

TERMS OF REFERENCE

ESPON Project 2.2.3: TERRITORIAL EFFECTS OF STRUCTURAL FUNDS IN URBAN AREAS (2002-04)

(o) Political challenges for the ESPON projects

The Second Report on Economic and Social Cohesion, published in January 2001, presented for the first time a third territorial dimension of the cohesion (beside the economic and social cohesion), which calls for a better co-ordination of territorially relevant decisions. Stressing the persistence of territorial disparities within the Union, the report stated the need for a cohesion policy not limited to the less developed areas as well as the need to promote a more balanced and more sustainable development of the European territory.

The Second Cohesion Report represents in that respect a follow up of the European Spatial Development Perspective (ESDP), adopted at ministerial level in May 1999, calling for a better balance and polycentric development of the European territory.

The projects launched under the ESPON programme shall follow an integrated approach and, seen together, cover a wide range of issues, such as:

- Identifying the **decisive factors relevant for a more polycentric European territory**; accessibility of a wide range of services in the context of enlargement; integration of wider transnational spaces; promotion of dynamic urban growth centres; linking peripheral and disadvantaged areas with those centres; etc.
- Developing **territorial indicators and typologies** capable of identifying and measuring development trends as well as monitoring the political aim of a better balanced and polycentric EU territory
- Developing **tools supporting diagnoses of principal structural difficulties as well as potentialities**, such as disparities within cities and regenerating deprived urban areas; structural adjustment and diversification of rural areas; strategic alliances between neighbouring cities at transnational, national and regional scale; new partnerships between rural and urban areas; potential support from infrastructure networks in the field of transport, telecommunication, energy; etc.
- Investigating **territorial impacts of sectoral and structural policies** in order to enhance synergy and well-co-ordinated decisions relevant for territorial development within policy fields such as Structural Funds, agriculture, transport, environment, research and development; developing methods for measuring the territorial impact of sectoral and structural policies; etc.
- Developing **integrated tools in support of a balanced and polycentric territorial development**; approaches to enhance the potential of cities as drivers of regional development, new tools for integrated urban-rural development and planning, etc.

With the results of all the ESPON projects, the Commission and the Member States expect in particular to have at their disposal: **a diagnosis of the principal territorial trends** at EU

scale as well as the difficulties and potentialities within the European territory as a whole; a **cartographic picture of the major territorial disparities** and of their respective intensity; a number of **territorial indicators and typologies assisting a setting of European priorities** for a balanced and polycentric enlarged European territory; some **integrated tools and appropriate instruments** (databases, indicators, methodologies for territorial impact analysis and systematic spatial analyses) to improve the spatial co-ordination of sector policies.

In this respect, the ESPON projects will serve as a strong scientific basis for the propositions of the Commission in the Third Report on Cohesion, at the end of 2003, in view of the reform of post-2007 Structural Funds.

i) Relation to the ESPON 2006 Programme

The priorities describing the work-programme of the ESPON 2006 Programme are structured in four strands:

1. **Thematic projects** on the major spatial developments on the background of typologies of regions, and the situation of cities.
2. **Policy impact projects** on the spatial impact of Community sector policies and Member States' spatial development policy on types of regions with a focus on the institutional inter-linkages between the governmental levels and instrumental dimension of policies
3. **Co-ordinating and territorial cross-thematic projects** represent a key component of the programme. These projects evaluate the results of the other projects towards integrated results such as indicator systems and data, typologies of territories, spatial development scenarios. The cross section projects help to thematically co-ordinate the whole programme and add value to the results and to fill gaps, which are unavoidable when different themes are dealt with in different projects.
4. **Scientific briefing and networking** in order to explore the synergies between the national and EU source for research and research capacities.

