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ReSOMA Discussion Briefs aim to address key topics of the European migration and integration debate in a timely matter. They bring together the expertise of stakeholder organisations and academic research institutes in order to identify policy trends, along with unmet needs that merit higher priority. Representing the first phase of the annual ReSOMA dialogue cycle, nine Discussion Briefs were produced, covering the following topics:

- hardship of family reunion for beneficiaries of international protection
- responsibility sharing in EU asylum policy
- the role and limits of the Safe third country concept in EU Asylum policy
- the crackdown on NGOs assisting refugees and other migrants
- migration-related conditionality in EU external funding
- EU return policy
- the social inclusion of undocumented migrants
- sustaining mainstreaming of immigrant integration
- cities as providers of services to migrant populations

Under these nine topics, ReSOMA Discussion Briefs capture the main issues and controversies in the debate as well as the potential impacts of the policies adopted. They have been written under the supervision of Sergio Carrera (CEPS/EUI) and Thomas Huddleston (MPG). Based on the Discussion Briefs, other ReSOMA briefs will highlight the most effective policy responses (phase 2), challenge perceived policy dilemmas and offer alternatives (phase 3).

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Discussion Brief

Cities as providers of services to migrant populations*

1. Introduction

Cities are where integration measures and public services are provided to a vast majority of migrants and refugees in the EU. Whether services are available, accessible, affordable, of high quality and respond to needs across all relevant issue areas, is a key determinant for long-term integration. However, the ability of local authorities to deliver services depends on their national contexts, such as cities’ legal competencies in different policy fields, the strength of the welfare state, efficient coordination with the national or regional levels of government, and cities’ financial capacities.

In this context, EU policies and programmes offer multiple opportunities to improve or widen the scope of services provided by cities. Next to targeted means under the EU migration and integration framework, migrants may gain from programmes linked to EU cohesion, social inclusion and other policies, as they are implemented in Member States.

The 2015/16 arrivals brought to the fore issues like direct access to funds for cities receiving high number of migrants and refugees, priorities for integration, eligibility criteria and timely reaction to newly arising needs. Moreover, EU law directly impacts on the de-facto access immigrants have to key services, such as EU directives on the reception and status of beneficiaries of international protection, or the anti-discrimination framework.

Currently, the Urban Agenda for the EU is a major joint initiative of the Commission, Member States and cities to render EU policies responsive to the needs of the local level, and for strengthened participation of cities in EU policy-making. In addition, decisions on the 2021 to 2027 financial and programme framework will determine the availability of EU means to support the provision of services and integration measures on city level.

2. Scoping the debate

Cities, key independent actors in the integration field. Cities have a central and peculiar role in immigrant integration. Local authorities are among the first points of contact with the arrival state, providing a range of basic services necessary for settling down. Housing, early childhood education, care for the

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elderly, policies to combat poverty or social exclusion and local economic development are public services that play a key role in integration trajectories and for which many cities have direct responsibilities. While the specific constitutional and policy context of Member States defines the possibilities and boundaries of urban-level action, all cities have a wide playing field to improve integration prospects and make use of the fact that municipalities are the level of government closest to the citizens: They can adapt their own services to the needs of immigrants, coordinate among local branches of services overseen by higher levels of government to better align access (typically education, vocational training, employment and health), and develop their own language learning and orientation activities.

In particular, cities can play a key communication and leadership role for community building among newcomers and citizens, and for influencing the social climate in which reception and integration take place. Indeed, cities have often played a forerunner role in their countries in the integration policy field. Well-known examples of cities that historically have introduced their own integration policies to compensate for the lack of a national policy include Birmingham, Bradford, Berlin, Frankfurt, Basel, Zurich and Vienna. More recently, it is no coincidence that disproportionately high numbers of cities in Greece, Italy, Poland or Spain (including e.g. Athens, Barcelona, Gdansk, Thessaloniki, Turin and Warsaw) have been developing their own frameworks to compensate for patchy policies on national level (Ambrosini 2017, Camponio & Borkert 2010, CLIP 2009, 2010, Dekker et al. 2015, De Graauw & Vermeulen 2016, EUROCITIES 2016, 2017a,d, Glick-Schiller & Caglar 2009, OECD 2018a-d, Penninx 2014a,b, Schmidtke 2014).

**Multi-level dynamics shaping cities’ activities.** Nevertheless, the national context remains decisive for cities’ actual capacities to implement effective integration measures and their room of manoeuvre (Jorgensen 2012, Kasli & Scholten 2018a,b, Martinelli 2014). Key socio-economic policy domains like education, health or employment are governed through intricate arrangements involving various levels of government in most countries. Cities may have full autonomy, shared competencies, discretion in implementation, stakeholder status, or no leeway at all.

Quite often policies are regulated and financed from the national level, while service delivery is managed by regional or local authorities. Educational institutions (e.g. the Netherlands), social housing (e.g. Austria) and labour market services (e.g. Sweden) are the policy areas most prone to decentralization, but strong variation persists across Europe. In several countries generic, migrant-specific national integration polices that focus on language and ‘citizenship’ acquisition are implemented – according to national rules – also at the local level.

