

2.4 METHOD OF OPERATION AND IMPLEMENTATION

The study considered several aspects of the operation and implementation of the LSC projects focusing on the following:

- partnership: structure, models, capacity;
- type of support offered to micro-projects: outreach and accompaniment; direct financial support through small grants;
- management, monitoring and evaluation issues;
- promotion and publicity.

2.4.1 Partnership

The evaluation work revealed that a great variety of partnerships were in operation with variations in membership, functions, and role of members in decision-making, and terminology, largely reflecting the proliferation of local partnerships in most areas as a result of spontaneous LSC-type activity and requirements of public programmes.

Findings identified during the Pilot in relation to partnership highlight that it took some **time to put the partnership structures in place** and to develop the working arrangements, especially where much of the partnership construction was new. In addition, findings showed that the partnership was an essential part of the Pilot in terms of **mobilising resources and ensuring that support is available on the ground** for the outreach, accompaniment support and ultimately the sustainability of micro-projects

The evaluation also identified the key characteristics of different structures, in order to assess what structures worked best in terms of involving local communities and building partnerships. The evaluation criteria applied comprise three dimensions:

- **Strategy:** whether the IB/partnership offer active support to participants, target groups are involved in running the project and whether there is good networking of local partners/stakeholders;
- **Cohesion:** whether the partnership consists of a big NGO with little involvement from others, whether NGO lead partner works with local/small NGOs, whether partnership is mixed (cross-sectoral) of more or less equal partners and whether partnership consists of local/small NGOs only;
- **Capacity:** whether capacity in terms of resources, knowledge and systems was small, adequate or more than needed for the LSC project.

The following chart positions the LSC projects according to the above criteria:

Chart 8: Position of LSC projects according to Cohesion/Capacity and Strategy

Cohesion & capacity	4 <i>Very dispersed structures</i>				
	3 <i>Relatively dispersed structures</i>		Group 3: MSD (L) ReFIT (L) NERSANT (M) ACAFAM (M) CIREM (S)	Group 4: Osteriermark (L) IFA (M) Deutsche K&J (M) OATEP (M) FVECTA (M) Huhtasuo (M) Fund E&S (M) PCP (M) CeSIE (S)	Group 5: VAM (L) SCVO (L) PAUL (M) Consorzio BIM (M) Fund Ozanam (M) A V Kent (M) CERFE (M) LEB (L)
	2 <i>More or less concentrated structures</i>		Group 2: Diakonie (L) Fund. Mujeres (M)		
	1 <i>Concentrated structures</i>	Group 1: ADIE (L) Fribørsen (S)			
		<i>A</i> Directive strategy	<i>B</i> More or less directive strategy	<i>C</i> Quite participative approach	<i>D</i> Very participative approach
		Strategy			

Chart 8 explanation :

Cohesion (Y Axis):

- 1, if big NGO is the lead-partner with little involvement from others;
- 2, if big NGO is lead-partner working with local/small NGOs;
- 3, if mixed partnership (in terms of size and sectors – NGO/public/private) of more-or-less equal partners;
- 4, if partnership of local/small NGOs only.

Strategy (X Axis):

A if it meets none of the following criteria; B if it meets 1; C if 2; D if all 3:

- a. IB/partnership offer active support;
- b. target groups are involved in running of project;
- c. there is good networking of local partners/stakeholders;

Capacity of IB/core partnership (in brackets):

- L: large capacity, more than needed for the LSC project;
M: more-or-less adequate capacity for the needs of the LSC project;
S: small capacity, substantial capacity-building needed to meet LSC project requirements.

Five different models of partnership structures were therefore identified that share some common characteristics but also reveal that they all have some positive experiences to offer.

Model 1: Concentrated structures with directive strategy and small capacity (Group 1)

Examples of key, common, successful characteristics of this model include:

- very good informal relationship with social workers and counsellors;
- target group participation in Granting Committee.

Examples of not very successful, common characteristics of this model include:

- little participation in the partnership of public authorities (Fribørsen, Aarhus, DK) and NGOs (ADIE);
- substantial need for capacity building for IB/MPs.

Model 2: More or less concentrated structure with a more or less directive strategy and medium to large capacity (Group 2)

Examples of key, common, successful characteristics of this model include:

- intensive networking with some partners who have been very active;
- target group participation through Committees;

Examples of not very successful, common characteristics of this model include:

- lack of extensive networking (with cross-sector partners).

Model 3: Relatively dispersed structure with a more or less directive strategy and different capacities (Group 3)

Examples of key, common, successful characteristics of this model include:

- cross sector partnerships with some very active partners;
- participative approach in some implementation stages;
- ability to find some forward links (for MP continuation);
- some IBs offer active support to MPs (eg, NERSANT, Torres Novas, P, Acafam).

Examples of not very successful, common characteristics of this model include:

- weak links with current initiatives (including competing interests in the case of Fund CIREM, Barcelona, ES);
- weak or no target group participation.

Model 4: Relatively dispersed structure with quite participative approach and different capacities (the majority of projects, Group 4)

Examples of key, common, successful characteristics of this model include:

- cross sector partnerships with some very active partners, especially from the third sector and in some cases, from the informal partnership with local NGOs, in outreach, promotion and accompaniment;
- very successful in some cases (OATEP, Crete, EL, FVECTA, Valencia, ES) for capacity building was that some NGO-partners were also LSC beneficiaries (MPs);
- participative approach in most stages, including target group participation or representation in Committees;
- mobilisation of resources from outside the partnership;
- in cases of small to medium capacity, projects were managed by competent IB teams.

Examples of not very successful, common characteristics of this model include:

- networking between NGO and public sector can improve;
- more pre-development work / capacity building for promoters is required.

Model 5: Relatively dispersed structure with strong participative approach and medium to large capacities (Group 5)

Examples of key, common, successful characteristics of this model include:

- cross sector partnership, with active involvement of the third sector in particular (formal and informal partners);
- participative approach in outreach, mobilisation, promotion, pre-development and, in some cases (Consorzio BIM N&V, Cascia, I, PCP, Plymouth, UK), also accompaniment;
- links with regional programmes/services and very good dissemination;

- mobilisation of resources from outside the partnership (mainly from the third sector).

Examples of not very successful, common characteristics of this model include:

- projects with large capacity and experience from such types of programmes were ambitious in applying a very decentralised delivery method, with local selection panels that lacked, however, the necessary experience;
- the value added of LSC for IBs with experience in social capital and ESF programmes can be limited, due to their saturation of “bonding” type initiatives. It may be more appropriate to re-design LSC to focus more on “building bridges” between existing, strongly rooted networks and partnerships.

The above models’ characteristics confirm we cannot safely deduct there were “successful structures”, but we can use the information usefully if we look at “successful characteristics” of the different structures. A good example is that of model 5, where some projects appear to combine the three evaluation criteria in an effective way (cross-sector partnership with very participative approach and large capacity). However, as shown above, even those structures may suffer from “saturation” of social capital that develops “bonds” between people/groups/communities, and need to re-invent their approach towards developing “bridges” between groups and organisations in order to achieve positive social and labour market inclusion results.

An assessment of the three dimensions of partnership (cohesion, external strategy and capacity) from the whole Pilot is provided below.

