

COMMITTEE OF THE REGIONS
– DIRECTORATE E –
Horizontal Policies and Networks



QUESTIONNAIRE

"ASSESSMENT ON TERRITORIAL IMPACTS"

Submitted by Michael SCHNEIDER (DE/EPP)

Michael SCHNEIDER is the rapporteur for the CoR own initiative opinion on *Assessment on territorial impacts*. This opinion will discuss the European Commission's Staff Working Document on **Assessing territorial impacts: operational guidance on how to assess regional and local impacts within the Commission Impact Assessment system, SWD (2013) 3 final**. This questionnaire identifies important issues for the Committee of the Regions and is designed to assist in the drafting of the own initiative opinion on the assessment of territorial impacts.

Please complete and submit by **20 March 2013**. If you are member of the Subsidiarity Monitoring Network you can upload the completed questionnaire directly onto the Subsidiarity Monitoring Network website (<http://subsidiarity.cor.europa.eu> – remember to log in). Alternatively and in case you are not member of the Network, you can send it by email to subsidiarity@cor.europa.eu.

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QUESTIONS

1. The Staff Working Document states that: *"the guidance provided here also responds to a request from the Member States, expressed in the debate following the 2008 Green Paper on Territorial Cohesion and under the Polish EU Presidency in 2011 as part of the Territorial Agenda process"*.

a) Do you consider that the document published by the European Commission meets the expectations and the ideas expressed in the political debate raised after the publication of the Green Paper on Territorial Cohesion in 2008? Do you believe there is a need for greater follow-up to this debate on territorial cohesion and if yes, could you give some concrete examples?

The Commission Staff Working paper is a very welcome development that took a long time in coming. It is to be positively noted that it offers a number of pretty straightforward rational steps that could potentially amount to a common methodology for Assessment of Territorial Impacts across the Commission Directorates and Member States. Its main advantage is its simplicity that would make it easier to understand and implement in different policies and national and regional contexts.

This is however a SWP. This means that unless it is underpinned in a formally codified methodology that is compulsorily used by the Commission in preparing legislation all work so far would be fruitless. At political level, the debate cannot be closed either as any new methodology can and must be used by CoR and the European Parliament to scrutinise proposals. Equally the ATI agenda is quite inseparable the Territorial Agenda 2020 that is still ongoing at the intergovernmental level.

2. In order to better coordinate the territorial impact of sectoral EU policies, there needs to be a better understanding and measurement of those impacts. The Green Paper on Territorial Cohesion already focused on this point, stating that *"improving territorial cohesion implies better coordination between sectoral and territorial policies and improved coherence between territorial interventions"*.

b) Do you believe that the European Commission's proposal can be an effective instrument able to improve coordination between EU sectoral policies having territorial impacts? In your view what else should/could be done?

Unless, in the first instance, the methodology that it is discussed in the SWP is underpinned in a formally codified statutory instrument this proposal would fail to deliver its potential.

Secondly, there should be an inclusion of such methodology and/or the results it gives in all relevant EU draft proposals.

Thirdly, ATI need be expressly integrated in the Commission Inter Institutional Agreement with the European Parliament and CoR, so that its results can better inform elected members consideration of draft EU legislation.

Fourth, ATI are inseparable from the Subsidiarity Impact Assessment: they both cover essentially the same issues, the former focusing on the geographic elements of an impact whereas the latter focuses on the issue of powers and competences of the political institutions of those same areas. Therefore in the first instance the EU Treaty Requirement of Subsidiarity Impact Assessment should be interpreted extensively so that whenever a Subsidiarity Impact Assessment is undertaken a TIA is undertaken concurrently – once the TIA is codified in a statutory instrument, that is. At the next round of Treaty reform the Protocol on Subsidiarity should be amended accordingly to include ATI.

3. The Staff Working Document provides operational and methodological guidance on how to answer a range of questions regarding the potential territorial impact of a given proposal. Nevertheless, it underlines that assessing territorial impacts is not mandatory, and states that it is just a tool that can be helpful to enhance the policy coherence of some policy proposals.

c) Do you consider that territorial impact assessments should be made compulsory for those sectoral policies having a territorial impact? If yes, in your opinion for which sectoral policies should the assessment of territorial impacts be made mandatory?

