

**SPECIFICATION**  
**ESPON Applied Research Project 2013/1/6**

**TERRITORIAL IMPACT ASSESSMENT OF POLICIES**  
**(2008-2009)**

*(o) Territorial challenges relevant for ESPON 2013 projects*

The development of the European territory is facing several ongoing mega trends and impacts of policies:

- The integration of the EU in global economic competition is accelerating, offering more options for regions and larger territories in deciding on their development path as development is no longer a zero sum game for Europe.
- Interaction is growing between the EU territory and the surrounding neighbour countries as well as the other parts of the world, becoming apparent by e.g. migration pressure on more developed countries, which are themselves confronted with population decline and by access to and investment in new markets.
- Market forces and the evolution of society in general are supporting a geographical concentration of activities.
- The ongoing demographic change with an ageing European population and migration is affecting the regions differently and boosts the competition for skilled labour.
- The occurrence of hazards is increasing due to climate change while different parts of Europe experience different types of hazards.
- Increasing energy prices and the emergence of a new energy paradigm have significant territorial impacts, some regions being more affected than others, some of which have particular potential for production of renewable energy sources.
- The enlargement of the EU to 27 Member States, and at a later stage maybe to more, presents an unprecedented challenge for the competitiveness and internal cohesion of the Union.

ESPON results have revealed that territorial capital and opportunities for development are inherent in the regional diversity that is a characteristic of Europe. Consequently, different types of territories are endowed with diverse combinations of resources, putting them into different positions for contributing to the achievement of the Lisbon and Gothenburg Agendas as well as to Cohesion Policy. Territorial diversity, particularly in the economic base, implies that strategies other than opting for a knowledge-based economy might be more appropriate and viable for some regions.

The ESPON 2006 Programme provided integrated analysis and long term spatial scenarios which enriched the European policy debate and knowledge base. The results and observations produced by ESPON on territorial structures, trends, perspectives and assessment of EU policy impacts had not been fully evident before and supported a better understanding of the European dimension of territorial dynamics. Therefore, interest is growing among policy makers and practitioners for the information, knowledge and understanding ESPON can offer.

The ESPON 2013 Programme shall bring this knowledge base one step further by carrying out applied research and targeted analysis, indicator development and data collection, capitalisation events presenting results, etc. All these actions will be related to an improved understanding of territorial structures, development trends, perspectives and policy impacts.

The European-wide evidence provided by the ESPON 2007-2013 Programme will potentially benefit stakeholders all over Europe at all levels. Policy makers dealing with territorial development require sound evidence and comparable regionalised information as well as medium and long-term development perspectives in order to draw up sustainable and efficient integrated policy responses for their territories.

All in all, the European process moves towards a more integrated approach to policy making which makes the territorial dimension important for policy makers. The aim of territorial cohesion proposed by the Commission supports this approach by taking the territory as an element in the framework for policy making. Due to its provision of evidence based on analyses of territorial units the ESPON 2013 Programme is of strategic importance for the European policy development and cooperation.

By further extending and deepening the existing knowledge and indicators, the ESPON 2013 Programme will play a strategic role in supporting the policy process of the current period 2007-2013, namely by contributing to the development of Cohesion Policy.

### ***(i) General objectives of applied research projects under Priority 1***

The general objectives of applied research projects within the ESPON 2013 Programme are the following:

- Building new evidence based on comparable information about European regions and cities, including information on dynamics and flows, and covering the entire territory of EU 27, Iceland, Liechtenstein, Norway and Switzerland.
- Addressing major territorial challenges and political priorities providing comparable information covering the entire European territory, its regions and cities.
- Providing comparable regionalised information and possible policy options for making use of opportunities inherent in territorial structures; anticipating and counter balancing negative trends and structures, taking into account the diversity

- of the ESPON territory and considering institutional, instrumental and procedural aspects.
- Identifying types of territories, regions and cities that share common development challenges and are affected most (positively or negatively) by the identified structures, trends, perspectives and/or policy impacts.
  - Contributing to the further identification of structures within the EU territory that represent options for exploring comparative advantages and provide synergy through territorial cooperation arrangements, involving regions and/or cities.
  - Contributing to the improvement of the scientific platform for European applied territorial research by refining existing concepts, methodologies, indicators, typologies, European maps and models and by defining new ones.
  - Providing the knowledge and competence capabilities needed to ensure scientifically validated results of the applied territorial research with the support of Sounding Boards<sup>1</sup>.
  - Supporting the use of and dissemination of results to an audience of policy makers, practitioners, scientist and experts.