2.4.1.1 Internal characteristics of partnership

Partnerships were made up of public and private sector organizations and NGOs. Most partnerships were lead by the NGO-IB, with two projects being lead by IB-consortium. Their composition varies according to the characteristics of the area, the relative tradition of partnership and the choice of structure (centralized/decentralized) to manage the Pilot implementation. An important factor was to *create a network of organisations on the territory with local knowledge* to support implementation of the LSC Pilot (for instance, in the case of MSD, Marseilles, F, some 40 organisations were included in a “diffusion” network). The mobilisation of such a network of partners, especially to support outreach and accompaniment and in some cases project selection, has been an important feature of several LSC Projects. Many highlight the need for highly decentralised partnerships with local knowledge including organisations which can reach and mobilise people and involve the creation of inclusive structures. Feedback from the LSC assessment visits, final reports and evaluations available indicate the variable quality of organisations in the networks in terms of effectiveness in relation to objectives of LSC. They also indicate to varying degrees the need to strengthen this type of network. The main issues are described below:

Regarding the role of the public sector:

- It is important to involve public sector partners (especially **local authorities**) in order to receive the political recognition of the project, however, in many cases, those partners were the least involved, contributing only to some publicity (eg, IFA, Karnten, AT, FVECTA, Valencia, ES). One of the reasons for the low commitment of public partners is the difficulty of finding roles for public partners which fit with the way they operate – for instance, they do not have the flexibility of operation and pro-active orientation of NGOs.
- However, there is also evidence of effectiveness of partnership between IBs and local public services, namely **social integration services**, which were sometimes most active due to their social role and direct knowledge of people in the target groups (NERSANT, Torres Novas, P, Fund Ozanam, Zaragoza, ES, CeSIE, Kortrijk, B, VFR, Oststeiermark, AT, Fundacion Fund E&S, Madrid, ES, MSD, Marseilles, F, CERFE, Pisa, I). The presence of

employment services was generally weaker, with some exceptions (eg, SCVO, Scotland, UK with direct links to Local Enterprise Companies, VAM, Manchester, UK with efficient contact with regeneration companies in the city and the Training and Enterprise Council);

- Local development agents (LDAs), who are public sector workers, have also contributed effectively to outreach, pre-development and, usually with the IB, accompaniment support, due to their closeness and knowledge of target groups (Fribørsen, Aarhus, DK, Fund Mujeres, Cáceres, ES, FVECTA);

The role of NGOs:

- Cooperation with local NGOs/associations representing target groups was essential for the LSC Pilot due their closeness and detailed knowledge of the target group, like for example, gypsy associations in Valencia (FVECTA, Valencia, ES), association of ex-offenders (FVECTA, Valencia, ES), association for the unemployed in Finland (Huhtasuo, Jyväskylä, FIN), centre for people with special needs (OATEP, Crete, EL);
- The role of NGOs that formed part of the informal network of partners has been essential for outreach and dissemination (OATEP, Crete, EL, ACAFAM, La Laguna, ES);
- In addition to NGOs, in some cases, the private sector, namely enterprises or confederation of entrepreneurs, has also had a significant contribution through training, advice and support in the case of MP3s (Fund Ozanam, Zaragoza, ES; NERSANT, Torres Novas, P; to some extent CeSIE, Kortrijk, B). In a few cases, private banks were also actively interested in the project and supported its continuation (Fund Ozanam, Zaragoza, ES; Consorzio BIM N&V, I).

Partners cooperation:

- Wide partnership does not necessarily imply good cooperation, for example, in some cases there was not much co-operation outside the Steering and Selection Committees or there was lack of clarity regarding the roles of each partner (CeSIE, Kortrijk, B); Involvement of most relevant organisations (SCVO, Scotland, UK, MSD, Marseilles, F) is a key issue;
- Open and efficient communication between those involved was key for efficient partnership working (FVECTA, Valencia, ES; Fund. Ozanam, Zaragoza, ES; Consorzio BIM, N&V, Cascia, I; OATEP, Crete, EL);
- Some partnerships consisted of a variety of actors and were based on equality and consensual decision-making without any partner being in a dominant position (Huhtasuo, Jyväskylä, FIN, PAUL, Limerick, IRL), but for most, decision making was done at Steering Committee level with the IB/lead partner clearly dominant in day-to-day management and conflict resolution;
- Even in partnerships where there was domination of certain partners, it was effective to work as a network with a shared objective of “working together” and with a purpose to support local initiatives dynamics (Consorzio BIM N&V, Cascia, I, NERSANT, Torres Novas, P);
- It is important to ensure organisations in the network are better informed and more consistent (MSD, Marseilles, F, Deutsche K&J, Berlin, D);
- Strong, existing links between local partners, due to the small size of the target area and/or past experience of working together, contributed significantly to good partnership working (Fund Ozanam, Zaragoza, ES, A V Kent, Campo de Gibraltar, ES, PCP, Plymouth, UK, FVECTA, Valencia, ES). This highlights the importance of better coordination on the ground.

Box 9

Good examples of partnership structures and their internal characteristics

Fund. Ozanam, Zaragoza, ES

Structure of partnership:

The lead partner (IB) was a social Foundation that employs 180 people and works with a large range of volunteers whose number is more than triple its size. Its normal work focuses on **social promotion and employment** for the **most disadvantaged**. Main partners in the LSC project included:

- Municipality of Zaragoza (Social Services);
- Regional government of Aragón;
- National Employment Institute,
- Savings Bank (Caja de Ahorros) la Inmaculada (CAI);
- Two private banks (Ibercaja and Banco Santander Central Hispano);
- Confederation of Entrepreneurs (Support to Micro Enterprise Creation Service: SACME);
- Caritas NGO

Apart from the above formal partners, the project received outreach, pre development and accompaniment support from a **range of other informal partners** (NGOs/associations), most significant of which are “Tramalena” (women’s association), the Federation of Associations of the Physically Disabled and the “Integral Plan for the Historic Centre”.

Partnership internal characteristics:

There were **strong, existing links** between local partners, mainly due to the small size of the target area and past experience of working together. Key role played by the Social Services of the municipality and SACME. The IB assigned two full time people to the LSC project, while a member of its promotion team was responsible for dissemination /promotion, in the context of a contract the IB had signed with the press cabinet.

Cooperation between the social services of the local authority and the NGOs involved in the project (the IB, Caritas and other smaller associations non formal partners) was quite strong and well established, given the small size of the area (centre of Zaragoza) and the experience of working together in other initiatives (eg URBAN).

Consorzio BIM., N&V, Cascia, I

Structure of partnership:

The project was been implemented by the IB (BIM) which was itself a partnership between the 3 Comunita Montana (CM), acting as the quite autonomous development agency of these associations of municipalities and several committees (Monitoring and Control, Coordination and Evaluation committees). The functional partnership was one of the two main pillar of the project, comprising:

- three private voluntary and social organisations;
- two local banks;
- chamber of commerce;
- cooperatives organisation;
- regional and provincial administration.

Partnership internal characteristics:

The partnership was dominated by the 3 local authorities and by the main 3 dimensional system organisation. These **active** partners worked as a network with a **shared objective of “working together”** “with a purpose of supporting a local initiatives dynamic. In addition, partners were involved in what was described as **“local partnership”** when cooperation between “core partners” and some local actors (municipalities, local NGOs, etc) occurred at the sub area level or in connection with specific MPs. The three Comunita Monane and the voluntary and social organisations were very active and highly committed to the project. They maintained and increased their own awareness, interest and capability to follow the pilot from the beginning (especially outreach and promotion of MPs) to the end, which enabled them to **develop more structured networking focused on clear objectives**.

FVECTA, Valencia, ES

Structure of partnership:

The IB was an organisation representing **co-operatives of associated work** in the Valencian Community. Main partners included:

- Professional association of Local Development Agents (public);
- Employment Sub-secretariat and Economic Council (regional administration);

- Municipalities of the Valencian community;
- Social Welfare Council (regional government);
- Associations, foundations and organisations representing target groups in the Valencian community (NGOs).

Partnership internal characteristics:

LDAs played an important role both for mobilisation, promotion, pre-development support and, where necessary, they followed up closely during implementation. LDAs were local, knew the target group personally and had already developed relationships with people in the target group. They combined the **experience and knowledge** of training and employment advice/support to the target group and often acted as a channel between the IB and potential promoters. Together with the IB members, they offered support to promoters for the development of their idea and its implementation.

Of the associations, the **gypsy association** was very active and aware of the issues related to their exclusion. Associations of **ex-prisoners**, for example the “**Fundacion SOL**”, played an important role in intervening for the welfare of ex-prisoners. This was important in the context of highly bureaucratised prison institutions.

