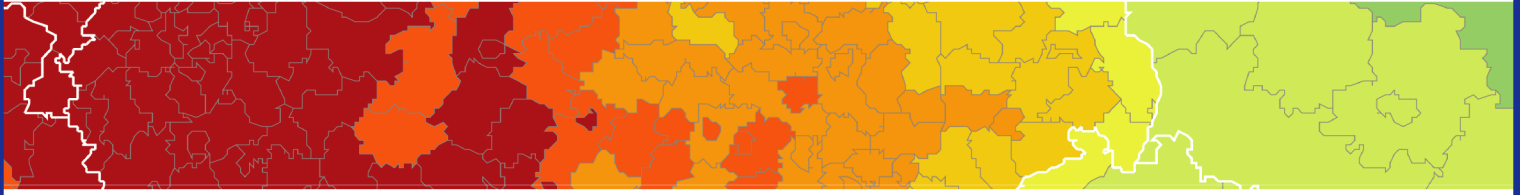


Inspire policy making by territorial evidence



ESPON TIA Tool Upgrade

TIA necessity check Guidance

Version 31/01/2020

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Territorial impact assessment in the legislative process – when to use this Handbook

Steps of checking TIA need

The Commission recognized the importance of analysing the territorial dimension of impacts first within Better Regulation Toolbox TOOL #34¹, stating that many policy measures address specific territorial areas or have specific consequences concentrated in certain territories. Recently a new Communication **The Principles of subsidiarity and proportionality: Strengthening their role in EU policymaking**² placed additional importance on TIA.

Therefore, in order to check whether a policy initiative proposed by the European Commission is likely to cause significant territorially differentiated impacts we need a methodology to guide our decision whether a Territorial Impact Analysis (TIA) is necessary or not. To that end a simple and easy to use questionnaire check list comprised of 5 steps has been created³. We advise you to read the brief analysis of the process with real examples below to help you. A more extensive guidance including background information can also be found on the ESPON website⁴.

The relevance and the necessity of analysing possible territorial impacts of a given policy initiative has to be checked by the *Commission* ideally at an early stage – i.e. In the **inception impact assessment** phase. Therefore a **TIA decision support mechanism** is needed to assess whether impacts in economic, social, environmental and governance fields will be territorially significant so that a TIA will have to be conducted as part of the mainstream impact assessment that is done each time as part of the Better Regulation package of the European Commission.

(1) Analysis of the initiative

The first step is to analyse the initiative (including all presented options). This will set the baseline for the further assessment. The goal of this analysis is the distinction between four possible cases:

- The initiative responds to an uneven problem but acts evenly on all the territories (1st case)

Example: Clean Vehicle Directive⁵ – directive stipulating minimum standards with respect to emissions and technical specifications of the public procurement of vehicles for public use (e.g. public transport, waste collection, etc.) → the application is territorially evenly distributed, but

¹ https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how/better-regulation-guidelines-and-toolbox/better-regulation-toolbox-0_en

² COM(2018) 703 final 23.10.2018 https://ec.europa.eu/info/publications/communication-principles-subsidiarity-and-proportionality-strengthening-their-role-eu-policymaking_en

³ See: <https://tiatool.espon.eu/#check>

⁴ See: <https://www.espon.eu/tools-maps/espon-tia-tool>

⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L1161&from=EN>

the problem is territorially centred in agglomerations due to the higher population and vehicle density.

- The initiative responds to an even problem but acts unevenly on the territories (2nd case)

Example: Port Facilities Directive⁶: the policy need addressed by this Directive is the pollution of the sea by ships all over Europe (and abroad). The territories affected by the rules are however concentrated in harbour regions, where the waste will have to be collected and treated according to the EU Waste Directive.