A recent development has been a shift to employment services as key actors for co-ordination and implementation of integration measures (e.g. in Sweden and Germany; OECD 2017, 2018e, Rietig 2016,
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Brännström et al. (2018), with strong regional/local governance implications. Overall, the interconnectedness of cities with higher levels of government will only increase the more migrant integration is recognized as a task across these socio-economic policies.

**Elevated role of cities during and after the 2015/16 arrivals.** The 2015/16 arrivals confirmed in numerous cases that cities tend to have a specific and pragmatic ‘urban’ approach to migration and integration, marked by hands-on solutions, flexibility when faced with newly emerging needs and inclusive policy objectives in the long term. The crisis response illustrated municipal and civic capabilities to independently organize e.g. accommodation, health care and education solutions, even in the near-absence of a national response (EUROCITIES 2016, 2017a,d, ESPON 2015, FRA 2018, OECD 2018a). More recently, cities in countries like Greece, Poland, Spain, Austria or Italy have ended up in outright opposition to their national governments, which they accuse of neglecting integration objectives, or even pursuing ‘negative integration’ and cuts in welfare spending for recently arrived asylum seekers where national governments remained lukewarm, as for example Barcelona or Gdansk.

On the other hand, national governments insist on their prerogative in integration policy-making and managing migration, and their responsibility to devise admission and residence policies. Furthermore, tensions regularly arise in circumstances where national policies require cities to implement certain policies or measures – be it compulsory language courses or refugee housing – without allocating adequate funding. Thus, cities’ relationship with central governments easily becomes conflictual, as the local level must bear consequences of policy decisions taken on higher levels. In 2015/16 as well, municipalities eventually had to deal with the outcome of longstanding national (and EU) policies on asylum and borders.

**EU funding for local level integration measures.** EU instruments and policies have had an important role in helping cities to provide services to immigrant populations. Even before the launch of a formal EU integration policy framework with the 1999 Amsterdam treaty, cities made use of e.g. the EQUAL programme, ESF or the URBAN Community Initiative to address integration-related issues. Today, cities are extensively drawing on EU programmes, with AMIF funds dedicated to the integration of legally residing third country nationals and Structural Funds (in particular ESF and ERDF) constituting the main sources. With at least 20% of AMIF national programmes earmarked for integration and at least 20% of ESF spending foreseen for social inclusion, combating poverty
and any discrimination (next to the ESF’s main thrust of supporting employment). Member States potentially have important levers for fostering immigrant integration at the local level at their disposal in the 2014 to 2020 programme period.

Beyond these major funding sources, a range of EU programmes are relevant for the integration of refugees and migrants on local level, including FEAD, Erasmus+, EaSI, REC, Europe for Citizens, and COSME (EC 2015, 2018h, Urban Agenda 2018). That said, the relative importance of EU funding for migrant integration varies strongly among Member States. While in traditional destination countries EU support is rather supplementary to wide-ranging national spending on integration, in many other Member States the EU incentive is a key component of integration support, with at least six countries not using national funds at all. (ECA 2018a).

**Recognition of local level role in EU integration policies.** The emerging EU integration policy framework has acknowledged the role of cities as key integration actors at an early stage. The 2004 Common Basic Principles for Immigrant Integration Policy in the EU (CBPs), agreed by all Member States, stress the local level with regard to the participation of immigrants in the democratic process and policy-making (CBP 9), as well as the mainstreaming of integration in all relevant policy portfolios and public services (CBP 10; CEU 2004).

The 2007 edition of the EU Handbook on Integration for policy-makers and practitioners included sections on housing in the urban context and local integration structures (EC 2007). The European Agenda for the Integration of Third-Country Nationals, a Commission communication adopted in 2011, highlighted more action on local level as one of its three main focal points, aiming for an integrated approach to disadvantaged urban neighbourhoods, improved multi-level coordination in the integration field and EU financial support to local action (EC 2011).

To support local authorities in their endeavours and strengthen capacities for mutual learning and knowledge exchange, the Commission has contributed conceptually and financially to projects like the Intercultural Cities (ICC) network launched together with the CoE in 2008, or the Integrating Cities network started in 2006 with its Charter from 2010 now signed by 37 cities.

Generally, the EU integration agenda, driven by the Commission service that is today’s DG Migration and Home Affairs, has considered local authorities obvious partners for advancing comprehensive policies across the EU. As the involvement of the local level with EU policies and funds in the migrant integration field grew, however, debates and controversies emerged as well. Concerning EU funding instruments recurrent problems from a city perspective have included e.g. lack of access to the funds, mismatch of EU objectives with cities’ needs, little or no involvement in Member States programme planning and implementation processes, heavy administrative burdens or limited flexibility of programmes. Cities have also
questioned the impact of EU policies on their ability to provide integration-relevant services of general economic interests, like public housing, or to invest in social infrastructures, especially due to the cuts on public budgets affecting the local authorities.
3. EU policy agenda


Published in June 2016, the Action Plan on the Integration of Third Country Nationals represented a major response of the European Commission to the high numbers of arrivals seen since 2015 (EC 2016a). Across EU policy fields and their related funding instruments, more than 50 specific EU actions were presented to be implemented in 2016/17. They aim at fostering integration through measures in the education, employment and vocational training, accommodation and health, participation and social inclusion, as well as pre-departure/pre-arrival fields. While many of the activities have a clear local-level implication, the Action Plan stressed the importance of multi-level coordination and the inclusion of urban authorities for achieving effective implementation in Member States. In particular, the Commission encouraged an integrated approach that combines the provision of housing with equitable access to employment, healthcare and social services.

