



How to access EU Structural and Investment Funds

An ESN Guideline for public social
services for 2014–2020

Investing in
people and
services



“The European Union’s (EU) Structural and Investment Funds are the largest regional investment programme in Europe with great potential for supporting social inclusion and anti-poverty policies, encouraging social innovation and reducing economic and social disparities between Europe’s regions.”

Strengthening
local
communities

Working in
partnership



*Thinking
strategically*

Acting local

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About ESN

The European Social Network (ESN) brings together people who plan, manage and deliver public social services, together with those in regulatory and research organisations. We support the development of effective social policy and social care practice through the exchange of knowledge and experience.

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The seven-year Programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-28, EFTA-EEA and EU candidate and pre-candidate countries.

For more information see: <http://ec.europa.eu/progress>

The information contained in this publication does not necessarily reflect the position or opinion of the European Commission.

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1. Introduction

The European Union's (EU) Structural and Investment Funds are the largest regional investment programme in Europe with great potential for supporting social inclusion and anti-poverty policies, encouraging social innovation and reducing economic and social disparities between Europe's regions.

In many Member States, EU Structural and Investment Funds are a welcomed additional opportunity for investing in economic and social development, with many countries suffering from the impact of the financial and economic crisis and with public authorities in particular facing budget constraints in parallel to rise in the demand of support services for their citizens. In this way, European Funds offer a unique opportunity to support:

- social innovation and the development of new strategic approaches to address social challenges in Member States;
- the exchange of knowledge and cooperation within and between countries in the field of social policy;
- the promotion of larger scale national or European projects or the up-scaling and mainstreaming of smaller pilot schemes at local or regional level;
- continuation of projects that may otherwise be threatened by budgetary constraints

In order to unlock the potential that EU Structural and Investment Funds offer for social services in 2014-2020, it is imperative to identify key barriers to the use of the Funds for professionals working in the field. A recent survey asking members of the European Social Network (ESN) about their past experience with European funds revealed that **public social services** face specific difficulties when it comes to accessing and using European Funds. The ESN survey showed that some smaller public authorities may lack the capacity to respond quickly to new EU funding opportunities, preventing them from submitting project applications, while others found it difficult to adapt project calls to more localised needs in their city or region. The widespread notion that EU co-funded projects are difficult to manage and are highly complex administrative processes also acts as a deterrent to public social services, preventing many of them from putting forward applications. Finding reliable project partners locally or in other countries to co-design projects was also listed a barrier, as was finding matched funding from national and regional budgets to support project upfront.

This ESN Guideline aims to respond to these challenges and the gap in public authority expertise with regards to European Funds by providing information about the rationale, regulations and procedures promoted under the new EU Structural and Investment Funds programme for 2014-2020. It places emphasis on the improvement of EU funding knowledge amongst public social services in order to promote better access for public social services to the Funds, as well as ensuring that, once accessed, they are able to use Funds effectively, generating sustainable impact in their country, region or local community.

How to use this document

This Guideline is divided into five broad sections. The first section will explain the rationale behind the EU's Structural and Investment Funds programme making reference to its management, new procedures, requirements and instruments for 2014-2020. The second section will concentrate in particular on the use of the new European Social Fund and the European Regional Development Fund, as these are the most relevant for professionals and practitioners working in social services at

national, regional and local level, who are the target audience of this paper. The third section will then raise awareness of practical considerations and key steps public authorities can take to improve their applications for projects which receive EU co-funding. Finally, a collection of past projects that have used EU Structural Funds in 2007-2013 in the field of social services will be presented, with those participating in the projects sharing their experiences with regards to EU Structural Funds. At the end of the Guideline there is also a glossary which gives an explanation of some of the technical terms used in the field of EU Funds. These terms have also been highlighted throughout this document.

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2. EU Structural and Investment Funds explained

This section provides an overview of the rationale behind EU Structural and Investment Funds. It will discuss the policy logic of the Funds, the division of responsibilities for its implementation and the new rules and instruments available for public social services to support projects in the field in the 2014-2020 period.

What is the rationale behind EU Structural and Investment Funds?

EU Structural and Investment Funds are the main financial instrument for the implementation of the EU's cohesion policy which aims to reduce the economic and social disparities between Europe's regions. They play an important role in promoting projects and initiatives that support job creation, economic growth, improved quality of life and sustainable development across Europe¹. The Funds are financed directly from the EU budget, to which all Member States contribute.

It is important to note that EU Structural and Investment Funds do not aim to replace regional and local investment policies in countries; rather the rationale is to contribute with additional **co-financing** to enable EU countries to set sufficiently ambitious targets for their reform programmes. European Funds work on the basis of re-imbursement of project costs rather than by pre-financing project initiatives. For any project to be eligible for EU financial support, it must first secure matching funds from other sources, such as national, regional or local authorities and/or the private sector.

The term EU Structural and Investment Funds refers to a group of funding streams which support the EU's regional cohesion policy using different investment resources:

- The **European Social Fund** can support investment in social inclusion and employment policies and initiatives for the modernisation of services.
- The **European Regional Development Fund** can support the development of social and health care infrastructure, the improvement of public administrations and cooperation projects between countries and regions.

Other funds are also included within the EU Structural and Investment Funds framework, such as the Cohesion Fund, the Agricultural Fund for Rural Development and the Maritime and Fisheries Fund. Though in some cases these Funds may also have a social dimension, this is not their primary aim and so they are not covered by this paper. *The Annex of this paper includes a full list of all EU Structural and Investment Funds (Table 2) and other EU funding programmes that may be relevant for public social services in the period 2014-2020 (Table 3).*

How are EU Structural and Investment Funds managed and implemented in Member States?

At first glance, it may feel difficult to understand the complex web of responsibilities and programmes that influence the content and management of calls for project proposals co-financed by the Funds. This is because the management of EU Structural and Investment Funds is shared between the European institutions and Member States (see table below).

¹ Website European Commission Directorate General for Regional Policy: Overview of Regional Policy – Info-Regio, http://ec.europa.eu/regional_policy/what/index_en.cfm

Table 1: The shared management structure of EU Structural and Investment Funds



Source: European Social Network

At European level, the European Commission is responsible for proposing the budget and regulations for the spending of EU Structural and Investment Funds that are adopted by the European Parliament and the European Council which represents Member State governments. European institutions have also played a key role in designing a new **Common Provisions Regulation**² which serves as the framework governing the use of EU Structural and Investment Funds, as well as preparing separate regulations outlining the investment focus for the different Funds. Once all rules and regulations are agreed, the European Commission negotiates with Member State governments about their plans to spend the Funds. The European Commission is also responsible for supervising the implementation of the Funds together with the appointed agencies in the Member States. In addition, the European Court of Auditors can review the use of EU Funds in the Member States and can audit any person or organisation handling the Funds.

At national level, governments in partnership with other stakeholders, such as regional and local government, are responsible for preparing the strategy that selects the priorities, instruments and performance indicators for the delivery of the EU Structural and Investment Funding programme in the country. This is negotiated with the European Commission in the form of **Partnership Agreements** at the start of the programming period in 2014³. **Operational Programmes** define action plans for how the strategic priorities in Partnership Agreements will be implemented across the seven year funding period. There are regional as well as national operational programmes, depending on the administrative structure of the country.

At national or regional level, **managing authorities** are appointed to administer the implementation of EU Structural and Investment Funds. They define and publish calls for project proposals on the basis of Operational programmes, select the projects to receive EU co-funding and monitor project implementation, reporting back to the European Commission at regular intervals. A single certifying authority and an auditing authority are also appointed by Member States to monitor whether the project applications comply with EU regulations.

National, regional and local authorities working in the field of social services can take part in negotiations surrounding the Member State's Partnership Agreement and Operational programmes as partners and experts from the sector. They can also participate in meetings of the monitoring committee appointed to issue recommendations to the managing authority on the use of EU Funds within a specific Operational Programme. The monitoring committees can suggest actions to reduce the administrative burden on project beneficiaries⁴.

² Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions for EU Structural Funds and repealing Council Regulation (EC) No 1083/2006, <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1303>

³ At the time this report went to print (June 2014) negotiations around Partnership Agreements and Operational Programmes in Member States were still ongoing. Negotiations are expected to be finalised by the end of 2014.

⁴ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions for EU Structural Funds and repealing Council Regulation (EC) No 1083/2006, Recital 58, <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1303>

The main contact point for **project leaders** of an application for EU-funding will be the managing authority responsible for the project call. They are also the ones who can provide technical assistance regarding the use of EU Structural and Investment Funds. Remember that there may be different managing authorities for projects supported by the European Social Fund⁵ and the European Regional Development Fund⁶.

What are the new rules for EU Structural and Investment Funds for 2014-2020?

The new rules, regulations and procedures surrounding the use of EU Structural and Investment Funds are established for a period of seven years. The current period will run between 2014-2020, during which time there will be new priorities and rules for all EU Structural and Investment Funds. At the end of 2013, EU institutions and Member State governments agreed on these new rules in the legislative package known as the **Common Provisions Regulation**.

