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Improving how EU funds support migration and integration policy objectives

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EXECUTIVE SUMMARY

The heightened volume and pace of irregular migrant arrivals in Europe during the 2015–16 migration crisis exposed the limits of EU funding mechanisms when faced with a need to respond quickly to shifting migration pressures. The Asylum, Migration, and Integration Fund came under particular strain—requiring an injection of 700 million euros more than originally budgeted for emergency assistance actions between 2014 and 2017. As a result, the European Commission has been forced to re-examine the EU funding landscape and how unusual suspects—such as the 121-billion-euro European Social Fund (ESF)—could be adjusted to better support migration and integration policy aims as they rise to the top of EU and national agendas.

With policymakers in the midst of negotiations for the next EU funding cycle—the multiannual financial framework for 2021–27—the European Union looks set to strengthen this focus on migration and integration objectives, especially under the proposed successor to the ESF, termed the ESF+. In order to avoid the pitfalls of the current funding cycle, it is essential for EU policymakers and the financial experts advising them to step back and assess where EU funds will benefit from small tweaks, and where more radical changes may be required. Among key areas for consideration are:

- ***Getting the right stakeholders around the table and giving them a voice.*** The 2014–20 funding cycle saw the introduction of the 'Partnership Principle' for funds under shared management between Member States and the European Commission. Under this principle, Member States are supposed to engage with a diverse range of stakeholders, including marginalised groups, when designing and implementing programming using EU funds. Yet Member States retain significant discretion over the process, raising questions about the extent to which smaller organisations and those representing key target populations for funded initiatives, including immigrants, have been included. Furthermore, at the EU level, there is no parallel requirement that the Partnership Principle be applied to funds under direct management by the European Commission. Crucially, getting a diverse group of actors engaged should be seen as a first step; it is equally important to equip them with sufficient information about how a fund works and what the government's priorities are to maximise their contributions to negotiations.

- ***Removing barriers to participation for smaller and community-led organisations*** Civil-society organisations are important beneficiaries of EU funds, particularly for immigrant integration projects. But the eligibility requirements that govern who can propose and receive funding for a project can (implicitly) exclude many such groups, including those with little experience with EU funds, volunteer-run organisations with limited administrative capacity, and small organisations that fall below the required income threshold. Similarly, simplifying fund reporting requirements and equipping recipients with the accounting tools to meet them could reduce the administrative burden that weighs particularly heavy on small organisations, but these efforts are often not fully implemented or complicated by excessive national and local regulations. Funding models and whole-of-society tools such as community-led local development, which gives local actors ownership over the design and implementation of projects, could open a route to EU funds for actors with the greatest awareness of highly localised migration and integration challenges. But the adoption of such models is voluntary, and Member State uptake has thus far been limited.

- ***Boosting coherence and complementarity between funds and with other EU policy tools.*** EU funds pale in comparison to the size of national budgets, but they are a key lever for the European Union to promote its priorities within Member States. Having multiple EU funds target a few common priorities (rather than diluting their impact over a wide range of objectives) can allow these funds to achieve more than the sum of their parts, while avoiding wasteful duplication. The European Union has taken steps to do this in the current and next financial cycles by increasing synergies across EU tools, including between EU funds and the European Semester (the cycle of economic and fiscal policy coordination between the European Union and Member States) and European Pillar of Social Rights (a set of 20 equality-focused policy principles). But attempts to increase coherence thus far have had the side effect of causing delays as the Member State authorities responsible for implementing funds are forced to navigate multiple sets of financial and implementation regulations.

- ***Strengthening the evidence base for implementation and reform of EU funds.*** A major challenge of the seven-year cycle of multiannual financial frameworks is that planning for the next framework begins long before evaluations of the current one are completed, limiting the evidence base for reforms. In the absence of up-to-date data, negotiations generally rely on evaluations from the previous framework. But there is a sizeable and underutilised body of information on what works when it comes to EU funds, in particular, and different types of financial instruments, more broadly. Analysing these decades worth of data should be a priority when developing and testing future innovations in financing techniques. Otherwise, existing funds will be reformed, new funds created, and money allocated to Member States without a solid understanding of what has and has not worked in the past—and why. Limitations in how data are collected can also hamper informed decision-making. For example, the ESF does not require Member States to track migrants as an isolated participant group, meaning that the extent to which ESF-backed programmes serve them is unclear. The ESF+ may introduce a unique indicator for third-country nationals, which could increase accountability for delivering programmes (and good results) for this group. Yet policymakers will need to weigh the potential benefits of adding indicators against the additional administrative burden they will create for organisations that implement funded projects, and perhaps consider whether this burden could be lightened by involving external actors to conduct evaluations and shadow reporting.

Ultimately, putting the European Union's money where its mouth is on migration and integration issues requires a thorough examination of how well the current funding landscape is performing. This should include consideration of which actors need to be engaged and how, where funds can provide the most added value, and what information policymakers require to make informed decisions about the future of EU funds. Armed with lessons (and bruises) from the 2015–16 migration crisis, the time for such an examination is now.