As mentioned in detail in Question 2 above it should be given at least the same status as the Subsidiarity Impact Assessment as they are two sides of the same coin. Both SIA and ATI should be made compulsory. Indeed as regards to the Subsidiarity Impact Assessment we regard its use and methodology clearly below the Lisbon Treaty Subsidiarity Protocol requirements hence there is scope for progress on both impact assessment, which as mentioned should be done in most cases concurrently, for addressing geographic (socio economic, environmental, etc) impact goes often hand in hand with the powers of the public institutions of that same area.

4. The Staff Working Document states that a territorial impact assessment should be carried out when the proposal explicitly focuses on specific territories or when the proposal risks of having a large asymmetric territorial impact (outlier impact). It also highlights different methods that can be used to assess territorial impacts. In particular, it mentions qualitative and quantitative analysis. These tools and methodologies should be used by the different Directorates-General at the European Commission when preparing territorial impact assessments for proposals they are responsible for.

- d) Do you consider the data, methodology and tools proposed for supporting territorial impact assessments (such as ESPON ARTS¹ or QUICKScan) are sufficient to measure the potential territorial impacts a given proposal could have in your region? Would you propose any other type of tools/methodology?
- e) Do you believe the complexity of territorial impact assessments require them to be carried out by a single specialised entity (one-stop shop) or do you prefer the idea of a decentralised system as proposed in the Staff Working Document?

Response to Question d: the methodologies proposed such as ESPON ARTS it is welcome as it is a step forward in trying to bring common understanding and common tools to identify territorial impacts across Europe. However it would be premature to say that they are more robust than some of the methodologies that we currently use in Scotland. For instance the [Scottish Index of Multiple Deprivation](#) is a much more potent tool to measure poverty and inequality than any of the methodologies proposed so far from the European level. So much so that we use this index to allocate EU funds within Scotland; in other words given the rigidity of the debate in Brussels to move in the “beyond GDP” debate we had to build such domestically. The Index is a pretty straightforward tool that could be used in other countries. Surely there are other countries that have similar tools. Thus the point we want to make is that there is **great benefit to build methodologies not from the scratch at EU level (EC, ESPON) or global level (OECD urban-rural for instance), but to look at what has been used effectively in some countries and see whether it could be replicated elsewhere.**

It is equally welcome the distinction made between administrative boundaries and the boundaries of a given territorial impact. This is an important recognition that us in local government need to acknowledge in identifying and addressing a territorial impact so that local boundaries do not deter from taking action. However the Commission makes this well known issue worse: the **existing NUTS classification made up by purely population criteria is wholly unfit for purpose be that formulating policies or identifying territorial impacts.** To put it simply, in half the EU Member States such NUTS, particularly at NUTS II level, do not reflect any territory that any citizen or decision maker of such country can identify itself with. Thus the statistics that Eurostat makes with that data in those countries do not represent any really existing geographical area, political, social or environmental unit. Furthermore, even this arbitrary demographic criteria is used inconsistently as, for instance, in some countries such as France or Spain NUTS II have drastically diverse population (but at least they are all recognisable governance units of that country) whereas in Member States such as the UK or Ireland NUTS boundaries are gerrymandered to fit the Eurostat demographic criteria. Clearly the reason for the resilience of NUTS classification is that it is used to allocate EU funds: **because of that any attempts to adopt a NUTS classification that really reflects real geographies has been unsuccessful, but the price of no change has been to have European regional statistics that in the main do misrepresent the reality on the ground.**

Response to Question e) Analysis of Territorial Impacts should be at the very least coordinated from the **Commission Secretariat General**. This is the only way that a common methodology can be used

¹ http://www.espon.eu/main/Menu_Projects/Menu_AppliedResearch/arts.html

consistently across the DGs and commission agencies (EEA, EACI, etc). Experience shows that whenever a decentralised system is used in the commission (be that to address cross-policy issues such as environmental protection, procurement, public services) this leads to different approaches and different degrees of compliance inside the Commission.

5. Multilevel Governance and partnerships are key factors in the implementation of territorial cohesion, focussing on strengthening a place-based approach. The Committee of the Regions has already asked for the assessment of specific territorial impacts and recalls the potential role² of the CoR in assisting the European Commission in the process of Impact Assessment as well as to be associated to some of the EC's initiatives towards improvements in the capacity building of regional and local authorities³.

f) What should the specific measures providing for the involvement of local and regional authorities be in these exercises?

g) What role do you see for the Committee of the Regions in this context?

