

Territorial Impact Assessment – a new policy assessment tool to support territorial cohesion

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Abstract

European Union (EU) directives, along with their transposing arrangements in EU member states, can have unanticipated and undesirable impacts on EU territories. These include impacts on the use of space (e.g. new infrastructure or sprawl), governance, and on wider social, economic or environmental dimensions. Although ex-ante assessment of the potential impacts of EU initiatives has been carried out since 2002 through the European Commission's Impact Assessment procedure and in some member states also through national equivalents, important impacts are still overlooked, frequently because of their territorially heterogeneous nature within and between EU member states. This paper presents the results of the European ESPON EATIA research project, in which a territorial impact assessment (TIA) methodology was developed for national and regional (and potentially local) administrations in EU member states in order to inform their national positions in European draft directives' negotiation processes.

1 Introduction

The preparation of EU directives can take many years and often involves complex negotiation processes between different institutions of the EU and its 27 member states (Fischer, 2010). Whilst generally speaking, directives have positive ambitions, they can at times unintentionally come into conflict with national and sub-national development aspirations and impact negatively on member state territories. In this context, impacts can be both, associated with a Directive itself as well as with its implementation in a particular member state (Fischer et al, 2011). Restriction of development opportunities is an example of such an effect caused by quite a few documents (e.g. The Habitats Directive on the Conservation of Natural Habitats and Wild Fauna and Flora (Directive 92/43), The Seveso II Directive on the Control of Major Accident Hazards (Directive 96/82/EC) and The first Daughter Directive of the Air Quality Framework Directive, limiting sulphur dioxide, nitrogen dioxide and oxides of nitrogen, particulate matter and lead in ambient air (Directive 1999/30/EC)).

The problem of unintentional impacts of directives has long been recognised and there have been various suggestions for how these may be anticipated better. In 2002, the European Commission started applying Impact Assessment (IA) to its policy proposals to detect and evaluate potential positive and negative economic, social and environmental impacts (European Commission, 2009). While this initiative marks an important development, making reliable predictions at this level of decision-making has remained notoriously difficult, particularly as impacts normally vary quite substantially across Europe and may depend on the unique characteristics of a specific region or locality. It is within this context that Territorial Impact Assessment (TIA) has been proposed as an assessment tool to better help anticipate and understand the territorial impacts of EU policy proposals.

2 Territorial impact – a European concept

Since the beginning of the 1990s, the notion of territorial impact has been included in various EU documents and policies, including the European Union Treaties of Amsterdam (1997) and Lisbon (2007), the Green Paper on Territorial Cohesion (2008), as well as the Europe 2020 and the Territorial Agenda 2020 strategy documents (European Commission, 2011). Territorial impact is closely connected with the concept of territorial cohesion. Whilst the term territorial cohesion still lacks a commonly accepted definition, there is some consensus emerging that at its core, it is aiming at moderating development disparities between EU regions by applying measures which seek to unlock the intrinsic territorial potentials they possess.

The main idea behind the territorial cohesion concept is to contribute to European sustainable development and competitiveness and to turn Europe's '...diversity into an asset for all places, thus ensuring a harmonious and balanced territorial development and contributing to a sustainable Europe' (ESPON, 2011: 1). Ultimately, territorial cohesion is intended to strengthen the European regions, promote territorial integration and produce coherence of EU policies in order to contribute to sustainable development and global competitiveness of the EU.

In late 2010, the European Commission published its Fifth Cohesion Report (European Commission, 2010) which considered the shape of EU Cohesion Policy after 2013, emphasizing the contribution it and regions can make to the realization of the goals of the Europe 2020 strategy, which are ‘smart growth’, ‘sustainable growth’ and ‘inclusive growth’. It argued that the strategy’s targets on innovation, employment and social inclusion, and environmental challenges and climate change “cannot be achieved by policies formulated at EU or national level alone” and can “only succeed with strong national and regional participation and ownership on the ground”.

The involvement of all scales of multi-level governance, including the national and regional levels in European policy making is thus encouraged. In this context, the EU’s Fifth Report on Economic, Social and Territorial Cohesion from 2010 emphasized on the need for territorially sensitive policymaking which leads naturally to a consideration of the issue of assessing the territorial impact of policies. It was noted that “Both policies with and without an explicit spatial dimension could benefit from an assessment of territorial impact” and that “Before deciding on a particular policy, such an assessment could show in a quantitative or qualitative way which areas or regions might face the highest costs or enjoy the largest benefits”. In May 2011, EU Ministers responsible for Spatial Planning and Territorial Development adopted a revised version of the Territorial Agenda of the European Union entitled ‘TA2020’ (Ministers of ... 2011), noting that:

“We believe that territorial cohesion is a set of principles for harmonious, balanced, efficient, sustainable territorial development. It enables equal opportunities for citizens and enterprises, wherever they are located, to make the most of their territorial potentials” and that: “Territorial cohesion reinforces the principle of solidarity to promote convergence between the economies of better-off territories and those whose development is lagging behind”.

