

2.3 IMPACT

The study assessed the impact of the LSC Pilot, by focusing on two key and inter-linked aspects, namely:

- the capacity of intermediary organisations and structures; and
- the level of social capital in the area covered by the LSC Pilot project.

Impact was difficult to assess across the whole Pilot due to the heterogeneity of the LSC projects and local conditions, as well as the lack of established evaluative tools and measures concerning “social capital” (*see Part I*). Moreover, local impact (i.e. impact on the local area and labour market) was particularly difficult to address due to the large geographic areas covered by most of the projects, and the short timescale and relatively small resources of the intervention.

Despite these difficulties, the study was in a position to use two main sources of systematic information for the assessment of the selected key aspects: the responses of the IBs to the evaluation *Checklist 2* and the interviews conducted as part of the assessment visits with project managers, partnership representatives, micro-project promoters and independent reviewers.

The evaluation found positive indications from the responses to *Checklist 2* that the impact (i.e. capacity enhancement) at intermediary level seems to be significant and sustainable (i.e. with a longer term value). Practically all IBs reported significant improvements to their capacity as a result of managing the LSC project, especially in their knowledge, skills and systems, while in two-thirds of the projects the IB went on to apply for funding for new projects/activities.

There are also positive (quantitative) indications of an enhancement of social capital in areas covered by the LSC projects. The extent of such an “increase” in local social capital was assessed during assessment visits, in conjunction with responses to the evaluation checklists and the final reports of the IBs.

These combined sources of information, together with other sources (eg summer school presentations by the IBs and the Spanish projects’ publication on good practice) enriched the findings on the two originally identified aspects of impact (capacity of IBs and structures and level of social capital), while other aspects of impact were also identified, albeit not in a comprehensive way across the Pilot. Hence, a third group of points concerning various other aspects of local impact and other spin-offs have been brought together and are presented below.

2.3.1 Impact on individual participants and job creation

One of the main outcomes of the LSC Pilot projects is that overall they managed to identify and address the needs of target groups, in relation to both social inclusion and employment.

Micro-projects supported by LSC had an indisputable impact on individual participants. Assessment visits to individual MPs as well as interviews with IBs and partners and independent reviewers confirm this. In all areas there was evidence of improvement in the capacity of MP participants. Some very good projects were supported (networking, art/culture based activities/sports/events to bring isolated groups into forms of social activities), which improved local capacity in the broadest sense, including awareness of issues and opportunities, as well as skills-knowledge. In addition, micro-business creation offered employment to people who would not have had the opportunity to start up their own business had it not been for the LSC grant. For most the grant was the “push” to start up.

In addition, the impact on individual participants, as defined under “positive outcomes”, should be taken into account. The findings on positive outcomes, which were presented above (chapter 2.2), reinforce the positive indications concerning local impact on participants. MP promoters

clearly improved their **personal and social skills**, mainly through MP1/2 projects and their **employability** through both MP1/2 and MP3s. MP3 projects offered employment creation and through this they improved their **business** (including project development and management) **skills**.

There was, however, a widely recognised, **large void** with respect to business and management skills. The **need for more capacity building of MP3 promoters** on issues like project management, business planning, marketing, accounting and financial issues, was highlighted by most IBs, partners and promoters alike. Evidence from some projects (egg, LEB, Weser Ems, D) showed that relying too much on the support of voluntary actors for accompaniment has its limits. Capacity building for micro-project promoters needs to be formally built into the programme from the start.

