I. Please outline your concept for addressing the research need expressed within the project specification by also describing the objectives of the proposed work (maximum 15 pages).

II. Please present a break-down of the overall concept into individual work packages, indicating also the respective responsibilities of each Project Partner (maximum 15 pages)

III. Please describe the scientific approach you intend to apply, including the methodology you plan to make use of as well as the typologies, data, indicators, etc. and how you intend to solve problems in this field, e.g. data availability (maximum 15 pages).

IV. Please indicate which activities you foresee at which point in time to allow for the dissemination of your project's results (maximum 5 pages).

Part I: Outline of Concept and Objectives

1.1 The context of the study

The Territorial Agenda of the European Union 2020 (TA 2020) and the broader territorial cohesion policy agenda, together with the Europe 2020 Strategy, highlight the critical challenges facing the European territory in the next years and decades. These challenges include increased exposure to globalisation, challenges associated with EU integration and interdependence of regions, demographic and social change, environmental risks, energy security and loss of natural and cultural challenges. They also include challenges associated with increased disparities, social polarisation and exclusion.

For spatial planners, policy-makers and practitioners in territorial development and cohesion, the above challenges signify an era of increased uncertainty and complexity. In this rapidly evolving governance context, however, there are also significant opportunities for strategic actors in territorial development to respond to demands for place-based, cross-sectoral and multilevel approaches to policy-making. The TA2020 emphasises the contribution of place-based approaches to policy-making to territorial cohesion:

> We consider that the place-based approach to policy making contributes to territorial cohesion. Based on the principles of horizontal coordination, evidence-informed policy making and integrated functional area development, it implements the subsidiarity principle through a multilevel governance approach. It aims to unleash territorial potential through development strategies based on local and regional knowledge of needs, and building on the specific assets and factors which contribute to the competitiveness of places. Places can utilize their territorial capital to realise optimal solutions for long-term development, and contribute in this way to the achievement of the Europe 2020 Strategy objectives (TA 2020, Art. 11).

The apparent consensus around place-based approaches to regional policy is not without its critics however and indeed its efficacy is actively questioned by international organisations such as the World Bank (World Bank 2009, 2010[1]). As a consequence, there is a strong policy need for measures to assess the 'added value' or performance of place-based approaches and integrated territorial development strategies. The development and application of indicators of territorial cohesion has a key role in responding to this policy demand.

Integrated territorial development strategies at national level clearly have a central role in the development of integrated place-based approaches in each national context, with reference to national policy priorities, specific territorial development challenges and inherent geographic specificities of national territories. The evidence-informed approach outlined in the TA 2020, however, requires significant investment in relation to the development of policy-relevant spatial data infrastructures and the application of spatial data for the purposes of territorial monitoring. The relationship between spatial strategy-making and territorial monitoring is exemplified by the interactive dynamic between the Territorial Agenda and Territorial State and Perspectives processes at EU level. It is increasingly recognised that the relationship between evidence and policy is significantly more complex than the traditional maxim of 'survey before plan' might suggest (see Davoudi 2006[2]). It is also evident that the work of implementing territorial development strategies and policies at EU, national and regional levels requires close and often tricky engagement with other sectors. Implementation thus relies more on persuasion than incentives or regulations (see Polish Presidency 2011[3]).

1.2 The role of indicators in territorial monitoring and evidence-informed spatial planning

The development and application of indicators is a key component of any approach to evidence-informed spatial planning and territorial monitoring. Indicators can be employed to assess progress towards specific overarching societal objectives. They can also be used to measure the 'performance' of spatial planning strategies and to measure spatial planning outcomes. Indicators help to identify territorial development patterns and trends which in turn can inform policy responses. Spatial indicators may be understood as tools for communication. They aim to provide concise and accurate policy-relevant information to territorial development stakeholders. In some cases one indicator may serve to highlight progress in relation to a particular policy objective or to provide an indication of the direction and magnitude of territorial trends with respect to a particular area of interest.

Approaches under ESPON

[1] World Bank World Developemt Reports 2009 and 2010

[2] Davoudi, S. (2006) Evidence-based Planning: Rhetoric and Reality, *DISP: The Planning Review*, 165, 2, 14-24.

[3] Polish Presidency of the Council of the European Union (2011) How to Strengthen the territorial dimension of 'EU 2020' and the EU Cohesion Policy, Report based on the EU Territorial Agenda 2020 prepared at the request of the Polish Presidency of the Council of the European Union by Böhme, K., Doucet, P., Komornicki, T., Zaucha, J. & Swiatek, D.

The ESPON 4.3.1 project, conducted under the ESPON 2006 Programme serves as a feasibility study of the application of ESPON results for the purpose of territorial monitoring. Although the focus is on the European level, this project provides some key insights in relation to the concepts and research methodologies which are relevant for this project. In particular the concept of 'routing indicators' developed by this project is very valuable and of direct relevance. Routing indicators are distinguished by their ability to show the 'development tendency' of an entire thematic field. They can thus provide a lighthouse like function - an early warning of potential areas of unintentional development or sub-optimal outcomes.

The ESPON 4.3.1 study also includes valuable insights into the differing perceptions of indicators by scientists and policymakers. The study found that policymakers or politicians tend to view indicators in a subjective way, interpreting information as benchmarks or thresholds whereas scientists tend to view indicators as neutral and objective. This of course depends on the type of indicator developed, how it is presented and how it is interpreted. Indicators are not independent of context. This insight outlines the need for close consultation and active engagement with stakeholders throughout the course of this Targeted Analysis in order to ensure that the policymakers' perspective is fully taken into account. It also underlines the extent to which the *application* of indicators needs to be taken seriously as a distinct process to the *development* of indicators. The project also develops a very useful set of criteria relating to the quality of indicators. This will feed directly into the methodology for this project as discussed in Chapter III below.

The ESPON INTERCO project is centrally involved in developing a robust set of comparable indicators relating to territorial cohesion, complex territorial development and territorial challenges and opportunities. The indicator sets developed in the context of INTERCO will be a key input for the KITCASP study. For the purposes of the INTERCO project, indicators are defined as: 'an indirect measure of a phenomenon/issue developed for a given purpose'. The importance of purpose and policy context is stressed in the INTERCO Interim Report. By way of example, it is suggested that data on population density can serve as an indicator for demography, environmental pressure or economic potential depending on the context and the purposes for which it is developed. This perspective places emphasis on the importance of clarity in relation to the purpose and rationale of selected indicators, which is very relevant for the guidelines to be produced as part of the KITCASP study (see Work Package 3.1 below).

The INTERCO project furthermore distinguishes between the descriptive and constructive functions of indicators in relation to territorial entities:

- **descriptive function**, i.e. the characterisation of existing territorial entities, e.g. statistics by NUTS;
- **constructive function**, i.e. to serve as criteria for the definition of territorial entities, e.g. the delineation of regions such as mountains, islands, sparsely populated areas based on geo-physical, demographic variables and the construction of typologies of types of rural areas under the EDORA and PURR projects.