Public authorities at all levels should be aware of the following changes that have been agreed for the new financial period 2014-2020:

1. Measures have been introduced to simplify the use of EU Structural and Investment Funds⁷.

This was one of the most popular demands voiced by managing authorities and the beneficiaries when negotiations for the new funding period began; it means that:

- The same set of rules and logic will apply across all EU Structural and Investment Funds, which will translate into **fewer procedures and complementary objectives** for the use of the Funds aimed at delivering the targets for the Europe 2020 strategy.
- There will be more opportunities to use “**simplified cost options**” for **EU grants** that are not subject to public procurement procedures. This will provide an alternative to the reimbursement based on real costs, with pre-agreed unit costs, lump sums and/or flat-rates. Specific simplification possibilities will be open when using the European Social Fund, including wider availability for “simplified cost options” for small project grants. The European Territorial Cohesion programme, which funds cross-country projects and inter-regional cooperation, will include the possibility to cover 15% of staff costs using a flat-rate payment. This should decrease administrative burden around human resources and project management.
- **Digital technology and information systems** will be used more often in order to reduce the administrative burden on the beneficiaries of the Funds. This will mean that applicants will be able to submit project proposals and data electronically and these will be stored by managing authorities in public registries.

2. The spending of EU Structural and Investment Funds will need to be more focused towards policies and initiatives that help to deliver on the five headline targets for the Europe 2020 strategy.

The targeting of a smaller number of priority areas will allow for more focused investment by Member States and will prevent the spreading of EU funds too thinly, which may weaken their

⁵ For more information on managing authorities supporting the management of ESF projects, please visit <http://ec.europa.eu/esf/main.jsp?catId=524&langId=en#hungary>

⁶ For more information on managing authorities supporting the management of ERDF projects, http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm

⁷ European Commission (February 2012) Simplifying Cohesion Policy for 2014-2020, http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/simplification_en.pdf

overall impact. The following EU policies will play a key role in the content of calls for project proposals issued by managing authority in Member States.

- The **Europe 2020 strategy** for smart, sustainable and inclusive growth will set the general priorities for the EU Structural and Investment Funds programme. This includes targets to lift 20 million people out of poverty, reduce rates of early school leaving to below 10% and achieve an employment rate of 75% for 20-64 year-olds⁸. These EU-level targets have been translated into national targets⁹ to check Member States' progress towards these goals. Therefore, calls for project proposals issued by managing authorities should include references to which Europe 2020 targets projects will be supporting.
- The European Commission's **Social Investment Package**¹⁰ places emphasis on the need for Member States to use national and EU Funds to invest in the development of sustainable and adequate welfare states and social protection systems. The package provides recommendations to Member States on how to better target investments to strengthen citizen's current and future capabilities as well as policies to address the structural gaps in service provision. Therefore, when applying for EU funding, public authorities can use the social investment approach to make the case for investing in social services.
- During the annual **European Semester cycle**¹¹, the European Commission makes recommendations to Member States about their financial, economic and social progress towards the achievement of Europe 2020 targets. Consequently, project applicants may find it useful to consult the European Commission's Country-Specific Recommendations (CSRs), which will highlight the areas where the EU suggests investment is needed.

3. The payment of EU Structural and Investment Funds to Member States will be made dependant on certain conditions which aim to ensure that EU money is used in a sustainable and consistent manner.

The European Commission has set **ex-ante conditionalities** which make the release of the Funds dependent on the existence of sound economic policies and clear national or regional policy strategies in the policy areas where Member States are using EU Funds. This logic is to encourage national governments to invest EU resources in policy areas where national or regional strategies already exist or to develop strategies before they begin to use the Funds in the selected policy field. This aims to ensure that EU Structural and Investment Funds are not used in isolated projects that are not underpinned by Member State policies. The European Commission will be monitoring Member States' progress to deliver on their commitments to adapt the conditionality through its country reviews within the European Semester cycle.

European rules define both general and thematic conditions¹² that Member States should follow. The most important conditions for social and related services are listed below:

⁸ European Commission website on Europe 2020 strategy and targets, http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/targets/index_en.htm

⁹ European Commission website on Europe 2020, national targets for European 2020 strategy, http://ec.europa.eu/europe2020/pdf/targets_en.pdf

¹⁰ European Commission Communication (February 2013) Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020, <http://ec.europa.eu/social/main.jsp?catId=1044&>

¹¹ European Commission website, Europe 2020 - Making it happen: the European Semester, http://ec.europa.eu/europe2020/making-it-happen/index_en.htm

¹² European Commission (13 February 2014) Guidance document on ex-ante evaluation for the European Structural and Investment Funds, part I and part II, http://ec.europa.eu/regional_policy/information/guidelines/index_en.cfm#2

Thematic ex-ante conditionality: refers to the need for Member States to provide evidence that a national or regional strategy is in place before being allocated EU funding for projects addressing the following areas:

- **Poverty reduction:** A national or regional policy framework should be in place with a strategy or action plan for poverty reduction and social inclusion.
- **De-institutionalisation:** A national or regional plan for the shift from institutional to community-based care must be in place. EU funds cannot be used for building new or refurbishing old institutions.
- **Roma:** A national Roma inclusion strategy should exist for Member States to access funds aimed at integration of the Roma population.
- **Youth:** A national policy framework incorporating a strategy for promoting youth employment should be in place with reference to the implementation of the Youth Guarantee.
- **Early school leaving:** A comprehensive strategy to reduce early school leaving based on prevention, intervention and compensation measures

General ex-ante conditionality: refers to the need for Member States to provide evidence that they are meeting the following European standards before being allocated EU funding:

- **UN Convention:** Member States should ensure that there is an effective monitoring structure in place for the implementation of the UN Convention on the Rights of Persons with Disabilities (UNCRPD), as well as the Rights of the Child (UNCRC).
- **Governance:** Member States should show that they are consistently implementing improvements in public administration based on the principles of good governance, since this will have an impact on the effective use of EU funds.
- **Public procurement:** Member States should ensure that they make arrangements for the effective and transparent application of EU public procurement rules (updated as of January 2014¹³) when allocating EU Funds and awarding such contracts. This includes arrangements to ensure administrative capacity through training of staff and dissemination of information to all those involved in the implementation of EU Funds.

4. Under new EU rules there will be more emphasis placed on monitoring and evaluation of projects financed by the EU Structural and Investment Funds¹⁴.

Ex-post conditionalities¹⁵ will make the release of the next round of Funds dependent on managing authorities providing evidence that Operational Programmes are consistently achieving their targets, set out by Member States at the beginning of the funding period (2014).

- Managing authorities will need to announce upfront the key impact that project proposals should aim to achieve, as well as the **standards and indicators** to be used to measure the outcomes of project activities. These standards should include references to planning procedures, involvement

¹³ European Commission website on public procurement reform European directive on public procurement (as of February 2014), http://ec.europa.eu/internal_market/publicprocurement/modernising_rules/reform_proposals/index_en.htm

¹⁴ European Commission (March 2014) Guidance document on monitoring and evaluation for 2014-2020 period: Concepts and Recommendations, http://ec.europa.eu/regional_policy/sources/docoffic/2014/working/wd_2014_en.pdf

¹⁵ Ex post conditionalities are defined under Article 20(4) of the Common Provisions Regulation, <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1303>

of stakeholders, transparency, evaluation and the dissemination of results. A series of common **output and result indicators** must also be in place in order to monitor the impact of projects.

- **Each Member State will prepare a monitoring and evaluation plan** at the start of the funding period (2014) in order to help assess the effectiveness, efficiency and impact throughout the rest of the period.

5. The EU has introduced a Code of Conduct on Partnerships¹⁶ to encourage national governments and managing authorities to involve a wider range of stakeholders in the planning, implementation and monitoring of their country's spending under the EU Structural and Investment Funding programmes.

This '**partnership principle**' promotes the closer cooperation between public authorities at national, regional and local levels, economic and social partners and civil society organisations throughout the 2014-2020 funding period. The overall aim is to:

- ensure broad ownership of the projects and initiatives using EU Funds;
- reduce gaps in policy and the coordination of the strategy between different levels of government in terms of information, resources, funding, administrative and policy fragmentation;
- strengthen the capacity of local stakeholders and service users to engage with the management system of the Funds.

Are there any new EU instruments for the use of EU Structural and Investment Funds at regional and local levels?

There are two new policy instruments that provide opportunities for public social services at regional and local levels to use EU Structural and Investment Funds in 2014-2020 for the planning and delivery of local projects.

1. New EU regulations aim to encourage Member States to invest EU Structural and Investment Funds using the community-led local development approach¹⁷, which encourage the development of bottom-up strategies in response to local challenges.

The 'community-led' approach is a specific method of local investment that promotes the formation of local action groups and partnerships within communities in order to:

- encourage the development of a community-driven response to local challenges;
- build capacity for social innovation and entrepreneurship for local projects;
- promote community ownership by encouraging the participation of the community actors in the implementation of EU policies and projects;
- enable services users, who are often the beneficiaries of EU co-funded projects, to be able to play a central place at the partnership table.