Both LDAs and the small NGOs/associations mentioned above acted as a **channel** or as **mediators** for the **generation of project ideas** and in many cases **followed up** projects during implementation. The main difference of their roles was that LDAs acted more at **territorial level**, i.e. each LDA covering a certain area/territory, while small NGOs/associations acted at **sectoral level**, i.e. representing specific target groups.

Overall, the IB collaborated with over 700 entities and managed to consolidate a regional network which supported in different ways the creation of co-operatives in the context of the LSC project. It is important to note that the **Association of LDAs was “born” in FVECTA** and hence there was **very good co-operation**, based on existing relationships with LDAs. Some municipalities, like the **Gandia municipality**, were more active through its municipal centre for employment and training.

Variety of implementation structures:

- **Steering Committees** often had a consultative function, receiving and discussing information prior to each meeting, without much involvement of its members outside the meetings (Deutsche K&J, Berlin, D, CeSIE, Kortrijk, B);
- **Decentralised structures** have also been used:
 - Either, as a two tier design with the IB at first level responsible for overall design and monitoring and selection committees on second, local level (PCP, Plymouth, UK, Deutsche K&J, Berlin, D);
 - Or, through the IB’s local offices/structures (FVECTA, Valencia, ES, NERSANT, Torres Novas, P).

In the first case, success factors were related to the capacity and knowledge of the local selection committees (for example, members of the local community sitting on the selection panel is a good example of grass roots involvement, but they may lack knowledge on strategic/business issues in order to assess especially MP3 applications). In the second case, success factors were related to capacity building offered to local offices so that they could carry out their monitoring/accompaniment roles effectively;

- In only a few cases, the IB was formed only for LSC purposes, like CeSIE, Kortrijk, B, PAL for A V Kent, Campo de Gibraltar, ES, but **in most cases the IB was an already established organization**, with **LSC project being one of its activities**.

Box 10

Advantages and disadvantages of decentralised structures

PCP, Plymouth, UK

Main **positive aspects** of the partnership and decentralised structure:

- the decision to organise the project in a decentralised way was done following a consultation exercise, which gave credibility and acceptance to the Ward Panels;
- good working relationship between partners, there is strong tradition of partnership in Plymouth;

- good working relationship with local neighbours through the Ward Panels, including cases where multi-ward projects were supported (there are 11 of them);
- two members of each Ward Panel were trained on LSC concepts and management and were then responsible for transferring this knowledge to the other members of the Panel. Interviewees claim this was actually done in practice;
- following approval of MPs, the Liaison Officer of the IB and the Group Support Worker carried out accompaniment support, while some Wards also followed up some MPs.

Main **issues/problems** facing the decentralised structure:

- in some cases it was difficult to set up the Ward Panels, as it was difficult to find volunteers, especially in the most deprived Wards;
- often, Panel members were not very familiar with European projects and procedures and lacked experience and information for making their selection decisions. In addition, they did not understand business issues and could not therefore assess MP3 applications effectively (this may be one reason why so few MP3s were approved), for example credit unions or setting up businesses who had developed business plans that were difficult for Panel members to understand;
- the Intermediary Board which carried out the final selection procedure sometimes reversed the decision of the Panels but only in one direction: they could reject some MPs that were approved by the Panels but did not approve MPs that had been rejected by the Panels. This may have resulted in some MPs **not** getting through even if they were good projects and complied with LSC rules, just because the Ward Panels lacked the necessary experience to assess them properly and the IB did not want to intervene in this way (again at the expense of some good MP3s);
- staff changes in the IB confused Panel members.

All this points out that too much “autonomy” at local level should be coupled with proper capacity building at that level.

2.4.1.2 External strategy

Participation of target groups:

The way the project was set up ensured in many cases that **target groups could participate** in most cases **indirectly** through the NGOs/associations that represent them and which often sat on the Steering and Selection Committees. There were only few cases where target groups participated **directly**, like for example in PCP, Plymouth (UK), VAM, Manchester (UK) where the local selection committees consisted of MP promoters or IFA, Kärnten (AT), where most cooperation partners/organisations involved in the LSC have been MP promoters. Where promoters participate directly they can represent and defend the needs of target groups but a key issue that arises is their capacity to be involved in decision making without proper capacity building. For example, in PCP, Plymouth (UK), although PCP chose from the beginning of the project not to do MP3s, it was also argued during the assessment interviews that some local selection committees lacked knowledge related to management and business issues and therefore could not assess properly MP3 type applications (see box 7 above).

Box 11

Good example of participation of target groups

VAM, Manchester, UK

Interesting system of **initially 4 Grant Panels** (Community Chest Panels) working on grant allocation: two were locality based, one was theme based (mental health) and one was City wide. A **fifth one** (specialised business panel) was added in November 2000 for reviewing in more detail MP3 applications. A **further 2 panels** were established in East Manchester in 2000, due to lack of applications from East Manchester. **Participative approach** evident in the **panel membership**, including local residents and representatives from local voluntary organisations, ethnic minority groups and mental health service user groups.

Selection methods

Selection methods for deciding which micro-projects to support comprised a pre-development phase, where the **promoter developed the project idea in cooperation with the IB and/or partner** (eg, local development agents in the case of Spanish projects, social workers in the case of Fribørsen, Aarhus, DK, network of local voluntary organisations in the case of LEB, Weser Ems, D, etc) and assessment of the viability of the micro-project by a **Selection Committee**. In many cases, project proposals went back and forth between promoter and IB, before they were presented to the Selection Committee. In some cases, promoters that failed to have their projects approved, were directed by the IB towards activities in other sectors (eg OATEP, Crete, EL).

Support to MPs

Active support to MPs was provided either through the IB directly as part of its day-to-day management and monitoring role or through mobilization of external actors, like entrepreneurs in the case of CeSIE, Kortrijk (B) and NERSANT, Torres Novas (P). NERSANT in particular is a good example of innovative support through tutoring/mentoring provided by network of local entrepreneurs. Another good example is the Fund Ozanam, Zaragoza (ES) project, where a support service of the Confederation of Entrepreneurs supported some MP3s with training, tutoring and personalised advice.

Where the provision of support was directly through the IB, its success depends on the capacity of the IB to reach all MPs effectively. For example, Huhtasuo, Jyvaskyla (FIN) has assisted promoters to access resources from other programmes, providing a “pathway” to inclusion. In some cases, the problems of limited resources at the IB was solved through the provision of support by partners or other actors (eg, A V Kent, Campo de Gibraltar, ES, OATEP, Crete, EL, Consorzio BIM N&V, Cascia, I, IFA, Kärnten, AT, FVECTA, Valencia, ES, Deutsche K&J, Berlin, D), while in other cases, limited resources at the IB was coupled with the lack of an adequate support structure and there was limited provision of active support to MPs (eg, Fribørsen, Aarhus, DK). In any case, the **determining factor was the lead partner’s capacity** to either do it itself or to ensure that others would do it. Most common support offered by partners/other actors was related to outreach and pre-development work, while the lead partner offered most of the accompaniment support. There is general agreement, even from the best resourced IBs, that MPs need a significant amount of support –more at pre-development stage but during implementation as well- and that this is very heavy on resources and has stressed the capacity of IBs.

Box 12

Good example of active support to MPs

NERSANT, Torres Novas, P

The **network of entrepreneurs** is one of the **most innovative features of the project**, as they offered **tutoring to MPs** through organised, small training sessions on various topics relevant to MP needs, for example, accounting, marketing, etc. NERSANT has showed very good capacity to mobilise its associates-entrepreneurs, with much greater success than expected (at the beginning, not many partners believed that individual entrepreneur would show interest in tutoring MPs). Tutorings consisted of transferring experiences and knowledge of the local market to the new entrepreneurs –beneficiaries of LSC. Tutoring by the IB’s associates was complemented with **invitation** of MP promoters to other **NERSANT events**, like fairs and various thematic seminars.