In addition, the renewed stress on the role of the local level was to be reflected in the European Integration Network (EIN), replacing the existing Network of the National Contact Points on Integration which mostly had included national level organisations. By opening up for regional/local authorities and civil society organisations, the network became more inclusive and got a stronger mandate for mutual learning, such as study visits, peer reviews and workshops on specific aspects.

Likewise mentioned in the Commission Action Plan, the Urban Agenda Partnership on Inclusion of Migrants and Refugees has been operational since 2016. Conceived as a new approach to improving cities’ role in EU multi-level governance, the Urban Agenda for the EU is organised around topical partnerships that each bring together selected cities, urban stakeholder organisations, Commission services and selected national governments (EC 2017b). Not the least due to the urgency of the matter, the Partnership on Inclusion of Migrants and Refugees was launched as one of the new format’s piloting partnerships, led by the City of Amsterdam. In a deliberative process including expert outreach events in 2017, key bottlenecks were defined and 8 actions adopted that aim for ‘better regulation, better funding and better knowledge’ for implementation in 2018/19. They include measures such as a joint position on the future of integration-related EU funding, to feed into Commission considerations in 2018, a newly-established European Migrants Advisory Board, and recommendations for the integration of unaccompanied minors (Urban Agenda 2017).

3.2. The post-2021 agenda: MFF proposals

Experiences since 2015 and local level issues with EU funding instruments in a period of newly arising needs for the integration of refugees and migrants have informed Commission preparations for the upcoming Multiannual Financial Framework (MFF), i.e. the 2021 to 2027 EU programme and funding period. A comprehensive spending review to help design the future long-term budget and its
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priorities analysed, among others, potentials for streamlining and synergies, simplification of rules, more flexibility for unforeseen developments, as well as improved performance and measurement of EU programmes. Specifically, it highlighted the need to increase synergies in supporting integration objectives through the Structural Funds on the one hand and the AMIF on the other hand (EC 2017a, 2018b, ECA 2018b).

Contributing to the debate on the future MFF, the European Parliament in a March 2018 resolution emphasized simplification, harmonisation of rules and reduction of administrative burdens; and spending levels appropriate to the Union’s increased tasks including a comprehensive asylum, migration and integration policy. The EP position included a dedicated AMIF instrument, complemented by contributions to the integration of refugees and migrants under other policies (especially the Structural Funds), but also cultural, educational, youth and sports programmes. In addition, the EP asked the Commission to assess whether the role of European cities within the European asylum policy could be strengthened (EP 2018a).

The eventual Commission proposals for the 2021 to 2027 MFF, published in May and June 2018 (EC 2018c-g), include the following key changes relevant for the integration of migrants and refugees on the local level:

- Structural Funds will continue to be spent and programmed across all, including higher developed, EU regions; ensuring that all Member States are covered by ERDF- and ESF-sourced programmes that offer funding opportunities for migrant integration.
- The merging of the ESF, YEI (Youth Employment Initiative), FEAD, EaSI and Health Programme into one fund, the ESF+, with the goal of a more comprehensive, less fragmented overall instrument in the social policy area aligned with the European Pillar of Social Rights, including higher responsiveness to unexpected challenges. At least 25% of national ESF+ would have to be earmarked for social inclusion and fighting poverty; with at least 2% dedicated to measures targeting the most deprived.
- The European Social Fund is to become, as ESF+, the major EU funding source for medium and long-term integration, with a newly established programme priority (‘specific objective’) that includes the promotion of the socio-economic integration of third country nationals. Member States will have to address the objective as part of the overall 25% allocation of national ESF+ funds to the social inclusion policy area.
- The abolition of the option for Member States to programme and implement the ESF on regional level, which will affect 8 Member States (including the 5 largest post-Brexit) that made use of the provision in the 2014 to 2020 period. The intended stronger use of ESF+ as an instrument to support EU-inspired national reform policies may be a major reasoning behind this change.
- Simultaneously, the restructuring of AMIF to an Asylum and Migration
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Fund (AMF), to fund early integration measures for newly arrived third-country nationals; with a reinforced partnership principle and a financial scope of national programmes of euro 6.25 bn more than doubled compared to the 2014-2020 period.

- Higher flexibility in the AMF to increase its ability to react to unexpected developments, by allocating only 50% upfront to Member States and other parts subsequently to specific priorities as part of a Thematic Facility (proposed at euro 4.17 bn, representing 40% of overall funds), and by allocating the remaining 10% to national programmes after a midterm re-calculation based on recent migration statistics.