The approach is particularly useful for municipal or small regional authorities who face social challenges which require more localised solutions, such as high youth unemployment or lack of

¹⁶ Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds, http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.074.01.0001.01.ENG

¹⁷ European Commission (March 2014) Factsheet on community-led local development, Cohesion Policy 2014-2020, http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/community_en.pdf

sufficient services in a particular community or the integration of marginalised communities like Roma or migrants¹⁸.

Using a community-led local development approach as a strategy for small-scale projects will be possible as long as the approach is recognised in the Operational Programme and defined within the country context linked to the project call. This will include the need for Member States to define what they consider 'local development', as the level of intervention may differ depending on the administrative structure of the country.

2. New EU measures mean that EU Structural and Investment Funds can be used by public authorities for integrated territorial investment¹⁹, that is for the coordination of larger-scale projects to address specific urban, rural or demographic problems.

This approach aims to encourage urban and rural areas alike to think in a more integrated way about their investments in order to be able to develop effective solutions to complex and often inter-related economic and social challenges. Integrated territorial investment differs from community-led local development because it specifically promotes a top-down approach coordinated by public authorities for larger-scale investments in urban neighbourhoods or rural areas.

As long as the approach is recognised in the Operational Programme linked to the project call, public authorities will be able to use this approach and receive EU co-financing. Therefore, it is important that local and regional public authorities argue before national governments and those designing Partnership Agreements and Operational Programmes how and why the integrated territorial investment approach could be used to support projects in social services.

¹⁸ Read more about how community-led local development can be interpreted in cities: Soto, Paul; Houk, Melody and Ramsden, Peter (29 February 2012) Implementing "community-led" local development in cities: Lessons from URBACT, published by European programme for sustainable urban development, pp. 1-10, http://urbact.eu/fileadmin/general_library/URBACT_CLLD_290212.pdf

¹⁹ European Commission (March 2014) Factsheet on integrated territorial investment, http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/iti_en.pdf

3. Guidance on using EU Structural and Investment Funds in 2014-2020

This section will outline how social services can use the European Social Fund and the European Regional Development Fund in the next period by explaining the investment objectives for each fund. It will also provide an overview of the level of EU co-funding available to different European regions, as well as a breakdown of the new EU budget for 2014-2020.

The European Social Fund (ESF)

The European Social Fund²⁰ (ESF) is the EU's financial instrument for supporting reform in the field of education, employment and social inclusion. The aim of the ESF is to support the modernisation of services, strengthen institutional capacities and develop active and sustainable inclusion policies investing in the capabilities of vulnerable groups, young people, workers and all those looking for a job²¹.

The following themes have been listed as priorities for the use of ESF during 2014-2020 period:

Greater emphasis on anti-poverty and social inclusion measures

Under new rules, EU Member States are required to dedicate a minimum share of its Structural and Investment Funds' budget to the use of ESF and to ensure that at least 20% of the ESF budget will be used to support active, comprehensive and sustainable social inclusion policies in each country.

In this way, regulations allow ESF to be used to fund proposals:

- Promoting the active participation, equal opportunities and improving the employability of traditionally excluded groups
- Supporting integration of marginalised communities, including Roma populations
- Fighting discrimination, for example based on gender, disability, race
- Improving access to affordable, sustainable and high quality services, including health and social services
- Improving social inclusion through community-led local development initiatives

ESF regulations also emphasise that ESF cannot be used for projects which contribute to any forms of segregation or social exclusion. In particular, it makes reference to the need for EU investments to be used to promote equal opportunities and the transition from institutional to community-based care²².

Enhancing the institutional capacity of public authorities

The ESF will support Member States' efforts to improve the quality of public administration at national, regional and local level by supporting structural reforms to build the capacity of administrators and public social service professionals to deliver efficient, effective and quality services.

Therefore, ESF will support proposals that invest in measures aimed at improving:

- Institutional capacity, in terms of delivering efficiency, good governance and better regulation

²⁰ Official website of the European Social Fund, <http://ec.europa.eu/esf/home.jsp?langId=en>

²¹ Regulation (EU) No 1304/2013, of the European Parliament and of the Council of 17 December 2013 on the European Social Fund, <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1304>

²² Recital 19, Ibid

- Capacity and skills of stakeholders delivering education, training, employment and social services

Investing in education, training and employment measures and services

The ESF can be used to finance initiatives which support **quality education** to ensure that people gain the knowledge, skills and competencies to find a job. A particular priority will be given to the following initiatives:

- Preventative and reintegration measures for early school leavers (or those at risk of becoming so)
- Measures to improve access to quality and inclusive education for disadvantaged groups

A greater emphasis is placed on using the ESF for **combating youth unemployment**, which will be a top priority in many Member States. The EU's Youth Employment Initiative²³ partially financed from the ESF to reinforce and accelerate national measures to support schemes that guarantee every unemployed young person under the age of 25 a job, a training programme or an apprenticeship. The money from ESF will be used primarily to support regions experiencing youth unemployment rates above 25%.

Greater support for social innovation

Member States have been asked to identify amongst their investment priorities for 2014-2020 specific fields where the ESF can be used to test, evaluate and scale up innovative solutions to improve the efficiency of policies. In this way, ESF will support initiatives which:

- Involve or support innovative social enterprises and entrepreneurs
- Consider innovative solutions to address social needs

EU Fund for European Aid to the Most Deprived

This programme²⁴ is partially funded by the ESF and will invest in supporting Member State investments targeting those who do not have access to basic goods, such as food and clothes. It is primarily aimed at homeless people and materially-deprived children across Europe. The logic is to provide support to 'those most deprived' in order to enable them to participate in society or to find a job using resources through more mainstream initiatives supported by the ESF. Member States applying to use the funds would be responsible for paying 15% of the costs from national resources, with the remaining 85% of funding coming from the ESF.

²³ Official website of the European Commission on the European Youth Employment Initiative, <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1829&furtherNews=yes>

²⁴ Official website of the European Commission on the European Fund for Aid to the Most Deprived, <http://ec.europa.eu/social/main.jsp?catId=1089&langId=en>

The European Regional Development Fund (ERDF)

The European Regional Development Fund (ERDF) aims to strengthen economic and social cohesion in the EU by correcting imbalances between its regions. It mostly addresses economic development and territorial cooperation. Funding under the ERDF is provided in geographically (most often regionally) defined programmes, with the scope to invest in local infrastructure, facilitating the cooperation, networking activities and partnerships across regions.

The following themes have been listed as priorities for the use of ERDF during the 2014-2020 period:

Promoting social inclusion and combating poverty

Under ERDF regulations²⁵, the investment priorities for social inclusion and anti-poverty measures are more spread out. The use of ERDF is encouraged for measures **investing in health and social infrastructure**, measures to reduce health inequalities or promote social inclusion through improved access to social, cultural and recreational services, and to contribute to the transition from institutional to community-based services. Services for older people and people with disabilities are highlighted as being in particular need of infrastructure investment.

There is also an emphasis for Member States to undertake investment in the context of “**community-led local development**” strategies. This involves giving money to local partnership projects involving relevant stakeholders and addressing localised needs or challenges.

Enhancing the institutional capacity for public authorities

Another key investment priority for the use of ERDF in Member States is linked to the improvement of efficiency in public administration and services. This can be done by facilitating networking, cooperation and exchange of expertise in this field between regional, local, urban and other public authorities and civil society.

Since the improvement of institutional capacity and efficiency of public administration and services is also a priority under the ESF budget, ERDF and ESF can be used in combination for initiatives aiming to address this issue.

Other investment priorities that may be relevant for social services include:

- **enhancing access to technology**, with reference made to the need for strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health;
- **promoting sustainable and quality employment**, with reference made to supporting local employment initiatives and development infrastructure for employment services;
- **investing in education, training and vocational training** for skills and lifelong learning by developing education and training infrastructure.

Cooperation between Europe's regions

Collaborating and sharing experiences is a valuable way to access new ideas, innovative approaches and skills. Under the remit of the ERDF budget, support for cross-border, transnational and interregional cooperation will continue in 2014-2020 under the **European territorial cooperation goal**²⁶.

²⁵ Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund, <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1301>

²⁶ Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goals, http://ec.europa.eu/information_society/newsroom/cf/dae/itemdetail.cfm?type=371&typeName=Policy%20and%20legislation&item_id=15124

The idea of this programme is to facilitate policy learning, sharing of knowledge and transfer of good practices between regional and local authorities and other actors of regional relevance.

