

Cohesion policy and marginalised communities

SUMMARY

Marginalised communities largely live on the fringes of European society, often with little access to the services that the rest of the population take for granted. The responsibility for marginalised groups lies primarily with the Member States, yet the objective of social cohesion also calls for an EU-level response. While there is no definition of marginalised communities under the EU Treaties, certain groups such as the Roma suffer from a combination of factors including discrimination and material deprivation, and are therefore a particular area of focus in discussions on marginalised communities.

EU structural funds have not always taken full account of these communities during previous programming periods, while their involvement in the preparation and implementation of programmes has been limited. The current 2014-2020 cohesion framework puts forward new measures with a wider scope for improving the situation of such groups, including an investment priority targeting marginalised communities. Many stakeholders argue, however, that Roma issues need to be mainstreamed across all policy areas in order to achieve lasting structural change.

The European Parliament has prepared an own-initiative report on marginalised communities and cohesion policy, to help feed into the discussions on the future programming period, and has been in the vanguard of EU-level initiatives to improve the living conditions of these groups. Ultimately, however, the inclusion of marginalised communities will depend on strong political will from local and national authorities on the ground.

This briefing updates a [previous edition](#), from October 2015.



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Introduction

Marginalised communities are to be found on the fringes of society in all EU Member States, living in exclusion from the majority and often with little or no access to basic infrastructure and public services. Severe cuts to local budgets mean that many authorities have been forced to rein in their spending, potentially further entrenching the difficulties of marginalised groups. While responsibility for addressing the problems of such communities lies primarily with Member States, the objective of social cohesion also calls for an EU-level response to the challenges of marginalised people. Encompassing several major EU investment programmes, cohesion policy can make a vast contribution to improving the lives of marginalised communities. However, in the past, EU funds have not always taken full account of the people concerned; moreover, their involvement in key decision-making or implementation processes has been minimal. Within cohesion policy, a number of measures have been taken during the previous and current programming periods to support marginalised communities.

Defining marginalised communities

There is no definition of marginalised communities within the EU legislative framework. It is up to individual Member States to identify which groups they consider to be marginalised based on their own criteria. People can be marginalised in many ways, with marginalisation embracing factors such as material deprivation, inadequate housing, low educational levels, high unemployment, poor health as well as discrimination and prejudice. Certain groups, however, such as the Roma, suffer from a combination of all these factors, leading to a vicious circle of exclusion. Discrimination and racism can often lead to spatial segregation and poor housing, limiting people's access to healthcare and education. In turn, low educational levels and high rates of drop-out from school can lead to high unemployment and thus severe material deprivation, resulting in yet further discrimination and exclusion. As Europe's largest ethnic minority, with around 6 million living in the European Union, the Roma are one of the most marginalised groups in Europe, with an estimated 90% of all Roma in those countries with the largest Roma populations living in or at risk of poverty and social exclusion. According to the [Common Basic Principles on Roma Inclusion](#) adopted by the Council in 2009, measures to help the Roma should be targeted but not exclude other marginalised groups in similar socio-economic circumstances. When seen in the context of the multiple forms of discrimination facing the Roma, this approach helps explain the focus placed on Roma in many discussions on marginalised communities.

The EU Roma framework

In recent years, the issue of Roma inclusion has acquired an increasingly important position on the EU's political agenda, fuelled by the realisation that the integration of the Roma is not only a moral but also an economic necessity, with a 2010 World Bank [study](#) suggesting that the estimated economic costs of Roma exclusion could run to billions of euros per year. The 2011 European Commission communication on [an EU Framework for National Roma Integration Strategies up to 2020](#) represented a veritable step change in the EU's attitude towards improving the socio-economic integration, social conditions and rights of the Roma, by calling on Member States to draw up annual National Roma Integration Strategies (NRIS) in four areas considered vital for Roma inclusion: education, employment, healthcare and housing. The NRIS must dovetail with Member States' national reform programmes and with the Europe 2020 Strategy for smart, sustainable and inclusive growth, which includes three headline

[targets](#) that directly concern marginalised groups such as the Roma. Additional guidance is also provided by the annual [country-specific recommendations](#) (CSRs) drawn up by the Commission, which put forward specific Roma objectives for a number of countries with significant Roma populations. From the outset, the European Structural and Investment Funds have been seen as a vital instrument for delivering Roma inclusion, with the 2011 communication urging Member States to deploy structural funds for Roma inclusion as part of their NRIS, and the [2013 Council Recommendation on Effective Roma Integration Measures](#) calling for local authority involvement in implementing structural funds for Roma inclusion as well as action to ensure that such funding reaches the Roma e.g. through the use of [National Roma Contact Points](#).