- Explicit provisions to use the AMF Thematic Facility (biannually programmed by the Commission) to support early integration measures implemented by local and regional authorities or civil society organisations, relevant for its ‘Union actions’ strand and components regarding emergency assistance, ‘solidarity and responsibility efforts’ (related to a reformed Dublin regulation) and resettlement; and coming with an increased co-financing rate of 90%.

- A general focus on labour market integration, and related to that, issues of qualification, training and skill recognition that has already underpinned the 2016 Action Plan; visible e.g. in the advancement of the mainly employment-oriented European Social Fund to the main funding instrument for medium- and long-term integration, as well as specific AMF support to assessment of skills and qualifications acquired in a third country.

- Simplification of implementation and financial management rules, through a Common Provisions Regulation that will cover all funds under shared management (of Member States and the Commission), including AMF, ESF+, and ERDF, also harmonising the provisions on the partnership principle; in addition to the currently negotiated ‘omnibus’ Financial Regulation covering all EU funds.

- The inclusion of reception of migrants in the allocation criteria of Structural Funds on the regional level (for the ERDF and ESF+), contributing to a shift of funds from central European to southern Member States and creating a long-term incentive to accept the sharing of responsibilities in the asylum field.

4. Key issues and controversies

4.1. Sticking points in the multi-level context

Ability to set policy priorities on urban level and direct access to EU funds. Cities see a need to set their own priorities. Often invoking the subsidiarity principle, they strive for a regulatory and funding environment that allows for autonomous policy responses, in line with their responsibilities vis-à-vis migrant populations. In the EU programme context, distinct local priorities and antagonisms in the local-central government relationship lead to the call by cities for direct access to EU funds (often channelled through urban interest organisations like EUROCITIES or CEMR), as
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cities usually access EU funds through Member State authorities:

- In the case of AMIF, in the 2014 to 2020 period cities in many Member States have not been able to act as co-beneficiaries from AMIF emergency support, and national AMIF funds may not be readily available to meet the needs of cities due to the National Programmes’ specific priorities and calls. In some Member States, cities have reported to be widely excluded from AMIF funds as a consequence. In Greece for example, the absence of national calls under AMIF in 2017 has de facto excluded cities from the access to funding. Cities therefore have been asking to become directly eligible for Emergency Assistance and/or automatically receive a certain share of available funding for integration based on objective criteria (ECRE & UNHCR 2017, EUROCITIES 2015, 2016, 2017 b,c, HLG 2017, Urban Agenda 2018, Social Platform 2018).

- In the case of ESF, the current programme period has seen improvements insofar as Member States were encouraged to use the EU Structural Funds for so-called ‘integrated actions for sustainable urban development’, leading to an estimated third of the new urban strategies to include ESF funding. This and the requirement to use part of the national ERDF allocation for these integrated actions led to more frequent direct responsibility of cities in the management of ESF funds. Notwithstanding these developments, cities continue to point out that OPs and calls leave key local challenges not addressed, that target groups and indicators do not match the local reality, or that coordination gaps exist at the ESF/ERDF nexus (EUROCITIES 2018a, HLG 2017, Urban Agenda 2018, Social Platform 2018).

In both cases, Commission proposals for the 2021 to 2027 MFF go some way in addressing the positions taken by cities and foresee a mechanism under the AMF for direct access as part of the voluminously funded Thematic Facility managed by the Commission (EC 2018f). ESF/ERDF-sourced initiatives for socio-economic development coordinated at urban level are to be further strengthened, in particular through a dedicated ‘specific objective’ earmarking 6% (versus 5% in the current period) of spending in all ERDF programmes for this purpose (EC 2018d,e). Given the history of reluctance on behalf of many Member State governments to cede actual control of EU funds to the local and regional levels, however, these proposals will be contested during the upcoming negotiations.

Focal points of current European debate:

- Use of the future AMF Thematic Facility to support local and regional authorities, (with an increased co-financing rate of 90%) in their efforts at promoting early integration measures for the social and economic inclusion of third-country nationals, thus preparing their participation in and their acceptance by the receiving society; in the context of AMF Union actions, emergency assistance,
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‘solidarity and responsibility efforts’ in a reformed Dublin system, and resettlement (EC 2018f, Art. 9.1, 9.6 & 12.3, Annex II.2.b, Annex IV and Rec.17).

- Obligatory allocation of 6% of national ERDF means to policy objective 5 of sustainable and integrated urban development, by using EU territorial tools like community-led local development and integrated territorial investments (EC 2018e, Art. 8 & 9, EC 2018c, Art.22-27).

- Proposed concentration requirements of the ERDF social policy objective 4 (including integration of migrants), limiting the available share of EU funding for this purpose in regional-level ERDF programmes to 9% to 29% depending on Member State wealth (EC 2018e, Art. 3).

Stronger role for cities in governance of EU funds implementation. A focal point of cities’ and regions’ efforts at stronger involvement in planning/implementing EU programmes is the so-called partnership principle. With a long-standing tradition in the Structural Funds programmes, dating back to the 1990s, it refers to the close involvement of local governments and other relevant stakeholders in the preparation, implementation, monitoring and evaluation of Partnership Agreements and Operational Programmes. A ‘European Code of Conduct on the Partnership Principle (ECCP)’, adopted as EU Delegated Act in 2014, has further strengthened the principle by clearly defining the objectives and criteria Member States have to observe (EC 2014).