I. INTRODUCTION

The 2015–16 migration crisis threw into sharp relief the limitations of EU funds when pressed to respond to complex and rapidly changing migration patterns both within and outside of Europe. Within the bloc, the EU Asylum, Migration, and Integration Fund (AMIF) came under significant and unanticipated pressure, requiring more than 977 million euros for its emergency assistance work programme between 2014 and 2017—700 million euros more than had been initially budgeted for the period.[1] The crisis also lead the European Commission to actively promote the use of other larger funds, such as the nearly 121-billion-euro European Social Fund (ESF),[2] to support migrant populations instead.[3]

With migration- and integration-related policy objectives high priorities for European institutions, national governments, and subnational stakeholders, and with existing financial instruments struggling to keep pace, this is a crucial moment to reflect on how the European Union can fund these objectives more effectively. The European Commission, Parliament, and Council are in the throes of negotiating the next multiannual financial framework (MFF)—the European Union's budget framework for 2021 through 2027—with negotiations expected to conclude in the second half of 2019. As they take stock of and reconfigure the aims, design, implementation, and monitoring and evaluation of EU financial instruments, it is crucial that migration and integration policy objectives are mainstreamed across this process.

There are some promising signs. The ESF is the oldest of the European Union's European Structural and Investment Funds (ESIF) and the primary tool for promoting the labour-market inclusion of EU residents. The ESF+, the proposed successor to the current ESF, promises to take an even more muscular role towards migrant inclusion, including by explicitly prioritising aspects of long-term integration such as labour-market and health-care access, economic self-sufficiency, and social inclusion.[4]

This policy brief will explore what these financial instruments can—and cannot—achieve in terms of advancing migration and integration aims. Among the questions it seeks to answer: Where can adjustments be made to, for instance, increase the inclusiveness and complementarity of these funds? And where should decisionmakers return to the drawing board to rethink how, why, and where specific financial instruments are used to further EU objectives? To examine these questions, the brief will look primarily at the ESF and AMIF and focus on three major challenges: (1) the inclusion of diverse and on-the-ground stakeholders in fund decision-making, (2) coherence and complementarity across funds, and (3) the need to improve how evidence is used in reforms to ensure that funds learn from their predecessors' successes and mistakes.

II. Making EU Funds More Inclusive: More than a Seat at the Table

A major step in the conceptualisation and implementation of EU funds is determining which actors to engage and at which stages of the process, what roles they should play, and how to best facilitate their participation. Making EU funds more inclusive of local stakeholders—including representatives of the populations targeted by funded interventions and actors that are well suited to deliver such programmes—can ensure that relevant and up-to-date input is fed into a fund's design and operations. Because migration patterns and integration needs are constantly changing and expectations for EU funds are high, policymakers and other stakeholders cannot afford to ignore the expertise of those closest to the ground.

The limited inclusion of these actors within EU funds has been widely recognised, and some progress has already

Box 1. Key ESIF Terms

Partnership agreement: A plan negotiated between the European Commission and an individual Member State that outlines national investment priorities and plans for how European Structural and Investment Funds (ESIF) will be used during a funding cycle.

Operational programme: Detailed plans developed by a Member States for how ESIF money will be spent during the programming period either at the national or subnational level. These reflect the broad priorities set out in partnership agreements and are submitted to the European Commission.

Thematic objective: A set of ESIF investment priorities in a given funding cycle. These should be reflected in Member States' partnership agreements and operational programmes.

Managing authority: The national ministry, local council, or other public or private actor selected by a Member State to manage and implement an operational programme.

Note: Other EU funds use different terminology. For example, the Asylum, Migration, and Integration Fund (AMIF) uses 'national programme' for a Member State's funding strategy and priorities, and 'responsible authority' for the ministry or other actor a Member State designates to implement its national programme.

been made to tackle this issue in the current 2014–20 funding cycle.[5] For example, under the current cycle, funds that are under shared management by the European Commission and Member States, such as the ESF, must respect the 'Partnership Principle'. According to this principle, Member States should actively seek to cooperate closely with public authorities, economic and social partners, and bodies that represent civil society, including environmental, community-based, and voluntary organisations. This should be done as several points in the funding process, including in the preparation and implementation of partnership agreements and operational programmes and in monitoring activities (see Box 1). EU guidelines on how the Partnership Principle is to be applied call for specific efforts to include the most vulnerable and marginalised groups, including migrants—populations that may be affected by EU-funded programmes but that often find it difficult to influence them.[6]

But even with these guidelines, Member States retain a great degree of discretion in designing consultation processes. They can decide, for example, whether to use public or closed general meetings, thematic workshops, or invitations to comment on draft agreements, as well as how many consultations to hold and how to select participants. A 2016 evaluation of how the Partnership Principle was being implemented in ESIF processes found that overall stakeholder involvement had increased and that it added value to the implementation of European public policies.[7] Yet key questions remain unanswered, such as whether Member States are identifying and involving a representative sample of partners, and whether they are including the most vulnerable communities.

Moreover, a seat at the table is often not enough. Especially for smaller and volunteer-led organisations with limited experience using EU funds, it is crucial that information be provided on how the funds work and what the government's migration- and integration-related priorities are in order to maximise the value of their contributions to negotiations.

Beyond shaping the design and implementation of funds, European, national, and subnational policymakers have a number of levers to make the funds more inclusive, in particular for (small) civil-society organisations.[8] These include adjusting eligibility requirements for potential beneficiaries, offering capacity-building assistance, supporting community-led local development, and simplifying fund processes and improving the accountability of relevant authorities for implementing them appropriately.

