

## Technical Workshop on Integrated territorial Development for Social Inclusion

December 5, 2013, Bucharest

### Summary

The increasing social and territorial exclusion of poor and vulnerable populations across the continent are among the key issues facing European government and societies today. It is estimated that 20 million people (or 4% of the total European population) are living in poverty and exclusion today, and the 2020 Strategy has set as its social inclusion indicator the betterment of the conditions of these disadvantaged people. Roma communities are particularly affected by the processes of social polarization and territorial segregation. They are disproportionately represented among these 20 million people whose precarious fate the Europe 2020 strategy aims to overturn. In addition, Roma are also highly overrepresented in the most disadvantaged micro-regions and in segregated neighborhoods appearing on poverty maps.

Poverty is increasingly recognized as a multi-dimensional result of multiple dynamics of exclusion, and as distributed unevenly in space. Hence, in the quest to achieve smart, sustainable and inclusive growth, the integrated territorial approach to development applied to tackling the phenomenon of area-based poverty and exclusion, is now on the foreground of discussions about policy programming and implementation.

The technical workshop on Integrated territorial (area based) Development for Social Inclusion was organized on the occasion of introducing UNDP's knowledge product providing a conceptual and methodological approach to integrated planning and implementation based on the LDMR model from Hungary. The document provides a set of tools designed and tested in UNDP models on Area-based Development (ABD) for Social Inclusion to be used to the EU 2020 programming processes at the national and local level in Roma-populated countries in the region. The LDMR programme was presented in focus as a UNDP case from Hungary. During the LDMR programme UNDP intensively contributed to the policy and the programming part of the ABD for inclusion in Hungary.

The event gathered experts from DG REGIO, United Nations Development Programme, World Bank, United Nations Children's Fund, International Organization for Migration, Open Society Foundations, Soros Foundation Romania, the LDMR Programme and Civil Society Development Foundation (FDSC). A lively discussion and exchange among stakeholders on integrated planning and practices for social inclusion resulted. Among them were questions on clarifying the ITI and CLLD model limitations and provide ideas on how to improve the social inclusion framework for the next programming period.

#### DISCUSSION:

**Integrated development:** A large part of the discussion centered on the concept of integrated development and planning, and how the 'integrated approach' could be understood, implemented and captured in the planning processes.

There was a shared appreciation and recognition of the importance of UNDP models for the next programming period 2014-2020. Highlighting the importance of integrated approach for future interventions supported by UNDP, Mr. Marton Matko, Seconded National Expert, DG REGIO, European Commission, underlined that the sectoral approach (specific to 2007-2013 period) is able to create only punctual interventions. And while the integrated approach could drive to coherence and integration of planned actions, it will not decrease the role or replace the sectoral approach – for instance, overambitious objectives CLLD can enhance local capacities to empower communities and implement small scale infrastructure complementing but not substituting sector policy interventions.

Still, most of the discussants agreed that punctual interventions – as building houses for disadvantaged people - are not sustainable, real solutions. Mr. Lorin Niculae, Head of Community Building Unit, Soros Foundation Romania, provided a vivid visual parallel of the two paradigms of social housing interventions in the Romanian context, an analogy arguably extendable to the wider region). These include, on the one hand, the by-now classical Instrumental paradigm powered by local authorities, and on the other the Participatory Paradigm supported by advocates of integrated local development. The first is characterized by a top-down, non-participatory, usually economic interest-driven interventions formulated by a normative and prescriptive approach. Such interventions, numerous in the last two decades, have typically led to gentrification, site clearance, community dissolution, alienation and segregation. By contrast, the Participatory paradigm is based on building consensus and partnerships through integrated programming, with a focus on resource creation, local labor, sustainability and ownership. Mr. Niculae presented examples of successful social housing initiative facilitated by the Soros Foundation Romania in several counties (among them Prahova, Neamit, Calarasi), where a special approach to architecture for vulnerable groups and urban planning for communities has fostered community empowerment, local economic development and social economy, identity and solidarity.

Mr. Kalman Mizsei, Chairman of the Board, Making the Most of EU Funds for Roma, Open Society Foundations, specifically underlined the importance of support social services as a key component to integrated local interventions. Mr. Eduard Petrescu, Policy and Knowledge Coordinator, UNICEF, gave an example of the basic package of integrated service at community level, and stressed the importance and efficiency of early intervention programs and the focus on prevention.

The integrated approach is most naturally aligned with the territorial approach, identifying most disadvantaged micro-regions, localities and segregated neighborhoods will enable a simultaneous targeting of marginalized Roma communities beyond having identified the most serious pockets of poverty. The approach will allow for the “explicit but not exclusive” targeting of Roma communities.

**Territorial instruments (ITI / CLLD):** With the recognition of the imperative of the territorial approach, with territorial strategies having been introduced as ex-ante conditionality next to sectoral strategies as one of the main changes of the 2014-2020 cohesion policy, discussion focused mainly on the two main territorial instruments proposed by the EU: the ITI (Integrated Territorial Investments) and the CLLD (Community led local development).

