



**Urban Impact Assessment**

# **New Skills Agenda for Europe**

Workshop based on ESPON TIA Quick Scan tool

In close association with



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- European Committee of the Regions
- ESPON - European Territorial Observation Network
- CEMR - Council of European Municipalities and Regions
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



## Disclaimer

This report was produced by the European Commission in cooperation with the European Committee of the Regions and the European Territorial Observation Network – ESPON, and in close association with EUROCITIES and CEMR. The report serves for information purposes only. The expected effects outlined in the analysis might not necessarily be a result of the New Skills Agenda itself but a result of national implementation as well. The report and the maps represent the views and experiences of the cities participating in the urban impact assessment.

## Acronyms and legend

<b>CEMR</b>	Council of European Municipalities and Regions
<b>CEFR</b>	Common European Framework of Reference for Languages
<b>CoR</b>	European Committee of the Regions
<b>C</b>	Central Europe
<b>DG EMPL</b>	European Commission – Directorate for Employment
<b>DG REGIO</b>	European Commission – Directorate for Regional Policy
<b>DG JRC</b>	European Commission – Joint Research Centre
<b>EP</b>	European Parliament
<b>ESPO</b>	European Territorial Observation Network
<b>EUROCITIES</b>	EUROCITIES Association
<b>E</b>	Eastern Europe
<b>EQF</b>	European Qualifications Framework
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>LRA</b>	Local and Regional Authority
<b>MS</b>	Member State(s)
<b>NUTS</b>	Nomenclature des unites territoriales statistiques Nomenclature of Territorial Units for Statistics
<b>N</b>	Northern Europe
<b>NE</b>	North-East Europe
<b>S</b>	Southern Europe
<b>OiR</b>	Österreichisches Institut für Raumplanung (ÖIR)
<b>UIA</b>	Urban Impact Assessment
<b>W</b>	Western Europe

### Effects of the directives – colour code

	Positive effects
	Minor positive effects
	Neutral
	Minor negative effects
	Negative effects

### Legend – direction of effects

	Increase
	Decrease

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# 1 Introduction

The future growth, resilience and prosperity of Europe lie with its people. As the workforce shrinks with demographic ageing, Europe urgently needs substantial increases in productivity. Fostering and using talent and skills will be essential to shape the future of our society and respond to challenges of technological progress, digitalisation, globalisation and the move towards a greener economy.

The European Commission is therefore preparing to launch the New Skills Agenda for Europe to invite all Member States and stakeholders to combine their efforts and focus action on three main priorities:

1. higher and more relevant skills;
2. better use of existing skills and qualifications;
3. more sound understanding of skills needs and trends.

This Urban Impact Assessment workshop was set up to gather cities' views and to assess the potential effects of the New Skills Agenda on the EU's urban areas.

## **Selection of the cities**

The cities, pre-selected by ESPON to fit the representative sample, were proposed by the European Committee of the Regions, EUROCITIES, CEMR and URBACT and approved by DG REGIO. The sample represented different types of city such as cities from second tier metro regions and cities from smaller metro regions, from different European MS. The list of cities participating in the workshop can be found in Annex 3.

## **Questionnaire**

A questionnaire was drawn up by DG EMPL and sent to the chosen cities in advance of the workshop in order to collect their views on relevant issues of the Skills Agenda package as well as prepare city experts for the interactive discussion. The responses to the questions are summarised in Chapter 3 and the outcomes of the workshop interaction have been integrated into the general report.

## **Urban impact assessment expert workshop**

The workshop was held on 14 March and brought together 9 experts from the chosen cities, representing a fairly balanced sample of EU cities (NW 1, N 2, NE 1, SE 1, S 1, W 2, and NW 1). The workshop was organised around interactive discussions where experts discussed their views on the potential effects of the Skills Agenda package at local and regional level.

Two moderators from the OIR prepared and guided the workshop and facilitated the use of the ESPON TIA QuickScan tool. The urban impact assessment was carried out to determine the potential environmental, social, governance and economic effects of the implementation of the Skills Agenda. During their discussions the experts drafted a cause and effects chart, outlining and discussing expected effects and policy proposals.

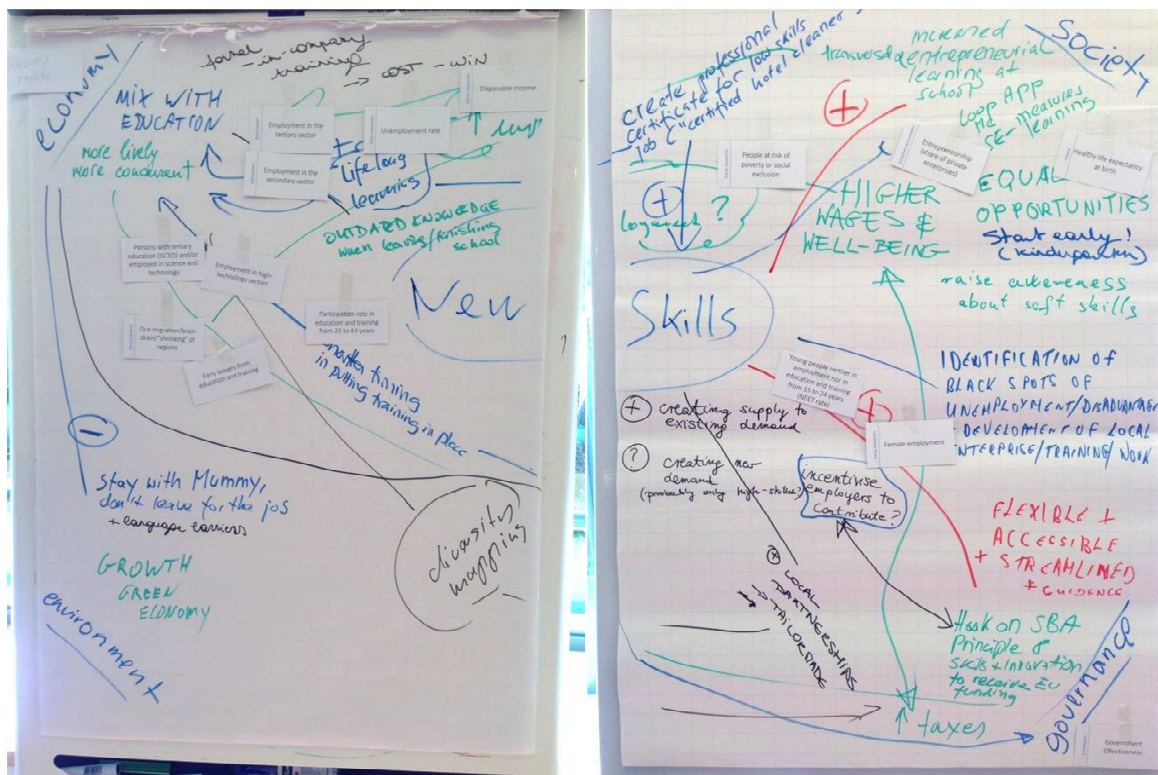
## 2 Methodology: ESPON Quick Scan

### 2.1. The conceptual model: how does policy influence the development of regions?

In the first part of the workshop a conceptual model was put together on the basis of the urban experts' opinions, with the objective of identifying potential territorial impacts of the Skills Agenda package.

In an interactive discussion, the participants drew a systemic picture linking the potential effects of the New Skills Agenda for Europe in the fields of environment, society, economy and governance. They identified potential linkages and feed-back-loops between different effects. The following charts illustrate the experts' interaction:

**Figure 1: Workshop findings: conceptual model**



Source: Urban impact assessment expert workshop: New Skills for Europe, Brussels 14 March 2016

The next step was to select indicators that could describe the identified effects. The following indicators available at NUTS 3 level were discussed and selected:

- Employment in high-technology sectors;
- Participation rate in education and training, 25 to 64;
- Young people not in employment, education or training from 15 to 24 years;
- Early leavers from education and training;
- Economic growth (GDP/capita);
- Unemployment rate;
- Government effectiveness;

- Entrepreneurship (share of private enterprises);
- People with tertiary education (ISCED) and/or employed in science and technology.

Data for mainland Croatia was unavailable owing to the changes in the NUTS 2 regions in the country. Data for Greece was unavailable for this Urban Impact Assessment. A detailed description of the indicators used can be found in Annex 2.

## 2.2. Which types of region are affected?

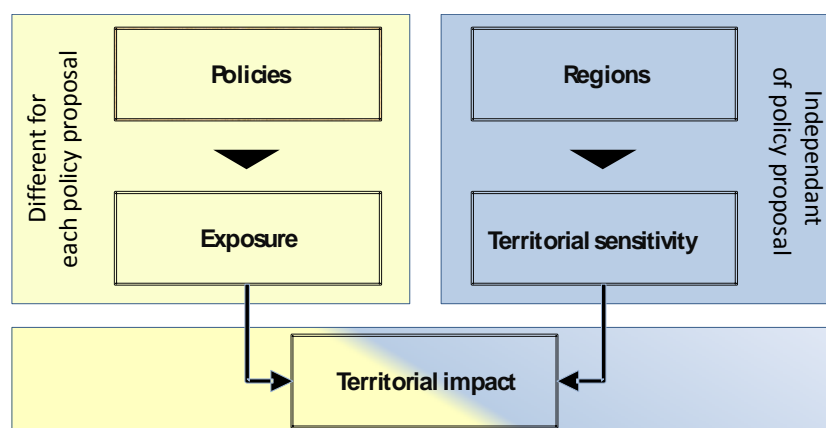
The urban impact assessment (UIA) aims to analyse the potential impact of an EU policy on urban regions. Thus, the analysis of effects focuses on the metro regions, which are NUTS level 3 approximations of the functional urban areas (city and commuting zones) with 250 thousand or more inhabitants.