A. Eligibility requirements

When crafting calls for proposals, the national authorities responsible for distributing EU funds set the parameters for which kinds of organisations can respond and whether the call for proposals process will occur through a closed or open procedure (e.g., invitation only or not). Civil-society organisations play a huge role in implementing EU funds but nevertheless face many challenges to doing so. For example, civil-society organisations were the beneficiaries of 30 per cent of AMIF national funds, and the beneficiaries of the largest share of funding under AMIF's integration priority area (43 per cent).[9] Although these organisations are eligible to respond to many calls for projects, in practice, unless they are able to coordinate a consortium of actors, smaller organisations are *implicitly* excluded by requirements that the project have a budget of a certain size and that the organisation (or consortium) meet a certain annual income threshold. They may also be unable to apply due to the associated (and not always reimbursable) administrative costs incurred when navigating EU, national, and subnational regulations and fulfilling reporting requirements. Even for those able to fulfil the eligibility requirements, short windows of time for responding to calls for proposals and limited advanced warning of when they will open can further restrict participation.[10]

Some proposals to revise EU funds have advocated that a fixed percentage of projects be implemented by civil-society organisations and local governments.[11] Although this approach is generally pitched as a way to bring in local voices and prevent projects from over-representing national priorities, it may not have the desired effect. While it is important to ensure that a variety of national, local, and nongovernmental actors are able and willing to participate, project and task allocation should reflect their respective expertise and role in the migration and integration sphere rather than an arbitrary earmark. For example, the forced return of migrants to their countries of origin when they are deemed not to have a right to stay in a Member State is primarily the purview of government authorities, and the involvement of ministries of interior and foreign relations and of law enforcement is essential. Allocating a fixed percentage of AMIF funding related to the operation of forced returns to civil-society organisations may hence miss the mark. On the other hand, civil society plays a more substantial role in activities for migrants who opt voluntarily to return to their origin countries, such as offering predeparture counselling and disseminating information. Lowering the barriers to eligibility and participation in areas where local actors and civil-society organisations are best suited to contribute, or introducing evaluation criteria that favour proposals by such groups, would therefore be more likely to have the desired result.

B. Capacity building

A recurrent critique of EU funds is that the sheer complexity of their design and implementation limits their (optimal) use by managing authorities and beneficiaries, including civil-society groups.[12] To maximise inclusiveness, it is essential to build the capacity of managing authorities, beneficiaries, and other stakeholders to engage with a fund and at all stages—from giving them the tools they need to best represent their interests during negotiations of the fund, to giving potential beneficiaries the information and training to navigate application and implementation rules.

In its amendments to the European Commission's proposal for the ESF+, the European Parliament added a requirement that at least 2 per cent of the fund's budget be allocated to efforts to increase the capacity of social partners and civil-society actors through training, networking and dialogue measures, and joint activities.[13] There is no guarantee that this provision will survive into the final 2021–27 MFF, but it signals that the need for inclusiveness is being taken seriously.

C. Simplification of and training on accounting tools

Equipping stakeholders with the tools to navigate complex financial instruments is an important strategy for securing greater participation from a wide range of actors. Simplifying the funding instrument itself is another. Funds such as the ESF have made small strides in this direction, in line with the rules laid down in the ESF Regulation and accompanying Common Provisions Regulation.[14] However, the effects of these changes have been limited and vary across Member States. For example, Germany is only now amending national legislation to allow use of simplified cost options (that is, Member State reimbursement of fund beneficiaries via lump sum payments after they achieve pre-agreed results, rather than the more cumbersome, traditional system that requires them to first account for every euro spent).[15] The modest pace of progress on issues such as this make it all the more important to strengthen accountability and training for managing authorities to ensure they are taking full advantage of the funding tools available and eliminating unnecessary complexity.

D. Localised approaches to development

Another promising strategy for encouraging the participation of smaller and nongovernmental organisations is creating project and consortium structures that limit these actors' exposure to the maze of EU funding and accounting rules. Next to the present practice of having large organisations as the lead partner within a consortium, with smaller organisations as co-partners or subcontractors, there is expanding use within the ESIF of an approach to development policy known as community-led local development (CLLD). The key components of CLLD are:

- local action groups made up of representatives of public and private interests;[16]
- local development strategies that include a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis, an action plan, and measurable output and results targets; and
- a defined target area and population of between 10,000 and 150,000 individuals.[17]

In contrast to more traditional, top-down approaches, CLLD promotes a whole-of-society approach through local ownership of projects by involving local civil society and residents in their design and implementation, and giving local organisations the opportunity to benefit from ESF funds. STÄRKEN vor Ort, a German federal ESF programme launched in 2009, illustrates the potential for this approach to boost social inclusion.[18] Committees made up of professionals, volunteers, representatives of local institutions, officials, politicians, and other local stakeholders decided how to distribute programme funds (85 per cent of which came from the ESF, and 15 per cent from local authorities). They funded 9,000 microprojects (such as ones that only targeted three local schools) to support vulnerable groups of young people with and without a migrant background, and women suffering from social exclusion and/or vulnerability, through activities such as job training and coaching.

