

Synthesis note on the evaluation of

Local Social Capital pilot

Art. 6 ESF

(Brussels, 08 May 2003)

Abstract:

The evaluation of the Local Social Capital pilot suggests that using intermediary bodies may be an effective way to facilitate access to ESF support for disadvantaged groups and people suffering social exclusion. The 'decentralised delivery method' had a positive impact on participants, partnership members and the areas concerned. Key factor for the success of the pilot were the combination of on-going support and small grants and the high degree of flexibility in the management and approaches of the intermediary bodies.

Subject of the evaluation

In 1998 the Commission launched a pilot to help facilitate access to ESF support for people suffering social exclusion and for the groups that work for their social and professional inclusion. The pilot started in autumn 1999 and ended in 2002.

The main feature of the pilot was the experimentation with the use of NGO-led intermediary bodies entrusted with the management of a global grant. The Intermediary bodies provided support to micro projects (MPs) through a combination of (i) outreach, project development and operational support from the IB and (ii) a micro-grant of a maximum of 10,000€. Three types of micro-projects were supported: social inclusion (MP1), local networks (MP2) and micro enterprise start ups (MP3).

The special policy significance of the Local Social Capital pilot is related to Article 4.2 of the ESF Regulation which states that "*programming of Fund interventions shall provide that a reasonable amount of the Fund appropriations.....shall be available.....in the form of small grants, with special arrangements for access by non-governmental organisations and local partnerships.*"

For the Commission, the pilot was the opportunity to test such a decentralised local approach and to explore the relevance of building local social capital to employment and social

Rue de la Loi 200, B-1049 Bruxelles/Wetstraat 200, B-1049 Brussel - Belgium - Office: J 27, 4/84.
Telephone: direct line (+32-2)299 4070, switchboard 299.11.11. Fax: 2969767.
Telex: COMEU B 21877. Telegraphic address: COMEUR Brussels.

Internet: alan.zoric@cec.eu.int

cohesion interventions with a view to establish guidelines and best practices which will be useful to the Member States under the new European Social Fund.

Evaluation methods

The purpose of the study was to evaluate the effectiveness of the approach of the local social capital pilot. The evaluation aimed to provide a general assessment of the delivery mechanism piloted, the effectiveness and impact of the LSC approach, the capacity for mobilising and involving local communities, financing and supporting micro-projects, the ability to exploit synergies with policies and programmes, the innovation and the transferability and potential for mainstreaming.

The evaluation was carried out over the same time period as the projects were implemented (ongoing) and with a small lag to allow for including ex-post elements. Research was conducted at a general level covering all 30 projects and a sample of 16 IBs that were examined in greater depth. Methods used include desk research, direct observation, field studies with interviews, surveys and direct observation.

Results and impacts of the LSC pilot

Though the pilot 30 Intermediary Bodies operated across the EU with ESF financing equal to €25 million. **3350 micro-projects** were **supported**. Each MP received €8000 on average.

The LSC pilot has **reached a wide range of excluded people were unlikely to benefit from other types of support**. The groups supported included immigrants, refugees, women, young people, the disabled, and those with multiple disadvantages. Those that participated in MPs attained positive outcomes both in terms of social inclusion (personal and social development) and employment (labour market outcomes, sustainable businesses and resulting further job creation).

Percentage % of participants having achieved the following outcomes:	MP1 / MP2	MP3
- personal development: e.g. improved self confidence and motivation	74%	84%
- social development: e.g. community involvement/volunteer work outcomes	66%	69%
- soft labour market outcomes: interviewing skills, job search, c.v. writing	46%	68%
- new qualifications or training	43%	64%
- self-employment or getting a job	-	84%

The pilot also generated **impacts upon the supported partnerships** and the areas where LSC took place, although the evaluators are cautious to draw strong conclusions in this area since the approach taken and resources available did not allow them to investigate entire areas in depth to generate robust conclusions. The capacity of IBs to manage projects and establish linkages with target groups were improved. The skills and knowledge of staff were also developed. By necessity, links between IBs and members of the wider partnership improved. Partnerships developed an improved and common understanding of issues facing them. Lessons were learnt about the need to implement monitoring systems and evaluate. Many of the IBs went on to apply for funding from other Community sources thereby continuing their work beyond the close of funding. Intra-partnership communication and comprehension improved.