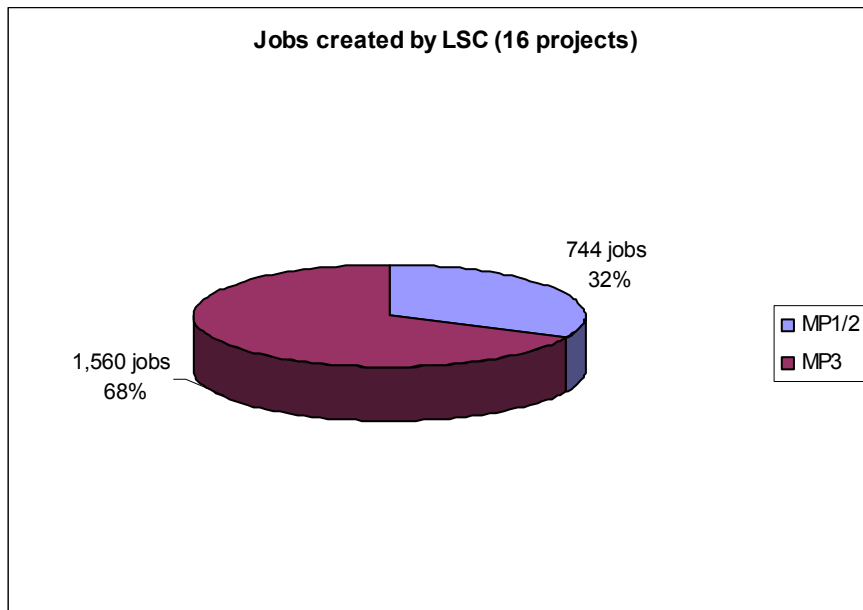
The project has also had an **impact on the views and attitudes** of individual participants. These include:

- better attitude of MP promoters towards voluntary work (LEB, Weser Ems, D; PCP, Plymouth, UK);
- recognition of social problems and respect towards marginalized people (special needs, alcoholics, drug addicts, etc) (OATEP, Crete, EL);
- increased trust towards public and private sector institutions (Fund. Ozanam, Zaragoza, ES; FVECTA, Valencia, ES; Nersant, Torres Novas, P).

The most visible impact of the LSC Pilot has been on **employment creation**, especially **through MP3 type** projects (see *chart 7 and table 9*). It is argued that even for those MP3-type micro-projects that did not continue beyond the life of the Pilot, participants are now better skilled and with increased knowledge regarding development of business plans, applying for funding, etc, which increases their **employability**.

MP1/2 type projects were not designed to offer employment, but many participants have found a **path towards employment through MP1/2s** and some have even achieved labour market integration through temporary or permanent jobs. Some MP1/2 projects generated jobs from the beginning for the purposes of running the MP, for example trainers hired from the target group to offer training to MP participants (OATEP, Crete, EL), people from target groups (eg, people special needs) were offered a job in newly created associations (OATEP, Crete, EL).

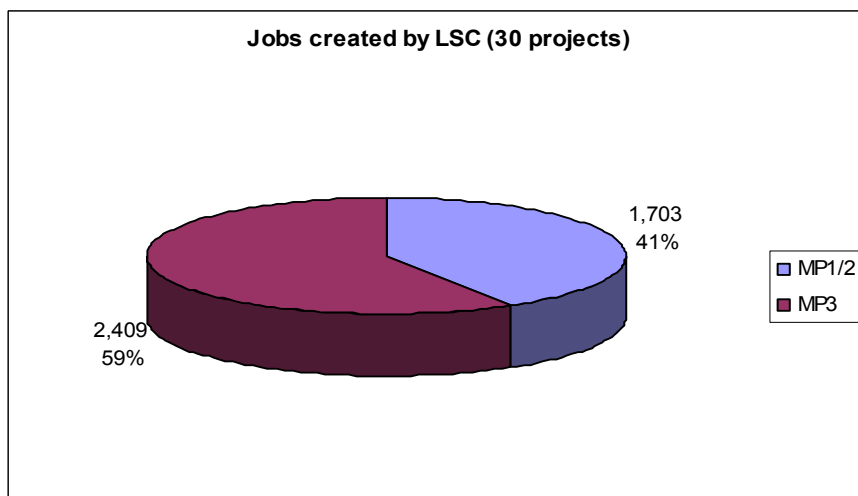
Chart 7: Impact on employment creation



Source: IB final reports and Spanish LSC Projects' publication on good practice.

Chart 7 is based on information from 16 projects which provided data on job creation (for details for each project see **table 9**). Out of 2,086 jobs, **744 were generated by MP1/2 projects and 1,487 were generated by MP3**, confirming the significance of MP3 projects for employment creation. When one takes into account the survival rates (see **table 9**) for MP3 projects (ranging from 50% to 100%), **at least half of the jobs created will be sustained** (average of 78%). The survival rates for MP1/2 projects indicate that of those micro-projects that generated jobs (offering **improved skills/employability** to participants), an average 55% will continue, with funding from other sources.