This project shall contribute to these general objectives during its implementation, and in doing so make best use of existing ESPON results, new results in other ESPON projects as well as other research results and relevant studies.

## ***(ii) Relation of this project to the ESPON 2013 Programme***

The priorities describing the work-programme of the ESPON 2013 Programme are structured in four strands:

1. **Applied research on territorial development, competitiveness and cohesion: Evidence on European territorial trends, perspectives and policy impacts**  
The applied research projects will create information and evidence on territorial challenges and opportunities for success for the development of regions. Cross thematic applied research will be a major activity integrating existing thematic analysis and adding future analysis of new themes. Territorial impact studies of EU policies will be another focus under this priority.
2. **Targeted analysis based on user demand: European perspective to development of different types of territories**  
This priority responds to a clear demand of practitioners for user and demand driven actions within the ESPON 2013 Programme. By convening an analytical process where ESPON findings are integrated with more detailed information and practical

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<sup>1</sup> For each applied research project a Sounding Board will be set up, accompanying the project throughout its life cycle and giving advice to the TPG on both, scientific issues as well as relevance for policy makers. Sounding Boards will normally be made up of one scientist and one practitioner. Their task will consist of assessing project proposals, giving continuous feedback to TPGs and commenting on their reports.

know-how, new understanding of future development opportunities and challenges may arise, which could be transformed into projects and actions.

3. **Scientific platform and tools: Territorial indicators and data, analytical tools and scientific support**

The scientific platform and analytical tools built up within the ESPON 2006 Programme will be maintained and further expanded. New actions shall be undertaken to develop current achievements and make use of the indicators, data and tools.

4. **Capitalisation, ownership and participation: Capacity building, dialogue and networking**

Under this priority, actions are foreseen that will be aiming at making the evidence and knowledge developed operational through measures raising awareness and involving stakeholders in the results and their practical use.

This exploratory project belongs to the first priority and holds a key position for preparing the common ground for a better understanding of territorial impacts of different EU policies which is vital for targeted policy development in the light of Cohesion Policy. Therefore a strong coordination and interlinkage with all other ongoing projects is needed for achieving comprehensive results. A close cooperation with the Sounding Board set up for following and advising the project and the Coordination Unit shall as well be established as part of the project implementation.

*ii) Thematic scope and policy context*

The assessment of territorial impacts of policies is an important policy demand. For any policy development aiming at a sustainable and harmonious development of a particular territorial entity it is important to be informed on likely impacts of sector policies. Following the first attempts to develop a general tool / comprehensive methodological approach for the ex-ante assessment of likely effects of either one particular policy or a combination of policies, applied research needs to be continued in this field in order to complete and further operationalise the current existing knowledge. This goes particularly for the development of an operational ex-ante assessment tool for sector policies that could meet the demand for an instrument for a more comprehensive and integrated policy making.

The assessment of the territorial impact of specific EU policies had already been in the focus of the ESPON 2006 Programme, with one priority of the programme being devoted to studies in this field. The projects conducted under this priority tested a variety of approaches to ex-post territorial impact assessment of policies (TIA), depending on the different thematic issues that had been addressed (e.g. transport, R&D, energy policy) and that influence the evolution of the territory through application of rather different instruments and measures which reflect the heterogeneity of the policies themselves. These efforts were assessed and additional efforts were made in moving further towards a methodological approach to TIA that could also embrace ex-ante evaluation of EU policies' territorial impacts.

All in all, ESPON 2006 conducted pilot work, pointing at methodological ways to follow. However, more needs to be done on indicators and methodologies in order to achieve the objective of having a tool for the process of policy making. In particular, the ongoing policy development related to the concept of territorial cohesion shall be considered in this context. Already some attempts have been made in the framework of some ESPON 2006 projects and some more will be done as well in the framework of the ESPON 2013 Programme, in particular within Priority 3.

