

TERMS OF REFERENCE

ESPON project 2.2.2: TERRITORIAL EFFECTS OF THE APPLICATION OF THE EU “ACQUIS” AND COMMUNITY POLICIES AS WELL AS PRE-ACCESSION AID AND PHARE (2003-04 finalising in 05)

(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. In a long term ESPON projects will be a useful guidance for the regions when elaborating their development programmes.

(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 basic net of 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

The Sixth Periodic Report on the social and economic situation and development of regions in the European Union and the Second Cohesion Report already provided a broader understanding of economic development. Structural Funds have previously been subject to evaluations on horizontal themes such as environmental effects or gender questions. The time is due to undergo structural interventions to a territorial impact assessment or policy impact analysis, with consideration of the efforts already made by the UK delegation of the Committee on Spatial Development (CSD) in researching the scope of TIA as a valuable tool for assessing the impact of development programmes and policies against spatial policy objectives or prospects for an area during 2000-01. As a first step the method for such an assessment needs to be set up on the base of the experience of Structural Funds evaluation and the evaluations already done. The Cohesions report already approached in some respect the Structural Funds from a broader territorial point of view.

In parallel, territorial impact analyses are being implemented within ESPON projects under priority 2 of the CIP. This is currently the case in project 2.1.1., 2.1.2. and 2.1.3 addressing territorial impact of Community Policies (TEN, CAP and R&D), and in relation to Structural Funds being carried out under ESPON project 2.2.1. Project 2.2.2 will need to be developed in close co-ordination with these projects, in particular project 2.2.1 and its methodology in relation to Structural Funds.

The developed methodologies should be applied and adapted to undertake a policy impact analysis of the Pre-Accession Aid and the PHARE programme as well as from the application of the EU "Acquis" and Community Policies, in order to develop comparable results for the enlarged Union and its neighbours. In this respect a close cooperation will also be necessary to ESPON project 1.1.3 dealing with the enlargement of the European Union and the wider European perspective concerning the polycentric spatial structure. Therefore, the data base to be developed should be set up in close cooperation of the ESPON 1.1.3 project.

All in all, carrying through project 2.2.2 it is very important to explore possible synergies to other ESPON projects.

iii) General objectives

- a) To develop and apply methods for the territorial policy impact analysis of sectoral policies;
- b) to show the influence of sector policies on spatial development at the relevant EU scale;
- c) to sustain every study by empirical, statistical and/or data analysis;
- d) to show the interplay between EU and sub-EU spatial policies and best examples for implementation;
- e) to recommend further policy developments in support of territorial cohesion and a polycentric and better balanced EU territory;

f) to find appropriate instruments to improve the spatial co-ordination of EU sector policies as stated in the ESDP;

g) to consider the provisions made and to provide input for the achievement of the horizontal projects under priority 3.

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

iv) Primary research questions

- Identification, gathering of existing and proposition of new indicators and data and map-making methods to measure and to display the state, trends and impacts of the pre-accession aid and the PHARE programme and of the application of the EU “acquis” and community policies referred to above. Compilation of studies with European focus;
- Operationalisation of the policy options developed in the ESDP relevant for a territorial impact analysis of the application of the EU “acquis” and Community policies and of the pre-accession structural aid and PHARE; development of a methodology for impact analysis at EU scale;
- Conceptualisation and elaboration of a territorial impact analysis for the application of the EU “acquis” and Community policies and of the pre-accession structural aid and PHARE with special consideration of the following points:
 - the variety of regions in the candidate countries in terms of their environmental and climate conditions, population density and settlement structure, employment and enterprise structure, accessibility and peripherality. Particular attention should be paid to rural regions and old industrial regions.
 - How far do the pre-accession aid and the community policies address the emerging border and integration problems in the perspective of enlargement?
 - How far do the pre-accession structural aid support the concentration of development corridors, consider the concept of a polycentric development, and which further spatial effects are emerging?
 - The impact of regional measures on R&D potential geography in candidate countries.
 - What kinds of resources are available at the EU level in order to conduct the pre-accession structural aid and PHARE programme? Does the necessary co-ordination with national policies take place?
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v) General expected results

The research undertaken during the interim reports is supposed mainly to work on the data available at the national statistical offices, Eurostat and other national and European institutions, and normally be based on existing administrative units. The research should complement the missing territorial/regional data and complement tools and territorial indicators if possible beyond the NUTS classification and the NUTS 3 level.

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 coordinated in time, as far as possible, to fit into the relevant political agenda. The following timetable and specification of output is reflecting this objective:

March 2003 (first interim report):

a) Proposal 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.

b) A comprehensive list of statistical and geographical data to be collected from data navigator studies, Eurostat, the EEA and other European and National Statistical and Mapping Offices (in particular, from candidate countries) before March 2003.

c) A first overview on concepts and on application of the methodologies developed under measure 2.1.

