4. Natural and cultural heritage	€425.000,00	€399.393,13	93,97%	€399.393,13	93,97%	€199.696,57
<b>P.1 Thematic projects on important spatial developments</b>	<b>€4.250.000,00</b>	<b>€4.066.601,25</b>	<b>95,68%</b>	<b>€4.066.601,25</b>	<b>95,68%</b>	<b>€2.033.300,63</b>
Total 2.1. The territorial effects of sector policies	€1.495.500,00	€1.440.732,87	96,34%	€1.440.732,87	96,34%	€720.366,44
Total 2.2. Structural Funds and related Funds	€1.011.824,00	€969.923,63	95,86%	€969.923,63	95,86%	€484.961,82
Total 2.3. Institutions and instruments of spatial policies	€762.000,00	€756.769,76	99,31%	€756.769,76	99,31%	€378.384,88
Total 2.4. Filling gaps and new projects	€450.000,00	€444.017,38	98,67%	€444.017,38	98,67%	€222.008,69
<b>TOTAL P. 2 Policy impact projects</b>	<b>€3.719.324,00</b>	<b>€3.611.443,64</b>	<b>97,10%</b>	<b>€3.611.443,64</b>	<b>97,10%</b>	<b>€1.805.721,82</b>
Measure 3.1. Integrated tools for European spatial development territorial	€1.140.000,00	€1.117.510,51	98,03%	€1.117.510,51	98,03%	€558.755,26
Measure 3.2. Spatial Scenarios	€1.521.502,00	€1.435.194,76	94,33%	€1.435.194,76	94,33%	€717.597,38
Measure 3.3. Lisbon	€431.000,00	€336.976,26	78,18%	€336.976,26	78,18%	€168.488,13
Total 3.4. Filling gaps and new projects	€649.000,00	€583.710,01	89,94%	€583.710,01	89,94%	€291.855,01
<b>TOTAL P. 3 Co-ordinating cross-thematic projects</b>	<b>€3.741.502,00</b>	<b>€3.473.391,54</b>	<b>92,83%</b>	<b>€3.473.391,54</b>	<b>92,83%</b>	<b>€1.736.695,77</b>
Measure 4.1 Datanavigator preparatory surveys on data access	€350.000,00	€312.095,70	89,17%	€312.095,70	89,17%	€156.047,85
Measure 4.2 Briefing and scientific coordination: ECPs	€446.500,00	€391.630,40	87,71%	€391.630,40	87,71%	€195.815,20
Measure 4.3 Briefing and scientific coordination: LPs	€194.500,00	€168.175,38	86,47%	€168.175,38	86,47%	€84.087,69
<b>TOTAL P. 4 Research briefing and scientific networking</b>	<b>€991.000,00</b>	<b>€871.901,48</b>	<b>87,98%</b>	<b>€871.901,48</b>	<b>87,98%</b>	<b>€435.950,74</b>
Measure 5.1	€1.270.494,00	€1.266.792,44	99,71%	€1.266.792,44	99,71%	€633.396,22
Measure 5.2	€492.368,00	€491.407,39	99,80%	€491.407,39	99,80%	€245.703,70
<b>TOTAL P. 5 Technical Assistance and Communication</b>	<b>€1.762.862,00</b>	<b>€1.758.199,83</b>	<b>99,74%</b>	<b>€1.758.199,83</b>	<b>99,74%</b>	<b>€879.099,92</b>
<b>TOTAL</b>	<b>€14.464.688,00</b>	<b>€13.781.537,74</b>	<b>95,28%</b>	<b>€13.781.537,74</b>	<b>95,28%</b>	<b>€6.890.768,87</b>

There are no unfinished projects or projects suspended due to legal or administrative proceedings in the framework of the ESPON 2006 Programme.

There has been no de-commitment in accordance with the N+2 rule (Article 31.2§2) during the programme implementation period.

The 100% of the assistance in the framework of the ESPON 2006 Programme is under the field of intervention 181.

#### **4. STEPS TAKEN BY THE MANAGING AUTHORITY AND THE MONITORING COMMITTEE TO ENSURE THE QUALITY AND EFFECTIVENESS OF IMPLEMENTATION, IN PARTICULAR:**

The overall task of the MC which undertakes the tasks of both Monitoring and Steering Committees and was set up during the first half of the year 2002 in accordance with Article 35 of Council Regulation (EC) no 1260/1999, is to ensure the quality and effectiveness of implementation and accountability of the ESPON Programme. The ESPON MC is formed by delegates from EU Member States, by representatives of the EC as well as of other fully participating States. Full members are entitled to vote. Each full member has one vote.

Inauguration of the MC took place on 12 June 2002 at the first MC meeting after adoption of the ESPON Programme by the EC. The Rules of Procedure of the MC were adopted by EU Member States at the 2<sup>nd</sup> MC meeting. The ESPON MC had 30 meetings during 2002-2007 periods. The meetings of the MC as according to Article 4 were chaired by the Member State holding the EU Presidency. The co-chair is a representative of the MA. Following Article 6 of the Rules of Procedure, several decisions were also taken in a written procedure.

During the program period the MC of the ESPON programme decided to strengthen the CU as a consequence of a consistent increase of the workload:

- 2003 – Steps were taken forward the selection of a Project Expert to be paid under the Technical Assistance budget and a new secondment from the Nordic Council. Both experts joined the ESPON CU during the last trimester of 2003.
- 2004 – The MC in order to compensate the departure of one of the seconded experts, decided to recruit a Junior Project Expert. The financial resources were made available by Norway and Switzerland.
- 2005 – The selection of a Financial and Administrative Officer to be paid under the Technical Assistance budget realized. Other staff changes in the ESPON CU were two short period secondments from Slovenia and the Czech Republic. These secondments from the New Member States have contributed to a more active integration of these States in ESPON activities. Pursuing its traineeship programme and capacity building, the ESPON CU welcomed throughout 2005 trainees from Greece, the United Kingdom, Portugal and Sweden.

In 2004 the ESPON CU, also in agreement with the provision of the revised protocol on First Level Financial Control, performed additional checks on reimbursement claims submitted by the Lead Partner and already certified by a First Level Financial Controller. This has resulted in corrections in a number of cases. These controls and the adjustment implemented, consistently reduced the risk of findings by the Second Level Financial Controllers.

Finally, progress has been made in relation to the Protocol on Second and Third Financial Controls and a decision to join the same system in place for the INTERREG III C and the INTERACT programmes and create a FCG. The first meeting of the ESPON FCG took place in 2005 in coordination with the other two programmes.

In order to ensure legal basis for its creation, the Agreement between the MA of the ESPON Programme and the Member and Partner States had to be changed and a procedure for the signature of the agreed amendment was launched. At its first meeting,

the ESPON FCG approved its Rules of Procedure. The ESPON FCG also decided to externalise the execution of Article 10 checks to an international auditor. The Terms of Reference were approved in written procedure and a negotiated tendering procedure was launched during summer 2005 with the publication on the S series of the JOCE. Unfortunately no expression of interests was received and at the end of September 2005; the ESPON FCG gave the mandate to the Winding-Up Body to start direct negotiation with a restricted number of international audit firms. Finally by the end of December 2005 a preliminary agreement was reached with Ernst & Young.

During 2006 and 2007 Years, the MC was involved in both the closure of the ESPON 2006 Programme and the setting up of the ESPON 2013 Programme. In 2006 the MC was involved in the update of the following documents:

- Community Initiative Programme (CIP)
- Programme Complement (PC)
- Programme Agreement
- Article 5 Communication

In 2007 following the approval of the Operational Programme on 7 November 2007 the preliminary MC of the ESPON 2013 Programme has released several documentations related to the new programming period.

Besides the drafting and approval of documents related to the ESPON 2013 Programme, the MC was required to take decisions on procedural issues such as the results of the Second Level Financial Control. By the second half of 2007, the on-the-spot checks (according to Article 13 of Regulation (EC) 438/2001) entered into the follow up phases, in which the concerned MC members needed to play an active role with their decisions.

#### **4.1 Monitoring, financial control (day-to-day management checks) and evaluation measures, including data collection arrangements)**

Pursuant to Article 36 of General Regulations the MC holds together with the MA joint responsibility for carrying out the monitoring of the ESPON programme. For “measuring” quality and effectiveness of programme implementation physical and financial indicators have been specified in the CIP and the PC on the level of measures and priorities. A project monitoring system was implemented in order to gather relevant data throughout the whole programme period.

The financial monitoring and accounting system is implemented in the Ministry of Interior of Luxembourg (acting as MA and PA). In parallel the ESPON CU keeps track of the accounts using an internal Financial Monitoring System. Taking into account the small amounts involved in the programme and the small number of engagements/payments involved, the CU decided to implement a simple financial monitoring system based on Access software. In addition, a smooth cooperation has been established between the CU and the PA and regular meetings have taken place involving the key persons of both organisations.

## **4.2 Summary of any significant problem (besides those possibly mentioned under point 1) encountered in managing the assistance and any measure taken**

The ESPON Programme has achieved substantial progress in providing new knowledge on territorial dynamics and imbalances within Europe and ensuring a considerable level of European scientific networking in the field of territorial development. Considerable efforts have been asked by all actors involved in order to achieve these significant results.

In particular, during 2005 increased endeavour has been put for the New Member States to catch up in activities initiated without their involvement. As the new funding period for the Structural Funds approached, the challenge (and limitations) of bridging science and policy relevance became more evident. The ultimate aim of ESPON to present policy messages in a condensed and readily usable fashion seemed a colossal feat, very time consuming and heavily dependent on proper resources.

The relative small budget of the ESPON Programme does not imply less financial and administrative work for implementing a transnational programme involving 25 EU Countries and two Partner States in the full respect of Structural Funds regulations. In particular, the implementation and coordination of the networks of financial controllers in charge of performing checks according to article 4 and article 10 has proven extremely difficult. In addition does the implementation of an applied research programme need specific resources for scientific guidance and quality control which is not reflected in the budget line for technical assistance.

Since the start of the programme, the MA, the PA and the CU have been aware of the possible financial implications of the de-commitment risk. Therefore, also in 2006-2007 the efforts were focused on the reduction of the de-commitment risk without lowering the quality requirements and putting the good functioning of the ESPON 2006 Programme management and control system at risk. In this perspective, the correct implementation of the reporting requirements by all involved actors (as improved in 2004) has been the most important challenge for the programme during these years.

In the first half of 2005 the Second and Third Level Control was launched but it suffered from time constraints (due to the need for coordination within ESPON and with the other network programmes) and limited financial resources (a “small” contract being of less interest to auditing companies) which can hinder the advancement of this crucial activity (see point 4).

Specific measures were taken toward assisting projects in implementing the activities as planned and in reporting costs on time and in full (e.g. through consultation meetings, email, phone assistance). In addition, special attention was given to the quality assessment of the First Level Financial Control certifications. The MA is aware that the quality level of the First Level Financial Control can be considerably improved and has asked the ESPON CU to carefully check and assess the certification provided in order not to risk the reimbursement of expenditures based on wrong or misleading certification.

In line with this requirement, the PA has proceeded with the release of payments to the final beneficiaries only upon positive assessment of the ESPON CU of the financial reports and certifications provided and only of the amount that were considered fully in line with the regulation, as recommended by the ESPON CU.

