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– 2 DECEMBER 2015 –

ITEM 7

RENEWED TERRITORIAL IMPACT ASSESSMENT STRATEGY

Submitted by the secretary-general

FOR DECISION

MEMO FOR CoR BUREAU MEMBERS

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1. Introduction

In July 2013, the Committee of the Regions (CoR) adopted an own-initiative opinion on "Assessing territorial impacts"¹ which stated that territorial impacts should be assessed "right from the outset on an equal footing to economic, environmental and social impacts when assessing sectoral policies, not least with regard to their impacts at various local and regional levels, including their financial repercussions and interactions between territorial levels".

As a follow up to the CoR opinion, the CoR Bureau adopted the Territorial Impact Assessment (TIA) Strategy "Territorial Impact Assessment in the CoR political process" on 29 January 2014. The strategy envisaged a **pilot phase** during which the CoR Secretariat tested several different instruments in order to determine the most suitable ones to meet the needs of the CoR and the EU institutions in general².

This Bureau document is divided into two parts. **Part I** provides a short overview of the main results of the TIA pilot phase and gives an outline of the key results and the lessons learned in the past 24 months. **Part II** outlines the CoR's future TIA Strategy.

2. Part I: The TIA pilot phase in the CoR

In the pilot phase, the CoR carried out TIAs in the legislative and ex-post phase of the EU legislative process. The following assessments were carried out:

- Territorial impact assessment: Circular economy package, September 2014 (ex-ante);
- Territorial impact assessment: Smooth phasing out of the milk quotas, November 2014 (ex-ante);
- Analytical note: Port reception facilities for ship-generated waste and cargo residues, June 2015 (ex-post);
- Territorial impact assessment: Birds and Habitats Directives, July 2015 (ex-post);

¹ CDR29-2013_00_00_TRA_AC

² The Subsidiarity Steering Group (SSG), as the political governance structure for the TIA pilot phase, was actively involved in the implementation of this strategy. Based on the Bureau decision of January 2014, the SSG has reviewed the pilot phase.

- Urban impact assessment: Energy performance of Buildings Directive, November 2015 (ex-post).

The CoR tested different instruments, such as ESPON Quick Scan³, targeted consultations, structured interviews, analytical notes and case studies, and looked into TIA instruments such as TARGET_TIA and DG JRC's RHOMOLO model.

2.1 Main objectives and outcomes of the TIA pilot phase

The pilot phase of the TIA Strategy aimed to provide CoR rapporteurs with specific analysis of the territorial dimension of CoR opinions and to promote TIA as a tool for better EU policymaking by ensuring that territorial impacts of new policy proposals and existing EU legislation were taken into account. Over the last 24 months, considerable efforts were made to promote TIA within the EU institutions, in co-operation with other associations and within the CoR itself, with the following outcomes:

- TIA has been included as one of the tools in the **European Commission's 2015 Impact Assessment Guidelines** and the territorial dimension is mentioned throughout the new Better Regulation package⁴ (published in May 2015).
- **DG REGIO** has set up the TIA Working Group aiming to facilitate work on TIA in the European Commission. The CoR has been an active partner in this process and, together with DG REGIO, has initiated a pilot project to create an "urban impact assessment" peer group of cities to be consulted on certain legislation with a potential impact on urban areas.
- In its conclusions⁵, the **General Affairs Council** invited the European Commission to take specific and immediate steps to "enhance ex-ante impact assessment of new EU initiatives and legislation with regard to their territorial impacts and consequences for local authorities" as part of the EU Urban Agenda.
- The **European Parliament**, in its report⁶ on "The urban dimension of EU policies", asked the "Commission to systematically introduce a territorial impact assessment on the urban dimension of all relevant EU policy initiatives and to make sure that all relevant sectorial EU policies adequately address the challenges that towns, cities and larger functional urban areas are facing; calls on the Commission to concentrate these territorial impact assessments on the following elements: balanced territorial development, territorial integration and territorial governance". In its report⁷ on "Cohesion policy and the review of the Europe 2020 strategy" it "calls on the Commission to

3 http://www.espon.eu/main/Menu_ToolsandMaps/TIA/

4 http://ec.europa.eu/smart-regulation/guidelines/docs/swd_br_guidelines_en.pdf

5 <http://data.consilium.europa.eu/doc/document/ST-9625-2015-INIT/en/pdf>

6 2014/2213(INI), published 6 February 2015.

7 <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A8-2015-0277+0+DOC+PDF+V0//EN>

provide information about the role of territorial aspects as factors of economic growth, job creation and sustainable development, and demands that the review of the Europe 2020 strategy address **territorial impacts and provide guidance** on how to tackle them".

- The **European Economic and Social Committee**, in a conference as part of the follow-up to its opinion "Towards a more balanced territorial development in the EU" (held on 9 September 2015), welcomed developments on TIA and especially the work of the CoR⁸.

