

SPECIFICATION

ESPON Applied Research Project 2013/1/2

Development opportunities in different types of rural areas (2008-2010)

(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 regions and larger territories more options to decide their development path, as development is no longer a zero sum game for Europe.
- Interaction is growing within the EU territory and between the surrounding neighbour countries and other parts of the world. This is apparent through 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 support a geographical concentration of activities.
- The ongoing demographic changes with an ageing European population, in addition to migration, affect regions differently and increase the competition for skilled labour.
- The occurrence of hazards due to climate change is increasing and 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. This presents particular development opportunities for the production of renewable energy sources.
- The enlargement of the EU to 27 Member States, and potentially 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 in different positions for contributing to the achievement of the Lisbon and Gothenburg Agendas, as well as to Cohesion Policy. Territorial diversity, especially 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 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. This has prompted interest among policy makers and practitioners for even more information, knowledge and understanding that ESPON can offer.

The ESPON 2013 Programme shall bring this knowledge base one step further through 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 2013 Programme will potentially benefit stakeholders at all levels throughout Europe. Policy makers dealing with territorial development require sound evidence and comparable regionalised information in addition to medium and long-term development perspectives, in order to create sustainable and efficient integrated policy responses for their territories.

Given that the European Union is moving towards a more integrated policy approach, the territorial dimension is particularly important for policy makers. The aim of territorial cohesion proposed by the Commission supports this approach by taking the territory as an element within the framework of policy making. Due to the provision of evidence based on analyses of territorial units, the ESPON 2013 Programme is of strategic importance for European policy development and cooperation.

By further developing and expanding the existing knowledge and indicators, the ESPON 2013 Programme will play a strategic role in supporting the policy process of the 2007-2013 period, and contribute 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 Boards¹.
- Supporting the use 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 in 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 on 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

¹ 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 tasks will consist of assessing project proposals, giving continuous feedback to TPGs and commenting on their reports.

where ESPON findings are integrated with more detailed information and practical 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 existing indicators, data and tools.

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

Under this priority, actions are foreseen that will make the evidence and knowledge already developed operational through raising awareness and involving stakeholders in the results and practical application of them.

A strong coordination and interlinkage with other ongoing ESPON projects is crucial for achieving comprehensive results. A close cooperation with the appointed Sounding Board and the Coordination Unit must also be established as part of the project implementation.

This project belongs to the first priority. It holds a key position in developing a common understanding of development opportunities and challenges of the diverse types of rural areas in Europe. Knowledge on these issues is vital for targeted policy development in the light of Cohesion Policy aiming, inter alia, at job creation and tackling social changes.

(iii) Thematic scope and policy context

With over 60% of the population in the 27 EU Member States living in rural areas, covering 90% of the EU territory, rural development is a vitally important policy area. Farming and forestry remain crucial for land use and the management of natural resources in the EU's rural areas, and as a platform for economic diversification in rural communities. The strengthening of Rural Development Policy has, therefore, become an overall EU priority.

The reform of the Common Agricultural Policy (CAP) in the framework of the Agenda 2000 boosted the significance of rural development in this sector policy. Rural development has been playing an increasingly important role ever since in helping rural areas to meet the economic, social and environmental challenges of the 21st century. In line with the Lisbon/Gothenburg Strategy, it is conceived to support job creation and economic growth in rural areas in a sustainable way.

In 2003, the mid-term review of the CAP led to a strengthening of Rural Development Policy via the provision of more EU money through a reduction in direct payments for bigger farms. In September 2005, the Council of Ministers adopted a Rural Development regulation for the period 2007-2013. Rural Development is now being implemented

through one fund, one management and control system and one type of programming. The aims of the policy have been simplified and clarified around three clearly defined economic, environmental and territorial objectives:

- Improving the competitiveness of agriculture and forestry;
- Improving the environment and the countryside;
- Improving the quality of life in rural areas and encouraging diversification of economic activity.

The Commission's Fourth Cohesion Report noted that outward migration from rural areas is still "...the prevailing trend in large parts of the EU, with damaging effects on their prospects for economic development" (European Commission, 2007, p. 52).² With people continuously moving away, public and private service provision will decrease, inducing further job losses, thereby giving even more incentive to migrate.