Withheld amounts, were released only upon submission of the requested clarifications and/or submission of a revised certification from the First Level Financial Control. In



some cases, following the clarification process, the amount were not accepted as eligible and therefore not reimbursed to the beneficiaries. It has to be underlined that none of the Lead Partners or First Level Financial Controller has questioned the remarks made by the ESPON CU.

There were no observations or requests for corrective measures made by the EC following the annual audit meeting.

### **4.3 Use made of technical assistance**

The majority of the financial means spent under priority 5 (Technical Assistance) covers costs related to management, monitoring of the operations, promotion of the programme and its results as well as implementation (Measure 5.1). These tasks were mainly implemented by the CU in its role of support to the MA.

The ESPON CU focused its work on the following elements:

- Organisation and running of programme MC and ECP meetings;
- Assess compliance and closing activities under measure 4.2;
- Implementing activities under measure 4.3 such as ESPON Seminars;
- Implementing activities under measures 5.1 on technical assistance and 5.2 on publicity and promotion;
- Finalisation and submission of Annual Control Report for 2006 for the ESPON 2006 Programme to the EC (following Art. 13 of the Commission Regulation (EC) No 438/2001 of 2 March 2001);
- Implementing the decisions of the MC;
- Monitoring the implementation of the ongoing projects;
- Assess the contractual compliance of the final project deliveries and follow-up the implementation of project formal closure;
- Provide projects with further assistance, in particular in relation to the financial closure and the elaboration of reimbursement claim;
- Support the FCG and the Winding-up Body for the implementation of Second Level Financial Control and in particular the system audit and the implementation of the audits on operations;
- Coordination activities with the MA and PA;
- Elaboration of the programme publications;
- Communication of the programme results at a series of events during the year.

By the end of the year **2002** financial means actually paid amounted to €76.702,00 Due to the fact that the programme was adopted in June the “active” programme phase was in 2002 reasonably short. The majority of expenditure paid (77.5%) was spent under priority 5 (Implementation and Technical Assistance).

During **2003** a total of €6.673,00 has been spent under priority 5, 55% were costs related to the management, monitoring and implementation (Measure 5.1) and 45% related to information, publication and evaluation (in fact, most of the cost are represented by the Mid-Term Evaluation (MTE)). While the costs for priority 5.2 are

mainly related to the set up of the ESPON website and Intranet and the hosting of the DATANAVIGATOR realised under priority 4.1 and to the MTE of the programme (on its own representing €24.250,00).

In **2004** a total amount of around €65.000 was spent under priority 5 and €209.000 for Technical Assistance under priority 5.1.

During **2005** the MC of the ESPON programme decided to strengthen the CU as a consequence of a consistent increase of the financial and administrative workload with the selection of a Financial and Administrative Officer to be paid under the Technical Assistance budget. The total budget implemented amounted at €253.171,42.

The budget for Technical Assistance for **2006** approved at the beginning of the year by the MC, amounted at €34.232,68 and the level of commitment reached €476.195,94. By the end of the year the expenditures amounted at €361.580,66.

For **2007** the budget for Technical Assistance amounted at €206.100,00 and the level of commitment reached €92.300,00. By the end of December 2007 the expenditures amounted at €29.176,01.

At the beginning of **2008** the MC approved an additional commitment of €7.020,00 for Technical Assistance for this year. By the end of August 2008 the total expenditures incurred in relation to the Technical Assistance amounted at €183.224,95.

The relatively low level of expenditures is mainly due to the fact that the hosting institution of the ESPON CU anticipates all the running costs (including staff costs) which are then reimbursed by the MA at a later stage.

#### **4.4 Measures taken to ensure publicity of the assistance towards potential beneficiaries and the general public (article 46), particularly with regards to the communication Action Plan set out in the Programme Complement (point 3.1.1. in annex to Regulation 1159/2000).**

The Luxembourg public was informed about the ESPON Programme with a presentation of the programme and the role of Luxembourg administration being MA by the Minister of Interior of Luxembourg in a press conference held on 22 April 2002.

In order to inform widely as possible, in particular in relation to other relevant European and transnational processes the ESPON Programme was further presented by the CU on different occasions, for example at 23 conferences between 2002 and 2004.

Printed publications and presentation material were widely disseminated. During 2005 the ESPON Programme was presented at international conferences 28 times in 15 countries by the CU on different occasions. The ESPON CU and MA were as well involved in the dissemination of ESPON results in a series of events during 2006. Presentation of ESPON was made at more than a 100 events.

The objectives of measure 5.2 “Information, publication and evaluation” have largely delivered through the ESPON website and presentation of the ESPON programme and results at various events.

#### **4.4.1 A Media Bureau**

In addition to the above and following the MTE Update recommendations, more efforts and resources were put in strengthening the ESPON CU with the setting up of a “Media Bureau”.

At the end of 2005, the “Media Bureau” was subcontracted as part of the upgrading of the ESPON CS to assist and collaborate with the ESPON CU during the last phase of the program period (until the end of 2006). The Media Bureau assisted in communicating comprehensive and complex ESPON results in a targeted way at different occasions towards various groupings of political/administrative actors, professionals and scientists in Member States and at EU level. During the meeting on 9 December 2005, and the first coordination meeting organized between the contractor: Chelgate, the MA and the ESPON CU on 6 January 2006 in Brussels, the precise content of the ESPON Media Bureau communication activities for 2006 was discussed. In January 2006 was finalised the contracting of the Media Bureau for the ESPON Programme. In December 2007 the Media Bureau contracted by the ESPON Programme submitted its Final Report and their contract was closed. Following no activities were undertaken in 2008 by the Media Bureau.

The activities undertaken by the Media Bureau in 2006 and 2007 include:

- The production of an info-pack to be disseminated in priority to MC members who will then ensure their distribution at national level;
- Elaboration of promotion material, such as paper pads, pen, memory sticks (containing a selection of ESPON reports and the ESPON Atlas) as well as a exhibition stand;
- Elaboration of five press-releases published in European newspapers and also available on the ESPON website on a specifically created press room section;
- Creation of speaking opportunities;
- Support in organising a Regional Offices briefing on ESPON in Bruxelles;
- Production of four additional press releases.

In addition to the activities of the ESPON Media Bureau, a series of publication has also been implemented:

- ESPON Briefing II, which was distributed for the first time as the ESPON seminar in Salzburg in March 2006. The Briefing II was also made available in digital version on the ESPON website. The document was printed in 1.000 copies.
- ESPON Synthesis Report III, a document of 116 pages structured in 10 stories showing the diversity of potentials of the EU territory. The document was published in 6.000 copies. The report has been supported by the ESPON Atlas developed by project 3.1 as additional delivery, which has been printed in 9.000 copies. The Atlas was also distributed as CD-Rom.
- ESPON Scientific Report II, targeting both the policy and scientific community and aimed showing the scientific added-value of the applied research undertaken in the framework of the ESPON Programme. The report has been printed in 6.000 copies.
- ESPON Scientific Conference proceedings. This report contains the proceeding of the 1<sup>st</sup> ESPON Scientific conference which took place in October 2005.

#### ***4.4.2 Publications and Events***

In relation to the delivery of Interim Reports by end August 2003 including preliminary results and first policy recommendations the development of public relations activities based on preliminary results from 16 ESPON projects was considered to be necessary by the ESPON MC. An upgrade of an ESPON Public Relation Strategy was therefore decided by the MC on 22 September 2003.

Steps were taken by the CU to synthesis preliminary ESPON results in a coherent 60 pages document. The purpose was double. First to prepare for decided public relation activities, secondly to provide an input for the Third Cohesion Report. This document was finalised by 15 November 2003.

In parallel a condensed summary version of this report has been done for being used as a summary and/or future article in communicating the first ESPON results.

The first ESPON Synthesis Report was presented at the ESPON seminar in Lillehammer in May 2004 together with an ESPON folder (a short text on preliminary results) and poster. The report and the promotion material were in parallel distributed to all at that time current 25 EU Member States as well as to Norway and Switzerland. The ECP network has been disseminating the publications in the Member States and the CU has brought the material to all presentations of the ESPON Programme.

In relation to the delivery of the first Final Reports by end August 2004 an ESPON Briefing I was produced in support of the communication of the first final results coming from the ESPON Programme. The document was finalised on 22 November 2004.

Following the upgrade of an ESPON Public Relation Strategy by mid 2003 the MC decided in December 2004 that the general development of the programme and the increasing number of new results made the time ripe for elaborating an ESPON CS with the help of professional media consultants (see point 4.1.1). The strategy included a diagnosis of the circumstances for communicating ESPON results, a strategy including the key messages to be used in the communication as well as an action plan.

In support of policy development a second ESPON Synthesis Report was published based on final results from more terminating ESPON projects. The first cross-thematic analysis of results was presented in this report. The report and the promotion material were in parallel distributed to all current 25 EU Member States as well as to Norway and Switzerland. The ECP network fulfilled its role in disseminating the publications in the Member States and the CU brought the material to all presentations of the ESPON Programme.

The 1st ESPON Scientific Conference on European Territorial Research, involving researchers currently outside the ESPON projects, took place in Luxembourg in October 2005 taking thus a step further the building of a European research network in the field of territorial development. As follow-up of this conference the ESPON Scientific Report I was published in August 2006.

ESPON work has been used in various articles, such as: “Vers la construction d’un indicateur de cohésion territoriale européen?” by C. Grasland and G. Hamez published in the second issue of *Espace Géographiques* in 2005; “European Spatial Development Policy and Evolving Forms of Territorial Mobilisation in the United Kingdom” by D. Shaw and O. Sykes in May 2005 and “Territorial Cohesion: A Policy Phenomenon in Europe or a Global Issue?” in September 2005, both published in *Planning, Practice & Research*.

Some follow-up activities to the scientific conference that was organised in October 2005 together with 5 other European Scientific organisations were organised in February 2006 with the aim of maintaining and strengthen the cooperation between ESPON and the involved research organisations. It was agreed to continue the cooperation with the aim of enhancing a multidisciplinary European network of researcher in the field of territorial research.

ESPON was also present at the stakeholder event meeting organised by the Dutch Presidency in Amsterdam on the 28 June 2006. An information of the programme was given to an audience of more than 200 persons including a number of ministers and high level representatives, among them Commissioner Hübner.

Luxembourg Minister of the Interior and Spatial Planning, Mr. Halsdorf organised an awareness raising event in Brussels on 28 November 2006. The event took place at the Committee of the Regions, and registered the participation of Commissioner Hübner.

ESPON took part in a seminar during the “Open Days” in October 2006 and in two sessions during the “Open Days” in October 2007.

During 2007, ESPON produced a compilation of all ESPON reports the digital format of a CD-Rom which was widely disseminated during events and via the national networks.

ESPON was also present at the EU working level meeting on the ‘Territorial Agenda of the EU’ in Berlin on the 29 January 2007 and at the Informal Ministerial Meeting on Urban and Spatial Development held in Leipzig on 24 and 25 May 2007.

An INTERACT-ESPON Synthesis Report was published in 2007. The report is based on the five ESPON-INTERACT studies and the corresponding conferences and workshops carried out between 2004 and 2006. The purpose of the ESPON-INTERACT cooperation was to stimulate the mutual exchange between territorial cooperation under INTERREG projects and applied territorial research in ESPON. In this report the most important findings from this cooperation are summarised.