2.2 Results of the pilot phase and lessons learned

During the pilot phase a number of approaches were tested and important insights into the potential and the limits of TIA were gained:

- CoR rapporteurs and their experts were **active participants** in TIA workshops organised by the CoR. This has been proven to be a good practice, as rapporteurs had an opportunity to discuss their projects with the experts in an interactive setting and could receive an objective analysis of impacts in time for the opinion to be prepared.
- Following each TIA workshop, an **evaluation questionnaire** was sent to the experts in order to gather their views and suggestions on how the workshop could be made more effective. The results of these evaluations were taken on board by both the CoR and the moderators.
- While ESPON Quick Scan was identified as one of the most suitable instruments, providing a quick overview of the potential impacts, the **tool has its limitations** which ESPON and the CoR will continue to address in order to make it more effective and reliable. Its main limitations are the **lack of available data on levels below NUTS 2**, the **inability to show the estimated progression over time** and the **lack of interaction between the indicators** (spill-over effects, sustainable vs. short term effects, exogenous vs. endogenous effects and multiplier vs. substitution effects). **These limitations need to be addressed in the new and improved ESPON Quick Scan instrument, and by requesting more data at NUTS 2 and NUTS 3 level from Eurostat.**
- In order for TIA workshops to be as objective as possible, it is **essential that the experts represent a wide range of views and expertise**. The workshops should ideally comprise up to 20 people representing different local and regional authorities, sectoral experts, environmentalists, economists and other relevant stakeholders. In order to accomplish this, a **database of experts should** be further developed in cooperation with other EU institutions and associations such as CEMR and EUROCITIES. This database will include the contact details of experts in different areas as well as experts from LRAs.
- When carrying out targeted consultations, the CoR uses internal CoR contact lists (e.g. Interreg IV contact lists), which should be **regularly updated** and augmented (i.e. by including the ESIF

⁸ <http://www.eesc.europa.eu/?i=portal.en.events-and-activities-eu-policies-territorial-impact>

managing authorities) to ensure a better response rate. TIA targeted consultations should be **coordinated with Directorates B and C**.

- In order to ensure the best possible outcome for a TIA exercise, it is important that the commissions requesting TIA **are involved in preparing the content** of workshops, while the TIA team takes care of the methodological and organisational aspects, liaising with the moderators and experts and drafting the final TIA reports.

Based on the above assessment it can be said that the TIA pilot phase has largely achieved its goals of promoting TIA as an instrument for better policymaking. However, the shortcomings should be addressed in order to define the future objectives and priorities of the CoR's TIA Strategy.

3. Part 2: The future CoR TIA Strategy

3.1 Political mandate and main objectives of the renewed TIA Strategy

In its resolution on the priorities for the sixth term of office 2015-2020, the CoR⁹ is "calling for territorial impact assessments to become a standard practice promoted by the European Commission" and highlights the necessity of "scrutinising and assessing the territorial impact of EU legislation on the single market and relating to initiatives which are designed to have a territorial impact".

On this basis, the CoR's TIA Strategy should have the following **four main objectives**:

- to enable CoR rapporteurs to have access to relevant analysis and information that can be used to improve the territorial perspective of CoR opinions, to serve as an evidentiary base for its political and consultative work and to strengthen the consultative role of the CoR as a whole;
- to improve the quality of EU policymaking by ensuring that the territorial impacts of new policy proposals and existing EU legislation are taken into account by the EU institutions, as is now envisaged in the EC's Impact Assessment Guidelines;
- to improve the visibility of territorial impact assessment as an important element of better legislation;
- to develop the role of the CoR as an advocate for TIA among the European institutions by providing training for the EU institutions and testing and developing new TIA instruments in close co-operation with DG REGIO and ESPON.

3.2 Main instruments of the CoR's TIA Strategy

The CoR will use the following instruments which are considered to be most appropriate for the CoR's needs:

- (a) Quick Scan territorial impact assessment workshops

⁹ COR-2015-02565-00-00-RES-TRA (EN) 4/11

- (a.1) Urban/rural impact assessment¹⁰
- (a.2) Ex-post territorial impact assessment
- (a.3) Cross-border territorial impact assessment

- (b) Targeted consultations
- (c) Analytical notes

A more detailed description of the instruments is included in **Annex 1** of this document.

3.3 Selection of dossiers for TIA

When selecting dossiers for a TIA, the following criteria should be fulfilled:

1. Dossiers should have **clear political interest** for local and regional authorities;
2. Dossiers should **touch on competences of local and regional authorities**;
3. Dossiers should have a **potential territorial impact**;
4. The dossier should concern a **legislative dossier**;
5. Preference will be given to dossiers on which the CoR plans to issue an opinion.

