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Annex to the

Proposal for a

**DECISION OF THE EUROPEAN PARLIAMENT AND THE COUNCIL
on the European Year for Combating Poverty and Social Exclusion (2010)**

Impact assessment

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1. Executive Summary

The Commission intends to bring the issue of combating poverty and social exclusion and ensuring a more inclusive society to the attention of a wide range of stakeholders within the Member States and to coordinate efforts to raise awareness and reaffirm and strengthen the initial political commitment of the EU at the start of the Lisbon strategy to make “a decisive impact on the eradication of poverty”.

Despite the EU being a wealthy area, significant parts of the population are still suffering from deprivation and limited access to basic services or feel excluded from their societies. In fact, 78 million European people — 16% of the EU25 population — were living at risk of poverty in 2004. Also, the issue of deep poverty is becoming more important and the number of people suffering from absolute poverty is increasing, not least because of the growing wealth inequalities across the Union.

Under the Open Method of Coordination on Social Protection and Social Inclusion (OMC), Member States have agreed common objectives and have established strategies for the policies to meet these objectives. Agreed indicators facilitate the measurement of progress and promote the practice of evidence-based policy-making. The OMC has also promoted openness, transparency and stakeholder involvement at European and national levels as a means to better policy-making.

While the OMC is starting to bear fruit, the process shows some scope for improvement and further efforts at EU and national levels are required to make full use of its potential. A European Year can be an essential additional tool to ensure a stronger EU added value.

European Years have proven to be effective instruments in stimulating debate and dialogue on questions that are central to achieving a just society, and in contributing to a broader participation. They allow a wide range of stakeholders to express their views, make their actions known, reinforce their complementarities and debate and exchange concrete proposals.

They are also an efficient Community tool for creating momentum around key topics and EU priorities and helping to bring forward the EU agenda with regard to the issues in question.

With these objectives in mind, the Commission proposes to designate 2010 as the “*European Year for Combating Poverty and Social Exclusion*”.

Four different options have been examined. The first is continuing with existing policy under the OMC, while the three others involve having a European Year. The last three look at different ways of coordinating and implementing the European Year activities — with different degrees of decentralisation.

The option of sharing implementation between EU, national and sub-national levels seems the most appropriate for achieving the objectives of the European Year in a proportionate and efficient manner. Coordination with existing EC programmes and initiatives will also ensure synergies and leverage effects. Furthermore, the option will allow greater participation and more active involvement of national authorities and relevant stakeholders.

This option also maximises the impact of the budget available for the European Year (**17 000 000 euros**), and is expected to reach the critical mass needed to achieve the operational objectives of the European Year. Finally, it imposes a reasonable and manageable

administrative burden on Member States and Community administrations. While investment in terms of resources and organisation at Commission level is greater than in other options, this appears justified by the expected results in terms of stronger political commitment at all levels, raised awareness, visibility, and exchanges of experience at transnational level.

2. 1. Procedural issues and consultation of interested parties

1.1 Context of the proposal

The fight against poverty and social exclusion is a central objective of the EU and its Member States. At the launch of the Lisbon strategy in March 2000, Member States and the Commission were invited by the European Council to take steps to make “a decisive impact on the eradication of poverty by 2010”. Subsequent European Councils have reaffirmed this objective.

The Open Method of Coordination (OMC) for Social Protection and Social Inclusion — initiated by the same Lisbon Council — has been from the outset an important tool for supporting this political commitment and strengthening the EU’s capacity to support Member States in their drive for greater social cohesion in Europe.

Despite these achievements, there are clear indications that significant parts of the population in all Member States are still suffering from deprivation and limited access to basic services or feel excluded from their societies. Progress has been achieved in some Member States by reducing or containing the proportion of the European population living at risk of poverty — 78 million people. Nonetheless, there are signs that the issue of deep poverty is becoming more important and the number of people suffering from absolute poverty is increasing, not least because of growing wealth inequalities across the Union.¹

This situation is clearly in conflict with the key shared values of the European Union.

In its Social Agenda 2005-2010², the Commission therefore announced a proposal to designate 2010 as the European Year for combating poverty and social exclusion. Its intention was then to reiterate and strengthen the initial political commitment of the EU and its Member States at the start of the Lisbon strategy to make “a decisive impact on the eradication of poverty”.

¹ Joint Report on Social Protection and Social Inclusion — Commission’s proposal adopted by the Council on 22 February 2007. See also the Commission staff working document, SEC(2007) 329, of 6 March 2007 as well as the Country Profiles — SEC(2007) 272, of 22 February 2007. http://ec.europa.eu/employment_social/social_inclusion/jrep_en.htm.

² COM(2005) 33 final
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52005DC0033:EN:HTML>.

1.2 Organisation and timing of the Impact Assessment

In line with the Social Agenda, a Roadmap for the preparation of the proposal for a Decision of the European Parliament and the Council designating 2010 as the European Year for Combating Poverty and Social Exclusion was included in the Commission's legislative and work programme for 2007.

The Roadmap called for the Commission to adopt the decision proposal on 10 October 2007. It is now planned for 24 September 2007 (written procedure). A discussion on the proposal for the European Year 2010 is a key item on the agenda for the European Round Table on poverty and social exclusion to be held under the Portuguese Presidency on 16 – 17 October 2007. An inter-service consultation is expected to be launched on 27 July 2007.

The Commission services have also asked for the views of key stakeholders regarding the orientation and implementation of the European Year (*see below 1.4*). In order to mainstream the objectives of the European Year, the Commission intends to draw on the expertise of the existing Inter-Services Group on Mainstreaming Social Protection and Social Inclusion to discuss synergies and cooperation and ensure consistency among EC initiatives.

In carrying out their assessment, the Commission services were able to call upon the results of the evaluation exercises for previous European Years and upon internal expertise, in addition to the information obtained from consultation of the main stakeholders.

This impact assessment report presents the context of the proposed European Year, the different elements that have led to this proposal, and the expected results of the European Year itself.

The structure of the report is as follows: the problems that the proposal is expected to tackle (2), the European Year's objectives (3), the main policy options (4), the analysis of the impact, including a comparison of the different options (5), implementation of the actions under the chosen option (6), monitoring and evaluation (7).

1.3 Previous evaluation results

To date, two evaluation exercises for European Years implemented by DG EMPL have been completed: for the 1997 European Year against Racism³ and for the 2003 European Year of People with Disabilities⁴.

The evaluation of the 2001 European Year of Languages has also been taken into consideration (*see Annex*). Preliminary results of the evaluation of the 2006 European Year of Workers' Mobility were also available at the time of writing.

In addition, the expertise of Commission officials responsible for the organisation of previous European Years (including Workers' Mobility and Equal Opportunities for All) was utilised to draw on the lessons learned from the different approaches.

³ http://ec.europa.eu/employment_social/evaluation/docs/eval_inclusive_04_en.pdf.

⁴ http://eur-lex.europa.eu/LexUriServ/site/en/com/2005/com2005_0486en01.pdf.

The main conclusions are that the European Years:

- a. Have proven to be an efficient instrument in putting European political issues at the top of the EU agenda. The broad level of participation within a limited timeframe has helped to harness political support and pave the way for broader political commitments;
- b. Are designed to involve a range of stakeholders with a view to publicising, debating, exchanging views on a specific theme. They are therefore an effective tool in raising awareness;
- c. Are efficient instruments for creating synergies between various areas of intervention and at different (EU, Member State and regional/local) levels;
- d. Tend to have more added value compared to individual interventions by Member States. This has also been important in creating political momentum and contributing to policy change: for instance, the 1997 European Year against Racism played an instrumental role in shaping the policy climate, providing favourable conditions for the adoption, three European Years later, of the Anti-Discrimination Directives.

Some further lessons can also be drawn from the implementation of previous European Years, in particular the need for:

- encouraging strong European-scale coordination along with European and national frameworks for action;
- improving innovation, geographical spread, and partnership between projects;
- extending the preparatory phase and setting up well in advance the coordination structures within the Commission and the Member States. A European Year should be planned on a 3-year timescale: preparation; implementation, monitoring and consolidation; and follow-up;
- working through intermediaries and multipliers within civil society at European, national, regional and local levels;
- providing financial resources on a scale to match the objectives, in order to obtain greater visibility and thus reach a wide audience.

Further evaluation results available at the time of writing have been taken into account in drafting this assessment. In particular, the evaluation report on the Community Action programme to combat social exclusion⁵ stressed the need:

- For closer proximity to practice in combating social exclusion, especially through the active involvement of actors at sub-national level, to increase the effectiveness of social inclusion policies;
- To improve the dissemination of information and communication to an external audience.

⁵

http://ec.europa.eu/employment_social/evaluation/docs/eval_soc_exclusion_poverty_final06_en.pdf.

1.4 Consultation

The Commission is committed to an inclusive approach in developing and implementing EU policies. This also implies consulting as widely as possible on major policy initiatives.

Thus, in order to obtain input for its formal proposal, enhance transparency and promote early coordination and efficiency, the Commission asked for the views of relevant stakeholders regarding the orientation and implementation of the European Year.

The consultation centred on a questionnaire inviting comments on the following issues, among others: objectives; involvement of stakeholders; overall design, framework and types of actions; and the follow-up needed to ensure a lasting impact for the European Year.