Roma and 2007-2013 cohesion policy

The [Joint Report on the use of Structural Funds for Roma Inclusion](#) by the EURoma+ network provides an interesting analysis of how funds were deployed to promote Roma inclusion in the network's eight countries (Bulgaria, Czech Republic, Greece, Hungary, Italy, Romania, Spain and Slovakia). During the 2007-2013 period, action to help the Roma focused on the three main areas of employment, education and social integration, largely on the basis of specific operational programmes, with particular attention on projects geared towards meeting the basic needs of the Roma and ensuring key social-service provision. Comparatively speaking, less priority was given to healthcare and housing, which were included in programmes through mainstreaming rather than via a specific, targeted approach. In terms of funds used, the countries covered by the report showed a general tendency to use the European Social Fund (ESF), with limited recourse to the European Regional Development Fund (ERDF) and the European Agricultural Fund for Regional Development (EAFRD).

Amendment of ERDF Regulation

In recognition of the key role that housing can play in the integration of marginalised communities, Article 7.2 of the [ERDF Regulation](#) was amended in 2010 to help improve the housing conditions of marginalised communities. Under this provision, up to 3% of each Member State's ERDF allocation may be spent on housing initiatives for marginalised communities, representing an important new area of funding. According to the EURoma+ report, however, projects in the housing sector have been limited, and predominantly focused on urban regeneration and basic infrastructure rather than the actual construction or renovation of housing. Equally, although a total of six countries made reference to these new opportunities in their NRIS, few have begun their implementation. The Member States appear to have failed to fully tap into the potential of this new provision during the previous programming period.

A need for tangible results

While the EURoma+ report's findings show that more attention was given to Roma issues in 2007-2013 than in previous periods, with an increase in the number of operational programmes and resources targeting the Roma, it has proven difficult to measure their effectiveness due to a lack of information and indicators for measuring the impact of structural funds on Roma inclusion. The report stresses that many of the initiatives during the 2007-2013 period represent 'palliative measures' which – although they improve the living conditions of the Roma – in reality maintain segregation and do not lead to greater integration. In terms of equal opportunities and non-discrimination for instance, the report notes that despite the inclusion of these principles as horizontal priorities in many operational programmes, there were no substantial or tangible

achievements in these areas. According to the report, there has been progress in the area of planning, involving wider stakeholder participation, yet there have been few such advances in terms of practical implementation and results. This is compounded by the often limited institutional capacity of local authorities, which lack the necessary knowledge or experience in the implementation of such projects, with Member States making little use of the technical-assistance budget available to them to develop their skills in such areas. The report found little alignment between policies and funds during the 2007-2013 period, noting that the adoption of NRIS by Member States 'has not led to any revision of the Operational Programmes or at least not to any major changes'.

New policy developments in the 2014-2020 cohesion policy framework

The 2014-2020 cohesion policy package covers a broad range of cross-cutting measures promoting the inclusion of marginalised communities. Particular attention has been given to the issue of discrimination and exclusion, with Member States required to set out how they will address the needs of geographical areas affected by poverty, or of target groups at highest risk of discrimination or social exclusion, in both their partnership agreements and operational programmes. Member States should take appropriate steps to avoid any discrimination during the preparation and implementation of these programmes and, in accordance with the partnership principle, must involve partners including civil-society bodies responsible for promoting social inclusion and non-discrimination, in preparation and implementation of partnership agreements and operational programmes. Following the [Charter of Fundamental Rights](#) of the European Union gaining legal force in 2009, greater focus is being placed on examining whether the use and/or allocation of funding complies with fundamental rights, with the Commission launching infringement procedures against the Czech Republic (2014) and Slovakia (2015) for violations of the Racial Equality Directive, due to discrimination of Roma in the area of access to education. Indeed, the 2014-2020 legislative package widens the scope of monitoring and evaluation in general. The introduction of appropriate financial, output and results indicators in relation to target groups and specific areas of intervention represents an important new development during the 2014-2020 period, and will provide a viable means of measuring the effective impact of structural funds on the inclusion of marginalised communities.

