

Cohesion policy and the integration of migrants in urban areas

SUMMARY

With migration largely an urban reality, the successful integration of migrants in our towns and cities is of key importance if Europe is to find a long-term solution to the migrant question. The EU's cohesion policy can provide support for countries in this area through investments under the European Social Fund (ESF) and the European Regional Development Fund (ERDF), with the ERDF Regulation introducing a number of new measures to give cities more say in cohesion programming and implementation during the 2014-2020 programming period, including on issues such as the inclusion of migrants.

As the adoption of most of the 2014-2020 operational programmes was completed back in 2015, many countries did not give sufficient priority to supporting migrants in their programming documents. The Commission has called on Member States to re-programme their funding under the ERDF and ESF operational programmes yet few have adjusted their programmes thus far. Stakeholders point to the low-level of involvement of local and regional authorities in decisions on the allocation of structural funds and the modest resources available as factors that limit the extent to which European structural and investment funds can truly support the integration of migrants at local level and have called for a greater role for towns and cities in this area, including direct access to funding.

While the Agenda on Migration has reinforced the importance of cohesion policy for the integration of migrants, with developments such as the Urban Agenda and Urban Innovative Actions enabling cities to get more involved in migrant related policies in their local area, questions remain as to how much cohesion policy can achieve in view of the relatively limited amount of resources available in this area.



In this briefing:

- Introduction
- Cohesion policy and the migrant question
- 2014-2020 operational programmes and the integration of migrants
- Limitations of European structural and investment funds
- The Urban Agenda for the EU
- European Parliament
- Outlook

Introduction

With a recent Eurobarometer [poll](#) revealing that almost half of all EU citizens (48%) consider immigration the biggest challenge facing the Union, there are perhaps few issues that loom larger in the public consciousness than the migrant crisis. A total of [1.2 million](#) people reached Europe's shores last year and Europe is without question witnessing the most significant movement of people to its shores since the Second World War. In accordance with Article 79(4) of the [Treaty on the Functioning of the EU](#), integration lies mainly within the competence of the Member States yet the EU may also establish measures to provide incentives and support for the action of Member States with a view to promoting the integration of third-country nationals residing legally in their territories.

Crucially, for Europe's towns and cities, the distribution of migrants across Europe has been far from even. Migration is largely an urban reality. Statistics compiled by the [OECD](#) and others show that the vast majority of new arrivals settle in Europe's towns and cities, putting them very much on the front line of recent measures to address the migrant crisis. While the reception of migrants is one of the most urgent problems facing local authorities, with emergency funding available under the EU's [Asylum, Migration and Integration Fund](#) for investments such as temporary accommodation and the [Fund for European Aid to the Most Deprived](#), which can help provide food and basic material assistance, the issue of the long-term integration of migrants is vital if Europe is to successfully address this growing challenge. Yet this can entail significant costs: Sweden, for instance, has [calculated](#) that the total cost of migration, including accommodation and integration could amount to €6.1 billion per year until 2020. The EU's structural funds can provide vital support for countries in this context, with cohesion policy supporting the long-term integration of migrants primarily through investments under the [European Social Fund \(ESF\)](#) and the [European Regional Development Fund \(ERDF\)](#).

Cohesion policy and the migrant question

The European Social Fund

Social integration measures primarily fall under the remit of the European Social Fund, with migrants specifically identified under the ESF Regulation as one of the groups eligible for support. Recital 6 states that the ESF should promote social inclusion, highlighting in this connection that attention should be paid to asylum-seekers and refugees to facilitate their participation. In principle, there are three main cases where asylum-seekers are eligible for support under the ESF: when they are legally able to participate in the labour market, for vocational training actions and for measures concerning the education of their children, yet broader support is also available under a number of ESF investment priorities, including social inclusion (see below).

The issue of access to the labour market remains a national competence, however, and approaches differ widely across EU countries. While, in accordance with [Directive 2013/33/EU](#), Member States must ensure that asylum-seekers can gain entry to the labour market within nine months of their arrival, irrespective of whether or not their application has been approved, some countries such as Germany open their labour markets after just three months while others apply the full period. In addition, as Member States apply their own national rules on access to vocational training, not all countries allow asylum-seekers to follow such training courses before their claims have been approved. This means that ESF support for migrants and asylum-seekers is necessarily dependent on, and thus limited by, the nature of national level provisions concerning asylum-seekers' access to the labour market.

