EUROPEAN ANTI POVERTY NETWORK

05.10.09

European Anti Poverty Network Structural Funds Task Force

The contribution of Cohesion policy to social inclusion
What role for social NGOs?

EAPN mid-term Assessment of the current programming period and perspective for post-2013

Introduction

Context

Last June 2009, Member States were required to submit their annual national reports on the implementation of the Structural Funds. By the end of 2009, the Member States shall provide a concise report containing information on the contribution of the programmes co-financed by the Structural Funds towards the implementation of the objectives of Cohesion policy, the priorities laid down on their National Strategic Reference Frameworks (NSRF) and the achievement of the Growth and Job Strategy.

The Study

In Spring 2009, The European Anti-Poverty Network (EAPN) conducted among its members an important study to assess the contribution of the current programming period of the structural funds to social inclusion and the role given by national managing authorities to social NGOs (attached in annex).
The study was carried out by means of a questionnaire to national networks (members of the European Anti Poverty Network) in each member state. Information was provided from EAPN members in France, Germany, Italy, Spain, Portugal, United Kingdom, Poland, Belgium, Greece, Cyprus, Lithuania, Czech Republic, Bulgaria, Romania, Sweden, Finland, Hungary, Malta, Ireland and Slovenia; and the European Federation for Street Children.
It covers a wide range of concerns, obstacles encountered by our Members in accessing Structural Funds: partnership, funding, global grants, technical assistance, the participation in the monitoring committees, the participation in the post-EQUAL transnational programme, the effects of the economic crisis, the priority given to social inclusion, some more specific questions on the current operation of the funds (the potential of the social economy, …)

The objectives

At almost the mid-term of the implementation of the current programming period, it's a crucial time to **deliver some key political messages and recommendations** both at the European and national levels to **ensure a real involvement of the social NGOs in the implementation of the Structural Funds** especially in the context of the financial crisis which highlighted the burning need to re-orientate the cohesion policy toward a less instrumental approach. Moreover, as the debate on the future of the cohesion policy has been launched by the publication of the Barca Report last April, this survey will serve as **a backdrop to a discussion on the future of the cohesion policy.** The recommendations drawn for the Survey aims at achieving a far better focus on social inclusion in order to solve the worrying present situation of the low level of social earmarking and ensuring a real involvement of the NGOs in the upcoming discussions on post-2013.

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I) EAPN mid-term assessment of the current programming period of the structural funds: little contribution of the Structural Funds to social inclusion

Introduction

Prior to the introduction of the present round of the structural funds, 2007-2013, EAPN presented a series of proposals to the Commission to make the structural funds more effective. Some of these proposals were accepted, but more were not, with negative and avoidable consequences for people living in poverty. Others were accepted in theory but, worryingly, not put into practice. The principal findings of the study unfortunately were that:

Main findings

A virtual use of the partnership principle

Although member states are expected, under Article 11 of the Structural Funds[1], to work in partnership with NGOs and civil society, **only two Member states have achieved such a partnership** with anti-poverty organisations, United Kingdom and France (with partnership with a wider range of civil society organisations in a third, Ireland) from EAPN Members perspective. EAPN Members pointed out that, in most Member States, partnership is indeed interpreted as membership of the monitoring committee. Nonetheless, the **overall quality of partnership** between social NGOs and government is **rated as poor by the majority of EAPN Members**. According to EAPN Members, these are also the only two countries to make social inclusion a top priority in their structural fund programmes.

Recommendations:

- Set up guidelines on partnership in governance and delivery of Structural Funds in close cooperation with NGOs and use it as a basis to evaluate the implementation of the partnership principle
- Ensure that Member States include a specific section on partnership within their annual reports on structural funds

A continuing difficulty for NGOs in accessing funding mainly due to a major underutilization of global grants and technical assistance and capacity-building

Ensuring a real access to Structural Funds for social inclusion NGOs remains a challenge still especially in some countries where NGOs don't receive any funding. EAPN Members stressed that **social inclusion NGOs receive funding for projects against poverty in less than two-thirds of Member States**.

Although global grants[2], technical assistance[3] and capacity-building[4] have a proven success to deliver and target Structural Funds to the most excluded[5], they are still not used in the appropriate way.

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[1] Structural Funds Regulation (EC) N°1083/2006, 11.17.06

[2] Article 42 of the Structural Funds Regulation defines the global grants mechanisms through the "Member State or the managing authority may entrust the management and implementation of a part of an operational programme to one or more intermediate bodies".

[3] Defined in the article 45 of the Structural Funds Regulation, technical assistance is designed to support the smooth running and management of structural funds' operation, for instance by covering studies concerning the operation of the Funds, the exchange of information and experience, evaluation and computerized information systems, but also reaching out to final beneficiaries.

[4] Capacity-building could be defined as the way to reinforce the general organizational capacity needs of beneficiaries through a wide range of aspects (resources, networking, planning…). The ESF Regulation (article 3) encourages Member States to use the funds to strengthen institutional capacity of non-governmental organisations (among others) both in the planning and delivery phase of the funds through training and support).

Despite global grants being known as an effective means of delivering social inclusion projects, **only four Member States have global grants** (United Kingdom, France, Italy, Czech Republic);
Whereas the regulations of the Structural Funds make technical assistance open to any body carrying out structural fund regulations, **it is available to NGOs in only four Member States** (United Kingdom, France, Germany, Hungary). In most countries, technical assistance is only available to government departments and agencies.

Recommendations:

- Remove the obstacles traditionally encountered by NGOs (lack of information, lack of resources, a difficulty to use the funds for "micro-projects, financial obstacles…)
- Increase pre-financing rates and lower co-financing rates in order to facilitate the access to Structural Funds for small grass-roots organisations
- Better targeting of social NGOs to benefit global grants, technical assistance and capacity-building.

An unsatisfactory involvement of NGOs in monitoring

Although social NGOs participate in the monitoring committees in most Member States, EAPN Members stressed that **social NGOs are not involved effectively in Structural Fund Management** in other ways, although the partnership principle states that they should be. Some NGOs have begun to find places on specific committees (e.g. environmental NGOs on environmental operational programmes; social NGOs on social programmes), but not yet on programme committees further afield, especially in the ERDF. **Only a very few Member States have put into place a full involvement in monitoring** where NGOs are fully represented on all monitoring Committees with voting rights and on subcommittees.

Recommendations:

- Establish "social-friendly" standards for monitoring committees :
- Committees should include a wide range of participants representing the target groups including social inclusion NGOs and people experiencing poverty
- A transparent selection process should be put into place for social inclusion NGO representatives
- NGOs should participate as full members in all the decision-making process with voting rights, not just observers
- Transparency should be better highlighted and applied to details of membership, meetings, agenda posted on the website etc…
- The participation costs of NGOs should be covered…

A weak transnational dimension due to a failure to mainstream the EQUAL Programme

Whereas there were over 2,200 EQUAL projects in the 2000-6 round of Structural Funds, according to EAPN Members, so far **only eight Member States have developed transnational projects** (although some others may yet develop them). This represents a disastrous loss of knowledge and sharing of experience in combating poverty, one which EAPN repeatedly warned against.

Recommendations:

- Involve a wide range of actors, including civil society and social inclusion NGOs, and ensure their presence in the different transnational platforms to be developed by managing authorities as a follow-up to EQUAL;

[5] See EAPN briefing on Facilitating NGOs' access to structural Funds through global grants, technical assistance and capacity-building, 11.09.07

- Ensure a real use and follow-up of the practical tools and notes developed under EQUAL, which should now be used as horizontal principles in all ESF programmes;
- Ensure a widespread dissemination of EQUAL outcomes, in particular good practices;
- Develop a specific evaluation of how the mainstreaming of EQUAL has taken place in practice and how much previous knowledge has been integrated into new ESF programmes.