TIAs of EU policies and programmes have to deal with considerable and substantial deficiencies both, regarding the subject to be assessed as well as the assessment criteria. The subject itself, i.e. any EU policy, hardly takes account of territorial objectives, even though the policy can clearly have an effect on the territory (e.g. CAP, transport policy). Therefore, EU policies show a dramatic lack of territorial differentiation of data on policy implementation which, in turn, aggravates the assessment of their territorial impacts.

Generally speaking, impact assessment is a process aimed at supporting the development of policies. It serves to assess the respective policy, the objectives pursued and the means envisaged or applied in order to identify the likely impacts on territories, regions and cities in the economic, environmental, social and cultural fields.

Indicators/indices need to be better defined and selected to provide proper and adequate evidence on (1) impacts on the general socio-economic-environmental situation (such as population, GDP, labour force, employment and CO<sub>2</sub> emission), (2) impacts related to European strategies as the Lisbon Strategy (impacts on the competitiveness, growth and job creation) and Climate Change (impacts on CO<sub>2</sub> emissions and hazard risk) and, (3) impacts in relation to territorial cohesion phenomena (such as balance, polycentrism, accessibility, opportunities for development and territorial cooperation, etc.). This process should be supported by the results obtained by the thematic and territorial impact assessment projects implemented within the ESPON 2006 programme and as well by the results of the study monitoring territorial development based on key indicators. Synergies should also be made with the new ESPON 2013 projects related to the implementation of the ESPON database and future projects on monitoring indicators.

The causality relation is another big challenge in assessing territorial impacts of any policy. The influence of the policy in question cannot or can only roughly be isolated from effects of other measures or influences.

The results of using the TIA tool on concrete policies should ideally provide evidence on impacts on territorial structures, trends and perspectives that policy makers could use in improving the policy in question in relation to objectives for the territorial development of Europe. However, the concrete needs of policy makers should be consolidated through dialogue in the initial phases of the project.

Carrying through the project will imply work exploring how to further develop TIA methodologically. An important issue in relation to the current state of TIA-tools

development is how to take into account spill-over effects, either on/from neighbouring territories or on/from different policies. The project implementation must also imply experiments, outlining advantages, disadvantages and possible synergies of different options, and tests of the hypothesis of models used to check their robustness. Given the complexity of such a model, case studies could be used for testing the operational use of the model.

It will be important to ensure a close coordination with other relevant ongoing ESPON projects, particularly within Priority 3 of the ESPON 2013 Programme dealing with territorial indicators/indices and a regular monitoring of European territorial dynamics.

#### ***iv) Analytical framework and deliveries expected***

The project should take its starting point from the above mentioned thematic scope and policy context and the pilot work undertaken on TIA inside the ESPON 2006 Programme. In moving further towards the development of a robust and operational TIA tool, other available studies and reports on territorial impact assessment should be considered as well.

In progressing towards the development of a TIA tool, a stepwise approach will be applied, exploring further methodological avenues and testing concrete applications. To begin with, this project should further explore, develop and test a tool for ex-ante TIA of policies (territorialised at NUTS 2/regional level and on types of territories), by capitalising on results from the ESPON 2006 Programme.

The project should explore, inter alia, the impacts to expect at regional level and the types of territories and cities that will benefit the most and the least due to the implementation of measures within selected EU policy fields. The assessment of impacts should be based on the indicators/indices defined within the project related to the socio-economic-environmental situation, to the Lisbon strategy and Climate Change and to territorial cohesion.

The project shall in particular be informed by the experience of ESPON projects that have tried to progress a TIA methodology towards a tool for assessment of policies. The following ESPON projects are an important platform for further work:

- ESPON Project 3.1 “Integrated Tools for European Spatial Development” found that the wide range of EU policy issues hampers the application of one common assessment method for all. Nevertheless, it would be feasible to make use of a common methodological approach. As a result, the project team set up a list of minimum requirements for TIA regarding the scope of the exercise, analytical aspects as well as the final assessment.
- On the basis of the experience of the different ESPON projects on territorial impact assessment, ESPON Project 3.2 “Spatial scenarios in relation to the ESDP and EU Cohesion Policy” developed a flexible TIA-model, allowing the integration of different policies, different means of impact measurements, and very importantly

changing policy goals and priorities. The resulting multi-criteria TEQUILA model breaks down the impact assessment into two parts: (1) A general assessment of the impact of EU policies on the overall European territory; (2) A territorial impact model is built to assess the impact on individual regions.