As soon as migrants are legally able to join the labour market, they are eligible for any form of support under ESF investment priorities such as 9(1) on active inclusion or 9(2) on marginalised communities, including training for asylum-seekers, such as language classes or family counselling. It is worth stressing in this context that at least 20% of the total ESF resources in each Member State must be allocated to promoting social inclusion and combating poverty, which can also cover the integration of migrants and refugees. This group is also eligible for assistance under broader measures that do not focus on migrants, including investment priorities under the employment or education thematic objectives such as action promoting access to good quality education. More generally, the ESF may also provide support for anti-discrimination campaigns, and help reinforce the administrative capacity of public administrations and NGOs that help migrants.

Recent EU initiatives in the area of migration

With migration one of European Commission President Jean-Claude Juncker's ten [priorities](#) for the year ahead, recent months have seen renewed efforts to identify a European response in this area. The 2015 [European Agenda on Migration](#) pinpoints cohesion policy as an important funding source for supporting targeted initiatives to improve language and professional skills, improve access to services, promote access to the labour market, inclusive education, foster inter-cultural exchanges and promote awareness campaigns. More recently, the Commission's June 2016 [Action Plan](#) on the integration of third-country nationals notes that the European Structural and Investment Funds provide considerable scope to support integration measures, highlighting that the ESF and the ERDF support social inclusion, education and labour market related investments.

The European Regional Development Fund

While the European Regional Development Fund may not allocate support for specific target groups such as migrants or refugees, it may be used for programmes from which they can also benefit, and a number of ERDF investment priorities can finance measures in this area, complementing the work of the ESF. These include investment priority 9(a) on investments in health and social infrastructure, which can help fund community centres, shelters and primary care health services, and investment priority 10 on education infrastructure, which can finance investments in schools and kindergartens. Other measures include the support available under investment priority 9(b) for the physical, economic and social regeneration of deprived urban and rural communities where migrants are resident. Investments in social housing as well as in business start-ups are also possible in line with Article 3 of the ERDF Regulation which provides, among other things, for investment in social, health, research, innovation, business and education infrastructure, and investment in the development of endogenous potential through fixed investment in equipment and small-scale infrastructure.

In addition, the ERDF Regulation has introduced a number of new measures to give cities a greater role in cohesion programming and implementation during the 2014-2020 programming period. One major development in this area is [Article 7](#) of the ERDF Regulation which provides that at least 5% of ERDF resources allocated at national level under the investment for jobs and growth goal must be earmarked for integrated actions for sustainable urban development. Measures supporting, for instance, physical urban renewal under the ERDF should therefore be combined with ESF measures promoting education, social inclusion or institutional capacity in an integrated manner to target areas with specific urban challenges such as the migration question. Urban authorities are responsible for tasks relating at least to the selection of operations, and may also undertake tasks concerning the management of integrated actions which tackle the economic, environmental, climate, demographic and social challenges affecting urban

areas, thereby giving cities a greater say in the delivery of policies in areas such as the integration of migrants. This measure is complemented by Article 8 of the ERDF Regulation, which supports innovative studies and pilot projects to identify or test new solutions addressing sustainable urban development issues, [Innovative Actions](#) (see below), and the development of two new territorial tools, [Integrated Territorial Investments](#) (ITI) and [Community-Led Local Development](#) (CLLD) which can be used to help Member States deliver integrated actions.

According to a [statement](#) released by Commissioner Corina Crețu, over half of the ERDF budget will be allocated to urban areas in 2014-2020. In addition, all Member States have met or exceeded the 5% target for integrated actions for sustainable urban development under Article 7 of the ERDF Regulation, with the average per Member State exceeding 8%, providing a total of €15 billion across the EU. Almost one in five euros of this amount will be allocated towards projects addressing social inclusion and combating poverty. This can include investments in health and social services, social enterprises and community-led local development, all of which can help foster the integration of migrants.

2014-2020 operational programmes and the integration of migrants

At national level, [Austria](#), [Finland](#), [France](#), [Hungary](#), [Luxembourg](#), [Spain](#) and [Sweden](#) have each adopted one operational programme that includes investments on migrants and refugee-related issues for the 2014-2020 period, while Germany has approved a total of nine ESF operational programmes, including eight regional-level programmes,¹ which allocate ESF funding to supporting migrants. As the two main entry points for migrants crossing the Mediterranean to Europe, Italy and Greece have both adopted a number of operational programmes which provide support for migrants. Some stakeholders, however, have questioned the effectiveness of measures planned under the ESF in particular. A 2016 [report](#) by the European Anti-Poverty Network (EAPN), which monitors the implementation of the 20% allocation to promoting social inclusion and combating poverty, reports a generally low level of satisfaction among the EAPN's national networks regarding the quality of the implementation of measures to tackle poverty, with only certain countries preparing specific strategies for asylum-seekers (Germany, Italy, Portugal, Spain) and migrants (Germany, Italy, Portugal, Spain, Belgium, Finland).