In addition to these cross-cutting measures, the [legislative package](#) for EU cohesion policy also outlines a number of objectives specifically targeting marginalised communities. Perhaps principal among these is the establishment under the European Social Fund of a specific investment priority (9.2) on the Integration of marginalised communities such as the Roma, with a further two ERDF investment priorities also targeting this group: Investment in health and social infrastructure to improve access to health and social services, and Support for physical and economic regeneration of deprived urban and rural communities. Moreover, the ESF and the ERDF Regulations make specific reference to marginalised communities as beneficiaries of support, and a minimum of 20% of each Member State's [ESF allocation](#) must be set aside for promoting social inclusion and combating poverty, with housing support available as part of an integrated intervention under the ERDF. The use of EU funds for social inclusion is subject to the preparation of an NRIS, an *ex ante* condition that Member States must meet to ensure that the prerequisites for the effective and efficient use of EU support are in place. The legislative package also sets out a number of other *ex ante* conditions relating to Roma, including in the field of discrimination. Failure to fulfil an *ex ante* condition may lead to the suspension of interim payments to a Member State.

It is also worth mentioning in this context the role of [Country Specific Recommendations](#), which are issued each year by the European Commission as part of the European Semester process. Article 4(1) of the Common Provisions Regulation provides that the actions set out in Member States' operational programmes must be consistent with the national reform programmes and country specific recommendations, which means that all EU Member States must comply with CSRs when using structural funds. Five Member States have received CSRs on Roma inclusion since 2012: Bulgaria, the Czech Republic, Hungary, Romania and Slovakia. While CSRs on Roma have covered a variety of areas such as employment or healthcare, the 2016 country specific recommendations on Roma for all five countries focus on measures in the field of education, helping to target more spending in this area.

Cohesion funding and marginalised communities during 2014-2020

[Figures](#) published by the Commission show that over €120 billion has been allocated to investment in the areas of employment, education and social inclusion, primarily under the ESF but also under other ESIF, including €44 billion allocated to social inclusion. On average, Member States have allocated 25% of their ESF budget to measures aimed at social inclusion, significantly above the 20% minimum required, according to the information published in the Commission's June 2015 [Report on the implementation of the EU Framework for National Roma Integration Strategies 2015](#). In addition, Member States have set aside some €20 billion of their ERDF funds for inclusive growth, of which €10.8 billion will go to promoting social inclusion and combating poverty. A total of €1.5 billion has been allocated to the new ESF investment priority on the socio-economic integration of marginalised communities, and 12 Member States have chosen this new investment priority (see Table 1).

Table 1 – Amounts made available to Member States under IP 9 (ii)

| Member State | Amount (million euro) | Proportion of Member State's total ESF funding | Proportion of total funding under IP 9 (ii) | |
|-----------------------------|--------------------------|---|--|--------------|
| Hungary ¹ | 470 | 10.0 % | 85 % | |
| Romania ¹ | 372 | 7.8 % | | |
| Czech Republic ¹ | 200 | 5.8 % | | |
| Bulgaria ¹ | 143 | 9.4 % | | |
| Slovakia ¹ | 99 | 4.6 % | | |
| Greece | 73 | 2.0 % | 15 % | |
| Italy | 71 | 0.7 % | | |
| Spain | 48 | 0.6 % | | |
| Poland | 19 | 0.1 % | | |
| Belgium | 10 | 1.0 % | | |
| France | 8 | 0.1 % | | |
| Austria | 4 | 0.9 % | | |
| Total | 1 518 | n/a | | 100 % |

¹ Member States with country-specific recommendations regarding Roma.