August 2003 (second interim report):

d) Preliminary results of the analysis of the regional and spatial impacts of the application of Community policies (structural funds and cohesion policies, TEN, CAP and R&D).

e) Preliminary analysis of the regional and spatial impacts of EU pre-accession funds (ISPA, SAPARD, PHARE) in the candidate countries.

August 2004 (third interim report):

f) Updated and completed analysis (including update of data bases and map-making) of the spatial and regional effects of the application of the Community policies as mentioned in d)

g) Updated and completed analysis of the regional and spatial impacts of EU pre-accession funds (ISPA, SAPARD, PHARE) in the candidate countries. Report on particular effects of community interventions under INTERREG programmes.

h) Preliminary analysis of the spatial and regional effects of the application of the EU “acquis” (internal market, competition and environmental regulations)

i) Proposal of new 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, territorial impact assessment, and new methodologies to consider territorial information. Particular attention should be paid to rural regions located at the Eastern periphery of an enlarged EU and old industrial regions.

j) Provisional policy recommendations in view of implementation of Community policies, in particular Structural Funds, in relation to measures, eligible areas and delivery mechanisms.

March 2005 (final report):

k) Executive summary of the main results of the research undertaken and recommendations for policy development.

l) Comprehensive presentation of the regional and spatial impacts of the application of the EU “acquis” (in particular, internal market, competition and environmental regulations) and of the application of Community policies (structural funds and cohesion policies, TEN, CAP and R&D) and of EU pre-accession funds (ISPA, SAPARD, PHARE) in the candidate countries.

m) Presentation of the developed methodologies, databases, mapping facilities and indicators.

n) Elaboration of institutional settings and instruments which could support a better co-ordination of structural, regional programmes with spatial planning and sector policies towards spatial concerns;

o) Models of regional programmes and spatial plans applicable to different types of regions integrating Structural Funds, Cohesion Funds, sector policies and national policies and taking into account the guidelines and priority actions of the ESDP.

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 2.2.2. The text is not meant to be exhaustive, but to serve the purpose of guiding the tenderer. As the project is supposed to built in particular on developments within the ongoing projects 1.1.3 and 2.2.1, an extract on the terms of reference for these two projects are annexed. Further information on other projects can be found by consulting the ESPON web site www.espon.lu (updated version available primo November).

1. Elaboration of a methodology for the impact analysis/assessment

The methodology to assess the regional and spatial impacts of the application of the EU “acquis” (internal market, competition and environmental regulations) and of the

application of Community policies (structural funds and cohesion policies, TEN, CAP and R&D) should take account of the spatial concepts developed under priorities 1 and 3. The methodology should also allow indicating different policy levels in order to identify the relevant actors for a better territorially co-ordinated policy.

A territorial impact analysis and evaluation needs to refer to certain spatial planning goals. Here again comes in the primary concept of the ESDP, the polycentric spatial development. It seems to be of the more importance for the regions and cities of the enlargement area (and neighbouring regions and cities within EU-15 territory), since the current transition process implies considerable investments into (and thereby changes of) the technical and institutional infrastructure in these parts of Europe. Thus, the space of manoeuvring for spatial development policy is to be considered comparably larger than within the current EU territory. This means on the other hand the range of possibilities missing the aims of the ESDP is considerable higher, too. Thus, the interrelation with actions 1.1.1. and 1.1.3. should be taken into account.

The project should also take into account indicators that describe social segregation on a regional scale and then test those indicators on the European scale. One purpose would be to develop the cartographic presentations of social cohesion/segregation, including the use of specific symbols of well-being. The role of segregation in regional policy making could be investigated in both in the case study countries and in Europe in general.

The approach to the methodology will be developed primarily by the project 2.2.1.. This project 2.2.2 should concentrate on the adaptation of the methodology to the needs in the candidate countries (and neighbouring countries) and on the clarification of the data base in the respective countries.

2. Pre-accession structural aid and application of the EU “acquis” and Community policies with reference to the territorial dimensions and the governmental level responsible

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

How will Community policies affect territorial and regional balance in the candidate countries?

The contractor should pay special attention to the situation of the old industrial regions and rural regions¹.

¹ The majority of the most disadvantaged regions are the rural regions located at the Eastern periphery of an enlarged EU. These tend to have relatively poor infrastructure, little investment and unfavourable economic structure characterised by a predominance of agriculture and low educational attainment of the labour force. Structural reforms in agriculture are likely to large-scale job losses in future years. The old industrial regions have been most adversely affected by economic transition. These have been severely affected by privatisation, enterprise restructuring and enclosures, the reorientation of trade from secure markets and the loss of subsidies. The decline of heavy industries has played a significant role in widening disparities in the candidate countries. These regions have failed to create new job

In the analysis of the application of the EU “acquis”, internal market, competition and environmental regulations should be considered.