Under the 2014–20 ESF, a programme that furthers an ESIF investment priority using a CLLD approach is eligible for favourable co-financing.[19] However, as this is a voluntary measure, there has been limited uptake to date. According to the 2016 annual implementation reports that all Member States receiving ESIF support must file, 13 of the 28 Member States had allocated ESF resources specifically to fund CLLD strategies; of these, only Lithuania, Poland, and the United Kingdom had selected for funding any projects that take this approach.[20]

The success of CLLD rests on a shift in mindset from both authorities and their partners: Managing authorities must trust local actors to make decisions, and local partners must take responsibility for the projects they fund.[21] In some EU funding systems, this is already a reality. For example, a CLLD approach has been used in the European Agricultural Fund for Rural Development for decades, with broad and active participation.[22] With time and concerted efforts to build the required trust between actors, this approach could also become more widespread within the ESIF.

Together, these features—eligibility criteria, capacity-building supports, accounting systems, and funding strategies—offer a range of opportunities to strike a better balance between transparent and inclusive financing and optimal impact. Moreover, the example of the CLLD approach suggests that there is greater scope to test alternative models of financing that draw on the expertise, ideas, and sense of ownership of local communities.

III. MAKING EU FUNDS MORE COHERENT

Individual EU funds can only achieve so much in isolation. Evaluations have repeatedly noted the need for funds to promote coherence across policy frameworks, legislative developments, and funds. Working within a common framework can help funds achieve more than the sum of their parts by focusing support on a few shared objectives rather than spreading it across disparate objectives. It can also decrease duplication across funds with overlapping objectives and thereby minimise confusion over which financial instruments can be deployed to pursue which priorities. For example, both the AMIF and the ESF can fund migrant inclusion projects, but public authorities may encourage potential beneficiaries to turn to the AMIF because 'integration' features in its name[23] even though ESF offers a far more substantial pot of money. EU officials have suggested that increased clarity is needed on both the individual and joint ambitions of funds.[24] And while the European Commission attempted to communicate these distinctions at the height of the migration crisis, it is pursuing this even more intently in its planning for the next MFF.

Some steps towards coordination between funds have already been taken. With greater coherence in mind, the 2014–20 ESIF adopted a common framework of 11 thematic objectives to be shared by all of its constituent funds. Operational programmes are to work towards those 11 EU-wide thematic objectives, either through a multi-fund operational programme (one supported by multiple EU funds) or a combination of actions funded by different funds. Each Member State has a certain degree of flexibility to decide which objectives to pursue and how to translate them to its national context, but the relative weight that a Member State can give to a specific objective, priority area within an objective, and type of action is carefully steered through minimum or maximum allocation percentages.[25] This at least promotes a mosaic of preferred actions.

The multi-fund operational programme model, as introduced by the 2014–20 Common Provisions Regulation, was designed to further boost conceptual coherence. This model allows managing authorities to better coordinate spending on common objectives across funds (e.g., using resources from both the ESF and the European Regional Development Fund, or ERDF, to further a policy aim). Yet the desire for greater coherence has not been sufficiently matched by additional operational tools, leaving some national authorities struggling to navigate divergent reporting requirements and other fund-specific rules and contributing to delays in project implementation. For example, operational programmes that *only* used ESF resources were able to select and allocate funds to projects more quickly than those that relied on a blend of funding (for a project selection rate of 33 per cent compared to 21 per cent for multi-fund ESF/ERDF operational programmes). Similarly, ESF-only programmes got off the ground quicker, having the highest share of declared expenditures (8 per cent compared to 4 per cent for ESF/Youth Employment Initiative programmes,[26] 3 per cent for ESF/ERDF, and 5 per cent for ESF/another fund).[27]

The next MFF could address these conceptual and administrative difficulties through tailored support to Member States and renewed efforts to simplify and align the rules of EU funds. In Sweden, for example, the government sought to improve management of its multi-fund operational programme for rural regions by assigning a single managing authority responsibility for all funds in a given region and by applying a single set of implementation and financial regulation requirements to all aspects of the programme in order to reduce delays.[28]The European Union could promote such management strategies or improve the harmonisation between funding rules.

Alongside steps to increase coordination between EU funds (e.g., the creation of the Common Provisions Regulation), the European Union has also forged more links between these funds and other instruments in its 'toolbox for greater coherence'. In doing so, has sought to boost the political and financial leverage with which it can pursue

EU objectives in each of its Member States. For example, the ESF+ is slated to be the main tool for the European Union to deliver on the European Pillar of Social Rights, a set of 20 principles related to equal opportunities and access to the labour market, fair working conditions, and social protection and inclusion.[29] The ESF+ also promises to reinforce the link between the current ESF and the European Semester (the cycle of economic and fiscal policy coordination that allows the European Commission to make country-specific recommendations). Part of the European Semester framework is the Europe 2020 Strategy, which sets EU and national targets on issues such as the number of people in employment by 2020.[30] In certain cases, the European Commission's country-specific recommendations, which inform its negotiation of partnership agreements with Member States, include migrant-inclusion objectives.[31] Increased coordination between the ESF+ and the European Semester could therefore lead to higher prioritisation of migrant-inclusion efforts within the ESIF.

Ensuring coherence and creating synergies across EU funds (and other tools) not only promise greater clarity on the financial resources the European Union has to support its goals,[32] but also opportunities to maximise the impact of these funds in high-priority areas such as migration and integration policy. In recent funding cycles, the European Union has deployed measures such as the adoption of common frameworks, the identification of joint objectives, and the establishment of multi-fund operational programmes, but with mixed results. To realise the promise of these tools and prevent the EU financial machinery from grinding to a halt under the weight of coordination structures, solid evidence and innovative thinking will be needed.

