

Territorial Cohesion in Europe
INTERNATIONAL CONFERENCE FOR THE 70th ANNIVERSARY
OF THE TRANS-DANUBIAN RESEARCH INSTITUTE

Methodologies to measure the impacts of territorial cohesion policies

What's new in Brussels?

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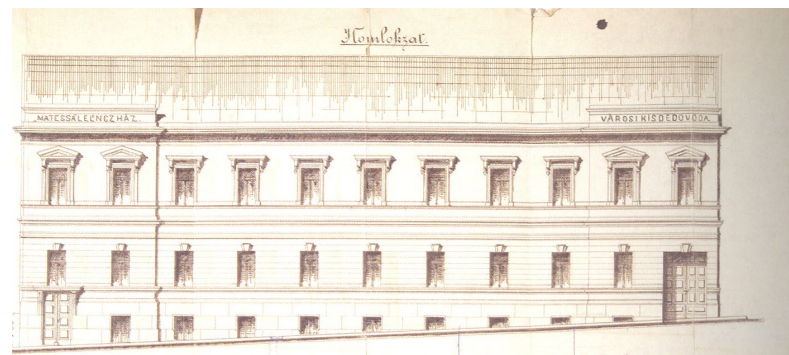
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CENTRE FOR ECONOMIC AND REGIONAL STUDIES

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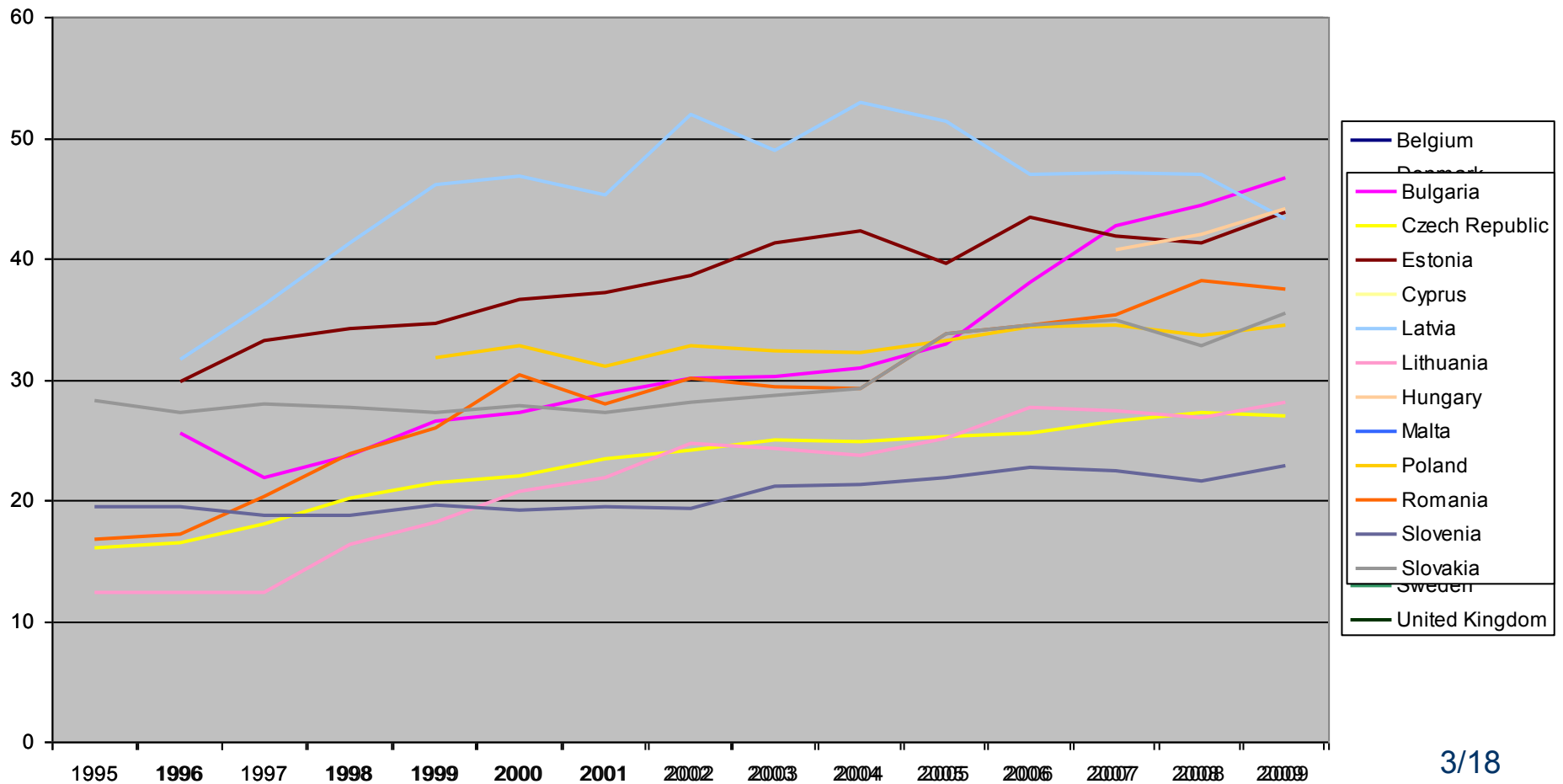