This project belongs to the second strand and therefore holds a key position for the elaboration of the whole programme by the preparation of the common ground for the investigation of the effects of sector policies on the spatial structure in Europe. Therefore a strong co-ordination with the all other projects in particular with the other project in the same strand on the methodological aspects of the impact analysis, with the relevant thematic projects on territorial trends under the first strand and with the coordinating and cross-thematic under priority three is required.

ii) Thematic scope and context

In general urban areas are centres of growth – rich in culture, innovative, prosperous, however social and economic disparities are in some cases more distinct within towns and cities than between regions. The urban issue comprises a wide range of problems: environmental pollution, transport congestion, social and educational issues, poverty and (long-term) unemployment are counted among them. Some, such as inner-city decay or urban sprawl, are typical difficulties agglomerations are facing, by others urban areas are affected in particular, like pressure on the environment, social exclusion or security issues. Furthermore immigration and minority groups are special topics public authorities as well as the population have to deal with.

Towns and cities play a major role for the (economic) development of their surrounding suburban and rural areas, but besides positive effects, potential adverse impacts, such as displacement effects, should not be forgotten. Taking this into account, it seems vital for a sustainable urban and regional development to tackle the specific problems of urban areas – in core regions as well as in peripheral areas, comprising mountain areas, islands and areas with natural or demographic handicaps as well as different types and sizes of urban areas: metropolitan areas, urban industrial clusters, intermediate cities etc..

Apart from the URBAN Community Initiative urban issues are dealt with under the Objective 1, 2 and 3 programmes of the Structural Funds. Target regions and groups as well as areas of assistance vary among the programmes and the programming periods. In many cases, urban areas and urban policy have been tackled mainly within Objective 2 programmes in the context of industrial and services restructuring as far as they contribute to urban rehabilitation and development. In the second cohesion report the urban question is addressed as one priority with an important territorial dimension. The inclusion of a territorial approach in the interventions under the Structural Funds, notably concerning basic principles of the European Spatial Development Perspective (ESDP), varies in ways and extent.

Taking into account the obvious link of this action with ESPON measure 1.1, especially action 1.1.1., as well as the actions under measure 2.1. on impact of sectoral policy 9 (The forthcoming actions 2.2.1. and 2.2.2. on territorial effects of Structural Funds and accession aid), a strong co-operation and exchange of data and results have to be undertaken in order to avoid double work.

iii) General objectives

- a) To develop methods for the territorial impact assessment of the policies;
- b) To develop territorial indicators, typologies as well as new methodologies to consider territorial information and concepts and establishing a database and map-making facilities and to sustain the project by empirical, statistical and/or data analysis to gain concrete and applicable information on the EU wide effects of spatially relevant development trends and their underlying determinates;
- c) Special attention to detection of territories most negatively and positively affected by the identified trends with special reference to regions in terms of accessibility, polycentric development, environment, urban areas, territorial impact assessment; particular attention will be paid to areas exposed to extreme structural economic and social conditions (mainly due to structural re-conversion of vital economic sectors) and geographical positions and natural handicaps such as mountain areas, islands, ultra-peripheral regions;
- d) To analysis of the territorial trends, potentials and problems deriving from the policy, at different scales, and in different parts of an enlarged European territory, ;
- e) To show the territorial influence of the policies on spatial development at relevant scales;
- f) To show the interplay between EU and sub-EU spatial policies and best examples for implementation;
- g) To recommend further policy developments in support of territorial cohesion and a polycentric and better balanced EU territory and to refer to the three fundamental objectives with in the ESDP with regard to balanced and sustainable spatial development: the economic and social cohesion, the conservation of natural resources and cultural heritage and more balanced competitiveness of the European territory;
- h) To develop possible orientations for policy responses considering institutional, instrumental and procedural aspects;

i) To consider the provisions made and to provide input for the achievement of the horizontal projects under priority 3 such as tools for diagnosis and observation and long term scenarios, as well as evaluation and assessment procedures.

In the efforts to meet these objectives the project shall make best use of existing research and relevant studies.

iv) Primary research issues envisaged

As mentioned before, the co-operation with action 1.1.1, 2.2.1. and 2.2.2 is essential, as several research questions overlap.