The three strands of the programme include:

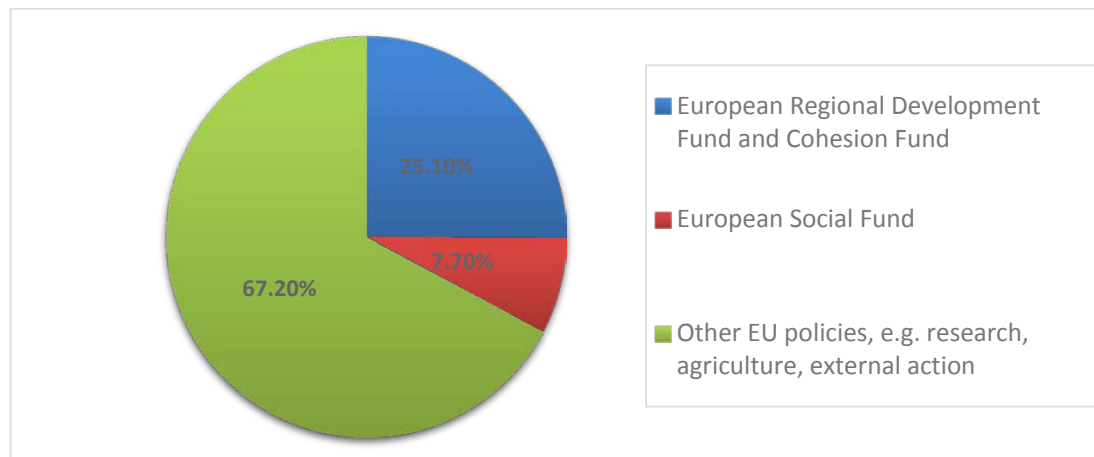
- **Cross-border cooperation** with neighbouring regions in order to tackle common regional challenges (e.g. labour market integration; cooperation of service providers in neighbouring cities);
- **Transnational cooperation** to encourage integrated development with other countries, including neighbouring non-EU countries;
- **Inter-regional cooperation** to exchange knowledge, expertise and practice between regions and cities in Europe (e.g. urban development, peer learning projects).

The EU's budget and the eligibility of different regions

What is the EU's budget for 2014-2020 financial period?

The EU's total budget for the financial period 2014-2020 will be €960 billion²⁷. EU Structural and Investment Funds represent the largest share of the EU budget. In this way, the EU will devote 32.5% of its total budget to regional investment using EU Structural and Investment Funds.

Graph1: The EU's total budget and different Structural Funds 2014-2020



Source: European Commission - The budget for the ERDF and Cohesion Fund have been presented together because data was only available in this form. Please note the Cohesion Fund budget is €63.4 million²⁸ compared to €100 million dedicated to the ERDF.

The EU has allocated an overall budget of over €80 billion to the **European Social Fund** to be spent over the next seven years²⁹ (close to 8% of the EU's total budget). At least 20% of these ESF resources in each Member State will have to be used for social inclusion and anti-poverty measures, which, if spent well, will provide significant resources to support the most vulnerable citizens. Under the **Youth Employment Initiative**³⁰, Member States with high youth unemployment rates will benefit from support with a €6 billion budget in total – €3 billion of which will be financed under the European Social Fund. The **EU Fund for Aid to the Most Deprived** providing basic needs of children and homeless people will also receive a €3.8 billion budget from the European Social Fund.

The **European Regional Development Fund** has foreseen a budget of nearly €100 billion (25% of the EU's total budget), focused on promoting regional, economic and social development across Europe. The distribution of these funds will be decided by Member State Operational Programmes. Around €10.2 billion will be allocated for **European Territorial Cooperation** as a whole³¹, with varying amounts going to the different types of cooperation programmes: €6.6 billion for the cross-border cooperation³², €1.8 billion for the transnational cooperation and €500 million for the inter-regional cooperation. There will also be an increased focus on sustainable urban development, which

²⁷ Official website of the Council of Europe: Summary of the European Council agreement on the EU budget, <http://www.consilium.europa.eu/special-reports/mff/summary-of-the-european-council-agreement>

²⁸ European Commission, Regional policy Inforegio website: EU cohesion funding – key statistics, Available budget 2014-2020, http://ec.europa.eu/regional_policy/thefunds/funding/index_en.cfm

²⁹ Commission website of the European Social Fund, <http://ec.europa.eu/esf/main.jsp?catId=62&langId=en>

³⁰ Official website of the European Commission on the Youth Employment Initiative, <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1829&furtherNews=yes>

³¹ Official website of European Commission on Financial Programming and Budget Multiannual Financial Framework, http://ec.europa.eu/budget/mff/programmes/index_en.cfm

³² Europa press release (16 May 2014, Brussels) 'Celebrating European Territorial Cooperation: Four borders, four problems, four solutions', European Commission - IP/14/565, http://europa.eu/rapid/press-release_IP-14-565_en.htm

is to be achieved by dedicating a minimum of 5% of resources from the European Regional Development Fund in each Member State for this purpose.

How much EU funding are different regions eligible for?

The amount of funding each region receives over the seven-year period is fixed at the beginning of the financial period. All EU regions are eligible to receive EU Structural and Investment Funds, however the level of **EU co-financing** for ESF and ERDF projects will differ from one region to another depending on their relative wealth.

The EU has set three funding categories based on the GDP per capita of each region compared to the EU average³³. These determine the amount of funding European regions will receive, the range of activities that can be funded, as well as the level of EU co-funding that will be available for projects.

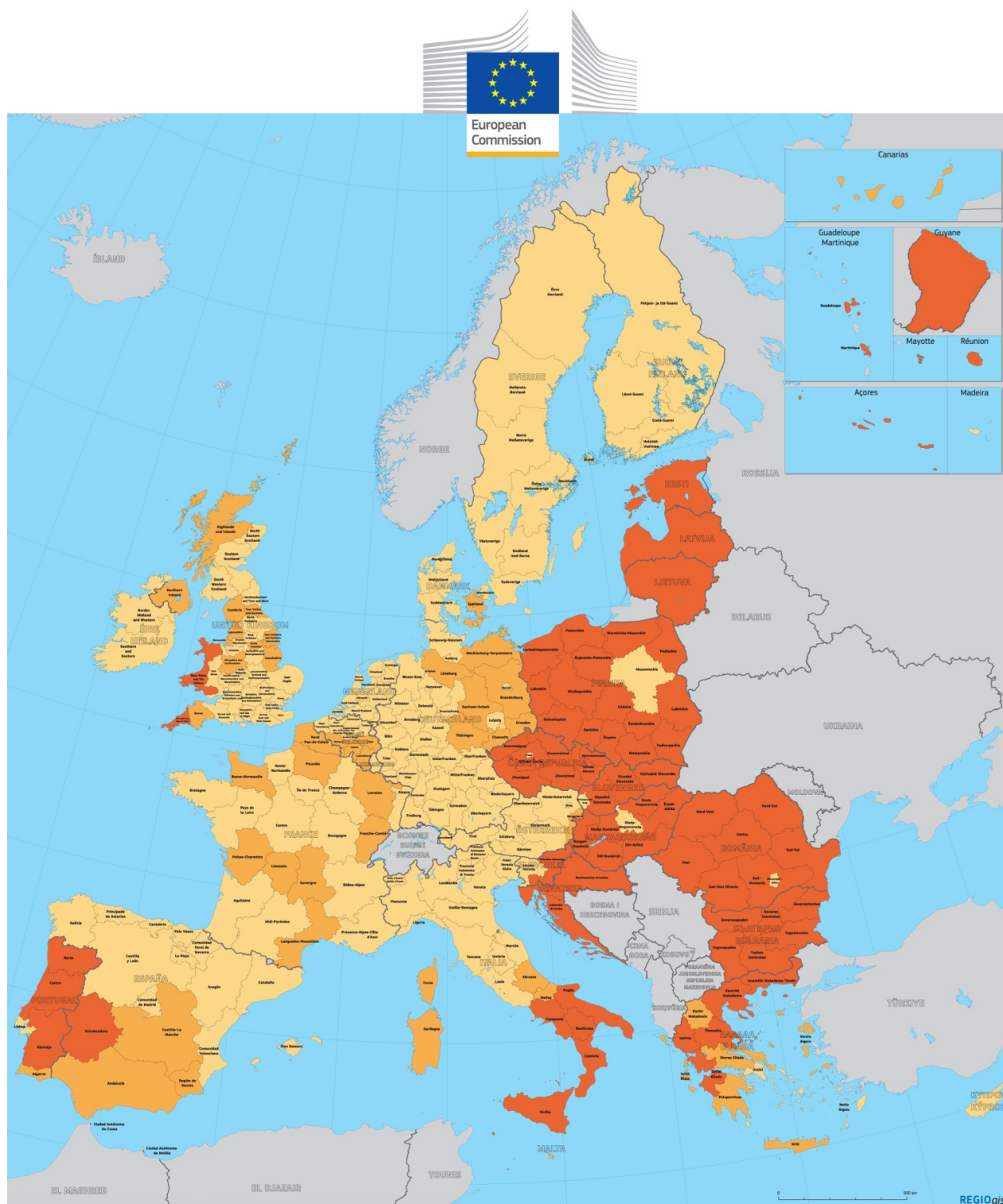
- **Less developed regions** – This category refers to the poorest regions with a GDP per head less than 75% of the EU average. Regions who fall in this category will have general co-funding for projects around 75-85% available for a wide range of projects.
- **Transition regions** – This category will include regions where GDP per head is between 75% and 90% of the EU average. The level of co-funding available will be lower, at 60%, and funds will need to be used for more targeted activities.
- **More developed regions** – This category refers to regions where GDP per head is equal to or higher than 90% of the EU average. Co-funding available under this category will be around 50% and activities funded will have to be targeted towards a short list of priorities.