When extrapolating from the above figures for all the LSC projects, the **total number of jobs** created by all 30 projects increases to 4,112, of which 2,409 jobs created by MP3 projects and 1,703 jobs created by MP1/2 projects.



There was also an impact on **job creation for members of the IBs and structures**. In cases where the IB was formed for the purposes of the LSC Pilot only (A V Kent, Campo de

Gibraltar, ES, CeSIE, Kortrijk, B), members acquired significant experience through working on LSC management which has helped them move on to permanent jobs. In cases where the LSC implementation was based on decentralised structures that used local selection panels, members of the panels (volunteers) improved their networking and other skills and have obtained jobs after the end of LSC (PCP, Plymouth, UK).

2.3.2 Impact on the capacity of the IBs and partners

The project had an impact on the capacity of IBs as a result of managing the project. Even IBs that were more experienced, either with EU programmes or with dealing with these target groups learned something new and have **improved their ability to reach highly excluded people and manage** such programmes. The majority of IBs did not have previous experience in managing directly EU funds, especially the high degree of **discretion** left to them with respect to defining the rules for, and deciding the grant allocation. This was a **pioneering experience** which they all regarded as key for improving their financial and project management skills.

Impact on the IB

Quantitative evidence from the responses to the evaluation **Checklist 2** (addressed to the 16 sample projects), combined with the assessment visits, confirms significant improvements for all IBs in their **capacity** as a result of managing the LSC project, especially in their **knowledge, skills and systems**:

- For half of the respondents, the impact on their **knowledge** was **high**, while for another 7 out of 18 the impact was **medium**¹, with individual IBs stressing the following areas:
 - better understanding of the **concept of local social capital** and how it can be used as a tool towards social inclusion and employment (particularly significant, taking into account that at the start of the project there was no clear view/perception regarding the concept of social capital);
 - increased knowledge on **job creation and small business** creation (all);
 - increased knowledge on **how to mobilise** the social network (egg, CeSIE, Kortrijk, B, NERSANT, Torres Novas, P, OATEP, Crete, EL, Fund Ozanam, Zaragoza, ES);
 - increased **awareness on target groups and their needs** (all), for example immigration/refugee issues (Fribørsen, DK, LEB, Weser Ems, D), people with special needs (OATEP, Crete, EL), difficult groups like ex prisoners, ex drug addicts (FVECTA, Valencia, ES).

There was also transfer of knowledge between IBs (in cases where the project was managed by more than one IB, like PAUL, Limerick, IRL) and between third sector bodies (in cases where the project was managed by a consortium, like Huhtasuo), on approaches to local development, working with most disadvantaged groups and social inclusion in general.

- For 7 out of 18 respondents, the impact on their **skills** was **high**, while for another 9, the impact was **medium**, with individual IBs stressing the following areas of significant improvement:
 - **administering small grant schemes**, including organisation and financial management (most projects);

¹ The categorisation is based on the IBs own assessment as confirmed by the interviews conducted with other actors, as part of the assessment visits. **High impact** refers to a very significant improvement in the IB's capacity compared to its pre-LSC capacity, **medium impact** refers to an average improvement to the IB's capacity compared to its pre-LSC capacity, while **low impact** (appears in only two cases) refers to marginal improvement in the IB's capacity compared to its pre-LSC capacity.