External networking with other partners and stakeholders

Mobilisation of resources demonstrates good networking with other partners and stakeholders and was achieved by some projects (PAUL, Limerick, IRL, NERSANT, Torres Novas, P, Huhtasuo, Jyvaskyla, FIN, OATEP, Crete, EL). In particular, Fund Ozanam, Zaragoza, ES mobilized a very active network of informal partners (NGOs/associations), including

associations created by the LSC project, OATEP, Crete (EL) mobilised resources through the creation of a support centre against labour market exclusion, which offered services for outreach and support to MPs, while CeSIE, Kortrijk, B mobilized a few private enterprises who offered advice/know-how to some MP3 promoters. There were also cases where there was no need for mobilising resources from outside the partnership since there was very good representation of local actors in the partnership anyway. Such good examples of “all-inclusive” and “comprehensive” partnerships include FVECTA, Valencia (ES) and A V Kent, Campo de Gibraltar (ES).

Box 13

Good example of external networking/mobilisation

Huhtasuo, Jyväskylä, FI

Good networking with other partners outside the consortium and links with other programmes (employment, enterprise). Networking was planned from the outset. All partners had their own networks. The project was active in establishing a new organisation (NGO/cooperative) which provided accounting services to micro projects. The cooperative provided assistance and advice for associations, clubs, NGOs in project implementation and fund raising. Good networking with the Local Development Company and Central Finland Economic Development office, which provided support to MP3 projects, individual participants.

Links with other programmes and services and dissemination

All projects have had links with other programmes/services, some of which may secure a **path towards inclusion and employment**. Checklist 2 results show links mainly with regional programmes, followed by national and EU programmes, while multi-purpose (for development support, accompaniment, finance, training, outreach and promotion, support for employment search) links have been established with local/regional agencies/services. For example, links with municipal social services for outreach and technical assistance to MPs in the case of OATEP, Crete, EL, links with the Confederation of Entrepreneurs services for professional training and advice to MP3s (Fund Ozanam, Zaragoza, ES), an “Employment Club” financed by LSC offered support in search for employment to LSC beneficiaries (A V Kent, Campo de Gibraltar, ES), a cooperative established by LSC provides accounting services to MP3s (Huhtasuo, Jyväskylä, FIN), free professional advice to NGOs by a group of professionals (PCP, Plymouth, UK), links with the Community Employment partnership enabled the IB to access young people (VAM, Manchester, UK), and many others.

LSC has served as a platform for a number of projects that have **secured funding for the continuation of the LSC project** beyond the period of the Pilot¹:

- Huhtasuo, Jyväskylä (FIN), which have secured public funding to continue the activities until 2004 and will be administered by the Supportive Association for the Third Sector Organisations in Central Finland (KYT);
- Fund Ozanam, Zaragoza (ES) who have reached agreements with a savings bank that will offer micro-credits and with the regional institute for social services which will complement with micro-grants;
- MicroPolis (D), where the LSC approach is taken as the model for the implementation of the ESF-funds for local social capital in Berlin’s ESF-OP.
- Other projects that do not form part of the sample are known to have secured **some type of continuity** like Cirem (ES), Fundacion Empresa Y Sociedad (ES), MSD, Marseilles (F), SCVO, Scotland (UK), VAM, Manchester (UK). In the case of VAM, for example, the local Health Action Zone has invested in a small grants fund with the Community Foundation for Greater Manchester. In addition, the Community Foundation for Greater

¹ See chapter 3.2 for more details on steps taken towards mainstreaming.

Manchester has adopted many of the processes developed for ACORN in its own grant giving.

Box 14

Good example of links with other programmes/services

Fund. Ozanam, Zaragoza, ES

The **Confederation of Entrepreneurs** and the Regional **Government of Aragon** have played the most important role in the provision of services and programmes to promoters, more specifically:

- ◇ under the “INICIATIVA” service of the Confederation of Entrepreneurs, promoters receive **management training** and can access **publicity** resources, personalised **advice** and **credit** from collaborating entities. Examples of MPs include: guided visit to the historic centre, glass workshop, monthly publication of entertainment guide, domestic repair services;
- ◇ the network “Doing business in Aragon” of the regional government (Diputacion), offered some **training and personalised advice**. Around 8-10 MPs have received support from this network on management and reporting. The network has **not been very operative yet**, its development has been a bit slow.

2.4.1.3 Capacity of partnership

Capacity of partners

The main issue is not the capacity of individual partners, most of whom are experienced and have some specialized knowledge, but the **combination of partners and their ability and interest to cooperate** and bring out what each knows best. There were cases of partnerships where few partners were active and, together with the lead partner, ensured the project was successfully implemented. An interesting example is Fund Mujeres, Cáceres (ES), where the limited capacity of the lead partner was addressed through intensive networking with some partners who have been very active and have contributed to the success of the project. There were other cases where a wide network of active partners ensured enough capacity to implement the project with success (eg, FVECTA, Valencia, ES, A V Kent, Campo de Gibraltar, ES, Consorzio BIM N&V, Cascia, I, Deutsche K&J, Berlin, D, Fund Ozanam, Zaragoza, ES, OATEP, Crete, EL, LEB, Weser Ems, D, Fund E&S, Madrid, ES, CERFE, Pisa, I, etc).

Capacity of IB

Most importantly, there are differences in terms of **IB staff dedicated to LSC**. Some IBs had very few staff (between 1 and 2 full time people dedicated to the LSC project) and no additional resources to offer to the project and MPs could not be reached effectively in terms of monitoring and support (eg, Fribørsen, Aarhus, DK, CeSIE, Kortrijk, B, Fund Mujeres, Cáceres, ES), while others were larger organisations with more (multidisciplinary / professional) staff available to cover the needs of the project when needed (eg, FVECTA, Valencia, ES, Fund Ozanam, Zaragoza, ES, OATEP, Crete, EL, Deutsche K&J, Berlin, D, PAUL, Limerick, IRL). There were also those that used their network of local offices and/or local support groups (NERSANT, Torres Novas, P, PCP, Plymouth, UK, FVECTA, Valencia, ES). In all cases, the amount of **voluntary work** put into the project to complement the capacity of partnerships and IBs is significant (more than double the value of LSC resources).

Capacity building

There is also a widely recognized **need for capacity building at local level** (if a decentralised, bottom up approach is chosen, like in PCP, Plymouth, UK or for local development agents and social workers who are heavily involved like in the case of FVECTA, Valencia, ES and Fribørsen, Aarhus, DK). In some cases, more capacity building is required also for **IB staff** (for example, at NERSANT, Torres Novas, P project, the IB staff were mainly young, inexperienced people who would have benefited from capacity building) and a need for more resources at IB level (management of LSC was very resource intensive).

Capacity building for actual and potential MP promoters, including local NGOs (LSC beneficiaries), was provided **informally** in some cases, through the organization of capacity building or information seminars (Fund Mujeres, Cáceres, ES, PAUL, Limerick, IRL, Huhtasuo, Jyvaskyla, FIN, ACAFAM, La Laguna, ES), the provision of advice by local entrepreneurs (CeSIE, Kortrijk, B). Formally organized capacity building for individual promoters was offered by a few projects through for example tutoring/mentoring from entrepreneurs (NERSANT, Torres Novas, P), advice, counselling and support from a support service of the Confederation of Entrepreneurs (Fund Ozanam, Zaragoza, ES). It is also accepted that target group participation in Selection Committees improved their knowledge and skills, especially with respect to understanding what is viable as well as selection procedures and methodology. This does not necessarily apply to selection panels consisting mainly of target groups (eg, PCP, Plymouth, UK), where their lack of specific knowledge on business related issues hampered their ability to assess MP3 applications.

Box 15

Good example of partnership with capacity

FVECTA, Valencia, ES

The IB was a Federation of Co-operatives **well established** in the region and with **previous experience** in managing grants to co-operatives. It had **good capacity** (good and spacious premises, up-to-date technology, a good number of well qualified multi-disciplinary staff).

FVECTA as a Federation organises frequently courses for co-operatives or for people who are interested in setting up co-operatives and many MP promoters benefited from these courses.