The project should strive for a comprehensive and integrated research approach, taking into account economic, social, environmental and cultural aspects. In addition, a 3-level-approach (European, transnational/national, regional/local) to the analysis of the results of the TIA, commonly used by all ESPON applied research projects, should be applied in order to support a clear presentation of results, which might vary depending on the geographical scale.

The approach to the definition and testing of a tool for territorial impact assessment shall consider the following analytical elements:

- Clear identification of the policies for which territorial impact should be assessed (see below).
- Operationalisation of the territorial goals related to territorial cohesion against which policies shall be assessed.
- Development of hypothesis on cause-effect/impacts relations regarding the policies and their application.
- Reference to cause-effect/ impacts relations in the past as a basis for predicting likely effects of future interventions.
- Designation of the type of analysis to be used.

This exploratory project should address the EU Common Agricultural Policy (CAP) as well as the EU Transport Policy. Cumulative impacts of policies, i.e. resulting from an accumulation of effects from numerous activities or from a combination of effects from one activity, should be considered, as well. Furthermore, the project should take account of spill-over effects, either from other policies (implemented as well at different administrative levels) and/or territories (intra and inter-regional spill-over effects should be included). In the concrete design of the applied research project and its work packages, the project is expected to answer the following key research questions, also on the basis of existing ESPON knowledge:

- How is a certain policy likely to impact the economic base as well as the social and environmental situation in different types of territories and cities?
- Will the policy have a positive effect on the competitiveness of regions and cities as well as on European economic, social and territorial cohesion? Where in Europe are the most positive impacts to be expected?
- Will the policy have a particular effect on the ability of regions and cities to contribute to the mitigation of climate change effects?
- How would a policy impacts affect the balance of the European territory and between regions? What will be the impact on the structure and organisation of the territory? To which degree will it support more polycentric structures at different scales?

- Will a policy have positive impacts on the access to particular regions? Will it have substantial effects on the use of land? Do other territorial phenomena become affected by the policy and how?
- What is the overall appreciation of a policy impacts in relation to Cohesion aims, in particular to territorial cohesion?

The deliveries of the project should make use of and complement the existing scientific platform and tools of ESPON, which are accessible on the ESPON website. The project is expected to enhance the scientific platform of ESPON with at least the following deliveries:

- Data input to the development, update and extension of the ESPON database by additional data on regions and cities gathered within the project, particularly in relation to the new Partner States, Iceland and Liechtenstein. The compilation should indicate the degree of comparability and robustness of the data.
- Indicators offering key information on impacts of policies on the economic-social-environmental-cultural situation of regions and cities, on impacts related to the Lisbon strategy and to climate change, and on territorial phenomena and aims related to European policy orientations. Indicators need to offer compatibility with a map-making facility, to provide a consistent, homogenous, reliable, and up-datable database.
- Tools development in the form of a test-version or template of a TIA tool and a roadmap towards finalising a consistent and robust instrument for the assessment of territorial impacts of policies, including the models developed as part of the tool.
- European maps related to the testing and use of the developed TIA tool on at least two EU policies (the test should as well take into account national and local policies and all the relevant spill-over effects at least in relation to case studies conducted). The maps shall present the diverse impacts of the policy in question in a clear way for policy makers.

Regarding the development of new data and maps and/or the use of existing data, the TPG is expected to cooperate closely with the TPG being in charge of the development of the ESPON 2013 Database.

The results and conclusions of the applied research within the project should be formulated in relation to policy orientations present at European level and make use of the new typologies – if applicable – and maps resulting from the project.

Following the logic of the Territorial Agenda of the EU, orientations for policy makers should refer to the respective territorial potentials and the available options to mobilise these for the benefit of the cities, urban agglomerations and surrounding regions in question. In this respect, references to future policy options should take account of European Cohesion Policy orientations, in particular expressed in the Community Strategic Guidelines on Cohesion 2007-2013 and the Fourth Report on Cohesion.