IV. MAKING FUND DECISION-MAKING MORE EVIDENCE BASED

When trying to achieve a particular set of policy goals, it is important to understand what has—and has not—worked in the past. Otherwise, there is a risk that EU decisionmakers will design new financial tools and reform old ones without a comprehensive understanding of how to optimally deploy EU money. Yet the European Commission faces something of a catch-22; it must begin planning and negotiating the next MFF long before evaluations of the current one are completed, limiting the evidence available to inform decision-making. This makes it necessary to rely on evaluations from the previous financial cycle, supplemented by stakeholder consultations that aim to fill in the gaps. For example, the European Commission launched its proposal for the 2021–27 MFF in May 2018, and negotiations are scheduled to conclude in late 2019, but Member States were only required to provide ESF results data from the 2014–20 period for the first time in their 2018 annual evaluations, and these data will be published in 2019.[33]

Gaps in evidence—due in part to this lag in reporting, but also to the varied quality of monitoring and evaluation—are detrimental in two key ways. They mean that decisions about how to implement and operate a funding instrument are often based on years-old information, and that evaluations of this sub-optimally implemented fund may not accurately reflect the strengths or weaknesses of its underpinning blueprint or design. This is turn hampers efforts to redesign financial instruments going forward. For example, the 2014–20 funding period saw the introduction of the 'performance reserve'—a bonus system designed to reward Member States with additional funding in programmatic areas that met their targets by the end of 2018.[34] Yet even before this was set to happen for the first time, the European Commission's proposal for the ESF+ suggested scrapping the reserve for the next funding cycle.

The limitations of the systems in place to collect and apply evidence can be clearly seen in two important aspects of fund operations: the amount of funding Member States are allocated and the targets and indicators Member States are required to use when reporting on their use of EU funds.

A. *How funds are allocated to Member States*

The amount of support a Member State receives from a given fund depends on both the fund's allocation criteria and on how subsequent calculations are made. Both steps should be informed by solid data and research.

Member States receive widely varying slices of the European Union's 2014–20 ESF budget, ranging from the roughly 20 million euros allocated to Luxembourg to the 13 billion euros allocated to Poland.[35] To date, ESF allocations have primarily been based on the level of development in a Member States' individual regions (i.e., those that are less developed, in transition, and more developed) in a calculation known as the 'Berlin formula'.[36] For the first time since the fund's creation in 1957, the ESF+ proposal would adjust this formula, including by taking immigration levels into account.[37] Under the proposal, regions would receive a premium of 400 euros per person per year depending on what share of net third-country-national migration to the European Union they have received since 2013. This is a promising development as the ESF+ is poised to take on more responsibility for supporting migrant inclusion. However, the proposal does not explain how 400 euros was chosen as the appropriate amount of support, and given that the sum does not vary depending on the costs of living in different regions, it may be a symbolic rather than evidence-based figure.

Another fundamental challenge is the age of the data used to calculate the amount of funding allocated to each Member State. The Commission uses historical data to do this, as opposed to forward-looking predictions or periodic updates based on the latest available data, which can make it difficult to adapt to migration patterns and related challenges that change suddenly. And while EU decisionmakers do have the flexibility to shift funds between countries or between priorities, and to use emergency financial instruments when quicker delivery times are needed, this is no replacement for using robust and up-to-date data in the initial allocation of funds. Moving in a promising direction, the ESF+ proposal would have allocations for the last two years of the upcoming funding cycle (2026 and 2027) made after an in-depth mid-term review.[38]

B. *What indicators and targets are used in reporting*

Recent, reliable data are also key to understanding whether funding is having the desired effect. As the EU funds have matured, the European Union has developed a more elaborate monitoring and evaluation system. For the ESF, the Common Provisions Regulation outlines monitoring, reporting, and evaluation guidelines based on a series of common indicators.[39]

The usefulness of collected data depends in large part on which indicators and targets the fund employs. For example, the ESF requires Member States to report on a participant category that lumps together migrants, minorities, and persons with a foreign background. To gather these data, Member States employ their own definitions for who fits this group. For example, France defines ‘migrants’ as people who are either foreign born or have foreign-born parents. In Poland, returning citizens are also considered migrants. And in Germany, the term can cover people from the first to the third generation (i.e., people who immigrated to Germany, those born in Germany not as German citizens, and anyone with at least one parent who either immigrated to Germany or was born in Germany without German citizenship).[40] This country-to-country variation, coupled with the merging of these data into a broader category, makes it essentially impossible to determine how and how well the ESF is performing for migrants.

The proposed ESF+ would create a distinct indicator to track the participation of third-country nationals in funded programming. This move could help improve evidence in this area, but it has not been welcomed by all. Some EU countries such as France have cultural sensitivities around the collection of personal data, and in Member States where immigration is a political flashpoint, highlighting money spent on immigrants could hobble future investment in integration programming.[41]

On top of not being able to identify migrant participants in EU-funded programmes, ESF’s common indicators for programme results only capture a limited picture of how they support socioeconomic inclusion. These indicators are largely employment focused[42] and do not duly capture progress toward social inclusion objectives such as host-country language proficiency or a sense of belonging. They also fail to capture the enormous effort required to move vulnerable groups (e.g., refugees who have experienced trauma or have interrupted formal schooling) closer to the labour market if it does not result in a job.[43] Expanding the range of indicators to include metrics such as visits to health-care professionals or finding housing could usefully document inclusion-related outcomes over time and feed into more informed discussions about how the ESF and other financial instruments support immigrants and other key populations.