Indeed, as the adoption of most of the 2014-2020 operational programmes was completed in 2015, many countries did not give sufficient priority to the need to support migrants. To help address this issue, Commissioner Crețu [called](#) on the Member States in September 2015 to re-programme funding under their ERDF operational programmes. In Italy, the [Legalita](#) programme has been revised to include a number of additional measures to support legal immigrants and asylum-seekers, and will earmark around €41 million to support the reutilisation of assets seized from the mafia, to establish accommodation centres for legal migrants and asylum-seekers. All [13 regional programmes](#) in Greece for 2014-2020 outline ERDF investments which focus on migrant-related challenges, including ERDF support for construction and renovation of reception centres for migrants, and a number of additional measures have also been planned, including action in the area of social enterprises, childcare infrastructure and the regeneration of deprived urban areas. To date, however, no other country has submitted revised versions of its operational programmes. According to [information](#) provided by the European Commission in April 2016 in response to a parliamentary question on the use of European structural and investment funds (ESIFs), 11 Member States had replied to Commissioner Crețu's letter inviting Member States to use ESIFs to address the needs and

challenges of the migrant crisis and to submit programme modifications, yet this process can be far from simple and no programme modification had yet been submitted to the Commission. As at the time of writing, no revised operational programme has been approved by the European Commission. This raises a number of questions about how effective ESIFs can be in helping Member States to address the challenges related to the migrant crisis.

Limitations of European structural and investment funds

One of the main problems raised by both stakeholders and institutions is that of the **limited amount of resources available**. Several voices in the debate have called for an increase in the amount of funding to help Member States address migrant-related challenges. In its December 2015 [opinion](#) on the European Agenda on Migration, the European Economic and Social Committee (EESC) calls on the Commission to make efforts to provide Member States with more resources through the partnership agreements concerning structural funds to channel more ESF and ERDF funds towards managing the migration flows and integration effort. In a similar vein, the EESC's [opinion](#) on the Integration of refugees in the EU, adopted in April 2016, argues that EU funding, including the ESF, should be adjusted according to how much Member States have to shoulder the responsibility and cost of integrating refugees.

There have also been numerous calls for the **local and regional level to have direct access to funding** in this area. In a December 2015 [resolution](#), the Council of European Municipalities and Regions (CEMR) regrets that no specific resources have been set aside to properly address the challenges at local and regional levels, and calls for more resources to be allocated to integration measures at local and regional level within the Multiannual Financial Framework (MFF) revision process in 2016. This issue has also been highlighted by the EU's advisory committees. In its December 2015 [opinion](#) on the European Agenda on Migration, the Committee of the Regions (CoR) regrets that the communication does not sufficiently address the issue of resources available to local and regional authorities to allow them to fulfil their obligations where migration and integration are concerned, ensuring they have access to national and EU funds. The EESC, meanwhile, in its 2016 [opinion](#) on Integration of refugees in the EU, argues that the ERDF should work with extra resources for urban areas which implement arrangements required for the reception and integration of refugees.

Another issue is the **low level of involvement of local and regional authorities in decisions on the allocation of structural funds** to support the integration of migrants. Since much of the funding is distributed by national governments, it is often difficult for urban areas particularly affected by the crisis to deliver results quickly. A [report](#) by the Eurocities network points to the often slow response on the part of national governments to the plight of urban areas in addressing the migrant crisis. The report notes that cities should be able to identify their own priorities and target groups as they are best placed to decide what is needed to support integration. Similarly, the CoR's recent draft [opinion](#) on the action plan on the integration of third-country nationals calls on the Commission to take account of the needs of local authorities, who are immediately confronted with the challenges arising from migration. In addition, the process of accessing ESIF funding remains an often **complex, bureaucratic and lengthy process**. Beneficiaries often continue to face difficulties in accessing funds, a point raised in a 2016 [paper](#) by Eurodiaconia on the use of the ESF, which highlights the massive administrative burden for NGOs, stressing that the whole application and reporting procedure for ESF projects is too complex and lengthy, affecting small NGOs which do not have the resources to