In relation to the policy areas tested in the project the conclusions should propose options for a better compliance with the Lisbon strategy, the combat of climate change and Cohesion Policy.

The geographical coverage of the project should encompass all the countries participating in the ESPON 2013 Programme. Furthermore, with the support of the project implementing the ESPON 2013 Database, the TPG should assess the data situation for their field of research in the EU candidate countries, the Western Balkans and Turkey, and report on the possibility of including these areas in the inception report. Depending on the respective data situation these countries would then be included in the analysis.

In order to create coherence with project findings of other ESPON applied research projects, the project should territorialise the main final results in relation to different types of territories, regions and cities, using existing typologies for the urban system, rural areas, mountain areas, islands, coastal areas and outermost regions. If relevant, final results should also be presented for transnational cooperation areas under Structural Funds. Where appropriate and possible, results should be presented as well for cross-border cooperation area and inter-regional cooperation areas.

Finally, the project should consider advantages and drawbacks of the used technique of analysis and models, pointing out aspects that could be further developed methodologically. This should conclude in setting out avenues for further applied research on the theme.

### ***(v) Outputs and timetable***

One of the main objectives of the ESPON 2013 Programme is to focus on research with policy relevance and to contribute to the development of relevant policies. Therefore, the outputs of the research project should be highly operational and coordinated in time, as far as possible, to fit into the relevant political agenda.

The proposal for the project is expected to reveal individual work packages on project coordination, research activities, and dissemination, as well as a schedule for project implementation based on the following timetable and specification of outputs:

#### **August 2008 (Inception report):**

Eight weeks after the award of contract, a more in-depth concept should be submitted by the TPG allowing for a detailed overview on the research approach to be applied, the methodology and hypothesis for further investigation, as well as a review of the main literature, data sources, etc. The Inception report shall also include an overview of more detailed deliveries and outputs envisaged by the project as well as an indication of likely barriers that the project implementation might face. The report shall give clear orientation for the applied research previewed towards the Interim report. The research team should also report on the findings regarding the assessment of the data situation in EU candidate countries, the Western Balkans and Turkey and, on that basis, determine the geographical

coverage of their research. Finally, the TPG should outline how it envisages making use of existing ESPON and other results that are relevant for this project.

### **February 2009 (Interim report):**

The content of the Interim report shall reflect the orientations given in the Inception Report as well as the results of the discussions having taken place with the Sounding Board. The report is envisaged to include elements such as:

- a) Main results on the basis of available data, developed indicators, typologies, and European maps, including
  - An overview on concepts and methodology for the development of a tool for TIA and possible final results.
  - Detailed presentation of hypothesis on cause-effect/impacts relations, developed for assessing the policies and testing the tool for TIA.
  - Description of the technique/methodology/indicators/models to be used in setting up a tool for TIA of policies, and the testing procedure envisaged.
  - An overview of the territorial goals against which the selected policies are being assessed, as well as modalities for the TIA previewed of these policies.
  - Preliminary results on the basis of available territorial indicators, including draft European maps showing the likely territorial impacts of the selected EU policies at regional level as well as for larger territories.
  - Data collection achieved, including an overview on statistical and geographical data collected by EUROSTAT, and national Statistical Institutes etc.
  - First indications on the conclusions and policy relevant options that could be the outcome of the project.
- b) Plan for the applied research towards the draft Final Report as well as the Table of Content envisaged for the Final report.

### **June 2009 (Draft Final report):**

The Draft Final report will take into account feed-back on the Interim report from an ESPON seminar and by the Sounding Board. The report is supposed to include elements such as:

- c) Report (max. 50 pages) on the main results, trends, impacts and options for policy development, including key analysis/diagnosis/findings and the most relevant indicators and maps (any additional information should be included in a scientific report). Particularly important are options for policy makers, which could provide the basis for interventions related to potentials for improving European competitiveness and cohesion. The report should include key messages on the following:
  - The operational use of the developed test-version of an ex-ante TIA tool in relation to EU policy development.
  - Likely territorial impacts of the policies tested underlining the respective results, outlining advantages and disadvantages.