An additional ESPON report was published in 2008 addressing Europe in the World. The communication strategy involved direct sending to key stakeholders at European level, presentation at conferences and other events, a sequence of the “Map of the Month” on the ESPON Website as well as a wide physical dissemination of the report by members of the MC and via the EC documentation service.

All Final and Interim reports delivered by projects have been published in a timely manner on the ESPON web site.

#### ***4.4.3 ESPON Web Site and Intranet***

A simple web-site was put online in January 2002 before the tendering of the first projects was launched giving access to information on the CIP and the ECP network supporting the creation of TPGs. A revised and improved new official ESPON web-site was established in November 2002 and has shown a good usage since then. All in all the web site had about 9150 visits in 2002. From January 2003 to December 2003 more than 62.000 visits have been registered. The official ESPON web-site has shown a good usage during 2004 with more than 121.500 visits and the same amount in 2005. This exceeds by far the targets given in the CIP.

A further initiative undertaken by the CU has been the implementation of an ESPON Intranet to facilitate documents between all groups within the ESPON network (ECPs, MCs, TPGs). This became operational by beginning of November 2003. The ESPON

Intranet has been used extensively to facilitate the transfer of documents between all groups within the ESPON network (ECPs, MCs, TPGs).

The improvement of the intranet was finalised in September 2005. Apart from the application of the new ESPON design the following facilities were implemented:

- a shared calendar (where each user can enter an own event),
- an uploading facility (upload possible for ECP to ECP, not ECP to LP or MC),
- a forum for discussion within the ECP network.

Progress was made also towards the production of a new website. The new version, on the “eu” domain was presented and made accessible at the end of March 2006. Improvements were made in relation to the design and organisation of its content. The old structure was maintained and complemented with new keys and facilities. Among these new keys were the newsletter, a press section and a “search engine”.

Indicators for publicity:

	<b>Achieved</b>								
<b>Indicators</b> <b>2002 – 2005</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Total</b>	<b>Total envisaged</b> <b>(2002-2008)</b>
Number of publications organized	n.a.	2	1	1	4	n.a.	1	9	n.a.
Numbers of visitors on ESPON homepage*	6.334	31.347	60.925	78.244	99.970	116.947	208.519	602.286	4.000
Evaluation study tendered	0.	1	0	1	0	0	0	2	1

\*The number of visitors on the ESPON homepage has, due to an error in the former statistics, been corrected compared to the information included in the Annual Report 2004.

## **5 SUMMARY OF THE RESULTS OF THE MAIN EVALUATIONS CARRIED OUT ON THE PROGRAMME, INCLUDING E.G. THEMATIC EVALUATIONS, AND ANY MEASURE TAKEN TO ADDRESS THE RECOMMENDATIONS MADE.**

### **5.1 Actions on comments and recommendations regarding the annual reports**

The recommendations of the EC regarding improvements of the annual implementation reports of the ESPON 2006 Programme were implemented in the report of the following year. In case additional information was requested this was provided by mail.

### **5.2 ESPON Mid-Term Evaluation**

According to Art 42 of Regulation (EU) 1260/99 a MTE was carried out during 2003 under the responsibility of MA. The evaluation was done by an independent assessor. The MTE report contained a list of 12 recommendation of the evaluation team to the MC of the ESPON programme. The MC has responded to recommendations given by the evaluators in the MTE. The following table systematizes the recommendations of the ESPON MTE and proper actions taken by the MC:

<b>Nr</b>	<b>Recommendations</b>	<b>Proposals on implementation</b>
1	<p>Maintaining the internal coherence of the programme suggests that flexibility is needed in the allocation of funding between priority areas. In particular:</p> <ul style="list-style-type: none"> <li>• A larger proportion of the budget could be applied to Priority 4, with a specific measure to strengthen the role of ECPs in the networking.</li> <li>• Revision of the ESPON budget by increasing allocation to Priority 4 on the basis of a strategy paper on improvement of ECP network activities. (for MC discussion on 18-19 February 2004)</li> <li>• The set of data series and indicators, with their related models and tools, that are being elaborated by the projects need to be maintained and updated at least to the end of the current programme. The CU and MC have identified this as an activity to be supported by the new cross-thematic project 3.2.</li> </ul>	<p>Nevertheless, it is also important that the precise definition and method of creation (meta-data and model/tool systems) is documented by the projects so that the can be maintained even beyond the life of project 3.2.</p> <ul style="list-style-type: none"> <li>• Guiding projects towards provision of Meta information on data and indicators as well as information on the models.</li> <li>• Ensuring that project 3.2 is handling the updating of data sets from finalised projects</li> <li>• Requesting meta-data information and definition of models used as an element in all final reports.</li> </ul>
2	<p>Performance indicators given in the CIP and PC should be collected, updated and analysed on a more consistent and timely basis than now and used as a tool for monitoring and managing the programme.</p>	<ul style="list-style-type: none"> <li>• Integration of a collecting/reporting system on performance indicators into projects' interim-, final- and progress (activity) reporting</li> <li>• Implementation of a monitoring tool into financial</li> </ul>

	Although most programme level performance indicators will only be fully quantified in the final stages progress should be closely followed. The absence of activity in this area will make it difficult to use the experience of the programme in setting performance indicators for any future follow-up programme.	monitoring system which is being implemented. (implemented in 2004 and onwards)
3	Data availability issues need further attention as nearly every project has qualified its results by a lack of adequate data. A clear list of missing data classified by necessary / required / useful must be produced as a base for negotiation with organisations collecting data on future changes to meet ESDP requirements.  (under implementation)	<ul style="list-style-type: none"> <li>Guiding projects towards formulation of missing data including provision of lists on gaps of data which have hampered the research undertaken and on data where access has been denied or been possible at high costs.</li> </ul>
4	Sensitivity analysis should be carried out to compare analyses at different levels of spatial aggregation for countries that have both NUTS3 and NUTS5 (or similar) data to see whether the resulting analyses and maps do show a consistent story at different levels of aggregation. Work published outside of ESPON by some TPG members show that this is feasible.	<ul style="list-style-type: none"> <li>Guiding projects towards carrying through statistical tests and control procedures necessary to ensure robustness, consistency and comparability in the dataset used.</li> </ul> <p><i>Further comments:</i></p> <p>The idea of comparing analyses at different levels of spatial aggregation does not seem to be an appropriate mean for validating ESPON results as different geographical levels of analysis may create different messages. The method proposed seems to be more suitable for more detailed studies.</p>
5	Where data is not available for different countries on a comparable basis and data has been used based on local methodologies, the definitions used should be clearly shown and the possible effects examined. The maps should also be annotated clearly to show users where noncomparability of spatial unit or data definition exists.	<ul style="list-style-type: none"> <li>Guiding projects towards providing all the information necessary for data identification and proper testing of comparability of data set. (see also recommendation 1).</li> <li>Provision of guidelines for mapping including information on citation and quality of data behind the maps.</li> </ul>
6	<p>The original target of providing a small set of maps suitable for presenting the ideas uncovered by ESPON to non-specialists should be reinforced and more closely defined. At present, maps have been created for almost every data variable.</p> <p>Project 3.1 has done some work in defining a reduced set, but this needs to be implemented urgently. There are signs that as projects move from IR1 to FR they are concentrating their efforts. However, as the current IR is the last for several projects a more formal requirement needs to be set out now rather than leaving this for comment on the draft FR when resources will be scarce.</p>	<ul style="list-style-type: none"> <li>Guiding projects towards provision of fewer maps within core text of final report (showing the most important and significant)</li> <li>Definition of so called ESPON map collection by project 3.1 and their finalized before summer 2004.</li> </ul>



7	<p>There is a need to connect ESPON to people and organizations carrying out spatial development (i.e. practitioners). This would be facilitated if methods developed in ESPON, such as Territorial Impact Analysis and trends studies, were promoted widely for use throughout INTERREG and any successor programmes.</p>	<ul style="list-style-type: none"> <li>• Connections to a wider community interested in ESPON results will be part of the further promotion and communication of ESPON. To be further considered and to be defined in more detail in the course of <ul style="list-style-type: none"> <li>- the updating of the ESPON CS;</li> <li>- the development of a strategy on strengthening the role of ECPs;</li> <li>- implementation of a Thematic Interaction together with the InterAct Point</li> </ul> </li> </ul> <p>Qualification and Transfer. (for decision by the MC)</p>
8	<p>Specific action is needed to create a theoretical framework for the longer term development of ESDP policy analysis. ESPON consists of a mixture of a 'bottom up' approach and a 'top down' approach. The responsibility for defining and documenting the 'top down' view does not seem to have a clear focal point, such as the CU or one of the projects. The problem is not the absence of an operational plan; the PC and additions by the MC fulfil this requirement. Rather the ESDP is not being extended to become a coherent intellectual framework ('story') with a firm scientific base. Such a framework is needed to prepare the programme for long term development of models, tools and concepts for policy elaboration and control. There needs to be some working group tasked with the initial elaboration of this framework from the different inputs the programme generates and developing an ongoing process to extend and update it.</p>	<p>Further development of a policy document like the ESDP is not the task of the ESPON programme. ESPON is only supposed to provide knowledge and information for policy development (no activity relevant for ESPON)</p>
9	<p>Feedback on project output, in relation to choice of data, the different national viewpoints and policy context should be enhanced and set in a clear operational structure. The credibility of the programme is judged by the quality of its results. Greater rigour in the assessment of tools, methodologies, indicators, maps, etc., would raise confidence amongst practitioners and promote wider application of the output. This could be achieved in several ways, for example, through independent peer reviews of the project IRs by external experts. Attention needs to be paid to both scientific and policy aspects of the project results.</p>	<ul style="list-style-type: none"> <li>• Response to projects has been enhanced in autumn 2003 through a closer dialogue on Interim reports including comments from MC and ECP.</li> <li>• An improvement of assessment of tools, methodologies, indicators, maps etc. is supposed to be undertaken by project 3.1 and 3.2. The scientific progress will be documented in ESPON reports towards the European scientific community in the field of territorial development</li> <li>• Concerning independent peer reviews of the scientific quality within the ESPON programme the MC decided on 8-9 October 2003 to eliminate a proposed project entitled "Independent scientific evaluation of final reports of ESPON".</li> </ul>
10	<p>Networking and building a European spatial development community is not working well and should be further developed. Networking and building a community</p>	<ul style="list-style-type: none"> <li>• Enhancement of activities in support of networking and community building including the generation of deliverables and organisation of events. This shall be further considered and defined</li> </ul>