Stakeholders were informed of the launch of the consultation on various occasions (e.g. meetings of the Social Protection Committee and of the Progress Committee, meetings and seminars of the Social Platform and other civil society organisations and of the EU-level networks, etc.).

With a view to timely adoption by the Commission of its proposal for a Decision on the European Year — essential for the smooth preparation of the European Year itself — the consultation targeted key stakeholders, with the questionnaire being sent by e-mail to EU-level NGOs, social partners and associations representing regional and local authorities and service providers, as well as to the Member States.

On the other hand, a consultative process is never a “one-off” exercise, and effective preparation calls for consultation over several stages. The run-up to the European Year will bring further opportunities (e.g. the Round Table on Poverty and Social Exclusion) for a broad range of stakeholders to contribute to its design and preparation.

The consultation was held in the months of April and June 2007. 58 responses from the main actors involved at EU, national and regional level were received. The results provided valuable indicators for the preparation of this assessment and for the draft Decision to be adopted, and are also included here (*see also below under the relevant sections*).

DG EMPL will publish a summary analysis of the contributions received on its Europa website.

3. 2. Problem definition

2.1 Problem analysis

2.1.1 Who is affected and to what extent

Poverty and social exclusion take complex and multi-dimensional forms. They relate to income and living standards, access to good quality health services and other services, and educational and work opportunities.

The income dimension of poverty

The income dimension of poverty is the most obvious aspect of what is commonly referred to as “poverty”. According to the agreed definition at EU level, individuals are

considered to be at risk of poverty if their equivalised income is below 60% of the national equivalised median income. Being at risk of poverty is a relative concept, it refers to the capacity of the individual to fully participate in the society in which she or he lives. That is why the income measures of poverty are related to some extent to the overall distribution of income nationally and are expressed as a percentage of the median income in any given country. In 2004, the average at-risk-of-poverty rate in the EU was 16%, with national figures ranging from 9% in Sweden and 10% in the Czech Republic to 21% in Lithuania and Poland and 20% in Ireland, Greece, Spain and Portugal.

Geographical differences matter not only across but also within countries (the urban/rural divide and/or deprived/disadvantaged areas). A clear understanding of the nature and situation of poverty and social exclusion at sub-national level is important for the design and implementation of effective policies to combat them.

In addition to regional and/or urban/rural disparities, in all Member States there remain disparities in health status and **inequalities in access to care** between socio-economic groups. This is despite the fact that health care systems have been designed to ensure universal or close-to-universal coverage, and for disadvantaged groups the effect is to jeopardise their chances of fully participating in society and in the labour market.

Low income is one of the most important determinants of **health**. For example life expectancy of low income groups typically averages 3-5 years less than that for high income groups in EU Member States. In some instances the gap in health is very much bigger. Substantial differences also exist in morbidity and self perceived health.

In general poorer people are exposed to greater risks to their health than the general population including greater health risks due to work, school, housing, transport as well as to some forms of health behaviour. Despite a higher rate of ill health poorer people have a tendency to a lower rate of use of many types of health services, particularly specialist health services, for a given level of illness than the general population. Furthermore there is evidence of worse health outcomes in poorer people.

Most vulnerable groups

In their National Action Plans for Social Inclusion, several countries highlight the high poverty and/or exclusion risk faced by many migrants, and some draw attention to the higher risk of poverty experienced by ethnic minorities, but in general this dimension appears underreported. Some countries are adopting a holistic approach addressing educational disadvantages and developing language skills, but also fighting discrimination and promoting participation in civic life more broadly.

In most countries, the at-risk-of-poverty rate (for the population aged 16 or more) is higher for women, the difference reaching 4% in Bulgaria and Italy, while at EU level the gender gap is 2%. The risk of poverty faced by lone parents — mostly women — is also high.

The risk of poverty for people aged 65 and more is significantly high in comparison to the population as a whole in a number of Member States. Older women, without exception, are at greater risk of poverty than older men. The oldest cohorts (aged 75 and over) tend to be even more at risk of poverty and women represent a majority of these older people. The higher poverty risk among the oldest people is linked to several factors. Low incomes or

interrupted careers, which particularly affect women, coupled with the indexation rules in some countries, generally result in a progressive worsening of retirement incomes as older cohorts grow older.

Children have a higher-than-average risk of poverty in most Member States. In some, almost every third child is at risk. Income poverty among children is a matter of serious concern, as it is recognised as affecting their development and future opportunities. This threatens social cohesion and sustainable development. Deprived children are less likely than their peers to do well in school, stay out of the criminal justice system, enjoy good health, and integrate into the labour market and society.

But exclusion is a matter of concern not only for children, but for the whole youth. Young people up to the age of 25 also suffer from high rates of relative poverty (19 % of 0 to 25 years live below the poverty threshold); unemployment rates among young people in the EU are much higher than among other groups.

Disabled people have been identified as a priority category for increased labour market participation, and some Member States are facilitating the access of physically disabled people to the labour market, while others are addressing the inclusion issue more broadly: mainstreaming of policies, independent living, and better access to quality social services. In all Member States there is still a long way to go, however, before access to the labour market is even remotely comparable to that of non-disabled people.

Attention is drawn by several countries to some evidence of an increasing risk of poverty and exclusion faced by some other very vulnerable groups. These include the homeless, prisoners, women and children who are victims of violence, and severe substance abusers.

Labour market

Employment remains the best safeguard against poverty and social exclusion. A job not only provides the individual with a source of income and better living conditions, it also facilitates social participation and allows people to fully realise their potential. Joblessness is not only one of the main causes of poor living standards but is also in itself a central dimension of social exclusion, since a job is a key determinant of people's ability to fully participate in society, build a social network and realise their potential. Among all the different types of joblessness, long-term unemployment is certainly one clearly associated with social distress.

While employment significantly reduces the poverty risk for the individual, it is not always a sufficient condition to lift people out of poverty, and the at-risk-of-poverty rate is still relatively high even for those in work (in-work poverty = 8% in the EU25 in 2004). In-work poverty is linked to low pay, low skills, precarious and often part-time employment, but also to the characteristics of the household in which the individual lives, in terms of the number of dependants and the work intensity of the household. Quality employment is thus essential to lift individuals out of poverty. Sound macroeconomic policies are also needed to facilitate employment creation and a stable economic climate conducive to higher investment in human capital on the part of employers. Economic and employment growth will not in itself reach people who are furthest from the labour market. Some Member States have put in place policies such as in-work support for job retention and advancement, on-the-job training and a rise in minimum wages, all this to ensure that work pays and employment lasts.

Measures for labour market integration generally need to be joined up with a range of other services. Some Member States are developing a more structural approach to housing exclusion and homelessness, looking at prevention and housing quality rather than mainly rough sleeping. Reconciling the need to ensure universal access to quality services with cost constraints will be a key challenge.

Basic competences and qualifications

The lack of basic competences and qualifications is a major barrier to inclusion in society. There is thus a growing danger of new cleavages in society emerging between those who have access to lifelong learning to enhance their employability and adaptability and to facilitate their personal development and active citizenship, and those who remain excluded. Those without adequate skills will find it more difficult to enter the labour market and find a quality job, are more likely to spend long periods out of work and, if they do work, are more likely to be in low-paid jobs.

In the EU25 almost 15% of young people aged 18-24 have at most lower secondary education and are not in further education or training (*'early school-leavers'*) and in some countries more than a third of young people are affected. Some Member States have set specific targets and are introducing preventive measures (pre-primary education, guidance and counselling, tutoring, grants) and compensatory actions (e.g. second-chance schools). There is, however, a need to develop these into comprehensive strategies to achieve significant results.

2.1.2 The main challenges

In the recent 2007 Joint Report on Social Protection and Social Inclusion, breaking the transmission of poverty from one generation to the next and promoting active inclusion were identified as the key challenges to fighting poverty and exclusion, together with action in the field of pensions and health care and long-term care:

1. The March 2006 European Council asked Member States “to take necessary steps to rapidly and significantly reduce **child poverty**, giving all children equal opportunities, regardless of their social background”. The Member States, who have responded strongly to this invitation, are approaching the issue with a mix of policies addressing different angles of the problem: increasing family income; improving access to services, including decent housing; and protecting children’s rights. Two aspects stand out: equal opportunities with respect to education, including pre-school and adult education, and promoting parents’ labour market participation.
2. Member States are increasingly focusing on “**active inclusion**” to strengthen social integration and promoting the social and labour market integration of the most disadvantaged. There is a clear trend towards making benefits more strictly conditional on active availability for work and improving incentives through tax and benefit reforms. It is understood, however, that increased conditionality in access to benefits must not push those unable to work further into social exclusion. While most Member States champion a balanced approach combining personalised labour market support, including skills training, for those who have the potential to work, and accessible, high-quality social services, more attention needs to be given to ensuring an adequate level of minimum resources for all, balanced with making work pay.
3. The modernisation of social protection systems is also key to improving social cohesion and fighting/preventing poverty and exclusion. It is recognised that the

overall sustainability of social protection is at risk, and that reform in pension systems and in healthcare and long-term care is necessary. Member States acknowledge, however, that it is vital for such reforms to be carried out in a way that also ensures adequacy, accessibility and quality. Social protection reforms will then improve access to services for everybody and help reinforce social cohesion. A specific dual priority identified in the 2007 Joint Report is inequality in access to healthcare and inequality in health outcomes, which in most Member States remain strongly correlated with socio-economic status.