A weakened structural funds management and an incomplete reorientation of the Structural Funds in response to the economic crisis

- Commission oversight of Structural Funds for 2007-2013 has been steadily reduced, a point highlighted dramatically by the recent report by Fabrizio Barca on the structural funds compiled for the Directorate General of Regional Policy, DG REGIO. **The inadequate quality of design and supervision of the Structural Funds is evident in the experience of EAPN members**, who report that:
  - Structural Funds are inadequately targeted to those living in poverty. Some categories of people are missed, such as older people, migrants, people with disabilities, asylum seekers, children and people reckoned unable to contribute to the labour market;
  - Structural Funds should be more balanced between training those already in the labour market (lower-skilled workers especially) and helping in practical ways a broad range of disadvantaged people outside it;
  - Little effort is made to build the capacity of social inclusion NGOs to do their work against poverty more effectively;
  - The delivery methods used by the structural funds to combat poverty are often ineffective. The systems of monitoring, evaluation, reporting and indicators are weak.
  - Despite its enormous potential, little use is made of the social economy[6] in the structural funds. From EAPN Members perspective, only a very few Member States dedicate a significant amount of money (8% to 10% of their budgets) to supporting social economy enterprises.

- EAPN members assessed to what extent the current changes brought to the Structural Funds in response to the economic crisis have improved the contribution of the Structural Funds to social inclusion so far.
  As far as EAPN Members are concerned, in their majority, **they were not aware of any changes in the operation of ESF or ERDF** following the economic crisis. Some of them pointed out that when the changes have been brought, they are **unlikely to change the content of the Structural Funds**[7].

  As previously stressed by EAPN, the Cohesion Policy will only have a substantial impact in the context of the economic crisis if the focus is put on some key levers such as an "Inclusive Employment Initiative", strengthened investment in social innovation and services", ensuring that the most disadvantaged share the benefits of the green revolution, tackling energy poverty"[8]. So, **EAPN urges the Member States and Managing Authorities to re-orientate their national and regional priorities** for Cohesion Policy in this regard.

[6] As mentioned in EAPN Position Paper on Social economy as a positive force for employment and social inclusion, this concept includes "organizations such as co-operatives, mutual societies, associations and foundations".
[7] This study was carried out among our Members during Spring 2009. So, the views expressed here may have changed over the past few months. Meanwhile, some of our Members have indeed already noticed negatives changes due to a focus on maintaining employment at the expense of activation measures for those who are the furthest from the labour market.
[8] See EAPN position paper on "Beyond business as usual: Mobilising Cohesion Policy as a social answer to the crisis", 15.04.09

EAPN welcomes the recent Communication of the European Commission on "A shared Commitment for Employment"[9] reorienting ESF around three priorities (maintaining employment, creating jobs, promoting mobility; upgrading skills, matching labour market needs; increase access to employment) to better respond to the economic crisis. Unfortunately, this Communication is a missing opportunity to address the worrying problem of social exclusion of those who are the furthest from the labour market. **The focus is still on growth, competitiveness and maintaining employment, while the social impact of employment** (ensuring a dignified life for workers, as well as their social integration and inclusion) is insufficiently mentioned[10].

Recommendations:

- Refocus ESF programmes on people experiencing poverty, yet keeping a strong focus on the *most* disadvantaged (in particular migrants, ethnic minorities, Roma) or group of people (long-term unemployed, single parents, older people, asylum seekers, people with disabilities), and develop appropriate, targeted approaches
- The European Commission should carry out an impact assessment of changes in the Operation Programmes in terms of social inclusion and poverty (including equality).
- Support "positive activation"[11] with personalized pathway approaches for the most disadvantaged groups, bringing together inclusive education and training, counselling, access to services
- Fully recognise the contribution of social services countering the current economic crisis and meet the objective of cohesion policy (promotion of the role of ESF in delivering innovative social services such as community, care services; strengthening of the use of ERDF in supporting social services infrastructures)
- Ensure a real social inclusion proofing of green investments supported by both the ERDF and Cohesion Policy, and earmark some funding for the most disadvantaged areas
- Prioritise the fight against energy poverty, introduce changes to Operational Programmes and fully implement the modification in structural funds' regulation to support energy efficiency measures to promote social cohesion. This should be a priority in the competitiveness area as well.

Influencing the debate on the future cohesion policy

Introduction

As previously said, the debate on the future of the Cohesion Policy has been launched recently by the publication of the Barca Report. Due to the failure of the implementation of the current programming period of the structural funds to effectively contribute to social inclusion and to really involve the NGOs, it is all the more crucial that their voice is heard from the beginning for the upcoming discussions about post-2013. For this reason, EAPN members put forward a series of views for the next round of the structural funds 2013-2020.

Main findings

Consult from the beginning the NGOs about the future of the cohesion policy

Social inclusion NGOs and those living in poverty should be consulted, which at the moment they are not in most Member States. They should be at the heart of the design of the new round of structural funds. There must be a fresh examination of social need. There must be space to give civil

[9] 3.06.2009 COM(2009) 257 final

[10] See EAPN Response to the EC Communication on "A shared commitment for employment", 22.06.08

[11] See EAPN criteria for a positive activation (December 2005) : http://www.eapn.eu/content/view/141/lang.en/

society and social inclusion NGOs the opportunity to extend the thinking on cohesion policy. Structural fund policy is too important to be left to Ministries of Finance, who don't have the experience to use the funds effectively for social inclusion. **In only two Member States have social NGOs been consulted at all about the future of cohesion policy** (Germany and Lithuania). This illustrates that social inclusion NGOs are still not treated seriously as structural fund partners.

Recommendations:

- Establish a consultation process at the EU level by setting up a task force about the future of the Cohesion Policy managed by DG REGIO, the relevant DGs with the involvement of the relevant stakeholders such as civil society and social inclusion NGOs
- Set up a consultation process at the national level through various structures such as ad hoc round tables, discussions in the ESF, ERDF monitoring committees…

Simplify the Structural Funds' Regulation to ensure a real access for social inclusion NGOs to Structural Funds

- **EAPN Members want the structural funds to be simplified so as to make them open to social inclusion NGOs who can deliver small, effective, on-the-ground projects working directly with people living in poverty**. The bureaucracy and administrative procedures and requirements are considered by our Members as a major obstacle that keep social NGOs out of EU funding. Instead, practical support should be provided for social NGOs, through capacity building, technical assistance and global grants.
- EAPN welcomes the new measures aiming at simplifying management rules for the Cohesion Policy as part of the measures to combat the crisis decided on July 2009. Especially the reimbursement by the European Commission of 100% of the costs declared by the Member States for projects financed by the European Social Fund (ESF) in 2009 and 2010. Nevertheless, the European Commission didn't tackle other important financial obstacles related to the rigid co-financing rules. There still should be much more room in the structural funds for smaller, grass-roots projects which are more responsive to local needs. Social inclusion NGOs could and should play a much more important role in the delivery of Structural Funds. They know best what is needed at local level and are best able to identify the groups that could benefit from structural funds intervention.

Recommendations:

- Encourage the European Commission to organize an EU level conference targeting specifically social NGOs aiming at discussing the simplification of Structural funds for the post 2013

Improving the design and delivery of the structural funds

The structural funds need to greatly improve their design and delivery. They should make more use of methods such as community development[12], social work[13], the social economy and active inclusion[14]; use the European Regional Development Fund as well as the European Social Fund; and set

[12] This concept aims at developing collective action by providing to individuals or groups of people the skills they need to effect change in their own communities and ensuring their empowerment.

