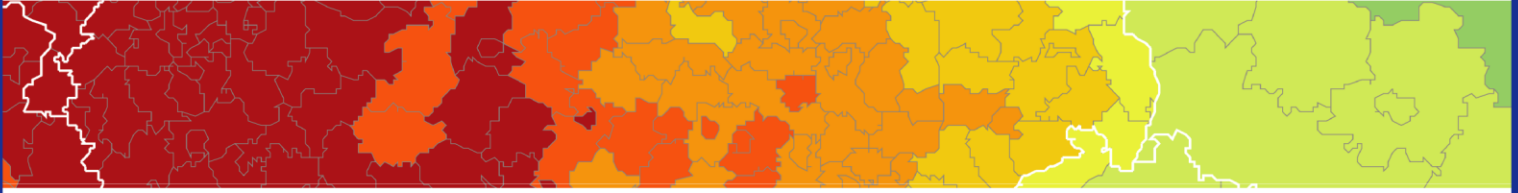


Inspire policy making by territorial evidence



# Territorial Impact Assessment for Cross-Border Cooperation

Targeted Analysis

**Synthesis Report**

19/08/2019

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# Territorial Impact Assessment for Cross-Border Cooperation

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## Abbreviations

BG	Bulgaria
CBC	Cross Border Cooperation
DE	Germany
ERDF	European Regional Development Fund
ES	Spain
ESI	European Structural and Investment
ESPON	European Territorial Observatory Network
EU	European Union
NL	The Netherlands
NO	Norway
PT	Portugal
RO	Romania
SE	Sweden
TIA	Territorial Impact Assessment
ToR	Terms of Reference

# 1 Introduction

The ESPON project “Territorial Impact Assessment for Cross-Border Cooperation” is a targeted analysis tasked with the development of a methodology to assess the territorial impact of any cross-border-cooperation (CBC) programme across the EU in an ex post setting. The project is driven by the CBC programme stakeholders’ need for evidence on the impact of their programme as contribution to the programme evaluation. As no TIA-methodology exists specifically targeting this issue, it was necessary to test the developed methodological proposal within case studies, which were represented by the project stakeholders of the five CBC-programmes across Europe.

- Interreg V-A Germany – The Netherlands
- Interreg V-A Sweden – Norway<sup>1</sup>
- Interreg V-A Romania – Bulgaria
- Interreg V-A United Kingdom – Ireland (Ireland – Northern Ireland, Ireland – Scotland)
- Interreg V-A Spain – Portugal (POCTEP)<sup>2</sup>

Multiple challenges arise when trying to capture the ex post impact of a CBC programme. While cross-border-related issues are relevant for nearly 38% of the EU population which lives along the internal borders, the financial volume of CBC programmes tackling such issues is rather small compared to other EU-funds. In the current programming period (2014-20), only € 9 billion are made available for CBC programmes, which accounts for 4,5% of the ERDF funding (€ 199 billion in total) or less than 2% of the ESI funds combined (€ 468 billion). Even within such a small financial framework, the heterogeneity of programme goals and measures is immense, leading to very different impacts across programmes. These impacts often occur in fields which are not covered by readily available statistical data, adding to the difficulties of capturing them. Finally, different administrative structures, different measurement methodologies of statistical offices pose (e.g. varying definitions of unemployed persons or definitions of residents of a region etc.) further challenges for an ex post CBC TIA.

Being aware of these limitations, the methodological development has focused on an integrated approach, relying on a mix of several methods and subsequent triangulation to assess impacts. Prior to testing the methodology within the case studies, the methodological proposal has been discussed and perfected based on the stakeholders’ feedback. Following these steps, the 5 case studies applied the methodology in practice. The result was twofold:

- Collection of evidence on the territorial impact of the given programmes
- Collection of experience with the practical application of the methodology

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<sup>1</sup> Focusing on the Inner Scandinavia area

<sup>2</sup> Focusing on the Galicia – Northern Portugal area

## 2 Developed Methodology

In the final step the methodology was revised according to the input from case studies. The collected evidence serves as a valuable input for the programme revision in future programming period.