- **cooperation, communication, working in partnership** skills (Fribørsen, Aarhus, DK, OATEP, Crete, EL, FVECTA, Valencia, ES, A V Kent, Campo de Gibraltar, ES, ADIE, F, Huhtasuo, Jyväskylä, FIN, PAUL, Limerick, IRL);
 - **project selection** skills: criteria, procedures, methodology (CeSIE, Kortrijk, B, Deutsche K&J, Berlin, D, OATEP, Crete, EL, Consorzio BIM N&V, Cascia, I, NERSANT, Torres Novas, P);
 - **micro-project support** skills (outreach and accompaniment), particularly important, since most IBs were not accustomed to providing both financial and technical assistance (CeSIE, Kortrijk, B, Consorzio BIM N&V, Cascia, I, NERSANT, Torres Novas, P);
 - **monitoring and evaluation** skills (IFA, Karnten, AT, A V Kent, Campo de Gibraltar, ES, Consorzio BIM N&V, Cascia, I).
- For 6 out of 18 respondents, the impact on their **systems** can be considered **high**, while for another 9, the impact was **medium**, with individual IBs stressing the following aspects:
 - **financial management** (IFA, Karnten, AT, Fund Mujeres, Caceres, ES, Consorzio BIM N&V, Cascia, I);
 - **monitoring and evaluation**, including managing databases (IFA, Karnten, AT, Deutsche K&J, Berlin, D, Consorzio BIM N&V, Cascia, I)
 - IT systems for **managing large projects** (most projects).

The above improvements in the capacity of IBs were manifested mainly in the middle of the range of previous IB experience. In extreme cases of **too little or too much experience**, the **impact** on the IB capacity was **much less significant**. On one hand, there were cases of projects where very little previous knowledge of managing such a large and complex project, **combined with a small number of qualified staff** (Fribørsen, DK), limited their ability to reap all the possible benefits from managing the LSC Pilot. On the other hand, there were cases with too much previous experience in managing small grant or micro credit schemes (PCP, Plymouth, UK, ADIE, F) where the impact in terms of capacity improvement was marginal.

Impact on the partnership

The impact on capacity was analysed through the responses to Checklist 2 and interviews with IBs, partners and independent reviewers as part of the assessment visits. The analysis went beyond knowledge, skills and systems of the managing organisation, and extended also to other partners. Further, **specific impact on the capacity of partners involved** includes:

- **in areas with poor tradition of “associativity”** (egg, Fund Mujeres, Caceres, ES, NERSANT, Torres Novas, P) this was an **enriching experience through co-operation**, since partners had never worked in this way before, improved their perception of working as a group and broadened their horizon, since they discovered that there is a different way to work and have an impact, through direct access to disadvantaged groups;
- **in areas with a more cooperative culture**, there was **increased awareness** that working together can be more fruitful for local and employment development than working in isolation and links/contacts between partners were strengthened;
- **change of attitudes and widening of the vision** of partners, for instance: changing views on target groups, for example banks learned to see them as social subjects rather than just clients (CeSIE, Kortrijk, B), increased tolerance or acceptance of other cultural communities (LEB, Weser Ems, D, ReFIT, Jena, D, D), better attitude towards social problems (NERSANT, Torres Novas, P, OATEP, Crete, EL), development of a participative attitude (most projects);
- the project has given or has reinforced the **“legitimacy” of NGOs and voluntary organisations** and has contributed to the **recognition of voluntary work** in tackling social issues. In some cases (Consorzio BIM N&V, Cascia, I, OATEP, Crete, EL, SCVO, Scotland, UK), it has consolidated and legitimised the intervention of local authorities.

Sustainability of Capacity of IBs and Partners

The widespread nature of the improvements in the capacity of local organisations and partnerships which was presented above is such that, in general terms, the longer term benefits are not in doubt, according to the assessment visit interviews and other sources. But there is also clear evidence from the responses to the evaluation checklists of immediate applicability of the enhanced capacity in other projects and activities of similar nature to those of the LSC Pilot.

In two-thirds of the projects the IB went on to apply for funding for new projects/activities, usually in conjunction with other partners – but not necessarily with the same partnership configuration as that under the LSC project. A quarter of further applications submitted had a higher budget than that of LSC.