The Ministers also commented that

“Territorial coordination should be supported by instruments such as assessment of territorial impacts, coordinating planning mechanisms and territorially sensitive monitoring”.

Hence, they suggested that an instrument and a measurement were needed to “territorialise” policies in order to define their intended and unintended potential effects, and the unexpected conflicts with local conditions or existing policies. The concept of territorial cohesion therefore incorporates both, substantive territorial objectives and a procedural/governance orientation concerned with ensuring that territorially significant policies are coherent in the way that they impact on given territories.

3 Existing approaches to territorial impact assessment

Territorial impact assessment (TIA) was first discussed in the mid-1990s and to date, different approaches have been suggested and tested. In recent years, the ESPON (European Observation Network on Territorial Development and Cohesion) Programme has been at the forefront of the TIA development work. Importantly, ESPON has carried out a wide range of *ex-post* assessments of the territorial impacts of directives. These were all based on computer modelling approaches. Examples include the SASI model (Wegener, 2008), a recursive simulation model of socioeconomic regional development which focuses on transport. Furthermore, the CGEurope model (Bröcker, 2004) was developed, a spatial, computable general equilibrium model, which was originally developed in the context of the Trans-European Transport Networks (TENs), with the intention of also being usable for other transport policy measures. Finally, the STIMA model (ESPON, 2004) was designed for providing an approach to ‘Spatial Telecommunications Impact Assessment’.

In addition to these *ex-post* assessment approaches, modeling tools for *ex-ante* assessment started also being developed, initially between 2008 and 2010 in the TIPTAP (Territorial Impact Package for Transport and Agricultural Policies) project which resulted in the TEQUILA computer model. To date, this modeling approach has been used to carry out some exploratory assessments. In one of the ESPON projects it was used to examine agricultural and transport policy (ESPON, 2009). Furthermore, the ARTS (Assessment of Regional and Territorial Sensitivity, ESPON, 2011) project aimed at developing the modeling approach further by allowing stakeholder judgments to be considered in the modeling process.

4 ESPON and Territorial Impact Assessment (EATIA) – the project

ESPON and Territorial Impact Assessment (EATIA) has been the most recent ESPON project aiming to develop an instrument for assessing territorial impacts of European draft directives. The project was conducted over a

period of 18 months (between 2010 and 2012) on the basis of a co-operative and participatory project process, involving a project team consisting of representatives from the Universities of Liverpool, Porto, Ljubljana and Delft and three main stakeholders, namely the ministries responsible for spatial planning from the UK, Portugal and Slovenia. The project methodology also involved the building and use of ‘learning networks’ of between 15 and 20 public and private sector practitioners from each of these stakeholder countries.

The main objective of the project was to develop an instrument helping national, regional and local authorities of EU member states to identify positive and negative, deliberate and unexpected, long and short as well as direct, indirect and cumulative territorial impacts of European policy as well as inform the national transposition processes of those directives and policy.

The main objectives with regards to the TIA methodology to be developed were:

- The proposed methodology should be *simple and usable* by national, regional and local level authorities without complex expert knowledge and with minimum required resources (e.g. data, workload).
- The methodology should be robust and replicable throughout the EU, whilst allowing for some flexibility to reflect specific policy making and planning traditions; outcomes of TIAs conducted in different member states on the same draft directive / policy need to be transparent and comparable.

The project set out to develop a different type of TIA methodology from those established by other previous ESPON projects. Rather than applying another EU wide top-down quantitative modelling approach based on defined statistical (NUTS - Nomenclature of Units for Territorial Statistics) regions, the possibility to use a bottom-up approach was examined, potentially allowing regional and / or local stakeholders to input into a TIA procedure that would be managed by national administrations of the 27 EU member states.

One of the important initial tasks was to find definitions for ‘territorial impact’ and ‘territorial impact assessment’ which were then to be used throughout the lifetime of the project. The commonly agreed definitions are:

‘A ‘territorial impact’ is essentially considered to be any impact on a given geographically defined territory, whether on spatial usage, governance, or on wider economic, social or environmental aspects, which results from the introduction or transposition of an EU directive or policy’.

Accordingly,

‘Territorial impact assessment is interpreted as an ex-ante mechanism that can be used to identify such impacts at national, regional and local levels in Member States to help identify potential policy conflicts or inconsistencies. It can also identify the differential nature of potential impacts between different places and in this sense it can provide a means of considering the spatial dimension of EU policy impacts’.