<p>should encompass not only the operation of ECPs and TPGs, but a much wider community. Whilst ESPON does satisfy its performance indicators of networking researchers the operational structure of that interaction is inadequate. The ECP network is designed to create a network within a country. Some countries have only a few members in their network, there is no structure to create links between institutes in different countries. The existence of TPGs can only partially fulfil this function since for practical reasons they are not required to be comprehensive in their geographic coverage and do not have the continuity required throughout the programme period. The following suggestions are offered as ways to move towards improved networking and greater openness:</p> <ul style="list-style-type: none"> <li>• Provide a list / directory of member institutes on the ESPON web site covering TPGs, ECPs and other interested research groups.</li> <li>• Allow other institutes to sign up online, or at least attempt to join via the ECP.</li> <li>• Establish a newsletter to ECP, TPG and other network members.</li> <li>• Organise an ESPON international conference.</li> <li>• Include policy institutes and other organisations that are not primarily regional in focus but do regional analysis.</li> <li>• Publish ESPON reports as a series and do not allow ESPON projects to publish those reports outside this framework to force a level of esprit de corps with citations and links identified with the ESPON framework.</li> </ul>	<p>in more detail in the course of</p> <ul style="list-style-type: none"> <li>- the updating of the ESPON CS</li> <li>- the development of a strategy on strengthening the role of ECPs</li> <li>- implementation of a Thematic Interaction together with the InterAct Point Qualification and Transfer (see as well recommendation 7)</li> </ul> <ul style="list-style-type: none"> <li>• Is partly already implemented and will be continued</li> <li>• All interested institutes can approach the most recent results from all ESPON projects via the web.</li> <li>• The ECP network has the task to connect to relevant institutes in their country. (no further implementation)</li> <li>• The function of a newsletter is undertaken by the ESPON web site. The information should be enhanced and changing more often</li> <li>• No printed newsletter is foreseen</li> <li>• The idea will be incorporated in the CS</li> <li>• The TPGs are supposed to involve relevant research institutes; so is the ECP.</li> <li>• An approach to European policy institutes will be integrated in further communication</li> <li>• The publicity is proposed to include 5 reports until the end of the programme</li> <li>• The contracts with lead partners institute a shared ownership to results. Due to transparency openness should prevail should a project want to publish their final report or parts of this. (no action to be taken)</li> </ul>
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11	Monitoring and evaluation procedures should be more rigorously applied to avoid duplication of effort. The involvement of organisation in projects should be better monitored from evaluation stages through contract implementation to avoid the same or similar work components being proposed in different projects. Furthermore, there is an impression given that the skill and expertise of some organisations is being duplicated across several projects in which they carry out a similar if not identical function.	<ul style="list-style-type: none"> <li>• The already implemented evaluation procedures will not undergo major changes, but be adjusted in case of needs.</li> <li>• Any idea of excluding institutes from participating in tenders would violate a free competition.</li> </ul> <p>(no further implementation needed)</p>
12	Continuity of the action after 2006 is imperative. The current problems with data quality and coverage, and the inevitable doubts as to the accuracy of analysis as a result, make such a continuation essential. A second round of the type of analyses of concepts and linkage between policies and outcomes that is being pursued in the current programme should be continued and the community building and expansion pushed forward. Improvements in the connection between policy makers, analysts and scientists are unlikely to proceed sufficiently rapidly for the programme to meet fully the objectives in this area by its end in 2006.	<ul style="list-style-type: none"> <li>• Any consideration on a continuation of the ESPON exercise lies outside the current programme and has to be decided on the political level</li> </ul> <p>(no further implementation needed)</p>

In particular, the MC of the ESPON Programme decided the following:

- An increased allocation for ECPs under Priority 4 which was introduced with the revision of the ESPON budget (recommendation 1). The basis for improving the networking activities will include a strategy for strengthening ECP network activities.
- To include the recommendation 2 in the improvement of financial management in the ESPON Programme.
- That recommendation 3, 4, 5, 6 and partly 1 (provision of meta-data) were already in process of being implemented.
- That recommendation 7 and 10 needed further consideration in the discussion of enhancing of activities and products in support of promoting and communicating ESPON results.

### 5.3 Update of the Mid-Term Evaluation

In the second half of 2005, the Final Report presenting the results of the MTE Update implemented by the MVA Company was delivered to the MC. The general conclusions and recommendations<sup>1</sup> from the evaluator on the programme development covering

<sup>1</sup> ESPON Mid-Term Evaluation Update Final Report, prepared by MVA for ESPON Programme, September 2005

December 2003 to June 2005 showed that “The response of the MC and CU to each of the 12 recommendations given in the MTE report has been carefully and sensitively handled.”

The update of the MTE added recommendations summarized below encouraging in particular the MA, MC and CU to develop strategies to enhance the impact of ESPON and offer suggestions in respect to a follow up programme (ESPON II):

The seven recommendations from the MTE Update addresses:

- Updating the CIP;
- Financial monitoring and consolidation of residual funding;
- Development of performance indicators for newly decided projects;
- ECP role and function;
- Scientific validation of results;
- Model contracts for a future programme;
- Project funding in a future programme.

The MC approached the recommendations complementing and concretizing some of the analysis and proposals made by the evaluator:

- Regarding the expected impacts of the programme results: It was proven to be very difficult to measure the impacts (in particular long term impacts) of the ESPON programme on policy development, either at EU or national Level.

Additional information from MC members on the use made of ESPON results for supporting the elaboration of Strategic Guidelines, National Development Strategies, or other type of policy documents at EU/national/regional level improved and nourished the analysis made by the evaluator (see Final Report MTE Update p. 37-38).

- Still in relation to the impact analysis: Proposals from the MC on possible performance and impact indicators for a future ESPON II programme, based on the proposals made in the report, were a valuable complement to the report.

In general, the MC, MA and CU appreciated the results and recommendations made by the evaluator, and considered these results as useful inputs for the preparation and discussion on an ESPON II Programme.

## **5.4 Ex-Post-Evaluation**

The Ex-Post Evaluation is currently done by the EC. The ESPON 2006 Programme has received a questionnaire which has been completed and returned.

In addition was the director of the programme interviewed at the ESPON CU on 6 March 2009.

A request from the core evaluation team regarding contextual data of INTERREG III programmes was answered on 24 February 2009 and 24 April 2009. The submitted files contained data on the following topics:

- NUTS 3 regions participating in a programme;

- Density of border crossings per regions, Geographic type of border per region, Typology of borders per programme, Intensity of projects per region, Level of economic disparities per programme;
- “Urban-rural relations.

At the mean time the opportunity was taken to also make the mentioned data available via the ESPON website. No information on the results of the Ex-Post-Evaluation have been so far communicated to the MA.

## **6. STATEMENT BY THE MA, NOTING THE PROBLEMS ENCOUNTERED AND THE STEPS TAKEN TO ENSURE COMPATIBILITY WITH COMMUNITY POLICIES**

Since 2002 Competition rules of European Union have been considered. Luxembourg has implemented European Union procurement rules in national legislation. As guidance EC documents on obligations, rules and procedures have been consulted in decisions on procedures for public procurement.

The ESPON 2006 Programme has not subsidised any private investment in any way and conflicts with state aid rules have not occurred.

Due attention has been paid at programme and project level to the need for complementarity with Community policies. In order not to overlap with activities that are already on going ESPON tried to ensure by contacting the relevant bodies and the compilation of information to avoid duplication of efforts and to maximise synergies with other institutions that are already financing actions and projects, such as the Joint Research Centre, the European Environmental Agency as well as Eurostat activities. In addition, ESPON undertook activities in order to ensure coherence with DG Research and the “e-Europe” initiative regarding the development of the Information Society.

DG Regio has played a crucial role in supporting this kind of co-ordination in terms of the identification of useful contact partners at European level and the provision of access. Role of DG REGIO was also to involve representatives of several DGs (ENV, AGRI, TREN, RDT, INFSO) in the monitoring of projects.

Since 2006 the following measures were in place in the framework of the ESPON 2006 Programme to ensure the compatibility of activities financed with Community policy:

During the First Level Financial Control carried out for each operation in principle for every six months period, or at least every time a progress report was submitted to the ESPON CU, the independent auditor of the Lead Partner signed a statement confirming the compliance of the implementation of all relevant EU and national legislation and policies.

In addition to the above, and taking into account the nature of the activities financed under the ESPON Programme, the CU had issued specific guidance on the respect of the publicity requirements that had to be respected by financed operations. The CU performed additional checks to the one implemented by the First Level Financial Controller in relation to the compliance with the publicity requirements.

**ANNEX I:**



# **Annual report 2008**

## **ESPON 2006 INTERREG III Programme**

(Presented for the consideration of the Monitoring Committee for discussion and approval in view of its submission to the European Commission by 30 June 2009)

**Annual implementation report**  
**(In accordance to article 37 of Council Regulation (EC) No 1260/99)**  
**Approved by the ESPON Monitoring Committee on 2 June 2009**

## **Preface**

In accordance with article 37 of Council Regulation (EC) no. 1260/99 an annual implementation report has to be submitted by the Managing Authority of ESPON to the European Commission within six months of the end of each full calendar year of implementation.

The annual report shall include the progress in the implementation of priorities and measures, the financial implementation of the assistance, steps taken by the Managing Authority and by the Monitoring Committee to ensure the quality and effectiveness of implementation as well as steps taken to ensure compatibility with Community policies.

This annual report includes progress made with the ESPON 2006 programme during 2008.



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## **1. THE PROGRAMME YEAR 2008**

The political recognition during 2007 of the ESPON 2006 Programme and its projects as a source of evidence and knowledge in relation to territorial development and cohesion is a fact and expected to continue with the ESPON 2013 Programme activities. The increasing recognition of ESPON was an important driver for capitalisation and communication activities in 2008. Until new results are available from actions under the ESPON 2013 Programme, the final results of the ESPON 2006 projects will act as the main knowledge base.

In 2008, the further discussion of future EU Cohesion Policy and the implementation of the Territorial Agenda implied ESPON presence at major European political events under each Presidency. In particular, a General Directors meeting in Slovenia and an Informal Council of Ministers under the French EU Presidency. ESPON 2006 results are in demand for the actions following up the Territorial Agenda for the EU and inspiring the drafting a Fifth Cohesion Report and a Green Paper on Territorial Cohesion.

The ESPON 2006 Work Programme for 2008 set three main strands of activities the process towards the closing of the ESPON 2006 programme.

(1) As all deliveries of content from the ESPON 2006 projects was accepted by the Monitoring Committee during 2007, the year 2008 includes the remaining financial management issues related the Progress Reports, including payment claims certified by the respective national first level financial controllers, and the subsequent payment of Lead Partners.

(2) Another important issue, and by far the most resource demanding strand of activities, was the preparation of the formal closure of the ESPON 2006 Programme. The auditing and second level financial control of a sample of projects took place in 2007, leading to a limited number of findings for clarification. The process of clarification of the findings with Member States started in 2007 and continued into 2008.

(3) The ESPON Monitoring Committee decided during 2007 to accept the publication of an additional ESPON Report at programme level based on a project under the ESPON 2006 Programme. The report entitled “Europe in the World” was ready for dissemination in 2008. The necessary communication and awareness raising was shared by members of the Monitoring Committee and the CU. No further seminars or other events were undertaken.

Finally it has to be underlined that the Programme has set the financial cut-off closing date at the 31 August 2008 and that the final statement of expenditure has been already established. The Programme, as indicated in section 5.2, is currently drafting the closure documents to proceed with its closure in the course of autumn 2009

## **2. CHANGES IN THE CONDITIONS RELEVANT TO THE IMPLEMENTATION OF THE ASSISTANCE**

No changes have been implemented in 2008 in the conditions relevant to the implementation of the assistance.

### 3. PROGRESS IN THE IMPLEMENTATION OF PRIORITIES

#### 3.1 Priorities 1-3

The core activities of the ESPON 2006 Programme - the applied research projects - were financed in the framework of Priorities 1, 2 and 3. Within the framework of these Priorities thirty-three projects have been approved during the lifetime of the CIP, of which fifteen under Priority 1, eleven under Priority 2 and six under Priority 3.