prepare project applications or contribute their own funds to large-scale projects. The lack of a long-term approach is also a problem: activities carried out by NGOs through EU funding are often project-based, which means that there is no structural or long-lasting cooperation between the NGOs involved and the regional or federal governments, an issue highlighted in a 2016 [report](#) by the European Migration Network on the integration of beneficiaries of international/humanitarian assistance into the labour market. This problem is arguably compounded by the often limited administrative capacity of local and regional authorities, a further issue that represents an obstacle to the successful channelling of ESIF resources towards migrants and refugees. ESIF programmes can be bureaucratic and burdensome, yet the nature of the current migrant crisis is such that it requires decisions on the ground to be taken quickly in order to ensure that help can reach the people most at need as soon as possible. As places where people and resources congregate, urban areas can provide unique opportunities for making progress towards the EU's objectives, including social inclusion and the integration of migrants.

The Urban Agenda for the EU

Recent years have seen calls for cities to be given a greater role in the design and roll-out of EU policies and for policymaking to take greater account of the urban reality, leading to the development of a common framework of action – the [Urban Agenda for the EU](#). Launched in May 2016 with the adoption of the [Pact of Amsterdam](#), the [Urban Agenda](#) identifies 12 main themes vital for the development of urban areas, including one on the inclusion of migrants and refugees. The main instrument for delivering the urban agenda are the [partnerships](#) set up for each of these 12 themes, an innovative form of cooperation that sees cities, Member States, EU institutions and other stakeholders work in partnership to identify the key issues to be addressed to enhance the urban dimension in a given policy area. Lasting three years, each partnership prepares and implements an action plan which identifies bottlenecks and puts forward proposals for strengthening the urban dimension, focusing on three areas: **better regulation**, **better use of financial instruments**, and **better knowledge exchange**.

Partnership on the Inclusion of Migrants and Refugees

Coordinated by the City of Amsterdam, together with the European Commission's Directorate-General for Migration and Home Affairs, the partnership on the [Inclusion of Migrants and Refugees](#) establishes a framework to manage the integration of non-EU migrants and refugees in the areas of housing, public services and employment. It examines the policy challenges of the migrant crisis over the medium and long term, focusing in particular on the issue of inclusion and integration. Five main themes have been outlined: work and entrepreneurship, housing, reception and community-building and, lastly, vulnerable groups, and examines issues such as early integration measures to promote fast access to the labour market, the prevention of segregation and how to foster community-building. The partnership brings together the cities of Barcelona, Athens, Helsinki, Berlin and Amsterdam, with national level participation from Denmark, Italy, Greece and Portugal and the involvement of stakeholders such as Eurocities, the European Council for Refugees and Exiles and the CEMR. It is to publish a final report on its results by the end of 2018.

Crucially, these partnerships are far more than just platforms for discussion: they can make an active contribution to the design of future policies and the revision of existing measures. The inclusion of migrants and refugees is among the four pilot partnerships launched in November 2015 as a testing ground for the new framework, alongside the partnerships on [Housing](#), the [Urban Poverty](#) partnership and [Air Quality](#). The potential role of the Urban Agenda in promoting the integration of migrants has been recognised

in the European Commission's 2016 [Action Plan](#) on the Integration of Third-Country Nationals, which notes that the partnerships provide a framework for cities, Member States and other stakeholders to exchange experiences and best practices on the urban dimension of diversity and migration and identify concrete actions. Although the inclusion of migrants is just one part of the Urban Agenda, it has the potential to improve the integration of migrants by devising model solutions which can be rolled out EU-wide.

Urban Innovative Actions

Introduced under Article 8 of the ERDF, Urban Innovative Actions (UIAs) make funding available for urban authorities, providing them with a low-risk means of testing experimental solutions in the area of sustainable urban development, which can then be rolled out across the EU. Directly linked to the themes of the Urban Agenda, [Urban Innovative Actions](#) support the Urban Agenda by helping to identify solutions in the field of sustainable urban development in the same 12 thematic areas, and tie in with the thematic objectives under the ERDF. With a total budget of €372 million over a seven-year period, UIAs are open to urban authorities (or groups thereof) of over 50 000 population and have a maximum project duration of three years, with a cap of €5 million available for each project. The **integration of migrants and refugees** was included among the [four topics](#) of the first [call for proposals](#) for UIAs launched on 15 December 2015. Over 300 projects proposals have been submitted as part of this process, covering all four topics, and between 18 and 20 projects are expected to be funded in total. In addition, the integration of migrants is also one of the three topics under the [second call for proposals](#), due to be launched in November 2016, highlighting the importance of this issue for urban areas. The amount of funding available for UIAs is relatively modest, however: the idea is that such projects will represent a first step in putting forward ideas which can then be further developed at EU level to improve the integration of migrants.