On the basis of the TIA work programme, the CoR commissions can request a territorial impact assessment using the instruments described in Annex 1 of the TIA Strategy on the condition that the above criteria are fulfilled. For the purposes of TIA workshops, the CoR commissions will have the opportunity to request studies as preparation for a TIA workshop.

3.4 The CoR as an advocate for TIA

The CoR will continue developing TIA instruments in close cooperation with ESPON and DG JRC, while at the same time examining new instruments that might come into existence. To further develop TIA instruments, the CoR will organise round tables and conferences to discuss TIA and its applicability at EU and national level. The CoR will continue to provide training sessions on TIA, where appropriate in cooperation with ESPON and other knowledge providers. These training sessions will be financed by the CoR and offered to colleagues from the EU institutions.

3.5 Cooperation with European, national and regional institutions

The CoR will continue to engage with key EU, national and regional institutions to implement the renewed Territorial Impact Assessment Strategy and will continue to emphasise the need for TIA in the policy making process. A detailed description of these contacts is given in **Annex 2** of this document.

4. Financial implications, allocation of resources and regular evaluation

¹⁰ Urban and possibly also rural impact assessment are elements of territorial impact assessment.

The CoR will allocate an annual budget for studies, training sessions, conferences and workshops. This will serve to ensure good preparation for TIAs, incorporating relevant expertise and facilitating the participation of experts from the local and regional levels.

Depending on the available human resources, more systematic and comprehensive involvement of the CoR in territorial impact assessments should be envisaged, as part of the long-term organisational and human resource planning of the CoR Secretariat.

Financial and human resources requirements

Number of file note studies:	Six (6)
Number of TIA workshops:	Six (6) involving up to 10 third party experts, 3 speakers, 1 moderator, 3 languages, 1 CoR member, 1 rapporteur's expert per TIA workshop ¹¹
Interinstitutional training:	Four (4) per year, one-day training for 12 people
Other events:	TIA round table involving 5 speakers, 1 moderator, 5 CoR members TIA Open Days conference (under the budget of the Open Days)
Missions:	Four (4) missions for 1 staff member (e.g. OECD, Paris, ESPON, Luxembourg, JRC, Spain and Italy, missions to MS)
Current staff members:	One (1) staff member on a full time basis, 1 assistant

As part of the annual TIA work programme an **evaluation** will be presented including an assessment of the usefulness by the requesting rapporteur and the impacts achieved. Compared to the pilot phase, and on the basis of the number of TIAs carried out per year, no additional human resources will be necessary.

¹¹ The financial impact per TIA workshop is calculated on the same basis as in the TIA pilot phase.

PROPOSAL

Members of the Bureau are invited to take a decision on the following points:

- The CoR will establish a renewed Territorial Impact Assessment (TIA) Strategy as part of its objective to scrutinise and assess the territorial impact of EU legislation on the single market and relating to initiatives which are designed to have a territorial impact.
- The strategy will be guided by four main objectives: i) allowing CoR rapporteurs to have access to specific analyses and information that can be used to improve the territorial dimension of CoR opinions and to strengthen the consultative role of the CoR as a whole; ii) improving the quality of EU policymaking by ensuring that territorial impacts of new policy proposals and existing EU legislation are taken into account by the EU institutions; iii) improving the visibility of territorial impact assessment as an important element of better EU legislation; and iv) developing the role of the CoR as a TIA knowledge centre.
- The political decision for proposing dossiers for territorial impact assessment will be taken by the chair of each CoR commission in consultation with the political coordinators (following the same process as for studies). Each commission's TIA proposals should be presented in order of priority. The COTER chair will act as political coordinator of TIA by collating these proposals and presenting the TIA work programme to the Bureau at the beginning of each year. The Bureau will decide on the TIA work programme. The individual TIA reports will be politically validated by the requesting CoR commission.
- The dossiers requested for TIA will need to fulfil the following criteria: (i) dossiers should have clear political interest for local and regional authorities; (ii) they should touch on competences of local and regional authorities; (iii) they should have a potential territorial impact; (iv) they should concern a legislative dossier. Preference will be given to dossiers on which the CoR plans to issue an opinion.
- The CoR will continue close interinstitutional cooperation in developing TIA instruments and assessing the new TIA instruments created by other EU institutions, Member States and third parties. The CoR will offer interinstitutional training sessions on TIA four times per year, financed by the CoR, and a budget will be assigned to the TIA team in the COTER Secretariat in order to facilitate the renewed TIA Strategy.

Annex 1: Detailed description of the TIA instruments

The CoR will use the following instruments, which are considered to be most appropriate for the CoR's needs. However, it is important to **develop these instruments further** and to investigate **new instruments** and approaches in the future.