The structured presentation of the pre-accession aid and PHARE should allow identifying the relevant parameters for the territorial impact assessment for all three dimensions, the policy (contents and strategies), polity (institutions, organisations) 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. It should describe the relevant operational programmes and strategies and measures adopted having negative or positive effect in territorial balances and polycentrism.

3. Indicators and data bases

Description and quantification of the variables characterising structural interventions in candidate countries in their spatial effects. Indicators are already subject to projects envisaged under ESPON actions 1.1.1. to 1.3.3. and 2.1.1.-2.1.4. Consequently a very close cooperation is required.

Data gathering should occur at the lowest territorial level possible (ideally, NUTS III level and below). It should cover the 15 Member States as well as the candidate countries (EU 27) and the neighbouring countries (mainly Norway and Switzerland).

Specific efforts for data collection in the candidate countries will be necessary.

Comparability of data is a further important aspect that needs to be considered. Given the potentially wide range of data sources that will be used, which may even differ between regions or countries, for the same indicator, considerable attention will have to be paid to the comparability of these data. Where comparability is judged insufficient, adjustments will have to be made. Adjustments or estimates should be clearly indicated and documented, allowing the reader to follow the logic applied in the adjustments.

Among others, data for following variables should be collected:

Interventions within PHARE programme from 1989 to 1999, structural interventions (2000-2002) and programmed interventions for 2002-2006 by investment category and mainly:

- Projects financed by ISPA and SAPARD
- Projects financed by PHARE
- Small project funds financed by PHARE
- Expected structural interventions after accession

Interventions should be valued in monetary terms (financial amount invested by Community funds and by national funds) and in physical terms (ex: km of

opportunities and to attract new business or foreign investment. Most of these regions have high rates of unemployment and difficulties of re-integrating workers into the labour market.

highways/railways, number of employees trained, enterprises and direct employment created etc).

Impact on territorial and regional balances mainly in terms of:

- Population growth and population density
- Connectivity, accessibility and decongestion
- GDP growth
- Quality of life: social services, environment

4. Analysis of the pre-accession aid and of the application of Community policies in relation to a balanced territorial (and regional) development

Following points should be particularly addressed.

4.1. Structural pre-accession aid and territorial specialisation

Experience in the present Member States show that in many countries the effects of regional policy (both EU and national policy) on convergence between regions have been rather modest. These different outcomes should be studied in order to single out the causes for different developments.

On that basis, a similar analysis should be conducted for the regions of the candidate countries.

Among other, the following hypotheses should be studied:

- a) Growing accessibility leads to competition and division of labour where some regions might choose or are forced into trajectories ending in lock-in situations in the longer run.
- b) Direct investments from outside in some cases besides offering local jobs also tap profits and invest these somewhere else.
- c) Investments in less developed countries have been concentrated in the capital regions, leaving the peripheral regions and the rural, low density areas outside the development process.

4.2. Structural pre-accession aid effects on the future territory

At a second step, the analysis should evaluate how could pre-accession structural aid programmes contribute to a balanced territorial development in an enlarged EU.

Also impacts on bordering regions and possible solutions should be examined. Complications for cross-border co-operation with reverse signs? Furthermore, in this context it turns out, that a sound capacity of regional bodies and actors at the regional level in the candidate countries concerns also the neighbouring Member States.

4.3. Structural pre-accession aid and other financial instruments for a territorial policy (Lower level of ambition might be better)

The funding of regions with economic weaknesses is a task of both the countries and the European Union. Some countries use national financial equalization instruments to redistribute the societal wealth from the more prosperous to the poorer regions. It is in accordance with the principle of subsidiarity to first use national financial equalization before applying for European instruments.

The task of a project within this measure is to find out the instruments of national financial equalization, what are their differences and common grounds, which relations they have to European regulations and which guidelines for action might be derived from these considerations with regard to the reform of the structural policy?

4.4. Spatial integration through Interreg-initiative – Meta-evaluation of the effectiveness of the regional cooperation in promoting integration within a macro-region - The institutional dimension of cross-border cooperation

There is already a great amount of experiences gathered in the various Interreg-projects. The evaluations that are carried out in direct connection with the programme documents or single projects are rather technical in nature. They do not provide an insight to the processes taking place at the scale of so-called macro-regions, such as Baltic Sea Region or a particular part of it.

Study should focus in particular advanced areas in spatial planning as the Baltic Sea Region or CADSES.