Furthermore, rural depopulation might even increase in some regions in the wake of climate change, potentially increasing both, the risk as well as the magnitude of natural hazards. These hazards, in turn, can have negative effects on e.g. agricultural yields and/or the environmental attractiveness of a region which might be the basis for tourism. As a consequence, the respective economic activity of a region might no longer be viable so that people might emigrate.

The ESPON 2006 Programme revealed that there are great differences between rural areas throughout Europe. Rural areas close to a city, for instance, and interacting intensively with that city are doing economically well and rather gain than lose population. Remote rural areas, located in the European peripheries, though, are confronted with greater difficulties in terms of economic development and depopulation.

Against this backdrop, the project should strive to achieve a better understanding of the following key policy questions, for which it should produce supporting information and evidence:

- What are the development opportunities of diverse types of European rural areas and how can these resources contribute to improved competitiveness both, within the respective countries and on a European scale, as well as to more and better European cohesion?
- What are the opportunities for increasing regional strengths through territorial cooperation, establishing both, urban-rural and/or rural-rural partnerships, supporting a better territorial balance and cohesion?
- How and to which degree will the afore mentioned development opportunities be impacted upon by climate change?

² European Commission (2007): Growing Regions, growing Europe. Fourth report on economic and social cohesion. Luxembourg.

The perspective of applied research under this measure shall be guided by the objective to identify broad development perspectives and trends for the different types of rural areas, also in the light of the Lisbon/Gothenburg agenda.

Coordination should take place with other relevant ongoing ESPON projects (above all the projects on “Demographic and migratory flows affecting European regions and cities”, on “Cities and urban agglomerations: their functionality and development opportunities for European competitiveness and cohesion”, and on “Climate change and territorial effects on regions and local economies”).

(iv) Analytical framework and deliveries expected

In spite of the strengthened position of rural development within EU policy, various difficulties hamper research in this field. Difficulties already occur at the stage of defining rural areas as there are various perceptions of what is (and what is not) rural and of the elements characterising "rurality" (natural, economic, cultural, etc). In addition, relevant data is not always available at the necessary geographical level.

The OECD definition of rural areas seems to be the only one so far that is internationally recognised. It is based on population density, distinguishing between “predominantly rural regions”, “intermediate regions”, and “predominantly urban regions”³. However, the results of this methodology are sometimes considered as imperfectly reflecting the rural character of areas, particularly in densely populated regions. The methodology is therefore sometimes adapted or replaced by another approach.

This was done, for instance, in the framework of the compilation of the Fourth Cohesion Report. DG Regio included distance as additional criteria to the OECD typology which resulted in an urban-rural typology of NUTS 3 regions, distinguishing five different types.

The latter typology shall be the starting point for this applied research project. The focus of the project shall be on integrated rural development and on examining the current situation as well as the development trends in recent years in different types of rural areas, including small and medium sized towns there. Particular attention shall be paid to development opportunities outside the agriculture and forestry sectors. However, attention shall equally be given to the demographic development in different types of rural areas, to cultural aspects (e.g. the importance of rural heritage in improving competitiveness of rural areas), as well as to accessibility to services of general interest. Furthermore, as the issue of climate change is of overriding importance for all aspects related to human activity, the project should sufficiently take account of this topic, particularly when it comes to assessing development opportunities of rural areas.

Even though the basic typology underlying this project is the one used within the Fourth Cohesion Report, the project should - wherever possible and appropriate – take into

³ OECD (1994): Creating rural indicators for shaping territorial policy. Paris.

account geographical features of certain areas. This goes particularly for the analysis of impacts as well as for the development and application of projections.

Apart from starting off with an existing typology as a basis, the project should also consider existing data for the analysis as well as indicators used in other typologies. The data, indicators and maps of the ESPON 2006 Programme are one important source in this respect. This project shall in particular be informed and make use of relevant results from the following projects:

- ESPON project 1.1.2 on urban-rural relations in Europe explored the various functional interdependencies between rural areas and cities in terms of flows, exchange processes, and institutional links.
- ESPON project 2.1.3 assessed the territorial impact of CAP and rural development policy.
- ESPON project 3.2 on spatial scenarios in relation to the ESDP and EU Cohesion Policy also looked into the likely development of rural areas under different framework conditions.