Notwithstanding this improvement, analysis (CEMR 2015, CPMR 2018a, EPRS 2017, Social Platform 2016) has shown that in practice only a handful of countries (including DK, FI, NL) have fully involved local and regional authorities in the process in all stages and that the situation differs greatly from one Member State to the other. Under the AMIF (and previously INTI/EIF), the partnership principle is even less established. Reflecting the intergovernmental roots of EU migration policies in this policy domain, the principle has never been more than a recommendation to Member States and cities report ignorance for their concerns in AMIF national programming in a number of countries (Urban Agenda 2018, ECRE & UNHCR 2017).

As proposed by the Commission, in the 2021 to 2027 programme period the AMF will become part of the newly harmonised rulebook across all funds under shared management funds, implying a strengthening of the partnership principle and alignment with the standards achieved under the Structural Funds (EC 2018c). Welcomed by local and regional stakeholders, this is bound to be controversial with governments that have preferred to keep local authorities and other stakeholders at arm lengths’ when implementing national AMIF programmes.

Focal points of current European debate:

- Requirements in the future Common Provisions Regulation (CPR), equally referring to ERDF, ESF+ and AMF, on the inclusion of urban authorities in the partnership and multi-level
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4.2. Sticking points regarding the potentials and impact of EU funding instruments

Capacity of EU instruments to support and encourage policy innovation on local level. During and in the wake of the 2015/16 arrivals, cities have again proven to be the testing ground for new, innovative approaches and policies related to immigrant integration. A large share of this innovation has been civil-society driven, resulting from the wave of voluntarism seen during this time, or emerged from social entrepreneurship. This innovation has taken the form of new, in many cases tech-based solutions to providing integrated support services, e.g. with regard to language learning, social mentorship, training and labour market insertion (EUROCITIES 2016, 2017b,d, EWSI 2016, FRA 2018, Jeffrey 2018, OECD 2018).

For local authorities (but also traditional civil society organisations) this has meant challenges in terms of creating, working with, and sustaining new partnerships with these new actors in the integration field. Where successful, such ‘public/civil society/social enterprises partnerships’ have leveraged faster integration trajectories and helped cities to manage the inflow. EU funding instruments and Commission engagement have played a certain role in this new local integration governance, e.g. through integration-specific calls under the Urban Innovation Action (UIA) instrument, a ready-to-be-used EU Skills Profile Tool (i.e. online qualification assessment), and other measures included in the 2016 Action Plan.

Nevertheless, the capacity of EU instruments to empower cities and foster community involvement and local innovation is widely questioned. For small-scale projects carried by civil society organisations or voluntary initiatives, EU funds are difficult to access or outright unattractive due to financial requirements and complex programme rules. Community building efforts, early integration initiatives or school-related activities have numerous EU options (from AMIF to Erasmus+, Europe for Citizens, as well as the Rights, Equality and Citizenship programmes), but in reality often fail to access funds (ECRE & UNHCR 2017, EUROCITIES 2016, 2017 b,c, Urban Agenda 2018, Social Platform 2018).

In the context of the ongoing EU programme performance and simplification debate and proposals for the 2012 to 2027 MFF, a key question is whether in future cities can gain from more civil society-driven projects enabled by EU funds, with lower thresholds for small-scale projects and funding instruments geared towards non-public/non-profit project carriers.

Focal points of current European debate:

- Scope of future support from AMF for cooperation between governmental and non-governmental bodies in an integrated manner, e.g. for coordinated integration-support centres, and across all integration-
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- Expansion of today’s Urban Innovative Action instrument (under Commission management) to a European Urban Initiative (EC 2018e, Art. 10), also to support the Urban Agenda of the EU.
- Simplification, expansion of scope and improvement of innovation-related Structural Funds instruments and better access for cities/local actors: Inclusion of today’s EaSI programme in ESF+ as Employment and Social Innovation strand (EC 2018d, Art. 23-25); territorial development tools to be used under ERDF and ESF+ programmes including community-led local development and Local Action Groups (EC 2018c, Art. 22-27, EC 2018e Art. 8-9); support of innovative actions in national ESF+ programmes (Local Action Groups/community-led local development and upscaling of innovative approaches; EC 2018d, Art. 13).

Coherent, simplified and flexible EU instruments in line with cities’ needs.

Drawing from different EU funding sources relevant for the integration of migrants and refugees (AMIF, ESF, FEAD, ERDF, EaSI, Erasmus+, REC), local authorities and other stakeholders/potential beneficiaries in cities are faced with overlapping priorities, target groups and policy objectives. Partly this is a result of lacking adjustment among EU instruments, partly it is a mirror of unaligned priorities at local, regional or national levels as the programmes are implemented within Member States. In particular cities with fewer administrative resources struggle to navigate EU funding processes without guidance on which funds to apply for, and how to best leverage resources to do so.