In the development of the methodology several elements of other TIA approaches could be taken into account. Knowing the relevant challenges and limitations, the existing TIA approaches were screened on their possible input, identifying three particularly relevant methods:

- ESPON TIA Quick Check, which provided input for drawing up systemic pictures and for quantitative impact calculations
- ESPON EATIA, which provided input especially for qualitative assessment methods and data structuring templates
- Target TIA, which provided input on systemic pictures of programme impacts as well as inspiration on quantitative calculations

The result of the development and refinement process is a methodology, which is both structured and systematic, but also flexible to fit the specific circumstances of individual CBC programmes. It represents a “toolbox” rather than a “recipe”. Guidance on which tool to select and how to use it is provided, however the final decision lies with the TIA service provider who has to take into consideration the specificity of the CBC programme. As flexible as the method is to account for programme-specific needs in the current programming period, it is also able to cover future programming periods and regulations, as long as the principal structure of a programme intervention logic based on cause-effect chains can be applied. The methodology is not bound to regulation-specific elements such as certain Thematic Objectives from the 2014-2020 programming period.

The challenges especially related to the data availability require flexibility in relation to methods. A sophisticated combination of quantitative, semi-quantitative and qualitative methods is proposed for selection in order to accurately capture a programmes impacts. Throughout the process, the involvement of expert judgement based on discussions steered by external input from the TIA service provider plays an important role. The working steps follow a sequence of desk research by the TIA service provider which is then reflected on with an expert panel in the next step, whose input again is relevant to the following desk research step by the service provider. In this way, all judgements can be backed with data and information to the extent possible, and the work done by the service provider can be verified by the expert panel, ensuring a reliable and coherent result. The TIA methodology developed thus follows a five-step approach:

- Step 1: Programme Characterisation
- Step 2: Identification of programme effects
- Step 3: Indicator Assessment
- Step 4: Impact assessment
- Step 5: Reporting

## **Programme Characterisation**

Building on a thorough analysis of programme documents, regional statistical data and complementing information sources, an overview of the programme and the programme area is drawn up. Based on the programme documents, a preliminary intervention logic is reconstructed, linking identified *needs* with *measures* set by the programme and likely *effects* of those measures. Corresponding *indicators* to measure those effects as well as potential data sources have to be identified via desk research. Keeping in mind the difficulties related to appropriateness of indicators for capturing CBC programme impacts, the methodology has been enriched by a list of exemplary CBC-relevant indicators that can be used as a pool of indicators to be selected from, or as an inspiration for provision of other, more tailored indicators in a CBC TIA. The results serve as input for the next working step.

## **Identification of programme effects**

Bringing together an expert panel of programme stakeholders, regional and thematic experts in one workshop or several workshops (e.g. covering different programme regions separately) this step aims at verifying and adapting the intervention logic, indicators and data sources. A structured approach with moderation techniques in order to capture the expert input has been developed for this. The results include the verified intervention logic reconstruction as well as any indicators proposed to measure the effects, to be assessed in the next working step.

## **Indicator Assessment**

For the indicators identified in the first workshop, the TIA service provider has to determine, which assessment method in the further process is feasible:

- Quantitative assessment for each indicator, where the quantitative data available allows for mathematical calculation of net-impacts;
- Semi-quantitative assessment for each indicator, where the data available only allows for calculating certain sub-parts, e.g. only the gross-development but not the net-impact of the programme;
- Qualitative assessment for each indicator, where no quantitative calculations are feasible.

In each case, the relevant data has to be collected and prepared to be used in the subsequent working step.

## **Impact assessment**

Quantitative assessment: Based on the collected quantitative data, the net-impact of the programme within a given indicator can be calculated. Several methods relying e.g. on the funding framework of the region or on a small-scale counterfactual analysis are available for this.

Semi-quantitative assessment/qualitative assessment: Again relying on a panel of regional, thematic and programme experts brought together in one or several workshops, the purpose of this step is to assess the semi-quantitative and qualitative indicators identified before. Various assessment techniques (such as MAPP) are available for this task, depending on the panel composition, the number of indicators, their thematic spread etc. As a result, the expert



judgement on the territorial distribution of impacts, is recorded and used for the comprehensive TIA report in the following step.

## **Reporting**

Wrapping up the calculations and the inputs gathered from the expert workshop, the results are translated into a comprehensive report. In order to make the process verifiable, all working steps are thoroughly documented and the assessments are well justified.

## **2.1 Reflection on the methodology**

This section presents most significant reflections regarding the developed ex post CBC TIA methodology.

### **Intervention logic and indicators**

An important element of the methodology of the ex post CBC TIA is the construction of intervention logics of the programmes for the purpose of establishing a cause-effect chain and identifying indicators that can be best used for capturing the impact. This step involves not only work of experts but also inputs from programme stakeholders. The experience in case studies showed that experts were sufficiently capable of constructing the intervention logic while involvement of stakeholders was an important element of validating their work. This approach as well as new CBC indicators provided by the project have been positively welcomed by programme stakeholders.