The monitoring and evaluation of EU financial instruments—as well as their subsequent redesign—could benefit from expert input and an improved evidence base. But a careful balance must be struck to only collect the data that are necessary. Introducing new indicators could allow a more comprehensive analysis of EU funds, but adding too many of them could place an unwieldy reporting burden on the shoulders of the organisations that receive EU funding. More fundamentally, fund decisionmakers should seek to distinguish between aspects of reporting that must be conducted by these beneficiaries and monitoring tasks that could be outsourced to other, more specialised organisations (e.g., research institutes). Private philanthropy may also have a role to play, for example by funding shadow reporting by more agile nongovernmental organisations.

V. IMPLICATIONS AND CONCLUSIONS

The European Union and its Member States are more interested than ever in finding effective ways to use EU funds to meet migration and integration objectives. Unprecedented irregular arrivals in 2015 and 2016 laid bare the limits of the existing funding landscape, and particularly the AMIF. With negotiations of the next seven-year MFF underway, it is crucial to reflect more broadly on what types of aims EU financial instruments will and could be used to further, and on ways to build enough flexibility into these structures to ensure they are capable of adapting to evolving policy goals.

This exploration of three key areas where EU funds for migration and integration are ripe for improvement—inclusion, coherence and complementarity, and evidence-based reform—suggest the following guiding principles for improving the application, or even the substantial rethinking, of European financial instruments:

- ***Inclusion does not end with a seat at the table.*** At every stage of a fund's lifecycle, from prenegotiation preparations all the way to project monitoring and evaluation, it is essential to think carefully about the actors involved. This should include asking questions about who has the expertise relevant to each stage of the process, what the best way to engage them is, what support they need to maximise their contributions, and what obstacles and excess regulations can be removed to facilitate their participation. Because migration patterns and integration needs fluctuate, on-the-ground organisations that deliver projects and associations that represent the targeted populations are some of the most well-informed stakeholders; they should be involved in designing programmes from the very beginning. The Partnership Principle that funds managed jointly by the European Commission and Member States must abide by recognises the need to involve a diverse set of actors, including migrants and other groups that are affected by EU funds but least able to influence them. But even where smaller and community-based organisations are included in fund processes, a seat at the table is generally only the first step. Additional support, including help understanding how EU funds work and what governments' priorities are, is needed if these stakeholders are to have any true capacity to shape these processes.

- ***Individual EU funds can only do so much.*** Financial tools are a key lever for the European Union to promote its priorities and policies within Member States. But relative to the size of national budgets, EU funds only play a complementary role. Strategically targeting common objectives, such as those set out in the common framework shared by the five European Structural Investment Funds, helps EU funds achieve more than the sum of their parts. Coordinating spending on shared objectives can also boost synergies between funds, reduce wasteful duplication, and improve understanding of which funds can be used for which activities so that smaller pots of money, such as the AMIF, are not unnecessarily depleted. But attempts to increase coherence across EU funds, if not paired with measures to streamline them, can lead to delays in implementation. Such was the case, for example, when the Common Provisions Regulation introduced multi-fund operational programmes without harmonising the implementing and financial requirements of the involved funds, leaving managing authorities with the arduous task of mastering multiple sets of regulations.

- ***Effective implementation and redesign depend on understanding what works.*** With decades of financial frameworks under its belt, the European Union should be in a position to critically take stock of how its funds are performing. But because planning for the next MFF begins long before evaluations of the current cycle are completed, decision-makers often have only limited up-to-date information. Using outdated or partial data hampers the implementation, testing, and, if need be, revision of a fund. For example, because the ESF does not require Member States to report on programme participation by migrants separately from that of other persons with a minority or foreign background, no clear picture exists of how many migrants are participating in ESF-backed projects, and with what results. And the narrow focus on employment-related indicators of socioeconomic inclusion comes at the expense of the myriad social factors essential for integration, such as language proficiency and feelings of belonging. This both limits the accountability of managing authorities to deliver effective integration programmes for immigrants and leaves the parties negotiating the structure of future EU funds with little insight into how to improve efforts in this policy area. And while introducing an indicator specifically for third-country nationals, as has been proposed for the ESF+, may result in better data, such data collection practices must be balanced against their potential administrative and political side effects. Interrogating whether some monitoring and evaluation tasks could be placed with specialised actors such as research institutes, rather than the organisations that receive and implement EU funds, could help alleviate some of the administrative burden, as could civil-society-led shadow reporting.

Ultimately, there is a need for specialists to revisit the blueprint of each EU financial instrument and then duly inform policymakers as to what each can achieve and how this potential can be optimised, including by engaging the right stakeholders, increasing coherence with other funds and policy frameworks, and deepening the evidence base.

As the clock winds down on the current financial framework, it is time to reflect on whether a few tweaks to EU funds will suffice, or if there is a need to return to the drawing board and fundamentally reimagine how the European Union uses different financial instruments and for which migration and integration policy objectives. Negotiations of the 2021–27 MFF are set to conclude in the second half of 2019, meaning the window to influence EU-level regulations is rapidly closing. But there are numerous opportunities for policymakers and other stakeholders to influence how those regulations are translated into each Member State, and how migrant and integration policy objectives are pursued on the ground.