The boundaries of a functional urban area do not necessarily coincide with those of NUTS 3 regions. Therefore, NUTS 3 regions in which at least 50% of the regional population live inside a given functional urban area were selected as the components of the metro region related to that functional urban area. In some cases, the NUTS 3 approximation of the functional urban area is very good; in others the metro region may be larger or smaller than the functional urban area. Each functional urban area is represented by at least one NUTS 3 region, even if less than 50% of the population of that NUTS 3 region is inside the functional urban area<sup>1</sup>. However, this analysis was challenging owing to the data availability issues.

## 2.3. How is "regional impact" calculated? Combining regional sensitivity and expert judgement

The ESPON TIA Quick check is based on the vulnerability concept developed by the Intergovernmental Panel on Climate Change (IPCC). In this case, the effects deriving from a particular policy measure (exposure) are combined with the characteristics of a region (territorial sensitivity) to produce potential territorial impact (See Figure 2 below):

**Figure 2: Exposure x territorial sensitivity = territorial impact**



<sup>1</sup> [http://ec.europa.eu/eurostat/statistics-explained/index.php/Territorial\\_typologies\\_for\\_European\\_cities\\_and\\_metropolitan\\_regions](http://ec.europa.eu/eurostat/statistics-explained/index.php/Territorial_typologies_for_European_cities_and_metropolitan_regions).

As the figure shows, territorial impact (which is visualised in the set of maps presented in A1 to this report) depicts a combination of what is termed regional sensitivity and the exposure caused by the implementation of the policy initiative. Regional sensitivity describes the baseline situation of the region in terms of its ability to cope with external effects. It is a characteristic of a region that can be described by different indicators and it can be described independently of the policy measure analysed.

The exposure describes the intensity of the effect caused by the policy initiative on a specific indicator. It is the effect of the implementation of the policy. Exposure illustrates the experts' judgement, i.e. the main findings of the expert discussion at the UIA workshop. The TIA quick check shows the potential territorial impact in the selected types of region by combining the experts' judgement with the given sensitivity of a region within the selected exposure fields.

#### **2.4. Mapping the impact**

The result of the urban impact assessment is presented in maps. Whereas expert judgement is a qualitative judgement (significant positive effect on territorial welfare/minor positive effect/no effect/minor negative effect/significant negative effect), sensitivity is a quantitative indicator. The detailed description is provided in the annexes.

As the urban impact assessment focuses on metro regions, the impact of the policy initiative is just highlighted in regions belonging to this type. All other regions are coloured grey.



### 3 Results of targeted consultations with selected cities

In order to consult cities on the upcoming Skills Agenda package and prepare for the workshop, a number of questions prepared by DG EMPL were submitted to the experts. This chapter summarises the main outcomes of this consultation.

#### 1) Do you think the priorities identified are the right ones? How could the EU skills Agenda help you in your work?

All cities agree that the priorities are well identified and relevant, not only in meeting the challenges in Europe but also at regional and local level. Particularly important priorities are considered, for example, crosscutting and digital skills and ensuring the opportunity to attain a minimum set of skills (upper secondary level of education). However, some respondents suggest focusing also on additional priorities such as the social aspects of unemployment, deeper understanding of the needs and trends in the labour market and the issue of modernising education and training systems. City experts recommend that some skills such as transversal and entrepreneurial skills should be taught from a very early age (including primary education).

Respondents are overall positive regarding the fact that the actions proposed in the Skills Agenda could help them in their work. The Skills Agenda could provide a framework for better understanding of the skills required in the labour market and support cooperation between the private sector and local policymakers. Some experts consider barriers to labour mobility a key issue that should be tackled in order to facilitate efficient allocation of work resources and promote access to training and skills. Lastly, the Skills Agenda could support research and innovation and provide incentives and data for local partnerships.

#### 2) Given the poor employment prospects for the low-skilled, what can be done to help them attain higher levels of skills and qualifications? What can the role of cities or regions be in achieving this?

As initial key steps, some experts recommend strengthening skills intelligence and assessing the characteristics of the workforce, to find out why people are unemployed (lack of jobs, lack of education) and if they are employable in other regions. Key actions proposed to help the low-skilled are investment in learning potential, training and education on relevant skills and developing problem-solving and social skills. In addition, cities point to the need to create new, flexible ways of providing education and ensure that disadvantaged groups (immigrants, people with special needs) are offered the right education to meet their specific needs. Some experts stress again the need to foster not only professional skills, but also other skills such as team-work, drafting CVs and communicating effectively with companies.

In some cases, cities are the only big providers of jobs and “they have to take on the responsibility of the whole region to provide the necessary education and trainings”<sup>2</sup>. Cities can provide the necessary link between what companies need and the skills available, by providing resources and programmes to overcome these gaps. One suggestion proposed is to improve skills by providing training programmes as part of the requirements for receiving certain social support. Often, the skills needed by companies are very dynamic and fast-evolving, and this should be taken into account. Cities, for example, can

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<sup>2</sup> City of Pécs (Hungary).

establish an effective communication channel with companies and coordinate with them activities of mutual interest. Another way to help the low-skilled work force is to create qualifications for jobs with low education (“qualification certificate”) as well, as often these jobs require a more diverse set of skills.

Cities are in some cases also organisers of education and they should set the good example of making education future proof (i.e. skills required for circular economy), and encourage other actors such as public employment services to do the same. Local government can support local industries and sectors that offer most employment opportunities. Cities are very important in supporting cooperation and partnerships for the low-skilled to achieve higher levels of skills and qualifications; this could be done, for example, by supporting networks, peer development and learning from different actors and organisations.

Cities can work together with youth organisations and training institutions to develop young people’s talents, organising activities to foster talents, job training, work experience, etc. They can cooperate closely with employment agencies to explore work-related possibilities and provide smooth transitions between different forms of education. Feedback sessions, preparatory pathways to formal education and career guidance can help people achieve higher qualifications.

**3) Given free movement of workers and an in-flux of third-country nationals, are you sufficiently equipped to understand the level of foreign qualifications as compared to national qualifications? What (more) could be done on this at EU level/at your level?**

Cities call for a more comprehensive EU framework for qualifications (for example by introducing an integrated skills system to create the possibility for third-country nationals to measure their skills within this framework). The EQF and the levels of foreign qualifications, compared to national qualifications, are understood mainly by practitioners working with employment and education for a public administration, not by citizens in general, unlike the CEFR, which is well known to citizens. Cities find it difficult to compare foreign qualifications to national standards, and one way of overcoming this could be to name each level of national education with the equivalent EQF level and provide tools to compare qualifications.

**4) What can be done to better understand labour market needs and trends, including at regional/local level? What initiatives do you have already in place for this and what further role can you play in better understanding labour market and skills needs and skills forecasting?**

Almost all city experts stress the need to better link business and education, not only in vocational schools but also in universities and research institutes. For example companies could finance outsourced departments of faculties and study groups could be formed in middle schools to prepare for university. Cities can play a crucial role in this, for example by providing special training, infrastructure and a special curriculum for schools. Again, for city experts it is very important to teach the skills necessary for employability at an early age (not just basic information, but competitiveness methods as well).

For cities, it is essential to provide direct contact with companies in order to anticipate companies’ needs. New digital technologies can help here, but more focus is also needed on the quality and

profile of jobs needed and of the workforce available. The low- and medium-skilled are those most threatened by the transitions taking place; cities must find ways to support enterprises in providing learning opportunities for employees. Companies often report that the lack of technical qualifications it is not the main problem, but that attitude-skills are more important for long-term employment.

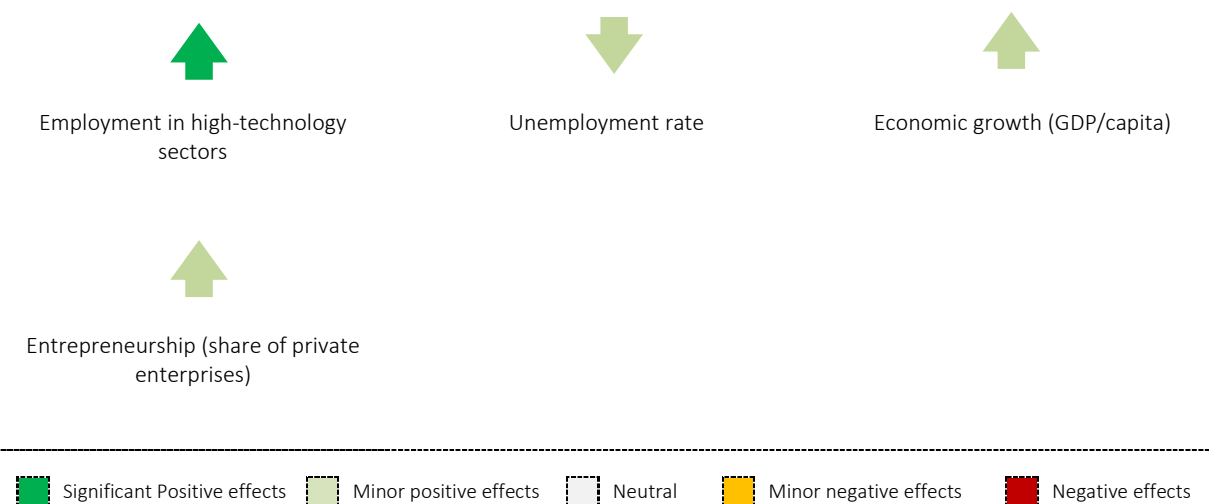
Developing and using data and forecasting systems on labour market needs for future vocational training can be very useful, but owing to incomparability of databases and privacy rules, quantitative data can be often fragmented and incomplete, and information surveys are not effective in assessing the needs of local SMEs. Linked, up-to-date databases of the jobs available, job characteristics and requirements can support better informed initiatives at local level. In Ireland, for example, there is an "Expert Group of Future Skills and Needs", which produces quarterly and annual reports for the government and for the regions; but greater publicity for such reports, more direct involvement of colleges in future planning and better links with SMEs are desirable.