- Identification, gathering of existing and proposition of new territorial indicators and data to measure and display the state, trends and impacts of the developments referred to above for urban areas. Compilation of national studies with European focus;
- Operationalisation of the policy options developed in the ESDP relevant for a territorial impact analysis of the Structural Funds in urban areas. Development of a methodology for an impact analysis at EU scale;
- More specific territorial questions in the framework of urban affairs with as regards the variety of regions in Europe are:
 - How far do Structural Funds address the process of metropolisation in relation to accelerated greenhouse effects and climate change?
 - In which respect do Structural Funds address the question of control of urban sprawl and the links between urban and rural areas?
 - Metropolisation increases socio-spatial segregation and inequity of access to public services such as education, health, transport, culture. Furthermore, there are claims that the European social model is endangered. Which kind of territorial effects derive from these problems?
- These issues imply the necessity of good urban governance, which could be promoted at the European level. The effects of Structural Funds in urban areas should be evaluated and assessed in the sense of how far important urban functions are, in fact, strengthened.

v) Expected results and timetable

One of the main objectives of the ESPON 2006 Programme is to focus on research with policy relevance and to contribute to the development of relevant policies. Therefore, the deliverables of the research project should be highly operational and co-ordinated in time, as far as possible, to fit into the relevant political agenda. The following timetable and specification of output is reflecting this objective:

September 2002 (first interim report):

a) Consensus on indicators and necessary data after a precise analysis of the availability and comparability of data at Community level. For these analyses, the results of the study programme and the results of the ESPON projects in course, in particular under priority 3.1, should be taken into account. This task should also define the appropriate geographical level and technology required for data collection, taking into account the availability of the data . A first detailed and comprehensive list of data mainly requests for statistical and geographical data should be collected from Eurostat, the EEA and National Statistical Institutes and National Mapping Agencies.

b) First outline of the methodology of the impact analysis and the structure of the description of the sector policy.

March 2003 (second interim report):

c) Development of the database, indicators and map-making considering the progress of the other research projects.

d) A second revised and extended request for further indicators should be collected from Eurostat and the EEA by the end of 2002 (the latest).

e) Presentation of the methods for the territorial impact assessment;

f) Definition of appropriate indicators, typologies and instruments to detect regions and territories most negatively and positively affected by the identified trends with special reference to accessibility, polycentric development, environment, urban areas, structurally weak areas, and new methodologies to consider territorial information.

g) Presentation of hypothesis on the territorial effects of relevant measures of the investigated policy on the base of a preliminary diagnosis, typology and evolution of European urban areas using available territorial and socio-economic indicators and data. In addition, presentation of hypothesis on the effectiveness, impact and added-value of Structural Funds interventions.

h) First analysis of the urban areas in Europe and the effects of the Structural Funds in Urban areas (including databases, indicators and maps), the investigation of urban areas should include with regard to the territorial types of areas (such as metropolises, industrial clusters, intermediate cities); strengths and weaknesses, structural difficulties, risks (movements in industries and services, globalisation and enlargement) and potentials.

August 2003 (third interim report):

i) Application of the methodology, analysis of the hypothesis previously developed in all types of areas including the accession countries.

j) Presentation of an executive report completing in particular the analysis under h) and providing first recommendations for the present programming period to enhance the territorial approach as well as management and implementation of interventions under Objective 1, 2 and 3 in urban and in urban industrial areas, in particular in the context of the mid term review in 2003,

k) Policy recommendations, which provide the basis for the future focus of Structural Funds interventions post 2006, both in the present Member States and the candidate countries, including institutional settings and instruments;

l) Proposal of a methodology for the territorial impact assessment of Structural Funds policies and of appropriate instruments to improve the spatial co-ordination of Structural Funds interventions and EU sector policies with implications for spatial development (task to be co-ordinated with sector impact studies, ESPON priority 2);

August 2004 (final report):

l) Improvement of the methodology and the analysis taking into account the results of the third interim reports of the other projects in particular with regard to the candidate countries.

m) Formulation of conclusions and proposition of possible thematic policy adjustments regarding the Structural policy in order to avoid unintended spatial effects in relation to the ESDP and the structural Funds policy.

n) Presentation of access points and concrete ideas for policy responses on the territorial trends facing urban areas at different scale and in different parts of the Union that could

improve territorial cohesion and proposals for the co-ordination of EU and Member States' policies with implications for the spatial development and possible policy adjustments;

o) Presentation of new territorial indicators and EU databases including candidate and possibly neighbouring countries

p) Formulation of the further data requirements and research necessary in the policy field.

vi) Rationale and Structure

The following text has the role of shaping the mind of thinking in developing a proposal for undertaking the ESPON action 2.2.3.. The text is not meant to be exhaustive, but to serve the purpose of guiding the tenderer.