Evaluation

- Our focus is on the evaluation of the effectiveness of country-level cohesion policy interventions
- **Territorial cohesion** in the EU terminology means a „balanced and sustainable development of the territory of the EU” (European Spatial Development Perspective)

Interregional disparities

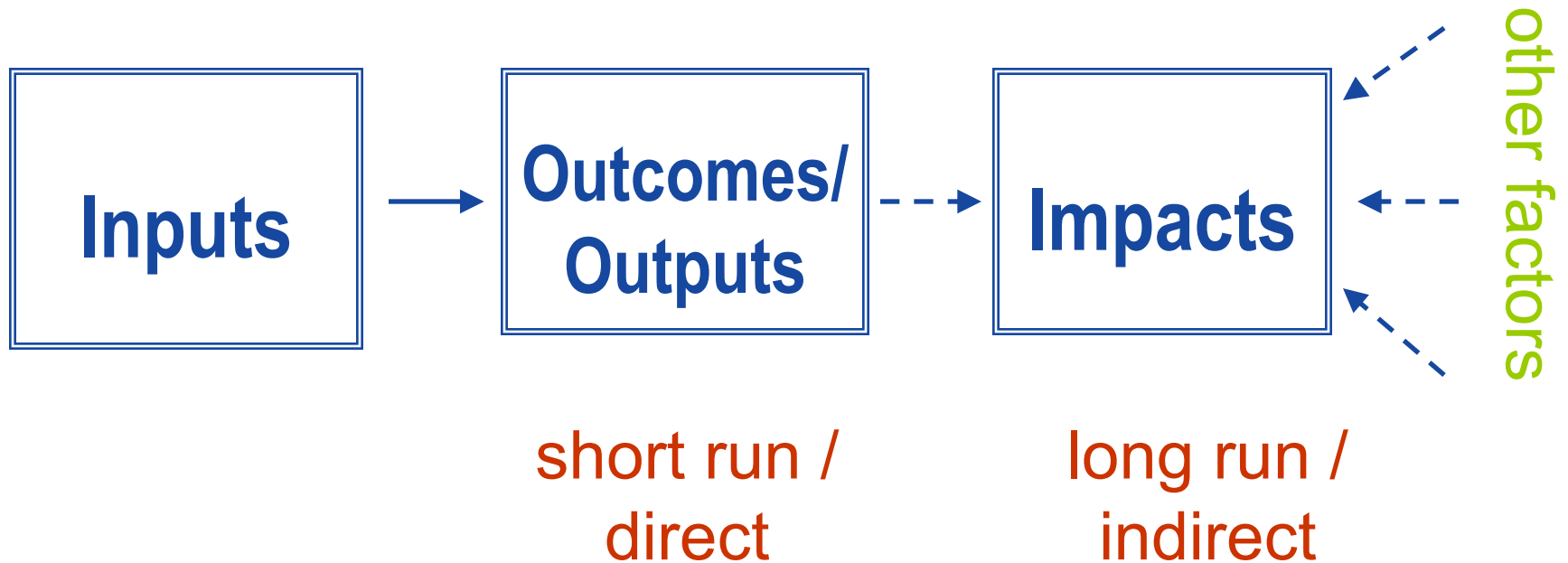
Dispersion of regional per capita GDP - "New" EU members