- The initiative responds to an uneven problem and acts unevenly on the territories (3rd case)

Example: POP Regulation⁷ – rules for prohibiting the use and distribution of Persistent Organic Pollutants. The problem is territorially concentrated in the areas where POPs are emitted and/or imitted – i.e. where they are consumed and thus entering the environmental media. The legislative proposal addresses those territories where POPs are either produced or entering the EU – i.e. the source territories. Thus the territorial effects may be unevenly distributed on both sides – the initiative side and the problem side.

- The initiative responds to an even problem and acts evenly on the territories (4th case)

Example: CO₂ taxation – CO₂ emissions are a universal problem all over the EU (with certain peaks and dumps in areas with high/ low human activities – e.g. urban agglomerations vs. unpopulated territories). The initiative will however act evenly everywhere, as it will be applied source related – i.e. following the producer principle.

Initiative \ Problem	acts <i>even</i> on territories	acts <i>uneven</i> on territories
<i>Is uneven</i> distributed	1 st case	3 rd case
<i>Is even</i> distributed	4 th case	2 nd case

Source: ÖIR

Following that, different sets of **control questions** will guide further the assessment of the significance of the territorial impact.

(2) Reconstruction of the intervention logic

For the purpose of this working step, a simplified “logic chain” shall be drawn up. Following the structure of impact assessments in the legislative process in general, the likely impacts should be structured along the four dimensions “Economy”, “Environment”, “Society” and “Governance”.

Example: The regulation setting CO₂ performance standards for passenger vehicles⁸ is a 1st case initiative. It will show economic impacts strongly connected to the automotive sector in

⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0883&from=EN>

⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32004R0850&from=EN>

⁸ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0631&from=EN>

particular, thus affecting regions with a higher share of the automotive sector in employment or GVA stronger than other regions.

(3) Identification of Territorial significance

Territorial impacts should be considered only if there is a clear and direct relation between the initiative and the resulting impact on region/s. According to the Better Regulation Toolbox Tool #19, judgement on whether an impact is significant or not should rely on the following key factors:

- Relevance within the intervention logic – all parameters that directly contribute to the achievement of an objective
- Absolute magnitude
- Relative size for specific stakeholders – e.g. SMEs, specific industries...
- Importance for Commission horizontal objectives and policies

Example: The “work life balance directive”⁹ is identified to show economic impacts connected to the GDP of a region, as the share of men taking parental leave will increase with the directive in force. The GDP effect however is neither a direct objective of the directive nor relevant in absolute magnitude or relative size. It therefore cannot be considered as a significant impact.

(4) Establishment of territorial patterns

Following the list of likely significant impacts established, consideration has to be given to which territorial patterns that will probably lead to.

Example: The “port waste reception facilities directive”¹⁰ is clearly likely to impact coastal regions much stronger than other regions. The directive concerns only the facilities at ports (regardless of size or location), thus affecting regions located at or near the sea.

The result will be a broad picture of distribution of likely impacts for each effect. Subsequently, it can be investigated if the distribution is similar across effects, or if there are significant territorial variations by thematic dimension.

(5) TIA need assessment

The final step of the decision support mechanism consists of a comparison between the intentions and acts of the initiative and the actual expected impact distribution in different territories. Based on such a comparison, an initiative can have one of three possible territorial outcomes.

- Targeted regions match with likely affected regions – No territorial impact assessment is advised
- Targeted regions match partly with likely affected regions – A territorial impact assessment is advised

⁹ https://eur-lex.europa.eu/resource.html?uri=cellar:84205176-2b39-11e7-9412-01aa75ed71a1.0001.02/DOC_1&format=PDF

¹⁰ https://eur-lex.europa.eu/resource.html?uri=cellar:571a59f5-fac7-11e7-b8f5-01aa75ed71a1.0002.02/DOC_1&format=PDF