For the purposes of KITCASP, both the descriptive and constructive functions of indicators will be of relevance although the focus will be primarily on the descriptive dimension as defined here. The

INTERCO project is also actively considering the potential ways in which indicators can 'measure' territorial cohesion, whether the focus should be on the territorial situation, policy impacts, policy outcomes, or trends and disparities. Another question concerns the measurement of flows rather than stocks. In relation to these technical issues, the KITCASP project will follow the lead of INTERCO in order to ensure that duplication of research effort is avoided and the potential for harmonisation and complementarity is maximised.

Liaison with the TPG of the ESPON Database project (Phase II) will also be critical for the success of this targeted analysis. This will be particularly important in relation to the utilisation of data and results emerging from ongoing projects under Priorities 1 and 2.

Insights from other studies

A report produced by the Royal Town Planning Institute to inform approaches to regional-scale spatial planning monitoring in England focuses on measuring the *outcomes* of spatial planning, understood in terms of the overall outcomes of spatial planning processes and plans on social and environmental change:

> Outcomes should be viewed as the combined effects on socio-economic and environmental changes brought about by the planning system and other forces that seek to achieve sustainable development. In a plan-led system, the outcomes of spatial policies can only be effectively measured and interpreted if the indicators are plan-derived (RTPI, 2008, 15[4]).

This approach highlights the extent to which effects of spatial policies are often difficult to distinguish from those of other governance interventions and must be understood in relation to their interaction with underling processes of social, economic and environmental change. The RTPI report also notes the need for clarity in relation to rationale and purpose of indicators in a spatial planning context.

During the initial stages of the project the project team (under WP 2.1) will consider other approaches to indicator development internationally and at national level. This may include a review of the work of the Federal Institute for Research on Building, Urban Affairs and Spatial Development in Germany, who are leaders in this field at national level and also a review of the work of the OECD on territorial development indicators.

1.3 Indicators for Territorial Cohesion, Sustainable Development and Economic Competitiveness: An Initial Conceptual Framework

[4] Royal Town Planning Institute (2008) Measuring the Outcomes of Spatial Planning in England: Final Report, University of Manchester and University of Sheffield.

- We understand indicators in the context of this Targeted Analysis as occupying a space between scientific analysis and policy-making.
- They are not independent of the policy context but serve to provide an assessment and interpretation of territorial development dynamics, patterns and trends in light of specific policy objectives.
- Indicators are thus a tool for communicating the results of scientific analysis and research to policymakers in a concise and accessible manner. In this way they are a core element of territorial monitoring systems and reports.
- Indicators also provide a means of assessing the performance of integrated territorial development strategies. They have the potential to demonstrate the added value of place-based approaches.
- We make a distinction between process and outcome indicators and consider that in the context of this project, both are relevant and need to be taken into account
- Process indicators seek to measure the effects of a policy, strategy or concept within the governance system. This type of indicator relates to an understanding of territorial cohesion as a process for coordinating the spatial impacts of sectoral policies (also known as Territorial Policy Integration). Similarly 'sustainable development' may be understood as a framework for integrating the environmental dimension into other sectoral policies (Environmental Policy Integration).
- Outcome indicators in contrast seek to measure spatial development outcomes. In this case, it may be difficult to attribute particular outcomes to specific policy interventions. Such indicators do however provide a necessary evidence base for future policy intervention.
- Given the importance of national policy contexts and the need to respond to distinct territorial development challenges and potentials, a one-size fits all approach to indicator development will not be the most appropriate. While this study will place a key emphasis on comparative analysis and mutual learning from good practice across the case studies, the goal with not be full harmonisation of approaches under one generic model or template.

This initial outline will fully developed within WP 2.1 within the Inception Phase of the project, in consultation with the project stakeholders and project partners. It is deliberately presented in outline format here in order to allow this flexibility. It will also be outlined in greater depth in the Inception Report of the project.

1.4 An overview of the current situation regarding the application of spatial data and indicators in the preparation and monitoring of spatial policy in each national territory

1.4.1 Application of Indicators and Spatial Data for the Preparation and Monitoring of the National Spatial Strategy (Republic of Ireland)

The Irish National Spatial Strategy (2002) is widely regarded as a good practice example of an evidence-based approach to strategic spatial planning at the national level. It was directly influenced and informed by key concepts of European spatial policy, as outlined in European Spatial Development Perspective, such as balanced regional development, urban-rural partnership and polycentric urban development. It was supported by a dedicated expert-led research programme which examined territorial potential and challenges for urban and rural areas. Nationally available socio-economic and demographic spatial datasets provided the primary evidence base for this research programme. A 'Review and Update' of the NSS was published in 2010. This document was, however, not explicitly evidence-based.

A number of initiatives have focussed on monitoring and indicator development at both national and regional levels since the publication of the NSS. A formal monitoring system is not in place, however. The two NUTS II Regional Assemblies jointly produced a Gateway Development Index which sought to measure progress in the key Gateways identified in the NSS. This index draws on both fine-scale quantitative spatial data and a questionnaire survey commissioned specifically for this purpose.

The eight NUTS III Regional Authorities are currently in process of developing a common framework for monitoring and indicator development in relation to the implementation of Regional Planning Guidelines (RPGs). The RPGs provide a direct link between the NSS and local authority planning. As a consequence monitoring the RPGs may be seen as a core element of the wider process of monitoring the NSS. This monitoring framework is supported by the work of the All-Island Research Observatory (AIRO), a data portal and research unit, hosted at the National Institute for Regional and Spatial Analysis. AIRO focuses on making spatial data, derived from multiple public sector sources accessible to policy-makers and practitioners at local, regional and national levels. AIRO also provides GIS mapping and spatial analysis modules, all available through an online data portal. It is recognised as a key spatial data infrastructure for the evidence-based spatial planning on the island of Ireland. The regional level monitoring process is also supported through the involvement of the Dublin Regional Authority as a stakeholder in the ESPON Territorial Performance Monitoring project.

At the same time, the Department of Environment, Community and Local Government is in the final stages of developing a GIS database and analysis system, as a means of systematically compiling and coordinating land-use zoning information and other spatial planning data at the national level. This is a vital tool for national level monitoring and oversight. At central government level, ESPON results are viewed as important conceptualising Ireland's location within Europe. As such, analyses of transportation accessibility and integration in European networks are of particular interest.

While key spatial data infrastructures are in place or currently in development, a systematic process of territorial monitoring involving key indicators has yet to be developed. A high profile seminar, supported by the ESPON INTERSTRAT project, to take place in September 2011, aims to progress an informed discussion on spatial strategy monitoring and territorial indicators in Ireland, drawing on international expertise.