The majority of EU funds will go to less developed regions to boost their economic and social development. These regions will have access to higher level of EU co-funding and will be able to spend this money on a wider range of priorities. The introduction of the 'transition' category is a new development aimed at regions which "have improved their competitiveness over recent years, but may still need targeted support"³⁴. The final amount of EU Structural and Investment Funds to be distributed in regions is to be determined based on the Operational Programmes by the end of 2014.

³³ The funding categories are determined based on data from the NUTS 2 regional subdivision used by the EU.

³⁴ European Commission - MEMO/11/663, 06/10/2011: Q&A on the legislative package of EU regional, employment and social policy for 2014-2020, http://europa.eu/rapid/press-release_MEMO-11-663_en.htm

Map: EU regional eligibility to Structural and Investment Funds 2014-2020 (including ESF and ERDF) ³⁵



Source: European Commission, DG Regional and Urban Policy

³⁵ See official website of the European Commission Directorate General for Regional and urban policy for more information about Cohesion Policy eligibility 2014-2020 eligibility of your region, http://ec.europa.eu/regional_policy/what/future/eligibility/index_en.cfm

4. Key considerations when submitting EU funding applications

The next section provides public social services with practical considerations that should be taken into account when applying for EU Funds. It aims to specifically address some of the key issues raised by ESN's survey on public social services experience with EU funding programmes.

Thinking strategically

It is important that public social services recognise the potential EU Structural and Investment Funds offer in supporting the delivery of sustainable, better quality and more person-centred services for the future.

In order to maximise the impact of EU co-financed projects, public authorities need to ensure that they think strategically from the start. Before making a decision to apply for or participate in an EU co-financed project, it is good practice for public authorities to conduct a **self-assessment** which identifies the capacity of the organisation (or the social services department involved) to deliver future projects. This should involve a **review of resources** that could be dedicated to a new project (e.g. staff time and financial resources), which may determine whether the organisation will want to be proactive by initiating a project of their own or whether they will want to participate in a project on a more ad-hoc basis. Participation in EU co-funded projects requires a long-term commitment on the side of all organisations involved, therefore knowing what resources they each have for following projects through is essential. Furthermore, public authorities should **assess the level of technical expertise** in EU-funded project management available within their organisation in order to determine whether access to expertise will need to be arranged by contracting an external consultancy firm as a technical advisor. Alternatively, public authorities could invest strategically in internal training to ensure that staff within the organisation have the right skills and tools to deliver the project.

In general, public authorities should avoid using European co-financing for ad-hoc projects and focus on projects with long-term impact on the quality and effectiveness of social services and public administrations. Although the types of projects that may receive funding will be determined by managing authorities and Operational Programmes, there are several different kinds of projects:

- Those which **develop innovative new models** to meet new social needs or current needs in better ways;
- Those that use evidence of 'what works' to **mainstream good practice** in their area;
- Those that **build the capacity and expertise of public authorities** to manage EU Funds and improve administrative and 'know how'.

Collecting the information listed above will also help in providing arguments to senior management regarding the costs and benefits of the organisations participation in the project.

Identifying local needs and connecting them to national and European priorities

In the field of social policy, the challenges and needs of public social services and service users may be quite specific and localised. This may mean that calls for proposals for EU-funding released by managing authorities may at first seem difficult to connect to localised situations.

One way in which social services at regional and local government can improve the relevance of EU-funded calls is by contributing their knowledge to the **preparation of Partnership Agreements and Operational Programmes**. This can be done by taking part in public consultations and talking to key organisations and Ministries who are involved in negotiation of the programmes, such as Ministries responsible for economic, financial affairs as well as health, employment or social matters (as relevant). Under the **partnership principle**³⁶, the European Commission has promoted the involvement of local and regional government in negotiations on how EU-funds should be spent in Member States. Once finalised, it is important for public social services to become more **familiar with Operational Programmes**³⁷, developing closer relationships with managing authorities and connecting with colleagues in the field who have experience with EU funds. Assigning representatives from public authorities working in the field of social services to **monitoring committees** may also give public social services information about how managing authorities coordinate project calls and the administrative work surrounding this process. These monitoring committees look at how EU money is being spent in different regions and in different policy areas.

Public social services should also take a strategic approach and ensure that they have a wider knowledge of where their project would fit into the **national and the European policy** context linked to achieving Europe 2020 objectives and identify key opportunities for the use of EU funds to support regional or local policy priorities. The better understanding public social services have of the wider context, the better the project proposal is likely to be.

Developing the awareness of public social services regarding **country-specific recommendations** is a useful tool for this. These are issued each year usually in May or June by the European Commission to all Member States as part of the European Semester cycle and analyse the economic, financial and social situation, providing recommendations on gaps and measures to be taken by the Member State over the next 12 months period.

If you are a member of the European Social Network, you can also contact the Secretariat to ask about the **EU's social policy priorities** across a range of themes, which may help you stay informed about the broader strategies that project calls are based on.

Making the most of new tools, such as the **community-led local development approach** and **integrated territorial development**, available in the new funding period for 2014-2020, is important. This will enable public social services to develop integrated bottom-up approaches for specific local challenges for project calls and will therefore ensure that EU-funded projects directly address local needs.

Working in partnership

EU-funded projects usually require working in partnership with other sectors and stakeholders who will bring added-value and wider ownership to the project or initiative being financed. This may include working with other stakeholders in your local community or collaborating with other regions or countries. Ideally, all partners should be involved in the planning, implementation and evaluation of the project. In addition, the project coordinator appointed to lead the project should have previous experience of participating or managing an EU co-funded project.

When considering your partnership options, public social services should think about **working across sectors**, such as health, education, employment or housing. This inter-sectoral cooperation provides

³⁶ Commission Delegated Regulation (EU) of 7.1.2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds, <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=2019&furtherNews=yes>

³⁷ Final Operational programmes are likely to be published at the end of 2014

for a broader range of expertise and improves the scope of the project³⁸. Other partners, for example civil society organisations, social enterprises, local businesses and companies may also contribute with new and innovative ideas to projects. The broader the ownership of project proposals, the more favourably they could be viewed by managing authorities responsible for selecting projects.

Involving service users and their families is also important to ensure that those who are 'experts by experience' with regards to social services can contribute to the development and evaluation of projects which, on the long-term, may affect them. Therefore, public social services should look at working with self-advocate and service user led organisations in the field.

Collaborating and sharing experiences across regional and national borders is a valuable way to access new ideas, innovative approaches and skills. Look out for **inter-regional and cross-border projects** which can bring new initiatives to your local community, and interact with and learn from different European colleagues in the field. *National Contact Points*³⁹ for different countries are a useful resource for finding out about opportunities for trans-national and inter-regional cooperation. There are also a number of *European databases* where organisations involved in different projects search for partners, for example:

- *Fishing pool*⁴⁰: a database of projects seeking transnational partners in Europe. Projects are organised according to thematic areas and are regularly updated.
- *Otlas*⁴¹: a network for project partners in the field of youth.

Overall, it is about being proactive and using the resources in the national, regional and local contexts to support project development and implementation. You can find out more about working in partnership in ESN's working paper 'Working with education, health and employment: recognising a shared agenda'⁴².

Thinking about results from the start

EU Structural and Investment Funds are allocated to projects that can demonstrate their ability to achieve the results relevant to the programmes' priorities and targets for Europe 2020 strategy. Under new funding regulations for 2014-2020, there will be more emphasis placed on performance monitoring and evaluation of EU-funded projects. A number of framework conditions must also be in place in Member States before EU funds are disbursed (for instance, the proper functioning of public procurement systems), to ensure that investments can be made in the most effective manner. Moreover, project applications will have to outline in advance an evaluation plan and indicators that will be used to assess the impact of the initiative, as managing authorities selecting projects will be looking for this.

Therefore, project applicants will need to consider some key elements, for example:

- What the expected results and outcomes of the project will be;
- Whether they have based their project expectations on evidence-based policies and research;

³⁸ European Social Network working paper (April 2014) Working with education, health and employment: recognising a shared agenda, <http://www.esn-eu.org/news/tag-202/346/index.html>

³⁹ Official website for the European Social Fund, on transnational cooperation, <http://ec.europa.eu/esf/main.jsp?catId=56>

⁴⁰ Fishing pool database, National Supporting Institution for the Human Capital Operational Programme Poland, http://www.kiw-pokl.org.pl/index.php?option=com_sobipro&task=search&sid=147&Itemid=266&lang=en

⁴¹ Website of Otlas partner finding tool, <https://www.salto-youth.net/tools/otlas-partner-finding/organisations/>

⁴² European Social Network working paper (April 2014), Working with education, health and employment: recognising a shared agenda, <http://www.esn-eu.org/news/346/index.html>

- How they will measure the impact of the project on service users, social professionals and the community;
- What indicators they will use: don't forget there are quantitative indicators, for example the number of people covered by the project, as well as qualitative indicators, which measure the quality of the impact and the level of improvement in people's lives.

You can find out more about evidence-based policies and practices in social services in ESN's working paper on evidence-based practices in social services⁴³.

Criteria applicants should be aware of when submitting a project proposal

The criteria for project proposals are set out by managing authorities during call for project. These criteria will refer to the objectives of the project, as well as eligibility and financial guides, which will need to be strictly followed by project applicants.