Source: 2016 Court of Auditors [report](#)

The 2016 Commission [communication](#) on effective Roma-integration measures in the Member States reveals that inclusive (including early) education and employment are the two principle areas of investment that target Roma under the ESIF, reflecting the priorities of the 2016 CSRs, with a large amount of EU funding also allocated to housing. The report notes that, despite the introduction of a new targeted investment priority 9(2) under the ESF, marginalised Roma communities will primarily benefit from broader measures funded under the objectives of promoting social inclusion, combating poverty

and combating discrimination targeting socially disadvantaged people, which includes, but is not limited to, Roma. According to a 2016 [report](#) by the EU Roma Network, most Member States plan to use both the ESF and the ERDF to address Roma inclusion. It notes that for investments under the ESF, Roma inclusion is mainly addressed under Thematic Objective 9 (Promoting social inclusion), followed by Thematic Objectives 8 and 10 (Promoting sustainable and quality employment; Investing in education). Roma inclusion under the ERDF is primarily addressed under Thematic Objectives 9 and 10.

Assessing the effectiveness of cohesion funding for Roma inclusion

The 2015 Commission [report](#) pinpoints a number of improvements compared to the 2007-2013 period, noting the wider use of integrated and multi-fund approaches involving explicit but not exclusive targeting, along with greater efforts to tackle insufficient administrative capacity. It highlights a move away from short-term actions with limited impact to long-term measures with potential for genuine social impact. It notes an improvement in terms of the alignment of EU funds with policy priorities, stressing that Roma are mainly targeted by social interventions rather than in education and employment initiatives. It notes that Member States have provided support for the physical, economic and social regeneration of deprived communities in urban areas, and sought to apply the partnership principle to involve civil society and partners in the planning and implementation of EU-funded measures, using thematic concentration to focus on a limited number of priorities. They have adopted a results-oriented approach, involving the use of output and result indicators for measuring progress towards Roma inclusion, as well as strengthened capacity-building for civil society organisations, and ensured the use of global grants to improve the delivery of funds.

In 2016, the Court of Auditors published a [report](#) assessing the extent to which EU policy initiatives and financial support under the ERDF and ESF have contributed to Roma integration, which concludes that significant progress has been made over the last decade although additional efforts are needed on the ground. The [report](#) of the EU Roma Network is similarly positive, welcoming the fact that Roma are mentioned in a wide range of operational programmes and that most Member States have planned measures that use structural funds other than just the ESF. Nonetheless it is clear that a number of shortcomings and challenges remain.

The EU Roma report draws attention to a lack of information on the extent to which Roma inclusion is considered in regional programmes, which makes it difficult to evaluate progress. It considers the Youth Employment Initiative to be a missed opportunity, as Roma youth are not specifically targeted in operational programmes that implement EYI. Specific measures are needed to reach such marginalised groups and further efforts must be made to ensure that the needs of the Roma people are taken into account in all ESI Funds. It notes that although the design and delivery of an integrated and multidimensional approach is widely acknowledged as vital for addressing the complex nature of Roma inclusion, it has not been widely adopted by the Member States. The report considers that the actual level of involvement of Roma stakeholders in the ESIF programming cycle is often somewhat unclear since there is no systematic monitoring of stakeholder involvement, highlighting the need to increase the quality participation of relevant stakeholders at all stages of the programming process.

Looking more broadly at the issue of monitoring, the 2016 Commission [communication](#) considers that the monitoring of Roma integration measures and ESI Funds for Roma inclusion should be better aligned through closer contact between Roma contact points

and ESI managing authorities, to ensure that funds reach the Roma, and calls for the further development of data collection, monitoring and reporting methodologies so that the impact of measures on Roma inclusion may be accurately assessed.

The Court of Auditors [report](#) emphasises that none of the operational programmes refer to anti-gypsyism as a specific form of discrimination, adding that a lack of targets in this area can allow institutional discrimination to continue unabated, impacting on Roma inclusion projects financed by the ESIF. On the issue of discrimination, the 2016 Commission [communication](#) notes that greater use should be made of the opportunities under the ESIF to combat segregation in housing and education, and to prevent evictions based on ethnic origin. The Court of Auditors also stresses that the distribution of ESIF funds among the Member States does not account for differences in the situation of the Roma and recommends introducing specific social inclusion indicators as of 2020. Its report makes eight recommendations in total. Among others, it suggests that the Commission ensure that measures funded under the ESIF are inclusive in nature and include provisions preventing segregation, that ESIF funds should only be allocated on the condition that projects will continue without EU funding after their completion, and recommends that the Member States introduce Roma-specific indicators in addition to the common output and results indicators outlined in ESIF legislation.