1.4.2 Application of indicators and spatial data for the Icelandic regional development policies and Iceland's National Spatial Plan for the application for ESPON KITCASP

In Iceland there are at this moment two regional development policies active and in the beginning of 2011 the parliament agreed on the legal framework for *Iceland's National Spatial Plan*. The *Strategic Regional Development Plan* (Stefnumótandi byggðaáætlun) is prepared by the Icelandic Regional Development Institute (Byggðastofnun) and passed by the parliament (Alþingi) for four year periods. The present regional development plan, passed by the parliament in the spring of 2011, is active for the period 2010-2013. Its main objectives are to improve living conditions, innovation and sustainable development in all regions and improve education, culture, communities and competition advantage of rural and urban communities with various means as it says in the policy document[5] The policy has nine key themes, i.e. economic policy, coordination of plans and increased collaboration, strengthening of the support system of the economy, innovation and SME´s, foreign direct investment in the economy, strengthening of tourism, social capital, strengthening of cultural activities and creative industries and equalising of standard of living between regions. The prime minister shall report to the parliament on the progress of the present policy in beginning of 2012. This policy shall be based on other policymaking on innovation and policy on economic development according to the policy "Iceland 2020" (described in brief below). Therefore the policy environment concerning regional development in Iceland has become more complex recently and there appears to be some uncertainty of the roles of each of these policies.

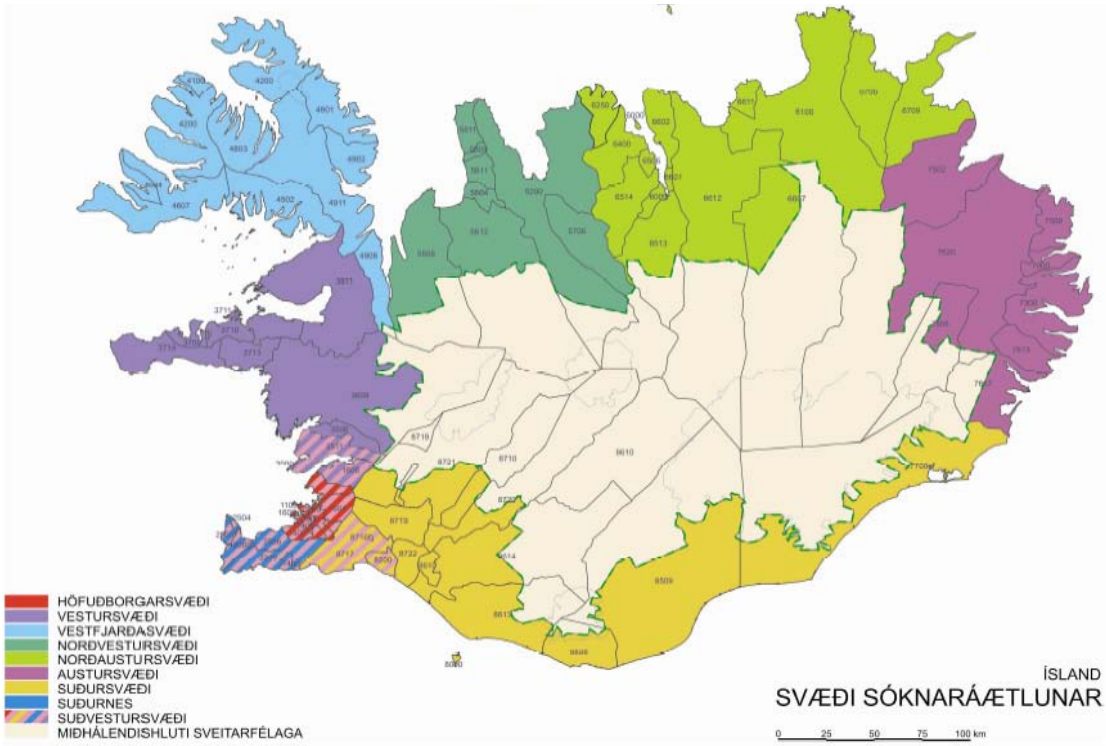
The *Iceland 2020* policy statement is based on results of work undertaken under the *Moving Iceland Forward* initiative and reflects a broad consultation process that was carried out under the direction of the prime minister's office for pro-active plans to boost long-term employment and quality of life in all areas of Iceland. It was initiated after the credit crisis hit Iceland in the autumn of 2008. Iceland 2020 is a vision for the future and a policy statement that the government has agreed on and forms the basis for the Icelandic government's policy making and planning in specific areas over the coming years. There were defined 20 measurable objectives; on welfare (5), knowledge (5), sustainability (5), the economy (3) and development (2). All of the ministries are jointly responsible for these 20 objectives. Furthermore 30 first steps towards these 20 objectives were defined. In Iceland 2020 the country is divided into specific regions which are similar to those used for statistical purposes and are essentially LAU1 units (see map below). For these regions specific development plans will be carried out with associations of municipalities and other local actors in cooperation with Icelandic Regional Development Institute.

Iceland 2020 contains integrated planning, i.e. regional plans of action, investment plan for the development of infrastructure, employment, human resources and the community, reforming public administration and services and simplification, reduction and coordination of other government polices and plans. The objective was to identify Iceland's strengths and opportunities and form a common vision for a better community with a focus on value creation, education and welfare. The work was based on three pillars: regional plans of action, future vision and competitiveness. Reference is made to the economic crisis and ways to address problems resulting from it, correcting

[5] http://www.byggdastofnun.is/static/files/Byggdaaetlun1013/Thingsalyktun_um_stefnumotandi_byggdaaaetlun_2010-2013_1328.pdf

flaws in the institutional framework and to minimize the risk of future economic catastrophes. The policy work is meant to be compatible with similar projects on the EU-level.

There have primarily been two main shortcomings of the strategic regional development plans since the first one (1994-1997). Firstly, limited monitoring has taken place. Secondly, statistics on the regional level have been too limited to analyse thoroughly socio-economic development of individual regions. Statistics Iceland is the main data source and its data is increasingly being collected and published for the capital region and the rest of the country, i.e. the NUTS 3 division.



Regarding Iceland 2020 there are plans to monitor how successfully Iceland is moving according to the policy, 15 objectives have been set for the next ten years and these will be measured. It appears that the focus has somewhat shifted from addressing regional differences within Iceland towards the international position of the country and its competitiveness:

"The objective for 2020 is for Iceland to become a fully-fledged member of the group of Nordic welfare states, which guarantee social security and the equality of citizens. Good education standards, high levels of employment and the active participation of citizens, irrespective of their place of residence, status or gender are prerequisites for this to succeed"[6].

This standpoint from an Iceland 2020 report from 2011 may partly explain how data is being processed and for what purposes. As for previous ESPON projects Iceland has relatively recently joined the network and thus data and indicators from those projects is yet rather sporadic.

[6] Prime minister's Office (2011). *Iceland 2020 – governmental policy statement for the economy and community*
Knowledge, sustainability, welfare. Reykjavík: Author.

Iceland's National Spatial Plan was a part of a revised Planning Act from January 2011. A specific regulation has yet not been published, but according to a draft of that regulation[7], monitoring of various spatial indicators appear to be required.

1.4.3 Application of Indicators and Spatial Data for the Preparation and Monitoring of the Basque Country's Spatial Planning Guidelines

The 1978 Constitution provided for the creation of a quasi-federal system of government in Spain with 17 Autonomous Regions corresponding to the EU's NUTS2 classification, each with its own parliament and government. Article 148.1 of the Constitution specifies some 22 areas of public policy in which the Regions claiming their self-determination are free to assume responsibility. Article 148.1.3 makes specific reference to the area of spatial planning, urbanism and housing, leaving the Regions free to legislate on such issues. The Basque Country was one of the first of the Spanish Regions to claim self-determination in 1979.