The following list summarises some of the key criteria used by managing authorities to select projects:

- The coherence and effectiveness of the project's work plan, including appropriateness of the allocation of tasks and resources needed for the delivery of the project;
- The range of participants and partners working together in the project;
- The suitability of the management structures and procedures outlined in the work plan, including the experience of project coordinator and the division of responsibility for implementing the work plan;
- Soundness of the concept or proposal, i.e. can it deliver the results it expects;
- Quality of the proposed coordination and/or support measures;
- Clarity and suitability of the objectives of the work plan to the original project call.

This is not an exhaustive list, however it gives a brief overview of the criteria that public authorities should have in mind with regards to the rules and regulations to be followed when answering a project call.

⁴³ European Social Network working paper (March 2014), Innovation, research and evidence-based practice in social services, <http://www.esn-eu.org/news/334/index.html>

5. Past project examples: using EU Structural and Investment Funds in the field of social services

Looking at past examples can provide ideas about how EU Structural Funds can be used in a creative, but also an effective and sustainable way. This section looks at how EU Structural Funds have been used in the past programming period 2007-2013, featuring project examples from both the European Social Fund and the European Regional Development Fund. Each practice example includes a brief description of the background and objectives as well as an overview of the impact of the project. We have also included a section where those who contributed to the project and initiatives give an insight into their experience of using EU funds.

Bulgaria: A 'childhood for all' in the community⁴⁴

Project objectives: The Bulgarian government has been using a combination of EU Structural and Investment Funds to support the effective delivery of the national government's strategy for the development of family-based services to replace the institutional model of care for all children in the country, including those with disabilities. The project has been running since June 2010 and will finish in December 2014.

EU co-funding: This initiative is unique because it is being financed using several EU Structural and Investment Funds. The 'Childhood for all' project is the main pillar of the government's de-institutionalisation reform and is funded using the European Social Fund through the Human Resources Operational Programme. Around €19 million have been used for planning a package of services in the community, including development of individual action plans, selection and training of foster parents, and training of social workers. In addition, the European Regional Development Fund and the European Agricultural Fund for Rural Development allocated €54.6 million and €8.5 million respectively to support municipalities in the development of new infrastructure for services in urban and rural areas.

Project impact: To date, pilot projects have been conducted across 8 municipalities. Individual needs assessment for 1797 children in institutions have been conducted and the number of children living in institutions has decreased from 6,226 to 5,633⁴⁵ between 2011 and 2012. A full performance review of the initiative will be available on completion of the project at the end of 2014.

Experiences from the project: *"Bulgaria was one of the first countries to use the model for integrated absorption of EU Structural Funds to support the de-institutionalisation of children's services. It was a kind of innovation. The process took place across several levels of government and so it was very complex. It saw state institutions, local authorities, civil society experts working together, which in turn meant balancing many perspectives to ensure that the Funds were used in an effective way. We will continue using EU Structural and Investment Funds for de-institutionalisation in 2014-2020 to improve access to health, education and social care in the community for all children, including those with disabilities."* Martina Krasteva, Expert, State Agency for Child Protection, Bulgaria

⁴⁴ Bulgarian Operational Programme on Regional Development 2007-2013 supporting deinstitutionalisation of children in Bulgaria, http://www.bgregio.eu/media/Info%20materials/English/KIDS_EN.pdf

⁴⁵ Eurochild Opening Doors, Bulgaria profile, <http://www.openingdoors.eu/where-the-campaign-operates/bulgaria/>

Sweden: Involving young people and using ICT in the elderly care sector⁴⁶

Project objectives: The Gothenburg Regional Association of Local Authorities in Sweden has run two pilot projects (named IT-Piloterna and IT-Lyftet) using the European Social Fund. The first project provided vulnerable young people with training and paid employment in the elderly care sector. It addressed both issues of high youth unemployment and shortages in social care staff in the region. A secondary aim of the projects was to use the abilities of young people to improve awareness of everyday ICT in the elderly care sector. The projects ran across seven municipalities in the Gothenburg region between 2012 and 2014.

EU co-funding: Both projects were co-funded by the European Social Fund. IT-Piloterna had a budget of €700,000 (6,670,000sek) and received 40% co-funding, while IT Lyftet had a slightly smaller budget of €659,227 (6,000,000sek) and received 50% co-funding. The European Social Fund was especially important in ensuring the second phase of the project (IT-Lyftet), which allowed for young people involved to gain a paid position within the elderly care sector for a trial period following their training, and thus gave them a realistic experience of what it is like to work in the care sector.

Project impact: Overall, a key outcome of the two projects has been the increase in cooperation between elderly care and the employment departments in the Gothenburg region and in the municipalities involved. Qualitative evaluation surveys conducted at the end of the project showed that the young people involved felt positive about their contribution to the elderly care sector and wanting to continue their work in the sector after the project. It also allowed for testing of new ways of activating the elderly by maintaining and teaching new cognitive skills, physical activity and social networking.

Experience from the project: *“As a region we have had very positive experiences in the past with EU-funded projects. We saw potential for synergies between missing ICT skills in the elderly care sector and the high rates of unemployed young people in the region and wanted to ensure collaboration between different municipalities using EU funding for the projects. As a project leader, I had regular contact with the Swedish ESF Council who were easy to talk to and answered all of my questions. Overall, I have had very positive experiences, although as a project manager I would have liked to spend more time supporting municipalities and young people involved in the project rather than on reporting responsibilities. This is an area that could be improved in EU Funding procedures in the future.”* Sandra Goll-Rasmussen Nielsen, project manager IT-Piloterna and IT-Lyftet, Gothenburg Regional Association of Local Authorities

Inter-regional cooperation for building networks for seniors⁴⁷ (SeNS)

Project objectives: The SeNS programme is an example of cooperation between regions in North-West Europe aiming to support the development and strengthening networks for elderly citizens. It also aimed to work towards the development of a viable sustainable model for enabling responsible institutions to assess whether their senior support networks in an area were present and, if so, if they were sufficient.

EU co-funding: The programme has received 50% co-financing from the EU. The project is worth a total of €2.9 million and received €1.4 million of its funding under inter-regional cooperation (INTERREG IVC) programme of the European Regional Development Fund.

⁴⁶ Full project descriptions on the European Social Network online practice library, http://www.esn-eu.org/userfiles/Documents/News_2013/Engelska.pdf

⁴⁷ SeNS project website, <http://www.sens-project.eu/>

Working in partnership: The programme has involved seven partners from Genk (Belgium), Cambridge, Leeds and Stockport (UK), Iserlohn and Nuremburg (Germany) and Luxembourg (Luxembourg).

Project impact: The SeNS programme is due to be completed and fully evaluated in September 2014. When completed, the project will likely deliver a range of evaluated test cases (pilot projects) in the fields of analysis, strategies and instruments. Furthermore, it will give local authorities great potential to investigate and evaluate Senior Network Support in their own areas. In Stockport (UK) the programme has allowed the city council to create two innovative projects that target people with dementia and their carers:

- *SHARED (Support Help and Access to Resources and Education for Dementia):* Saw the creation of new networks for people with dementia, their carers and professionals involved with their care and support. It will enable strong links to be developed between these groups and will seek to address the needs of older people living with or caring for someone with Dementia.
- *EDUCATE (Early Dementia Users Cooperative Aiming to Educate):* Education and training programmes that will help inform carers and individuals about dementia. The innovation comes from the fact that it is delivered by peers, carers and professionals and is then targeted at peers and carers to help understanding about living and coping with the developing needs of Dementia.

Stockport City Council's experience with EU funds: *"Stockport Council have been a member of the SeNS programme since 2012 after meeting partners through a previous project. The city has benefited greatly from involvement in the transnational project by having the opportunity to exchange good practice and test new ideas and methodology during projects. We have found our involvement in the programme to be fulfilling and challenging (in a positive way) to help us develop a very innovative tool and also export the learning from this to other countries. By developing partnerships over a long period, we have a set of partner organisations that we can both trust and work with in the future."* Andy Bleaden, Funding and Programmes Manager, Stockport Council, UK

Inter-regional cooperation on social entrepreneurship⁴⁸ (MESSE)

Project objectives: The project "Mechanism for Enhancement of Synergy among Enterprises and Sustainability" (MESSE) is an inter-regional project promoting cooperation between public authorities, social enterprises and the private sector in order to improve regional social policies supporting the social economy and social entrepreneurship, as well as the efficient and innovative use of community resources contributing to the Europe 2020 strategy on smart, sustainable and inclusive growth. The project involved inter-regional analysis of the social economy sector, the identification of existing good practices in the field, study visits between regions and pilot actions testing the impact and transferability of regional policies and practices. The project has been running between 2012 and 2014.

EU co-funding: The project has received 25% co-funding of its €1.6 million budget from the European Regional Development Fund. The rest of the funding was covered from national and regional budgets of project partners.

Working in partnership: The project involved partners from nine countries. The Veneto region in Italy has been the lead partner for the project, which has involved regional and national governments, civil society and local business in Bulgaria, Germany, Greece, Hungary, Romania, Spain, Sweden and the UK. The partners came together having identified the need for joint action and exchange in the field.