[13] This concept refers to the ideas of social change, empowerment and liberation of people to enhance well-being by using a wide range of skills, techniques, activities consistent with its holistic focus on persons and their environments (ie counseling, group work…)

[14] According to EAPN, Active inclusion is underpinned by 3 pillars : Adequate minimum income, access to affordable quality services and genuine support to access decent jobs. See "EAPN Report : Yes to Active Inclusion. Report of EAPN Seminar", Paris June 2008 and "Delivering results on Active inclusion : EAPN key messages for the Round Table on Poverty and Social Exclusion (Marseille, 15-16 October 2009)

aside parts of each fund for social inclusion NGOs that can deliver concrete results. There should be **a proper, effective, post-EQUAL transnational dimension.**

Recommendations:

- Ensure a real use and follow up of the practical tools and notes developed under EQUAL which should be used as horizontal principles in all ESF programmes and a widespread dissemination of EQUAL outcomes
- Draw a specific evaluation of how the mainstreaming of EQUAL has taken place in practice and how much from previous knowledge has been integrated into new ESF programmes.
- Create a new fund for innovative social actions for piloting grass-roots projects to ensure a better mainstreaming of the EQUAL programme by the small size of target area, the implementation of the partnership and participation principles.

Targeting the most deprived people

The next round of the structural funds must reach those excluded by the present funds such as young people at risk unemployed people, homeless, those lacking literacy or numeracy skills, small agricultural producers, asylum seekers and Roma people. They should target distinct geographical pockets of poverty.

Recommendations:

- Reorientate cohesion policy by putting social inclusion at the fore front of cohesion policy: as elaborated in the Barca Report, social should become one of the two main objectives of the cohesion. It is a pre-requisite to solve the current problem of low-level of social inclusion earmarking and to target the most deprived people.

Creating an effective culture of evaluation

The standard of management of the structural funds must improve, so as to make it transparent, open and clear, with more demanding monitoring, impact assessment, indicators and the application of knowledge of *What works?* and good practice in promoting social inclusion. **The evaluation system for the next programming period of the Structural Funds should be more designed to measure social inclusion outcomes**.

Recommendations:

- Structural Funds indicators should complement the ones used in the NAPs for social inclusion so as to integrate from the beginning the objectives of the EU Strategy for social protection and social inclusion and the social OMC.
- Set out a limited number of core outcome indicators based on targeted and qualitative evaluations. This should be complemented by the provision of community-based indicators.

  Build up throughout the Member States a real inclusion-proofing system of funds, operational programmes, measures and sub-measures to test effectively the impact of the structural funds on poverty and social inclusion.
- Going further than GDP per capita to measure regional and social disparities by developing new multiple-indicators which reflect progress towards a social and sustainable strategy.
- Introduce a social impact assessment based on the participation principle. This should include a specific focus on the impact on poverty and inequality and ensure the active involvement of stakeholders, including NGOs and people experiencing poverty in the assessment process, at the earliest possible stage.

Strengthening the link between the structural funds and the social OMC

The focus put on the revised Lisbon Growth and Jobs Strategy in the current programming period of the Structural Funds through the earmarking process **damages the potential driven force** of these Funds to promote social inclusion. The problem is increased by the lack of coherence between the Structural Funds and the Open Method of Coordination that is to say that ERDF and ESF are not connected sufficiently to the national actions plans. So, **EAPN Members advocate for a closer link between the Structural Funds and the Open Method of Coordination for social protection and social inclusion for the next programming period 2013-2020**.

Recommendations:

- Strengthening the coherence between the ESF and the social OMC (especially the transnational work)
- Ensure that the social OMC's methodologies and indicators make a concrete contribution to structural funds' governance.
- The European Commission should address country specific recommendations following Member States' annual reports on the structural funds on how to strengthen the impact on fighting poverty and social inclusion
- Develop mechanisms to ensure effective coordination on the delivery of social inclusion through Structural Funds at regional, national and EU level including templates for guidelines, indicators and benchmarks.

Rejecting the temptation of the-renationalization

EAPN Members are strongly **against the re-nationalization** of the structural funds. Such a move could make the funds even less transparent than they are at present and in some Member States open the door to more corruption. Instead, **they favour a strong supervisory role by the Commission**, as also proposed by the Barca report.

Conclusion:

From EAPN Members' perspective, some conclusions can clearly be drawn which could be summed up as following : since more than two years that the current programming period has been in place, **the structural funds have fallen far short of their potential to promote social inclusion**. Unfortunately it fits broadly with the conclusions previously drawn by EAPN at the beginning of the programming period 2007-2013[15]. The main reasons are the following:

- A lack of use of the partnership principle and the very useful means such as global grants, technical assistance and capacity-building which makes the access to funding complicated for social NGOs
- A non-satisfactory involvement of social inclusion NGOs in monitoring which keeps them too far from the decision-making process
- A weak transnational dimension which results from the failure to mainstream the EQUAL programme
- A weaken structural funds management which prevents the European Commission from having an effective oversight on the Structural Funds and their contribution to social inclusion.

[15] See EAPN Statement on the current stage of implementation, 27.03.07; EAPN comments on the Commission's communication on programming documents, 23.06.08

- A slow and incomplete reorientation of the Cohesion Policy in response to the economic crisis which remains too much focus on the revised Lisbon Growth and Jobs Strategy

So, EAPN urges the European Commission, the Member States and the Managing Authorities to make a full use of the existing means and the new priorities of the Cohesion Policy developed in response to the economic crisis to promote social inclusion.

At almost mid-term of the programming period 2007-2013, EAPN Members also want to highlight key messages for the post-2013 to make sure that the voice of social inclusion NGOs and people experiencing poverty will be heard from the beginning by the EU institutions on the future of the Cohesion Policy. **These proposals have recently met a great support with the Barca Report** particularly the reshaping of the Cohesion Policy around a newly-promoted social inclusion objective, a better involvement of the local actors (among others social NGOs) at all the stages of the next programming period, the creation of an effective culture of evaluation. So, EAPN also urges the EU institutions in the upcoming discussion on the future of the Cohesion Policy to take on board the view of this Report.

Our 10 key recommendations:

For the current programming period

- Make an effective use of the partnership principle as stated in the article 11 of the Structural Funds Regulation
- Facilitate the access to EU funding for social NGOs by ensuring a full use of technical assistance, global grants and capacity-building for social NGOs
- Develop the transnational dimension of the Structural Funds by improving the mainstreaming of the EQUAL programme
- Make sure that the social NGOs are really involved in monitoring

For the future of the Cohesion Policy

- Better associating the NGOs to the issue of simplification of the Structural Funds to really tackle the financial obstacles they encounter;
- Change the design and the delivery of the Structural Funds in the way of promoting social inclusion by merging the objectives and the rules of the ERDF and ESF and by setting up a new social innovative fund more designed for grass-roots projects of NGOs
- Re-orientate the objectives of the Cohesion Policy by creating a new social inclusion objective so as to better target people experiencing poverty
- Create a new social evaluation system to assess and guarantee that the projects funded contribute effectively to the newly-promoted social inclusion objective
- Strengthen the coherence between the Structural Funds and the Social OMC to harness the Cohesion Policy to meet new ambitious targets on poverty eradication
- Rejecting the temptation of the renationalization of the Cohesion Policy by giving to the European Commission a greater oversight on the Structural Funds as in the previous programming period.

Annex: EAPN Structural funds task force survey 2009: survey and analysis

In 2009, the Structural Funds Task Force of the European Anti Poverty Network surveyed its members to assess the current progress of the 2007-2013 round of the structural funds, to measure their impact on poverty and social exclusion and to ask members for their views on the future of cohesion policy.

Responses were received from Bulgaria, Spain, Sweden, Italy, the Czech Republic, Slovenia, Greece, Portugal, Hungary, Malta, France, Finland, Britain, Ireland, Lithuania, Romania, Austria, Poland, Germany, Belgium and Cyprus as well as the European Federation for Street Children (22). This report gives, first, the headline results, then the detailed results and finally analysis. Note that not all members responded to every question, so that answers do not necessarily add up to 22. Because the numbers are small, absolute figures rather than percentages will normally be given. Headline results are given first, then the details and then some analysis. Note that this is an unabridged report, which attempts to bring together as much useful information as possible in a comprehensive way and to reflect the richness and complexity of detail provided by the survey. A summary is available on page 23.