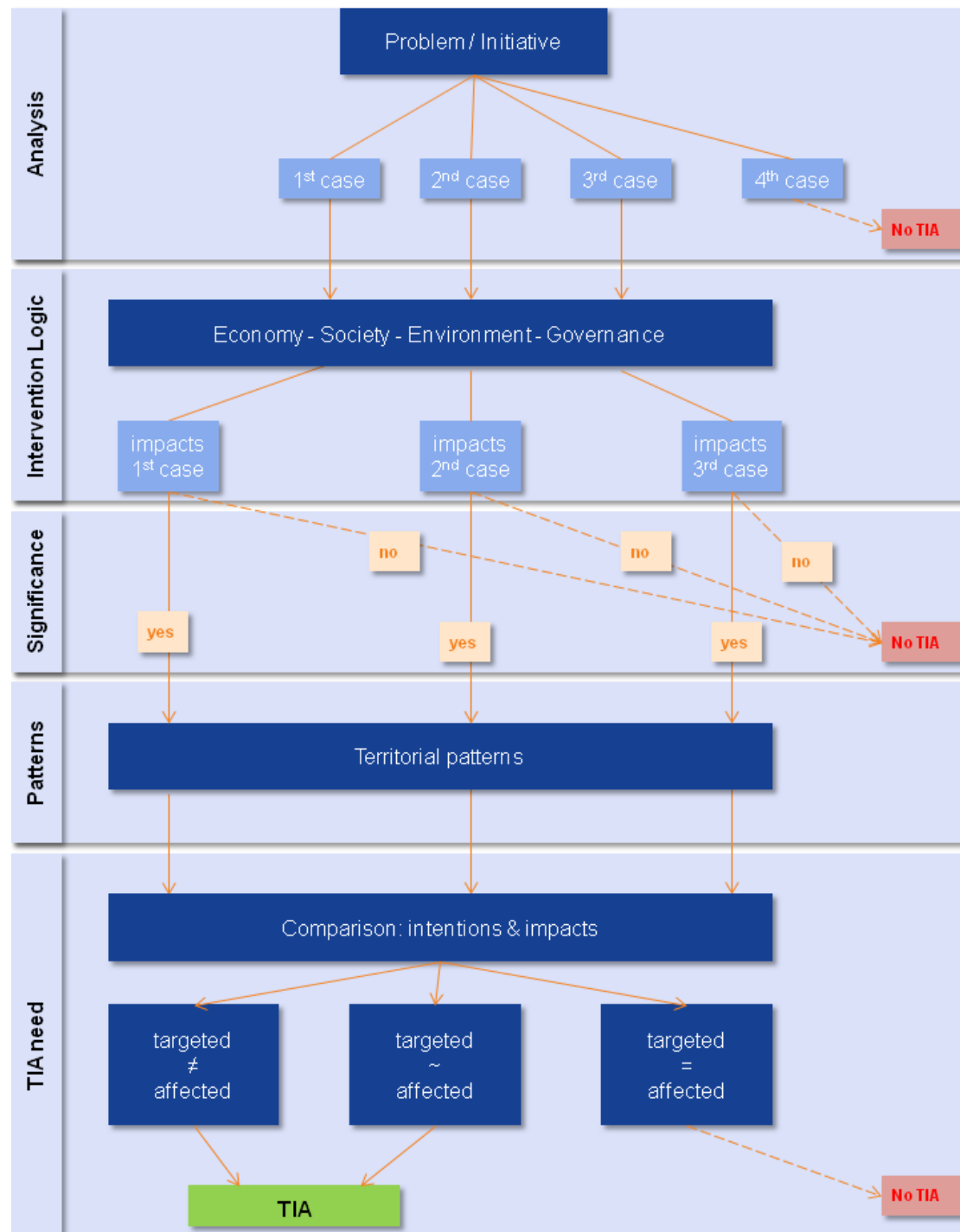
- Targeted regions do not match with likely affected regions – A territorial impact assessment is strongly advised

Example: The “port services regulation”¹¹ targets regions with sea- or inland ports. As ports often act as major hubs for the distribution of goods, effects can spill over to neighbouring or even further regions affecting their supply chains, while the main affected regions still are those with active ports on their territory. The targeted regions thus match partly with the likely affected regions and a TIA is advised.