### **Regionalization of impacts**

The regional distribution of impacts a programme or policy and the regionalization of data and information is a crucial element in any TIA. The case studies unveiled that simply trying to pinpoint all impacts down to the lowest foreseen geographical resolution (i.e. NUTS3 in that case) is often not useful for capturing some impacts of CBC programmes. Several attempts have been made both by the use of calculations involving proxy indicators and by qualitative expert judgement to get programme impacts down to NUTS3 level, however the process revealed that the approach to that should be changed. Refraining from impact regionalization may be a conscious decision by the TIA service provider and the workshop experts, should they decide that such step is not sensible.

### **Use of qualitative methods**

Regardless of the availability of quantitative data, the case studies identified an added value of qualitative assessment which goes beyond being a mere substitute of quantitative calculations. A high quality TIA can only be achieved through combination of statistical data and integration of inputs of stakeholders who are able to provide background information on the implementation and the measures taken. CBC programme impact may not always be fully translated into statistical data and mathematical calculation.

**Transferability to other CBC and transnational cooperation programmes**

The transferability of the methodology is possible due to the methodological element of programme-tailored indicator selection. This methodological element is part of the step focusing on production of a high quality intervention logic that helps to account for impacts with appropriate indicators. The methodology provides enough flexibility for programme specificities through basing impact assessment on programme-specific intervention logic.

### 3 Case Study results

The case study results indicate that all CBC programmes experience difficulties related to appropriateness of indicators in terms of measurement of their impacts and in consideration of the nature of the programmes. The indicators used were often deemed unfit to capture the impact of interventions. Another important shortcoming is poor data availability.

The investigated case studies represent a differentiated selection of CBC programmes in terms of geographic and thematic scope. Beyond the common methodological difficulties, the results of the TIA in the five case studies show a differentiation in terms of thematic and territorial impact. Comparison of CBC impact results which do address similar thematic areas also does not provide too many similarities. This suggests that the strength of impact in case of the five programmes cannot be directly traced back to their CBC-nature as many other factors are involved.

Some CBC programmes experience higher impacts in areas in which other programmes register a rather lower or average impact. For example, RO-BG and ES-PT programmes noted higher impact in area of cultural and natural heritage while the SE-NO programme observed a rather weaker impact. Similarly, SE-NO and RO-BG programmes noted high impact in regards to cross-border labour mobility. Similarities can be found in CBC programmes' positive impact on cross-border cohesion and governance which has been the case for DE-NL and ES-PT. Interestingly, however, DE-NL programme has noted a weak impact on mind-set and awareness of citizens in relation to INTERREG and cross-border institutions. In case of DE-NL and RO-BG programmes weaker impact was also registered in relation to some aspect of administrative capacities and administrative cooperation such as cooperation of tax authorities, obstacles in respect to taxes and social security (DE-NL) and capacity of administrations providing public services (RO-BG).

However, the findings of programme impact on cross-border innovation are interesting. The SE-NO and UK-IE programme noted higher impact in the area of innovation. While ES-PT noted that the net impact in the thematic field of business innovation was low, it was pointed out that it is regarded as important by stakeholders. Similarly, in terms of quantitative approach in the DE-NL programme the impact of the programme on innovation is low, however, in the qualitative assessment (by regional stakeholders) it was considered positive. This issue can be traced back to the shortcomings of the available quantitative indicators for innovation, as those are prepared by the supplying institution (DG GROW) with a considerable time lag and only every 3 years, thus cannot capture recent developments.

It should be noted that the different result of the impact assessment in relation to this thematic area is a consequence of the differences in the approach to expert judgement in the case of the SE-NO programme on the one hand, as well as ES-PT and DE-NL programmes on the other hand. In effect, however, the impact assessment in all four cases is very similar.

No similarities can be identified in terms of impact on different territories within the CBC programmes. Some case studies could not produce a territorial differentiation either for the whole programme area or some part of it or noted a differentiated territorial impact (DE-NL, ES-PT), either due to lacking data or due to the fact that such differentiation was not sensible given the impact of the programme. Others identified slightly higher impact in more economically developed areas (RO-BG), noted higher impact in urban areas (SE-NO) or in rural areas (UK-IE).

## 4 Recommendations to programmes

In order to improve future programming, which is the ultimate goal of a CBC TIA, two core fields of action are identified:

- Improving the indicator selection during the set-up of the programme, with help of the intervention logic;
- Improving the stock of indicator data which can be used for a TIA

While both of these fields of action are within the competence of programme authorities. Cooperation with other actors, however is necessary. In addition, based on the experience of this project where ex post TIA methods were not used in a true ex post setting, it is further emphasized that correct timing of an ex post TIA is significant to meaningful and complete results.

