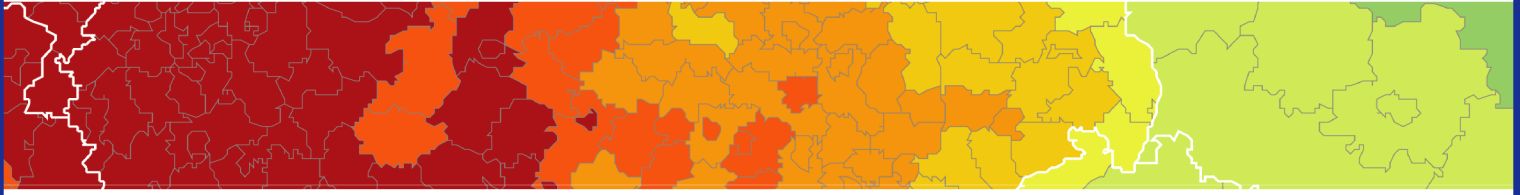


**Inspire policy making by territorial evidence**



# 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 #33<sup>1</sup>, 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**<sup>2</sup> 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 created<sup>3</sup>. 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 website<sup>4</sup>.

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 (1<sup>st</sup> case)

**Example:** Clean Vehicle Directive<sup>5</sup> – 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

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<sup>1</sup> [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](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)

<sup>2</sup> COM(2018) 703 final 23.10.2018 [https://ec.europa.eu/info/publications/communication-principles-subsidiarity-and-proportionality-strengthening-their-role-eu-policymaking\\_en](https://ec.europa.eu/info/publications/communication-principles-subsidiarity-and-proportionality-strengthening-their-role-eu-policymaking_en)

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

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

<sup>5</sup> <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 (2<sup>nd</sup> case)

**Example:** Port Facilities Directive<sup>6</sup>: 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 (3<sup>rd</sup> case)

**Example:** POP Regulation<sup>7</sup> – 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 (4<sup>th</sup> case)

**Example:** CO<sub>2</sub> taxation – CO<sub>2</sub> 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.

Problem \ Initiative	Initiative	
	acts <i>even</i> on territories	acts <i>uneven</i> on territories
Is <i>uneven</i> distributed	1 <sup>st</sup> case	3 <sup>rd</sup> case
Is <i>even</i> distributed	4 <sup>th</sup> case	2 <sup>nd</sup> 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 CO<sub>2</sub> performance standards for passenger vehicles<sup>8</sup> is a 1<sup>st</sup> case initiative. It will show economic impacts strongly connected to the automotive sector in

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

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

<sup>8</sup> <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”<sup>9</sup> 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”<sup>10</sup> 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

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<sup>9</sup> [https://eur-lex.europa.eu/resource.html?uri=cellar:84205176-2b39-11e7-9412-01aa75ed71a1.0001.02/DOC\\_1&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:84205176-2b39-11e7-9412-01aa75ed71a1.0001.02/DOC_1&format=PDF)

<sup>10</sup> [https://eur-lex.europa.eu/resource.html?uri=cellar:571a59f5-fac7-11e7-b8f5-01aa75ed71a1.0002.02/DOC\\_1&format=PDF](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