As the clock winds down on the current financial framework, it is time to reflect on whether a few tweaks to EU funds will suffice, or if there is a need to return to the drawing board.

ENDNOTES

1 Rachel Westerby, *Follow the Money II* (Brussels: UN High Commissioner for Refugees and European Council on Refugees and Exiles, 2019), www.ecre.org/wp-content/uploads/2019/01/Follow-the-Money-II_AMIF_UNHCR_ECRE.pdf.

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3 European Commission, 'Synergies between the Asylum Migration and Integration Fund (AMIF) and Other EU Funding Instruments in Relation to the Reception and Integration of Asylum Seekers and Other Migrants' (fact sheet, European Commission, Brussels, 16 November 2015), http://ec.europa.eu/DocsRoom/documents/15121/attachments/7/translations/en/renditions/native.

4 Under the Common Provisions Regulation proposals for the next funding cycle (2021–27), the European Social Fund Plus (ESF+) would have several newly created indicators to track how the fund is being used to support third-country nationals. These include no. 119 (specific actions to increase participation of third-country nationals in employment) and no. 120 (measures for the social integration of third-country nationals). See European Commission, 'Annexes to the Proposal for a Regulation of the European Parliament and of the Council Laying down Common Provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and Financial Rules for Those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument' (COM [2018] 375 final, 29 May 2018), www.funduszeeuropejskie.gov.pl/media/61825/Regulation_proposal_common_provisions_COM_2018_375_29_05_2018_Annexes_EN.pdf.

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7 Sweco, Spatial Foresight, and Nordregio, *Implementation of the Partnership Principle and Multi-Level Governance*.

8 At present, the Partnership Principle does not apply at the EU level, a gap some civil-society organisations and intergovernmental organisations would like to see addressed, particularly for funds that are under the direct management of the European Commission, such as a portion of the AMIF. See Red Cross EU Office et al., 'The Asylum and Migration Fund: A Tool for More Humane, Transparent, and Effective Asylum and Migration Policies in the EU?' (joint statement, February 2019), https://redcross.eu/latest-news/using-amf-to-support-transparent-and-effective-migration-policies.

9 Westerby, *Follow the Money II*.

10 Aliyyah Ahad and Timo Schmidt, *Mainstreamed or Overlooked: Migrant Inclusion and Social Cohesion in the European Social Fund* (Brussels: European Programme for Integration and Migration, 2019).

11 Westerby, *Follow the Money II*.

12 Ahad and Schmidt, *Mainstreamed or Overlooked*.

13 See Article 8 of European Parliament, 'Amendments Adopted by the European Parliament on 16 January 2019 on the Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund Plus (ESF+)', updated 4 February 2019, www.europarl.europa.eu/sides/getDoc.do?type=TA&language=EN&reference=P8-TA-2019-0020.

14 'Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and Laying down General Provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and Repealing Council Regulation (EC) No 1083/2006', *Official Journal of the European Union*, 2013 L 347/320, 20 December 2013, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R1303&from=EN.

15 Ahad and Schmidt, *Mainstreamed or Overlooked*.

16 These include local authorities, neighbourhood and rural associations, community and voluntary organisations, and entrepreneurs and their associations. See European Commission, 'Community-Led Local Development' (fact sheet, European Commission, Brussels, March 2014), https://ec.europa.eu/regional_policy/sources/docgener/informat/2014/community_en.pdf.

17 Within the local action group, no single interest should have more than 49 per cent of votes, and actors who are not public authorities should have at least 50 per cent of votes when selecting projects. See ibid.

18 Bundesamt für Familie und zivilgesellschaftliche Aufgaben, 'STÄRKEN vor Ort', accessed 28 January 2019, www.jugend-staerken.de/programme/programme-2007-2014/staerken-vor-ort.html.

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20 Fondazione G. Brodolini and European Commission, *Synthesis Report of ESF 2017 Annual Implementation Reports: Final Report* (Luxembourg: Publications Office of the European Union, 2018) https://ec.europa.eu/esf/transnationality/content/synthesis-report-esf-2017-annual-implementation-reports.

21 European Commission, 'European Social Fund,—CLLD: A Useful Approach for ESF', updated 13 September 2016, https://ec.europa.eu/esf/transnationality/content/clld-useful-approach-esf.

22 Ibid.

23 Due to the European Union's strict rules against double-funding projects, ESF and AMIF managing authorities must coordinate to decide which will fund particular projects. In France, for example, the AMIF managing authority approached the ESF managing authority in 2018 to see if the latter would be able to fund more integration projects in case the former ran out of funds. Ultimately this fear never came to pass. Author interview with French Ministry of Labour official, Programmes Deployment Support Office, Europe and International Directorate, 6 February 2019. For a more in-depth discussion of this issue, see Ahad and Schmidt, *Mainstreamed or Overlooked*.

24 Ahad and Schmidt, *Mainstreamed or Overlooked*.

25 A minimum share of the ESF budget had to be allocated to up to five investment priorities in each operational programme: for more developed regions, at least 80 per cent; for transition regions, at least 70 per cent; and for less developed regions, at least 60 per cent. In other words, wealthier regions have less flexibility in how they spend a portion of the ESF. See 'Regulation (EU) No 1303/2013'.