1. Elaboration of a methodology for the territorial impact analysis/assessment of Structural Funds on urban areas

The methodology should take account of the spatial concepts developed under priority 1, 2 and 3. The methodology should also allow indicating different level policy in order to identify the relevant actors for a better territorially coordinated policy.

At present we dispose of many assessment methods and models (see point vii) on existing access points, for some examples). The aim of this study should be to draw these existing assessment methods together (addressing their weaknesses) into a tightly focused, operational assessment tool, oriented towards the needs of decision makers. The methodology should also allow indicating different level policy in order to identify the relevant actors for a better territorially coordinated policy.

Close attention should be paid to the definition of a methodology for the assessment of the impact of Structural Funds. As for the rest of ESPON projects, the project should focus on the whole European territory, including candidate countries (EU-27).

Each of the tasks of the study may require research tools, which the contractors should explain in their tender documentation. A combination of methodologies will be used in the study, including:

- Literature Review of available economic and other research relevant to Objective 1, 2 and 3 programmes.
- Desk Research based on Structural Fund documentation, Operational Programmes, ex ante, mid-term, final and thematic evaluations and monitoring committee papers.
- Data analysis, using data from EU, national, regional statistical services and monitoring systems and other sources.
- Structured Interviews with key stakeholders, particularly national, regional and local authorities, the European Commission, the main economic and social partners and members of monitoring committees.
- Case studies on particular issues should be well reasoned in a smaller number of OPs .

Data sources include programming documents, evaluations, monitoring committee papers, economic literature, national, regional and local authorities' data systems, EU and national statistics, etc. In many cases the data availability in the Member States is not sufficient in particularly where Member States do not intend to undertake ex post evaluations. It may be

necessary for the contractor to undertake fieldwork on the priority issues for this study to complete the information on the entire programming period.

Based on the urban types elaborated in this project and taken from ESPON project 1.1.1., 1.1.2. and 3.1., a comparison of interventions among the different types should be undertaken, i.e. to qualify and quantify the territorial impact of the interventions within the framework of Objective 1, 2 and 3 in urban areas and urban-industrial areas in decline. The research should draw on results of the (ongoing) evaluations carried out by Member States and the European Commission, including the ex post evaluation of the URBAN Community Initiative and other sector Community Initiatives (Konver, Resider, Rechar, SME etc).

2. Presentation of the Structural Funds policies in urban areas with reference to the territorial dimensions and the governmental level responsible for the implementation

The structured presentation of the policy should allow identifying the relevant parameters for the territorial impact assessment for all three dimensions, the policy (contents and strategies), polity (institutions, organizations) and politics (processes) also regarding particularly spatial disparities and imbalance of the E.U territory on the background of the typologies developed in the projects under the ESPON priority 1 and 3.

At first the project should provide a short description of the present situation and future trends of the Urban policy in the EU, particularly in terms of spatial disparities and imbalances within the EU territory, taking into account the variables mentioned below.

3. Diagnosis, data, spatial concepts and indicators

3.1. Description

The diagnosis will elaborate on the challenges and problems, strengths and weaknesses urban areas are facing in the current Member States and in the candidate countries as well as in the development of the territorial system as such. It will also examine recent developments and changes in industry and services sector and their territorial effects, in particular on the development of specific urban areas. This part will include a diagnosis of the future trends in European cities in the context of new economy and globalisation, enlargement of the European Union and economic restructuring in certain industrial and services sector.

3.2. Territorial typologies

The definition of appropriate indicators, typologies and instruments in order to detect regions and territories most negatively and positively affected by the identified trends with special reference to accessibility, polycentric development, environment, urban areas, structurally weak areas, and new methodologies to consider territorial information builds the first step.

Territorial typologies should describe and analyse the potentials and difficulties of urban areas including urban areas endeavouring economic restructuring in industrial and services sectors in the current Member States and in the accession countries. Different types of areas and target groups based on socio-economic, environmental and, in particular territorially indicators (in co-operation with action 3.1. as the cooperating knot of all typologies produced in the ESPON programme) should be identified.