Technical differences in deadlines and eligibility, reporting and financial accountability rules across the different EU funds can create major obstacles and render EU funds unattractive for many actors. The divergent definition of target groups in various programmes leads to especially grave problems when colliding with urban realities. For example, AMIF interventions can only focus on third-country nationals, whereas under ESF a much wider population of citizens with migration background, including newly arrived EU citizens or second-generation nationals, are able to benefit. Moreover, programmes to foster inclusion and social cohesion at city-level typically include the receiving community, meaning that eligibility rules need to accommodate all citizens at city-level (EC 2015, 2018h, ECA 2018b).

Cities have therefore consistently called for simplification, less administrative burden, better harmonisation of rules, flexibility and possibilities to blend funding from different funds; to reflect urban complexity and fully live up to the objective of integration being a ‘two-way process’ as enshrined in the EU’s Common Basic Principles (EUROCITIES 2017b,c, Urban Agenda 2018).

While the Commission has given much attention to these concerns (among others, through a High-Level Working Group on Simplification for post 2020 and the Spending Review; EC 2018b, HLG 2017), changes proposed in the
Commission proposals for the 2012 to 2027 MFF are set to undergo a highly critical review by stakeholders and protracted negotiations in Parliament and Council.

**Focal points of current European debate:**

- **Proposed Common Provisions Regulation (CPR) covering most EU programmes under shared management including AMF, ISF and BMVI next to the Structural Funds ESF+, ERDF, CF and EMFF (EC 2018c).**
- **Possibility of cumulative, complementary and combined funding from AMF and any other Union programme, including Funds under shared management such as ESF+ and ERDF (EC 2018f, Art. 27).**
- **Provisions in the proposed CPR on joint and complementary funding from ERDF and ESF+ to operations eligible under both funds, with a limit of 10% for each priority of a programme (EC 2018c, Art. 20); and on transfer of up to 5% of programme allocations to other funds on Member State request (Art. 21).**
- **By way of streamlining EU instruments, the inclusion of today’s FEAD as an ESF+ strand on support for addressing material deprivation, including provision of basic material assistance; and access to this support for all target groups including undocumented (EC 2018d, Art. 16-22).**
- **New Financial Regulation (‘omnibus regulation’) laying down the principles and procedures governing the implementation and control of the EU budget, to create a single, simpler and more flexible set of rules. Tabled as Commission proposal in 2016, the new regulation is likely to be adopted in July 2018 (EC 2016b).**

**Reception of migrants, an indicator on which to lose or to gain from EU Structural Funds?**

The envisaged broadening of regional allocation criteria of Structural Funds (i.e. ERDF and ESF+ under the Investments for Jobs and Growth goal) to include, next to regional per-capita GDP, the reception of migrants has proven to be highly controversial already before presented in detail. To better reflect needs and challenges on regional (i.e. NUTS 2) level, the Commission proposes to take into account net migration from outside the EU since 2013 as one in a set of additional indicators when calculating available amounts in the 2021 to 2027 MFF (the other factors being unemployment, youth unemployment, low education and greenhouse gas emissions; EC 2018c, Annex XXII).

If agreed, this would entail that main beneficiary states of Structural Funds in central Europe that have chosen to resist and not implement EU relocation decisions (while still having low shares of immigrant populations) are poised to receive less funding. Such provisions effectively will lead to a re-channeling of funds from central European to southern European arrival states and create an incentive (of sorts) in the long term to accept and accommodate more immigration.

For cities in the potentially affected countries, often committed to a more proactive and inclusive approach to integration than their national governments, these proposed conditionalities are a double-edged sword: While underlining
their political stance of more openness, eventually less cohesion funding would be available on local level. Cities feel threatened to be taken hostage by the anti-immigration stance of their governments and to lose out in urgently needed investments, including on migrant integration under ESF+ and EFRE, that depend on EU co-funding.

In view of these potential effects, the Commission proposals are also far away from the idea of a new EU instrument offering direct financial support to cities in return for receiving refugees and asylum seekers, floated among others by the European Parliament in early 2018 (EP 2018a, Knaus & Schwan 2018). Under such an incentive scheme, possibly linked to resettlement programmes, municipalities would apply directly to receive means for the integration of refugees whom they wish to welcome. Given considerable support among stakeholders and MEPs for the concept, continued discussion is likely also after publication of the Commission MFF proposals.

**Focal points of current European debate:**

- European Parliament request to the Commission to “assess whether the role of European cities (…) could be strengthened by introducing an incentive scheme that offers financial support for refugee accommodation and economic development directly to cities” (EP 2018a, D.99).

### 4.3. Sticking points concerning the substance of EU policies

**Priority for early integration and availability of supporting EU funding.** Ultimately, the technicalities and intricacies of EU programme architecture reflect key overall policy debates around the integration of refugees and migrants. One of the most contested of these controversies revolves around early integration, and at what point public support measures are to kick in. Backed by extensive evidence (e.g. OECD 2018a), many cities pursue – and support in national and EU policy debates – ‘integration from day one’, striving for the provision of services like language support, education, recognition of skills, training, labour market insertion and, generally, interaction with the receiving society as quickly as possible after arrival.