Further funding applications concern mainly other EU programmes (EQUAL, LEADER, etc) and in some cases national and regional programmes as well. Examples of programmes that IBs and partners applied for include:

- other EU programmes, **mostly EQUAL**, but also some applied to Leader, URBAN, “Preparatory actions to combat social exclusion” and other ESF (IFA, Kärnten, AT; Fribørsen, Aarhus, DK; OATEP, Crete, EL; Fund. Mujeres, Caceres, ES; FVECTA, Valencia, ES; Fund. Ozanam, Zaragoza, ES; Huhtasuo, Jyväskylä, FI; CERFE, Pisa, I; Nersant, Torres Novas, P);
- **national** programmes, for example for the development of agricultural areas (OATEP, Crete, EL);
- **regional** programmes, for example “teletraining” and support for labour market inclusion of women (Fund. Mujeres, Caceres, ES), training and advisory support to young people in danger of exclusion (Fund. Mujeres, Caceres, ES), support and training to immigrants (A V Kent, Campo de Gibraltar, ES), employment clubs and training of volunteers (A V Kent, Campo de Gibraltar, ES), run a service for community organisations (PCP, Plymouth, UK).

2.3.3 Impact on social capital

The evaluation found qualitative and (some) quantitative indications of an increase in social capital in the areas covered by the LSC project. The extent of an “increase” in local social capital and the role and contribution of the LSC project was considered in detail during assessment visits, in conjunction with relevant qualitative evidence, such as “sense of belonging to a community” and “active volunteering”.

In most cases there was increased networking taking place, but it is difficult to estimate the extent of networking taking place as a result of LSC. However, most projects provided evidence of an **increase in the amount of social capital** in the areas covered by the project. **Qualitative** evidence includes:

- **consolidation** of the numerous, existing associations in the target area (A V Kent, Campo de Gibraltar, ES, OATEP, Crete, EL, FVECTA, Valencia, ES, Fund Ozanam, Zaragoza, ES);
- **bringing people together and strengthening relationships** both between local organizations, partners (public, private, third sectors) and, in some cases, MPs, more specifically:
 - improved **social tissue**;
 - more **cooperation/networking** than before LSC, especially between the **public and the third sector**, but also between **IBs and NGOs**;
 - **innovative ways of communication** between local actors;

- examples include Fund Mujeres, Caceres, ES, OATEP, Crete, EL, FVECTA, Valencia, ES, LEB, Weser Ems, D, Fund Ozanam, Zaragoza, ES, Huhtasuo, Jyväskylä, FIN, PCP, Plymouth, UK, Fribørsen, DK, PAUL, Limerick, IRL;
- promotion of the **image of a “key person”** with **links to groups/communities**. This “key person” is important for the relationship of the whole group/community with their environment and may be the father of a family or the leader of a group of young people (LEB, Weser Ems, D). This can also be described as the **“padrino” effect**, where the key person acts as catalyst for the development of social capital within a group/community and builds a relationship of this group/community to the external environment, **providing a basis for social inclusion**²;
- increased **“sense of belonging”**: people feel **less isolated**, more able to cope with stress in their lives as a result of being involved;
- increased **responsibility and professionalism** of organisations targeting excluded groups;
- increased **mobilisation and participation of people in communal activities**, for example in local informal cultural associations in the case of OATEP (Crete, EL), PCP (Plymouth, UK), etc;
- some **informal groups became formal** as a result of LSC, for example in the cases of OATEP (Crete, EL), FVECTA (Valencia, ES), Fund. Ozanam (Zaragoza, ES), AV Kent (Campo de Gibraltar, ES).

There were also a few cases where LSC was not regarded to have contributed to social capital in the areas concerned. These include ADIE (F) who saw a deterioration of social capital in their area, independent reviewers from A V Kent (Campo de Gibraltar, ES) who did not see a visible increase in social capital, PAUL (Limerick, IRL) who observed minimum impact on networking.

Non sample projects also reported evidence of **increase in social capital** in the areas covered by the project, such as increased networking and mutual assistance, development of local support networks, structures and services, development of relationships between sectors (public, private, third) or between groups of people/communities, increased role of the social sector in social inclusion activities.