## 4 Economic effects on metro regions

! *The maps depicting the effects on indicators can be found in the annex to this report.*

### Economic and social effects on metro regions

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#### 4.1. Employment in the high-technology sector

Expert judgement on the Employment in the high-technology sector indicator:

- Significant positive effects

The experts believe that if the New Skills Agenda meets its goals, it will contribute to development of specific skills and consequently increase of employment in this sector. The expected significant positive effects should result in a general increase in employment in this sector, mostly in the second metro regions. The positive effects should be observed in the capital urban regions as well, but to a lesser extent as employment in the high-technology sector in those areas is already well developed.

#### 4.2. Economic growth (GDP/capita)

Expert judgement on the Economic growth per capita indicator:

- Minor positive effects

It is hoped that the Skills Agenda would help to increase employment by developing the skills of EU citizens and in that way give them a better chance to access existing jobs. There are around 1.2<sup>3</sup> million vacancies open in the EU that cannot be filled due to the lack of required skills. As the skills needed by the labour market are evolving rapidly, city experts consider the timing required to fill these skills gaps a key factor in boosting the economy. The regional sensitivity shows us that the increase in GDP in most EU urban areas should be minor; however, the impact on economic growth in Eastern Europe is expected to be more substantial.

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<sup>3</sup> <https://ec.europa.eu/eures/public/en/homepage>.

### **4.3. Unemployment rate**

Expert judgement on the Unemployment rate indicator:

- Weak positive effects

The Agenda should contribute to developing the skills of EU citizens, making them more competitive on the EU job market. The experts estimate that the effects on unemployment will be positive, with a minor decrease in the unemployment rate, except in the very south of Spain, where a more prominent decrease in unemployment should be observed. Some experts point to the need to reduce burdens to labour mobility, so as to facilitate and effectively match demand for labour and supply of skills between regions and MS.

### **4.4. Entrepreneurship (share of private enterprises)**

Expert judgement on the Entrepreneurship indicator:

- Minor positive effects

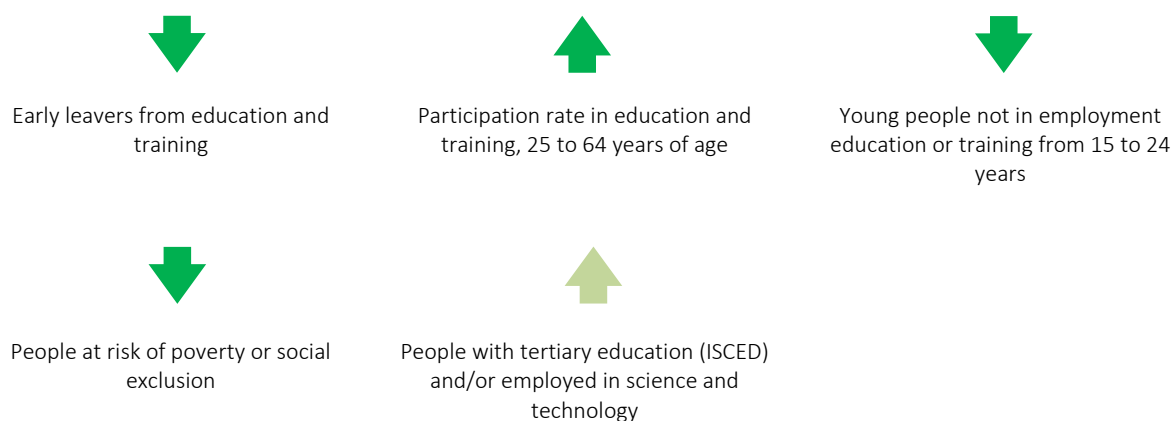
For most experts entrepreneurial and soft skills are key skills that should be taught at a very young age. They believe that the development of skills to match current and future needs will open new opportunities for entrepreneurs. They expect that the Agenda will have a minor positive effect. The model shows us that while the increase in entrepreneurship should be minor overall, a greater increase in entrepreneurship should be observed in northern France, Germany and Denmark.

## 5 Social effects on metro regions

**!** *The maps depicting the effects on indicators can be found in the annex to this report.*

### Social effects on metro regions

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Significant positive effects   Minor positive effects   Neutral   Minor negative effects   Negative effects

#### 5.1. Participation rate in education and training, 25 to 65 years of age

Expert judgement on the Participation rate in education and training, 25 to 65 years of age indicator:

- Significant positive effects

The New Skills Agenda should contribute to increasing the percentage of adults who continue their training and education throughout their lives in order to adapt to the changing environment and economy. Lifelong learning should be the key component of adult life, keeping employees' skills up to date and thus making them competitive on the job market.

The experts would like that the New Skills Agenda contributes to developing skills through lifelong learning and, as such, the effects on the participation rate in education and training would be very positive. The sensitivity of the regions shows us that this would increase the participation rate in the Nordic and Scandinavian Member States, as well as certain regions in France, and greatly increase the participation rate in other EU's urban areas.

#### 5.2. Young people not in employment, education or training from 15 to 24 years of age

Expert judgement on the Young people not in employment, education or training from 15 to 24 years of age indicator:

- significant positive effects.

The Agenda should contribute to developing the skills of EU citizens and thus reducing the number of young people who are neither employed nor in training. The experts emphasised that it is important for young people to be given an early age more practical, rather than theoretical, training and education, which is the case in many EU Member States.

One issue that the New Skills Agenda should tackle is how to overcome the problem where requirements for all positions are excessively demanding, with entry level positions essentially disappearing from the EU job market, making it almost impossible for young people to get any positions in this age group or even later on.

Educational institutions should be encouraged to incorporate work experience into their curriculum so that their students gain practical and useful experience while at school. Not only would they gain tangible experience, they would be applying their knowledge directly in practice, making them more employable. On the other hand, companies should be encouraged to re-open entry level posts and to provide training for those employees. However, this might be difficult for SMEs to implement, given their resource restrictions. In this case, LRAs could play a role in addressing the skills mismatch by providing some kinds of training options to assist both SMEs and young people entering the work force.

Nevertheless, the experts have judged that the effects of the New Skills Agenda for Europe on this indicator should be very positive. The sensitivity of the urban regions shows us that there would be a wide range of effects on EU urban areas, from a minor decrease in young people not in training or employment in cities in Germany, to a very significant decrease in some urban regions in Spain, Croatia, Italy, Romania and Bulgaria.

### **5.3. Early leavers from education and training**

Expert judgement on the early leavers from education and training indicator:

- Significant positive effects

Similarly to the above indicator, the New Skills Agenda should contribute to a decrease in young people leaving education and training. The most significant decrease in early leavers would be expected in urban regions of Southern Spain and Italy and in most Romanian urban regions. The smallest impact would be on Polish urban regions, Prague metropolitan regions and Southern Croatia's urban regions.

### **5.4. People at risk of poverty or social exclusion**

Expert judgement on the Poverty or social exclusion indicator:

- Significant positive effects

As the Agenda should address the mismatch between skills available and those needed by employers, citizens most at risk of poverty or social exclusion should in the future be better equipped to access available jobs, thus allowing them to leave the group of people at risk of poverty. Urban regions in the EU should see a moderate or significant decrease in this group. The distribution of expected effects can be seen on the map in the annex. Some experts point to the need to provide targeted measures for specific communities (segregated immigrants, etc.).

## **5.5. People with tertiary education (ISCED) and/or employed in science and technology**

Expert judgement on the People with tertiary education (ISCED) and/or employed in science and technology indicator:

- Minor positive effects

City experts expect to see a minor positive effect on the number of people with high education or those employed in the science and technology sector. The sensitivity of EU urban areas shows us different effects on this indicator, from a minor increase to a significant increase. The expected effects are not uniform but asymmetrical. More details can be seen on map 10 in the annexes.