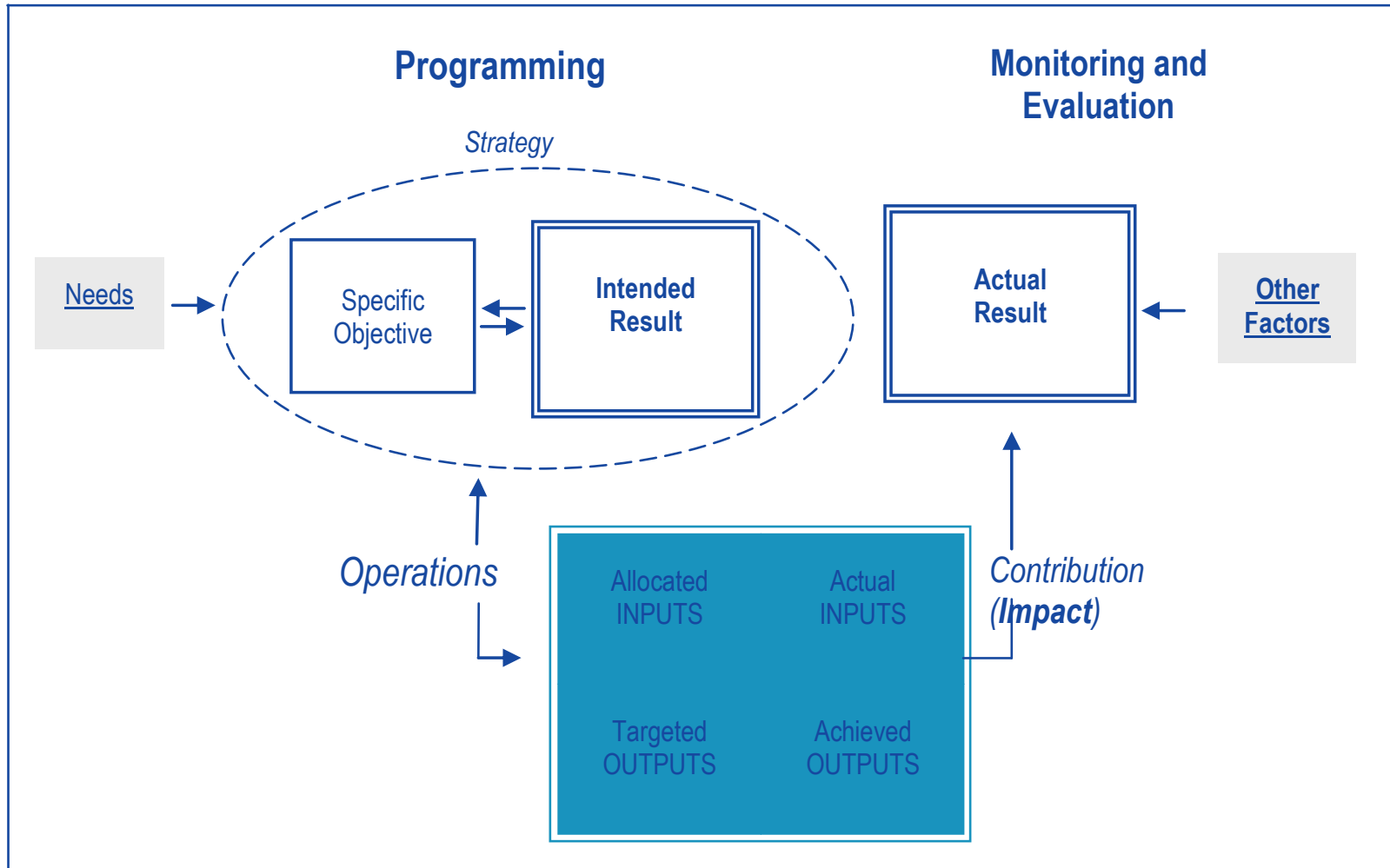
Some important characteristics of the evaluation methodology