Although qualitative evidence points to significant impact on social capital, hard evidence is hard to find, as it is still early to obtain measurable results in terms of impact. However, there are positive (**quantitative**) indications of an **enhancement of social capital** in areas covered by the LSC projects, with 9 (out of 18) projects reporting an increase in the number of associations/NGOs in the area covered by the project and 6 an improvement in civic culture³. More detail from individual projects includes:

- **creation of associations/NGOs** in 9 cases (see *Checklist 2*), most of which are sustainable and new association **memberships**;
- increased number of **community forums** established within the city (PCP, Plymouth, UK);
- **peer support and informal networks** appear to have developed out of the project activities (PCP, Plymouth, UK);
- some of the NGO partners increased their **volume of activities and membership** (eg, an NGO that opened a desk for the promotion and support to MPs, Consorzio BIM N&V, Cascia, I);
- **social integration of highly excluded people**, for example the co-operatives created by the FVECTA (Valencia, ES) project, achieved the integration of 43 highly excluded people

² Except in cases, where this “key person” or “padrino” creates a heavily paternalistic environment with negative impact on social capital (exploitative, exclusive relationships). See review of social capital literature for a better understanding of social capital concepts and their limitations.

³ Data is from responses to evaluation Checklist 2 (see Table 8)

(psychological and physical disability, gypsy ethnic minority, low income, single mothers ex-prisoners, ex-drug addicts and immigrants);

- where the target area was characterised by significant levels of **hidden employment** (egg, Fund Mujeres, Caceres, ES, A V Kent, Campo de Gibraltar, ES), as a result of the LSC project this emerged as a “**proper**” activity, for example, theatre groups, audiovisual activities, etc, strengthening links between the groups involved.

The above evidence shows a distinguishing feature of the impact on social capital is increased inter-sectoral and inter-group networking and cooperation. This provided “**bridges**” through which excluded people/groups/communities can access opportunities and integrate themselves into society and the labour market. It was also widely recognised by IBs, partners and independent reviewers that at this stage impact, as supported by mainly qualitative evidence, is significant and represents a pioneering outcome for the programme⁴.

Box 7

Example of evidence of significant local impact on jobs and social capital OATEP, Crete, EL

Quantitative impact includes:

- ◇ **employment creation**, even through MP1/2 projects which hired people from the target group. For example, the Association of Friends and Families for Mental Health (MP2) hired a woman with psychological problems, the Centre for Cultural and Tourist Development of Gorgolaini municipality (MP1) hired a person with special needs, various MP1/2s hired unemployed people to carry out training or technical support, centres for professional orientation were staffed with unemployed people;
- ◇ **improved employability** as a result of skills creation through training. In some cases, training led to employment, for example a person who attended training offered by the Labour Institute MP2 obtained a job in the industry which offered the training course.

Qualitative evidence suggests positive impact on social capital:

- ◇ **before LSC** there was **no co-operation** between actors for different groups of people. After LSC, actors who address different target groups cooperate, are in dialogue. Any cooperation in the past used to be informal, now there are many examples of formal cooperation;
- ◇ some **informal groups became formal** as a result of LSC, for example “Koinopolitia” NGO, the Association of women of *Episkopi* municipality and others;
- ◇ there was clearly **increased interest and awareness** of all actors in the target area. Increased awareness on social issues and increased networking as a result of the LSC project was an opportunity to create new organisations/associations, even some which did not participate in the project;
- ◇ the project offered **innovative ways of communication** between local actors summarised in comments like: “something has changed”, “there is increased dynamism in the region”, “creation of permanent relations”;
- ◇ LSC **addressed the issue of “social racism”**. This is a “small programme with big results”, as shown by the support offered to people who were **ignored** before, for example, people with special needs, alcoholics, people with mental health problems;
- ◇ increased **mobilisation and participation of people in communal activities**, for example in local informal cultural associations.

2.3.4 Impact on target areas/communities and other spin-offs

The LSC project had an impact not only on IBs and partners and individual participants but also on the target areas and communities it supported. It is difficult to assess quantitatively the impact on target areas in general, especially in large areas, while in many cases it was justifiably

⁴ It is important here to distinguish between increased networking/cooperation amongst groups (for example, immigrants/ethnic minorities in the case of Fribørsen, gypsies in the case of Fund CIREM, Barcelona, ES) which promotes “**bonding**” type social capital and networking/cooperation between groups/organisations which promotes “**bridging**” type social capital.