26 The Youth Employment Initiative (YEI) was launched in 2012 to support young people in regions with more than 25 per cent youth unemployment, targeting specifically those not in education, employment, or training. See European Commission, 'Youth Employment Initiative (YEI)', accessed 14 February 2019, https://ec.europa.eu/social/main.jsp?catId=1176.

27 Fondazione G. Brodolini and European Commission, *Synthesis Report of ESF 2017 Annual Implementation Reports*.

28 In this instance, the authority imposed the most detailed implementing and financial regulation requirements (those of the European Agricultural Fund for Rural Development) on the other funds. See ibid.

29 European Commission, 'The European Pillar of Social Rights in 20 Principles', accessed 7 December 2018, https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles_en.

30 European Commission, 'The European Semester: Why and How', accessed 6 December 2018, https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/framework/european-semester-why-and-how_en; European Commission, 'Europe 2020 Strategy', accessed 6 December 2018, https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/framework/europe-2020-strategy_en.

31 However, Member States also exert considerable power over whether migrants are included within their country's recommendations, which could have knock-on effects into EU funds as these tools become more closely linked. See Meghan Benton, Elizabeth Collett, and Helen McCarthy, *Into the Mainstream: Rethinking Public Services for Diverse and Mobile Populations* (Brussels: Migration Policy Institute Europe, 2015), www.migrationpolicy.org/research/mainstream-rethinking-public-services-diverse-and-mobile-populations.

32 For example, the European Union has introduced new financial instruments to tackle the external dimensions of the migration crisis, such as the EU Facility for Refugees in Turkey and the EU Emergency Trust Fund for Africa. But the pledged financial tools also double- and even triple-counted already committed funds, making it unclear to policymakers and the wider public what this meant in terms of additional investments (new money) and/or the discontinuation of investments in other, already agreed upon EU objectives (old money). See Kate Hooper, 'The New EU Migration-Related Fund Masks Deeper Questions over Policy Aims', Migration Policy Institute, May 2018, www.migrationpolicy.org/news/new-eu-migration-fund-masks-deeper-questions-over-policy-aims.

33 'Regulation (EU) No 1304/2013'.

34 Member States must report on which priorities met their 2018 milestones in the 2019 annual reports. See ibid.

35 Author analysis of data from European Commission, 'European Structural and Investment Funds—Data by Fund—European Social Fund'.

36 For a list of which Member States have regions that fall within these three categories, see Annexes V, VI, and VII of 'Commission Implementing Decision of 3 April 2014 Setting out the Annual Breakdown by Member State of Global Resources for the European Regional Development Fund, the European Social Fund and the Cohesion Fund under the Investment for Growth and Jobs Goal and the European Territorial Cooperation Goal, the Annual Breakdown by Member State of Resources from the Specific Allocation for the Youth Employment Initiative Together with the List of Eligible Regions, and the Amounts to Be Transferred from Each Member State's Cohesion Fund and Structural Funds Allocations to the Connecting Europe Facility and to Aid for the Most Deprived for the Period 2014-2020', *Official Journal of the European Union* 2014 L 104/13, 8 April 2014, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014D0190&from=EN.

37 European Commission, 'Proposal for a Regulation of the European Parliament and of the Council Laying down Common Provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and Financial Rules for Those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument', (COM [2018] 375 final, 29 May 2018), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2018%3A375%3AFIN.

38 Ibid.

39 This includes a performance framework with milestones and targets for each priority (to be achieved by 2018 and 2023) based on financial indicators (relating to allocated expenditure), output indicators (relating to participants and entities), and result indicators (regarding outcomes). See 'Regulation (EU) No 1303/2013', Annex I.

40 See Destatis, 'Persons with a Migration Background', accessed 30 January 2019, www.destatis.de/EN/FactsFigures/SocietyState/Population/MigrationIntegration/Methods/MigrationBackground.html; Commission nationale de l'informatique et des libertés, 'Act No. 78-17 of 6 January 1978 on Information, Data Files and Civil Liberties', accessed 30 January 2019, www.cnil.fr/sites/default/files/typo/document/Act78-17VA.pdf; WUP Gdansk, 'Ogłoszenie konkursu na dofinansowanie projektów 1.2.1 PO WER', updated 28 January 2019, www.wup.gdansk.pl/artykul/7553.html. See also discussion in Ahad and Schmidt, *Mainstreamed or Overlooked*.

41 See Jeremie Gilbert and David Keane, 'How French Law Makes Minorities Invisible', The Conversation, 13 November 2016, https://theconversation.com/how-french-law-makes-minorities-invisible-66723. On the Polish government's concerns about the third-country national indicator, see Republic of Poland, 'Wniosek Rozporządzenie Parlamentu Europejskiego I Rady w sprawie Europejskiego Funduszu Społecznego Plus (EFS+)' (position paper, 4 June 2018), www.funduszeeuropejskie.gov.pl/media/61887/Stanowisko_Rzadu_RP_do_EFS_COM_2018_382_przyjete_KSE_29_06_2018.pdf; Ahad and Schmidt, *Mainstreamed or Overlooked*.

42 'Regulation (EU) No 1303/2013'.

43 Ahad and Schmidt, *Mainstreamed or Overlooked*.

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