Headline results

First, here are the survey findings:

- There is a sense of full partnership in only two member states.
- Social inclusion NGOs receive funding in less than two thirds of member states.
- Only four countries have global grants for social inclusion NGOs.
- Technical assistance is available for social inclusion NGOs in only four member states and partially in a fifth.
- Positively, social inclusion NGOs participate in monitoring committees in most states.
- The post-EQUAL situation is extremely disappointing, with transnational programmes in only eight member states.
- Overall, the adjustment of the structural funds to the economic crisis has been limited.
- In only two countries is social inclusion a priority of the structural funds.
- Support for the social economy by the structural funds is weak.
- Social inclusion NGOs are extremely critical of the quality of management of the structural funds, which is considered poor in supporting NGOs, weak in delivery systems and poor in the areas of indicators, monitoring and evaluation.

Second, turning to the future of cohesion policy:

- In only two member states have social inclusion NGOs been consulted about the future of cohesion policy.
- EAPN members are strongly against the nationalization of the structural funds. Handing the funds over to national governments would make them even less transparent than they are already.
- The structural funds should operate in all member states, for there are poor people in all states.
- The structural funds should be brought closer to the open method of coordination. None favoured a closer link to the Lisbon strategy, which is seen as a liberal, pro-markets, discredited strategy that may have contributed to poverty.
- The funds should be simplified – to enable access by grass roots social NGOs.
- The new structural funds should involve proper consultation with social NGOs.
- The next round must move beyond the obsession with training and the labour market. There must be a focus on the disadvantaged and a range of proposals were put forward as to who should be assisted.

- The next round of the structural fund must be characterized by much improved management, design, delivery, consultation and targeting.

Detailed results

1. ***Partnership***: first, members were asked were they a formal, consulted partner in the structural funds.

Only two were (Britain and Germany) consulted. In Ireland, a wider civil society grouping was consulted through social partnership. 12 were consulted in some ways, 8 not at all.

In Bulgaria, for example, EAPN took part in the preparation of the operational programme for human resource development, being given a seat on the drafting team in the Ministry for Labour and Social Policy. Participation in Slovenia was through seminars. In Ireland, EAPN engaged with the managing authorities on draft programmes and the NSRF, but with little effect. According to EAPN Members, in most States, though, partnership is interpreted as membership of the monitoring committee, like the Czech Republic, Spain and Portugal and Germany. In France, EAPN participates in the national ESF committee, while in Germany on the NSRF committee.

Members were asked to rate the overall *quality* of partnership between social inclusion NGOs and government. 5 rated it as satisfactory, 11 as poor and 4 as very poor. One rated it as good (Germany) but none as very good. In Britain, the NGO sector is formally well represented, but the relationship could be better elsewhere. In Italy, there is supposed to be a working group between the government and civil society.

2. ***Funding***: second, members were asked did they or social inclusion NGOs receive funding for projects or activities under the structural funds? 12 did, 8 did not. Here are the details:

The leading example is Britain where social inclusion NGOs deliver 20% to 30% of all ESF projects or 10% to 20% of the programme's value. In Spain, EAPN receives funding under the regional programmes and five NGOs participate in the operational programme in the struggle against discrimination. In Sweden, there is funding for social enterprises. In the Czech Republic, Slezska Diokonie receives global grant funding of KR3.123m under the human resources and employment operational programme and KR108.985m for preventative social services (social assistance to families, therapeutic workshops, intervention services, assistance to homeless people) as a project under the human resources and employment operational programme. In Malta, it is known that two social inclusion projects have been approved in principle (one research, one literacy training) under the ESF.

In Germany, social inclusion NGOs have access to ESF social inclusion programmes for young people, women, people with disabilities, long-term unemployed, homeless people and young people at risk. In some Länder, they receive ESF and ERDF funding for social infrastructure. In Lower Saxony, there is funding of €1.5m for pilot projects for employment and social inclusion. At national level, there is a €40m programme *Personal development in the social economy* with a programme on social inclusion in negotiation.

EAPN in Portugal is carrying out four organisational certification projects, in the northern, central, Alentejo and Algarve regions under the Human Potential Operational Programme; and, also under *6.1 Training by inclusion* in the same programme to improve the skills of young people, total funding being €1.2m.

In Hungary, the HAPN Foundation has a €100,000 capacity building project funded by the operational programme for social renewal for innovative and alternative labour market activities, training and education, volunteer services and networks.

In Ireland, some small NGOs will receive funding under the Peace III Programme (96 groups, up to €30,000 each) and some indirectly through intermediaries for labour market activation projects from the ESF Operational Programme. The European Social Fund (Human Capital Investment) OP also includes an Equality for Women Measure through which NGOs receive funding.

In France, FNARS receives funding from three axes of the ESF, professionalization and qualification of the network, coordination and mutualization of actions and observation, study and communications.

In Austria, social inclusion NGOs benefit from the operational programme for employment. In Poland, there is the prospect of ESF funding for social inclusion NGOs in the border regions.

In Bulgaria, NGOs were listed as beneficiaries under most operational programmes and some received funding to build their capacity under the operational programmes for administrative capacity and the development of civil society. The criteria, though, were not clear or transparent. EAPN Bulgaria applied for funding to develop the national network and was told that such a proposal was not eligible. (In Belgium EAPN Belgium has funding of €318,042, but it is under the PROGRESS programme, not the structural funds).

3. Thirdly, members were asked was there provision for ***global grants***.

There were global grants in 6 countries (Britain, France, Portugal, Hungary, Italy, Czech Republic) but not in 13. Of the 6, two do not apply to NGOs, so the true figure is really 4.

Dealing first with those where there are global grants, in the Czech Republic, there are global grants under the operational programme for education and under the human resources operational programme, both regional and central under the Minister for Labour and Social Affairs, for social integration, equal opportunities and transnational cooperation. In Hungary, there is provision in the operational programme for social renewal, but it has not arrived yet and has been delayed two years. In Britain, the former 20006 global grants programme has been replaced by what is now called the Community Grants Programme, focused on street level projects with individual grants of up to £12,000, paid in installments. In France, global grants are provided by the regional General Councils for projects for employment, social enterprises and social inclusion. In Italy, global grants are provided for in law 1083/2006, §42, but apparently only for social economy networks. Similarly, global grants are provided for in Portugal, but they are for municipal organisations, rather than NGOs. In Ireland, local authorities manage grants, but it is not a global grant scheme as such.

Where there were no global grants, members were asked what explanation had been given to them for their absence. In Slovenia, no explanation was given. In Bulgaria, structures for the delivery of structural funds are limited to ministries and state agencies, with no attention being given to the proposal for global grants. In Sweden, the government appeared to just 'not like' global grants, but did not give a proper reason. In Germany, 'technical difficulties' were the reason given for not having global grants.

4. The fourth question dealt with ***technical assistance***. Members were asked did they or other social inclusion NGOs receive technical assistance. Five did (Britain, France, Germany, Hungary and Belgium partially (French and German speaking regions only) but 15 did not.

Details are given of technical assistance where it is available. In France, there has been a project of technical assistance to assist social economy organisations to access the ESF developed by a number of national NGOs, internet and in advance of the 2007-2013 period. This has involved training, methodological tools (e.g. practical guide), internet site, information services, network and analysis of impact.