Needs identified with respect to capacity building include more meetings and concrete contacts to exchange information. In response to this need, information through the web could facilitate the exchange of information and minimise the need to meet more often. However, it was not clear that communication and exchange of information through IT methods had been utilised efficiently.

Conclusion

The evidence shows that NGO-led partnerships mobilised under the LSC Pilot offer good examples in terms of inclusiveness, functionality in mobilising resources and supporting implementation and synergies and complementarity with existing programmes and initiatives.

It seems important not to be too prescriptive about the structures of partnership (e.g. Strategic, Management, Functional, Network) but rather to emphasise these characteristics.

2.4.2 Type of support

2.4.2.1 Outreach and accompaniment

Methods and tools

By the end of the Pilot the methods of outreach and accompaniment to MPs had matured and the importance of such, **non-financial support**, was recognized across the board, **as essential** for MP promoters, who usually lack the capacity and knowledge of dealing with EU requirements, designing and managing projects and carrying out accounting and financial management.

Outreach and pre-development were generally provided by the IB and partners. A key role in outreach and pre-development was also played by local actors/NGOs, social and development workers, and other actors whose local presence and close contact with target groups enabled them to mobilize them and support them at the initial application stages.

The **main methods of outreach** were identified as follows:

- strong emphasis across all IBs on traditional methods of information dissemination including: information leaflets, brochures, posters, mailings to a wide range of organisations. Mass media (radio, newspapers and TV) were used for promotion in several cases;
- meetings with associated organisations (i.e. those involved in the partnership/network for implementation of the Project) and visits and information meetings to other organisations including public bodies, other NGOs etc.

In relation to **pre-development work** with potential clients, a key finding is that a very considerable amount of pre-development work is required in most cases.

The **methods of pre-development work** included the provision of a structure/team from within the IBs and drawing in most cases on a wider network of support – i.e. counsellors, technical team, volunteers. In a few cases, specific dossiers/guides were provided to clients (this related to micro-enterprise projects). Other methods included seminars/guidance meetings.

The lead partner's role was more significant with **accompaniment support** through its staff and, in some cases, network of local offices (eg, NERSANT, Torres Novas, P, FVECTA, Valencia, ES). Generally, those IBs that offered intensive support at the pre-development stage continued this development support into the accompaniment stage. Different **tools** were used in providing development support including information and advice, and training. This is directed to putting in place a good and realistic business (MP3) or project plan (MP1/2) and working towards its realisation. The accompaniment activity was very heavy on resources and IBs have generally complained about the lack of administrative budget assigned to the project and the significant amount of voluntary time put into it.

Effectiveness of support

When assessing the **effectiveness of outreach, pre-development and accompaniment work**, the key findings include:

- Non-financial support to MPs was very important, **especially during pre-development**. Developmental support was provided in different ways. In many cases, it was linked to the monitoring system of supported micro-projects involving a combination of visits, telephone contact, reporting in the provision of information on progress by micro-projects. For many promoters, the dedicated IB staff acted as “**tutors**” or “**mentors**” during that phase (A V Kent, Campo de Gibraltar, ES, SCVO, Scotland, UK, Acafam, ES), while in some cases a **formal tutoring/mentoring system** was set up through a network of local entrepreneurs for tutoring to MP3 type projects (NERSANT, Torres Novas, P) or through the provision of tutors offering individual, project based tutoring through the IB's local offices (Consorzio BIM N&V, Cascia, I) or through the IB's advisory service on legal, economic and management issues and in co-operation with local development agents and other external advisory services (FVECTA, Valencia, ES). These **tutoring systems** were **effective also** during the **accompaniment** phase;
- Outreach and pre-development was more effective when carried out by local people who had knowledge of the target groups and were close to them. This is illustrated for example in the cases of NERSANT, Torres Novas (P), FVECTA, Valencia (ES), Consorzio BIM

N&V, Cascia (I), whose **local structures/offices** contributed effectively to outreach and pre-development;

- In addition to local structures/offices, active **local development agents and social/community workers** also offered valuable support to the project, because of their closeness to target groups and their experience/knowledge of the target group characteristics, problems and needs. This was proved by some projects which relied significantly on local development agents or social workers for the delivery of the project (Fribørsen, Aarhus, DK, Fund Mujeres, Cáceres, ES, FVECTA, Valencia, ES). Especially in large territories, where the IB had difficulties in reaching all target groups and follow up MPs closely due to its lack of resources, local development agents and social workers were invaluable (Fund Mujeres, Cáceres, ES);
- The ability to service projects through regular visits was limited in many cases particularly in large geographic areas and in the case of Intermediary Bodies with large numbers of projects. The **key factor for effective outreach and pre-development** in large territories was the **capacity of the IB**. There are examples of IBs with large capacity (LEB, Weser Ems, D, REFIT, VAM, Manchester, UK, SCVO, Scotland, UK, VFR, Oststeiermark, AT) that were able to develop direct contacts to target groups and organisations dealing with target groups. For example, LEB, Weser Ems, D successful “project scouts” outreach method to develop direct contacts with professional or voluntary intermediaries and identification of key persons within target groups or OATEP’s (Crete, EL) innovative action of setting up an NGO for social policy which played a key role in mobilisation of resources and outreach.
- Outreach and accompaniment support is the area where **NGOs were best able to deliver**, for example:
 - **NGOs** were generally very active in providing outreach and pre-development support (eg, OATEP, Crete, EL, A V Kent, Campo de Gibraltar, ES, NERSANT, Torres Novas, P);
 - **Local NGOs** contributed substantially to mobilisation of human resources and to increasing awareness on social exclusion issues (OATEP, Crete, EL, FVECTA, Valencia, ES, Fund Ozanam, Zaragoza, ES, A V Kent, Campo de Gibraltar, ES);
- However, the area of accompaniment showed a **weakness** of those large “more institutionalised” NGOs in terms of distance from potential clients (eg, Fund Mujeres, Cáceres, ES), which highlights the **need for systems of NGOs working together** (achieved to some extent, for example, by OATEP, Crete, EL, Fund Ozanam, Zaragoza, ES, A V Kent, Campo de Gibraltar, ES) and significant contribution from small NGOs, networks and informal groups;
- In some cases, the **private (business) sector** played a key role in **accompaniment** support, providing for example advice, training and transferring experience to the newly formed entrepreneurs under the LSC project (entrepreneurs in the cases of Fund Ozanam, Zaragoza, ES, NERSANT, Torres Novas, P; Chamber of Commerce/Business Start-up Centre in the case of IFA, Kärnten, AT, some private enterprises-informal partners offering know-how to MPs, in the case of CeSIE, Kortrijk, B);
- In cases where LSC projects dealt entirely **with MP3 type projects**, the **economic viability** should be carefully examined at the beginning possibly by someone with specialist knowledge (FVECTA, Valencia, ES). Good examples include **mentoring/tutoring offered by other entrepreneurs** to LSC newly formed businesses in the case of NERSANT, Torres Novas (P), **individualised and project based tutoring** in all stages through local offices in the case of Consorzio BIM N&V, Cascia (I) or the, less formal, but equally useful, advice and support from existing entrepreneurs in the case of CeSIE, Kortrijk (B).

Overall, in relation to processes of outreach, pre-development and accompaniment support, the experiences of IBs particularly highlighted the need not only to provide information and technical support but also to build up trust with people from the target groups. Building up participation and connections between people and organisations are key parts of a successful development process and central to the concept of social capital.

Assessment visits and final reports of IBs have shown often the need to improve or redirect outreach, pre-development and accompaniment. Overall, these types of support are considered resource-intensive and beyond the capacity of most IBs to resource adequately within the limits of the administrative budget of the LSC Pilot (20% of total budget). Moreover, some NGOs which act as IBs lack the skills for certain types of technical assistance, eg for supporting MP3 type micro-projects. In addition, the need to **explore further types of support**, namely **capacity building** for MP3s was also highlighted by many (see above, chapter 2.3.1).