¹¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0352&from=EN>

Decision process flowchart

The following flowchart visualizes the decision process and its 5 steps as described above.



Source: ÖIR

Questionnaire

This section represents the hardcopy of the “TIA necessity check” online version available at <https://tiatool.espon.eu/#check>. If preferred, one can use this paper version to perform the necessity check. However, please note that the online version can provide additional practical functionalities.

(1) Analysis of the initiative

Uneven distribution of impacts can either be a result of the problem addressed by a policy being distributed unevenly throughout Europe, or a result of the policy acting unevenly by targeting specific (types of) regions. Please identify for your policy, following the guidelines provided if one of those cases holds true and select the corresponding option below. Summarize, which types of regions (e.g. “coastal regions” or “regions with a high share of people over 65”) are targeted explicitly or implicitly through the policy in the textbox below as well.

- ☐ The initiative responds to an uneven problem but acts evenly on the territories (C1)
- ☐ The initiative responds to an even problem but acts unevenly on the territories (C2)
- ☐ The initiative responds to an uneven problem and acts unevenly on the territories (C3)
- ☐ The initiative responds to an even problem and acts evenly on the territories (C4)

Describe the regional patterns

If you have selected C4, no TIA is advised, as both the addressed problem as well as the initiatives actions do not create territorially distributed impacts.

(2) Reconstruction of the intervention logic

The intervention logic represents the logic chain linking the needs on which a policy is based on via the policy action to the expected impacts. Following the guidance provided, please draw up those logic chains in order to identify which impacts are to be expected by the policy. In order to streamline the process and following the structure of impact assessments, this simplified intervention logic is structured along the four dimensions “Economy”, “Environment”, “Society” and “Governance”. For each dimension, check which fields are likely to be impacted (multiple fields can be selected) and note how and why. The exemplary guiding questions will give you an indication on how to judge on impacts. Please include any impacts you identify as being likely, without regarding the significance. This will be covered in the next step.

Economy

Example questions:

(C1, 3) Does the market share of SMEs within a region play a role in the initiatives impacts?

(C2, 3) Does the initiative apply differentiated actions based on growth rates or economic performance?

- | | |
|--|--|
| <input type="checkbox"/> GDP and Economic growth | <input type="checkbox"/> Competition |
| <input type="checkbox"/> Sectoral status and growth | <input type="checkbox"/> Energy independence |
| <input type="checkbox"/> SMEs | <input type="checkbox"/> Economic cohesion |
| <input type="checkbox"/> Innovation and Research | <input type="checkbox"/> Accessibility |
| <input type="checkbox"/> Technological development/Digital economy | <input type="checkbox"/> Infrastructure |
| <input type="checkbox"/> Trade and investment | <input type="checkbox"/> other |

Society

Example questions:

(C1, 3) Does the share of high-skilled inhabitants influence the initiatives impacts?

(C2, 3) Does the initiative apply differentiated actions based on demographic attributes?

- | | |
|--|---|
| <input type="checkbox"/> Working conditions | <input type="checkbox"/> Education and Skills |
| <input type="checkbox"/> Income distribution | <input type="checkbox"/> Security |
| <input type="checkbox"/> Social inclusion | <input type="checkbox"/> Cultural heritage |
| <input type="checkbox"/> Health & Safety | <input type="checkbox"/> Demography |
| <input type="checkbox"/> Social protection | <input type="checkbox"/> other |

Environment

Example questions:

(C1, 3) Does the waste produced per capita in a region influence the impacts of the initiative?

(C2, 3) Does the initiative specifically target regions with high risk in relation to natural hazards?