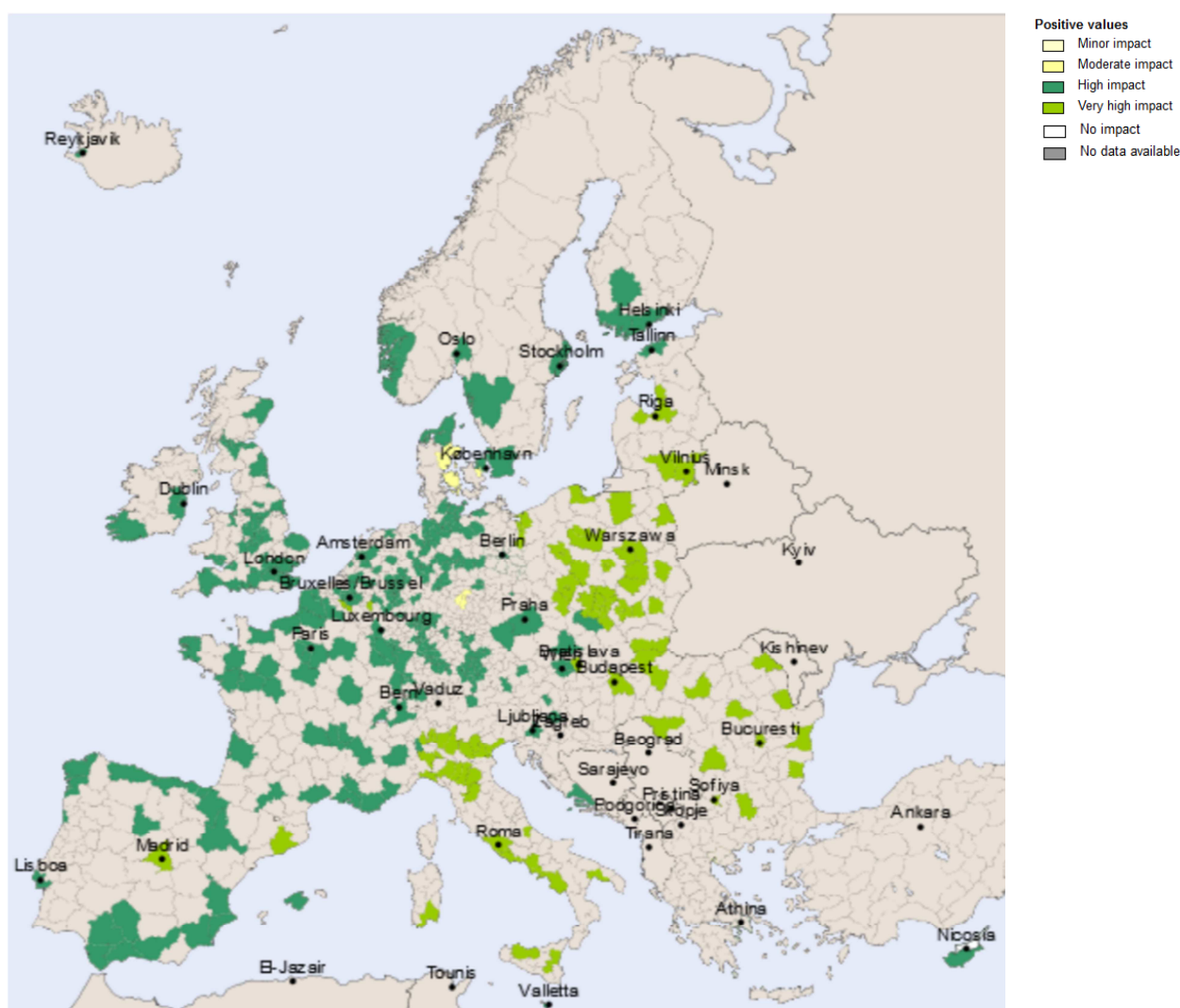
## 6 Effects on governance

Experts believe that it is important to capture diversity at regional and local level and support skills matches. The experts expect the New Skills Agenda for Europe to have significant positive effects on governance. Regional sensitivity shows that this could result in a high increase in governance efficiency throughout Europe, with the highest increase in Eastern Europe, the Baltic States and Italy.

Even though there are many jobs available on the EU job market, citizens are not necessarily aware of them. The MS and the EU should work together to create a digital access point for all the jobs available in the MS but also across the European Union. This should be promoted especially among the low-skilled work force.

With the increase in entrepreneurship and employment, owing to better skills management, LRAs and MS would receive more tax income contributing to the local and regional budgets.

**Map 1: Governance effectiveness**



## 6. Policy proposals

The experts believe that skills development should start as early as kindergarten and that school curricula should be more practical and responsive to labour market needs than they are today, ensuring equal opportunities in attaining a minimum set of skills. Many MS have education systems that teach curricula which are already outdated when the person receives the diploma. It is education systems that need to be more reactive to the changes in the regional, national and EU economic environment. Education systems should be organised in a way that would address the current, short-term and long-term needs of the job market.

To this end, it is necessary for local partnerships between education systems, employers and LRAs to be created. In many cases there is a resistance or lack of interest on some or all the parties which should be cooperating in addressing the need for relevant skills. Skills should be geared to demand from employers, and for this reason it is important to create and support such partnerships. Experts notice that skills needs emerge and evolve quickly, and it is key to be able to respond to those needs in a short space of time.

There are certain skills that cannot be measured at this moment, although they are very relevant. Certification is needed of some of these skills (e.g. Chambers of Commerce could provide this) so that the citizens, especially those which are less-qualified, would be recognised for their skills. It is essential that the time period for obtaining these certificates is reasonable and short. Recognising soft skills would be important as well, as they play an important role in the everyday work environment.

Even if partnerships function well, one other aspect that it is essential to address is low motivation or limiting (difficult?) conditions for citizens to improve their own skills, or lack of the knowledge and means to do this. This is where the LRAs, MS and the EU could help. While there are support programmes available they are often complicated and rigid. These programmes should allow cities to gear their projects to local needs, removing the unnecessary administrative burden and unrealistic expectations that come from some of these programmes.

Training sessions should be tailor made and local, and available in city areas, especially those facing the challenges of poverty and high unemployment. A model programme should be established to demonstrate to the target groups that it is possible to move up in life by developing skills through education and training. There are certain limitations that cannot be easily overcome, such as resistance and barriers to mobility within and between EU Member States. Languages, as well as other crosscutting skills, are considered to be key skills for addressing today's labour market needs across Europe.

City representatives are concerned that the New Skills Agenda will remain mainly at Member State level, failing to reach the local level as it happened with the Youth Guarantee. Cities have direct knowledge and experience and they should be consulted on this and other issues.

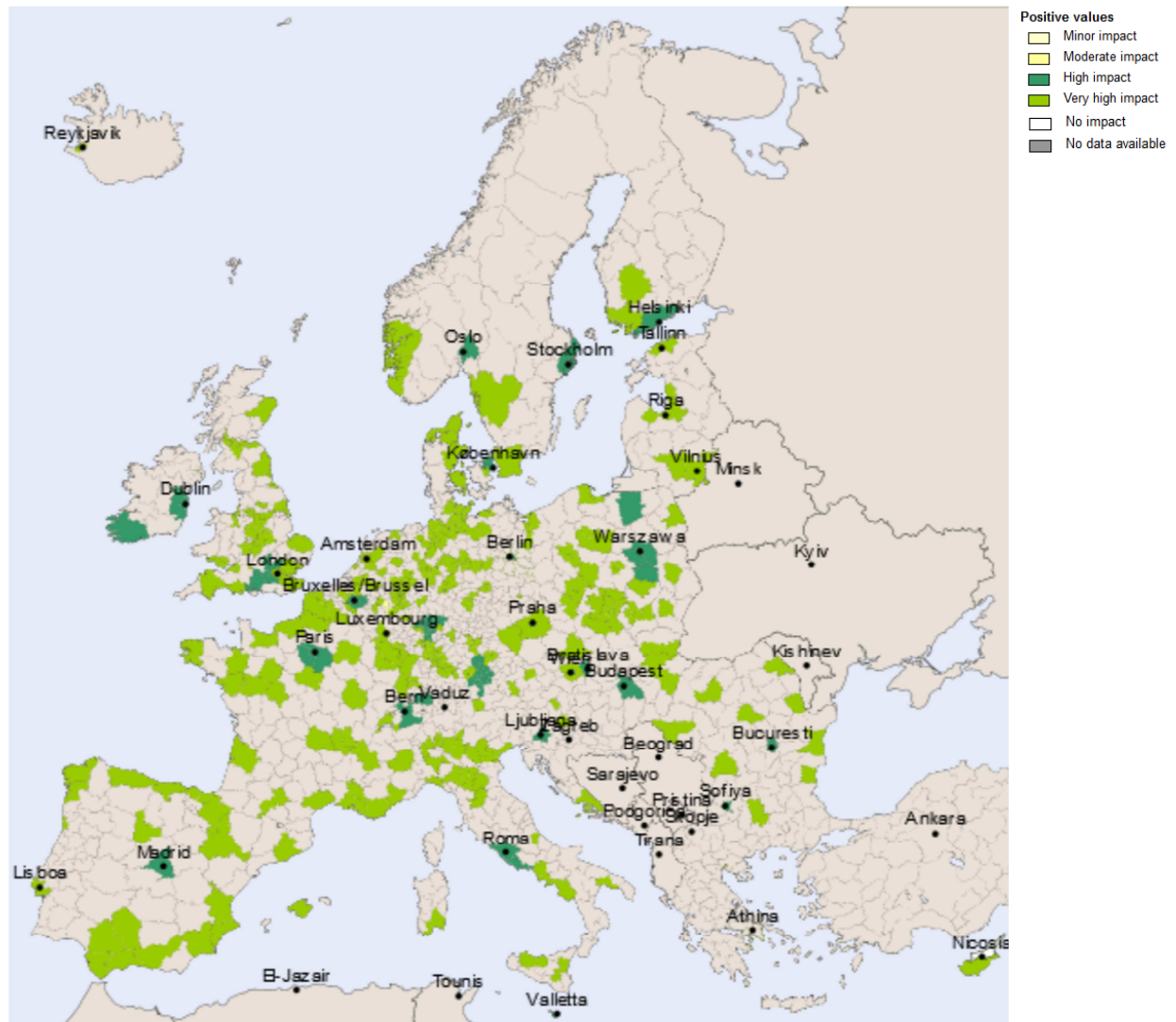
The financing should be either directly accessible by cities or directed to cities from the MS in order to make the programmes more efficient.

EU-wide sharing of good practices would be desirable, as many good projects on developing skills are created and implemented in different EU Member States. This sharing of good practices should include sharing of different tools, such as tools on how to best develop local partnerships.