Box 16

Good examples on outreach

LEB, Weser Ems, D

An innovative approach in outreach was the so called “project scouts”. Project scouts are people looking locally for possible initiatives to be funded. Two different classes of scouts were activated. **Volunteer scouts** were activated in the organisations and local associations working normally together with the LEB. They were successful in disseminating information about the programme. Many of the proposals were initiated with the help of these scouts. **Professional scouts** were working on advising the project initiators locally. Initially it was planned to have this carried out also by the volunteer scouts, but as it was not possible, LEB got in touch with other organisations working in the social sector, like the German Red Cross. Representatives of these organisations took over the guidance and counselling of project initiators.

OATEP, Crete, EL

An innovative action was the **creation (as an MP2) of an NGO for social policy** (“Koinopolita” of Crete). The NGO’s members are the prefecture’s local authorities and its activities are related to social policy, social cohesion, improvement in the quality of life and socio-economic and cultural development of the target area. This NGO contributed substantially to **mobilisation of human resources** in the area and to increasing awareness on social exclusion issues.

Box 17

Good examples on accompaniment

Consorzio BIM, N&V, Cascia, I

BIM provided continuous and intensive support to MPs since the early development up to their maturation at the end of the programme (tutoring envisaged to continue post LSC). The quality of this support was a key success factor of the programme. Three main types of support were identified:

- i) assistance during the early stage of formulation and checking of the project feasibility;
- ii) assistance during the project implementation stage;
- iii) assistance for finding co-funding or additional advisory services.

Four local offices where tutors could meet projects managers were opened by each Comunità Montane and this facilitated direct and permanent contacts and greatly improved the accompaniment of MPs. Several seminars and meetings between MP promoters and the IB (with participation of partners) took place. All these direct and easy contacts were defined as **key factors of success**.

Other support, beyond that of financial nature, was also of crucial importance, for example, diffusion of a common “language”, shared knowledge, collective learning process. These factors improved both skills and the sense of belonging to a community, as well as fostered the importance of the role played by supportive agencies (e.g. parents, families, NGOs), promoted the proliferation of other spontaneous initiatives, and increased solidarity between voluntary associations (12 – 15).

Fund. Ozanam, Zaragoza, ES

The IB provided support to promoters through its own services, namely:

- ◇ Fundación Federico Ozanam created a **guarantee fund** for MPs to be able to access credit for buying equipment;
- ◇ the Fundación also offered services to MPs through its ***Social and Employment Centre*** and its ***“bank of employment”***. Some MPs attended courses at the *Social and Employment Centre*, for example, a repairs shop and a shop selling tropical products;
- ◇ it also created an **insertion company** called *“INSERTA”*, which can constitute a path towards employment. For example, a confectionary workshop became an LSC beneficiary after being supported by *INSERTA*.

2.4.2.2 Direct financial support through small grants

Overall, the **size of grant** was regarded **appropriate** for the needs and capacity of promoters. Micro-grants were assessed to be helpful for supporting voluntary activities, which often face the problems of how to finance working material (eg, office material, space, services, etc). Although there were some views supporting that MP3s required higher funding due to the nature of their activities (business start ups incur more costs than social cohesion type activities), the majority of IBs, partners and independent actors regarded the size of grant as a **catalyst for start up** and useful for giving the initial impulse to self employment. The main advantage of the grant was not its size but the speed with which it was disbursed and the flexibility it allowed in terms of activities: many “dreams were fulfilled” and many small projects “managed to go a long way with little funding”.

Regarding the **complementary use of micro grants** together with other financial instruments, like **micro-credit**, most IBs and partners supported this. Some think it is feasible provided there is adequate preparation of promoters, strong accompaniment support on financial and project management and with solutions to the issue of guarantees (OATEP, Crete, EL, NERSANT, Torres Novas, P, PAUL, Limerick, IRL, Deutsche K&J, Berlin, D). There is an **interesting example** of a project that will **continue after the LSC grant** is over, through a scheme that combines micro-grants (offered by a regional institute for social services) and micro-credits (offered by a savings bank) and will be managed in the same way as LSC with the same IB (**Fund Ozanam, Zaragoza, ES**). There were only a few IBs and partners who regarded that the use of micro-credit is not appropriate for the type of target groups supported as they lacked the capacity to deal with credit (A V Kent, Campo de Gibraltar, ES, local development agents at FVECTA, Valencia, ES, bank representative at CeSIE, Kortrijk, B).

The **need for additional financial support** was highlighted in a few cases. For example, Fribørsen, Arhus (DK) claimed the grant was not adequate given the cost of living in Denmark. In the case of Consorzio BIM N&V, Cascia (I), complementary financial instruments were used through the integration of resources due to the close collaboration with common projects (e.g. those referring to the Regional Social Plan). In another case (PAUL, Limerick, IRL), it was argued that the rule to use only one grant (not followed up with another) was illogical, as MP promoters may need follow-up assistance to bring an idea/project to function.

Conclusion

The evidence shows that outreach, pre-development and accompaniment support to potential and actual micro-project promoters were an integral part of the LSC Pilot. These forms of support and opportunities for contact which build trust were as important as the small grants in achieving participation of priority target groups and successful implementation of micro-projects. Therefore, the type of support offered by LSC had the merit of combining financial and non financial support, when other traditional programmes offered usually only the one or the other.

One of the elements that contributed to the success of the Pilot is that support did not end when the grant is awarded. The outreach, development and accompaniment processes were linked with the financial process, in a way that excluded groups achieved a “comprehensive” set of results (from personal/social development to employment and sustainability).

2.4.3 Management, Monitoring and Evaluation Systems

2.4.3.1 Financial management

All projects managed to secure their financial guarantee, although in some cases it took longer to achieve this (eg. A V Kent, Campo de Gibraltar, ES, Fund Mujeres, Cáceres, ES).

Overall, **budgetary procedures** used by IBs for distributing small grants were **efficient in assuring a smooth flow of funding** to micro-projects. Some projects managed to simplify financial procedures for MPs, for example: OATEP, Crete (EL) simplified the papers that MPs had to fill in and there were no problems reported overall, except the difficulty related to the quantification of expenses in kind; FVECTA, Valencia (ES) also simplified forms and procedures for MPs; Fund Ozanam, Zaragoza (ES) reports that MPs did not have any difficulties in complying with financial procedures as they were only required to submit receipts and not fill in any tables; PCP, Plymouth (UK) financial monitoring form includes information on staff and volunteers costs, travel costs, publicity, services and administration costs as well as income, in a simplified format with detailed instructions to promoters on how to fill it in); Huhtasuo, Jyväskylä (FIN) also achieved some simplification of ESF rules.

The overall impression was that although the Pilot had some bureaucratic particularities, it was not one of the most difficult programmes from a financial management point of view. Most difficulties were encountered with the amount of **time** required to fill in forms for the Commission and the stress this has caused for the resources of IBs.

Financial resources for technical assistance to the micro-projects, which came out of the 20% (max.) of the total budget, were universally regarded as too limited to ensure ongoing operational support.

Even where financial procedures were not simplified, **IB have supported MPs** during their **financial planning** and followed up any questions throughout implementation. Visits to a sample of MPs in all sample LSC projects confirm this.

Cost effectiveness

In relation to **cost effectiveness**, it was difficult to measure it quantitatively, due to the nature of the project which relied on a lot on qualitative input and produced a lot of qualitative results, but an attempt to present the cost-effectiveness of the approach is provided below:

- The **key inputs** to the project were the LSC grant, co-finance provided by the IB and partners and the human resources put into the project (significant amount of voluntary work as mentioned above in 2.4.1.3);
- **Qualitative outputs**: most of the results were difficult to quantify as they related to improved personal skills, improved social skills, increased employability and increased technical skills. However, the positive outcomes analysed in chapter 2.2 provide a good proxy to quantification of outputs. In addition, increased capacity for IBs/partners and increase in social capital and wider spin-off effects were also visible and described in chapter 2.3;

- **Quantitative outputs:** despite the predominance of qualitative outputs, there were measurable results (see chapter 2.3), namely:
 - business creation through self-employment and creation of cooperatives;
 - direct job creation directly as a result of business start-ups (MP3s);
 - indirect job creation through either additional jobs created by successful businesses or through participants in MP1/2 projects finding a job as a result of participating in the MP;
 - creation of associations/NGOs and increased membership in civic organisations.