⁴⁸ MESSE project website, <http://www.messe-project.eu/>

Project impact: One of the main activities of the project was the identification of relevant good practices for supporting regional social economy. Seven good practices have been selected in Andalusia in the framework of the project, including the following initiatives:

- *Third Agreement for the Social Economy in Andalusia*⁴⁹: promotes the region's economic, social and labour development under a more sustainable framework for creating more and better social enterprises and quality employment based on the principles of social responsibility, solidarity, participation, democracy and equality.
- *School of Social Economy in Andalusia*⁵⁰: supports cross-sector collaboration for social entities and enterprises on training, research and development of the social economy, later consolidated as a permanent training centre. The school has since become an important contact point for foreign social companies.

Experience from the Region of Andalusia with EU funds: *“Our organisation’s involvement in a European project has been very positive and has allowed us to learn about new ways of working, gaining new experiences and finding out about good practices in different regions or countries. It has served as an opportunity to transfer your knowledge and experiences in your field of working to other European areas and to obtain the recognition of your work as a good practice for other regions. It supposes a greater workload and there is some complexity associated with a European project, but at the end you are always rewarded thanks to the expertise, knowledge and experiences gained and shared between partners.”* José Antonio Martínez Marín, Head of the Social Voluntary Service at the Regional Ministry of Equality, Health and Social Policies, Andalusia, Spain

⁴⁹ MESSE project case study (June 2013) Third Agreement for the Social Economy in Andalusia, <http://www.messe-project.eu/index.php/good-practice/spain-andalucia/third-agreement-for-the-social-economy-in-andalusia.html>

⁵⁰ MESSE project case study (May 2013) School of Social Economy in Andalusia, <http://www.messe-project.eu/index.php/good-practice/spain-andalucia/school-of-social-economy.html>

6. Conclusions

EU Structural and Investment Funds available over the next seven years offer a unique opportunity for the use of EU resources for investing in social projects, which have a long-term impact on people, services and local communities. In many countries EU Structural and Investment Funds are seen as a welcomed additional investment at a time when the public sector is under pressure to respond to the rising demand for structural reform of its welfare and social policies.

The fact that in each Member State 20% of the European Social Fund's budget will need to be dedicated to supporting social inclusion and anti-poverty measures should provide an incentive for social services to apply and use EU Structural and Investment Funds to invest in the most vulnerable people and communities.

This paper has given an overview of the rationale behind EU Structural and Investment Funds in order to inform public social services about the European regulations, rules and procedures behind the allocation of the Funds. To do this, the paper has provided practical advice about how to strengthen applications for project funding and presented past project examples showing the importance of developing strategic project proposals that have a compelling rationale, a robust evidence base and broadly-based ownership of project delivery and results.

Overall, this paper has aimed to encourage public social services to apply for and make better use of EU Structural and Investments Funding opportunities by thinking strategically, connecting localised needs to national and European policies, making the most of partnerships and initiatives to ensure the effectiveness, efficiency and sustainability of their projects and investments. To do this, public social services must ensure that they develop their expertise with regards to all European funding opportunities, a process to which the European Social Network (ESN) contributes.

How the European Social Network can help

The European Social Network (ESN) supports public social services across Europe in raising awareness and knowledge of EU Structural and Investment Funds.

The ESN Secretariat can provide public authorities and other stakeholders with **information about the European rules and policies** in order to enable social services to better understand how to link their own work to European funding priorities.

We can also act as a **resource for finding partners** amongst European colleagues working in the field by featuring your call for partners on [ESN's Member's Area](#) and [Linkedin group 'Social Services in Europe'](#).

For more information about ESN's work on EU Structural Funds, please contact Adrienn Sz. Nagy from the policy team at adrienn.nagy@esn-eu.org.

Glossary of key terms

Co-financing

European funds only providing partial funding for projects and Member States also need to contribute to the project with their national budgets. The level of co-funding required is always outlined in the project call and will differ from country-to-country based on regional eligibility. The aim of the co-financing principle is to ensure that European funds do not act as a complete replacement for national investment and that Member States see it as a supplementary source of funding to support key areas or gaps in their national systems.

Common Provisions Regulation

This is the main document which covers the rules and legislation governing the EU's Cohesion Policy in the 2014-2020 period. It covers all EU Structural and Investment Funding programmes from social policy, regional development, agricultural and rural development, fisheries and maritime policies, all of which have a common set of rules and complementary objectives to deliver the Europe 2020 strategy. There are then separate shorter regulations specific to each of the different programmes.

Community-led local development

This approach is designed to support the efforts of local actors to deliver community-driven and often very small-scale projects in response to local challenges. Projects developed under this approach can use several EU's Structural and Investment Funding streams, including ESF and ERDF, but only if the approach is recognised in the country's Operational Programme linked to the project call.

Europe 2020 strategy

This is the EU's ten-year growth and jobs strategy that was launched in 2010, setting five targets to achieve by the end of 2020, including ones to lift 20 million people out of poverty, reducing rates of early school leaving to below 10% and ensuring the employment of 75% of the 20-64 year-olds in the labour market. As the next EU Funding period will take Member States up to 2020, the European Commission has insisted that the priorities for spending EU funds should be closely linked to efforts to achieve goals set by Member States for 2020.

European Semester process

This is an annual cycle through which the EU follows the progress in the economic, financial and other policies in Member States, including social, health and employment. The semester process works with the EU offering guidance and recommendations to Member States policy plans for the following year (known as national reform programmes). Using its country-specific recommendations, the European Commission provides advice to Member States on the areas where they should focus their investments (using EU Funds or otherwise).

European Structural and Investment Funds

The term is used to describe a group of EU financial tools to implement European policy for reducing the economic and social gap between Europe's regions. It includes the European Social Fund and the European Regional Development Fund. It also covers other funds, such as the EU's Agricultural Fund for Rural Development and EU Maritime and Fisheries Fund. The term 'investment' was added to make reference to the social investment approach.

Ex-ante conditionalities

These are specific conditions set by the European institutions and agreed by Member State governments about how EU Structural and Investment Funds can and should be used in the next period. They are set to ensure the right focus and effectiveness of investment and are based on already existing obligations for Member States. There are thematic ex-ante conditionalities, which are related to a sector or policy (e.g. active inclusion and de-institutionalisation) and general ex-ante

conditionalities, which by their nature can apply to all sectors and policies (e.g. public procurement, anti-discrimination rules).

Ex-post conditionalities

These are conditions set by the European institutions which make the release of new EU Structural and Investment Funds conditional on the performance of existing projects. In this way, managing authorities in Member States will have to show that they have consistently achieved targets and objectives set out in their Partnership Agreements and Operational Programmes. The EU hopes that this will encourage Member States to think in a more results-oriented way and will provide incentives for ensuring the effective use of the Funds.

Integrated territorial investment

A strategy for the use of EU investments to support public authorities to develop larger scale projects in urban areas to address inter-related problems in a coordinated manner. It can involve the use of several EU Structural and Investment funding streams, including ESF and ERDF, as well as EARDF, but only if the approach is recognised in the country's Operational Programme linked to the project call.

Operational Programmes

These are the action plans on how EU funding objectives and priorities identified in partnership agreements will be implemented. They establish the amount of EU funding that will be spent, on which priority areas and how the funds will be managed. The programmes are based on broad thematic priorities (e.g. development of human resources) which can be implemented at national or regional level, depending on the administrative structure of the country. Operational programmes are important because calls for project proposals will be directly based on the priorities set in these programmes. Similar to Partnership Agreements, each Operational Programme requires approval from the European Commission before it can be implemented.

Partnership Agreement

These are the contracts agreed between each Member State and the European Commission and outline the strategic vision for how each country is going to use the relevant EU funds. The agreement contains references to thematic objectives chosen by each Member State (from a list of 11 proposed by the European Commission) and defines the national strategy and priority areas for investment.

Partnership principle

Under the European code of conduct on partnership, national governments are required to strengthen cooperation between stakeholders and project partners involved in spending EU funds. Local and regional government are mentioned as key partners in this process, as are civil society organisations and other social partners. The logic is that by strengthening partnership, there will be wider consultation and extension of the benefits that the use of EU Structural and Investment Funds bring.

Public social services

This paper makes a distinction between public social services and other service providers in order to highlight the specific role played by the public sector in coordinating income support and the delivery of services to the elderly, children, people with disabilities and those with mental health problems. The term 'public social services' covers a wide range of tasks, from the strategic development, management and provision to the financing and inspection of services. The exact responsibilities of public social services will depend on the welfare system in a country and the level of which these tasks are carried out will also differ depending on the administrative structure of the country. Social services located in sub-national public authorities play a significant role in many countries as they shape the local social and economic environment and are democratically accountable to their citizens.

Social investment approach

This approach aims to promote policies designed to strengthen people's skills and capacities and support them to participate fully in employment and social life. It is based on the Social Investment Package (SIP) launched by the European Commission on the 20 February 2013⁵¹, which promotes social investment throughout the life-cycle, emphasising early years support for children and preventive approaches in later life. It argues for national governments to work towards improving the sustainability and adequacy of their social system by pursuing, activating and enabling policies through targeted, conditional and more effective support. The SIP contains recommendations for Member States on strategies for investing in children's services, long-term care systems, homeless strategies, active inclusion policies and health care systems. It also makes reference to how EU countries could best use EU national and European budgets, notably from the European Social Fund, to implement these policies.