There are some qualitative evidence supporting that **social capital was generated by the LSC pilot**. The evaluators are reluctant to ascribe causality to LSC alone, they suggest that LSC played a significant role in a number of areas. Increased networking and co-operation

between project sectors was noted in LSC areas. An increased sense of belonging and participation of people in community activities was reported. New contacts were established between groups and communities that had not previously worked together. Existing linkages between associations were deepened and formalised. The perception and legitimacy of work carried out by NGOs was enhanced.

Factors affecting the impacts

The first essential characteristic of LSC was the **combination of on-going support to micro-projects combined with small grants**. Outreach, pre-development and accompaniment to potential and actual MPs were as important as the grants. In fact monetary aspects were crucial in the successful implementation of micro-projects with the evaluators concluding that small grants alone would not have worked.

Second, LSC offered a **high degree of discretion of the IB**, allowing for the adaptation of its method of operation to local conditions, needs and characteristics of target groups and problems aimed to address. The LSC has offered good examples of how to avoid the complexities and limitations of traditional delivery methods through quick monthly disbursements and minimising 'red-tape' for micro projects. This was a very good approach for starting initiatives with disadvantaged groups that lacked access to comparable sources of funding with 'life-cycle' support. According to the evaluators, assuming proper management by IBs, the risks are in fact small.

Another important factor was the **mobilisation and involvement of a local partnership**. The structure and operation of each LSC project partnership varied depending on its composition, the approach taken, and the skills of the individuals involved. The evaluators are reluctant to suggest one approach as being more valid than another although they consider that successful IBs combined a substantial capacity with a highly participative approach. Most partners within IB were NGOs. Their role within partnerships varied but key components of their networking activities (as opposed to direct project support) related to exchange and contribution of experience, and supporting the contribution of partners to outreach, mobilisation and dissemination.

One interesting facet of the partnership role and in particular of 'front line' NGOs is related to promotion and publicity. The evaluators suggest that **traditional promotion and publicity are not sufficient** to inform and mobilise the types of groups which were supposed to participate in LSC micro projects. However, direct contact with carried out by experienced and trusted actors through meetings, demonstrations, and even passing on word of mouth was felt to be particularly effective.

Mainstream potential and lessons for Article 4.2

The evaluators conclude the report with specific lessons on how the LSC might be useful to support the implementation of article 4.2 of the ESF Regulation:

- Social Inclusion and Employability objectives should be strongly linked
- Targeting well defined groups is more likely to be successful
- Local social capital interventions should relate to small areas
- IB managerial and financial autonomy is an important factor of success

- Although there isn't a single successful model of partnership they should aim to be participative, active, and learn from experience
- Traditional forms of publicity are not sufficient to reach disadvantaged people and need to be supplemented with direct contact with target groups
- IBs need to operate a firewall approach shielding micro-projects and individual participants from the full financial management requirements
- Micro-Projects should be supported actively, financing should remain limited and flexible in its scope. The non-monetary aspects of support are crucial.

Recommendations for future programmes

The evaluators make the following broad recommendations for the design and implementation of future programmes:

- Consider creating a 'LSC dimension' in other Social and Employment programmes
- Promote a management framework that combines top-down and bottom-up approaches and diversity of stakeholders
- Make capacity building both for IBs and MPs an inherent element of the programmes
- Promote the participation of the voluntary and third sectors
- Support pre-labour market activities
- Stimulate and support local networks to participate in LSC type actions
- Increase resources for the non-financial support in LSC
- Develop more effective evaluation frameworks at national level
- Better define the objectives of the different micro-project types in terms of specific outcomes
- Consider modulating the emphasis of LSC depending on location
- LSC action should be linked to local strategies and could function as a local inclusion strategy
- Consider how LSC experience could be reflected in EES and ESF policy

Conclusion

The positive results of LSC suggest that this may be a very effective approach to problems of employment and social inclusion. In the context of increasing decentralisation and empowerment of local and regional actors, the LSC model could be produce results based on autonomy within an overall framework.