2.1.3 The consultation

The responses to the questionnaire broadly confirmed the analysis above. There was a strong emphasis on placing the fight against poverty in the wider context of maintaining and developing rights-based approaches that seek to guarantee access to social, economic and cultural rights for all and create and maintain societies free of poverty. Also highlighted was the need to ensure that the benefits of improving labour markets and a growing economy are shared by the most excluded.

Some specific situations, including those faced by groups particularly at risk, were particularly stressed: situations of deprivation; limited access to services; the persistence and worsening of geographical income inequalities; and inequalities in access to resources.

The consultation also highlighted the need for developing mid- and long-term strategies for tackling poverty. Education, training and lifelong learning are seen as key elements in such strategies.

The global dimension of poverty and Europe's role and responsibility in tackling global social inequalities were also widely stressed.

2.1.4 Public concerns and expectations

The EU's contribution to a more inclusive society is undoubtedly considered essential by the EU public. According to the Eurobarometer survey about the "European Social Reality" published in February 2007⁶, poverty and social exclusion are social realities faced by a considerable number of EU citizens. Even many citizens who are not themselves personally affected at present feel that poverty is something that could happen to them. Over 6 out of 10 Europeans believe that anyone is at risk of poverty at some time in their lives (62%), while only around 3 out of 10 believe that the risk of poverty is confined to certain groups (29%). Poverty is thus perceived to be a real risk in European society. In fact, one European in four feels that there is a risk that he or she could personally fall into poverty (25%).

⁶ Survey carried out between the 17 November and 19 December 2006: 26 755 EU citizens aged 15 and over living in the Member States and the two countries that were at that time about to join the EU (Bulgaria and Romania) were interviewed (see http://ec.europa.eu/public_opinion/archives/ebs/ebs_273_en.pdf).

Being unemployed appears to be the most important risk factor. Close to half of Europeans who are unemployed feel that there is a risk that they could fall into poverty (44%). Another group with significantly higher than average numbers feeling at risk are those who left full-time education before turning 16.

The Eurobarometer "Poverty and exclusion" published in September 2007⁷ confirms that Europeans identify unemployment as the most important factor leading to poverty. Work-related factors best explain why people are poor or excluded from society. Long-term unemployment (35%) tops the list of 14 possible reasons presented to respondents, followed by current work not paying enough (34%) and social benefits or pensions not being high enough (33%). Losing one's job is also seen as the most important reason why people become homeless, even though only 7% of respondents believe they themselves could ever become homeless. These results help explain why, far more often than anything else, having a good job is regarded as the most important ingredient of a good life (45%). At 55%, unemployed people are most likely to consider having a good job as the most important aspect of a good life nowadays, a finding that highlights their plight: this is the group most affected by economic strains and most likely to witness poverty in the area where they live.

To prepare for the European Year, it is planned to carry out a new Eurobarometer survey to gauge public opinion on policy to prevent and combat poverty and social exclusion, including social protection systems, and on the potential role of the Union in the fight against poverty and exclusion, with a view to facilitating a new consensus around political solutions. This survey is to be conducted in 2009 so that its results can be presented at the beginning of the European Year — e.g. at the Opening Conference.

2.2 EU intervention

Although the responsibility for policies to combat poverty and social exclusion remains with the Member States, the European Union's policies in the area have evolved over time.

The role of the EU and the European Commission is not to replace national, regional and local governments in planning and implementing policies, but rather to catalyse efforts to arrive at a shared strategic approach to tackling poverty and exclusion.

2.2.1 EU programmes to combat poverty

From the seventies onwards, the European Union has sought to foster coordination and learning among Member States with a view to improving social inclusion policies.

In its Resolution⁸ of 21 January 1974, the Council called for priority to be given to consultation between Member States on their social protection policies and the implementation of pilot schemes to combat poverty.

Three pilot programmes were therefore launched in 1975, 1980 and 1985. The principal aims of these programmes were to promote pilot projects to test innovative approaches

⁷ Survey carried out in February and March 2007 (see http://ec.europa.eu/public_opinion/archives/ebs/ebs_273_en.pdf).

⁸ Council Resolution of 21 January 1974 concerning a social action programme, OJ C13, 12 February 1974, pp. 1-4.

and to fund studies of the nature, causes and scope of poverty in the Community. These programmes ran for nearly twenty years, funding a wide range of activities across Europe.

2.2.2 A new legal framework

The adoption of the Amsterdam Treaty in 1997 — in particular Articles 136 and 137 — introduced the fight against social exclusion within the EC Treaty among the social policy provisions and provided a new legal framework and basis for new policy commitment in this area.

The European Council of Lisbon in March 2000 recognised that the extent of poverty and social exclusion was unacceptable. Building a more inclusive European Union was thus considered to be an essential element in achieving the Union's ten-year strategic goal of economic growth, more and better jobs and greater social cohesion. In 2001 the environmental dimension was added, leading to a comprehensive framework for EU action towards sustainable development.

The Lisbon Council agreed to adopt the **Open Method of Coordination (OMC)** in order to “*make a decisive impact on the eradication of poverty and social exclusion*” by 2010.

Under the OMC, Member States have agreed common objectives and have established strategies for the policies to meet the objectives. Agreed indicators facilitate the measurement of progress and have helped build statistical capacity in practically all MSs, thereby promoting the practice of evidence-based policy-making. The effect has also been to promote openness, transparency and the involvement of stakeholders, at EU and national levels, as a means to ensure better policy-making.

The OMC is helping to deepen mutual learning and has increased awareness of the multi-dimensional nature of exclusion and poverty. The OMC is thus creating the conditions to produce more impact on the ground and make the EU's attachment to social values more visible to European citizens.

The integrated OMC introduced in 2006, bringing cooperation on social inclusion, on pensions and on healthcare/long-term care within one overall framework, provides greater opportunities for strengthening the EU's capacity to support Member States in their drive for greater social cohesion in Europe. For the first time in the autumn of 2006, Member States submitted national reports setting out their strategy for translating the agreed common objectives⁹ into strategic programmes for each of the three strands. Two-level common indicators have been established for measuring progress. The Member State reports were assessed jointly by the Commission and the Council in the 2007 Joint Social Inclusion and Social Protection Report.¹⁰

In 2007 Member States will not submit full strategic reports, but will submit, on a voluntary basis, updates on major policy developments. Efforts and contributions in 2007 will focus on a limited number of selected themes, in particular child poverty (*see 2.1.2 above*).

⁹ Common objectives adopted by the European Council in March 2006: http://ec.europa.eu/employment_social/social_inclusion/objectives_en.htm.

¹⁰ http://ec.europa.eu/employment_social/social_inclusion/jrep_en.htm.

In 2008 Member States will submit full National Reports on Strategies for Social Protection and Social Inclusion, whereas in 2009 and 2010 the focus will — again — be on specific themes (yet to be selected).

2.2.3 The Community Action Programme to combat social exclusion (2002-2006)

Following the Lisbon summit, the Commission proposed a five-year programme of Community action to encourage cooperation among Member States in combating social exclusion, which was finally agreed by the European Council and Parliament in December 2001¹¹.

The Action Programme has played a key role in supporting and advancing the implementation of the OMC, in particular by facilitating cooperation to enable the EU and the Member States to enhance the effectiveness and efficiency of policies to combat social exclusion.

The Programme was intended to improve understanding and to promote a coherent and integrated approach to tackling poverty and social exclusion through mutual learning and innovative approaches on the basis of: National Action Plans for social inclusion (NAPs/Incl); work on evaluation methods; and development of the capacity of relevant actors to address social exclusion and poverty effectively.

2.2.4 The Programme for Employment and Social Solidarity 2007-2013

With a view to fostering greater coherence and simplification in the way Community programmes are delivered, the Commission proposed in 2004 that the separate programmes in the area of employment and social solidarity should be integrated within one framework programme, PROGRESS.¹²

The overall aim of PROGRESS is to support implementation of the EU's objectives in the fields of employment and social affairs, as set out in the Social Agenda, and thereby contribute to achieving the Lisbon Strategy goals in these fields.

The Programme is divided into *five sections*: employment; social protection and inclusion; working conditions; antidiscrimination and diversity; gender equality.

The programme aims to improve knowledge and understanding through: analysis, evaluation and close monitoring of policies; support for the development of statistical tools and methods and common indicators; monitoring of the implementation of Community law and policy objectives in the Member States, and the assessment of their effectiveness and impact; promotion of networking and mutual learning, together with identification and dissemination of good practice and innovative approaches at EU level; raising awareness among stakeholders and the general public of EU policies and

¹¹ European Commission (2001), *Decision No 50/2002/EC of the European Parliament and the Council of 7 December 2001: Establishing a Programme of Community action to encourage cooperation between Member States to combat social exclusion.* <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002D0050:EN:HTML>.

¹² Decision No 1672/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Community Programme for Employment and Social Solidarity — PROGRESS <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:315:0001:01:EN:HTML>.

objectives; and boosting the capacity of key EU networks to promote, support and further develop EU policies and objectives.

2.3 Need for improvement at EU level

In 2000 the EU set itself the objective to make a decisive impact on the eradication of poverty by 2010, but in 2004 — six years before the deadline — 78 million people still remained at risk of poverty in the Union.

While the new working methods under the OMC are starting to bear fruit, further efforts at EU and national level are required to make full use of its potential.