As an early intervention approach, such policies aim to avoid the demotivation and deprivation seen by people who are left in a social and legal limbo, possibly for years, after arrival. They accept higher costs in the short term for preventive measures which invest in the ability of migrants to adapt and integrate quickly, rather than postpone costs to later, reactive interventions to deal with the results of ‘failed’ integration. In addition, such policies are sensitive to questions of proximity and acknowledge that successful integration has to do with opportunities on local labour markets and availability of social infrastructures, e.g. in the (early) education, health and care sectors. Policies like these are inclusive in that they implicitly accept the provision of measures and public services also to people with unresolved residence status,
including such who are unlikely to benefit from international protection.

This policy mindset, however, conflicts with the policy approach stressed by many national governments, suspicious of early integration as creating additional pull effects, and which in the asylum field draws a clear line between a pre-integration reception phase (however long procedures last) and the provision of integration support only to recognised beneficiaries of international protection. For the sake of speedier procedures, administrative efficiency and lower costs – and often better control of asylum seekers’ movements, control of civil-society based (legal) support for asylum seekers, and deterrence effects – this alternative policy approach typically aims for centralised accommodation in large reception centres. Widely shared criticism point to resulting rudimentary education and language support, isolation from the receiving society, higher crime rates, contempt for human dignity, stigmatisation of asylum seekers, demotivation and delayed start of integration processes.

The conflict between these contrary policy approaches and visions for the reception phase are played out on EU level as well, in particular around the debates on the 2012-2027 MFF and integration-related support from EU funds. A sticking point in upcoming negotiations will be the precise definition, comprehensive scope and overall framing of ‘early integration’ as funded from AMF (and opposed to the medium-to long-term integration to be funded under ESF+). What is at stake here is the character of AMF as an EU instrument that, in the implementation reality of Member States, supports a broad range of essential and high quality early integration measures that are effective starting points for long-term integration (EC 2018f).

Focal points of current European debate:

- Lack of earmarking of national AMF allocations to the specific objective supporting the integration of third-country nationals in the EC proposal; and reliance on mutually agreed needs assessment between the Commission (possibly supported by the Asylum Agency) and the Member State to ensure that AMF means are actually spent on early integration under national AMF programmes (EC 2018f, Art. 3.2.b, Art. 8.2.a, Annexes I. and II.).

- Range of AMF support on early integration measures for the social and economic inclusion of third-country nationals; inter alia including assessment of skills and qualifications, assistance in change of status and family unification, tailored support in accordance with needs, programmes focusing on education, language and civic orientation; access to and provision of services, actions promoting acceptance by the receiving society and intercultural dialogue (EC 2018f, Annex II.2.b, Annex III.3.d.-k.).

- Effective, outcome-focused performance indicator to assess spending, relating to the number of participants reporting that measures were beneficial for their early integration (EC 2018f, Annex V).
Inclusion of asylum seekers in the target groups of AMF-supported early integration; i.e. the scope of support provided under the programme strand related to strengthening the CEAS, where the proposal speaks only about “assistance and support services consistent with the status and needs of persons concerned” (EC 2018f, Art 3.1, Annex III.1.e), while the legislative justification indeed speaks about “asylum applicants likely to be in need of international protection (...) first reception measures (...) and training” (Legislative Financial Statement 1.4.4) and “early integration of legally staying third country nationals” considering the “high levels of migration flows to the Union in the last years” and invoking the priority areas identified in the 2016 Action Plan (Rec. 12).

Comprehensive social policies versus competitiveness paradigm. A long-standing controversy around the intervention logic of EU instruments in the social policy domain – and one that will gain importance as the ESF is poised to become a major funding source for migrant integration – refers to the underlying cohesion philosophy. Ever since the EU adopted overall economic and social development strategies focused on improved competitiveness and the knowledge economy in 2000, EU programmes have been geared towards an empowering and enabling approach, helping individuals to participate in the labour market and with a focus on human capital development, vocational training and life-long learning.

Critics of this approach (some of them from a vocal, anti-neoliberal vantage point) have been pointing out that a focus on labour market activation alone is not sufficient to tackle complex cohesion challenges, including material deprivation, poverty, precarious and atypical employment, lack of affordable housing and discrimination.

Cities and their interest organisations have mostly shared this critique, e.g. pointing out that it is cities where such problems arise first and are felt hardest, or that only a minimum of 20% of ESF means in the current programme period is ring-fenced for broader ‘social cohesion’ objectives. Analysis of actual programming and use of ESF shows that around 25.6% of the total ESF budget is allocated to social inclusion, combating poverty and any discrimination (with only eight Member States allocating more than 30% of their ESF budget to social inclusion; and the bulk of it going to the broad ‘active inclusion’ priority accounting for 16.1% of invested ESF means across all Member States; AEIDL 2018).

A concern stressed by many stakeholders is that if the future ESF+ does not overcome the binary focus on employment/unemployment, it will be of limited use as an integration support instrument (EAPN 2016, ESN 2017, EUROCITIES 2014, 2018a, Social Platform 2020). The Commission ESF+ proposal (EC 2018d), however, rather points to a continuation of the existing approach, with ‘specific objectives’ mirroring the current ‘investment priorities’ (even though fewer in number). In fact, the future minimum share of 25% for social
inclusion – now including integration of third-country nationals – is close to today’s implementation reality (AEIDL 2018), and moreover incorporating a 2% minimum allocation to address material deprivation, representing the inclusion of today’s FEAD in the future ESF+.

