

## **INTERREG IVC**

### **3rd Call for Proposals**

European Territorial Cooperation Objective of the Structural Fund policies for the period 2007-2013

#### **Project Proposal**

Beyond GDP: Measuring the impact of Operational Programmes in relation to economic growth and sustainable development at a local/regional level.

"Producing better, truer, ways of measuring economic, environmental and social performance is a critical step in making progress towards building a better world." Joseph Stiglitz

## **Introduction**

This project proposal has been developed by QeC-ERAN, which is not-for-profit NGO registered under Belgian law . QeC-ERAN is a network of EU cities, regions, NGO's and research organisations that are focussed on urban issues. QeC-ERAN was established twenty years ago and has played an ongoing role in relation to urban issues within EC policy and programmes. For further details about our work please check our website [www.qec-eran.org](http://www.qec-eran.org)

## **Background**

The starting point of this proposal is that the current economic crisis has graphically exposed the weakness in current approaches to measure growth and sustainability. For 60 years gross domestic product, or GDP for short, has been the yardstick by which the world has measured and understood economic and social progress. However, it has failed to capture some of the factors that make a difference in people's lives and contribute to their happiness, such as security, leisure, income distribution and a clean environment including the kinds of factors which growth itself needs to be sustainable.

Robert Kennedy while seeking the Democratic presidential nomination, 40 years ago said, "GDP "measures everything...., except that which makes life worthwhile."

The crisis has graphically vindicated his observation. The scale of the crisis has called into serious question our current framework of measurement and regulation. The sense of urgency to move beyond GDP is driven by the interdependent, global and long term nature of current challenges such as human capital investment,

environmental challenges, migration and security issues, which require a broad view on well-being and ways to measure it. This need has also been recognised at EU and global level.

In November 2007, the European Commission (together with the European Parliament, the Club of Rome, the WWF and the OECD) organised the Beyond GDP conference. The conference revealed strong support from policy-makers, economic, social and environmental experts and civil society for developing indicators that complement GDP and aim to provide more comprehensive information to support policy decisions.

There is therefore a broad consensus now in the world that there is more at the door than material wealth. The recent 'Istanbul declaration' exemplifies this by stating:

*We, the representatives of the European Commission, the Organisation for Economic Cooperation and Development, the Organisation of the Islamic Conference, the United Nations, the United Nations Development Programme and the World Bank, recognise that while our societies have become more complex, they are more closely linked than ever.*

*Yet they retain differences in history, culture, and in economic and social development. We are encouraged that initiatives to measure societal progress through statistical indicators have been launched in several countries and on all continents. Although these initiatives are based on different methodologies, cultural and intellectual paradigms, and degrees of involvement of key stakeholders, they reveal an emerging consensus on the need to undertake the measurement of societal progress in every country, going beyond conventional economic measures such as GDP per capita.*

When the European Council endorsed the European Economic Recovery Plan it recognised that the crisis should also be taken as an opportunity to set our economy more firmly on the path to a low-carbon and resource-efficient economy. The response to the crisis should seek to protect the hardest hit and the most vulnerable in society. These challenges point to the need for more inclusive markers than just GDP growth; for indicators that concisely incorporate social and environmental achievements (such

as improved social cohesion, accessibility and affordability of basic goods and services, education, public health and air quality) and losses (e.g., increasing poverty, more crime, depleting natural resources).

The above limitations are also reflected in the views of EU citizens. A 2008 Eurobarometer poll showed that more than two thirds of EU citizens feel that social, environmental and economic indicators should be used equally to evaluate progress. Only just under one sixth prefer evaluation based mostly on economic indicators. An international poll in 2007 gave similar results.

Studies have also revealed that citizens can feel distanced from statistical information. GDP may be growing, but disposable incomes and public services are perceived as shrinking. As societies become more diverse, indicators based on averages or "the typical consumer" are not sufficient to fulfil the information needs from citizens and policy-makers. Complementing GDP with additional concise metrics that reflect wider public concerns would demonstrate greater linkage between EU policy and citizens' preoccupations. This something that clearly needs to be strengthened in order to bring cohesion policy closer to local and regional stakeholders.