### **Selection of appropriate indicators**

The case studies suggested that even result indicators often do not capture the true programme effects, therefore better consideration has to be given in the programming phase indicators to be used and how they contribute the actual programme effects.

#### *Specific recommendations*

- Compose a programme intervention logic ex ante to help select indicators that are most likely to depict CBC programme effects;
- Make use of the existing indicator lists and, if appropriate, modify them with expert help to fit the programme context;
- Make sure that for each indicator systematic data collection is realistic.

### **Coordination with statistical offices and other actors**

While the general lack of data covering issues specific to CBC programmes has been mentioned already, even if there is data collected, significant problems are posed by lacking coordination among statistical offices. Data collection methods (e.g. the different definitions of “employed” applied by each country) vary from country to country, or they do not extend their collection across borders (e.g. in case of origin – destination data); thus, leading to gaps. Such problems can be mitigated through cooperation with relevant actors.

#### *Specific recommendations*

- Establish a cooperation between CBC programme authorities and statistical offices in order to have a better overview of data availability as well as in regards to:
- Solutions for overcoming existing monitoring and data problems such as lack of appropriate geographical resolution as well as cross-border discrepancies in data;
- Considering data sources and geographical resolution during selection of indicators;
- Seek cooperation of other actors and institutions that are responsible for data collection.

### **Improvements in the programme monitoring system**

Related to the issue of the timing of an ex post TIA, a common problem encountered in the case studies is the lack of up-to-date data. Project rollout time and the inherent delays of data collection by statistical offices means, that within a 6 year programming period, impact data

might be available for only 1 year at the time of conducting a TIA. It is thus necessary to rely more on the programme monitoring systems with more recent data. Additionally, it is advised to improve the collection of regional attributable data, e.g. collecting expenditure data not only on the lead-stakeholder level but pinpoint it to the actual location of the project.

#### *Specific recommendations*

- Consider modifications in monitoring system in order to better account for geographical location of project outputs;
- Complement monitoring systems with the data from statistical offices as well as data collected by beneficiaries for more flexible and rapid provision of necessary data.

#### **Timing of an ex post TIA**

Given the constraints posed by slow programme rollout and delays in collection of data by statistical offices, an ex post capturing of impacts via quantitative data can only work at a late stage of programme implementation.

#### *Specific recommendations*

- Plan a TIA in line with the project rollout at a stage late enough to capture impacts
- Ensure swift collection and processing of monitoring data

## 5 Proposal on use and communication of TIA results

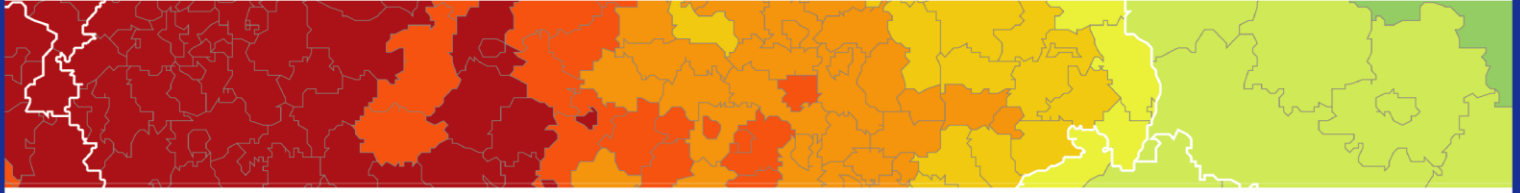
The report on the use of TIA results includes ideas on the integration of a TIA into the programme life cycle as well as proposal in terms of communication. It is a stand-alone document which comprises a general guidance, but is further enriched by tools (model ToR, guidance for communication) that help CBC programmes to concretely integrate a TIA in its working routines.

The proposal identifies four scenarios in which a TIA and its results can play a major role in refining the programme's performance and improving the communication with target groups.

- Scenario 1: ex-post TIA contributing to improved understanding of the socioeconomic framework condition of the programme area.
- Scenario 2: Using ex-post TIA results for improved monitoring and steering of the programme implementation
- Scenario 3: ex-post TIA as a basic ingredient for a citizen-oriented communication
- Scenario 4: ex-post TIA results as a contribution to successful communication with policy makers

The CBC programmes are the main target group of the guidance. In the annexes, concrete tools are offered to assist a guided implementation:

- Guidance on using the results of a TIA
- Overview on communication routines of the CBC programmes
- Model ToR for tendering different forms of a TIA (four scenarios) communication guidance with concrete assistance on how to communicate the TIA and its results to the target audiences.



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