- Outcome oriented approach
 - physical/financial implementation versus real outcomes

General approach



EU framework

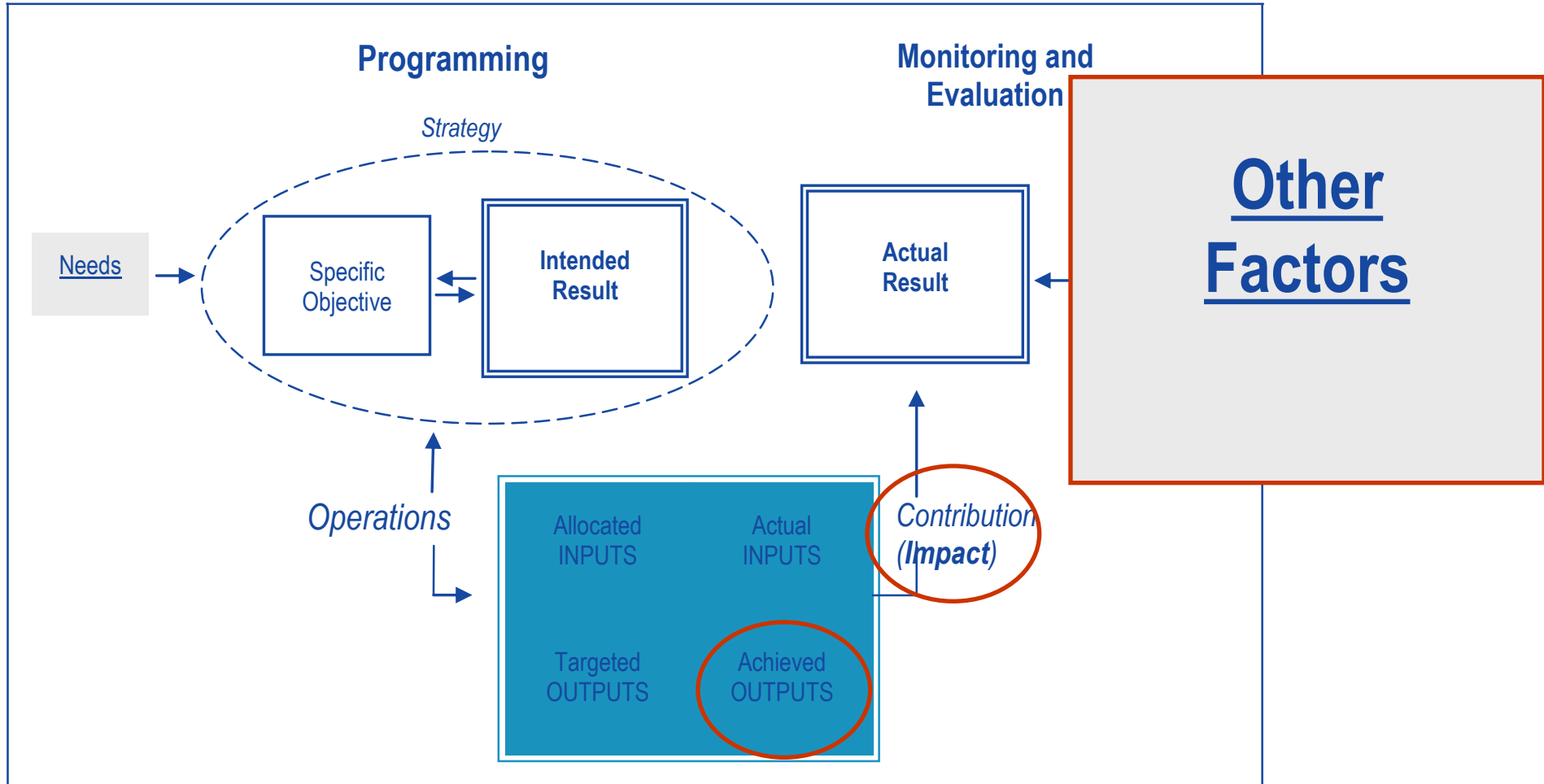


Key concepts (EC 2011)

- **Outputs:** the direct products of programmes that are intended to contribute to results
- **Impact:** the change that can be credibly attributed to an intervention
 - "Effect of an intervention" or "contribution of an intervention,,
- **Result:** the specific dimension of well-being and progress for people that motivates policy action
 - Change in result indicator = contribution of intervention + contribution of other factors

Change in the result indicator = contribution of the intervention
+ contribution of other factors

The challenge of evaluation



Some important characteristics of evaluation methodology

- Outcome oriented approach
 - physical/financial implementation versus real outcomes
- Place-based approach – interventions on functional areas instead of traditional administrative territorial units: „flexible geography”
- Top-down versus bottom-up approach
- A continuous development of novel methodologies
 - lack of common standardised methodology at the EU level
- Basically two-step evaluation (indirect evaluation) on the macro or regional level
 - 1) measuring territorial impacts
 - 2) investigating the dynamics of territorial inequalities (inequality measures, convergence tests)

Principles of evaluation

- theory-based evaluation