European Parliament

The European Parliament (EP) was instrumental in raising awareness of marginalised communities during the negotiations on the cohesion policy package for 2014 to 2020. Among its achievements in the previous legislature, it managed to keep the [20% minimum allocation](#) for fighting poverty and social exclusion under the European Social Fund, helping to retain a high level of ambition in this area. The EP has adopted numerous resolutions relating to the Roma, with MEPs keeping this issue on the agenda through parliamentary questions on marginalised communities and the Roma. In April 2005, it adopted a [resolution](#) on the situation of the Roma in the European Union, urging the Council, Commission, Member States and candidate countries to take steps to combat anti-gypsyism in all forms, be it at local, national, regional or EU level. This was the first time this term was included in an official EU document. The call was reiterated in its 2015 [resolution](#) which recognised the Roma genocide during World War II.

European Parliament own-initiative report on marginalised communities

The Committee on Regional Development (REGI) drew up an own-initiative [report](#) on cohesion policy and marginalised communities (rapporteur: Terry Reintke, Greens/EFA, Germany), which was adopted in [plenary](#) in November 2015. While welcoming the EU's awareness of the urgent need to address marginalised communities, the draft report stresses the importance of applying the horizontal principle of equal opportunities and non-discrimination and considers marginalised groups' access to public services as a major goal, at the same time calling for closer alignment between NRIS, National Poverty Reduction Strategies and cohesion policy. In particular, the draft report makes a number of recommendations regarding the preparation, implementation and monitoring of operational programmes that address marginalised communities. In terms of preparation, the draft report stresses that the partnership principle must be applied on an obligatory basis and calls on the Commission not to authorise payments for programmes that do not involve partners. It believes that funding measures are needed which go beyond targeted action under the thematic objective for social inclusion, helping to ensure a more systematic approach. On the issue of

implementation, the draft report considers that funds should be used in a more integrated way (via CLLD or ITI) and emphasises the need to strengthen the capacity of stakeholders such as public administrations and civil society. In terms of monitoring, it notes that EU-funded projects need a long-term perspective if they are to be effective, and calls for qualitative evaluation and monitoring mechanisms, stressing that marginalised communities should be involved in the monitoring process.

Outlook

The 2014-2020 cohesion policy framework has given Member States wider scope to address marginalised communities, with the Commission's review of the EU framework for NRIS 2015 showing improved alignment between NRIS and EU funding mechanisms for 2014 to 2020, and greater Roma involvement in planning and decision-making. Much remains to be done, however. There is a need to strengthen the capacity-building of local authorities and civil society, and increase action to combat discrimination and segregation. While the greater use of results-based indicators has the potential to improve monitoring, it could risk leading to a focus on meeting easy-to-measure indicators rather than addressing the needs of communities.

The Slovak Presidency has committed to promoting the inclusion of marginalised communities such as the Roma, and included this item in its presidency [programme](#), a move that has been welcomed by the European Roma Information Office (ERIO). Yet the inclusion of marginalised communities will ultimately depend on the political will of public authorities at national level. Against this background, the ERIO has [called](#) on the presidency, through its proposed Council conclusions, to urge Member States to adopt and implement anti-discrimination legislation and ensure that the refugee crisis does not push Roma issues further down the political agenda. With the migrant crisis the subject of so much public interest, there is a very real danger that attention may shift further away from groups such as the Roma, marginalising them even further.

Main references

Joint Report on the use of Structural Funds for Roma Inclusion, ESF Learning Network 'Reinforcing policy learning for Roma inclusion' (EURoma+ Network), April 2014.

Report on the implementation of the EU Framework for National Roma Integration Strategies 2015, COM(2015) 299 final, European Commission, 2015.

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