Mr. Matko's presentation held in the first part of the workshop clarified the two tools: ITI draws funding from more than one priority axis of one or more Operational Programmes for a functional area at a predefined sub-national level. Its main advantage lays in its ability to ensure that number of priorities and resources allocated to an ITI are proportionate and reflect to the need of the territory—thereby benefiting from synergies using different funds in a timely, strategic way leading to better aggregate outcome. The selection of the ITI areas it is not competitive (calls for proposals), but shall be proposed by the government and negotiated with the EC in the programming stages of the new 2014-2020 EUSI programming period.

The CLLD is focused on specific sub-regional territories (urban, peri-urban, urban rural)—having a more precise delineation in terms of territorial scale (defined by EC as areas encompassing between 10 000 and 150 000 inhabitants, exceptions being accepted). It comprises interventions led by local action groups composed of representatives of public and private local socio-economic interests, with no majority partner, and which are carried out through integrated and multi-sectoral area-based local development strategies. Its main advantage lies in its being driven by local needs and potential, and it includes networking and (where relevant) cooperation. One of the main challenges associated with CLLD however, which the group discussion addressed in part, was the lack of capacity time and effort to set up LAGs where CLLD could make a real difference (e.g., deprived neighborhoods).

The discussion then centered on the ways of implementing territorial strategies – while CLLD was clearly seen as the more viable option in terms of the implementation, ITI can itself have CLLD as one component (e.g., urban strategy ITI with specific neighborhood targeting through CLLD). The conclusion among the workshop participants was that in all cases, the consistency has to be ensured between ITI and CLLD strategies to ensure meaningful outcomes and sustainability of results.

**Community coaching:** Many of the questions raised were directed at the presentation of the developmental approach as presented by UNDP on the former LDMR programme (at its basis, and as a main outcome of the model prototype project of Cserehat which the UNDP implemented 2005-11). Particular focus in the questions of participants was given to inquiry and explanation of the community coaching method - what is coaching, why it is important, where and for how long is it viable. Community coaching as a development tool was subsequently elaborated on by the UNDP team, with the active contribution of coaches from the UNDP pilot initiatives in Romania present on the workshop.

Community coaching is a development tool to encourage the communities and their members to achieve their full potential and to accumulate social capital by working together, taking a holistic view of society and working to balance the economic, the environmental, the spiritual, and the political forces that constitute it. The coaching work is founded on a bottom up approach; it is about (re)establishing links of trust, self-confidence, and the local capacity for (self-) organization and self-representation. To evaluate local needs and resources, to understand people's visions of the future, foster the re-organization, and on the basis of this do the design and planning of concrete interventions. Community coaching is the component of the integrated model as formulated by UNDP which in addition to the more general approach to the fight against poverty and exclusion, ensures the addressing of some of the specifics of Roma as a group, who as poorest of the poor and have been least reached by the various inclusion

programmes, and ensures a special means and method for the involvement of the Roma population in the development process (mobilizing them to become actors in their own development). Ensuring targeted communities' involvement is critical as it makes viable and responsive intervention possible, one the local public can identify with. In turn, failing to involve those who are directly affected by a particular intervention in its implementation typically produces further isolation instead of support or better understanding.

In addition to ensuring the active participation of those most marginalized, the approach creates bases for strengthening the involvement of all stakeholders, and the better communication and alignment among them. The coaching approach promotes coordinated interventions at all levels of society, with community coaches working on the level of the local authorities and institutions with responsibilities in social inclusion; and importantly on the level of the majority community to reconsider anti-Roma attitudes. Such multi-layered work is paramount for the achieving of the desired social transformation. Finally community coaching based on experience from the UNDP pilot programming where it was established as a development tool, requires a necessary timeframe of a minimum of 6-9 months, and ideally 1-2 yrs in order to reach meaningful, sustainable results.

**The Romanian context:** Three representatives of the Romanian Government attended the workshop event and contributed to establishing a common platform for stakeholders of integrated planning in Romania - Mr. Gabriel Friptu, General Director, General Directorate for European Programmes, Ministry of Regional Development and Public Administration, Ms. Elena Dobre, Deputy Director, Social Assistance General Directorate, Ministry of Labour, Family, Social Protection and Elderly, and Ms. Oana Zet, Directorate for Analysis, Programming and Evaluation, Ministry of European Funds. Mr. Friptu acknowledged the remaining learning and work in achieving a more integrated approach to social interventions for the Romanian Authorities both on national/policy level and local level and underlined the importance of World Bank and UNDP support offered to the Romanian Government.