The **results** of the LSC project, as was shown during the analysis of documentation/data and the direct contacts with actors and promoters during the assessment visits, **far outweigh the costs**, pointing to significant cost-effectiveness of the exercise.

Box 18
Financial management and cost effectiveness

Fund. Mujeres, Caceres, ES

Fundacion Mujeres formed the subject of an ex-post audit carried out by the European Commission and was found to have produced very satisfactory results and to be a reliable and trustworthy partner for the management of Community aid programmes.

If financial management process and procedures were checked and found to be transparent and efficient, with the following key characteristics:

- ◇ final certification corresponded to expenses;
- ◇ procedures used corresponded to established rules;
- ◇ financial management was supported by an analytical accounting system and annual accounts were audited by external auditors and submitted to the Spanish Ministry of Employment;
- ◇ both direct and indirect expenses were documented in detail, which allowed effective assessment of the amounts, reasons and justification of declared expenses;
- ◇ with respect to granting Community support, contracts were signed with each LSC promoter, specifying specific disbursements and objectives;
- ◇ payments to MPs were carried out in three tranches (50% at the beginning and subsequent payments of 40% and 10% following justification of expenses);
- ◇ the **IB developed instruments for promoters** to manage their projects effectively;
- ◇ once the project was over, Fundacion Mujeres obtained a loan from a regional bank in order to carry out final payments to MPs promptly, given their vulnerability (coming from socially excluded groups with very poor financial means). Payment by the Commission that followed enabled the IB to repay the loan, while interest on the loan was paid by the IB's own funds;
- ◇ in conclusion, Fundacion Mujeres **adopted adequate measures for efficient management of Community funds**. The existence of a Selection Committee comprising local actors (political and economic) was an important factor for **transparency**.

2.4.3.2 Monitoring and evaluation

The main issue in relation to systems was the need **to reduce complexity and the heaviness of procedures**. Project evaluations highlight that, whilst efforts were made to have a clear and fast system, it was still quite a long and complex application and approval procedure.

Several LSC projects made or proposed changes during implementation, including CERFE, Pisa, I, NERSANT, Torres Novas, P, MSD, Marseilles, F and SCVO, Scotland, UK – in the last case simplification of application forms, a greater degree of flexibility in selection criteria, in the case of NERSANT, Torres Novas, P, proposed changes include more participative project selection, etc.

In relation to **monitoring and evaluation**, a survey carried out in Year 2 (30 IBs) and the information from assessment visits and final reports from the 30 IBs identified the following:

- all IBs had a **monitoring system** in place and operational. Almost half (14 Intermediary Bodies) had arranged for monitoring systems which went beyond the requirements of the Quarterly reports to the EC. Tools used for monitoring included visits and questionnaires to assess progress in physical and financial implementation;
- **evaluation** was generally carried out in two ways: self evaluation, with input from individual MPs who were requested to fill in monitoring and evaluation forms (eg, PCP, Plymouth, UK, Fund Ozanam, Zaragoza, ES, OATEP, Crete, EL, FVECTA, Valencia, ES, Fund Ozanam, Zaragoza, ES); and external evaluation usually contracted out (NERSANT, Torres Novas, P, PCP, Plymouth, UK, FVECTA, Valencia, ES, PAUL, Limerick, IRL);
- in some cases, evaluation was poorly developed or was carried out only at the end of the project as external evaluation. The main reasons were the lack of resources (people, time, funds) to carry out self-evaluation (eg, Fribørsen, Arhus, DK, Huhtasuo, Jyvaskyla, FIN, Consorzio BIM N&V, Cascia, I) and the complex and pioneering nature of the intervention, which went far beyond any previous experience of the lead partner (eg, CeSIE, Kortrijk, B, OATEP, Crete, EL);
- there were also cases where the external evaluator played a key role during the whole project, providing monitoring support and advice to the lead partner (A V Kent, Campo de Gibraltar, ES, NERSANT, Torres Novas, P);
- in a few projects (Fribørsen, Arhus, DK, CeSIE, Kortrijk, B, Huhtasuo, Jyvaskyla, FIN) internal or external evaluation was poorly developed and no reports have been produced, due either to lack of resources (CeSIE, Kortrijk, B) or to lack of capacity on how to carry it out (Fribørsen, Arhus, DK) or to lack of useful feedback (Huhtasuo, Jyvaskyla, FIN) and complaints from beneficiaries afterwards (i.e. there were some misunderstandings, some beneficiaries considered questions too personal etc.)
- although 24 IBs indicated in Year 2 that they had internal/self-evaluation systems (20 operational) and 10 had engaged an external evaluator (with some using both methods), 6 IBs provided interim evaluation reports in Year 2² and only just over a third (12 IBs)³ provided self-evaluation reports (some combined with external evaluation) to the Commission at the end of their projects.

Some of the evaluation reports received are more qualitative than quantitative in their methodologies and findings and generally do not deal with all issues – i.e. they are not comprehensive⁴. For instance, the UK evaluations are mainly about the processes involved in implementation of the LSC Pilot – the outreach, development support, partnership, selection processes, issues related to grant size and scope.

Quantitative information typically relates to amount of grant, number of projects supported, number rejected, etc. and in a number of cases characteristics of the promoters. Moreover

² MSD, Marseilles, F; PCP, Plymouth, UK; SCVO, Scotland, UK; Fund. Mujeres, Caceres, ES; Fund. E&S, Madrid, ES; Fund Ozanam, Zaragoza, ES.

³ IFA, Kärnten, AT; LEB, Weser Ems, D; ReFIT, Jena, D; Fribørsen, Arhus, DK; Fund Mujeres, Caceres, ES; FVECTA, Valencia, ES; Fund CIREM, Barcelona, ES; A V Kent, Campo de Gibraltar, ES; AFA, F; MSD, Marseilles, F; PAUL, Limerick, IRL; and SCVO, Scotland, UK.

⁴ A comprehensive approach was encouraged in the guidelines on self-evaluation of projects issued to IBs in Year 1, but project-specific priorities and resource constraints led to more selective approaches. The external evaluation's approach, including the two checklists on effectiveness, efficiency and impact and further advice provided at the Summer School in June 2001 and assessment visits in 2002, provided the methodological tools to all IBs to enhance their evaluation approach in the context of the LSC Pilot and other future projects.

several of these reports include information on outcomes (qualitative or quantitative) and this is particularly relevant to project reviews by the IB and the partnership, and has been also provided valuable inputs to the overall evaluation of the Pilot. The following are examples of project-level evaluations which combine **qualitative and quantitative information, including information on outcomes**:

- MSD, Marseilles (F) evaluation gives much attention to the analysis of implementation of the Project (objectives, partnership, difficulties encountered) but also provides a statistical analysis of the micro-projects and their promoters covering both those approved and not approved. MSD, Marseilles, F, is a good example of intense external evaluation which contributed to re-adjusting selection and support methods;
- LEB, Weser Ems (D) also has a basic (questionnaire) for establishing the socio-economic characteristics of participants, as well as objectives and results of micro-projects.
- Fund Ozanam, Zaragoza (ES), in their (interim) self-evaluation identified a number of indicators at different levels: to measure participation and joint working with local agents engaged in employment promotion; involvement of public administration in the process of generation of employment through local agents; promotion of micro-project; creation of stable employment;
- FVECTA, Valencia, ES developed detailed, **self evaluation** indicators covering areas of: quantity of projects supported; employment creation; creation of networks for the promotion of social enterprises: involvement of local actors; involvement of public administration in the process of employment generation through local agents; degree of dissemination of the project; knowledge of the local society in the context of LSC. Empirical **external evaluation** was also carried out by a University expert focusing on “self-employment and social economy”;
- The Huhtasuo, Jyvaskyla project (FIN), through the monitoring system and additional survey work had a quantitative basis for final evaluation of the micro-projects supported by the LSC Pilot.