Spatial planning instruments are prepared at two different spatial scales the Basque Country – at the scale of the entire region, in this case the Spatial Planning Guidelines (*Directrices de Ordenación Territorial de la Comunidad Autónoma del País Vasco*) and the Sectoral Guidelines (*Planes Territoriales Sectoriales*); and the scale of the 15 sub-regional functional areas (*Planes Territoriales Parciales*). The first Spatial Planning Guidelines came into force in 1997. At a formative draft stage they were Highly Commended in the context of the European Prize of Urbanism. In February 2011 the Modifications to the Spatial Planning Guidelines were approved, following their overall revision, together with the Environmental Impact Assessment. This most recent expression of spatial policy for the Basque Country appears in the form of an "Ecosystem of Innovation", based upon the two paradigms of innovation and sustainability, and the inseparability of the three elements of competitiveness, social cohesion and sustainable development.

Environmental protection legislation passed in 1998 paved the way for the elaboration of four yearly *Environmental Programme Frameworks*. The first of these Frameworks was published for the period 2002-2006, the second covered the period 2006-2010; and the third and current such framework is for the period 2011-2014. This current Framework seeks to strengthen the environmental and sustainability agenda of the Basque Country facing up to the challenges set out in a complementary strategy published in the *EcoEuskadi 2020 Sustainable Development Strategy* formally approved in June 2011.

GeoEuskadi is a GeoPortal hosted by the Department of the Environment, Physical Planning, Agriculture and Fisheries – the same Department responsible for the elaboration of the Spatial Planning Guidelines, the Environmental Programme Frameworks and the host of complementary environmental strategies. The highly advanced Spatial Data Infrastructure (SDI) seeks to proportion free access to all spatial and territorial data of the Basque Country. It incorporates a variety of applications including a *Cartographic website*; *Udaplan*, which provides spatial data on different land use activities of the municipalities; and *Udalmap* which is a map-based municipal information system which provides temporal data on a number of indicators for all the municipalities of the Basque

[7] Draft of regulation on Icelands Spatial Plan dated 4 July 2011, published on the web page of the ministry for the environment; http://www.umhverfisraduneyti.is/media/PDF_skrar/Drog-ad-landsskipulagsstefnu.pdf

Country under the headings of economy/competitiveness, social cohesion/quality of life and environment/mobility.

Despite the maturity and sophistication of the GeoEuskadi SDI, it would appear from the outside that there is a distinct absence of a systematic process of cross-referenced territorial monitoring of spatial planning in the Basque Country. Albeit that Annex1 of the Modifications to the Spatial Guidelines (2011) contains a section addressing "territorial indicators", these indicators are very basic and provide no means of monitoring questions of competitiveness, social cohesion and sustainable development. As a consequence it would seem that there is considerable scope to incorporate ESPON results and build upon the already existing strong base of territorial and environmental policy initiatives.

1.4.4 Application of Indicators and Spatial Data for the Preparation and Monitoring of the Scottish National Planning Framework

The Scottish Executive published the Scottish National Planning Framework (NPF) in 2004 amid a flurry of similar documents that appeared around the same time in different countries throughout the European Union. The NPF was the first such document in Scotland and was in response to diverse forces and processes including the Europeanisation of spatial planning and the devolution of power in the UK. Devolution meant that powers for spatial planning were passed to newly established governments or national assembly's in Scotland, Wales and Northern Ireland. As such the NPF and its associated process can be seen as something of a nation-building exercise and the document focuses strongly on a limited number of issues that have a clear spatial dimension. There is a strong emphasis on the provision of infrastructure with the aim of stimulating economic development. The successor document NPF2 was published in 2009.

The Scottish Executive published a Monitoring Report for the NPF in 2006 having resisted pressure to undertake annual monitoring. Monitoring in Scotland is characterised by its relatively strategic nature and the NPF Monitoring Report states that:

"... it is important to bear in mind that spatial strategies are concerned with long-term development and that many aspects of spatial change at the national level cannot be meaningfully assessed in the short term. The National Planning Framework was published only two years ago and it is likely to be over the medium term – 3 to 5 years – that analysis can begin to identify substantive patterns and directions of change." (Scottish Executive 2006: 4-5).

The evidence base for the NPF was provided by nationally available socio-economic and demographic data though the document primarily adopted an objectives led approach. There are a variety of sources of information for national data and indicators for Scotland including a range of indicators based on National Outcomes as well as significant data at the small area level such as the Indices for Multiple Deprivation (2003 and more recently 2009). However, there are no specific quantitative targets identified in the NPF and this defined the nature of the 2006 Monitoring Report. The Monitoring Report provides a qualitative discussion of the issues identified in the NPF supplemented by quantitative statistics and data. The discussion includes an examination of the key issues and drivers of change, nine thematic areas and four spatial perspectives. In this sense the Monitoring Report adopts a strategic approach that reflects the character of the NPF itself.

The 2006 Monitoring Report informed the review and revision process that resulted in the publication of NPF2 in 2009 and a new Monitoring Report is expected to be published this year. The new Monitoring Report will examine progress in relation to the implementation of NPF2 and identify any emerging issues which will then inform work on the preparation of NPF3. The Scottish Government are required under the terms of planning legislation to revise the NPF every five years or to publish a justification why they have not revised it and this process will be informed by the Monitoring Reports.

NPF2 has an associated Action Programme published in 2010 that identifies a range of 80 specific actions across a range of themes and for different spatial areas. Many of these actions are highly strategic though some are much more specific relating to a particular development or the provision of a particular piece of infrastructure. For each of the actions the contribution to the NPF Strategy, a range of milestones, the delivery body and the progress is identified. The nature of the action is reflected in the nature of the milestones that are attached with some being quantitative and easily measurable but many being more qualitative and therefore more ambiguous and difficult to measure. A Progress Report on the Action Programme was submitted to the Local Government and Regeneration Committee in June 2011.

1.4.5 The State of Spatial Planning and Development Indicators in Latvia

Following the completion of administrative-territorial reform in 2010, the system of 118 local governments (9 republican cities and 109 counties (*novads*) was established in Latvia. The policy and development planning documents along with the administration of its support instruments and programmes was taken over by the Ministry of Environmental Protection and Regional Development (MEPRD) combining the Ministry of Environment and The Ministry of Regional Development and Local Government. The preparation of new spatial planning model began.

Territorial and social inequalities are important concerns for Latvia, because they have not decreased even during the period of economic growth. Latvia has one of the largest regional GDP dispersion between metropolitan region and the rest of the territory. Income tax returns, non-financial investments and population are also heavily concentrated in the capital and metropolitan area. According to *Sustainable Development Strategy of Latvia until 2030* (2010) these disparities have to be reduced by improving territorial accessibility and mobility, implementing polycentric model of development and creating new division of functional territories. According to this division, there are five types of functional areas - centres of national significance, rural areas, metropolitan area of Riga, coastal areas of the Baltic Sea and the territories around the Eastern Border. Each area type will have supporting policy mix, and municipalities in respective areas will be eligible for targeted forms of support. Local investment priorities will be determined by development programmes of municipalities which will serve as investment plans. According to *Draft Document of Regional Development Guidelines 2014-2020* (RDG) municipalities and planning regions will be able to diversify their sources of income, increase the range of available business incentives and initiate

public-private partnerships. RDG also proposes territorially diversified approach in taxation policy, public sector salaries, and study loans.