2.3.1 Coordination between European, national, regional and local levels

A continuing trend towards decentralisation is evident in most Member States, and the role played by regional and local authorities is increasingly important in both the planning and delivery of social inclusion policies.

While the key role played by regional and local authorities tends to be emphasised, only a few Member States reported in their 2006 Strategic Reports on new or additional arrangements to better articulate the priorities set at national level with the responsibilities of regional or local authorities.

Coordination between national and sub-national policies thus often remains unclear, and the issue of adequate funding for actions can arise. This affects the successful implementation of plans. The development of pilot regional and local action plans for social inclusion — already in place in some countries — should be encouraged.

2.3.2 Participation

The participation of people suffering exclusion, both in implementing and monitoring the strategy and in steering future policy development, is vital to ensure genuine consultation and pertinent and effective measures. This also raises the issue of resources and capacity building.

Several methods of gathering the views of civil society are being tested. Several Member States have created institutional arrangements for consulting and involving relevant actors in the development of the NAPs/Incl, and civil society and social partners are increasingly being involved. Still, there is scope for further improving the quality and impact of this involvement, not least in the implementation and follow-up phases.

2.3.3 Increasing political visibility and ensuring stronger political commitment

The OMC is too often seen as an EU-level exercise rather than as a genuine effort to mutually reinforce cooperation at all levels to make progress on the agreed common objectives.

The OMC should ensure increasing political visibility for the social objectives of the European Union, in response to citizens' concerns and aspirations, and stronger and more active support among the public for social inclusion policies, thereby increasing public ownership of these policies and the accountability of decision- and policy-makers. To this end, the specific and active involvement of all partners, including the European

Parliament and the national and regional parliaments and assemblies, is vital and needs to be reinforced.

2.3.4 Mainstreaming

The mainstreaming of social inclusion within other policy areas remains a challenge. The NAPs/Incl need to be better integrated within the general policy approach in Member States and within the new Lisbon process and the overarching strategy for sustainable development. This is essential if NAPs are to become a real tool for policy development and for mainstreaming social inclusion issues across all relevant areas of national policy-making, including budgetary policy. A holistic approach is often lacking, and stronger links are needed with policy-making processes.

2.3.5 Coupling commitments with resources

The adoption by the Member States of a more strategic approach has meant that the measures proposed to address the identified priorities are now more often underpinned by an explicit allocation of financial and human resources, together with the clear attribution of responsibilities. However, there is scope for further progress here.

While there is better coordination between the implementation of social inclusion and healthcare policies and the use of the Structural Funds, notably the European Social Fund, the latter's visibility in this area could be improved.

2.3.6 Effective monitoring and evaluation

The importance of effective monitoring and evaluation is generally acknowledged, but the NAPs/Incl of the Member States give only few details of the precise arrangements envisaged. There is some increase in the **use of indicators and targets**, and national strategies increasingly allocate resources and responsibilities to measures geared to the targets and objectives, but this is still not done systematically.

The Commission and Member States have not yet agreed a systematic and transparent framework for reporting on the implementation and impact of the NAPs. Many Member States lack adequate mechanisms to monitor and evaluate the priorities defined in their NAPs/Incl. In some cases, this reflects a lack of expertise in undertaking adequate assessments of their policies.

This is compounded by limitations in terms of the availability of data. This issue needs to be addressed at all levels of government, local and regional as well as national, to ensure that data can be compared and evaluated to establish what works and what does not, with a view to enhancing the delivery and effectiveness of measures to promote social inclusion. To this end, resources allocated at both EU and national level to the timely collection and analysis of data need to be increased.

The investment made in EU-SILC, the new Community instrument for the collection of statistics on income and living conditions — co-funded by the Social Exclusion Programme, has certainly promoted the practice of evidence-based policy-making. However, there is still a need for further investment to address areas that are not sufficiently covered (in particular material deprivation, housing, and specific vulnerable groups).

2.3.7 More focused approach

If the OMC is to reinforce the delivery of policies, the NAPs need to be more focused than in the past. This ideally involves defining a small number of key objectives based on a rigorous analysis of the poverty/social exclusion situation, setting clear and quantified results and outcome targets, and defining a precise set of actions to achieve those objectives.

2.3.8 Raising awareness and combating stereotypes

Action is needed to raise awareness among the public and the people concerned as to the importance of eradicating clichés and stereotypes about people affected by social exclusion or poverty, and promoting good relations among all members of society.

2.4 How to sustain the effective implementation of EU action

The needs identified above clearly point up those elements that need improving, and the risk involved if the EU does not strengthen and complement the action to date.

2.4.1 The added value of a European Year

A European Year can play a strong role in highlighting the challenges identified above and provide a further key tool to increase the value added by the EU.

This will depend on the capacity to:

- Raise awareness among the general public regarding the causes, prevalence and multiple facets of poverty in today's European Union, as well as the achievements of the European social model. It will provide a unique opportunity for a "participatory" assessment of the impact of policies to promote social inclusion, including through support for innovative actions at national and sub-national levels.
- Increase the political visibility of the EU's social objectives, in response to citizens' concerns and aspirations; ensure stronger and more active support and ownership among the public of social inclusion policies; combat stereotypes about people affected by social exclusion or poverty; and take into consideration fundamental rights in all policies.
- Stimulate debate on ways to ensure participation in society by people who currently find themselves excluded and allow a broader range of stakeholders to become involved by expressing their views on how to tackle poverty and exclusion, publicising their actions, reinforcing their complementarities and exchanging concrete proposals on this issue;
- Promote a more cohesive society and better integration within the general policy approach, in particular with European and national policies to promote economic growth and employment and the Sustainable Development Strategy, and foster stronger links and synergies with EU initiatives and programmes, including the Structural Funds;
- Ensure strong political commitment on the part of the various EU actors to eradicate poverty and social exclusion, following on from the commitments under the OMC.

The European Year has the potential to encourage and bring about increased understanding of and a sharper focus on the issues of poverty and social exclusion and

ensure they are addressed at European level and by the Member States, and to encourage “ownership” among policy makers.

It will also contribute to:

- Promoting a cross-cutting approach to the fight against poverty and social exclusion at Community and national level by reinforcing the mainstreaming of inclusion considerations across policy areas.

A set of common evaluation criteria will be defined (*see chapter 7 below*) to evaluate the success of interventions in increasing the EU added value in terms of the impacts described above.

2.4.2 A limited number of priorities to focus on

Taking into account the multidimensional nature of poverty and social exclusion and with a view to mainstreaming the prevention of and fight against poverty and exclusion within other policies, the European Year activities should aim to produce a clear added value and provide an effective complement to the Open Method of Coordination on Social Protection and Social Inclusion. These activities should therefore focus on a limited number of priority areas.

In line with the analysis carried out and the priorities identified in the Joint Social Protection and Social Inclusion Report, the European Year should focus around the following themes:

- a) *Child poverty and the intergenerational transmission of poverty.* This could include e.g.: poverty and social exclusion among children; equal access to care and education; children’s rights; persistent poverty; etc.
- b) *An inclusive labour market.* This could include e.g.: active inclusion, including minimum income schemes; in-work poverty; measures for older workers at risk of poverty; quality employment; balance between private and working lives; flexicurity; the role of the social economy, antidiscrimination measures, action to combat financial exclusion and over-indebtedness; labour law in conjunction with social dialogue; etc.
- c) *Disadvantages in education and training.* The emphasis could be on: preventing early departure from formal education and training; facilitating the transition from school to work, in particular for school-leavers with low qualifications; increasing access to education and training for disadvantaged groups and integrating them within mainstream provision; poverty among the elderly; promoting lifelong learning - including e-learning -, by taking into account formal, non-formal and informal learning for all.
- d) *Access to basic services, including decent accommodation.* This will cover the different services needed to live in dignity and to participate in society, such as healthcare or transportation. Regarding accommodation, the focus would be on improving housing standards, addressing the lack of social housing for vulnerable groups, developing more integrated approaches to tackling homelessness, etc.
- e) *Overcoming discrimination and promoting the integration of immigrants and the social and labour market inclusion of ethnic minorities.* This could imply e.g.: improving access to mainstream services and opportunities, enforcing legislation to overcome discrimination and developing targeted approaches; raising awareness of the benefits of diversity; dealing with the particular difficulties faced by the Roma; etc.

- f) *Addressing the needs of disabled people and other vulnerable groups.* The specific needs of the various vulnerable groups could be made visible and promoted along the different thematic dimensions.

In planning the European Year activities in line with the above priorities, the Member States will adapt them to their national, regional and local situation and challenges, including considerations of territorial cohesion.

In the light of the objectives set out in chapter 3 below, the issue of participation should be mainstreamed throughout all the priorities.

In implementing the European Year activities, the Commission and the Member States will take into account the different ways in which women and men experience poverty and social exclusion. They will also ensure that gender is mainstreamed throughout the European Year priorities with a view to promoting gender equality.

4. 3. Objectives

3.1 General objectives

The proposal to designate 2010 as the European Year for combating poverty and social exclusion is intended to reaffirm and strengthen the initial political commitment of the EU at the start of the Lisbon strategy to make “a decisive impact on the eradication of poverty” on the basis of evaluations and assessments of existing policies and actions to fight poverty and social exclusion.

The European Year should also help demonstrate the benefits of participation in effectively addressing the roots of poverty. It should stimulate debate and help create solutions to ensure the meaningful participation in society of people experiencing poverty and social exclusion, the strengthening of the organisations in which they participate, and the development of stronger frameworks to ensure their involvement in activities designed to make a decisive impact on the eradication of poverty.