In Hungary, each operational programme has its own arrangement for technical assistance, where there is support for advice to small NGOs on project planning and organisational development. In Britain, technical assistance is provided to NGO umbrella bodies in all the UK regions (but now requires matching funding). In Romania, approved projects can get technical advice in the POSDRU (Operational Sectorial Development Human Resources Programme). In Germany, the programme *Personal development in the social economy* involved establishment of an office in Berlin with three staff and a second office in Thüringen in east Germany financed by technical assistance (there is a third one, though not funded by technical assistance, in Lüneburg, Lower Saxony). In Poland, there is only one known case of a social inclusion NGO involved in the structural funds getting technical assistance (€14,000 for WRZOS, the Community of Associations of social NGOs) but this came from national funds, not the structural funds. In Belgium, the ESF provided technical assistance in the French and German speaking regions for a toolkit and training in project management and evaluation.

Where technical assistance was not provided, members were asked what explanation was given. In no country was as explanation given, but the situation is as follows. In Bulgaria, technical assistance is only for ministries and national agencies and the process is not transparent. In Sweden, technical assistance is used by the authorities for their administrative costs. In the Czech Republic, technical assistance is limited to management, implementation, control, monitoring, evaluation, publicity, evaluation, studies, awareness and communication. In Ireland, only government agencies and departments can use technical assistance. In Greece, social inclusion NGOs do get technical assistance – but they have to pay for it themselves! In Portugal, the situation is contradictory: the ERDF regulation makes it clear that NGOs cannot get technical assistance but the ESF regulation specifies NGOs as beneficiary organisations for studies and assessment. Several countries (e.g. Sweden) pointed out that knowledge of the possibilities of technical assistance or capacity building was unknown at official level.

Related to this, members were asked was there provision to build the capacity of social NGOs. 8 replied affirmatively, 9 that there was not. Taking the countries where there was provision, in Spain, courses were provided by the working group of EAPN Spain and training by private providers. In the Czech Republic, capacity building was provided under the human resources and employment operational programme for transnational cooperation and under the operational programme for cross-border cooperation for partnership between NGOs and the exchange of experience. In Slovenia, there is provision for vertical and horizontal networks. In Portugal, measure 3.1.*2 Training programme – action for social economy organisations* (axis 3) of the Human Potential Operational Programme aims to strengthen organisational capacities in the social field. In Hungary, there is provision for capacity building of NGOs and trade unions under the operational programme for social renewal, measure 2.5.1. In Germany, capacity building took the form of funding for European offices in convergence regions in eastern Germany and northern Lower Saxony. In Poland, ESF priority 5.4 provides grants for networking and support, with a first call in 2009, with a working group subsequently set up to improve the second call due 2010.

Where it was not provided, member organisations were asked why not. In Ireland, there is no such provision in the operational programmes. Although British groups receive global grants and technical assistance, there is no provision for capacity building, the reason given being that most of Britain is outside the convergence areas.

5. Turning to the ***monitoring committees***, members were asked did they or social inclusion NGOs participate in monitoring committees. 14 did, 5 did not. Perhaps the fullest systems are in Britain, where NGOs are fully represented on all monitoring committees with voting rights and on subcommittees, followed by Germany, where social inclusion NGOs are members of the monitoring committees for the ESF at federal and regional (Land) level. At Land level, in some they members of the ERDF and EARDF monitoring committees.

Here are details for other countries. In the Czech Republic, three NGOs attend the integrated operational programme and one attends each of the operational programmes for human resources and employment, education for competitiveness, cross border and Prague adaptability. EAPN in the Czech Republic, for example, is considered a formal consulted partner by being on the monitoring committee or receiving financial support. CNVOS is a representative in Slovenia. The Association of Non Profit Human Services of Hungary participates in the monitoring committee of the operational programme for social renewal. In Malta, the Richmond Foundation is the NGO participant. In Ireland, Irish Rural Link and the National Women's Council of Ireland participate in the Border, Midland and Western monitoring committee. The Irish Social Finance Centre participates in the Southern and Eastern monitoring committee. The Community Workers Cooperative and the Northern Ireland Council for Voluntary Action participates in the Peace III operational programme, while both of them, as well as the Children's Rights Alliance and the Welsh Council for Voluntary Action participate in the INTERREG IV monitoring committee. In France, FNARS, UNIOPSS and CPCA participate on the national ESF committee. Regional FNARS groups, social economy and social inclusion NGOs participate on regional ESF committees. Likewise, EAPN in Spain participates in a number of monitoring committees. EAPN Portugal was a member of the monitoring committee of the northern regional operational programme. Some members of EAPN Hungary were invited onto monitoring committees. In Romania, there is participation on the operational programme for technical assistance. In Poland, one social inclusion NGOs participates in the central ESF monitoring committee, with one on each of the 16 regional ESF monitoring committees.

In some countries, there are NGO representatives, but they are not social inclusion NGOs. In Sweden, social NGOs are represented in the regional monitoring committees and at national level there are representatives for young people, social enterprises, sports, people with disabilities - but not social inclusion as such – and many governmental representatives. In Italy, the NGO representatives are social economy organisations. In Lithuania, about 12 NGOs participate, but only two are real NGOs: Lojot, the board of youth organisations and the Women's Information Centre. The others are concerned with industry, trade unions and higher education: EAPN Lithuania was not invited to participate and it remains difficult to get information. In Austria, two NGOs participate: the BVD (association for social enterprises) and the BAG Freie Wohlfahrt.

Where there was no NGO presence, members were asked what reason was given. In Bulgaria, monitoring is considered an administrative matter for government and a limited circle of business. EAPN Cyprus stated that it was not invited.
Members were then asked a wider question as to whether they or social inclusion NGOs participated in monitoring, reporting, evaluation or the design of indicators. 8 did and 8 did not. In Malta, NGOs participate in defining the eligibility criteria. In Ireland, the monitoring role can be limited, with information often arriving too little or too late (procedures for the Peace programme appear to be better). In Britain, NGOs sometimes also participate on working groups. In Romania, Transparency International undertook a PHARE-funded project *Monitoring report on structural funds management in Romania, January 2007 – August 2008*. Although Austrian social NGOs participated in the monitoring committee, the meeting were only twice a year and there was no real transparency. NGOs had been invited onto an evaluation task force, but there were no results yet. In Germany, social inclusion NGOs participated in design, monitoring, evaluation and indicators.

6. ***The post EQUAL programme*** was the next focus of attention. Members were asked if they or other social inclusion NGOs participate in a post-EQUAL transnationality programme. 8 did, 13 did not.

Dealing first with those countries that have a post-EQUAL programme, in the Czech Republic, there are possibilities for transnational cooperation in the cross-border programme, and priority axis 5 *Transnational cooperation* in the operational programme for human resources and employment. France was one of the first countries to organize a post-EQUAL transnationality programme, run by the agency Racine. Two calls have already been issued under *Innovative transnational actions*. These are 12

month projects with 55% ESF funding, with three priorities: innovative and experimental projects, innovation partnerships and transnational cooperation.
In Aragon, Spain, there has been a call by the regional government for NGO projects with a transnational dimension, while earlier there were calls in Asturias, both in each case in the regional programme. Several members mentioned that they participated in a PROGRESS project, not an EQUAL one (e.g. Bulgaria, EFSC, Portugal's *Bridges for inclusion* project). Two Portuguese associations participate in the post-EQUAL international association – the National Association of Project Workshops and GTO LX and it is open to other groups to be involved in EQUAL thematic networks. The Human Potential Operational Programme has a measure - *Social development local contracts* - to apply and disseminate knowledge arising from EQUAL. In Britain, there is a transnationality programme with an active inclusion programme with £2m over 3 years, running in 5 of nine English regions, which NGOs helped to design.

In Germany, there is a transnational national programme called IdA, *Integration through Exchange*, with three priority areas: youth and disadvantaged young people; multipliers and thematic networks.

In Sweden, it had been decided in principle that all programmes were open to transnational cooperation to a level of 10% of the budget. So far, though, the level of interest was very low.