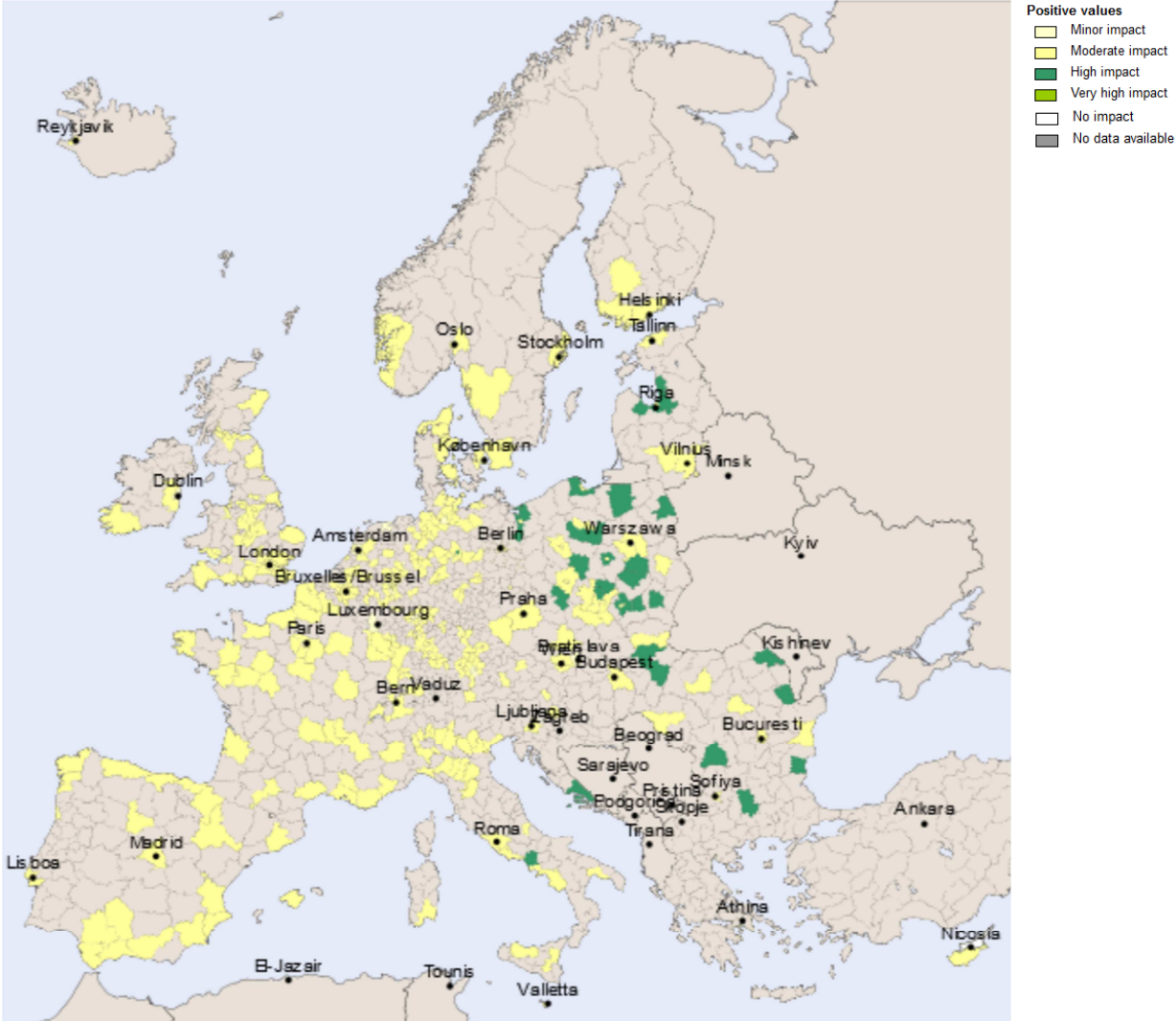
## Annex 1 – Maps resulting from the ESPON Quick Scan tool

Source of the maps: Urban impact assessment expert workshop: New Skills Agenda for Europe, Brussels, 14 March 2016

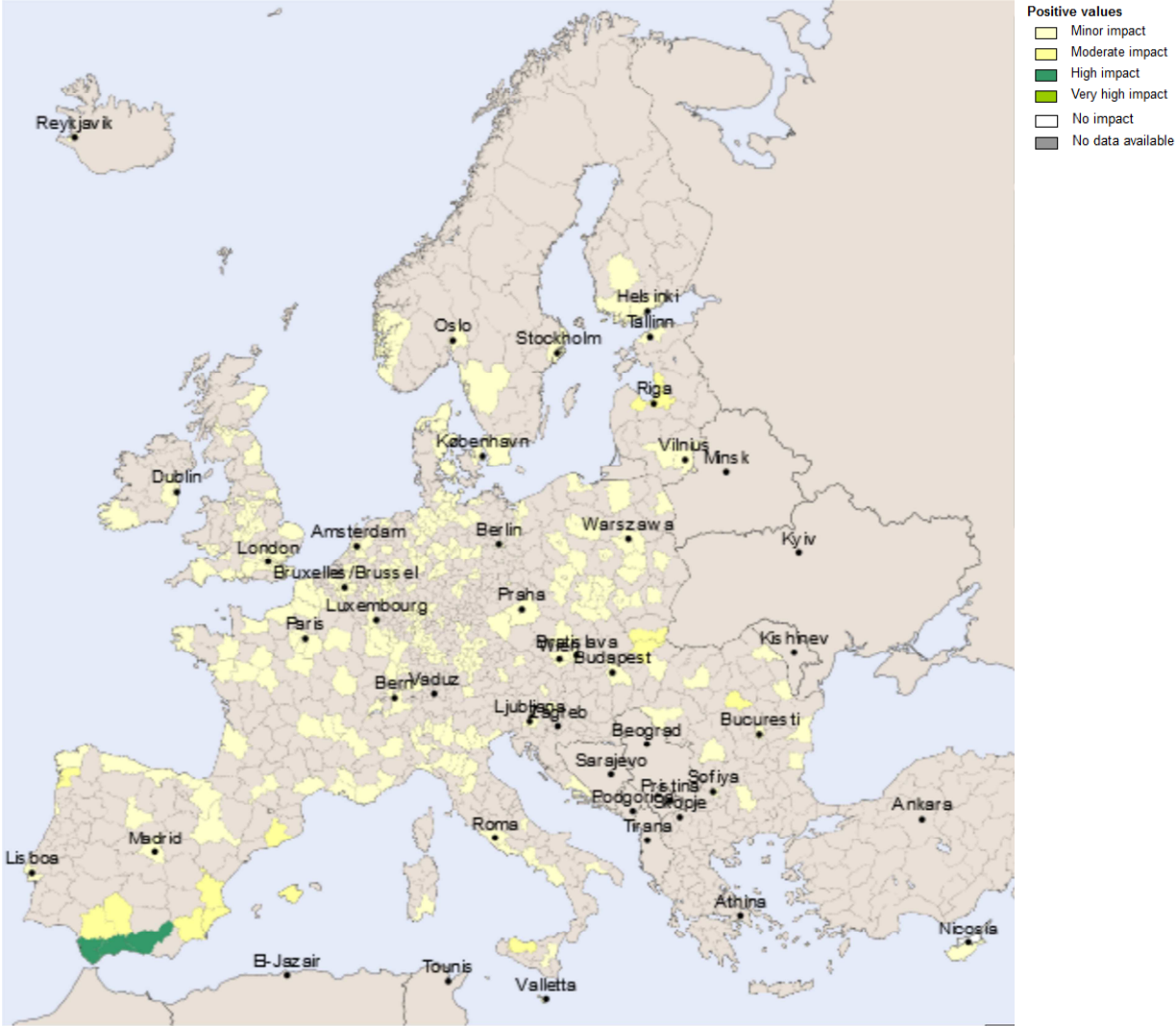
Map 2: 4.1. Employment in the high-technology sector



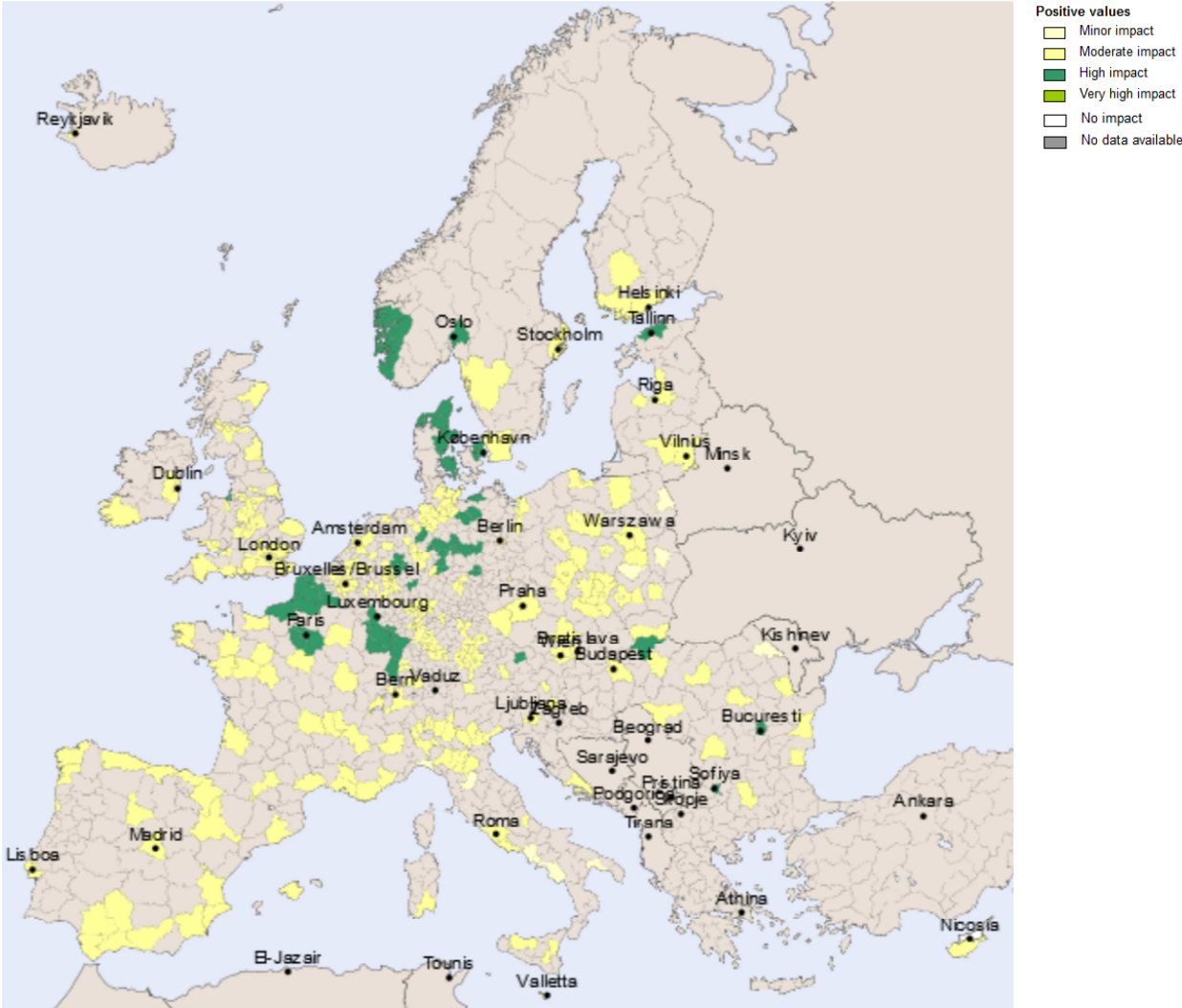
Map 3: 4.2. Economic growth (GDP/capita)