⁵¹ Official website of the European Commission on the Social Investment Package,
<http://ec.europa.eu/social/main.jsp?langId=en&catId=1044&newsId=1807&furtherNews=yes>

ANNEX

Annex 1: The different European Structural and Investment Funding streams

The EU Structural and Investment Funds encompass several different funding streams which are connected by a common set of rules.

Table 1: EU Structural and Investment Funding streams and programmes

European Structural and Investment (ESI) Funds
<i>Rules prescribed under: Common Strategic Regulation</i>
<p>European Social Fund⁵² supports investment in social inclusion and employment policies and initiatives for the modernisation of services and development in Europe.</p> <ul style="list-style-type: none"> • EU Fund for European aid to the most deprived⁵³ • Youth Employment Initiative⁵⁴
<p>European Regional Development Fund⁵⁵ supports the development of social infrastructure, the improvement of public administrations and cooperation projects between countries and regions.</p> <ul style="list-style-type: none"> • European Territorial cooperation⁵⁶, including cross-border, inter-regional and transnational cooperation programmes
<p>Cohesion fund⁵⁷ for poorest regions where Gross National Income (GNI) per inhabitant is less than 90% of the EU average. It finances major projects in the fields of transport, energy and environmental protection.</p>
<p>European Agricultural Fund for Regional Development⁵⁸ promotes sustainable rural development and aims to contribute to a more territorially and environmentally balanced, climate-friendly and resilient and innovative agricultural sector in Europe.</p>
<p>European Maritime and Fisheries Funds⁵⁹ promoting sustainable and competitive fisheries and aquaculture. Its territorial dimension linked to ESI Funds aims to encourage social cohesion and job creation in fisheries dependent communities.</p>

⁵² Website of the European Social Fund, <http://ec.europa.eu/esf/home.jsp?langId=en>

⁵³ European Commission webpage on the EU FEAD fund, <http://ec.europa.eu/social/main.jsp?catId=1089&langId=en>

⁵⁴ European Commission webpage on the Youth Employment Initiative,

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1829&furtherNews=yes>

⁵⁵ Website of the European Regional Development Fund, http://ec.europa.eu/regional_policy/thefunds/regional/index_en.cfm

⁵⁶ European Commission website on European Territorial Cooperation,

http://ec.europa.eu/regional_policy/cooperate/cooperation/index_en.cfm

⁵⁷ European Commission webpage on the Cohesion fund, http://ec.europa.eu/regional_policy/thefunds/cohesion/index_en.cfm

⁵⁸ European Commission webpage on the European Agricultural Fund for Regional Development,

http://europa.eu/legislation_summaries/agriculture/general_framework/160032_en.htm

⁵⁹ European Commission webpage on the European Maritime and Fisheries Fund, http://ec.europa.eu/fisheries/cfp/emff/index_en.htm

Annex 2: Other EU funds that can be used to support actions for social inclusion

There are also other EU Funds available, which are not covered by this paper, but can nonetheless be used by social services to support employment, social entrepreneurship, research and innovation, lifelong learning and anti-discrimination objectives in 2014-2020.

Table 2: Other EU funds that can be used to support actions for social inclusion

Programme for Employment and Social Innovation (EaSI) ⁶⁰	PROGRESS programme ⁶¹ for employment and social solidarity
	EURES programme ⁶² for European employment services
	Microfinance Facility ⁶³ to encourage social entrepreneurship
Horizon 2020 ⁶⁴ framework programme for research and innovation	
Erasmus + programme ⁶⁵ for education, training, youth and sport	
Rights, Equality and Citizenship Programme ⁶⁶ for combating all forms of discrimination, promoting children's rights, disability rights, Roma inclusion and fighting violence against women, young people and children	

⁶⁰ Find out more about the Programme for Employment and Social Innovation, <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1093>

⁶¹ Find out more about the EU's PROGRESS programme, <http://ec.europa.eu/social/main.jsp?catId=987&langId=en>

⁶² Find out more about the EURES programme, <http://ec.europa.eu/eures/home.jsp?lang=en>

⁶³ Find out more about the EU's Microfinance Facility, <http://ec.europa.eu/social/main.jsp?catId=836&langId=en>

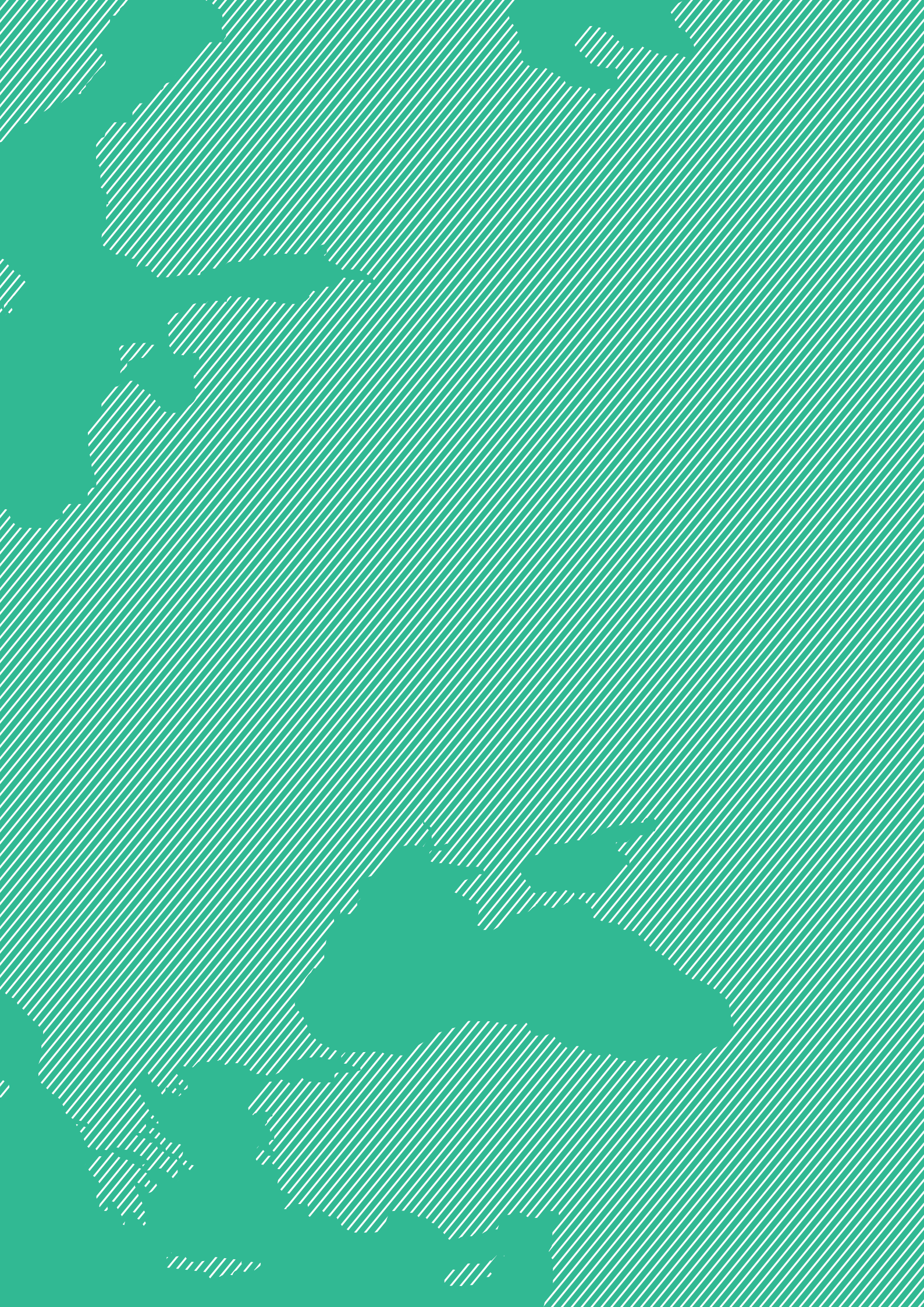
⁶⁴ Find out more about the Horizon 2020 programme, <http://ec.europa.eu/programmes/horizon2020/>

⁶⁵ Find out more about the Erasmus plus programme, http://ec.europa.eu/programmes/erasmus-plus/index_en.htm

⁶⁶ Find out more about the EU's Rights, Equality and Citizenship Programme http://ec.europa.eu/justice/newsroom/news/newsletter_new_eu_programmes_2014_en.htm

Notes:

Handwriting practice lines consisting of multiple horizontal dotted lines for text entry.



This ESN Guideline looks at the rationale, regulations, management and new procedures promoted under the new EU Structural and Investment Funds programme for 2014-2020. It is primarily written for public authorities working in the field of social services who want to improve their expertise on the European Social Fund and the European Regional Development Fund. The Guideline includes a collection of past projects from 2007-2013 as well as practical tips for public authorities on how they can take to improve their project applications. A glossary at the end of the paper provides an explanation of some of the technical terms used when in the field of EU Funds.

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