Towards a better assessment of regional policies at the macro and micro level

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1. The Cohesion Policy (CP) debate

- Should it be growth-oriented or should it aim at correcting disparities? Can the two goals be reconciled?

- CP restricted to the poorest regions? CP would continue to be spatially targeted and, by implication, would have more to do with equity than endogenous development, OR

- all-region approach.

2. EIB in Regional Development

- The EIB helps to deliver growth, jobs and cohesion in Europe by supporting the implementation of EU regional policy.

- Through a mixture of loans and advisory services, the EIB plays a critical role in addressing regional economic imbalances and raising living standards across the EU.

- Joint EU instruments in support of cohesion policy

- Supports regional integration outside EU through External Lending Mandate (ELM)
3. Why we need regional policy impact assessment

At a moment of increasing scrutiny of public policies it is important and urgent to know more about the impact of our spending and our public investment.

4. A new approach to evaluation of EU cohesion policies from EC – EIB focuses on monitoring at project level

A growing emphasis on the impact of Cohesion Policy interventions on the well being of citizens rather than the implementation issues in the 2014-2020 programming period. That led to:

- streamlining, harmonisation and interoperability of monitoring platforms across programmes, funds, domestic and EU systems
- Appropriate definition of objectives and common selection of impact indicators
5. How can we assess the impact of our investments at the macro level?

Evaluation objective: to assess the future impact of all operations (812) signed during the period 2013-15

Our economic model showed the short-term results by 2017 as:
- Additional GDP of 0.8%
- Additional employment of 830 000 jobs

The model projects the long-term impact by 2030 as:
- Additional GDP of 1.1%
- Additional employment of 1.4 million jobs
- Jobs increase equivalent to 0.65% of EU employment
6. EIB impact at the macro level using spatial econometric techniques

RHOMOLO web interface for non-experts to run simple simulations

http://rhomolo.jrc.ec.europa.eu

Example of a 1% positive shock on "Total Factor Productivity", "Labour Productivity" and "Transport Costs" in all EU NUTS2 regions in the spatial CGE RHOMOLO.
7. Challenges for the monitoring and evaluation of policy

The concept of the **functional region** is becoming more **frequent in and relevant** to the discussion of regional development and competitiveness, which includes different aspects of cooperation between cities/towns and rural-urban partnerships. The main challenges are:

- **Globalization**
- A regional division of labour
- Changes in the national and in local labor markets

The administrative boundaries of cities no longer reflect the physical, social, economic, cultural or environmental reality of urban development.
8. Urban SDG indicators are very sensitive to the city boundaries

<table>
<thead>
<tr>
<th>Indicator</th>
<th>City centre only</th>
<th>Beyond city centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.2.1. Population share with convenient access to public transport</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>11.3.1. Ratio of land consumption rate to population growth rate</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>11.6.2. Fine particulate matter (PM10 and PM 2.5)</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>11.7.1. Open space for public use</td>
<td>Low</td>
<td>High</td>
</tr>
</tbody>
</table>

Stockholm: areas and population by access to public transport and its frequency
9. Why do we need a global definition of cities?

• Without it we cannot compare:
  • Levels of urbanisation between countries
  • Compare cities in a meaningful way

• Without no real answer to questions such as:
  • How many cities are in Africa or Middle East
  • Is Istanbul bigger than Paris?
  • Is my city growing or shrinking

• Without it is difficult for global actors to analyse urban policies and investment needs
10. New opportunities for the main problem of lack of data – towards a better evidence base and monitoring

- Recent improvements in global-wide spatial data
  - Population grid(s)
  - Global Human Settlement Map (GHSL)
  - Degree of urbanisation
- More open data and platforms (urban data platform, urban atlas, RHOMOLO etc)
- Combine several spatial data sources to unleash the power of spatial analysis
11. The basis for harmonised comparison is a population grid

- Population by 1 km² grid cell – census 2011
- Based on address points in a majority of countries (provided by statistical institutes)
- Downscaled from census tracts or municipal level in the other countries (by JRC)
12. Next step to create a free global population grid

Share of area covered by buildings based on satellite imagery

Census data on population

Total population by 1km grid cell

Source: JRC GHSL

Source: CIESIN, Columbia University

Source: JRC GHS Pop
13. Degree of urbanisation

Defining urban areas in Europe

Three levels of urban areas based on population distribution and commuting

Grid level

A classification of urban scale 3 level using criteria of population density and connectivity. Where available, the population distribution is taken from the 13th Census and the 2020 National Census.

LAU2 level

A classification of local urban scales (LAU2) based on the share of population living in urban areas and the share of population commuting to a city.

NUTS 3 level

A typology of NUTS3 regions based on the share of regional population living in an urban area and the commuting within functional urban areas of more than 100,000 inhabitants.

Urban centres > 50,000 inh.

Commuting zones

Cities

Functional Urban Areas

Non-Metro regions

Metro regions
14. Joint EU-OECD Definition of a Functional Urban Area

City and its commuting zone (Toulouse)
15. Degree of urbanisation outside Europe - example

Rabat 1,9 M

Casablanca 4 M
16. Regional Policies and the Sustainable Development Goals

The Economic Resilience Initiative is intended to create jobs and stimulate sustainable growth, and therefore help countries in the Western Balkans and the Southern Neighbourhood to address these challenges. The initiative was developed in close cooperation with the European Commission and will add 6 billion euro of financing from the European Investment Bank (EIB) over the next four years.

The initiative covers both the public and the private sectors, with a focus on the following areas:

- **Development of social and economic infrastructure**, by investing in services like clean water, waste treatment, energy, transport, and environmental infrastructure, and by improving education, healthcare and urban services.
- **Local private sector development**, boosting employment opportunities, for example through more support for midcaps, small businesses and micro-enterprises. The expected employment impact will be an important indicator that will be systematically estimated.

[http://www.eib.org/about/global-cooperation/resilience-initiative.htm](http://www.eib.org/about/global-cooperation/resilience-initiative.htm)
A key aim of the ERI is to contribute to achievement of the SDGs in the region. The EIB is working to develop a consistent and coherent system to map the contribution of its activities, including those under the ERI, to achieving the SDGs. This approach will underline the relevance of the ERI to the SDGs.

The ERI is expected to contribute in particular to:
- **SDG 6**, clean water and sanitation;
- **SDG7**, affordable and clean energy;
- **SDG 8**, decent work and economic growth;
- **SDG9**, industry, innovation and infrastructure,
- **SDG 11** sustainable cities and communities.
- **SDG 13**, climate action, with a high degree of robustness.
- **SDG17**, partnerships for the goals.
18. Main messages

• Definitions should be interpreted at the same way from all regional or national authorities

• Microdata have a wealth of potential - allow for much better knowledge of our societies and may provide the basis for a much better evaluation of our policies

• Modern scientific methods are available for analysing this evidence

• Data and impact assessment can and should be embodied in the policy process

• You can build on the new novelties with less cost

• From the data revolution to the capacity revolution
19. Available sources and tools

- EU-OECD harmonised definition of cities
- Population grid (1 km²) – EUROSTAT
- Global Human Settlement Layer (GHSL) - JRC
- Atlas of the human planet 2016 –JRC
- Atlas of Urban expansion – NY, UN, LILP

http://ec.europa.eu/eurostat/web/cities
http://ghs1sys.jrc.ec.europa.eu/
http://www.atlasofurbanexpansion.org/about