3.3. Indicators and data collection

Taking into account the existing indicators and the methodology of the territorial impact assessment developed (see non-exhaustive list below) the collection of further statistical and geographical data and the integration of existing and new databases¹ is required.

Data gathering should occur at the lowest territorial level possible (ideally, NUTS III level). It should cover the 15 Member States as well as the candidate countries. (among others, see list of variables for the Urban Audit II; co-ordination with action 3.1).

On the basis of these data, the study should provide a first analysis /diagnosis of the situation of urban areas in Europe as well as the existing territorial imbalances and regional disparities.

4. Analysis of the Structural Funds' urban policy in relation to a balanced territorial (and regional) development

The study should identify how far the Urban policy under the Structural Funds considers the territorial weakness. The analyses should consider that the target areas and groups of the Structural Funds do not entirely coincide with the territorial weaknesses identified in the current Member States and the candidate countries. The comparison should take into account the need of Community interventions in view of a sustainable, balanced territorial development.

4.1. Assessment of programme target areas and groups in relation to the territorial requirements

An analysis of the areas selected and of strategies adopted and implemented as well as an appraisal of the effectiveness of management and implementation systems under Objective 1, 2 and 3 concerning urban areas has to be carried out by the contractor for; 1994-1999, 2000-2006 (partially).

The analysis should compare on the base of the description of the policy under point 2:

- programme areas: selection criteria, characteristics
- strategies: in both programming periods, changes in strategies, relative role of public and private resources, identification of types of strategy focus.

For this task the contractor will propose a representative sample of programmes (which will also provide the basis for the other tasks); the final choice will be agreed with the ESPON Co-ordination Unit.

4.2. Assessment of the “programme effectiveness” and the “territorial effectiveness”

An analysis of the achievement of the programme objectives set out in the programming documents at measure level (including physical endowment, creation of jobs, mobilisation of endogenous potential and synergies within related programmes) which represents the “programme effectiveness”; 1994-1999 represents the starting point.

¹ Where harmonised (Eurostat) data sources do not provide the data for the indicators at the appropriate geographical level, the consultant will have to examine national and possibly regional data sources to try to complete the data sets. The collection of this data should be done in co-ordination with data navigator projects under ESPON priority 4.1.

Attainment of the objectives at measure level should be quantified in terms of direct effects as (for example non exhaustive list):

- number of enterprises and jobs created or maintained, number of employees trained,
- improvement of the enterprises productivity,
- research institutes and universities concerned,
- urban and urban-rural networks created etc).

This task will be based on the sample established under point 4.1. and focus on selected programme priorities relevant for urban areas².

However, the territorial typologies addressing the advantages and disadvantages of territories with regard to various aspects addressed in point 2 allow to analyse the programme effectiveness with reference to the different types of regions. The main question will be how far differences in the “programme effectiveness” exist in different types of regions defined in the typologies under point 2. Is it possible to identify a kind of “territorial effectiveness” of particular programmes and measures?

4.3. The territorial impact

A quantitative and qualitative assessment of the socio-economic impact of the interventions under Objective 1, 2 and 3 in urban areas at programme level considering the typology of regions and urban areas for the programming period 1994-1999 should quantify and qualify the territorial and socio-economic impact of Structural Funds interventions under Objective 1, 2 and 3 in urban and urban-industrial declining areas using territorial and socio-economic variables which describe the relative prosperity of the target cities concerned and changes due to Structural Funds interventions. The impact analysis should particularly focus on the following issues (co-ordination with action 1.1.1.; see also list of variables of Urban Audit II):

- Territorial approach (ESDP policy aims)
- Economic aspects (e.g. regional economic strength, attractiveness)
- Demography (e.g. migration trends, population changes, population density)
- Environment (e.g. CO₂-emissions, congestion)
- Training and education (e.g. level of education and training)
- Labour market, (e.g. (un)employment rate and trends)
- Social aspects (e.g. poverty level)