The European Year can show that poverty disrupts social and economic development with serious implications for individuals, society as a whole and the economy. This will help challenge the vision that the fight against poverty is no more than a cost to society and reaffirm the concept of collective responsibility, involving not only decision-makers, but also public and private actors and the citizens and residents of the EU.

The EU must also restate its global responsibility to fight poverty worldwide. Awareness of global interdependence and the need for sustainable development and solidarity between and within generations should also form part of general awareness raising and individual actions during the European Year. Raising awareness on global poverty will be linked with awareness raising on development cooperation issues and its primary objective, i.e. the fight against poverty.

The European Year will thus promote consistency, boost support for the higher-level objectives of the Union, particularly those of the renewed Lisbon strategy for growth and employment and its overarching objective of sustainable development, and strengthen the Union’s commitment to solidarity, social justice and greater cohesion. Both the preparatory

work for the European Year and its outcomes will also provide input for the preparation of forthcoming cycles of the OMC for social inclusion and social protection.

Over a longer-term perspective, the Year will help the OMC to have more impact on the ground and promote a stronger attachment to the EU's social values, for example by providing a unique opportunity and platform to raise awareness and stimulate debate and dialogue on questions that are central to achieving a just society.

The consultation provided extremely valuable indications for defining the European Year's objectives. These must — first of all — be clear, visible, and easily understandable.

The European Year should build upon a very open assessment of what has been done so far by the EU and its Member States to achieve the Lisbon objective of eradicating poverty by 2010. The European Year should show qualitative and quantitative results demonstrating the added value of EU cooperation in fighting poverty.

Providing better information and evidence on factors that can prevent and reduce poverty and social exclusion is also recognised as a powerful factor in ensuring a stronger political commitment.

The European Year is generally seen as an opportunity for improving understanding among the general public of the complex structural realities that cause poverty in the EU, and the tools available to combat poverty and social exclusion, including the OMC. The importance of the achievements of the European social model is also generally acknowledged.

Most of the respondents want the European Year to promote a holistic, coherent policy approach, in particular by moving beyond the labour market dimension to promoting inclusion and taking into account rights, equality and anti-discrimination. This approach will also provide an opportunity for economic, cultural, social and political participation with the ultimate aim of achieving a good quality of life for all.

3.2 Key messages and specific objectives

Specific objectives will be based around key messages. These key messages aim not only to raise awareness of the prevalence of poverty, but also to show that solutions do exist and to call for new steps to be taken.

RECOGNITION — OWNERSHIP — COHESION — COMMITMENT

Recognition — Recognising the right of people in a situation of poverty and social exclusion to live in dignity and to play a full part in society. The European Year will acknowledge the situation of people experiencing poverty and promote their effective access to social, economic and cultural rights as well as to resources and services and will also help in combating stereotypes and stigmatisation.

People in a situation of poverty and exclusion are often living in isolation. The Year can help in addressing the issue of access for all to social, economic and cultural rights as well as to resources and services, as essential aspects in preventing and tackling poverty and exclusion and in the fight against all forms of discrimination leading to exclusion.

People in a situation of poverty and exclusion are often the victims of “stereotypes” and the tendency to “stigmatise” and exclude them because of their social status. The media

play an important role in the reproduction of stereotypes, and the European Year can provide an opportunity for them to reverse this attitude and develop positive images of diversity.

This objective will be achieved by:

- o *helping to combat stereotypes about people affected by social exclusion or poverty and the tendency to “stigmatise” them, through concrete activities — information campaigns, cooperation with media organisations, the funding of projects and the production of media tools — to enhance knowledge and understanding among EU citizens and policy-makers of the different facets of poverty and its root causes;*
- o *helping to build a positive self-perception in people experiencing poverty;*
- o *contributing to a change in attitudes towards people experiencing poverty and exclusion, allowing them to play a full part in society and to exercise their rights in full;*
- o *providing opportunities for developing long-term and regular dialogue on social issues with media organisations.*

Ownership — Increasing public ownership of social inclusion policies and actions, emphasising everyone’s responsibility in tackling poverty and marginalisation. The European Year will foster awareness, participation and engagement, and create new opportunities for ordinary citizens to contribute.

Poverty and social exclusion do not concern only “poor” people, but the whole of society, with everybody having responsibility and a role to play in achieving a more inclusive society.

In order to address effectively the roots of poverty, it is essential to increase the participation in society of groups who live in situations of poverty and exclusion. The European Year will allow a broad range of stakeholders to become involved by expressing their views, publicising their actions, reinforcing their complementarities and exchanging concrete proposals on common European values and how to ensure that these values are the guiding principles for EU and Member State policy-making.

The European Year will increase the political visibility of the social objectives of the Union, in response to citizens’ concerns and aspirations. It will also ensure stronger and more active support among the public and facilitate their ownership of social inclusion policies.

This objective will be achieved by:

- o *providing opportunities — meetings, peer review seminars and other more specific events, possibly including an EU-level conference specifically devoted to the most appropriate mechanisms and models for the participation of disadvantaged groups and people experiencing poverty in the policy-making process;*

- o *facilitating — e.g. in connection with the annual People Experiencing Poverty Meeting — an exchange of views on issues like: investment in resources to overcome problems that prevent people from participating; appropriate facilitation, etc;*
- o *monitoring the whole preparatory process for the European Year itself, in terms of ensuring broad and effective participation on the basis of common EU guidelines;*
- o *providing a framework for effective learning — and training — opportunities.*

Cohesion — Promoting a more cohesive society by raising public awareness of the benefits for all of a society where poverty is eradicated and no-one is condemned to live in the margins. The European Year will foster a society that sustains and develops quality of life, social well-being and equal opportunities for all regardless of their background, ensuring sustainable development and solidarity between and within generations and policy coherence with EU action worldwide.

The European Year can help in promoting a wider debate that recognises the structural causes of poverty and the threat that poverty represents to the whole of society.

The European Year can also help in promoting better integration with the general policy approach and in particular with EU and national policies on economic growth and employment. European, national, regional and local action will promote the creation of a socially inclusive society by building upon solidarity between and within generations with a view to securing and increasing the quality of life of citizens — in terms of material resources as well as personal and social relationships — as a precondition for lasting well-being for all.

This also implies efforts to promote economic and social cohesion to reduce the gap between the development levels of the various regions and to combat deprivation, exclusion and marginalisation in urban and rural areas. These efforts must be seen in the context of the broader debate about what kind of Europe EU citizens want — for us and for future generations — and on sustainable development ensuring an interactive balance between environmental concerns, economic growth and social cohesion.

The European Year will also ensure policy coherence with the EU's role and action in promoting sustainable development worldwide and its international commitments to fight poverty (e.g. those contained in the Millennium Declaration).

This objective will be achieved by:

- o *organising specific events, studies and campaigns to promote a large participatory debate around the role of the EU in achieving a more cohesive society.*
- o *providing, in particular, opportunities for widening this debate to organisations and sectors not usually engaged with poverty and social exclusion issues, and developing with them a long-term and regular dialogue.*
- o *increasing the visibility and consistency of all Community programmes and actions helping to promote social cohesion and sustainable development.*
- o *encouraging the development of innovative types of initiatives, in particular those promoting trans-sectoral and horizontal approaches to social inclusion.*

Commitment — Reiterating the strong political commitment of the EU to the fight against poverty and social exclusion and promoting this commitment at all levels of governance. Building upon the achievements and possible shortcomings of the Open Method of Coordination on Social Protection and Social Inclusion, the European Year will strengthen the political commitment to the prevention of and fight against poverty and social exclusion and give impetus to further development of the European Union’s action in this field.

This commitment can be reinforced by highlighting the dynamics of poverty and providing better information on social exclusion together with evidence of the multiple facets of poverty and the factors that can reduce poverty and social exclusion.

This should build on a fair assessment of the OMC objectives to date, highlighting the progress made as well as the challenges still to be faced. A particular effort will be made to link the OMC with policies and actors at regional and local levels.

The European Year will improve communication and links between all levels in Member States, national, regional and local, between different regions, and between administrations and other stakeholders.

The European Year will raise awareness among the general public, policy-makers, service providers and other actors addressing the problems of poverty and exclusion regarding the barriers faced by disadvantaged groups, but will also show that solutions do exist and call for new steps to be taken.

This objective will be achieved by:

- o *giving an opportunity to Member States (and other stakeholders) to develop policy further through specific activities, particularly analysis at both EU and national level to provide stronger support for evidence-based policies.*
- o *signing a Declaration — at the closing conference of the European Year — for a new 10-year commitment to eliminating poverty in the EU and setting out what needs to be done to achieve this, in terms of concrete targets.*

5. 4. Policy options

Four options have been carefully considered.

Option 1 — No change scenario

The first option is continuing with existing policy under the Open Method of Coordination, along with support for enhancing the effectiveness and efficiency of the PROGRESS programme in combating social exclusion and improving the possibilities for funding by the ESF.

This could include a request to Member States to provide specific information and undertake promotional activities and campaigns, but without any additional EU support for Member States.

The other three options involve having a European Year along the lines set out in chapter 3 above.

Option 2 — A European Year coordinated and centralised by the Commission

A European Year with activities coordinated and centralised by the Commission on the basis of some incentives over a fixed period.