For more than a decade Territory Development Level Index (TDLI) has been key indicator used in spatial planning in Latvia. It is a standardized synthetic indicator reflecting relative development level of territories. DLI combines demographic and socioeconomic indicators, such as GDP per capita, unemployment level, personal income tax revenue per capita, demographic burden, economically active individual merchants and companies, population density and changes in population during last five years. The use of DLI has expanded over time. It is used for development of state support programs, budget grants, and different comparative assessments and forecasts of territorial developments. DLI is used as criteria for co-financing allocation for EU projects, assessment of impact of the EU and national support instruments. In 2010 Territory Development Level Alteration Index was developed to account for changes in spatial development compared to average development level of the previous year.

Current development assessment method has been criticized as too narrow, because DLI focuses more on economic growth, but less on sustainability and cohesion. Together with improved model of spatial planning, a new model of spatial development indicators is being developed. In addition to current DLI which sets administrative criteria for allocating resources, alternative model of territory development monitoring will be more informative analytically oriented towards examining different development issues and territorial potentials. Proposed model will be based on *three capital approach* (social, human made, natural) and the interaction between these capitals. The methodology is currently being developed by State Regional Development Agency and will be implemented together with Regional Development Indicator Monitoring System (RDIMS) - an online tool for monitoring and evaluating territorial development tendencies.

1.5 Objectives of the project and interpretation of the project specification

The Project Specification provides clear guidance concerning the objectives of this study. The overall objective is to explore the use of territorial data in developing and monitoring national spatial strategies and other territorial development policies. A particular emphasis is placed on the application of results from other ESPON projects and the development and application of policy-relevant indicators for territorial cohesion, sustainable development and economic competitiveness. Whereas the project is expected to deliver policy outcomes for the designated group of five national stakeholders many of deliverables will have direct application in a wider context. The project will thus contribute to the development of knowledge under the ESPON programme as well as applying existing results and methodologies in specific national contexts.

The aims of the project are to support evidence-based, integrated policy-making for territorial development; to identify and disseminate good practice in the use of data, indicators and indices to inform the preparation of national strategies for territorial development; to examine how ESPON findings can contribute to that process; and to explore the potential for identifying a core set of key

indicators of general utility in addressing the territorial development objectives of cohesion, competitiveness and sustainable development (Project Specification, p. 6).

We do not propose major changes in the objectives for the project that are implicit within the study brief. Rather, we seek to ensure, through careful specification of study objectives, that the programme of activities we propose can ensure that the aspirations of the brief are met. The objectives for this project may thus be summarised as follows:

The ESPON KITCASP project will:

1. Review the current use of spatial data by government and public agencies in stakeholder countries and identify any gaps, uncertainties or limitations in the data available.
2. Examine the extent to which ESPON data has informed national spatial planning strategies and territorial development policy in each case.
3. Develop guidelines on the use of indicators and ESPON data in territorial policy development at the national level.
4. Identify a core set of key indicators of territorial cohesion, competitiveness and sustainable development to inform spatial planning at the national level, drawing on ESPON research and datasets available in the stakeholder countries.
5. Consider how the capacity for spatial analysis can be strengthened and harmonised at the national level; and
6. Examine how national analytical experience and expertise can help to inform and take forward the EU Territorial Agenda and the implications for future ESPON research.

Part II: Outline of Work Packages

<u>WP 1: Coordination and Project Management</u>

<u>WP 2: Activities</u>

WP 2.1: Concept Refinement, Scientific Approach and Technical Support

WP 2.2: Scotland case study

WP 2.3: Ireland case study

WP 2.4: Iceland case study

WP 2.5 Basque Country case study

WP 2.6 Latvia case study

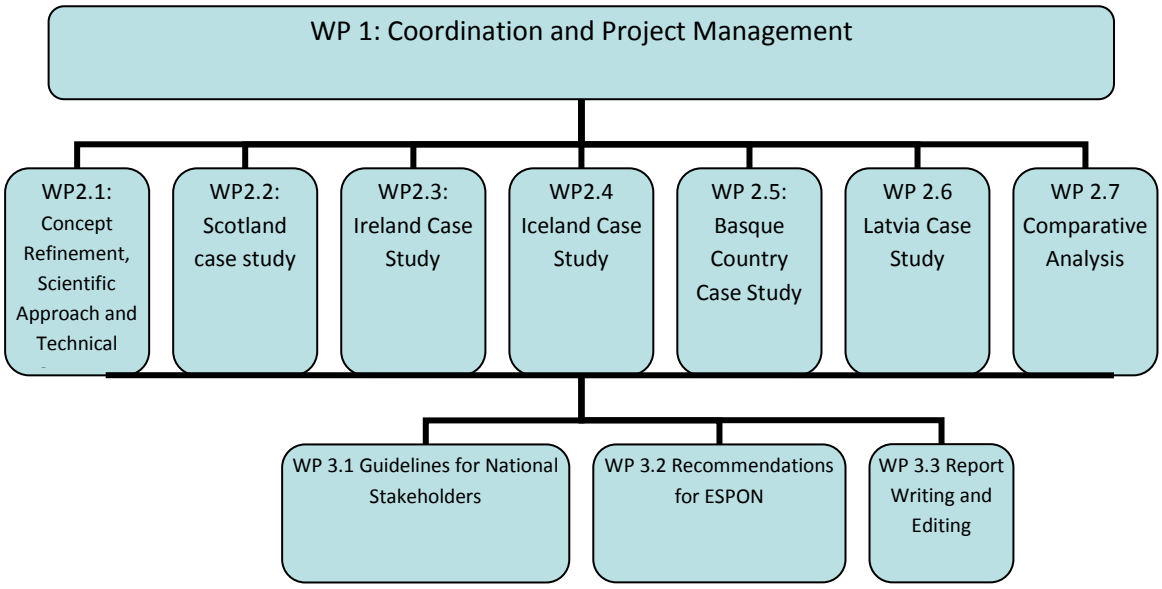
WP 2.7 Comparative analysis

<u>WP 3: Dissemination</u>

WP 3.1: Guidelines and recommendations for national stakeholders

WP 3.2 Recommendations for ESPON

WP 3.3 Report Writing and Editing



Work Packages Organisation Chart

WP1: Coordination and Project Management

The task of WP1 is to coordinate and manage the project efficiently and effectively. WP1 will run through all phases of the project and is the responsibility of the LP. It includes the following elements:

- Budget: Administering the incomes and expenditures of the project in line with the proposed budget. This includes Financial Flow and Audit Trail (see Application form A).