In Poland, the first national call for transnational projects is due autumn 2009, while at the regional level, two of the 16 regions plan to start a transnational programme before the end of 2009. It is also theoretically possible for existing national ESF projects to have a transnational element, but there are no known examples.

Where there was no post-EQUAL programme, members were asked what explanation was given. In Malta, no explanation was given. In Bulgaria, there does not appear to be a post-EQUAL programme. In Ireland, it is mentioned in the operational programme for Human Capital Investment, but there are still discussions as to how this should be implemented.

The general comment was made that in 2007-2013 transnationality had become much less important. A real social Europe required professionals to meet and share experiences.

7. The survey then moved on to look at ***the effects of the economic crisis***. Members were asked were they aware of any changes in the operation of the ESF or the ERDF following the economic crisis and to what extent they would reduce social inequality. 8 were aware and 10 were not.

Dealing first with those which were changes, in the Czech Republic, the Ministry for Labour and Social Affairs announced two new types of support called *Education is an opportunity* and *Educate yourself!* whereby employers can get financial support to encourage employment, both being under priority axis 1 *Adapatability* support under the operational programme for human resources and employment. In Portugal, the 2000-6 round of the structural funds, which was due to terminate end December 2008, was extended 6 months to end June 2009, including EQUAL and its dissemination programme. In Hungary, economic and infrastructural projects in the economic development operational programme were brought forward. In Britain, additional funds became available because of favourable currency changes and which were allocated to youth, but systemic unemployment remains unaffected. In France, the government opened a period of dialogue to modify the four priorities of the operational programme, especially for those vulnerable to unemployment and with new money for the minimum income programme. This discussion will conclude end June. In Lithuania, there have been some discussions about re-orientating programmes around social change, but the decision-making process is a long one and the decisions will probably be taken too late. In Romania, changes were hardly expected to have any effect on social inequality. In Austria, 5,000 places were provided for young people in an attempt to combat youth unemployment, but these were not fresh resources, instead a reallocation of the exist-

ing budget. In Germany, there has been discussion of the changes to the regulations and how they might make management of the funds easier (e.g. flat-rate costs, lump sums and calculation of unit costs) – but they are unlikely to change the content of the funds.

At the other end of the spectrum, in Bulgaria, there have been some cosmetic changes, but they are designed purely to respond to Commission criticism.

8. Addressing the all important future issue of cohesion policy, members were asked whether they or other social inclusion NGOs had been invited to ***participate in discussions or contribute to the future of cohesion policy***. 18 said no, 2 said yes. This was the clearest answer given to any question. Three countries added comments. In Bulgaria, the concept of cohesion is hardly used. The British government has campaigned against a universal cohesion policy and has let it be known that it does not expect there to be one after 2013, so debate would be superfluous. One member commented that 'if we want to participate, we will have to ask for it ourselves'. The only countries that were positive were Germany and Lithuania. EAPN Lithuania NGO support and information centre was invited to take part in a round table on 29th April 2009, while in June 2009, German social inclusion NGOs were consulted about the Barca report in the ESF monitoring committee, which was also discussed, along with the need for social inclusion strategies, at the annual meeting with Commission desk officers.

9. At this stage, the survey moved on to ***some detailed questions about the operation of the structural funds***. First, members were asked to assess the **quality of information available about the current round of the structural funds**. 3 rated it as good, 7 as satisfactory, 5 as poor and 4 as very poor. Only found it very good (Germany). The EFSC found satisfactory general information and national and EU websites. One member, Malta, drew attention to the way in which details of funded projects had been given out openly, listing the project, the purpose, the amount provided, all in clear and easy-to-read tables. A comment was made by Sweden to the effect that you could get good information from national websites and talking to the management, but 'you must look for it'. In Britain, information was considered to be a mixture of timely and clear, confusing and late.

10. ***The priority given to social inclusion***: members were then asked about the degree to which social inclusion was a priority in the structural funds in their country. 2 countries considered it a high priority (Britain and France), 8 a moderate priority, while 8 considered that it had been given little priority and 3 very little priority. None considered it had been made a very high priority.

These are the comments made and details provided by EAPN members. In France, social cohesion represents about 39% of the operational programme. Britain has a high rating, possibly reflecting NGO involvement: active inclusion is a priority of the transnationality programme and there are community grants in all regions.

In Bulgaria, initiatives against social exclusion are limited to the labour market, while the terms poverty and social exclusion are hardly mentioned. In Sweden, there are projects that will deal quickest with unemployment – 'but not much of this reaches those people far away'. In Italy, the European Social Fund is used to improve the skills of people already at work: NGOs cannot access the structural funds unless they can offer such certifiable training.

Members were asked to give examples of where the funds in general and the ESF in particular had been effective in promoting social inclusion. The Czech Republic member identified as effective priority axis 5 of the operational programme for human resources and employment, part of the regional operational programme and part of the integrated the operational programme. In Slovenia, lifelong learning programmes have been effective. In Hungary, the operational programme for social renewal aims at the activation of those furthest from the labour market and measure 5.1.3 supports infrastructural and

social inclusion projects for those who live in deep poverty targeted at the 33 poorest micro-regions. Belgium cited the old EQUAL programme and the current PROGRESS programme. Asked to give examples of how the funds had been effective in promoting social inclusion, most countries could not.

Asked about whether other programmes, notably the ERDF, contributed to the fight against poverty and social inequality (mainstreaming), two members said they did so effectively, 3 moderately, 12 a little and 3 none at all.

In Ireland, social inclusion is a horizontal principle of most operational programmes and the impact on poverty a cross-cutting theme, so they should feature in the monitoring and reporting process. Apart from the Human Capital Investment (HCI) and the Peace programmes though, there was little link between the other operational programmes and social inclusion. HCI priority 2 *Activation and participation of groups outside the labour force* is targeted at vulnerable groups but implemented through government agencies with little indication of their impact.

Addressing pathways to integration: members were asked to assess the degree to which education and training measures had targeted those furthest from the labour market. 11 assessed the targeting as moderate, 7 that there had been a little targeting and one that there had been none. No member considered that there had been full targeting. Dealing with those who had been targeted and not:

In Austria, long-term unemployed people and migrants had been reached, but not ex-prisoners.

In Bulgaria, the groups which had been reached were the registered short term unemployed; retired and disabled people. Those who had not been reached were the working poor and long-term unemployed, drop outs and older people.

In Italy, those who have been reached were the long-term unemployed, women and immigrants. Those not reached were drop outs and older people.

In Lithuania, the groups which had been reached were people with disabilities, ex-prisoners and carers of children, older people and people with disabilities. Those not reached were the long-term unemployed and victims of trafficking.

In Cyprus, women workers who had been out of the labour force due to rearing children had been given learning programmes, for example on computers. Those who were not reached were immigrants, for training programmes are provided only in Greek and no consideration was given to providing them in another language.

The EFSC drew attention to the employment orientation of the structural funds and this did not provide scope for action to help street children and would welcome an initiative by EAPN to bridge this gap in the next programming period.

In the Czech Republic, three approaches regarded as effective were educational and training programme for the economically active, the prevention of employment by interventions and improved social services for socially excluded people through local educational and training partnerships. But groups missed were education and training measures for people with learning disability and people with learning difficulties without a direct link to the labour market.

In Hungary, measures focused on the economically inactive, long-term unemployed, people with disabilities and those receiving social allowances.

In Ireland, groups reached were early school leavers, people with low skills and literacy levels, people with disabilities, Travellers and migrants. Some groups were missed, such as asylum seekers who are not eligible to work.
In Britain, disadvantaged groups had been identified in the operational programme as ethnic minorities, single parents, people with disabilities, older people, ex offenders and young people not in employment, education or training.

Making a more general comment, in Greece, the training programmes were short-term and had no real impact.