The Commission would thus be able to better coordinate the activities under the European Year with other EU initiatives and programmes.

Option 3 — A completely decentralised European Year

A European Year in which the implementation of activities will be completely decentralised to the Member States with the Commission only coordinating the opening and closing EU-level events for the European Year.

On the face of it, decentralising the European Year activities to national level is an obvious option, given that the OMC in social protection and social inclusion concerns what is very much an area of national competence. Welfare systems in Europe vary to a considerable degree: they are organised in different ways that reflect each country's particular history and are sometimes a strong component of national identity. Account must be taken of the varying progress made at national level and the socio-economic and cultural contexts and sensitivities in the Member States.

This option is not far from the approach followed for the implementation of the 2007 European Year on Equal Opportunities for All.

Option 4 — A European Year that is both coordinated and decentralised

A European Year in which a balance is found between activities implemented at EU level and action taken at national, regional and local levels.

This could take account of the varying progress made at national level and the socio-economic and cultural contexts and sensitivities in the Member States, noted under option 3. While the substantial differences among Member States argue in favour of decentralised actions playing an important role in the implementation of the European Year, the definition of policy priorities at national level should be monitored by the Commission with a view to guaranteeing consistency with the strategic objectives agreed for the European Year and ultimately with the common objectives established for the social protection and social inclusion OMC.

6. 5. Impact analysis

5.1 Option 1 — No change scenario

5.1.1 Effectiveness — achievement of objectives

This option is unlikely to produce any additional impact.

The absence of any action other than those already implemented risks not giving adequate attention and political visibility to one of the Union's priorities and not having sufficient support to ensure a strong political commitment. This seems particularly true for the promotion of a large participatory debate around the role of the EU for a more cohesive society, and for developing a regular dialogue with organisations and sectors not usually engaged with poverty and social exclusion issues.

This could give rise to opportunity costs, in that it will be more difficult:

- to be effective in raising awareness among the general public and policy-makers;
- to involve actors and policies at regional and local levels;
- to involve the general public and European society as a whole.

This option will not be effective in combating stereotypes and bringing about changes in attitudes, or in ensuring an extensive and appropriate commitment to eliminating poverty in the EU.

5.1.2 Efficiency — cost-effectiveness

The Commission may call upon Member States to launch and support specific information and promotional activities and campaigns, relying on the possibilities offered by the current programmes and funds, especially PROGRESS and the ESF.

The “zero” extra cost for this option, however, does not sufficiently offset the risks highlighted above in terms of the failure to achieve the objectives of the European Year. This seems to apply particularly to the political visibility of what is a Union priority and the support for ensuring a strong political commitment. The possibilities for effective mainstreaming actions are also weakened.

5.1.3 Consistency

In terms of overall consistency, this option furthermore risks limiting the scope of the fight against poverty and social exclusion to sectors where appropriate programmes already exist and not enabling other areas or cross-cutting approaches to be explored or allowing mainstreaming actions on a significant scale.

5.2 Option 2 — A European Year coordinated and centralised by the Commission

5.2.1 Effectiveness — achievement of objectives

This option would ensure good coordination at EU level, in administrative and financial terms as well as on content. This will be particularly true for political visibility among EU stakeholders and for mainstreaming social inclusion actions throughout other policy areas at EU level.

However, the option does not seem to be appropriate in encouraging stronger political commitment on the part of Member States and other national, regional and local stakeholders.

In addition, given the substantial differences among Member States, in terms of the extent of poverty and social exclusion and the policy responses, this approach risks being ineffective if it does not take into account national (and sub-national) specificities. The

trend towards decentralisation in most Member States and the increasingly important role played by regional and local authorities militate against actions that do not involve local and regional actors and policies.

Participation will therefore be limited to the EU-level actors — and maybe international bodies — and awareness raising and learning exchanges will risk not reaching a broader public.

This option may also appear disproportionate in terms of the objective to be achieved and is likely to encounter political opposition from the Member States.

5.2.2 Efficiency — cost-effectiveness

The Commission may suggest a limited budget — **around 5 100 000 euros** — focusing on some major EU events (approx. 900 000 euros) and an information campaign (approx. 4 200 000 euros).

Such a budget will not be able to fund national or sub-national projects and initiatives, thus undermining the possibility of achieving the objectives of the European Year, including reaching, mobilising and involving a broad public, and limiting the impact in terms of the visibility of EU action to promote social inclusion at national, regional and local levels.

This option would not provide an adequate framework for effective learning possibilities. In addition, it is also likely to put an unnecessary burden on the Commission in terms of human resources and organisation, while not being able to meet the concerns and specificities of Member States.

5.2.3 Consistency

In a European Year with activities coordinated and centralised at EU level, the Commission would be better able to ensure consistency between the European Year activities and with other EU initiatives and programmes, along the EU's external dimension as well.

In terms of overall consistency, however, due to the small impact that this option is likely to have at national level, this option is likely to produce a limited impact at EU level, with no or little influence at national level in terms of cross-cutting approaches and mainstreaming action.

5.3 Option 3 — A completely decentralised European Year

5.3.1 Effectiveness — achievement of objectives

Completely decentralising the implementation of activities to the Member States will help raise awareness and encourage participation at national and local levels, as well as ensure a stronger political commitment at these levels. This option can also provide a framework for effective learning and training.

However, this will not necessarily be the case for political commitment at EU level, and effective support for the OMC. This option also risks ignoring a fundamental dimension — the link between the OMC at EU level and the elaboration, implementation and monitoring of social inclusion policies at regional and local levels.

Furthermore, it will be more difficult to ensure effective coordination of the different activities, which risk appearing quite in isolation and disconnected from one another. The

difficulty of ensuring effective coordination could reduce the impact of the European Year in terms of visibility, and risk undermining the possibilities for effective synergies and for transnational comparison and exchange.

5.3.2 Efficiency — cost-effectiveness

The Commission may suggest a budget of around **15 000 000 euros** — as for the 2007 European Year — to support opening and closing events at EU level (approx. 600 000 euros) and other actions and events at national and sub-national levels.

The efficiency of this approach in terms of “working on the ground” would however be hampered by the lack of a link between the different actions and the different levels of intervention, as well as the failure to achieve the objectives of visibility and learning exchange at transnational level.

5.3.3 Consistency

While the substantial differences among Member States argue in favour of decentralised actions playing an important role in the implementation of the European Year, an approach where the implementation of activities is completely decentralised to the Member States with the Commission only coordinating two EU-level events does not seem to ensure effective complementarity and consistency among the different actions, along the EU’s external dimension as well.

5.4 Option 4 — A European Year that is both coordinated and decentralised

5.4.1 Effectiveness — achievement of objectives

This option has the potential to achieve significant political impact at national level in raising awareness and stimulating an open debate and dialogue on strategic policy issues relevant to the social cohesion of European society.

A European Year in which a balance is found between activities implemented at EU level under the supervision of the Commission and action at national, regional and local levels would allow diversities and specificities to be taken into account and, at the same time, meet the need for consistency and coherence in implementation.

This would seem to ensure a better impact in terms of political commitment at all levels and effective support for the OMC, including through a strong link with the elaboration, implementation and monitoring of social inclusion policies at regional and local levels.

Effective coordination of the different actions can be ensured in particular by the Commission. This is also the option where we predict the most effective impact in terms of the visibility of the whole exercise and the opportunities to exploit synergies.

This will thus ensure effective action across all the priorities identified for the European Year, including: combating stereotypes and stigmatisation; debating the most appropriate models for the participation of people experiencing poverty in the policy-making process; and providing a framework for effective learning and training.

A stronger impact over time can also be expected in terms of support for evidence-based policies and further policy development.

This option can secure the commitment and involvement of authorities in the Member States so as to maximise the impact of European action through national multipliers.

5.4.2 Efficiency — cost-effectiveness

As the Commission will organise initiatives during the European Year in coordination and consultation with the Member States, a budget of **17 000 000 euros** is envisaged.

Budgetary appropriations might be as follows: EU-level actions (approx. 7 300 000 euros); co-funding of Community-level activities (approx. 700 000 euros); the rest — 9 000 000 euros — to be used for national and sub-national events and activities (*see details below, under 7.7*).

This approach seems to be efficient both in terms of reaching actors and policies “on the ground” and in ensuring a strong link between the different actions and the different levels of intervention, because the decentralised activities of the European Year will also be implemented under the supervision of the Commission.

The Commission would also be able to closely monitor the implementation of national and sub-national activities, along with the whole preparatory process for the European Year itself, which will also include ensuring broad and effective participation on the basis of common EU guidelines.

The greater investment in terms of resources and organisation — in comparison with the other options — seems justified, given the guaranteed impact over time in terms of: awareness raising; debating the most appropriate models for participation in the policy-making process; visibility; and learning exchange at transnational level.

5.4.3 Consistency

A European Year aiming for a balanced approach between decentralised activities and coordination and guidance at EU level can ensure strong consistency between the activities under the European Year and with other EU initiatives and programmes, along the EU’s external dimension as well.

In addition, it can have a strong influence at EU, national and regional levels in terms of cross-cutting approaches and effective mainstreaming action.

This option can promote a large participatory debate around the role of the EU in achieving a more cohesive society and provide opportunities for developing long-term and regular dialogue with organisations and sectors not usually engaged with poverty and social exclusion issues, including media organisations.