**Table 1 – Overview of projects approved during the ESPON Programme**

Number	Title	Abbreviation	Content closure	Financial closure
Project 1.1.1	The role, specific situation and potentials of urban areas as nodes in a polycentric development	POLYCENTRISM	Final report in 2004	Closed
Project 1.1.2	Urban-rural relations in Europe	URBAN-RURAL	Final report in 2004	Closed
Project 1.1.3	Particular Effects of enlargement of the EU and beyond on a polycentric spatial tissue with special attention on discontinuities and barriers	ENLARGEMENT	Final report in 2005	Closed
Project 1.1.4	The spatial effects of demographic trends and migration	DEMOGRAPHY	Final report in 2005	Closed
Project 1.2.1	Transport services and networks: Territorial trends and basic supply of infrastructure for territorial cohesion	TRANSPORT TRENDS	Final report in 2004	Closed
Project 1.2.2	Telecommunication services and networks: Territorial trends and basic supply of infrastructure for territorial cohesion	TELECOM TRENDS	Final report in 2004	Closed
Project 1.2.3	Identification of spatially relevant aspects of the Information Society	INFORMATION SOCIETY	Final report in 2006	Closed
Project 1.3.1	Territorial effects and management of natural and technological hazards in general and in relation to climate change	NATURAL HAZARDS	Final report in 2005	Closed
Project 1.3.2	Territorial trends in the management of natural heritage	NATURAL HERITAGE	Final report in 2004	Closed
Project 1.3.3	Role and spatial effects of cultural heritage and identity	CULTURAL HERITAGE	Final report in 2006	Closed
Project 1.4.1	The role of small and medium size towns	SMALL AND MEDIUM SIZE TOWNS	Final report in 2006	Closed

<b>Number</b>	<b>Title</b>	<b>Abbreviation</b>	<b>Content closure</b>	<b>Financial closure</b>
Project 1.4.2	Preparatory Study on Social aspects of EU territorial development	SOCIAL DIMENSION	Final report in 2006	Closed
Project 1.4.3	Study on Urban Functions	URBAN FUNCTIONS	Final report in 2006	Closed
Project 1.4.4	Preparatory Study on Feasibility on Flows Analysis	FLOWS	Final report in 2006	Closed
Project 1.4.5	Preparatory study on spatially relevant aspects of tourism	TOURSIMS	Final report in 2006	Closed
Project 2.1.1	Territorial impact of EU transport and TEN Policies	TRANSPORT IMPACTS	Final report in 2004	Closed
Project 2.1.2	Territorial impact of EU research and development policy	R&D IMPACT	Final report in 2004 <sup>2</sup>	Closed
Project 2.1.3	The territorial impact of CAP and rural development policy	CAP IMPACT	Final report in 2004	Closed
Project 2.1.4	Territorial trends of energy services and networks and territorial impact of EU energy policy	ENERGY	Final report in 2005	Closed
Project 2.1.5	Territorial impacts of European fisheries policy	FISHERIES	Final report in 2006	Closed
Project 2.2.1	Territorial effects of EU Structural Funds	STRUCTURAL FUNDS IMPACTS	Final report in 2005	Closed
Project 2.2.2	Territorial effects of the “Aquis Communautaire”, Pre-accession Aid and Phare/Tacis/Meda Programmes	ACCESSION AID	Final report in 2005	Closed
Project 2.2.3 <sup>3</sup>	Territorial effects of Structural Funds in urban areas	STRUCTURAL FUNDS URBAN IMPACT	Final report in 2004	Closed
Project 2.3.1	Applications and effects of the ESDP in Member States	ESDP	Final report in 2006	Closed
Project 2.3.2	Governance of territorial and urban policies from EU to local level	GOVERNANCE	Final report in 2006	Closed
Project 2.4.1	Territorial trends and policy impacts in the field of EU Environment Policy	ENVIRONMENT	Final report in 2006	Closed

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<sup>2</sup> The Final report of this project was not deemed acceptable by the Monitoring Committee and a revised Final report was requested and submitted by the project team in December 2005.

<sup>3</sup> This project was closed before the delivery of the Final report. Detailed information has been provided with the Annual report for 2004.

<b>Number</b>	<b>Title</b>	<b>Abbreviation</b>	<b>Content closure</b>	<b>Financial closure</b>
Project 2.4.2	Integrated analysis of transnational and national territories based on ESPON results	ZOOMING	Final report in 2005	Closed
Project 3.1	Integrated tools for European spatial development territorial	SPATIAL TOOLS	Final report in 2004, additional final delivery in 2006	Closed
Project 3.2	Spatial Scenarios and orientations towards ESDP and the Cohesion Policy	SCENARIO	Final report in 2006	Closed
Project 3.3	Territorial dimension of the Lisbon / Gothenburg process	LISBON	Final report in 2006	Closed
Project 3.4.1	Europe in the World	EUROPE IN THE WORLD	Final report in 2006	Closed
Project 3.4.2	Territorial impacts of EU economic policies and location of economic activities	ECONOMY	Final report in 2006	Closed
Project 3.4.3	The modifiable areas unit problem	MAUP	Final report in 2006	Closed

### ***3.1.1 Approval of new projects***

There were no new calls launched in the course of 2008, consequently no new projects were approved.

### ***3.1.2 Progress on the implementation of approved projects***

With regards to the content side, taking into account that the programme received all the Draft Final and Final Reports already by the end of 2006, and the requested clarifications on the already delivered Final Reports were submitted in 2007, all projects had been formally approved by the ESPON Monitoring Committee on the content side by the end of 2007. Therefore there was no progress on the implementation of approved projects in the course of 2008.

### ***3.1.3 Changes in operations***

In 2008, following the closure of the content implementation phase, before their financial closure some projects realised the necessity of the adjustment of their budget. Minor changes were managed directly by the Coordination Unit and - if the reallocation exceeded 20% of a certain budget line – the Managing Authority was involved (following a decision of the Monitoring Committee in 2005).

The reallocation requests are not surprising, as it is extremely difficult to foresee exact amount of financial resources needed for each budget category at the proposal moment. However it needs to be underlined, that no major changes were implemented.

### **3.1.4 Financial Reporting**

In the framework of the ESPON programme, projects have two different reporting deadlines. The first associated to the reporting of the content results of the applied research work, and therefore the submission of the projects' Interim and Final Reports. The second one related to financial reporting accompanied by an overview of the general activities undertaken within the partnership.

From the financial point of view, by 2008 all funds were already committed. Following the finalization of their content implementation in 2007, 10 projects were still in the closing phase of their financial activities in 2008. In total, 12 progress reports were submitted by the Lead Partners and assessed by the ESPON CU in 2008. Together with the financial claims submitted to progress reports as clarification documents, 18 reimbursements were released to the Lead Partners.

With these reimbursements, all projects of Priority 1-3 has been closed from the financial point of view in 2008.

### **3.1.5 Analysis of project performance**

The Programme Complement agreed by the MC in February 2006 and approved by the Commission in January 2007 provides quantified performance indicators for priority and measures level for the period 2002 – 2006 showing generally higher expectations than those defined for 2002-2004. The projects have been required to provide a list of outputs corresponding to these performance indicators for their final reports, as most of them are only fully quantifiable at the final stage of project groups' work. Taking into account that all projects were closed in content terms in 2007, the performance indicators of the ESPON 2006 Programme reached by the end of 2008 are the same than the ones presented in the Annual Implementation Report of 2007.

As such, the tables presented in the Annual Implementation Report of 2007 represented the final overall results for the ESPON 2006 Programme for Priorities 1-3.

**Table 2 - Indicators achieved for measure 1.1**

<b>Indicators 2002-2006</b>	<b>1.1.1</b>	<b>1.1.2</b>	<b>1.1.3</b>	<b>1.1.4</b>	<b>Total achieved</b>	<b>Total envisaged (2002-2006)</b>
Number of spatial indicators being developed	43	6	9	3	61	15
Number of spatial concepts defined	4	12	13	10	39	4
Number of spatial typologies tested	3	4	6	13	26	10
Number of maps produced	35	60	26	101	222	10
Number of ESDP policy options addressed	7	28	3	11	49	20

**Table 3 - Indicators achieved for measure 1.2**

<b>Indicators 2002-2006</b>	<b>1.2.1</b>	<b>1.2.2</b>	<b>1.2.3</b>	<b>Total achieved</b>	<b>Total envisaged (2002-2006)</b>
Number of spatial indicators being developed	n.a.	41	2	43	15
Number of spatial concepts defined	n.a.	6	1	7	7
Number of spatial typologies tested	n.a.	18	1	19	10
Number of maps produced	n.a.	78	5	83	12
Number of ESDP policy options addressed	n.a.	4	5	9	15

**Table 4 - Indicators achieved for measure 1.3**

<b>Indicators 2002-2006</b>	<b>1.3.1</b>	<b>1.3.2 *</b>	<b>1.3.3</b>	<b>Total achieved</b>	<b>Total envisaged (2002-2006)</b>
Number of spatial indicators being developed	32	n.a.	30	62	10
Number of spatial concepts defined	2	n.a.	3	5	5
Number of spatial typologies tested	2	n.a.	3	5	10
Number of maps produced	33	n.a.	52	85	10
Number of ESDP policy options addressed	5	n.a.	5	10	17

\* This project's report was not considered sufficiently reflecting the specification of the project therefore a reduction of payment has been decided.

**Table 5 - Indicators achieved for measure 1.4**

<b>Indicators 2004-2006</b>	<b>1.4.1</b>	<b>1.4.2</b>	<b>1.4.3</b>	<b>1.4.4</b>	<b>1.4.5</b>	<b>Total achieved</b>	<b>Total envisaged (2004-2006)</b>
Number of spatial indicators being developed	1	n.a.	n.a.	26	n.a.	27	5
Number of spatial concepts defined	2	n.a.	n.a.	n.a.	n.a.	2	3
Number of spatial typologies tested	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3
Number of maps produced	5	15	n.a.	18	n.a.	38	5
Number of ESDP policy options addressed	6	2	n.a.	35	n.a.	43	5



**Table 6 - Indicators achieved for measure 2.1**

<b>Indicators 2002-2006</b>	<b>2.1.1</b>	<b>2.1.2</b>	<b>2.1.3</b>	<b>2.1.4</b>	<b>2.1.5</b>	<b>Total achieved</b>	<b>Total envisaged (2002-2006)</b>
Number of spatial indicators being developed	9	8	80	57	n.a.	149	10
Number of sectoral policies fully addressed	1	n.a.	1	n.a.	n.a.	6	5
Number of charts on the institutional structure of sector	n.a.	n.a.	2	n.a.	n.a.	2	3
Number of maps produced	56	12	27	44	n.a.	113	20
Number of ESDP policy options addressed	5	8	All	4	n.a.	All	All

**Table 7 - Indicators achieved for measure 2.2**

<b>Indicators 2002-2006</b>	<b>2.2.1</b>	<b>2.2.2</b>	<b>2.2.3</b>	<b>Total achieved</b>	<b>Total envisaged (2002-2006)</b>
Number of spatial indicators being developed	2	51	n.a.	n.a.	7
Number of funds fully addressed	6	4	n.a.	n.a.	6
Number of charts on the institutional structure of sector policies	14	n.a.	n.a.	n.a.	6
Number of maps produced	9	29	n.a.	n.a.	10
Number of ESDP policy options addressed	10	4	n.a.	n.a.	All

**Table 8 - Indicators achieved for measure 2.3**

<b>Indicators 2002-2006</b>	<b>2.3.1</b>	<b>2.3.2</b>	<b>Total achieved</b>	<b>Total envisaged (2002-2006)</b>
Number of countries investigated	29 (25 Member states + BU-RO-NO-CH)	29 (25 Member states + BU-RO-NO-CH)	n.a.	15
Number of funds fully addressed	n.a.	4	4	n.a.
Number of charts on the institutional structure of special planning, both in urban and territorial policies	n.a.	93 figures 37 tables	n.a.	3
Number of maps produced	18	31	49	n.a.
Number of ESDP policy options addressed	13	4	All	All aims

**Table 9 - Indicators achieved for measure 2.4**

<b>Indicators 2002-2006</b>	<b>2.4.1</b>	<b>2.4.2</b>	<b>Total achieved</b>	<b>Total envisaged (2002-2006)</b>
Number of spatial indicators being employed	32	47	79	12
Number of typologies tested	5	7	12	n.a.
Number of maps produced	38	57	95	20
Number of ESDP policy options addressed in that field	4	23	27	n.a.