The project shall strive for a comprehensive and integrated research approach, taking into account social, cultural, environmental, and economic aspects. The analysis shall be guided by a 3-level-approach (European, national and regional). When aggregating regional data per type of region, care should be taken to avoid the distortion of regional averages at European scale by national trends. For example, regional population change should be analysed in the light of national population change.

In the concrete design of the applied research project and its work packages, the project is expected to answer the following key research questions:

- What is the present state of European rural areas' development, their strengths and weaknesses based on the most appropriate economic, social and environmental indicators that can be collected European wide? (In this respect, the accessibility of rural areas should be included in the analysis.)
- Which endogenous development opportunities of which rural areas could be better exploited for achieving improved competitiveness? Which effect would this have on European cohesion? Here, the likely impacts of climate change on different types of rural areas should be taken into account (close cooperation and exchange with the applied research project on climate change is expected).
- Where are the different types of rural areas that are most prominent and what are the drivers of a favourable development in these areas?
- Are there under-used opportunities for cooperation between towns in rural areas? If so, where and to which degree could they contribute to more competitiveness and cohesion both, within the region and on a European level?

Furthermore, analysis within this project should establish some projections on the likely evolution of the different types of rural areas over the medium-term future, i.e. the next 10-15 years.

The geographical coverage of the project should encompass all the countries participating in the ESPON 2013 Programme. Furthermore, 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 their findings in the inception report. Depending on the respective data situation these countries would then be included in the analysis.

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 rural areas gathered within the project, particularly in relation to the new Partner States Iceland and Liechtenstein. Indicators need to offer compatibility with a map-making facility, to provide a consistent, homogenous, reliable, and up-datable database.
- Indicators offering additional information on the different types of European rural areas, and new complex indicators, revealing these areas' development opportunities, their socio-economic situation as well as their competitiveness.
- Amendment of the typology used for this project by (1) including the ESPON Partner States and (2) ideally by filling the gaps for those regions, for which no data was available for the Fourth Cohesion Report.
- European maps revealing (1) the typology of different rural areas, covering the full ESPON territory, (2) the demographic situation in these rural areas, (3) their accessibility to services of general interest, (4) their development opportunities, particularly outside agriculture and forestry, (5) different alternatives of medium-term development paths of the different types of rural areas, and (6) how the latter can impact their competitiveness as well as national and European cohesion.

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 maps resulting from the project.

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

Following the logic of the Territorial Agenda of the EU, orientations for policy makers should refer to the respective territorial development opportunities and the available options to mobilise these for the benefit of the 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.

Project findings should make clear which impact the use of the identified development opportunities could have on the competitiveness and socio-economic situation of European rural areas as well as on the realisation of economic, social and territorial cohesion in Europe.

Finally, the project should consider 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):

Twelve 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 indicate a concept for the development of projections on the future evolution of rural areas. It shall as well 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 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) Preliminary results on the basis of available data, developed indicators, typologies, and European maps, including

- First assessment of the development opportunities of different types of European rural areas.
- First indicative identification of drivers of favourable development in the different types of rural areas.
- First indicative identification of development opportunities for cooperation between rural areas/towns in rural areas.
- First indicative outcomes of the projections developed.
- Data collection achieved, including an overview on statistical and geographical data collected by EUROSTAT, and national Statistical Institutes etc.
- Draft European maps.
- 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.

February 2010 (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, projections 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 opportunities for improving European competitiveness and cohesion.

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 and concepts developed and used, including projections developed revealing diverse evolutions of the different types of rural areas due to e.g. different economic developments within the ESPON territory/the individual ESPON countries.
- 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.
- Tools and models used or developed.
- Future research avenues to consider, 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.

June 2010 (Final report):

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

June 2010 – January 2011 (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 use of results from outside the ESPON regime shall be sought. In particular, research activities by international bodies like the OECD might be valuable for this project.

The other 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.

- ESPON projects results, data and maps: www.espon.eu
- European Commission, DG Agriculture and Rural Development (2006): Rural Development in the European Union. Statistical and Economic Information. Report 2006. Brussels.

- INTERREG IIIB-Project "SEBco" - City-hinterland cooperation as motor for regional development in the South Eastern Baltic: www.sebco.eu
- INTERREG Project Database, offering a selection of projects completed within the INTERREG III Programmes throughout Europe, that can be searched for by theme: <http://www.interact-eu.net/604900/604903/0/0>