 - „theory of change” – exploring the causal relationship between intervention and impacts/results
 - bottom-up approach, qualitative methods
 - best practices: EU recommendations
- counterfactual impact assessment
 - exploring quantifiable impacts
 - ex post assessment:
 - before - after
 - beneficiaries – non-beneficiaries
 - ex ante assessment:
 - baseline scenario (no intervention) – forecasting trajectories of macro variables with intervention (CF support)

Top-down evaluation methods

- Macro (DSGE and CGE) models:
 - best practice in the EU: QUEST, EcoMod
 - national level
- Sectoral models:
 - TRANS-TOOLS (transportation), E3ME (energy, environment)
- Regionalized territorial impact assessment model
 - ESPON's TEQUILA – suitable technique to identify the impacts of policy interventions
- Regionalized macro models:
 - best practice: HERMIN
 - give an upper bound on possible economic effects
 - not simply a downsized-macro model, since regional economic processes are of different nature

Top-down evaluation methods (2)

- Spatial Computable General Equilibrium (SCGE) models
 - best practices: RHOMOLO, GMR-Hungary
 - flexible tools for ex-ante regional impact assessment
- Input-output models:
 - flexible disaggregation on the territorial and sectoral level, challenging data requirements
 - most cited: Beutel's model
 - EU application: on the national level based on national accounts data (supply and use tables)
- Econometric methods
 - ex post analysis: exploring the actual impacts