5.5 Comparing the options

An assessment of the impact of the four options against the three criteria is presented in the following table:

Criteria / Options	Option 1	Option 2	Option 3	Option 4
EFFECTIVENESS	●	●●	●●●	●●●●

EFFICIENCY	●●	●●	●●●	●●●●
CONSISTENCY	●	●●	●●	●●●
OVERALL ASSESSMENT	●	●●	●●●	●●●●

Option 4 would therefore seem the most appropriate to create the momentum needed in 2010 to prompt actors and beneficiaries to tackle the barriers to participation in society and create a climate where social cohesion in Europe is seen as essential to Europe's socio-economic vitality.

It is also the most appropriate in terms of expected impact and potential for achieving the specific objectives of the European Year.

It requires more investment than the other options in terms of resources and organisation at Commission level. However, this is fully justified by the expected results in terms of stronger political commitment at all levels, awareness raising, visibility, and learning exchange at transnational level.

7. 6. Implementation of actions under the chosen option

6.1 Coordination and management of activities

Taking into account the multidimensional nature of poverty and social exclusion and with a view to mainstreaming the prevention of and fight against poverty and exclusion within other policies, the European Year activities should focus on a limited number of priorities to accompany in a more effective way the National Strategies (*see 2.4 above*).

In planning the European Year activities, the Commission and the Member States will develop an integrated and coordinated approach at local and regional levels. Such an approach should adapt the priorities to the local situation and involve all relevant actors. In the light of the objectives set out in chapter 3 above, the issue of participation should be mainstreamed throughout all the priorities. Gender must also be mainstreamed throughout these priorities with a view to promoting gender equality.

The involvement of the Member States calls for the establishment of coordination mechanisms at both national and EU level in order to ensure synergies and leverage effects with the actions.

The role and functioning of the coordination structures will be a key factor for the success of the European Year. Support is needed from the appropriate actors at EU and Member State level in order to prepare and implement the Year and achieve its objectives.

While the Union can provide a framework for coordination at various levels, tangible progress will be achieved only through the significant involvement of Member States at national level. Activities defined at European level to ensure consistency in approach will then be adapted to the specificities of each Member State.

At both national and European levels, activities will be organised around the four key messages — Recognition — Ownership — Cohesion — Commitment — and the corresponding specific objectives set out under 3.2 above.

EU level

A **Committee** comprising Member State representatives will be appointed in order to assist the Commission in implementing the European Year activities.

Mechanisms also need to be put in place to ensure the active participation of other actors. That is why the Commission will seek to engage with a very wide range of stakeholders, inviting them to join in an ongoing dialogue about the European Year's priorities and delivery mechanisms.

The Commission will also establish links with the Social Protection Committee in order to ensure that it is regularly and appropriately informed of the implementation of the European Year activities.

The Committee will monitor the implementation of the activities on the basis of common guidelines developed by the Commission (**Strategic Framework Document — SFD**) to ensure consistency with the Joint Report on Social Inclusion. The SFD will act as a point of reference for Member States, and will establish the key priorities for the European Year, alongside the objectives defined for the Year. The SFD should also define minimum standards for participation in national bodies (*see also below*).

Within the Commission, DG EMPL intends to draw on the expertise of the existing **Inter-Services Group** on Social Protection and Social Inclusion to discuss synergies and cooperation and ensure consistency among Commission initiatives.

For the European Year, the Commission may cooperate with relevant international organisations, in particular the Council of Europe, the International Labour Organisation and the United Nations.

National level

Each Member State will be responsible for coordinating and implementing activities at national, regional and local levels.

However, national implementation will have to accord with the policy objectives set out for the European Year, in line with the Strategic Framework Document mentioned above. Each Member State will submit to the Commission a **National Programme for implementing the European Year**. These Programmes will incorporate the overall objectives and essential principles as defined in the Decision establishing the European Year and developed in the Strategic Framework Document. They will be drawn up in close coordination and consistency with the National Strategies for Social Protection and Social Inclusion and should build upon an analysis of the challenges facing each national Member State and present policy actions or initiatives that the Member States intend to take in

response. The National Programmes will also detail the different roles of the national and sub-national bodies involved in implementing the European Year activities.

Each programme should be devised, adopted and implemented in strict cooperation with and under the supervision of the **National Implementing Bodies (NIBs)** designated by the countries participating in the European Year. The NIBs are administrative authorities or equivalents with competence and proven experience in the fight against poverty and social exclusion and a strong role in the elaboration, monitoring and evaluation of the NAPs/inclusion. The NIBs will define their national strategies and priorities for the European Year, and identify specific activities to meet the objectives of these strategies. The NIBs will be responsible for selecting national, regional and local initiatives in line with the strategic policy objectives defined by the Commission. They will also provide an effective channel of information on the European Year activities.

In establishing and carrying out their national strategies, each NIB will consult and cooperate closely with a **National Advisory Group** — NAG — composed of a broad range of stakeholders, including civil society organisations representing the interests of people in poverty, national parliament representatives, social partners, and regional and local authorities. The NAG will advise the National Implementation Body and provide guidelines on both the EU dimension and common messages for implementing the European Year activities.

6.2 Complementarity and synergies

The Commission will ensure coherence between the European Year activities and other Community actions and initiatives.

On the one hand, special attention must be paid to how new initiatives under the European Year will complement other activities designed to achieve the objectives set out under chapter 3. On the other hand, synergies can also be sought with relevant EU programmes and the Structural Funds in order to mobilise funding for projects and research activities related to the fight against poverty and social exclusion, also with a view to “poverty mainstreaming” and better integration between different policy areas.

The Commission already has a wide range of instruments (programmes and actions) at its disposal to promote social inclusion. Generally speaking, in 2010, the fight against poverty and social exclusion can be given special attention in each relevant programme, provided that this is compatible with the design and the management of the programme concerned.

This stronger mainstreaming within programmes and their relevant networks will apply particularly to programmes in the following sectors: employment, social solidarity (including gender), disability and the fight against discrimination (PROGRESS); the Structural Funds; education and training; citizenship; youth; immigration; and research.

- The **PROGRESS Programme** (2007-2013). The European Year should particularly look for synergies with PROGRESS activities: e.g. Eurobarometers and other studies; the Peer Review to be organised at national and local levels; the transnational projects for mutual learning; the network of experts; the work on indicators; the role of the EU-level networks; and events for the 17th of October, such as the European Round Table. PROGRESS can also help pave the way for the

European Year, for example through activities to ensure a solid assessment of the effectiveness and weaknesses of current policies and actions. The preparation, outcome and follow-up of the European Year could, in turn, “influence” the planning of activities for the last three years of the programme, and help shape the next financing period following 2013.

- Structural Funds. While only a few Member States provide financial indications for the use of the Structural Funds in their NAPs/inclusion, many examples are given of projects that have contributed to enhancing employment prospects and supporting the long-term unemployed, addressing key issues such as early school-leaving or improving school levels and adult education, developing quality health care, expanding child care provision, supporting the integration of people with disabilities, promoting the integration of immigrants and the social inclusion of ethnic minorities, increasing the access of women to the labour market, and promoting the development of local social capital.
- Reinforcing the social inclusion of disadvantaged people to ensure their sustainable integration within employment is now a specific **European Social Fund** priority and specific actions may be defined to support the implementation of the priorities mentioned above under 3.4.1, in particular for the labour market. In addition, the ESF has a specific axis — 5 — devoted to transnational cooperation.
- The **European Regional Development Fund**’s contribution to the improvement of infrastructure is also strictly linked to social inclusion and fighting urban deprivation, and specific actions can fit within the priorities outlined above, particularly where ensuring decent accommodation is concerned.
- The contribution of the **European Agricultural Fund for Rural Development** (EAFRD) on improvement of quality of life in rural areas and the diversification of the rural economy in the EU. Specific measures target not only employment's creation, maintenance and increase, but also training and skills upgrading, basic services including ICT, infrastructural investments, gender equality and promotion of women's and youngsters' participation in the economic life, diversification of incomes as a tool for improving rural population's living standards and reduction of out-migration. Incorporation of people into the decision-making and investment process through LEADER further adds to their social inclusion.
- The **Education and Training Programmes** — in particular the new financial instruments for *lifelong learning* (Comenius, Erasmus, Leonardo da Vinci, Grundtvig) — highlight the importance of developing intercultural understanding and tolerance and instilling and reinforcing habits of active citizenship, so that the EU can respond positively to its increasing diversity and benefit from it. Common areas of cooperation are easily discernable when the objectives of the European Year and these programmes are compared. The Cluster on Access and Social inclusion, in the framework of the Education and Training 2010 work programme (OMC), gathers representatives of national governments (Ministries of Education and Labour) to analyse how to improve equity in education. It is focusing in particular on preventing early school leaving and improving the school integration of pupils with an immigrant background.
- Equally, coordination and synergies need to be ensured with the **Citizens for Europe** and **Youth in Action** Programmes (2007-2013), to the extent that the European Year will target, among others, young people with a view to ensuring a better understanding and respect among communities.