Part of the workshop discussion therefore focused on addressing programming issues specific to the new programming for the 2014 – 2020 EUSI for Romania. The following topics presented a particular interest for the representatives of the Romanian Government:

(i) The involvement, commitment and participation of local authorities in these types of integrated development interventions. In the current programmatic period, the local authorities had shown an inclination toward infrastructural projects in detriment of soft interventions. Projects with concrete outputs, such as buildings, urban infrastructure and even social support infrastructure were seen as more easily implementable by the local authorities. Even where the financing conditionality imply the existence of an Integrated Urban Development Plan (as in the case of urban growth and urban development poles), despite the fact that projects were present, the actual implementation showed significant discrepancies between the two types of projects. A possible solution envisaged by the ministry was to limit the available financing options for the local municipalities for either a general/individual project approach or for an integrated approach. As practice, the LDMR model provided both opportunities and the experience showed that out of 33 authorities only one needed a

substantial advocacy work for the approach, as explained by Ms. Marta Marczis, Chief Technical Advisor of UNDP Regional ABD Initiative for Social Inclusion and Mr. Frigyes Janza, former Project Manager of the LDMR Programme in Hungary.

While the lacking interest and political incentive, and the lacking required human resource capacity of local authorities was likewise one of the fundamental challenges facing the LDMR program in Hungary, what contributed to overcoming these was firstly the use of soft communication, instead of campaigns, and also the explicit financial incentive embedded in the pre-determined funds for development for the selected 33 micro regions participating in the program, which most local officials found difficult to discard as an option, and provided impetus for engaging in the process and laying the basis for integrated interventions there. Most importantly, the preparatory work completed in frame of the UNDP project in the Cserehat micro region (with a population of 100,000) at the time of the most disadvantaged micro regions, in Northeast Hungary, served to ensure that there was sufficient local capacity and motivation on the side of both local communities and authorities/ institutional level. The programme had success in 90% of the 114 communities of the Cserehat where it was implemented. A dedicated unit for the programme with appropriate decision mandate was an effective solution to the general inflexibility of managing authorities to deal with bottom-up needs.

(ii) The challenges of budgetary allocations for each individual integrated project, a topic of critical concern to the Romanian government at present stage in the EUSI Framework.

In terms of the evaluation of budgeting for different operating programs and for the different regions—the territorial distribution of resources and the question of its determination—in the example from Hungary, most important was the fact that funds were pre-allocated and integrated projects were pre-approved, so that there was not real competition among them, instead the focus was placed on ensuring quality of preparation and implementation.

The discussants summarized that the LDMR Programme had a special unified methodology to the integrated planning process. The integrated financing mechanism was based on a special financial plan and techniques on allocating funds from different Operational Programmes (OP) (from four different Structural Funds and the rural development fund) for complex local development in the 33 target micro-regions, home to 10% of the total Hungarian population and 30 % of Hungary's Roma population. The micro-regions were pre-identified as the most disadvantaged micro-regions out of 5 categories of the NUTS4 level, classified on national level by reference to a special complex Human Development Index (HDI) consisting of 40 special indicators. Participatory based, inclusive and integrated local development action plans were created by each of the 33 local action groups in each region, with each integrated local action plan including 200 project fiches pre-prepared at the local level with help of the consultants, 100 of which were pre-approved at the time of approval of the local action plans. Consequently, the project owners had to answer the calls of the relevant OPs, but the projects did not compete against each other, as the financial sources were pre-allocated to the given project by the approval of the action plan—ensuring the access to funds and the increased absorption capacity of the most disadvantaged groups. The program's total pre-allocated budget approximated EUR 324million, 1/3 of which was distributed

evenly, 1/3 according to the number of inhabitants and 1/3 according to the number of settlements. Each micro-region was thus able to plan for and access an amount ranging from EUR 4.8 to 15.9m. The Hungarian example was therefore a successful example of the balancing of targeting afforded through the territorial approach, ensuring the principle of social inclusion of “explicit but not exclusive targeting”.

A large part of the discussion on territorial targeting and setting priorities for allocations under the new programming period was inspired by the presentation and findings of the World Bank project by Ms. Manuela Stanculescu, project expert. The aforementioned project focuses on developing indicators for identifying the marginalized urban communities in Romania and providing an indicative poverty map based on (2011) Census data. The data is validated through a participatory qualitative research conducted in 10 cities. By the end of the project, each of the targeted typologies of urban areas will have a particularized model of integrated development, models planned to be financed through the next programming period EU Funds. These models aim to establish guidelines contributing to the planning and design of improved policies for urban inclusion.

The World Bank study introduced a typology of marginalized areas, offering a tentative ‘roadmap’ for direction of funds. Participants agreed that funding should indeed be mostly focused on marginalized areas (defined as having poor access to infrastructure, lacking employment *and* lacking human capital). Marginalized areas to be targeted by successful urban integration strategies in the context of Romania include: the 'ghetto' areas of low quality blocks of flats or former workers’ colonies; slum areas of houses and/or improvised shelters; modernized social housing; historical city areas.

**In conclusion**, participants agreed that marginalized/disadvantaged municipalities should be supported in developing integrated territorial development interventions. Following the experience from successful model pilots to date, a programming framework formulated on the basis of the integrated territorial approach would provide for the effective localization and sustainable implementation of National Roma Integration Strategy in Romania and respective strategies in the other concerned countries, while also addressing the current imbalance of the allocation of EU resources for economic development with social inclusion concerns.