In national integration debates, such controversy reverberates, too, and Member States political discourse often focuses on the balance between providing access to welfare provisions (like social assistance/income support) and a ‘demanding’ approach that sees the integration effort and responsibility for labour market success or language acquisition primarily on the side of the migrant. Policy preferences of national governments in such debates are relevant in the European context, as governments will first decide on the future ESN+ instrument, its priorities and underlying intervention logic, and then set their priorities in national implementation programmes.

Focal points of current European debate:

- Provisions in the proposed ESF+ regulation on specific objectives (EC 2018d, Art. 4) and thematic concentration including a minimum share of 25% of national ESF+ allocations to be spend on social inclusion.

EU policies to support, not constrain, urban level social investments and integration efforts. In its most critical variant, debate on the EU’s role in facilitating migrant integration and the provision of adequate public services on the local level has focused on the constraints emanating from various EU policies. For cities in countries most affected by the financial and sovereign debt crisis since 2008, EU-agreed austerity policies have led to considerable spending cuts, decline in social investments and limitations in their ability to address social cohesion issues, while at the same time problems and needs multiplied. Most strongly witnessed in Members States like Greece, Spain and Portugal, austerity policies severely curtailed local authorities’ capacity to deal with issues of migrant integration, as well. Faced with shrinking budgets, municipalities have had strong incentives to concentrate their efforts to those parts of the population to which they are directly democratically accountable, possibly prioritising native citizens over migrants.

EU economic crisis responses and their local impact aside, social housing represents another long-standing policy controversy between cities and the EU with implications for migrant integration. Pointing to the role of public housing for combatting spatial segregation on local level and socially mixed neighbourhoods, cities and their interest organisations have consistently pushed for the availability of Structural Funds for housing stock refurbishment and social infrastructures, and generally for considering social housing as a service of general economic interest (SGEI) with limited applicability of EU competition and state aid rules. As result of longstanding debate, the Commission is more inclined than in the past to accept the public policy objectives of providing housing to economically deprived and socially
disadvantaged groups and acknowledges Member States' discretionary competence when defining the scope and the organisation of social housing (e.g. Housing Europe 2017).

Against this history of cities' discontent with certain EU policies, it is not surprising to see urban representatives call for a general turn of EU economic strategy to more public spending and investment-based policies; and in particular ample possibilities to support social investments under the EU funding instruments in the 2021 to 2017 MFF (Fransen et al. 2018, Jeffrey 2018). Being able to leverage EU co-funding for new schools, childcare services, vocational and skills centres, and enlargement or refurbishment of public housing stock is seen by many cities as inherently linked to their capacity to address challenges of migrant integration.

5. Potential impacts of policies adopted

Inclusiveness of European societies

- The empowerment of cities to deal with local challenges related to integration through European policies and funding programmes directly impacts on the inclusiveness of urban societies.
- Improved EU policies and instruments supporting comprehensive, integrated urban development based on territorial strategies and strengthened social infrastructures can benefit migrants and the receiving society and thus increase social cohesion.
- The provision of high-quality early integration measures and obstacle-free access to public and other services can lead to better and faster integration outcomes and avoid social policy intervention costs at a later stage.

Focal points of current European debate:

- Social investment and skills policy window in the proposed InvestEU Fund, dedicating appr. 10% of the EU guarantees to mobilise public and private investments in e.g. education and training-related services, social housing, health, care and integration of vulnerable people incl. third-country nationals; to leverage an estimated euro 65 bn. in social investment (EC 2018g, Art. 3.1.c, 7.1.d).
- Possibility for Member States to channel up to 5% of ERDF or ESF+ funding into the InvestEU budget guarantee (EC 2018g, Art.9; EC 2018c, Art.10).

Institutional, operational and political implications

- Strengthening of the partnership principle and stronger involvement of the local level in EU programme planning and -implementation can lead to improved multi-level coordination and a potentially less dominant role of national
governments in the EU integration policy domain.

- Higher relevance of certain EU funds in the integration policy field, in particular the European Social Funds, implies a stronger role for organisations (ministries, managing authorities, established beneficiaries) associated with these programmes in Member States.

- An increased number of beneficiaries of EU programmes due to simplified rules and requirements, especially in the civil society and social sectors, will mean more players and stakeholders for EU policies and the related funds.

Economic and fiscal consequences

- More funding opportunities for cities and better access to funds would mean increased fiscal leeway for cities to develop, implement and support integration-related measures; in particular where few national funding for integration is available.

- Legislative decisions on EU-level and programming decisions on Member State level will decide on the actual availability of ESF+ funds for medium and long-term integration support for labour market inclusion and broader social cohesion goals.

- The inclusion of migration-related criteria in the allocation of Structural Funds would contribute to a re-channelling of EU support from East Central European to Southern Member States, to the detriment of investments on local level.
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