(a) Quick Scan territorial impact assessment workshops

Quick Scan TIA workshops are intended to assess the potential asymmetrical territorial impact of a given legislative proposal by applying the ESPON Quick Scan tool. They consist of specialised expert workshops, which provide the basis for data calculations leading to a regional mapping of possible impacts. The workshops can assess the effects of EU legislation on the EU regions (NUTS 2 and NUTS 3).

(a.1) Urban impact assessment¹²

Organised along the same lines as a Quick Scan territorial impact assessment workshop, an urban impact assessment can be organised if the dossier has a strong urban character and is expected to affect urban areas more than other regions. As opposed to a TIA workshop, an urban impact assessment (UIA) workshop will bring together representatives of carefully selected cities, forming a representative sample of the EU's cities.

(a.2) Ex-post territorial impact assessment

As the Quick Scan methodology is an ex-ante methodology and cannot be used at this point for ex-post assessments, interactive workshops with relevant stakeholders, following a similar logic, can be organised. A short file note study can be requested to help prepare the workshops and the experts.

(a.3) Cross-border territorial impact assessment

As opposed to TIA workshops, a cross-border territorial impact assessment workshop will gather representatives of EGTCs and bordering regions (within EU). These workshops can be organised using the Quick Scan methodology to assess dossiers that have a strong cross-border character and are expected to affect those regions more than others.

(b) Targeted consultations

The CoR can organise targeted consultations to satisfy the requirements of the TIA process in the CoR. They can be organised in addition to the TIA Quick Scan workshops, especially in cases where data is lacking.

(c) Analytical notes

Analytical notes are drafted by the CoR TIA team and are based on available reports, impact assessment reports, evaluations and interviews with stakeholders.

¹² Similar workshops could be organised to assess the territorial impacts on rural areas.

Annex 2: Cooperation of the CoR with European, national and regional institutions in relation to TIA

European Commission

Based on the cooperation agreement, the CoR can contribute to European Commission (EC) impact assessments (IA) in the pre-legislative phase, and also in the ex-post phase. This cooperation should be further strengthened and should become more strategic and structured. On one hand, the CoR must more systematically provide input, from a territorial perspective, into EC IAs. On the other hand, the CoR could provide an additional type of input by implementing TIA Quick Scan workshops and delivering related reports. The CoR will engage closely with the EC's Secretariat-General, DG JRC and DG REGIO, with the aim of planning and implementing its strategic and structured involvement in IAs over the year. The CoR will also seek closer involvement of both Eurostat and DG JRC in this process. It will also seek, where relevant, exchanges of views with the European Environment Agency and other relevant agencies. The CoR will regularly follow the Commission's Impact Assessment and Territorial Impact Assessment Working Group meetings, which would facilitate the coordination and planning of IA dossiers and the reporting back of experiences.

European Parliament

At political level, close cooperation will be sought, particularly with the EP REGI Committee, by proposing regular joint hearings of the CoR COTER Commission and the EP REGI Committee on the state of play of territorial impact assessments of EU policies. Furthermore, closer cooperation on assessing territorial impacts could be sought between the CoR commissions and the other EP committees. The EP, through the EPRS, is involved during the legislative phase in analysing the quality, consistency and independence of the Commission's impact assessments, and – if asked to do so – in the assessment of the impact of substantive EP amendments. The CoR will continue to cooperate closely with the EPRS and will share all politically validated TIA reports and analytical notes with the European Parliament.

Relations with Member States

During the pilot phase, Member States' representatives actively participated in the TIA workshops and conferences related to territorial impact assessments,¹³ showing Member States' strong interest. The CoR will continue to develop relations with Member States and involve them in the TIA process.

¹³ Joint event of the CoR with France, Germany and Poland on "Territorial Impact Assessment as a Key Instrument for Promoting Territorial Cohesion in the European Union" during the Open Days 2014

Relations with local and regional authorities

CoR networks/platforms have played a fundamental role in all territorial impact assessment exercises carried out so far and this should be built upon in the future. This allows strategic local and regional partners to be identified, providing the necessary expertise for impact assessment activities. The EGTC Platform, the Europe 2020 Platform and the Subsidiarity Network can provide valuable input in their respective areas of expertise.

Relations with other actors

ESPON is the main partner of the CoR in the TIA process. The CoR will continue to further its close cooperation with ESPON, developing and testing different TIA approaches and instruments with a focus on the Quick Scan methodology. Besides ESPON, the CoR will further develop collaboration with the OECD and DG JRC. During the pilot phase, good contacts were established with the European Economic and Social Committee (EESC), which recently founded its Policy Assessment Unit. Colleagues from the EESC have actively participated in TIA workshops and other related events organised by the CoR.

Different European associations, such as EUROCITIES and CEMR, have proven to be reliable partners in our TIA activities, providing the CoR with specific knowledge and experts. The CoR will continue involving European and other non-governmental associations in TIA activities.