**Table 10 - Indicators achieved for measure 3.1**

<b>Indicators 2002-2006</b>	<b>3.1</b>	<b>Total envisaged (2002-2006)</b>
Number of spatial indicators being developed	89	40
Number of maps produced	89	10
Number of ESDP policy options addressed in that field	15	n.a.

**Table 11 - Indicators achieved for measure 3.2**

<b>Indicators 2002-2006</b>	<b>3.2</b>	<b>Total envisaged (2002-2006)</b>
Number of spatial indicators being developed	241	45
Number of spatial concepts defined	0	3
Number of maps produced	217	10
Number of ESDP policy options addressed in that field	All	all

**Table 12 - Indicators achieved for measure 3.3**

<b>Indicators 2002-2006</b>	<b>3.3</b>	<b>Total envisaged (2002-2006)</b>
Number of spatial indicators being developed	116	n.a
Number of spatial concepts defined	20	n.a
Number of maps produced	133	n.a
Number of ESDP policy options addressed in that field	49	n.a

**Table 13 - Indicators achieved for measure 3.4**

<b>Indicators 2002-2006</b>	<b>3.4.1</b>	<b>3.4.2</b>	<b>3.4.3</b>	<b>Total envisaged (2002-2006)</b>
Number of spatial indicators used / developed	24	8	n.a	n.a
Number of spatial typologies applied	14	8	n.a	n.a
Number of maps produced	228	67	86	n.a
Number of ESDP policy options addressed in that field	15	n.a	n.a.	n.a

## 3.2 Priority 4

The measures specified under priority 4 are performed by a mix of project activities and CU led initiatives.

### *3.2.1 Implementation of measure 4.1: Data navigator: preparatory surveys on data access*

Taking into account that all projects under Priority 4.1 were closed in 2007 in content terms there is nothing to report in that respect for the year of 2008. The performance indicators reached by the end of 2008 therefore are the same than the ones presented in the Annual Implementation Report of 2007.

**Table 14 – Indicators achieved for measure 4.1**

<b>Indicators 2003 - 2005</b>	<b>Achieved 2003</b>	<b>Achieved 2004</b>	<b>Achieved 2005</b>	<b>Achieved 2006</b>	<b>Total envisaged (2002 – 2006)</b>	<b>Total achieved</b>
Number of national data access surveys	18	n.a.	10	n.a.	27	28

**Table 15 – Indicators achieved for measure 4.1.3**

<b>Indicators 2006 - 2007</b>	<b>Achieved 2006</b>	<b>Achieved 2007</b>	<b>Total achieved</b>	<b>Total envisaged (2006 – 2007)</b>
Number of national data access surveys	n.a.	n.a.	n.a.	n.a.

### *3.2.2 Implementation of measure 4.2: ESPON briefing and scientific co-ordination of ESPON Contact Points (ECP)*

Measure 4.2 is not a project activity, but an action carried through including ECP co-ordination and meetings. Basically, ECPs undertake a multitude of tasks.

At national level, ECPs contribute to the programme implementation in Member States, in particular by providing support to Transnational Project Groups in the project development process in cooperation with the ESPON Coordination Unit (tendering procedures, access to data

and information). They also play an important role in the promotion and dissemination of ESPON results towards national stakeholders and manage a national network of researchers.

As a network, they also support Transnational Project Groups by fostering exchanges with other projects and with the Coordination Unit, and finally, by commenting on the Interim and Final reports, bringing national perspectives to the results achieved at EU level.

Taking into account that all projects under Priority 4.2 were implemented and closed in 2006 in content terms, there is nothing to report in that respect for the year of 2008. The performance indicators reached by the end of 2008 therefore are the same than the ones presented in the Annual Implementation Report of 2007.

**Table 16 – Indicators achieved for measure 4.2**

Indicators 2003 - 2006	Achieved 2003	Achieved 2004	Achieved 2005	Achieved 2006	Total envisaged (2002 – 2006)	Total achieved
Number of ESPON Contact Point briefings	3	4	5	4*	6	16

\* Including 1 ECP closing event in 2007

### 3.2.2.1 Implementation of the ECP financial mechanism

The ECP financial mechanism has been set up by the programme to support ECPs in developing further their networking activities at transnational level. The last round of transnational networking activities were implemented in 2006. New rounds have not been launched in 2008.

#### ***ECP Transnational activities contracted under the ESPON 2006 Programme:***

The following 10 ECP Transnational ECP Networking Activities via three rounds of calls have been contracted during the lifetime of the ESPON 2006 Programme:

- COMPILING 1: to structure and consolidate the process of ECP commenting in each national context; providing a coherent scientific overview on results of the first 10 ESPON projects' Final reports
- YOUNGSTARS 1: making ESPON results known among the young European scientific community, students and young professionals; providing a platform for new innovative ideas related to ESPON research; develop a scientific debate on the progress and results achieved by ESPON
- SEEP, a follow-up activity of the SEEP seminar aiming at disseminating widely SEEP results over South Eastern Europe, submitted by ECP Greece
- GOING REGIONAL: to disseminate ESPON findings to research and policy communities and to foster greater understanding of the trans-scalar aspects of spatial planning; focus on North Western Europe as macro-region, but include ECPs from outside this region so as to ensure that there is a discourse that looks beyond the region
- YOUNGSTARS II: transnational seminar directed towards young academics and professionals in the fields of geography, regional development, spatial planning, submitted by ECP Hungary.
- COBALT: Organisation of a transnational seminar on Territorial Cohesion and Coordination in the Baltic Sea Region to discuss how best to achieve territorial cohesion, balanced polycentric development and increased competitiveness of the region and within

individual national country strategies, in particular with regards to the recent enlargement process.

- WESTERNBALKANS: The collection of minimum set of data (statistical data and hard core indicators) and combination layers between selected data/indicators and map production in the study area to cover the Knowledge gap of important aspects in the field of spatial development concerning the “white hole” of Western Balkans.
- REVEUROPE: Organisation of an International Conference on an international level, to debate around the results of ESPON on cities, networks and polycentric development issues and to confront them with other works from the European scientific community.
- SSE: Organisation of a transnational seminar covering Southern Europe, focusing on specific issues related to Southern Europe territorial context and situations, in the scope of reflection around sustainability and sustainable development in Southern Europe Confronting different European perspectives on the issue of sustainability, focusing in particular on critical aspects of territorial sustainable management addressing demography, tourism, migration, land use, rural/urban development, forestry.
- MONTESPON: proposal for a transnational seminar focused on mountainous regions and addressing ESPON results from this perspective, submitted by ECP Switzerland.

### ***Progress with the implementation of the activities previously contracted***

As it has already been expressed above, all the ECP transnational networking activities have been finalized from the content side in 2006, there is nothing to report in that respect for the year of 2008.

With regards to the financial reporting of these activities, it needs to be mentioned that the last payment for the ECP Transnational Activity - Compiling 1 was released in 2008 taking into account the serious delays in the submissions of the clarifications to the financial claims. With this final reimbursement all ECP Transnational Activities were closed from the financial point of view in 2008.

### ***3.2.3 Implementation of measure 4.3: ESPON briefing and scientific co-ordination of Transnational Project Groups***

Measure 4.3 is being handled in a similar way to measure 4.2 and carried out through ESPON seminars and Lead Partners meetings, both held usually twice each year. However, taking into account that the projects have been finalized by 2007, there were no Lead Partner seminars organized in 2008.

#### **3.2.3.2 ESPON seminars**

The tenth ESPON Seminar took place in Bonn, Germany on the 12-13 June 2007 is considered the last Seminar organized in the framework of the ESPON 2006 Programme. Therefore there is nothing to report in this respect for the year of 2008.

The performance indicators reached by the end of 2008 therefore are the same than the ones presented in the Annual Implementation Report of 2007.

**Table 17 – indicators achieved for measure 4.3**

<b>Indicators 2002 - 2006</b>	<b>Achieved 2003</b>	<b>Achieved 2004</b>	<b>Achieved 2005</b>	<b>Achieved 2006</b>	<b>Total achieved</b>	<b>Total envisaged (2002 – 2006)</b>
Number of conferences with Transnational Project Groups	4	4	4	4	16	12

### **3.3 Technical Assistance**

The technical assistance activities focused on implementing and monitoring the operations and promoting the programme and its results. These tasks were mainly implemented by the Coordination Unit in its role of support to the Managing Authority.

The ESPON Coordination Unit focused its work on the following elements:

- Organisation and running of programme Monitoring Committee meetings
- Assess compliance and closing activities under measure 4.2
- Implementing activities under measures 5.1 on Technical Assistance
- Finalisation and submission of Annual Control Report for 2007 for the ESPON 2006 Programme to the European Commission (following Art. 13 of the Commission Regulation (EC) No 438/2001 of 2 March 2001)
- Implementing the decisions of the Monitoring Committee
- Provide projects with further assistance, in particular in relation to the financial closure and the elaboration of reimbursement claim
- Coordination activities with the Managing and Paying authorities

In total €4.765,55 were committed and spent for the implementation of Priority 5 in 2008. These amounts correspond to both measures 5.1 and 5.2. It needs to be underlined that all financial commitments have been closed in August 2008.

## **4. FINANCIAL IMPLEMENTATION OF THE ASSISTANCE**

In 2008 the Programme committed additional €7.020 giving a final total programme commitment level of more than 95%.

In addition, during 2008 the Programme spent a total amount of €1.140.202,26 of which €01.168,18 have been certified to the European Commission on the 13 August 2008. This payment application was the only one submitted in 2008 and included expenditure incurred until the 30 June 2008.

The programme has set the financial cut-off closing date at the 31 August 2008. The final statement of expenditure has been already established but has not yet been submitted to the European Commission. The total final statement of expenditure indicated for the programme a final absorption level of 95% and a final total level of programme expenditure of €6.890.768,87.

### **4.1 Priorities 1-4**

The total level of expenditure in 2008 for Priorities 1-4 amounted at €1.036.956,89.