- Logistics: Administering the logistics of the project in line with the Specifications and the proposed timetable, including the proposed time for deliverables from each WP.

- Quality check: Securing that the scientific quality of each WP and deliverable is in line with accepted standards and within the limits of the Specifications as well as the project proposal. In addition, comments and feed-backs from the Stakeholders, as well as from

other interested bodies, should be addressed in each WP. This will be secured as a part of the Quality check.

The project will be extensively based on dialogue, both within the TPG and between the members of the TPG and the Stakeholders. At the project level, the LP will be responsible for securing fruitful discussions which contribute to the project's aims. This will be a part of WP1. A WP manager will be appointed and responsible for this within each of the other WPs. The overall responsibility will be the LP's and lies within WP1.

WP 2.1 Concept Refinement, Scientific Approach and Technical Support

The task of WP 2.1 is to ensure the work of the project is conducted according to an agreed research design, conceptual framework and scientific approach which systematically build on the work of previous studies and good practice examples both within and outside of the ESPON framework. The research design and methodological approach outlined in this document will be further elaborated and refined in the Inception Phase of the project and presented in the Inception Report. This work will be conducted principally by the Lead Partner, but in close consultation with the members of the TPG and stakeholder steering committee.

A second task of WP 2.1 is the development of a centralised system for collating spatial data and indicators from each of the case studies for the purpose of the preparation of maps within an approved ESPON template. This work will be the responsibility of the Lead Partner and will involve the development of a specific, dedicated module within an existing web-based spatial data portal, currently employed at the national level.

WPs 2.2 to 2.6

These work packages represent the core research activity of the project. Each work package will be led by a project partner (Lead Partner in the case of WP 2.3) who has direct experience and professional knowledge of the national context to be addressed. Indeed the selection of partners and composition of the research team for this application was strongly influenced by the need for a sustained, interactive relationship with the stakeholders within each national territory. For the Icelandic, Latvian and Basque Country case studies language proficiency was a key factor. In each case, the Lead and Project Partners will draw on existing professional relationships with the designated stakeholders for this Targeted Analysis as well as other territorial development stakeholders and indeed spatial data providers within the case study territories. We consider this critical to the success of the project.

The key deliverables from WPs 2.2 to 2.6 will be:

- An assessment of key territorial development challenges and territorial policy objectives in each national context

- A documentary analysis of the key territorial policy objectives at the national level and an overview of their application across sectoral policy areas
- A review of current use of spatial data and indicators at national level including assessment of current ESPON influence
- The identification of a core set of indicators for territorial cohesion, economic competitiveness and sustainable development in line with national understandings and policy objectives

The work conducted under WPs 2.2 to 2.6 will also substantially inform the comparative work of WP 2.7 and the dissemination work of WP 3. The written outputs of WPs 2.2 to 2.6 will provide core contributions to the Interim Report, Draft Final Report and Final Report of this project.

WP 2.7: Comparative Analysis

The KITCASP project provides an important and very valuable opportunity for cross-national horizontal learning among the stakeholders. With this in mind the research team will actively consider the extent to which each stakeholder can benefit from the lessons learnt in the other cases. Examples of good practice identified in this manner will serve to inform the guidelines produced under Objective 3 above. The potential for cross-national learning under this project will be strengthened by the composition of the research team, as a number of the partners have considerable experience and direct knowledge of the territorial development and policy contexts of more than one stakeholder national context. The development of interactive dialogue and strong working relationships among the stakeholders, between the research team and stakeholders and indeed among the various members of the research team will foster the potential for substantive cross-national learning. The research team will furthermore draw on the work of the ESPON INTERSTRAT project which includes a particular focus on transnational learning in the application of ESPON results and includes case studies of both Ireland and Scotland. The Final Report of this project is eagerly awaited. This work package will be jointly led by the LP and PP2. PP2 have particular experience in relation to cross-national comparative analysis in spatial planning and has worked previously on spatial planning in 3 of the 5 national territories under consideration in this project.

WP 3.0 Dissemination

As a Priority 2 Targeted Analysis, constant dialogue with stakeholders will form an integral aspect of this project. As such, dissemination in some ways is not a distinct activity from the research element. The project specification, however, does highlight particular objectives and deliverables which require a particular focus on the dissemination of the results of this project within a wider context. These aspects are addressed in WP 3.1 and WP 3.2 below. The Lead Partner will work very closely with the Lead Stakeholder in relation to the coordination of dissemination activities as well as liaising with the ESPON Coordination Unit. The project closing conference in Scotland will also be a key vehicle for dissemination.

WP 3.1: Guidelines and Recommendations for National Stakeholders

The project specification requires the KITCASP project to develop 'guidelines on the use of indicators and ESPON data in territorial policy development at the national level'. The preparation of these guidelines will be substantially informed by the lessons learnt from the case study work packages and, in particular, the identification of good practices under WP 2.7. Specific guidelines will be produced within the context of each case study, tailored to address the specific needs of the stakeholders. In addition a general set of guidelines will be produced which will identify transferable lessons, results and insights from this project which will be applicable in other national contexts and indeed of relevance to stakeholders at multiple levels of governance.

The project specification further indicates that the TPG provide recommendations for strengthening and harmonising spatial analysis capacity at the national level. Specific recommendations will be formulated under this work package. Recommendations will be addressed within the context of each national territory, taking into account of current structures and opportunities for strengthening and harmonisation drawing on experience elsewhere.

Recommendations will focus on the core rationale and aims of the KITCASP project: providing new insights on ways of strengthening spatial analysis and planning capabilities at the national level through improved use of national and ESPON indicators; and informing the progressive improvement of the ESPON indicators programme, methodologically and through application to, and in support of, national spatial planning regimes. WP 3.1 will deliver recommendations in support of National Stakeholders' spatial planning functions. In general, the recommendations will identify, on the basis of project findings, ways in which the indicator work of stakeholders can be improved, including through the better access to, take up, and application of ESPON data and methodological parameters. (WP 3.2 will focus on recommendations for future ESPON research) Specific recommendations will be made on:

- best practices in the handling and application of data in support of territorial policy;
- the means by which stakeholders can improve and optimise their use of ESPON data;
- what indicators best measure territorial cohesion, competitiveness and sustainable development;
- the resolution of issues around comparability, reliability, accuracy and general effectiveness of spatial data in support of territorial policy; and
- the relevance and potential of GIS based platforms for the delivery and improvement of spatial indicators.

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WP 3.2: Recommendations for ESPON

WP 3.2 recommendations will provide specific guidance on the framing and deployment of ESPON data and indicators in addressing territorial objectives, in support of the broader ESPON research and policy application processes and objectives. Attention will be drawn to the means for overcoming data set limitations, especially issues around availability, comparability, interpretation and compatibility. Specific recommendations will be made on the optimal means for ensuring the continuous improvement, including updating, of spatial data, at the national level and through ESPON data frameworks. In general the recommendations will be crafted both to address methodological and technical issues – as necessary – as well as the broader policy applications findings and imperatives that emerge from the research project. These recommendations will address the question of scale. They will provide an insight to the ESPON programme on how the application of ESPON results and development of indicators is different at the national level, in comparison with the European level. In this regard, the project will liaise with the ESPON SCALES team who are also addressing this issue.