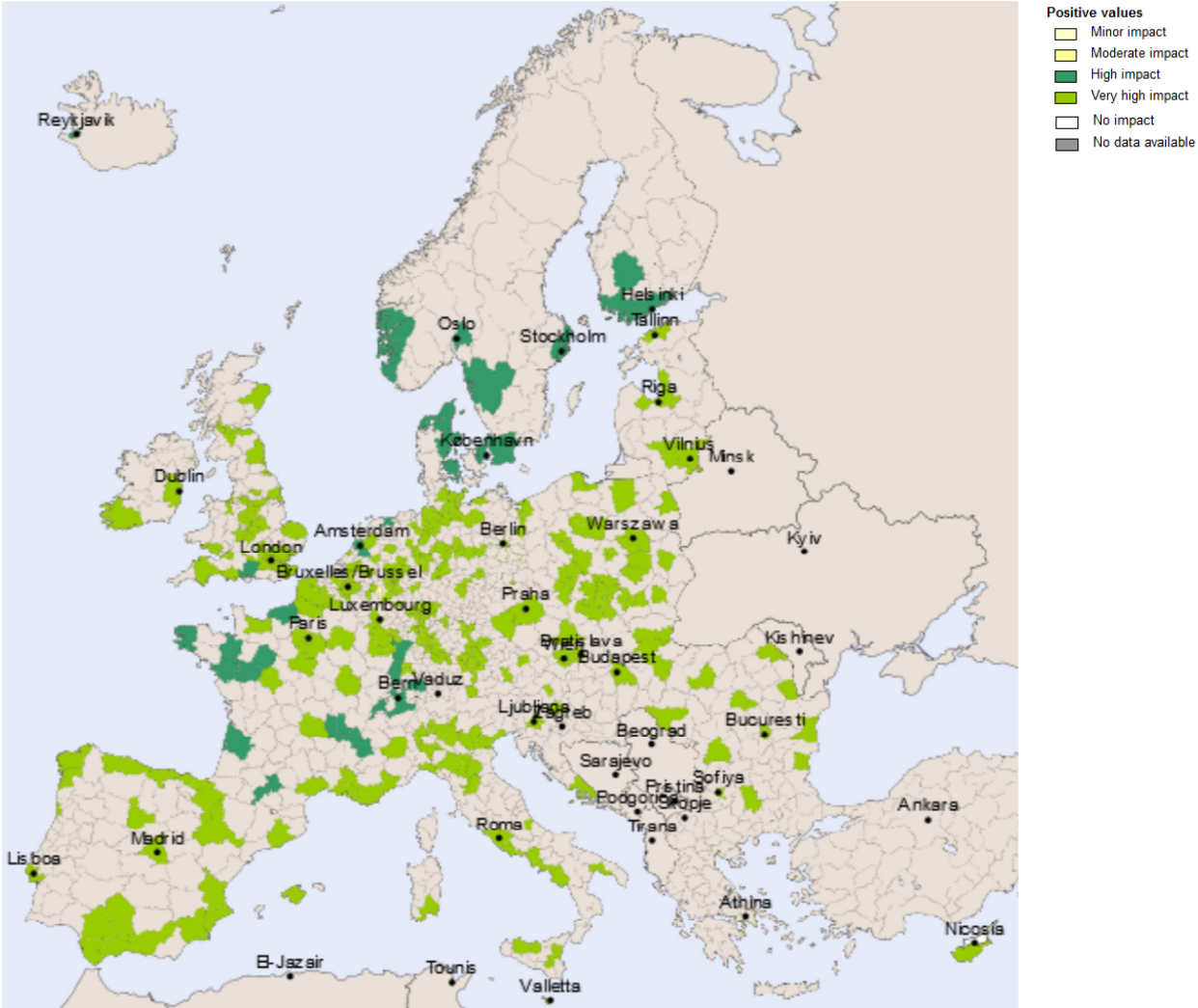
Map 4: 4.3. Unemployment rate



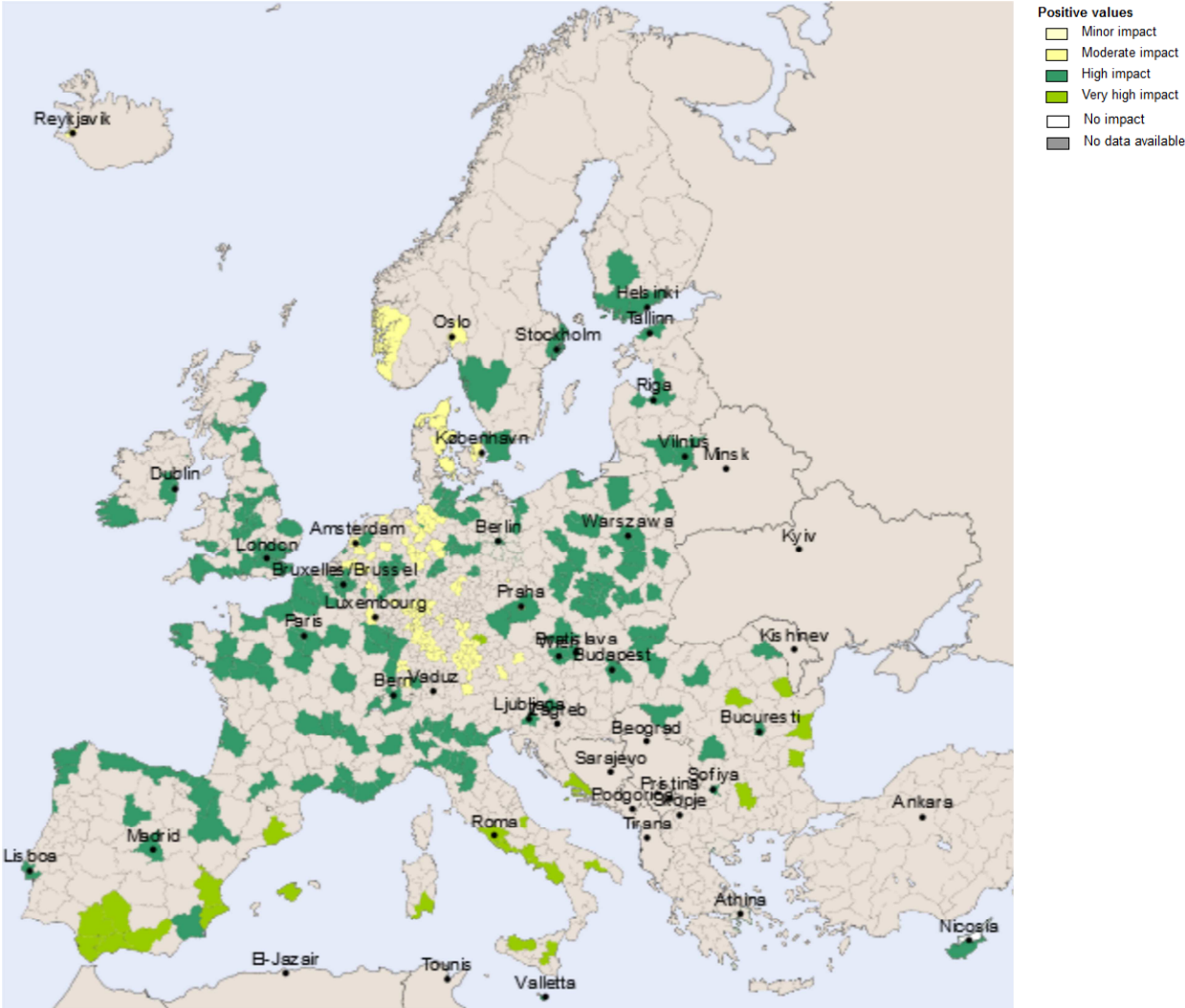
Map 5: 4.4. Entrepreneurship (share of private enterprises)