The following table provides detailed indication of the level of commitments and expenditures during 2008 and reached by the end of the year.

Priority / Measure	Available in CIP (A)	Commitments (B)	% of Commitments (B/A)	Payments in 2008	Final cumulative payment (E)
1.1. - Polycentric development and urban-rural relations	€1 602 000,00	€1 533 400,11	95,72%	€6 881,52	€1 533 400,11
1.2. Access to infrastructure and knowledge	€1 027 000,00	€1 003 081,90	97,67%	€582,41	€1 003 081,90
1.3. Natural and cultural heritage	€1 196 000,00	€1 130 726,11	94,54%	€85 519,32	€1 130 726,11
1.4. Natural and cultural heritage	€425 000,00	€399 393,13	93,97%	€89 775,00	€399 393,13
<b>P.1 Thematic projects on important spatial developments</b>	<b>€4 250 000,00</b>	<b>€4 066 601,25</b>	<b>95,68%</b>	<b>€182 758,25</b>	<b>€4 066 601,25</b>
Total 2.1. The territorial effects of sector policies	€1 495 500,00	€1 440 732,87	96,34%	€352 226,79	€1 440 732,87
Total 2.2. Structural Funds and related Funds	€1 011 824,00	€969 923,63	95,86%	€191 325,00	€969 923,63
Total 2.3. Institutions and instruments of spatial policies	€762 000,00	€756 769,76	99,31%	€0,00	€756 769,76
Total 2.4. Filling gaps and new projects	€450 000,00	€444 017,38	98,67%	€0,00	€444 017,38
<b>TOTAL P. 2 Policy impact projects</b>	<b>€3 719 324,00</b>	<b>€3 611 443,64</b>	<b>97,10%</b>	<b>€543 551,79</b>	<b>€3 611 443,64</b>
Measure 3.1. Integrated tools for European spatial development territorial	€1 140 000,00	€1 117 510,51	98,03%	€0,00	€1 117 510,51
Measure 3.2. Spatial Scenarios	€1 521 502,00	€1 435 194,76	94,33%	€630 081,98	€1 435 194,76
Measure 3.3. Lisbon	€431 000,00	€336 976,26	78,18%	€0,00	€336 976,26
Total 3.4. Filling gaps and new projects	€649 000,00	€583 710,01	89,94%	€583 710,01	€583 710,01
<b>TOTAL P. 3 Co-ordinating cross-thematic projects</b>	<b>€3 741 502,00</b>	<b>€3 473 391,54</b>	<b>92,83%</b>	<b>€1 213 791,99</b>	<b>€3 473 391,54</b>
Measure 4.1 Datanavigator preparatory surveys on data access	€350 000,00	€312 095,70	89,17%	€85 371,36	€312 095,70
Measure 4.2 Briefing and scientific coordination: ECPs	€446 500,00	€391 630,40	87,71%	€46 565,55	€391 630,40
Measure 4.3 Briefing and scientific coordination: LPs	€194 500,00	€168 175,38	86,47%	€1 874,84	€168 175,38
<b>TOTAL P. 4 Research briefing and scientific networking</b>	<b>€991 000,00</b>	<b>€871 901,48</b>	<b>87,98%</b>	<b>€133 811,75</b>	<b>€871 901,48</b>
Measure 5.1	€1 270 494,00	€1 266 792,44	99,71%	€183 224,95	€1 266 792,44
Measure 5.2	€492 368,00	€491 407,39	99,80%	€23 265,79	€491 407,39
<b>TOTAL P. 5 Technical Assistance and Communication</b>	<b>€1 762 862,00</b>	<b>€1 758 199,83</b>	<b>99,74%</b>	<b>€206 490,74</b>	<b>€1 758 199,83</b>
<b>TOTAL</b>	<b>€14 464 688,00</b>	<b>€13 781 537,74</b>	<b>95,28%</b>	<b>€2 280 404,52</b>	<b>€13 781 537,74</b>



## 4.2 Technical Assistance

At the beginning of the year the Monitoring Committee approved an additional commitment of €7.020,00 for Technical Assistance for 2008. By the end of August 2008 the total expenditures incurred in relation to the TA amounted at €183.224,95.

Measure 5.1. Management, monitoring and implementation	Allocations 2008	Budget implementation 2008	
		Commitments	Payments
CU Travel			€8,801.65
MC EU Member travel			€4,614.44
Project Expert			€56,104.01
Financial and administrative support expert 6 months			€29,065.47
Trainee			
Training of CU staff			
Office rent and other related costs (taxes, heating, cleaning, etc.)			€29,958.29
Miscellaneous	€3,520.00	€3,520.00	€11,564.55
Site costs for FCG meetings	€3,500.00	€3,500.00	€1,250.50
Costs for 2nd level control and winding			€40,913.01
External experts (legal advice, project evaluations, etc.)			
Staff selection interviews and installation costs			
Other meetings (1st level FC, New MS, etc.)			€953.03
VAT			
Sending of Promotion Material			
<b>TOTAL</b>	<b>€ 7,020.00</b>	<b>€ 7,020.00</b>	<b>€ 183,224.95</b>

In relation to measure 5.2 a total of €23.265,79 were incurred in the year of 2008 corresponding to the final payment related to the Media Bureau contract.

Measure 5.2.	TOTAL BUDGET	TOTAL COMMITMENTS 2008	TOTAL EXPENDITURE 2008
Website and Intranet		€0.00	€0.00
Datanavigator		€0.00	€0.00
Mid-term evaluation		€0.00	€0.00
Mid-term evaluation update		€0.00	€0.00
ESPON Publications		€0.00	€0.00
Graphic identity for ESPON		€0.00	€0.00
Communication Strategy & Media Bureau		€0.00	€23,265.79
Scientific Conference		€0.00	€0.00
Website and Intranet 2007		€0.00	€0.00
Promotion material		€0.00	€0.00
<b>TOTAL</b>	<b>€492,368.00</b>	<b>€0.00</b>	<b>€23,265.79</b>

## 4.3 Certification of expenditure

One statement of expenditure/applications for payment was submitted to the European Commission during 2008 on the 13<sup>th</sup> of August 2008 including expenditures that were already assessed and recommended for payment to the Paying Authority of the ESPON Programme until 30 June 2008.

# Statement of expenditure by 30 June 2008

Priority/Measure								
	2002	2003	2004	2005	2006	2007	2008	Total
	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure
<b>Priority 1</b>	- €	328,538.60 €	674,918.75 €	957,346.24 €	921,025.65 €	1,002,013.75 €	182,758.25 €	4,066,601.25 €
Measure 1.1.	- €	80,017.45 €	407,780.10 €	283,530.43 €	435,410.07 €	319,780.54 €	6,881.52 €	1,533,400.11 €
Measure 1.2.	- €	205,613.52 €	62,011.70 €	592,084.42 €	52,369.25 €	90,420.60 €	582.41 €	1,003,081.90 €
Measure 1.3.	- €	42,907.63 €	205,126.95 €	81,731.39 €	384,711.79 €	330,729.02 €	85,519.32 €	1,130,726.11 €
Measure 1.4.	- €	- €	- €	- €	48,534.54 €	261,083.59 €	89,775.00 €	399,393.13 €
<b>Priority 2</b>	- €	215,361.64 €	369,491.04 €	1,085,265.96 €	792,829.99 €	604,943.22 €	543,551.79 €	3,611,443.64 €
Measure 2.1.	- €	147,280.28 €	181,607.57 €	620,073.75 €	139,544.48 €	- €	352,226.79 €	1,440,732.87 €
Measure 2.2.	- €	68,081.36 €	187,883.47 €	406,754.15 €	77,635.76 €	38,243.89 €	191,325.00 €	969,923.63 €
Measure 2.3.	- €	- €	- €	32,115.69 €	328,837.70 €	395,816.37 €	- €	756,769.76 €
Measure 2.4.	- €	- €	- €	26,322.37 €	246,812.05 €	170,882.96 €	- €	444,017.38 €
<b>Priority 3</b>	- €	358,373.39 €	- €	617,851.64 €	762,241.67 €	521,132.85 €	815,911.58 €	3,075,511.13 €
Measure 3.1.	- €	358,373.39 €	- €	537,420.80 €	104,080.63 €	117,635.69 €	- €	1,117,510.51 €
Measure 3.2.	- €	- €	- €	80,430.84 €	508,796.49 €	215,885.45 €	232,201.57 €	1,037,314.35 €
Measure 3.3.	- €	- €	- €	- €	149,364.55 €	187,611.71 €	- €	336,976.26 €
Measure 3.4	- €	- €	- €	- €	- €	- €	583,710.01 €	583,710.01 €
<b>Priority 4</b>	61.13 €	126,328.85 €	68,113.56 €	132,275.78 €	97,231.08 €	314,079.33 €	133,811.75 €	871,901.48 €
Measure 4.1.	- €	84,763.08 €	28,109.87 €	59,633.54 €	20,773.61 €	33,444.24 €	85,371.36 €	312,095.70 €
Measure 4.2.	- €	12,713.90 €	16,105.86 €	33,911.43 €	37,820.39 €	244,513.27 €	46,565.55 €	391,630.40 €
Measure 4.3.	61.13 €	28,851.87 €	23,897.83 €	38,730.81 €	38,637.08 €	36,121.82 €	1,874.84 €	168,175.38 €
<b>Priority 5</b>	41,289.56 €	98,329.27 €	357,679.30 €	249,695.85 €	510,162.88 €	294,552.23 €	126,302.99 €	1,678,012.08 €
Measure 5.1. (TA)	41,289.56 €	53,346.82 €	236,132.18 €	171,576.20 €	352,046.72 €	229,176.01 €	103,037.20 €	1,186,604.69 €
Measure 5.2.	- €	44,982.45 €	121,547.12 €	78,119.65 €	158,116.16 €	65,376.22 €	23,265.79 €	491,407.39 €
<b>Total</b>	41,350.69 €	1,126,931.75 €	1,470,202.65 €	3,042,435.47 €	3,083,491.27 €	2,736,721.38 €	1,802,336.36 €	13,303,469.58 €
<b>Total ERDF Related</b>	20,675.35 €	563,465.88 €	735,101.33 €	1,521,217.73 €	1,541,745.64 €	1,368,360.69 €	901,168.18 €	6,651,734.79 €

#### **4.4 Payments received from the European Commission**

In 2008 the Paying Authority received €1.354.622,04 from the European Commission. These amounts consist of the following two payments:

- €654.461,85 received on 29 February 2008 corresponding to the request dated 20 December 2007.
- €700.160,19 received on 18 November 2008 corresponding to the request dated 13 August 2008.

#### **4.5 Interests**

The account used to manage the advance payment received on the EU funds, do not produce any interest.

## **5. STEPS TAKEN BY THE MANAGING AUTHORITY AND THE MONITORING COMMITTEE TO ENSURE THE QUALITY AND EFFECTIVENESS OF IMPLEMENTATION**

### **5.1 Monitoring and evaluation**

The ESPON Monitoring Committee had two meetings during 2008. However, it needs to be underlined, that the organized events were combined meetings of both the ESPON 2006 and the ESPON 2013 Programmes. In addition, several decisions were also taken in a written procedure. The meetings of the Monitoring Committee were chaired in the first half of 2008 by Slovenia and in the second half of 2008 by France, as according to Article 4 of the MC Rules of Procedure, the chair person is a representative of the Member State holding the EU Presidency. The co-chair is a representative of the Managing Authority.