WP 3.3: Report Writing and Editing

This workpackage is devoted to writing up the results of this project for the Draft Final Report and Final Report. It will be coordinated and led by the Lead Partner. In part, this will involve collating material from each of the other work packages. Substantial editing will also be required however to ensure consistency of style, to maximise ease of understanding and to ensure that the key transferable lessons from the project are highlighted and presented in the best manner possible.

III. Please describe the scientific approach you intend to apply, including the methodology you plan to make use of as well as the typologies, data, indicators, etc. and how you intend to solve problems in this field, e.g. data availability (maximum 15 pages).

A. As a first step, it will be important to provide an initial **evidence-based review of the territorial development potential and geographic specificity** of each of the five national territories. The review will aid in the process of understanding the key territorial development challenges, opportunities and constraints faced in each case and the ways in which national spatial strategies and territorial development policies are responding to this context. The review will also aid the process of comparative analysis (WP 2.7) and ensure that all partners in the TPG have a good understanding of the territorial context in national territory. This review will be conducted primarily through a cross-thematic analysis of the results of Priority 1 and Priority 2 ESPON projects and will take inspiration from the benchmarking methodology of the ESPON PURR project.

B. This review will be followed by an **in-depth and systematic analysis of the key national level policy documents** in each national territory. The documents explicitly identified in the project specification are:

- Scotland: National Planning Framework (published in updated and revised form in 2009)
- Ireland: National Spatial Strategy (2002, review and update 2010) and National Development Plan (2007-2013)
- Latvia: National Development Plan, Sustainable Development Strategy, *Development of Regions in Latvia*
- Basque Country: Spatial Planning Guidelines
- Iceland: National Spatial Plan (legal framework agreed early 2011)

In addition to the documents listed above, it will be necessary to examine a number of related policy statements and strategies in each case. These are identified in the initial reviews of the current policy context and application of spatial data presented in Chapter I above. The analysis of policy texts will be supplemented through expert interviews with key stakeholders at national level. The primary focus of this analysis is to provide **an assessment of, firstly, the current application of spatial data and, secondly, the application of ESPON results, in each case**. This analysis will also serve to provide an initial scoping of strategic policy objectives in each case which will feed into the process of indicator identification, as outlined below. A common reporting template will be developed by the Lead Partner to ensure comparability and consistency in methodological approach.

C. A **Qualitative assessment** of national requirements for spatial indicators will be conducted in each case. This will be done through facilitated, structured workshops with key stakeholders

in each national territory, including policymakers, strategic planners, and providers of spatial data. This assessment will focus on the interpretation of the overarching policy objectives of territorial cohesion, sustainable development and economic competiveness in each national context and on their relationship to the territorial development challenges and potential particular to each case as detailed in **A**, above. It is intended that this component of the research design will draw on the experience of the INTERCO project in using structured workshops with stakeholders to gain new insights on subjective understandings of policy objectives.

D. Following this, **sets of key indicators will be identified**, specific to each national context. This will be informed by the analysis of national policy objectives and the translation of each of the three overarching policy goals (territorial cohesion, sustainable development and economic competiveness) in each national territory. Liaison with the ESPON INTERCO and Database (Phase 2) projects will be critical in this phase of the project in order to compatibility of approaches and in order to minimise duplication of work within the ESPON Programme. Previously developed ESPON indicators, will thus form the basis for selection of an initial set in each case.

E. Subsequently, a **filtering and refinement process** will be initiated, whereby the composition of indicators will be assessed and adjusted as required. The purpose of this exercise is to ensure the explanatory power, practicality, relevance and ease of understanding of the proposed indicators is maximised in each case. This filtering process draws directly on the methodology developed for this purpose under the ESPON 4.3.1 project and outlined in detail in the Scientific Report of that project. The filtering and refinement process will also serve as a systematic check regarding data availability and spatial resolution. This will need to done in close consultation with data providers in each national context in order to ensure the potential for 'zooming in' is maximised. Ideally, each indicator selected should be available at a higher resolution than NUTS 3 (i.e. LA1 or LA2). In relation to the technical aspects of applying ESPON results at lower spatial scales and in conjunction with national datasets, the research team will follow the advice provided in the Technical Reports of the ESPON Database Project and consult with the TPG of the Database Phase 2 project as required.

F. The **development of guidelines on the use of indicators and ESPON data in territorial policy** development at the national level will be informed by the research undertaken in WP 2. These guidelines will incorporate lessons learnt from the application of the scientific approach outlined in A-E above and also seek to outline and demonstrate examples of good practice, as identified in WP 2.7. In recognition of the central role of the ESPON Contact Point Network in promoting awareness of ESPON results in among national stakeholders and providing guidance on the application of ESPON data in a policy context, the TPG will seek work with the relevant ESPON Contact Point in each national territory. The KITCASP research team will also seek to learn from the approaches developed under the Transnational Networking Activities (Priority 4). THE ESPON SCALES and ESPON INTERSTRAT projects are of particular relevance, in relation to the application of ESPON results at lower spatial scales

and the development of guidance materials for a policy audience (INTERSTRAT Demonstration Materials).

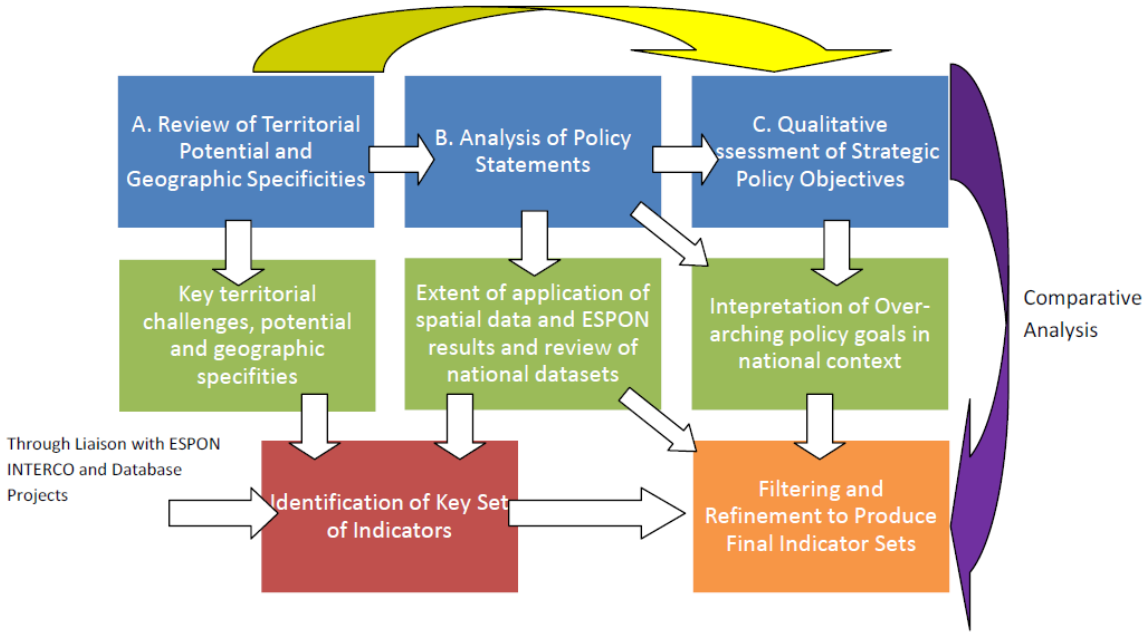

Figure XX: Schematic Diagram Illustrating Links between Elements of Project Methodology for the Development of Indicators

Part IV: Please indicate which activities you foresee at which point in time to allow for the dissemination of your project's results (maximum 5 pages).