- The **European Year of Intercultural Dialogue 2008** also has a strong relevance for the European Year for Combating Poverty and Social Exclusion, with culture, education, youth, sport and citizenship being the main implementation fields. The 2010 European Year will benefit from the results of the activities during the 2008 European Year.
- **Immigration and asylum policies.** Integration of third-country nationals is an essential component of the EU's comprehensive immigration policy and a priority area for the EU. Under the Financial Perspective 2007-2013, there is a specific European Fund for the integration of third-country nationals with the aim of promoting integration efforts, and the new European Refugee Fund starting in 2008 will continue to finance targeted projects supporting tailored integration measures for those it is intended to help, including refugees and displaced persons whose stay in the EU is of a lasting and stable nature.
- **Research.** Research activities under the 7th Framework Programme for Research and Technological Development include scientific research on social inclusion and social cohesion. The Framework Programme further explores ways to bridge the gap between science and society by supporting research and the setting up of networks on participatory processes for civil society organisations.

The Commission will also ensure complementarity with any other initiatives for cooperation with international organisations and third countries, including developing countries, especially in the framework of its development cooperation policies when relevant for the objectives of the European Year.

6.3 Actions on a Community scale

1. Specific actions for solidarity and poverty relief

Organisation of various solidarity initiatives for poverty alleviation and social inclusion to give ordinary citizens the opportunity to contribute directly or through their organisations, even modestly and in whatever form. Media campaigns may support fundraising operations within the framework of the European Year.

2. Meetings and events

Organisation of meetings and events at Community level to raise awareness of issues relating to the European Year and to poverty and social exclusion and to provide a forum for the exchange of ideas.

3. Information and promotional campaigns

- The development of a logo, available in a variety of formats, and slogans for the European Year, for use in connection with any action linked to the European Year;
- An information campaign at Community level with positioning at national level, based on both traditional and new communication channels and new technologies;

- The production of communication and media tools available throughout the Community to stimulate public interest;
- Appropriate measures and initiatives for publicising the results and raising the profile of Community programmes, actions and initiatives contributing to the objectives of the European Year;
- Appropriate initiatives by educational institutions to disseminate information on the European Year;
- The organisation of European competitions highlighting achievements and experiences in connection with the European Year;
- A strong link with organisations and sectors not usually engaged with issues of poverty and social exclusion (e.g. sport, art), the use of testimonials and “ambassadors”;
- The establishment of an information website on Europa.

4. Other actions

- Community-wide surveys and studies to assess and report on the preparation, effectiveness, impact and long-term monitoring of the European Year. To facilitate a new consensus around political solutions, one survey will also include a series of questions to gauge public opinion on policy to prevent and combat poverty and social exclusion, including social protection systems, and on the potential role of the Union in the fight against poverty and exclusion. This will be conducted in 2009 so that its results can be presented at the Opening Conference of the European Year;
- Cooperation with the private sector, broadcasters and other media as partners in spreading information about the European Year as well as in actions aiming for long-term dialogue on social issues;
- Technical assistance to facilitate the transfer of learning;
- An evaluation report on the effectiveness and impact of the European Year.

Specific links could be established with the organisation of events at European and international level.

The Commission may make use of technical and/or administrative assistance for the mutual benefit of the Commission and the participating countries, for example by financing outside expertise on a specific subject.

6.4 Co-financing of actions on a Community scale

Some events will be organised at Community level, including events to open and close the European Year.

These events will provide opportunities to raise awareness of the objectives of the European Year and gather together relevant stakeholders, and will be planned together with people experiencing poverty and civil society organisations representing them, to provide a genuine opportunity to address policy gaps and everyday problems.

Funding may take the form of:

- the purchase of goods and services, in particular in the field of communications, via open and/or restricted calls for tender;
- the purchase of consultancy services, via open and/or restricted calls for tender;
- subsidies to cover the expenses of special events at European level to highlight and raise awareness of the European Year. Such funding may not exceed 80% of the total expenditure incurred by the recipient.

6.5 Co-financing of actions at national level

These actions should take account of the need to provide funding opportunities that ensure access for organisations “on the ground” and projects involving the most marginalised groups.

1. Actions at local, regional or national level may qualify for financing from the Community budget up to a maximum of 50 % of the total eligible costs per participating country. National co-funding should match the EU funding with at least 50% from public or private sources. When selecting actions, national implementing bodies will be free to decide whether or not, and at what level, to request co-funding from the organisation responsible for implementing individual actions.
2. Following the adoption of this Decision, the Commission will prepare a Strategic Framework Document, which, alongside the objectives set out in Article 2, will establish the key priorities for the implementation of the European Year activities, including minimum standards in terms of participation in national bodies and actions.
3. In response to the Strategic Framework Document, each national implementation body will produce a National Programme for implementing the European Year, in close coordination and consistency with the National Strategies for Social Protection and Social Inclusion.
4. Each national implementing body will submit a single application for Community funding. That grant application will describe the national programme and priorities for the European Year, the actions proposed for funding in the relevant participating country and the organisations responsible for implementing each of the individual actions. The grant application will be accompanied by a detailed budget setting out the total costs of the actions proposed and the amount and sources of co-funding. Eligible costs may include personnel and administrative costs incurred by the national implementing body.
5. The release of global grants to participating countries will depend on the extent to which the objectives set out in Article 2 and developed in the Strategic Framework

Document are adequately met in the National Programme for implementing the European Year.

6. The Commission will evaluate and, if necessary, request modifications to the applications for Community funding submitted by the national implementing bodies.
7. Actions under point 1 above may include:
 - a) Meetings and events connected with the objectives of the European Year, including national events to launch and promote the European Year, create a catalyst effect and provide open spaces for debate around concrete action to combat poverty and social exclusion;
 - b) Mutual learning seminars at national, regional and local level;
 - c) Other events connected with the preparation of EU-level initiatives (e.g. the yearly European Round Table on Poverty and Social Exclusion and European Meeting of People Experiencing Poverty);
 - d) Information, educational and promotional campaigns and other actions in schools and measures with a strong multiplier effect to disseminate the principles and underlying values celebrated by the European Year at national, regional and local levels, including the organisation of awards and competitions;
 - e) Surveys and studies other than those mentioned in point 3 of Part I, to examine in greater depth the key issues of the European Year;
 - f) Training opportunities for civil servants, social partners, the media, NGO representatives and other actors to increase their knowledge of poverty and social exclusion phenomena, of European and national social inclusion policies and of the different policy tools available, to increase their capacity to deal with poverty-related issues, and to encourage them to play an active role in the fight against poverty and social exclusion;
 - g) Cooperation with the media;
 - h) Development of pilot regional and local action plans for social inclusion.

6.6 Action for which no financial aid from the general budget of the European Union is available

The Community will grant non-financial support, including written authorisation to use the specific logo created for the European Year and other material associated with the European Year, for initiatives undertaken by public or private organisations, in so far as the latter can provide assurances to the Commission — on the basis of specific criteria set out in the Strategic Framework Document — that the initiatives in question are or will be carried out during the period of the European Year and are likely to make a significant contribution to achieving one or more of its objectives.

Initiatives organised in third countries in association or cooperation with the European Year may also receive non-financial support from the Community and use the logo and other materials associated with the European Year.

6.7 Cost implications of the action: 17 million euros

Million euros

Actions	Type of output	2009		2010		TOTAL
		No	Total cost	No	Total cost	Total cost
Community-scale (100%)	Meetings & events	1	0.400			0.400
	Technical assistance	1	0.600			0.600
	Information and promotional campaigns	1	6.150			6.150
	Evaluation activities	1	0.150			0.150
Co-financing of Community-scale actions (80%)	Emblematic actions on a European scale (opening/closing events)	1	0.350	1	0.350	0.700
Co-financing of actions at national level (50%)	Grants to National Implementing Bodies			30	9.000	9.000
TOTAL COST		5	7.650	31	9.350	17.000

8. 7. Monitoring and Evaluation

7.1 Monitoring

The Commission and Member States need to ensure consistency between the measures financed. The monitoring to this end should promote the quality of the activities financed and their consistency with the objectives of the European Year. In doing so, it should facilitate the

exchange of experiences between participating countries and the exploitation of results achieved at EU level.

The design of the monitoring framework will be mainly the responsibility of the Commission, in consultation with the participating countries. The actual monitoring systems will be implemented in accordance with the responsibilities for financing the activities. Reporting on objectives and results achieved will form part of the conditions for receiving financing.

Examples of indicators for the various objectives are listed in the legislative financial statement annexed to the draft Decision.

Prior to the launching of activities, detailed indicators will be developed and designed so that they can be measured objectively over the short term in the same way across all participating countries.

7.2 Evaluation arrangements

The approach adopted will be one of continuous evaluation followed by assessment of the implementation and impact of the European Year. An external evaluation exercise will be launched in 2009 — year n-1 of the European Year — in order to gather baseline data to monitor the implementation of the European Year and provide interim results if needed.

The object of this exercise will be to assess the results achieved by the European Year in the light of its objectives. Attention will focus in particular on the following issues:

- the sharing of responsibility between the Commission and Member States should be further emphasised in order to ensure that synergies and leverage effects are achieved.
- a budget should be set aside for a call for proposals for the external evaluation;
- the implementation of the European Year should be synchronised appropriately in order to ensure that the activities are implemented within the one-year timeframe. This implies clear deadlines for establishing the Committee and the launching of the calls, including those for the external evaluation. Previous evaluations have shown that the preparation period and implementation deadlines are crucial issues for the success of European Years.

The evaluation results should be available by mid-2011. This will allow the Commission to report by 31 December 2011 to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the implementation, results and overall assessment of the European Year actions (ex-post evaluation).

This report commits only the Commission's services involved in its preparation and does not prejudice the final form of any decision to be taken by the Commission