During 2008, the Monitoring Committee was involved in both the closure of the ESPON 2006 Programme and the implementation of the ESPON 2013 Programme.

Following the approval of the Operational Programme on 7 November 2007 the preliminary Monitoring Committee of the ESPON 2013 Programme has released several documentations related to the new programming period in the course of 2008.

Besides the drafting and approval of documents, the Monitoring Committee played an active role with their decisions on procedural issues in relation to the second level financial control as well.

### **5.2 Financial control (according to Article 13 of Regulation (EC) 438/2001)**

On the fourth FCG meeting of 7 February 2008, E&Y informed the FCG about the results of the System Audit and the check of the Technical Assistance undertaken at the end of 2006 as well as about the on-the-spot checks undertaken in 2007. With regards to the System Audit it has been highlighted that on the basis of the follow up forms and the relevant supporting documents submitted by the MA, all outstanding issues had been solved and clarified. In relation to the on-the-spot checks it was presented that as agreed in June 2006, a total of 11 audits were implemented in May and June 2007 including 5 Lead Partners and 6 Project Partners of 7 operations from 9 Member States and 2 Partner States from the following countries: Belgium, Cyprus, Germany, Italy, the Netherlands, Slovenia, Spain, Sweden, United Kingdom, Switzerland and Norway.

A total amount of € 995.673,02 of the Programme budget has been checked. Following the results of the contradictory procedure and the follow up procedure € 11.498,87 of ineligible ERDF has been detected of which € 9.530,20 was still to be recovered at that stage.

E&Y has briefed the FCG about the main findings detected during the implementation of the on-the-spot checks. The majority of the irregularities related to staff costs and the corresponding overheads, which has been calculated on estimates and lump sums in some cases.

Some audit findings detected were also in relation with the First Level Financial Control, which was considered insufficient in two countries, while in another the independency of the controller was questioned.

Besides the above mentioned irregularities, some other findings were listed with marginal or no financial effects such as using incorrect exchange rates, submitting progress reports with slight delays.

On the basis of the detected findings E&Y presented its recommendations for the follow up procedure. The main advices were addressed to the MA and the CU and related to the importance of informing the Lead and as well Project Partners and First Level Controllers about eligibility rules, applicable calculation methods, and the requirements in relation to the independence and qualifications of the first level financial controllers.

More detailed information was given by E&Y on the follow up procedure of the on-the-spot-check of the project ESPON Coordination 1 where a total of six irregularities were detected. The majority of the findings were in relation to the calculation of staff costs, independency and quality of the first level financial control and the insufficient audit trail. The initial financial effects prior the contradictory procedure amounted at €261.973,14 euro. Due to lack of documentation at the moment of on-the-spot-check Ernst & Young could not define the final financial impact of the findings. The contradictory procedure was as followed by the German representative of the FCG and by the ESPON CU. Thanks to the additional checks and documentation provided it was possible for E&Y to finalise the results and calculate the final financial effects.

The CU has informed the FCG that with the exception of the Project Coordination 1, most of the findings detected during the on-the-spot checks had already been cleared. With the cooperation of the FCG member the amounts of the final financial corrections had been finally calculated and the needed recovery procedures implemented.

With the agreement of the concerned MC members the recovery of one operation for €126,90 had already been finalized while in an other case the repayment was in process. In case there was no need for recovery the MC members were asked to accept to cut the ineligible amount from the final payment claim of the operations.

It has to be mentioned that besides the findings with financial effects some other irregularities without financial effects had also been detected. In order to clear these findings, official communications had been sent to the concerned Lead and Project partners and as well to the First Level Controllers according to the recommendations given by E&Y.

E&Y presented also the strategy and timetable for the closure of the ESPON 2006 Programme. E&Y will draft the Winding-Up declaration according to Chap. 5 of Reg. (EC) No 438/2001 and based on their examination of the management and control systems, of the findings of the checks and the results of the follow up, further-more, based on the last statement of expenditure for each programme as provided by the Paying Authority. E&Y will as well prepare the Draft Final Control Report which will generally follow the structure of the Annual Control Reports. The Follow Up forms and the Audit Finding Matrix will be part of the Draft Final Report and secondary documentation to the Winding-Up Declaration. The MA, PA and CU will be required to provide the necessary documentation and information on some of the issues. Concerning the timetable, a Draft Final Report and Draft Winding-Up declaration was foreseen to be submitted by the 3<sup>rd</sup> March 2008 and circulated to the FCG members for comments and amendments, but due to exceptional workload at the ESPON CU it was not implemented by the set deadline.

In the framework of a written procedure of 13 June 2008 the FCG was informed that all findings remained open after the 4<sup>th</sup> FCG meeting have been cleared and the Annual Audit Report for 2007 has been forwarded for consideration. In relation to the closure documents such as the draft final audit report and the winding-up declaration it was stressed that the ESPON Coordination Unit needs first to process the very last payment for the Technical Assistance. During the month of August 2008 the final statement of expenditure has been prepared. This will allow for the finalization of the closure documents during 2009.

### **5.3 Summary of significant problems**

Since the start of the programme, the Managing Authority, the Paying Authority and the Coordination Unit have been aware of the possible financial implications of the de-commitment risk. Therefore strong efforts were focused on the reduction of the de-commitment risk without lowering the quality requirements and putting the good functioning of the ESPON 2006 Programme management and control system at risk. In this perspective, the correct implementation of the reporting requirements by all involved actors has been the most important challenge for the programme during this year.

Specific measures were taken toward assisting projects in reporting costs on time and in full (e.g. through consultation meetings, email, phone assistance). In addition, special attention was given to the quality assessment of the 1<sup>st</sup> level financial control certifications. The Managing Authority has the opinion that the quality level of the 1<sup>st</sup> level financial control can be considerably improved and has asked the ESPON Coordination Unit to carefully check and assess the certification provided so not to risk the reimbursement of expenditures based on wrong or misleading certification.

In line with this requirement, the Paying Authority has proceeded with the release of payments to the final beneficiaries only upon positive assessment of the ESPON CU of the financial reports and certifications provided and only of the amount that were considered fully in line with the regulation, as recommended by the ESPON CU.

Withheld amounts, were released only upon submission of the requested clarifications and/or submission of a revised certification from the 1<sup>st</sup> level financial control. In some cases, following the clarification process, the amount were not accepted as eligible and therefore not reimbursed to the beneficiaries. It has to be underlined that none of the Lead Partners or 1<sup>st</sup> level financial controllers have questioned the remarks made by the ESPON Coordination Unit.

### **5.4 Measure to ensure publicity of the assistance**

The Media Bureau contracted by the ESPON Programme for the support of the publicity activities of the ESPON 2006 Programme submitted its Final Report in December 2007 and their contract was closed. Therefore no activities were undertaken in 2008 by the Media Bureau.

Nonetheless, the ESPON Coordination Unit and Managing Authority were involved in the dissemination of ESPON results in a series of events during 2008. The communication of ESPON 2006 results were complemented by the first new results from the ESPON 2013 Programme.

An additional ESPON report was published addressing Europe in the World. The communication strategy involved direct sending to key stakeholders at European level, presentation at conferences and other events, a sequence of the “Map of the Month” on the ESPON Website as well as a wide physical dissemination of the report by members of the Monitoring Committee and via the European Commission documentation service.

The continued capitalisation of ESPON 2006 evidence and results hereafter have to be ensured by the ESPON 2013 Programme.

No more printed publications are possible within the ESPON 2006 Programme.

### **5.5 Preparation of the new ESPON 2013 Programme**

During 2008, the Managing Authority and Monitoring Committee of the ESPON 2006 programme have been deeply involved in the preparation of the new ESPON programme for the

programming period 2007-2013. After the approval of the ESPON 2013 Programme (CCI 2007 CB 163 PO 022) by the European Commission with its decision of 7 November 2007 the work on the implementation continued. The Work Programme 2008 is a further development of the planning discussed and decided at MC meetings in September and November 2007 and includes the following main avenues of activities:

- Completing the Management system and Implementation provisions: The setting up and documentation of a system for programme and project management is a major requirement at the beginning of the programme implementation. This work includes the drafting and decision making by the MC of several key documents;
- The first round of projects was launched in January 2008. The Call for Proposal expired in March 2008 and the proposals received were evaluated;
- The Knowledge Support System was launched in January 2008 as a Call for Interest. The deadline for expressing willingness to perform as experts in sounding boards expired in March 2008, after which the pool of eligible and qualified experts was systematised in a database. The first experts were selected in April 2008 by the MC for the Sounding boards related to the first round of Priority 1 projects;
- Under Priority 2 – Targeted Analysis, the Call for Interest from stakeholders for this new type of ESPON projects was launched in January 2008, at the same event as mentioned above. The Call for Interest was open until March 2008 followed by an evaluation process, synchronic to Priority 1, and led to the decision of the MC in April 2008 on the best ideas for targeted analysis in partnership with the stakeholders;
- Under Priority 3 - Scientific Platform, a first project on the ESPON 2013 Database was launched in January 2008. It followed the same procedure and timing as the first round of Priority 1 projects;
- The first actions under Priority 4 - Capitalisation, publications and analysis includes the setting up of a preliminary ESPON 2013 website, capable of providing the information necessary for potential beneficiaries interested in ESPON projects. The necessary actions for establishing a smooth operation related to capitalisation were undertaken in spring 2008;
- The setting up and development of a computerised management system;
- The first meeting of the Group of Auditor on the 18 March 2008 took place. During this meeting the GoA approved the Rules of Procedure, took a decision on the externalisation of the implementation of the on-the-spot checks, discussed and approved the Terms of Reference for the selection and contracting of the external independent auditor and debate on the main elements of the audit strategy, in particular the sampling methodology;
- The Audit Strategy and the Risk Analysis were elaborated by the AA with the support of the ESPON CU and submitted to the EC;
- The tendering and selection procedure of the independent external auditor;
- A second meeting of the Group of Auditors in 28 November 2008 to approve the audit methodology.

## **6. STEPS TAKEN TO ENSURE COMPATIBILITY WITH COMMUNITY POLICIES AND TO ENSURE COORDINATION OF ALL COMMUNITY STRUCTURAL ASSISTANCE**

The following measures are in place in the framework of the ESPON 2006 Programme to ensure the compatibility of activities financed with Community policy:

During the first level financial control carried out for each operation in principle for every six months period, or at least every time a progress report is submitted to the ESPON Coordination Unit, the independent auditor of the Lead Partner sign a statement confirming the compliance of the implementation of all relevant EU and national legislation and policies.

In addition to the above, and taking into account the nature of the activities financed under the ESPON Programme, the Coordination Unit has issued specific guidance on the respect of the publicity requirements that have to be respected by financed operations. The CU perform additional checks to the one implemented by the 1<sup>st</sup> level financial controller in relation to the compliance with the publicity requirements.

### **Annexes:**

**Annex I: Financial tables**

**Annex II: Approved ESPON work programme 2008**

**Annex III: Minutes of MC meetings 2008**

**Annex IV: Minutes of the ESPON Financial Control Group meeting 2008**

**Annex V: Publications published in 2008**