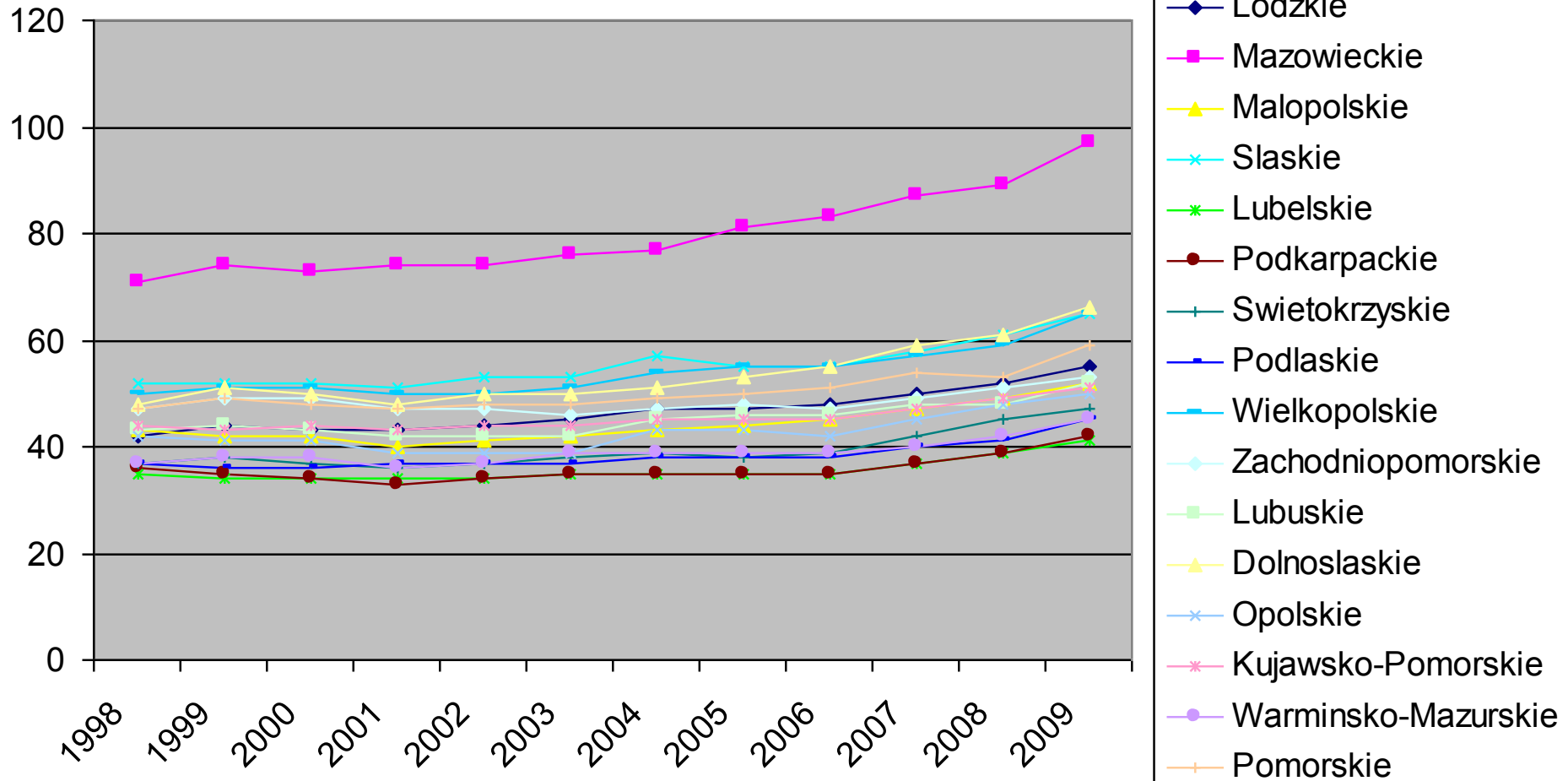
Micro-level methods

- Multivariate, index number models
 - best practice: European Territorial Cohesion Index (ESPON)
- The role of qualitative assessments is increasingly recognised
 - case studies
 - interviews
- Indicator systems
 - ESPON researches

Case study: Poland

Regional GDP by NUTS 2 regions

(PPS per inhabitant in % of the EU-27 average)



Case study: Poland

- One of the best performers in policy evaluation among the EU member states
- Background: a large proportion of EU funds is awarded to Poland
- Poland's regional challenges are similar to those of other CEE countries