It is to be welcome that the Commission SWP notes that “*Consultations can help to reveal asymmetric impacts*” and that a question on territorial impacts could be added to future pre-legislative consultations.

This clearly misrepresents the point: pre-legislative **consultations with local and regional authorities must be a central part of any EC consultation on draft policies and legislation deemed to have territorial impacts.**

It is to be welcome that the SWP notes that a combination of quantitative and qualitative data is to be used in the impacts. It is frequently the case that the assumptions build by the Commission or their contracted out preliminary studies severely misses the territorial impact. There has been the case in the past that local government bodies such as COSLA had to chase the consultants to provide them data that were crucial for a forthcoming EU proposal with clear local impacts, be that Cohesion Policy or the Working Time Directive, to name just a few.

Thus engaging and seeking the views from Local and Regional Authorities must not be something that it is done casually or at the criteria of consultants or individuals, but something that needs to be thoroughly undertaken and built in the scoping process.

² See section 5.5 of the EC's Staff Working Document: "Under the Protocol on Cooperation between the Commission and the Committee of the Regions (2012) the Commission services may ask for support from the Committee in preparing its assessment.

³ CdR 353/2010, CoR Opinion on Smart Regulation

Truth be said that there are occasions, such on certain environmental policies, that there has been more possibilities of local government pre-legislative impact assessment than our capacity has allowed to undertake them, but this is more the exception than the rule.

The 'Protocol on Cooperation between the Commission and the Committee Regions' (2012) is again a development that it is extremely welcome but it is surprising that it took more than ten years since the Governance White Paper to have a fully developed system that would cover pre legislative consultation. It is important to note that for this welcome development to succeed emphasis and resources need to be devoted to the pre-legislative scrutiny arrangements at CoR such as SMN or the Europe2020 MN. These sorts of arrangements can prove extremely valuable in providing a fast and accurate picture on how a draft proposal can be perceived and impact a given territory. Indeed given the resources that CoR has already deployed to support its legislative scrutiny, it would be much easier if the **Commission relied in CoR know how so that it is CoR that organises on behalf of the Commission Territorial Impact Assessment consultations, forums and meetings.**

6. The Committee of the Regions has already asked for territorial cohesion to be strengthened in relation to the EU2020 Strategy. One possibility for this could be not to confine the assessment of territorial impacts to legislative proposals and to extend them to other documents, such as key planning documents, such as the Annual Growth Survey.

- h) Do you think there should be a territorial dimension of the EU2020 policy cycle?**
- i) Do you consider the Annual Growth Survey (as a key planning document for the launch of the annual EU2020 policy cycle) should contain a territorial impact assessment?**
- j) In your opinion, should Territorial Impact Assessments also be carried out at Member State level?**

We are increasingly seeing that EU2020 has a clear centralising trend. Be that intended, or as we think, unintended the fact is that its implementing instruments be that the National Reform Programme, the Partnership Agreements for the European Structural and Investment Funds and the performance and conditionality framework attached to it have a clear centralisation drive.

From the moment that the Member State, in practice, the central government must respond and it is accountable to over its performance to deliver EU2020 Targets, in particularly those linked to EU funding allocations, there is a great incentive by central governments to concentrate as much as possible the decisions on EU2020.

In Scotland we have our own National Reform Programme but this is due to the political will of the Scottish Government to have such instrument and the political willingness from the UK central

government to accept such scheme as a component of the UK NRP. However EU-wide this recognition of the sub-Member State aspects of EU2020 is more an exception than the rule.

Therefore as a way to alleviate the EU2020 implicit centralising drive it should explicitly incorporate territorial impacts whenever they are relevant both at strategic and delivery level. Indeed all 2020 headline targets do have asymmetric impacts that need to be factored in – otherwise significant parts of the NRP performance reporting would not be reflective of the reality on the ground.

As mentioned in the earlier question, in some MS there are already ATI: In Scotland in addition to the SIMD mentioned above, we have the rurality Index (similar to that advocated by the OECD). Equally we have the **Single Outcome Agreements** : these are binding agreements between the central government and each local authority to deliver joint outcomes over a period of time. In order to set these outcomes there is a set of up to 50 indicators that would reveal the asymmetric impacts of a problem in a given area. In England there is the “rural proofing” of new UK legislation in urban areas.

All this to say that **notwithstanding the good work of some of the methodologies already developed at EU level we think that there is still much more to learn from and indeed to replicate on trusted and tested territorial impact assessment arrangements in several Member States**