Taking into account the required deliverables for this project, indicative calendar of meetings and workshops and reporting commitments we have divided the work of the project into four Phases as follows:

1. Inception Phase: 02/2012 – 03/2012
2. Case Research Phase: 04/2012 – 10/2012
3. Collation and Synthesis Phase: 11/2012 – 04/2013
4. Final Review Phase: 05/2013 – 07/2013

See also Gantt chart on p. 25 for a diagrammatic representation.

Timeline of Work Packages

WP 1: Coordination and Project Management:

WP1 will run from the start date of the project until the end date: (02/2012 – 07/2013).

WP 2.1: Concept Refinement, Scientific Approach and Technical Support

WP 2.1 will run from the start of the project until the end of the end of the Collation and Synthesis Phase and submission of Draft Final Report. The balance of activities within this work package will vary throughout the course of the project: (02/2012 – 04/2013).

WP 2.2 – WP 2.6 *Case Studies*

The case study work packages will run for the duration of the Case Research Phase and for the first two months of the Collation and Synthesis Phase in order to allow for drafting of written reports and interaction with WP 2.7: (04/2012 - 12/2012).

WP 2.7 Comparative Analysis

This WP will run for the duration of the Collation and Synthesis Phase and will play a key role in ensuring comparative insights are drawn from the experience within each national territory during the Case Research Phase: (11/2012 – 04/2012).

WP 3.0 Dissemination

This WP will run for the duration of the final two phases of the project (Collation and Synthesis and Final Review: (11/2012 – 07/2013).

Timeline of Meetings and Reports

A **Project Kickoff Meeting** will be organised to take place as soon as possible following the start date of the project (i.e. February 2012). A first meeting of the **Steering Committee** will also take place to coincide with this meeting. A **Project Workshop** will also take place, the purpose of which is to have an internal discussion among the TPG regarding the research design, conceptual framework and scientific approaches to be employed during the study. The first steering committee meeting will deepen the TPG´s knowledge on the stakeholders´ needs and expectations with regard to the project theme and ensure clarity about methodology and the identification of key indicators (project specification, p. 11).

The **Inception Report** is due in May 2012. The project specification states:

'This report focuses on the elaboration of the analytical framework and the research approach of the project. It will reflect a review of the main documents and data sources provided by stakeholders and a first analysis of existing ESPON results that are relevant for this project. The report will particularly provide a proposal on the methodology to be applied to identify the key indicators. Furthermore the report will describe the regions with its characteristics and particularities. It will reflect a review of the main documents and data sources provided by stakeholders and a first analysis of existing ESPON results that are relevant for this project'.

The Inception Report will thus reflect the initial work of WP 2.1 regarding the analytical framework and methodology for the study. It will also provide an initial reporting on elements A (territorial context review) and B (policy review) of the scientific approach outlined in Part III above.

A **second steering committee meeting** will take place in June 2012 in conjunction with a **first stakeholder workshop**. The steering committee meeting will provide an opportunity for the Steering Committee to provide feedback in relation to the Inception Report and input into the development of the workplan and follow-up actions. The stakeholder workshop will focus on interpretations of the over-arching policy objectives of territorial cohesion, sustainable development and economic competitiveness in each national territory.

The **Interim Report** is due in October 2012. This coincides with the end of the Research Phase of the project. It will present interim findings from the case study research in each national territory and will include a first indication of findings. It will also provide an insight into how the project is expected to produce policy recommendations.

Following this a **third steering committee meeting** and **second stakeholder workshop** will take place in November 2012.

The purpose of this steering committee will be to summarize outputs of the second workshop, clarify project management issues, to revise the work plan if required, to validate project progress and outcomes and to agree with the TPG the most suitable follow-up actions for the targeted research. The second stakeholder workshop will provide for a more focussed discussion the quality and usefulness of the intermediate results (presented in the Interim Report). Problems and constraints identified in the Case Research Phase will be discussed including reference to potential solutions. Key follow-up actions, with a few towards the preparation of the Draft Final Report will be discussed and agreed.

The **Draft Final Report** is due in April 2013.

The project specification provides clear guidance regarding the contents of the Draft Final Report.

'This report presents the final results of the project and focuses on relevant conclusions and options for policy development at the level of the participating regions on how their capacity for spatial analysis can be strengthened. Furthermore, the guidelines on the use of ESPON data and indicators in the preparation and monitoring of spatial strategies and territorial development policies should be outlined.'

This will be followed by a **fourth steering committee meeting** and **third stakeholder workshop** in May 2013. At the fourth steering committee meeting, the outputs of the second stakeholder workshop will be presented, along with a report on any actions arising. Project management issues will be clarified, including revision to the work plan if required. Project progress and outcomes will be validated and follow-up actions will be agreed. The third Stakeholder Workshop will focus on the drawing of conclusions for the Final Report.

The **Final Report** of the project is due in July 2013.

Again, the project specification provides clear guidance on the content of the Final Report and its relationship to the Draft Final Report:

'This report is in principle a revision of the Draft Final Report taking into consideration final comments and suggestions from the stakeholders and end users, the ESPON Monitoring Committee, the European Commission and the ESPON Coordination Unit. Simultaneously, the datasets, maps and figures used and produced within the framework of the project should be delivered.'

The **ESPON KITCASP Project Conference** is scheduled to take place in summer 2013. It will be hosted by the Lead Stakeholder, with support from the Lead Partner. The full TPG will be invited.

The project team will be assisted by leading international experts in the field at key junctures in the project. They will be subcontracted by the Lead Partner and will make a substantial contribution to Stakeholder Workshops 2 and 3.

	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Inception Phase																		
Case Research Phase																		
Collation and Synthesis Phase																		
Final Review Phase																		
WP1																		
WP2.1																		
WP 2.2-2.6																		
WP 2.7																		
WP 3.0																		
Reporting Timeline				**Inception Report Due**					**Interim Report Due**						**Draft Final Report Due**			**Final Report Due**
Meetings and Workshops	**Meeting 1 and Internal Workshop**				**Meeting 2 and Workshop 1**					**Meeting 3 and Workshop 2**						**Meeting 4 and Workshop 3**		**Closing Conference**

Key:

- Lead Partner: Full Time, Project Partners: 50% Time
- Lead Partner: Full Time, Project Partners: Full Time
- Lead Partner: Full Time

Note that this chart does not include time for a financial manager (which will also come from the Lead Partner budget).