The role of Interreg in addressing migration

Funded by the ERDF, actions in the area of European territorial cooperation (Interreg) can help address the migrant crisis by fostering institutional and administrative cooperation between EU and non-EU countries or funding medium-term inclusion projects promoting the integration of migrants into the labour market. This was emphasised by the General Affairs Council [meeting](#) of 17-18 November 2015, which noted that Interreg programmes can help respond to migration challenges, and recognised the potential role of the Espon and Interact programmes in supporting Interreg managing authorities. In this light, Interact has recently launched a [pilot action](#) which will establish an exchange and cooperation network between Interreg, Interreg IPA and ENI cross-border programmes, and establish guidelines for Interreg projects on migration.

European Parliament

Parliament played a key role in highlighting the importance of social inclusion during the negotiations on the 2014-2020 cohesion policy package, with its [achievements](#) in the previous parliamentary term including successfully defending the Commission's proposal to allocate a minimum of 20% of resources under the ESF to social inclusion, which also supports the integration of migrants. It has also been actively involved in recent discussions on the migrant question. Its [resolution](#) of 24 November 2015 on cohesion policy and marginalised communities, which include migrants and refugees, stressed the key role of cohesion policy for their inclusion, highlighting the importance of non-discrimination and of enforcing the partnership principle, noting that EU-funded projects need a long-term perspective to be effective. Parliament argues that Member States

should take full advantage of the possibilities offered by funds supporting integration such as the ESF and the ERDF, in its [resolution](#) of 12 April 2016 on the situation in the Mediterranean, noting also that better recognition of foreign qualifications could improve the integration of third-country nationals and that local and regional authorities, including cities, have a key role in integration processes. In recognition of this role, the Parliament [resolution](#) of 5 July 2016 on refugees emphasises that local authorities, among others, should be given direct financial support for measures facilitating the swift integration of refugees and asylum-seekers into society, and calls on the Commission to consider introducing a minimum share of 25% of the cohesion policy budget for the ESF in the revision of the MFF. In a similar vein, the [resolution](#) of 6 July 2016 on the preparation of the post-electoral revision of the MFF also draws attention to the importance of the structural funds in the context of current migration challenges, noting that structural funds can also provide a valuable contribution to the arising challenges, such as the consequences of the refugee crisis, highlighting once again the key role of the ESIFs in addressing the migration issue.

Outlook

With current political discussions on the revision of the 2014-2020 MFF for highlighting the need for more funding to support the inclusion of migrants, and the [Slovak Presidency](#) of the Council of the EU committed to continuing work on the issue of the integration of third-country nationals, including the adoption of Council conclusions, the integration of migrants looks set to remain high on the political agenda. Developments such as the Urban Agenda and Urban Innovative Actions have provided new opportunities for towns and cities to support the integration of migrants, with the Agenda on Migration re-emphasising the role of cohesion policy, yet questions remain as to how much the ESIFs can achieve given the limited resources available. Moreover, with these new opportunities come new risks. A delicate balance needs to be struck to ensure that new measures to support migrants do not come at the expense of the needs of other marginalised groups, the political and social consequences of which could be devastating.

Main reference

[Labour Market Integration of Refugees: EU Funding Instruments](#), European Parliament, Policy Department A, February 2016.

Endnote

¹ 2014-2020 ESF operational programmes for Bayern, Berlin, Brandenburg, Hamburg, Nordrhein-Westfalen, Rheinland-Pfalz, Saarland and Schleswig-Holstein.

Disclaimer and Copyright

The content of this document is the sole responsibility of the author and any opinions expressed therein do not necessarily represent the official position of the European Parliament. It is addressed to the Members and staff of the EP for their parliamentary work. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

© European Union, 2016.

Photo credits: © Frank Gärtner / Fotolia.

eprs@ep.europa.eu

<http://www.eprs.ep.parl.union.eu> (intranet)

<http://www.europarl.europa.eu/thinktank> (internet)

<http://epthinktank.eu> (blog)