Objective 1

- Investment in transport infrastructure, infrastructure for telecommunications and the information society and infrastructure in the energy field
- Refurbishing and rehabilitation (including rehabilitation of urban areas and industrial sites)
- Investment in human resources (education) and health
- Direct investment in the productive sector to create lasting jobs
- Environmental protection (environmental infrastructure)
- Strengthening the research and development capacities of regions

Objective 2

- Direct investment in the productive sector to create lasting jobs
- Aid for SMEs and local development, with particular emphasis placed on TEPs
- Strengthening the research and development capacities of regions
- Regeneration of industrial sites and depressed urban areas

Objective 3

- Promoting employability, entrepreneurship, adaptability, equal opportunities

Aspects to be taken into account are the elaboration of urban development strategies, an improved physical endowment, changes in institutional structures, the mobilisation of economic and non-economic actors and additional financial resources available.

For this task it will be essential to analyse also the influence of territorial governance and the institutional framework (power partitioning, decision making and co-operation processes) and the administrative/policy instruments used beside Structural Funds interventions. Special attention should be paid on financial aspects, such as financial resources partitioning, the fiscal system and subsidies. This provides the basis for task 6.3. Policy recommendations and propositions post 2006.

4.4. Management and implementation

Management and implementation systems contribute to the effectiveness, efficiency and impact of the forms of assistance (administrative structure, partnership, project selection, final beneficiaries, costs of programming and implementation). Comparing both programming periods, changes should be detected as far as possible for the time being.

5. Qualitative analysis of the interactions between the Structural Funds policy in urban areas and other territorially relevant community policies

5.1. Interaction with other Structural Funds Policy

The results of the ongoing ex post evaluations of Objective 1, 2 and 3 as well as of URBAN Community Initiative and other sector Community Initiatives (Resider, Rechar, SME etc) for the programming period 1994-1999 should be considered in order to compare the types of interventions.

5.2. Interaction with other territorial relevant policies

The „Community“ dimension of the added value of public intervention relates to the specific benefits which result if the intervention is carried out at Community and not state or regional level. In the DG REGIO Working Paper on Community added value³ the definition of Community added value as well as criteria and indicators to measure the added value of Structural Policies are elaborated. Starting from that, the major questions to be addressed are:

- Did/does the intervention contribute to the achievement of Community objectives and to the ESDP such as economic, social and territorial cohesion or sustainable development and to the implementation of transnational priorities like good governance? Did/does the intervention raise consciousness for these EU objectives and priorities?
- Had the areas already been identified as needing special development under national/regional regulations before the Structural Funds intervention? Had a development and/or national resources or other Community funds been allocated before?
- Comparison of Structural Funds interventions with existing national programmes and working methods (existence, financial allocations, working methods like partnership and multi-annual planning, advantages/disadvantages). Did/do the implementation methods of

³ see “Community added value in the context of Structural Policies. Definition and Evaluation Criteria”. DG REGIO Working Paper. 2002

the Structural Funds ensure greater effectiveness of the interventions? Work out how the Structural Funds interventions interact with and complement national/regional measures.

- Had/have the interventions a significant impact on the development of transnational co-operation, networking and exchange of experience?
- How was/is co-ordination and coherence of the different Community interventions under the Structural Funds and under the Cohesion Funds and the EIB assured?
- How was/is co-ordination and coherence with other Community interventions outside Structural Funds (ex. SME and R&D policies) and with national/regional programmes assured? The study should compare, in particular, the map of eligible areas under Structural Funds and the map of assisted areas within State aid regime in terms of geographical and population coverage and aid intensity.
- What was/is the Community added value of the interventions and which measures guarantee the highest added value towards the territorial development?

6. Orientations for policy recommendations

6.1. Improvements of the Structural funds policy towards a better territorial cohesion

Recommendations for the present programming period to enhance the territorial approach as well as management and implementation of interventions under Objective 1, 2 and 3 in urban and in urban industrial areas, in particular in the context of the mid term review in 2003 are expected.

Lessons of the 1994-99 programming period and the programme planning for the current period (2000-2006) should be drawn in order to derive policy recommendations and propositions regarding interventions in urban areas and urban industrial areas in decline for the reform of the Structural Funds post 2006 taking into consideration different needs among the current Member States as well as the accession countries.