Learning from the experience of individual LSC projects was not confined to the IB and the project partnership. There were signs that the results of evaluation and review were disseminated effectively by the projects, notably at regional level.

In the **Land of Berlin**, detailed recommendations to the Land decision makers were made by the manager of one of the LSC projects – Deutsche K&J, Berlin, D - on:

- a clear definition and understanding of the “social capital” concept, focusing on communities and not only on individuals and on activation of citizens;
- simplification of procedures for submitted application of micro projects and active participation of groups in planning of actions;
- precise orientation on target groups;
- decentralisation of the appropriate structure in charge of the implementation of the measures, drawn on existing structures in the 3rd sector.

In **Scotland**, similar to the Berlin case, the mainstreaming of the model and lessons from the experience of the LSC project - SCVO, Scotland, UK - were integral to the participation of the intermediary body (Scottish Council for Voluntary Organisations, SCVO) in the Pilot in the first instance (i.e. mainstreaming was an objective from the beginning). Mainstreaming was facilitated by participation of the Scottish Executive in the wider strategic partnership of the LSC project. Generally, it was facilitated by SCVO’s role as the key umbrella body for the voluntary sector in Scotland, its capacity (with a professional team, infrastructure of offices, large number of members and experience of ESF), and strategic relationships with key players (government, agencies, more localised intermediary bodies and partnerships, local networks).

SCVO’s evaluation report of its LSC project includes a series of recommendations for a mainstream programme. These include the following:

- the need for pre-project research (mapping exercise and review of other experience of small grant projects);
- simplify the structure of partnership (e.g. amalgamating the roles of the Partnership Forum and Management Committee to create one overarching strategic body) ;
- clearer definitions of concepts and eligibility and selection criteria;
- retention of the decentralised or local aspects of the Pilot including the Local Selection Groups and give more time to defining an optimum local target area;
- enhance and improve the provision of developmental support in various ways including, in particular, through contact with more local organisations (e.g. local umbrella groups, specialist organisations on enterprise support) which could be mobilised to offer support “on the ground”, recognise that more support will need to be provided by telephone and less through face-to-face visits, etc.
- enhancement of some aspects of management (e.g. implement a systems analysis approach to improve transparency and highlight ways in which the process could be improved, further consider the advantages and disadvantages of “grant rounds”) and monitoring and evaluation systems (adopt a more comprehensive system from the beginning including some attention to collection of baseline information and longer-term tracing of a cross-section of micro-projects).

Box 19
Good example of evaluation

FVECTA, Valencia, ES

In **Valencia, Spain**, evaluation of the **FVECTA** project showed positive financial and management support by the IB, satisfied beneficiaries and also identifies important needs like contacts with the local market, training, information, technical and management support and co-operation with other co-operatives. More specifically, **external evaluation analysed**: the motives that have incited new entrepreneurs to create their enterprise; the economic and technical means available in the target area for the creation of new enterprises; the psychological propensity of the entrepreneur towards self-employment; the expectations of new entrepreneurs regarding the acceptance of their enterprise and the relations they anticipate with other economic agents of the local market; and a personal evaluation of newly created enterprises with respect to the help (grant and other support) received and expectations of the future. In relation to the last aspect of the external evaluation the main results were:

- ◇ at least 50% of beneficiaries evaluate the financial and management support received by FVECTA very positively (the IB);
- ◇ there is a need to improve support related to contacts with the local market and introduction of the new entrepreneur to it;
- ◇ in the future, promoters expect to use FVECTA services related to training and information, as well as technical and management support;
- ◇ some 32% of the beneficiaries see as main potential for the near future, that FVECTA helps them develop co-operation with other co-operatives and promotes the geographical proximity between them.

Conclusion

The evidence shows that while IBs had adequate monitoring systems in place, evaluation procedures (self- and external evaluation) were less developed. For those that have undertaken evaluation, the approaches are not particularly sophisticated – notably, they lack baseline information, attempt little quantification and have limited information on outcomes. It must be acknowledged, however, that the resources at LSC Project level for evaluation have been limited (required to be included within the 20% administration budget).

The heterogeneity of LSC Projects makes it difficult to develop a single comprehensive evaluation framework. This is more likely to be achieved in the application of the LSC

approach at Member State level, if such a framework is developed from the beginning, concurrently with the development of the implementation guidelines, including the definition of appropriate delivery strategies and models.

2.4.3.3 Promotion and Publicity

Promotion and publicity were carried out through a variety of **traditional** means, including mass media (press, local radio and television), leaflets and posters and promotional information events.

The press coverage included articles in the local press providing information on the size of total grant allocation in each area, the impact of the project on enterprise creation, the social economy and employment, details on specific MPs, confirming political support to the project, etc.

Information events included seminars on capacity building, economic regeneration, anti-discrimination and equal opportunities (PCP, Plymouth, UK), info sessions in municipalities to raise the awareness of the general public (OATEP, Crete, EL) and dissemination conferences carried out in most areas at the beginning and end of the project (eg, FVECTA, Valencia, ES, Fund Ozanam, Zaragoza, ES, Fund Mujeres, Cáceres, ES).

Word of mouth proved however to be most effective for promoting the project and attracting potential promoters. This, combined with **direct contact** with target groups revealed the importance of methods that reach directly the target groups as opposed to methods where target groups receive the information through an **“impersonal” channel** (broadcast media, press, leaflets, etc). Experiences from different projects confirm **the importance of direct contact**:

- direct contact of **municipalities** with target groups, following prior information events organized by the IB to inform municipalities (OATEP, Crete, EL);
- participation of MPs in the **IB’s events** (eg fairs) was quite effective for giving visibility to the LSC project (NERSANT, Torres Novas, P). This and close monitoring of MPs by the staff of the local structures made MPs feel close to the IB and contributed to the positive **image of the IB** in the area as an **accessible local actor**;
- direct contacts with potential participants and beneficiaries seem to have played a significant role in some cases (Consorzio BIM N&V, Cascia I, Deutsche K&J, Berlin, D). **Partners** mobilised their “listening mechanisms”, knowledge and analysis of “social needs”, and their technical, economic and training support services as well as their “strong collaboration with and from the” local economic, social and institutional “tissue”;
- **partners** acting as communication channels to distribute information on the project and/or contact target groups directly (Deutsche K&J, Berlin, D, Fund Ozanam, Zaragoza, ES) or **social/development workers** contact with target groups (Fribørsen, Aarhus, DK, PAUL, Limerick, IRL);
- **multiplier effect from successful micro-projects** within villages, for example MP3 promoter teaching classes to participants of an MP1/2 project and then moving on to develop her own MP or some MPs acting as promotion mechanisms for the generation of more MPs (Fund Mujeres, Cáceres, ES);
- Working with **local organisations** who have direct contact with target groups, for example local NGOs, was essential for bringing those groups into the project (Huhtasuo, Jyväskylä, FIN, FVECTA, Valencia, ES).

In all projects the **IB** and its LSC structure were **seen as a local actor**, accessible and close to promoters, especially in comparison with local/regional public institutions, who were regarded as “state” institutions distant from the needs of target groups. However, some IBs found the

rules of LSC did not give them the flexibility they would have liked as NGOs to implement the programme (PAUL, Limerick, IRL, PCP, Plymouth, UK).

Conclusion

The evidence shows that traditional forms of promotion and publicity were not enough to mobilise priority sub-groups. Direct contact with such groups through meetings, word of mouth, demonstration effects etc. were needed. As such, it was crucial to mobilise a wide functional network of local organisations at highly decentralised level, including small grass-roots NGOs, in order to undertake successful outreach, pre-development and accompaniment support.

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