argued that LSC funding was too small in relation to the problems and issues the areas are facing to have a wider impact. In small territories the impact was more visible (Fund Ozanam, Zaragoza, ES, Fundacion Fund E&S, Madrid, ES). This, however, should not be taken to mean that IBs/partners did not achieve a significant impact in some of the larger areas (egg. A V Kent, Campo de Gibraltar, ES, Consorzio BIM N&V, Cascia, I, Huhtasuo, Jyvasklya, FIN, LEB, Weser Ems, D, OATEP, Crete, EL, VAM, PCP, Plymouth, UK). Conversely, a small territory should not be equated with a high impact, as illustrated in the cases of Fribørsen (with a delivery method not very effective due to the lack of capacity of the IB) and Fund CIREM, Barcelona, ES, which did not have a significant impact due to competing interests with a weakly participating public sector. However, there is some qualitative evidence of wider **spin-off effects** of micro-projects supported in some areas, for example:

- the **approaches of local NGOs** towards issues of social exclusion changed in some areas, for example the issue of “social racism” towards people with special needs, alcoholics, immigrants is now addressed by NGOs, as a result of LSC supporting people who were ignored before (OATEP, Crete, EL, A V Kent, Campo de Gibraltar, ES);
- **increased awareness on social issues** as a result of the LSC project, for example, local authorities seem to have become aware of excluded groups and their needs in their municipality (OATEP, Crete, EL, Fund Ozanam, Zaragoza, ES) and developed a **new way of thinking** (Huhtasuo, Jyvasklya, FIN);
- the **image** of run down areas was improved and out-migration has been reduced (Fund Ozanam, Zaragoza, ES);
- enhancement of the **“local identity”** in the closer environment where projects were implemented (Deutsche K&J, Berlin, D);
- the **mentality of the civil society** changed as MP3 type activities in the commercial sector improved the local image of products (NERSANT, Torres Novas, P);
- promotion of **social cohesion** in local communities as a result of decentralised, participative, management of the project (egg, through local selection panels in PCP, Plymouth, UK);
- improvement of the **capacity of small associations/NGOs** in the area covered by the project (A V Kent, Campo de Gibraltar, ES);
- increased **economic activity** in the area as a result of an increased number of cooperatives developed (FVECTA, Valencia, ES) or initiatives in the field of IT and the environment (ACAFAM, La Laguna, ES);
- **expectations of residual benefits** on local communities as a result of a large number of people involved in MPs that enable them to progress along a pathway to inclusion (PAUL, Limerick, IRL).

Overall, the evidence shows that LSC changed the approach to social inclusion, as it revealed there is a **new way to intervene**, which involves a **progression from the logic of assistance to that of autonomy**.

Box 8

Example of wider spin-offs generated by an LSC project

A V Kent, Campo de Gibraltar, ES

By solving the problems of individual promoters, the LSC project also **provided answers to wider social problems** in the target area. For example, MPs related to immigrants, addressed the wider immigration problem of the area, MPs related to drugs and smuggling addressed the wider problem as well. The problem with people born and bred in the tradition of drug-trafficking or smuggling is that it is very difficult to convince them that there is a way to life through legal activities. For many of them, this is a way of life and it has been the way of life of their parents and grandparents. The difference with the LSC project is that it could reach even such groups, while other programmes did not get to these groups.

Another significant result was the **improvement in the structure and capacity of small NGOs** which serve social purposes, for example, the Association of families of people suffering from the Alzheimer

disease is the only one who can really reach those people and the LSC grant enabled the Association to improve its capacity and better serve the local community that suffers from the disease.

Conclusions

There are clear but largely qualitative indications that the Pilot had a local impact in the areas covered by its projects, notably in terms of enhancing the capacity of intermediary organisations and partnership structures, particularly with respect to knowledge, skills and systems. Individual participants improved their employability and personal/social skills, while the impact on job creation, especially from MP3 type projects, was considerable for the groups it assisted.

There is strong qualitative evidence of an increase in social capital in most areas covered by the project, especially with respect to networking and cooperation between sectors and groups/communities with the effect of “building bridges” towards social inclusion and the labour market.

Various LSC projects also offer evidence of wider spin-off effects for their area.