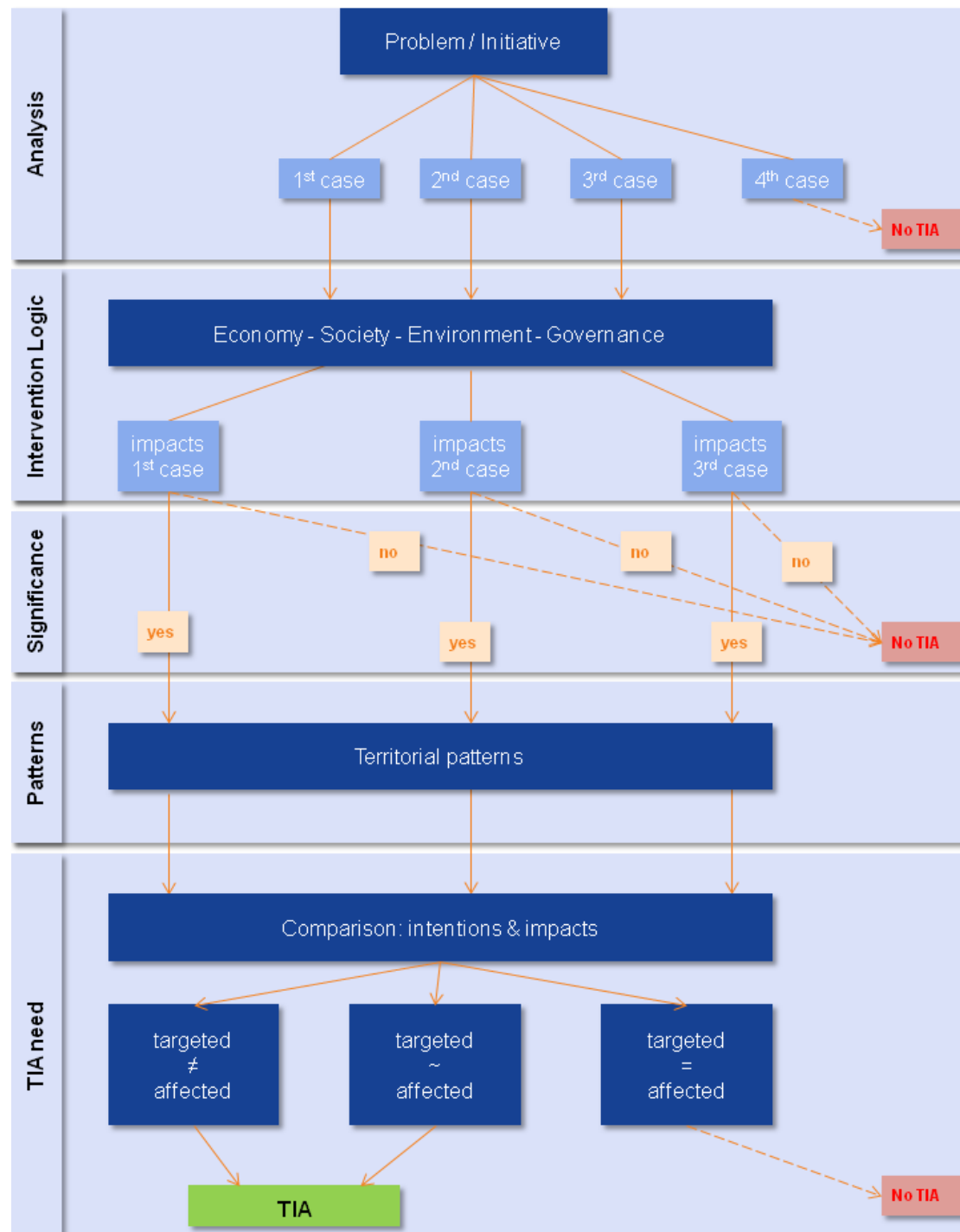
**Example:** The “port services regulation”<sup>11</sup> targets regions with sea- or inland ports. As ports often act as major hubs for the distribution of goods, effects can spill over to neighbouring or even further regions affecting their supply chains, while the main affected regions still are those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

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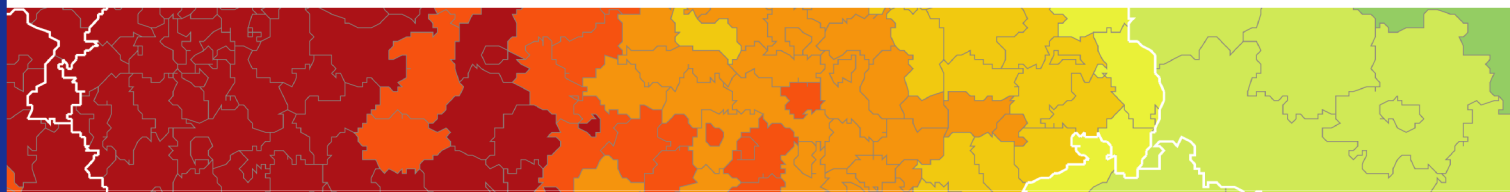
<sup>11</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0352&from=EN>

## Decision process flowchart

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



Source: ÖIR



### **ESPON 2020 – More information**

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