Map 6: 5.1. Participation rate in education and training, 25 to 65 years of age

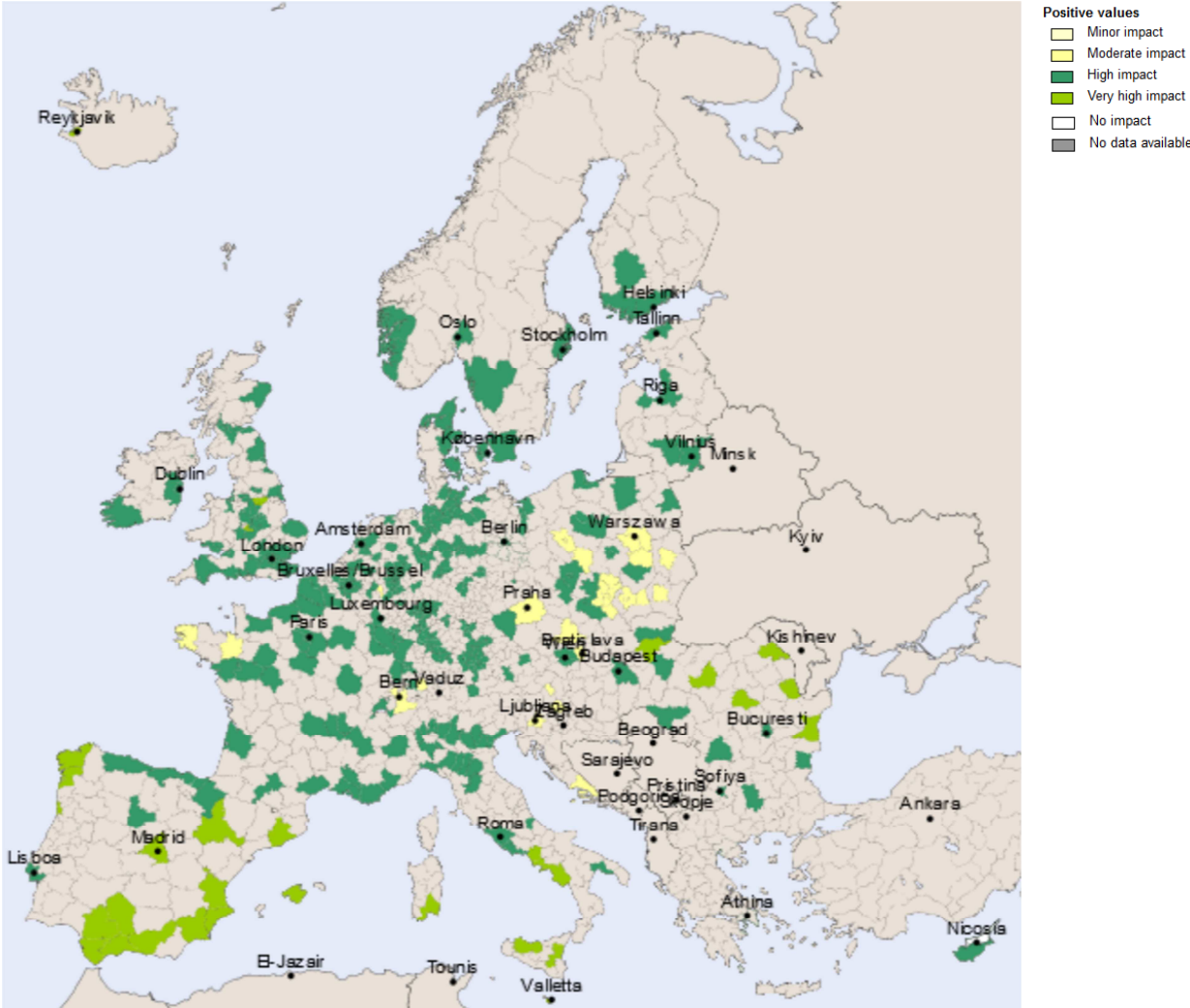


Map 7: 5.2. Young people not in employment, education or training from 15 to 24 years of age

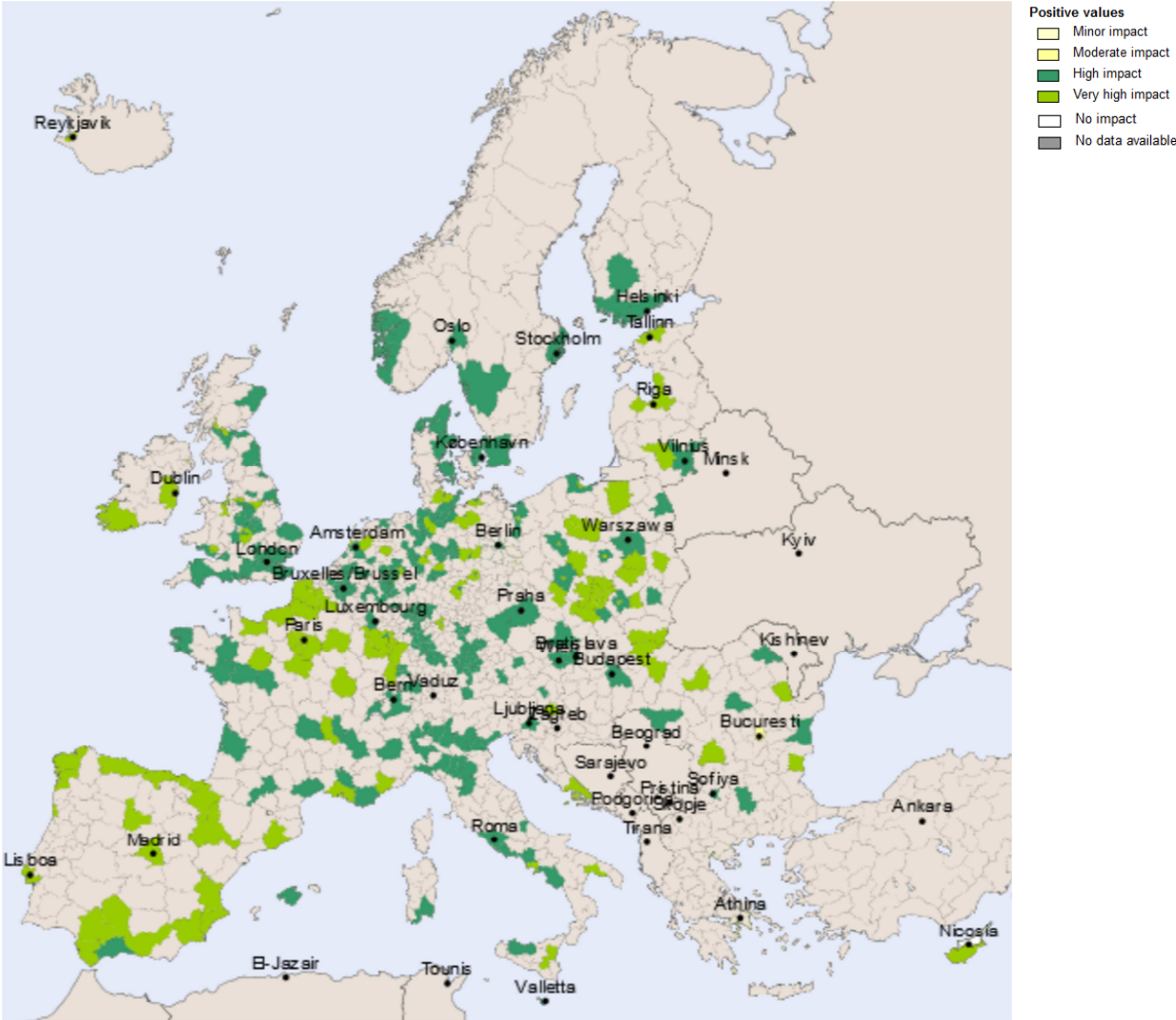




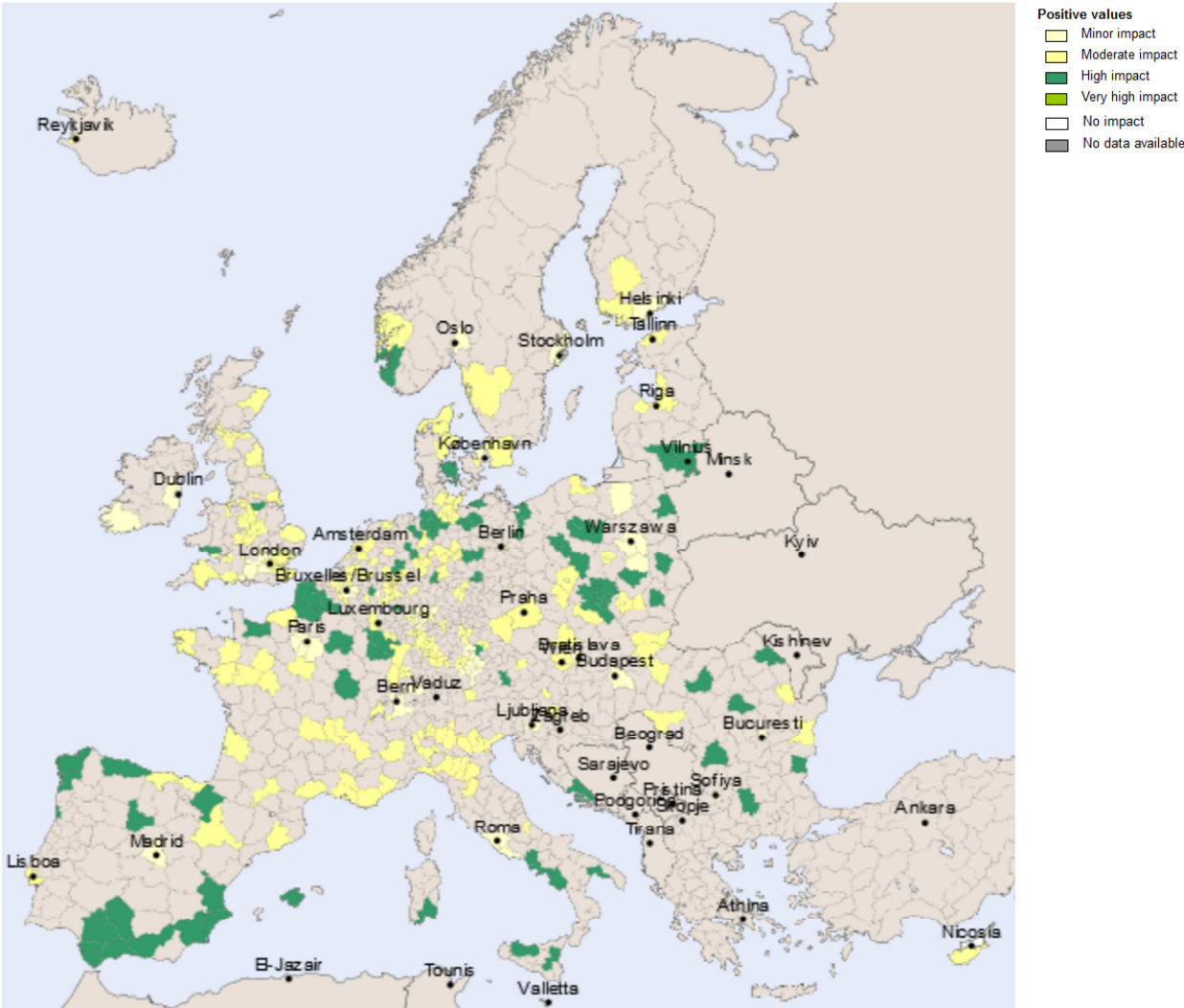
Map 8: 5.3. Early leavers from education and training