5 Results – the TIA framework

The main output of the project was a TIA framework, which is explained in a dedicated guidance document (Fischer et al, 2013) for use by national and regional/local administrations in EU member states to assess the potential territorial impacts of European draft directives (in order to inform national positions in negotiation processes) and to support their implementation processes. This was based on a simple process, consisting of screening, scoping, assessment and evaluation. Possible techniques were allocated to each of these stages, and governance arrangements were established, revolving around central (national) screening and scoping, as well as final evaluation as well as regional or local¹ impact assessment, as follows:

- Screening (whether a TIA is necessary) and scoping (what TIA should include and what types of regions / localities are most likely to be affected) are conducted by national departments / ministries responsible for a draft directive, supported by the department responsible for spatial planning; logical chains and checklists may be used; screening and scoping may be undertaken within established / existing regulatory impact assessment procedures; testing has shown that screening and scoping may

¹ Initially, in the project the focus was on the regional level. However, the conservative-liberal UK government, elected in 2010, abolished the regional administrative level. Therefore the focus of the project in the UK had to shift to the local level.

take as little as half a day, if done in a workshop with knowledgeable representatives of different departments which come together in a co-operative spirit.

- Assessment is done by regional / local level spatial planning authorities (in very small member states possibly together with national administration), possibly by existing spatial planning / associated strategic environmental assessment (SEA) teams, which already convene at regular intervals; whilst the involvement of regional / local level authorities will likely be voluntary, scoping should identify types of regions / localities likely to be affected; the central government department / ministry responsible for screening and scoping should alert those authorities most likely to be affected by a draft directive / policy; in larger EU member states, a centrally managed web-based system may be used to provide authorities with information on draft directives; through this web-site, alerts may also be sent out to regional/local authorities; impact matrices and impact maps may also be produced; testing has shown that assessment may be done in as little as half a day to a full day, depending on the complexity of the directive to be assessed and the experience of the assessment team.
- Evaluation will be done by central government departments/ ministries, based on national, and possibly European, territorial policy objectives; the evaluation is based on information provided by regional / local authorities, possibly through the centrally managed website; regional / local authorities may also decide to evaluate assessment results in the light of regional / local territorial policy objectives. Impact matrices, evaluation maps and radar charts may be prepared for presenting results in an easily comprehensible manner.

Testing of the TIA framework was done on three directives in Slovenia, Portugal and the UK, including the (1) Habitats, (2) Renewable Energy and (3) Energy Performance of Buildings Directives. In addition, in the UK, the Electricity Directive, in Slovenia the Seveso III Directive and in Portugal the Maritime Strategy Framework Directive were used. Screening and scoping, which, in real practice should be done by central government departments, was done by the project teams. Workshops were then held to simulate the assessment stage with a slightly different approach in each of the participating countries.

Part of the project was also evaluation of the proposed approach. To this end, an EATIA questionnaire had been designed for testing the usefulness of the methodology and the associated effort. Questions included revolved around the anticipated governance arrangements, appropriateness of techniques, screening, the selection of regions and localities, evaluation as well as the time required for conducting a TIA. Further feedback on the TIA framework is currently sought from various internationally recognized impact assessment experts.

6 Conclusions and the way forward

Testing and evaluation of the TIA framework described above has shown that experienced impact assessors are likely to find the TIA methodology approach simple and straightforward to conduct. The main barriers to an effective TIA process are to be expected elsewhere, for example a resistance of different administrations on different levels to co-operate. The reluctance of central government departments / ministries may be the result of lacking the experience in co-operating in the way anticipated by the TIA methodology. On the other hand, regional / local authorities may be skeptical about the possibility to be able to influence a national position on a draft directive or about the value of engaging in such a process and may thus be reluctant to participate in a TIA. However, there is consensus amongst those EU member states propagating TIA that there should be no new formal requirements (i.e. TIA should not become a legally required instrument). Ultimately, the success of the approach to a large extent will rest on the commitment of the various stakeholders to engage with and contribute to the process.

The results are encouraging and argue for pursuing the idea of TIA further. In its development, the following issues should be considered:

- *Real life testing:* Testing was conducted based on existing directives, pretending those were draft documents. The main reason is political, as testing real draft proposals may easily be perceived by those in the negotiation process as a research project meddling in it. Other reasons included the familiarity with existing directives, which made testing more straightforward, the greater variety of directives that were available to use, and the benefits of not being constrained by actual policy development processes.
- *Applicability beyond EU borders:* While the territorial cohesion concept and TIA approach has a “made in EU” label, its usefulness is not limited to European policy making. Testing to date has shown that the approach is highly flexible and can be adapted to reflect different policy making and planning

traditions (which in the testing countries were quantitative and legalistic in Slovenia, quantitative/qualitative and discursive in Portugal, qualitative and discretionary in the UK). However, to what extent the approach will be perceived useful beyond the EU's borders remains to be seen.

- *Information support:* The current TIA framework may potentially be improved by making better use of technology support, such as web based platforms to facilitate its operationalisation. This could facilitate information exchange and collation.

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