- | | |
|---|---|
| <input type="checkbox"/> Air quality/water quality/soil quality | <input type="checkbox"/> Environmental protection |
| <input type="checkbox"/> Biodiversity | <input type="checkbox"/> Natural Hazards |
| <input type="checkbox"/> Waste | <input type="checkbox"/> other |

Governance

Example questions:

(C1, 3) Does the prevalence of crime within a region have an influence on the initiatives impacts?

(C2, 3) Does the initiative directly target specific marginalized groups?

- | | |
|--|---|
| <input type="checkbox"/> Crime & Security | <input type="checkbox"/> Fundamental rights |
| <input type="checkbox"/> Good administration | <input type="checkbox"/> other |

(3) Identification of Territorial significance

In step 2 you have identified likely impacts regardless of their significance, however in the further process the significant impacts have to be singled out. As per the guidance provided, judgement if an impact is significant or not can be made along four key questions:

- Relevance within the intervention logic – all parameters that directly contribute to the achievement of an objective
- Absolute magnitude
- Relative size for specific stakeholders – e.g. SMEs, specific industries...
- Importance for Commission horizontal objectives and policies

For each field checked in step 2 where the impact is likely to be significant based on those considerations, please circle them or mark them in any other way.

(4) Establishment of territorial patterns

You have indicated the likely significant impacts in the fields of Economy, Society, Environment and Government. Against this background, try to identify which regions/types of regions are likely to be actually affected by the policy

Describe the identified regional patterns

(5) TIA need assessment

You have identified the regions/types of regions targeted explicitly or implicitly by the policy in step 1, and you have established the regions/types of regions likely to be affected based on the policy implementation with step 2 through 4. As a final step, compare the two assessments with each other and answer the following questions:

(Q1) Do the targeted types of regions match with the actual likely to be affected regions?

☐ Yes ☐ No

↳ (Q2) (If Q1 is “yes”) Are there spill-over effects or other types of regions affected, which are not targeted by the initiative?

☐ Yes ☐ No

(Q3) Are likely territorial impact patterns evenly distributed among the impact fields?

☐ Yes ☐ No

If you checked either of the following options:

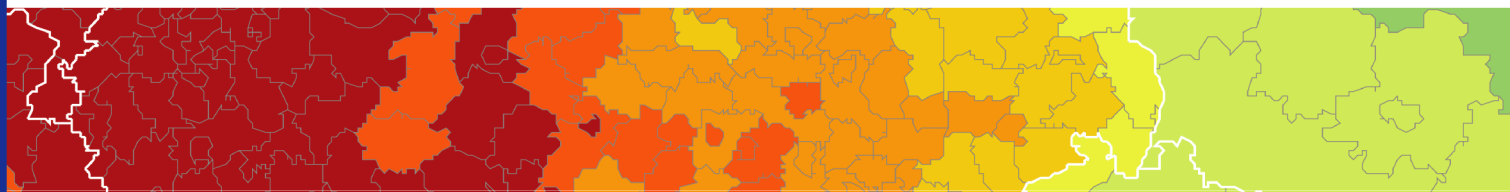
- “No” to Q1
- “Yes” to Q1 and “Yes” to Q2
- “No” to Q3

a TIA is advised. Conducting a fully-fledged territorial impact assessment will provide both insights into the likely patterns of impacts across the European Union as well as help identify drivers and potential adjustment opportunities to achieve a more territorially equal impact of the policy. An option suggested by the Better Regulation Toolbox for conducting a territorial impact assessment is the ESPON TIA Tool which applies the TIA quick-check methodology. It combines quantitative data with expert judgement which are translated into maps of territorial impact distribution within a workshop setting. The results are then interpreted by the expert panel and summarized in a territorial impact assessment report. If you want to apply the ESPON TIA Tool, you can contact the ESPON EGTC for further advice.

If you checked:

- “Yes” to Q1 and “No” to Q2

A TIA is not advised.



ESPON 2020 – More information

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