Prospective changes of the EU's external border set new requirements for the governance capacities of local, regional, national and European actors. To facilitate this, experiences from cooperation across the EU's current eastern border should be compared with in a coherent conceptual framework, and investigated with respect to the challenges, which new external border regions will face.

This requires that cross-border cooperation is not analysed only in context of national and European policy projects, but attention is paid to specific local and regional circumstances (barriers to cross-border flows, formal and informal cross-border interaction etc.) as these will be reflected in prospective spatial policies for increased cross-border integration and transboundary regionalisation processes.

The ability of the Interreg-initiative to promote integration would be the focus of the project. The contractor is expected also to make proposals for increasing co-operation and networking between territories in cross-border networks and on transnational scale and for improving the spatial co-ordination of sectoral policies in the candidate countries.

5. Policy recommendations and conclusions

The recommendations should take account of the policy context and scope of the study. Proposals should be made particularly:

- on the improvement of the methodology to select eligible areas
- on the selection of policy measures
- on the policy delivery mechanisms

The policy recommendations should make reference to all relevant policy options of the ESDP. The contractor is expected to make relevant proposals for a further operationalisation and territorial diversification of the policy aims and options adopted in the ESDP in the candidate countries.

Policy recommendation should also present practical solutions and proposals for:

- Institutional settings and instruments which could support a better co-ordination of structural, regional programmes with spatial planning and sector policies towards spatial concerns;
- Models of regional programmes and spatial plans applicable to different types of regions integrating Structural Funds, Cohesion Funds, sector policies and national policies and taking into account the guidelines and priority actions of the ESDP

vii) Existing access points

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

The **SPESP** offers some access points for indicator works through the study on typology of cities and urban-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 aid address accessibility could benefit from research on the TEN, on spatial networks or on the R&D policy.

Projects developed by the JRC (Joint Research Center of the EU) under regional modelling could be particularly relevant for co-ordination of policies in a specific area.

Recent studies of DG Enlargement in this field should be also considered.

The report of the European Commission on the spatial perspectives for the enlargement of the EU² already compiled a data set at the national level. This will also need to be made available at the regional level NUTS 2 and NUTS 3 in order to be able to investigate territorial effects in an enlarged Union.

Interreg IIC and IIB projects are also dealing with this issue, which can provide some practical experience on the transnational scale.

² European Commission 2000. Spatial perspectives for the enlargement of the EU. Luxembourg, 49ff.

In particular, the contractor is encouraged to take into account the existing regional development strategies for individual areas of Europe, such as the Vision and Strategies around the Baltic Sea (Vasab 2010³ – eleven cooperating countries) and the Strategy for Integrated Spatial Development in Central, Adriatic and Danubian Europe (Vision Planet⁴ – twelve cooperating countries at present).

In addition, the preparatory study of the second report on economic and social cohesion “The impact of EU enlargement on cohesion” could provide useful information to the contractor. The contractor is encouraged to fulfill the identified gaps and to deep into this analysis of the effects of enlargement and existing disparities.

The contractor should also take into account the “Guiding Principles for Sustainable Spatial Development of the European Continent” as adopted by the European Conference of Ministers responsible for Regional Planning (in Hannover, 7-8 September 2000), a policy reference document for numerous spatial development measures and initiatives made on the European continent, and in particular for transnational and international co-operation and the spatial development activities of the European Conference of Ministers responsible for Regional Planning within the Council of Europe.

In addition, co-ordination will be desirable with the preparatory study of the third report on economic and social cohesion will deal with the “needs of regions in current member states and the candidate countries in areas that are eligible for structural funds”. The study will throw light on to the level of endowment that is available in the regions of the candidate countries and it will draw out conclusions on the needs of the regions in policy terms (in three broad areas of intervention: infrastructure, human resources and productive investment).

In addition, an ESPON Data Navigator creating an overview, a handbook, giving information on principal data sources, contact points, etc is under elaboration. The Data Navigator is expected to cover all countries in an enlarged European Union as well as neighbouring countries. The Data Navigator will (as a preliminary version) be online at the official ESPON Web site (www.espon.lu) by end November 2002.

³ Vision and Strategies around the Baltic Sea 2010 – Towards a Framework for Spatial Development in the Baltic Sea Region, Third Conference of Ministers responsible for spatial development of the Baltic Sea States, Tallinn, December, 1994. From Concept to Action, Fourth Conference of Ministers responsible for Spatial Development of the Baltic Sea States, Stockholm, October 1996.

⁴ Strategies for integrated Spatial Development of the Central European, Adriatic and Danubian Area adopted at the 4th Seminar of the Project Panel, Vienna, January 2000.