- Indication of policy options that could improve the tested policies in terms of supporting European strategies and territorial policy orientations.

d) An executive summary (max. 10 pages) summarising the main results of the applied research that can be communicated to a wider audience of stakeholders. This summary should be based on the Report mentioned above.

e) Scientific report documenting the scientific work undertaken in the applied research including elements such as:

- Literature and methodology/theory used.
- Typologies, concepts developed and used.
- Data collected and indicators used, including tables with the exact values of indicators.
- Maps produced in support of the results, covering the territory of EU 27, Iceland, Liechtenstein, Norway and Switzerland.
- Models and other tools used or developed.
- Tests carried through of policies in calibrating the template/test-version of a TIA tool.
- Detailed results of the TIA test implemented for the three mentioned European, and eventually national, policies.
- Roadmap on the further research avenue to follow in finalising an operational TIA tool, including further data requirements and ideas of territorial indicators, concepts and typologies as well as on further developments linked to the database and mapping facilities.

The MC and the Sounding Board will address the draft Final report and eventually ask for clarifications.

#### **September 2009 (Final report):**

f) Revision of the Draft Final report on the basis of comments received.

#### **September 2009 – March 2010 (dissemination):**

g) Dissemination of project results by the TPG in the framework of international conferences and seminars, e.g. transnational activities of the ECP Network, events organised by the CU. These activities need to be reflected in the budget proposed by the TPG for the implementation of the project.

In order to justify expenses claimed for refunding by the TPG, a short progress report (max. 10 pages) has to be submitted to the CU every six months during the project's period of implementation. This should consist of an account of progress in the individual work packages according to the schedule in the proposal. The report also should allow an overview on the development of the project regarding development and use of methodology, results at different steps and next steps to be taken within the following six months.

Irrespective of the above mentioned reports to be submitted at certain stages in the project life cycle, the TPG is expected to give presentations on the state of their research or/and the results in the framework of internal and external ESPON seminars. Therefore, when setting up the project proposal, the TPG should also allow for travel expenses for the attendance of ESPON seminars.

***(vi) Existing access points***

Synergies and coordination should be established with the European Commission services relevant for the policies selected for the testing of TIA tools. In particular, the General Secretariat has established an impact assessment methodology of the Commission where a TIA module could be an option for this tool. The Joint Research Centre of the European Commission has carried through activities in the field of impact assessment of e.g. agricultural policy.

The access points listed below can serve the purpose of providing the TPG useful information for preparing a proposal. It is by no means meant to be exhaustive, but should be considered as information that can be helpful in tracing additional useful background information.

- Results of the ESPON 2006 Programme, in particular ESPON Project 3.1 “Integrated tools for European spatial development”, and ESPON Project 3.2 “Spatial Scenarios in relation to the ESDP and EU Cohesion Policy”.
- European Commission (2007): Better Regulation and Enhanced Impact Assessment. Brussels.  
[http://ec.europa.eu/governance/impact/docs/key\\_docs/sec\\_2007\\_0926\\_en.pdf](http://ec.europa.eu/governance/impact/docs/key_docs/sec_2007_0926_en.pdf)
- The Evaluation Partnership (2007): Evaluation of the Commission’s Impact Assessment System. Richmond.  
[http://ec.europa.eu/governance/impact/docs/key\\_docs/tep\\_eias\\_final\\_report.pdf](http://ec.europa.eu/governance/impact/docs/key_docs/tep_eias_final_report.pdf)
- European Commission (2006): Impact Assessment Guidelines. Brussels.  
[http://ec.europa.eu/governance/impact/docs/key\\_docs/sec\\_2005\\_0791\\_en.pdf](http://ec.europa.eu/governance/impact/docs/key_docs/sec_2005_0791_en.pdf)
- Research activities of the Joint Research Centre of the European Commission:  
[http://www.jrc.cec.eu.int/default.asp@sidsz=our\\_work.htm](http://www.jrc.cec.eu.int/default.asp@sidsz=our_work.htm)
- Relevant projects under the Framework Programmes for Research, managed by DG Research, such as Sensor