Members were then asked to what degree sufficient accompanying actions and quality services had been provided. One considered that they had been fully provided, 6 moderately provided, 8 a little and 4 not at all. In Bulgaria, the accompanying actions, while reducing the numbers of people receiving assistance, are considered to benefit companies and insurance organisations more than the poor, unemployed and socially excluded. A basic problem was that social inclusion was limited to a top-down approach and employment measures: there was a failure to improve participation and invest in community development. In Greece, the accompanying programmes were provided by NGOs. In Ireland, accompanying services were provided through the community development programme which is not part of the structural funds and is being hit by government cuts. In Britain, wider support needs were only beginning to be recognized under the name of active inclusion, e.g. dependent care.

Members were asked had they seen any changes in targeting since the previous round of the structural funds. 10 had noticed no changes, two had noticed negative changes and 7 had noticed positive changes. In Britain, active inclusion was a positive change.

11. Finally, there was a series of ***specialized questions on the current operation of the funds***. First, members were asked whether they considered that the structural funds made sufficient **use of the potential of the social economy**. 5 said moderately, 14 a little, 2 not at all. None said sufficiently.

Here are some details. The most extensive support for the social economy appeared to be France, where social economy enterprises receive about 8% to 10% of their budgets from the ESF. In Greece, social economy enterprises were promoted in the previous round, but are not yet operational in this. In Britain, social enterprises were recognized, but high thresholds militate against smaller applicants. In Bulgaria, the funds might, if anything, contribute more to inequality, for social inequality was not discussed, while certain NGOs and companies had privileged access to the funds, especially workplaces for people with disabilities and service providers. Belgium said that there had been some social economy projects – but in the old EQUAL programme.

Members were then asked to assess the impact of capacity building measures for NGOs. 5 considered the impact to be moderate, 11 little, 4 none at all. None said high. In Britain, the only assistance had been technical assistance, but there was not a long-term strategy. In Bulgaria, funding began and ended with the project itself ('project based financing'), which was normally short term and did not contribute to sustainability.

Members were asked to rate the effectiveness of the delivery methods of the structural funds. One considered them effective, 11 weak, 4 ineffective and two not at all effective. None considered them very effective. In Britain, insufficient attention was given to smaller, street level providers.

Members were then asked to rate the quality of the systems for monitoring, reporting, evaluation and indicators. One considered them effective, 12 weak, 4 ineffective, 2 not at all effective. None considered them very effective. In Lithuania, there was no monitoring for the social policy area. In Austria,

the monitoring system had neither a proper level of involvement, nor transparency and when the operational programme was drafted, no copy went to the NGOs.

Several EAPN members gave additional details. In Bulgaria, the monitoring system was considered to be formal and lacking in transparency. In Sweden, monitoring was possibly effective for work already started, but the monitoring of poverty and social exclusion was weak or ineffective. In Italy, information on monitoring, reporting, evaluation and indicators could not be quickly found. In Slovenia, reporting and evaluation appeared to be concerned with quantitative, measurable results and rates of spending but not the quality of the output. In Hungary, what was missing was reporting on effectiveness and not just the outputs. In Ireland, information supply was so poor that they cannot play an active role in monitoring. In Britain, delivery by private contractors meant that this area was now considered commercially sensitive, so there was less information.

Members were asked to give examples of good practice in monitoring, reporting, evaluation and indicators. Generally, the practice here is bad, with vast amounts of information collected but not analyzed, used or learned. An exception was the London programme where the learning was brought together in personal testimonies, an exhibition of 30 projects and a launch attended by 300 people.

Members were asked whether the structural funds had changed to adapt to the economic crisis. 4 said moderately, 6 said a little, 9 not at all. None said that it had changed a lot.

The most extensive changes had come in Portugal, where six ordinances were published on 30th December 2008, to create the *Employment and skills* programme to improve qualifications, to develop the Vocational Integration Offices, to provide for socially needed work for unemployed people, to revise upward the age of entry to traineeship programmes and to provide for lower rates of social security contributions to stimulate employment. In Bulgaria, there had been some limited changes: the period for taking on unemployed people was raised from 3-4 months to 6 months, but few had taken up the new programme. Instead, the economic crisis was used as an opportunity to argue for lower salaries and poorer working conditions. In Italy, funds for the economic crisis allocated at the end of 2008 were assigned to reconstruction after the earthquake in April.

Finally in this section, members were asked if, in states where it had changed, there had been a refocusing on the disadvantaged. One said a lot, none moderately, 5 a little, 3 not at all[16].. In Spain, EAPN was attempting to form a network with the national government management body concerned with social inclusion, but it has not happened yet and had been affected by a recent change of department from education to health. In France, the structural funds had refocused around those who may lose their jobs because of the crisis – but with the danger that those furthest from the labour market will be unaffected.

12. Turning lastly to future policy, members were then asked a series of questions to ascertain their ***views on the future of cohesion policy***. First, members were both clear and outspoken about what they wanted to the next round of the structural funds *not* to be about.

- **What members are against: nationalization**

The issue of nationalization – a proposal originally argued by Britain but some support from some other member states - excited considerable comment. The nationalization of the structural funds was vigorously opposed, 'a very bad idea'. Nationalization might be based on spreading a small EU budget more effectively, but more than one respondent pointed out that 'you actually need a higher proportion of money going on the structural funds, not less'.

[16] Since the survey was carried out among our Members, other negative changes have been noticed. For instance, in Ireland the programme Equality for Women Measure has been reduced by two-thirds in the revised programme following the financial crisis.

Giving any more responsibility to the member states, especially granted their record on the structural funds, was strongly opposed: 'it was vital that the Commission ensure that funding was allocated independently, for example to social inclusion NGOs who were not dependent on political favours from the management authorities'. In Spain, the allocation of the structural funds was already sufficiently opaque and it is impossible to tell what is European or non-European money. Another EAPN member commented that nationalization 'might work in countries with a strong democratic tradition, but would not be transparent in the newer, smaller member states'. In the case of street children, for example several member states denied their existence at all and avoided other politically uncomfortable issues: similar denials would happen with nationalization. A diplomatic respondent stated that she 'doubted' that nationalization was a good idea – 'transparency would suffer'. The overall view was that with nationalization, there would be even less obligation to harmonize European approaches on active inclusion. The interpretation of how the funds should operate at national level was already far too wide and guidelines did not seem to be binding.

Linked to opposition to nationalization, members were strongly against the idea that the structural funds be limited only to the poorest member states or the present convergence areas. There were street children, for example in the richest member states, who should be the attention of Union policy. According to one member, it should be a question of solidarity: 'No, we need more Europe, not more nations'; while another said 'We should cover poor people, not poor member states'. 'In every country, there are social groups who need to be targeted'. Cohesion policy was an essential counter-balance to the single market. Access for every region helped to maintain the European idea. Social development applied to all countries: 'in all countries there are poor regions'. The point was also made that the older member states could also benefit the new ones with guidance on how to use the structural funds. Limiting structural funds to the poor countries was unjust in principle and reduced the buy-in from the rich countries. Contrary to what one might have expected, opposition to nationalization was most strongly expressed by the poorer countries.

The most important thing was a higher level of social spending: the actual level of spending could fall, if social spending were to increase and be a larger proportion of the funds. Social cohesion through the structural funds would only advance if there were substantial changes at a higher level, such as sustained investment in education and a minimum income. As one member state put it, 'allocating a larger sum of money to social NGOs, organisations of poor people and social scientists could achieve in one decade what ten years of ineffective and incompetent state administrations had not achieved, namely the eradication of poverty'.