Map 9: 5.4. People at risk of poverty or social exclusion



Map 10:5.5. People with tertiary education (ISCED) and/or employed in science and technology



## Annex 2 – Description of the indicators used and regional sensitivity

Following the interactive discussion among experts, the following indicators were selected and included in the ESPON Quick Scan model;

### Definition of additional indicators

During the TIA quick check it is possible to identify additional fields of exposure which could be affected by the policy proposal and which are not covered by the tool as standard. Whereas the exposure caused by the policy proposal could be judged by the experts during the workshop, a valid indicator for describing the sensitivity of regions needs to be defined in advance. The TIA quick check offers the possibility to upload new indicators. It provides a template, where for each NUTS 3 region the values of the indicator can be input.

For the new indicator it has to be defined whether the exposure field needs to be evaluated as being either harmful ("cost") or favourable ("benefit") for the region's welfare. Then the tool will automatically convert the experts' rating into numbers for further calculation (= normalisation).

### Normalisation of indicators

Normalisation follows a linear procedure. Normalised values range from 0.75 to 1.25. Basically, normalised sensitivity indicators represent coefficients that can increase (if greater than 1) or decrease (if lower than 1) each policy proposal's impact on a specific field. In the case of the pilot on urban impact assessment, only data for NUTS 3 regions of the type "metro-regions" (regional typology of DG REGIO) was added to the tool and therefore the normalisation had to be adapted to this sample.

#### **Methodology for normalisation of regional sensitivity values**

Source: ESPON TIA Quick Check Moderator's Guide and Methodological Background

For this step the following definitions are needed:

$X_{norm_i}$  the normalized value of the sensitivity indicator for impact field i

$X_i$  the original value of the sensitivity indicator for impact field i

$X_{min_i}$  the minimum original value of the sensitivity indicator for impact field i

$X_{max_i}$  the maximum original value of the sensitivity indicator for impact field i

Then, normalization follows this formula:

$$X_{norm_i} = 0,75 + ((1.25 - 0.75) * ((X_i - X_{min_i}) / (X_{max_i} - X_{min_i})))$$

## 1. Employment in high-technology sectors

<b>Definition of sensitivity</b>	Regions with lower shares of employment in high-technology sectors are expected to benefit more from measures aimed at improving the skills and qualifications of the population. Sensitivity was thus inversely proportional to the level of employment in high-technology sectors.
<b>Description</b>	Employment in high-technology sectors (high-technology manufacturing and knowledge-intensive high-technology services) as a percentage of total employment
<b>Source</b>	EUROSTAT
<b>Reference year</b>	2014
<b>Original Indicator Spatial Reference</b>	NUTS 2 2010
<b>Missing data</b>	-

## 2. Participation rate in education and training, 25 to 64

<b>Definition of sensitivity</b>	Regions with lower participation rates in education and training are expected to benefit more from targeted measures and incentives aimed at improving the skills and qualifications of the population. Sensitivity was thus inversely proportional to the participation rate in education and training.
<b>Description</b>	Participation rate in education and training (last 4 weeks) by NUTS 2 regions from 25 to 64 years in %
<b>Source</b>	EUROSTAT
<b>Reference year</b>	2014
<b>Original Indicator Spatial Reference</b>	NUTS 2 2010
<b>Missing data</b>	-

## 3. People at risk of poverty or social exclusion

<b>Definition of sensitivity</b>	Regions that displayed a higher at-risk-of-poverty rate were likely to experience more acute poverty. Sensitivity to directives influencing poverty was directly proportional to the at-risk-of-poverty rate.
<b>Description</b>	At-risk-of-poverty rate as a percentage of total population
<b>Source</b>	EUROSTAT
<b>Reference year</b>	2012
<b>Original Indicator Spatial Reference</b>	NUTS 2/NUTS 1 2010

<b>Missing data</b>	Only NUTS 1: BE (2011), EL (2010), HR (2012), HU (2012), PL (2012), UK (2009), CY, LV, LT, LU, MT (2012); Only NUTS0:HR, IS; NUTS 2: IE, SE11: 2011 DE, NL: 2010; FR: 2009; PT: 2005; no data: DED4, DED5; French Overseas Departments;
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#### 4. Young people not in employment, education or training from 15 to 24 years

<b>Definition of sensitivity</b>	<b>Regions with higher NEET rates are expected to benefit more from targeted measures and incentives aimed at improving the skills and qualifications of the population. Sensitivity was thus directly proportional to the proportion of young people not in employment, education or training.</b>
<b>Description</b>	Young people not in employment, education or training from 15 to 24 years by NUTS 2 regions (NEET rates)
<b>Source</b>	EUROSTAT
<b>Reference year</b>	2014
<b>Original Indicator</b> <b>Spatial Reference</b>	NUTS 2 2010
<b>Missing data</b>	DE232, DE238

#### 5. Early leavers from education and training

<b>Definition of sensitivity</b>	<b>Regions with higher shares of early leavers from education and training are expected to benefit more from measures aimed at reducing social disparities in the labour market.</b>
<b>Description</b>	Share of early leavers from education and training in the population aged 18-24 years
<b>Source</b>	EUROSTAT
<b>Reference year</b>	2016
<b>Original Indicator</b> <b>Spatial Reference</b>	NUTS 2 2010
<b>Missing data</b>	FR63, AT34, PL33, UKK3, UKM5: 2012; EL41, PL34, PL52, UKD1, UKM6: 2011; AT21, AT32: 2010; No data: FR83, FR91-94, AT11, FI20,

#### 6. Economic growth (GDP/capita)

<b>Definition of sensitivity</b>	<b>Regions with lower GDP per capita were expected to benefit more from directives aimed at GDP growth increase or to have inadvertently harmed economic growth. Sensitivity was thus inversely proportional to the level of GDP per capita.</b>
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<b>Description</b>	Gross domestic product (GDP) at current market prices; Purchasing Power Standard per inhabitant
<b>Source</b>	EUROSTAT
<b>Reference year</b>	2011
<b>Original Indicator Spatial Reference</b>	NUTS 3, 2010

## 7. Unemployment rate

<b>Definition of sensitivity</b>	<b>Regions experiencing higher levels of unemployment are likely to benefit more from a decrease in unemployment and are more harmed by increases. Sensitivity is thus directly proportional to the unemployment rate.</b>
<b>Description</b>	Unemployed people/economically active population
<b>Source</b>	ESPON, EUROSTAT
<b>Reference year</b>	2009
<b>Original Indicator Spatial Reference</b>	NUTS 3 2006
<b>Missing data</b>	No data available for French overseas dpt.; ITC4C; ITC4D; ITF46-48; ITH59; ITI31; ITI34; ITI35; NL337-339; NL33A; UKD6; UKE44; UKE45; UKF24; UKF25; UKG36-39; UKH24; UKH25

## 8. Government effectiveness

<b>Definition of sensitivity</b>	<b>Regions showing lower-quality, less fair local public school and healthcare systems may benefit more from directives aimed at improving public school and healthcare systems. Sensitivity is thus inversely proportional to this indicator.</b>
<b>Description</b>	EU Regional Competitiveness Index 2013
<b>Source</b>	DG Regio project on QoG
<b>Reference year</b>	2009
<b>Original Indicator Spatial Reference</b>	NUTS 2 2006
<b>Missing data</b>	No data: FI1B, FI1C, HR,

## 9. Entrepreneurship (share of private enterprises)

<b>Definition of sensitivity</b>	<b>Regions showing lower levels of self-employment were expected to benefit more from actions aimed at its promotion or for self-employment to have been inhibited unintentionally. Sensitivity was thus inversely proportional to the share of self-employment.</b>
<b>Description</b>	The share of self-employed among the employed was used as a proxy for entrepreneurship.

<b>Source</b>	EUROSTAT
<b>Reference year</b>	2012
<b>Original Indicator Spatial Reference</b>	NUTS 2, 2010

#### 10. People with tertiary education (ISCED) and/or employed in science and technology

<b>Definition of sensitivity</b>	Regions with lower shares of human resources in science and technology are expected to benefit more from measures aimed at improving the skills and qualifications of the population. Sensitivity was thus inversely proportional to the percentage of people with tertiary education (ISCED) and/or employed in science and technology.
<b>Description</b>	People with tertiary education (ISCED) and/or employed in science and technology as a percentage of total population
<b>Source</b>	EUROSTAT
<b>Reference year</b>	2014
<b>Original Indicator Spatial Reference</b>	NUTS 2 2010
<b>Missing data</b>	-



### Annex 3 – Cities participating in the workshop

City	Proposed by	Country
Antwerp	EUROCITIES	Belgium
Cadiz	URBACT	Spain
Cork	Committee of the Regions	Ireland
Dubrovnik	Committee of the Regions	Croatia
Ghent	EUROCITIES	Belgium
Göteborg	EUROCITIES	Sweden
Jonava	URBACT	Lithuania
Pécs	Committee of the Regions	Hungary
Turku	Committee of the Regions	Finland