Looking back at 1994-1999 and the programming planning for 2000-2006 shortcomings and possible improvements have to be identified in the following areas:

- Programme rationale
- Selection of areas and target groups
- Eligible actions
- Programming process and strategy
- Implementation methods and structures
- Co-ordination, coherence and complementarity of the interventions with other Community policies and national/regional policies

In a next step the contractor should discuss how these findings can be integrated into the Objective 1, 2 and 3 programmes until 2006. The contractor should establish indications to be taken into account by Member States and Commission for the mid-term revision in 2003.

Looking beyond 2006 the contractor should discuss if the programme rationale is likely to be justified and appropriate in the context of enlargement. Here it could be necessary to elaborate different positions for the EU 15 and the new Member States. Which (major) lessons of the 1994-1999 and the 2000-2006 programme generation should be taken into account for possible interventions after 2006.

Undertaking this task the contractor has to integrate on the one hand principles of good territorial governance and sustainable development in all policy recommendations. On the

other hand it is crucial to bear in mind the relevant (national) framework (institutional, administrative, legal, fiscal framework). Underpinning this overall judgement the most important outputs and results of the interventions should be summarised.

Based on all previous tasks, the contractor should elaborate a concrete and proposal for Structural Funds interventions post 2006. It should be distinguished by the following priorities with regard to the sustainability criteria and policy aims and policy options mentioned in the ESDP. In addition proposals should integrate several aspects in particular:

- Cross-border, transnational, interregional activities (reference should be made to the current transnational areas under Interreg III B).
- Pilot projects, innovative projects
- Co-ordination, coherence, complementarity of interventions and policies
- Actions and measures providing the highest added-value

The situations and needs of current Member States and the candidate countries shall be considered as well.

6.2. ESDP

Vice versa reference should be made to all policy options in the ESDP dealing with the question of urban development. Recommendations should address institutional and procedural aspects in order to achieve a better balanced spatial development of the EU territory.

6.3. Territorial impact assessment, the structural Funds Policy and other policies

Contributions should also consider a stronger integration in Structural Funds Policy as well as co-ordination and coherence with other territorially relevant policies. In order to ensure synergy between Community and national programmes territorial impact analyses in various regional development programmes should be considered. These analyses could form part of a strategic spatial development planning at national, regional or local level, and of strategies within Structural Funds programmes.

Guidelines on how to implement Territorial Impact Assessment (institutions, practitioners, etc.) could be reflected. Particular attention should be paid to issues arising from the principle of subsidiarity. Case studies for specific regions could be provided.

The primary obstacle to this kind of holistic approach is co-ordination. Therefore the issue of governance and organisation needs to be carefully addressed.

The project should develop recommendations for the improvement of Community urban policy and consistency between Community and national policies. Examples for the better integration of Urban policy in spatial planning and regional development plans should be provided.

vii) (Existing) Access Points

The SPESP programme offers some access points for indicator works through the study on typology of cities and urban and rural relations. Functional regions require as a corner stone for the monitoring of territorial development, that the functions can be measured (Headquarter

functions, labour markets commuter zones a.s.o.). Further aspects such as how far do Structural Funds address accessibility could benefit from research on the TEN, on spatial networks or on the R&D policy. The European Commission could make available the projects on the evaluation of the horizontal objectives of the Structural Funds which provide an additional source for the investigation of the territorial aspects of Structural Funds. Other cross-sectoral aspects are already covered by different sources.⁴

- Agence Européenne “Territories and Synergies” (Co-ordination): Spatial Impacts of Community Policies and Costs of Non-Co-Ordination. June 2001.
- University of Strathclyde: The Spatial and Urban dimensions in the 2000-06 objective 1 & 2 programmes. 2002.
- Ex-ante/mid-term/ex-post evaluations of Objective 1, 2 and 3: carried out by the Member States and the European Commission.
- Ex-ante/mid-term/ex-post evaluations of URBAN and other Community Initiative: carried out by the Member States and the European Commission.
- European Governance: A White Paper. COM(2001) 428 final.

⁴ See for example: European Commission DG XI (1998): A handbook on the Environmental assessment of Regional Development Plans and EU Structural Funds Programmes. London.