- **Key issues : structural funds, Lisbon and the open method of coordination**

The survey asked member states how the structural funds should be linked to the open method of coordination and the Lisbon strategy. Dealing first with the open method of coordination, members felt that the open method should be strengthened, enabling NGOs to play a more decisive role. The method did make an impact on national decisions in at least one country. It could work better, though, through cooperation with NGOs, working groups and transparency. The overall view was that the two – the structural funds and open method - should be brought closer together. The OMC was a good instrument to put press on government to improve the quality of social policy. Here, policies to promote inclusion should be highlighted in the 2010 *European year against poverty and social exclusion*.

Views on Lisbon were more critical. Several groups were doubtful as to how the structural funds should connect to the Lisbon strategy, for they regarded it as a failed strategy with a widely held view that it was now discredited. Some aspects of the Lisbon strategy had even made things worse, like flexicurity and reduced worker protection. 'Lisbon has delivered only growth, not social inclusion, the link between the two must be restored'. A future Lisbon strategy should involve the NGO stakeholders:

'connecting to Lisbon is good in theory, but member states were only interested in the economic side of the agenda'.

- **Key issues: simplification**

Members were very aware that the idea of simplification of the next round of the funds had a double meaning: one for the Commission, a different one for them. EAPN members were in agreement that for them simplification meant de-bureaucratization, accompanied by transparency and accountability. In detail, it meant:

- Transparency in procedures, grants and implementation
- NGO capacity building, technical assistance and proper monitoring
- Easier applications, fewer needless documents, straighter reporting and improved management. Make monitoring easier. 'Management makes things difficult for small NGOs'.
- More accessible by grass roots NGOs. 'Our own funding should not be required'. Simpler financial rules and calculations.
- Don't leave small NGOs waiting. NGOs should get 50% of the budget in advance, instead of being kept waiting. Anything to accelerate payment to small NGOs.
- Applications should be evaluated by independent experts. The criteria should be clear and actually applied.

EAPN members were clear that, once these obstacles were overcome, social inclusion NGOs could and should play a much more important role in the delivery of the structural funds. They knew best what was needed at local level and were best able to identify the groups that could benefit from structural funds intervention. NGOs had more than demonstrated their ability to run structural funds efficiently (e.g. the programme against discrimination in Spain).

- **What member are for: a new approach to consultation**

Members offered general comments on how cohesion policy could and should be improved. First, the consultation process for the next round must be radically improved compared to last time. For the next round of cohesion policy to be successful, NGOs should be involved in the heart of its design. The economic crisis actually opened the possibility for a much wider round of consultation and a more interactive relationship: poor people should be involved in the devising of cohesion policy, especially those furthest from the labour market. During the preparation phase, Commission and government must consult locally and nationally with social inclusion NGOs. NGOs should have a real chance to make an input. Beneficiary voice must be encouraged. 'There should be a robust dialogue, to avoid re-inventing the wheel every 7 years'. There should be a fresh examination of social need.

- **What members are for: extending the thinking**

Second, members argued for a radical extension of the concepts around which cohesion policy should be based. In the view of EAPN members, cohesion policy was not well thought through in terms of concepts, processes or actors. Cohesion policy has little value in the face of continued priority being given to liberalization and privatization of services, especially those of general interest and notably the health services. Cohesion policy was devised around existing bureaucratic actors, rather than taking a fresh perspective. 'Progress will not be achieved if the structural funds continue to be determined by the Ministries for Finance and Administration. They do not make space for civil society initiatives'. Another point was that cohesion policy was based on economic indicators and gross national product – not indicators for social performance. Measurement systems must be improved. Some members wanted the structural funds to take account of demographic changes and migration: some countries had been affected by the workforce leaving to work elsewhere, creating gaps in the labour market and an ageing population. There was a need for new data to ascertain where the new needs were and adapt the funds accordingly.

- **What members are for: better design and delivery**

Members were not only clear about how the funds should be improved but before that they were also clear about what they were against. They were against the poor quality of management, massification and the obsession with employment.
Dealing with each in turn, there was strong criticism of existing delivery methods and systems: 'We have bad managers, unable to manage an instrument like the structural funds'. More diplomatically, one said: 'public officials should be better instructed and made more responsible. They should be helpful and knowledgeable'. Training should be provided for fund coordinators before projects started.

Second, several members noted the trend in the structural funds toward massification and ever larger projects, one comparing them to the pyramids in Egypt: education, health care, community development and participation are less tangible but more important objectives. Third, there was a clear message to drop the obsession with employment objectives and those already in the labour market. There should be a focus on such issues as poverty and child poverty. 'Stop reserving the ESF only for training!'

There was a clear view as to *who* the next round of the structural funds should reach:

- Generally, those furthest from labour market, a wider circle of users, as well as those in a precarious position, such as small agricultural producers. They should reach the weakest groups in education, training, learning and self-development, especially minority ethnic and immigrant groups exposed to intolerance.

- Specifically, the funds should reach older people (specifically older women), young women, those in early retirement, old and new migrants, Roma people, migrants functionally illiterate through electronic and counselling points, distinct groups such as street children. They should reach the long-term unemployed and new graduates.

- The funds should also have a geographical focus, for example on pockets of deprivation, such as the programme cited by Hungary.

There was a clear view as to *how* this should be done and here is a collection of the views expressed:

- More global grants! The British *Fast forward* global grants system was recommended as an exemplar.

- The funds must be accessible for small NGOs and take down the barriers that keep them out, such as bank guarantees. Some called for proposals to be ring-fenced only for NGOs, 'NGOs that can deliver concrete results'. 'More should be managed at local level by social partners and NGOs'.

- Working methods funded should include community development, traditional social work, counselling for integration, active ageing, active inclusion, microfinancing, helping the victims of bad weather, families in need, micro-enterprises, helping people become self-employed and integrated programmes in rural areas.

- The social economy should be encouraged, more than social entrepreneurship with more assistance to social economy enterprises.

- There should be a stronger presence of NGOs in management and more involvement of social scientists. Local organisations and communities should be involved.

- Changing the regulations: the ERDF should specifically have a social inclusion objective; There should be a ring-fenced part of each OP for NGOs.

- Social inclusion should be a horizontal theme across all the structural funds - with systems in place to make sure that the principle works.

- There must be improved indicators that tested for results: the funds should actually be more demanding in getting results. There must be clear rules for monitoring committees.

- There should be less money in building the capacity of the public administration. The funds should not fund government projects that do not provide sustainability and do not deliver results.

- Several countries returned to the issue of transparency, that there must be clear information on how the funds are given out, where and why.

- Finally, the EU should make technical assistance available to NGOs working at European level, be more interventionist, more robust indicators for measuring 'cohesion'.

Survey analysis: summary

This survey presents a difficult picture for those attempting to pursue a socially inclusive structural fund policy, especially one that involves social inclusion NGOs. From the picture painted of the current state of development, we may make the following summary:

- The most striking finding is that in only two countries have social inclusion NGOs been consulted about the future of cohesion policy;

- The quality of partnership between social inclusion NGOs and government is poor. In only two countries do the full terms of article 11 of the structural funds appear to be observed;

- Only four member states have global grants, only four fully have technical assistance;

- Social inclusion NGOs appear to have taken places on monitoring committees, but have little further role in structural fund management;
- Expectations of an extensive post-EQUAL programme across all member states have been disappointed: they are hardly even a shadow of the old EQUAL;

- Only in a few countries have member states adapted the structural funds in response to the economic crisis. There is little re-focusing on the disadvantaged;

- On a series of indicators, management of the structural funds is poor: information is inadequate, little priority is given to social inclusion overall, the social economy is little promoted, delivery methods are weak, monitoring is inefficient, and there is little good practice;

- NGOs have been left out of the debate on cohesion policy.

Looking at the way forward, the key issues are:

- The importance of a radically improved quality of debate, one involving social inclusion NGOs;

- The need for a construction of the structural funds around social objectives;

- The importance of avoiding approaches of nationalization;

- The need for a quantum improvement in delivery methods, management, targeting and consultation.