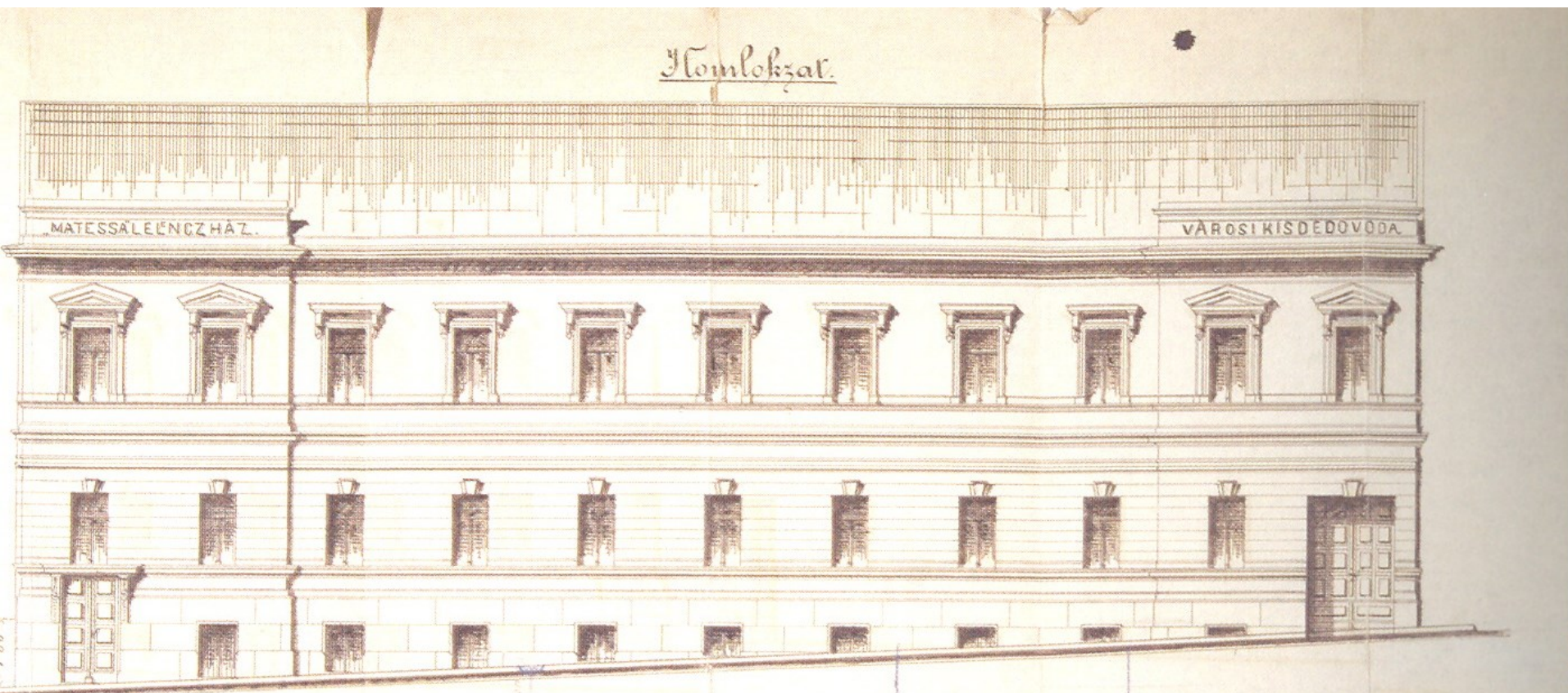
Best practices from Poland

- Poland uses the whole spectrum of evaluation methodology
 - Macro modelling: HERMIN
 - Regional modelling: regionalized HERMIN
 - CGE modelling: MaMoR2
 - Sectoral modelling: SASI
 - (Spatial and Socio-economic Impacts of Transport Investments and Transport System Improvements)
 - Theory-based evaluation: „New methodology”
 - programme-level evaluation

Conclusion

- There is no one optimal method to reveal the exact mechanisms of the cohesion policy interventions
 - a combination of top-down and bottom up, as well as quantitative and qualitative methods is needed
- the use of otherwise effective evaluation methods is constrained by data availability at the relevant territorial unit
- What's new in Brussels?
 - focus on results
 - emphasis on intervention logic
 - concentration
 - more evaluation (but reduced number of indicators)

Thank you for your attention!
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