There is growing consensus that GDP has some specific shortcomings:

- Critically, GDP does not measure environmental sustainability or social inclusion and these limitations need to be taken into account when using it in policy analysis and debates.
- GDP does not reflect the shift in distribution and over the past 15 years there has been just such a shift. While the GDP has continued to rise, wages have stagnated, pensions have shrunk or disappeared and income inequality has increased.
- Health care is measured by the money spent, not by improvements in people's health. Obesity is on the rise, undermining health, but that is not subtracted.
- GDP does not take depletion of natural resources or environmental damage into account any more than it takes

account of capital depreciation, despite the fact that depreciation siphons wealth away from growth towards replacing existing technology and capital. Measuring progress must take depletion into account.

- Another problem is how to capture the many economically useful services households undertake every day but which do not show up in the nation's accounts, such as cleaning, cooking and childcare. Indeed, a recent study for Germany and Finland showed that the unmeasured household production corresponds to between 30 and 40% of GDP

## **PROPOSAL**

This proposal is to establish a "Capitalisation Project"- WITH FAST TRACK LABEL under the programme. The overall goal of this proposal is to support the transfer and development of measurement tools for assessing impact of local and regional strategies for growth and sustainable development. The overall aim is to transfer and develop a framework for impact assessment that can better measure progress in relation to growth and sustainable development. The overall aim is that this capitalisation process will create a resource that can be used for assessing the impact of current OP's for ERDF/ESF and /or provide a tool for the development of the new OP's for the next programming period.

The trans-national exchange programme will focus on the following **3** specific sub-themes which have the overall goal of developing a framework that moves beyond GDP.

- **Complementing GDP with environmental and social indicators**

Indicators that summarise important issues with a single figure are essential communication tools. They trigger policy debate and give people a feel for whether or not progress is on track. GDP and the unemployment and inflation rates are prominent examples of such summary indicators. But they are not meant to reflect where we stand on issues such as the

environment or social inequalities. Here the focus will be on using existing elements of current environmental policy:

- climate change and energy use
- nature and biodiversity
- air pollution and health impacts
- water use and pollution
- waste generation and use of resources

- **Quality of life and well-being**

Citizens care for their quality of life and well-being. Income, public services, health, leisure, wealth, mobility and a clean environment are means to achieve and sustain those ends. Indicators on these "input" factors are therefore important for governments and the EU. In addition, social sciences are developing increasingly robust direct measurements of quality of life and well-being and these "outcome" indicators could be a useful complement to the "input" indicators. Well-being is now an explicit goal of the European Union: the EU sustainable development strategy aims 'at the continuous improvement of the quality of life and well-being on Earth for present and future generations'.

- **More accurate reporting on distribution and inequalities**

Social and economic cohesion are overarching objectives of the EU. The aim is to reduce disparities between regions and social groups. In addition, far-reaching reforms – such as those required to fight climate change or to promote new patterns of consumption – can only be achieved if efforts and benefits are felt to be equitably shared among countries, regions, and economic and social groups.

This is why distributional issues attract increasing attention. For example, even if the GDP per capita figure for a country is rising, the number of people living at risk of poverty may be increasing. Existing data from national accounts, e.g. on household income, or from social surveys such as EU-SILC, already allow for an analysis of key distributional issues.

Policies affecting social cohesion need to measure disparities as well as aggregates such as GDP or GDP per capita.

We are seeking to create cross-sectoral, multi-governance territorial co-operation working groups in 7 or 8 sub-regions/regions, which will be selected on the basis that the 7 or 8 formal project partners have evidence of past, current and planned work in this field. Our idea is that each local consortium would also have a strong link with the Managing Authorities responsible for their ERDF and ESF Operational Programmes. Indeed, the core partnership would envisage having the participation of the relevant Managing Authorities in the project from the outset.

In terms of impact our goal is to support the “regional” consortiums in developing a framework of measurement that could be incorporated into the impact assessment for their Operational Programmes as well as local/regional strategies for economic growth and sustainable development.

## **Methodology and Key Actions**

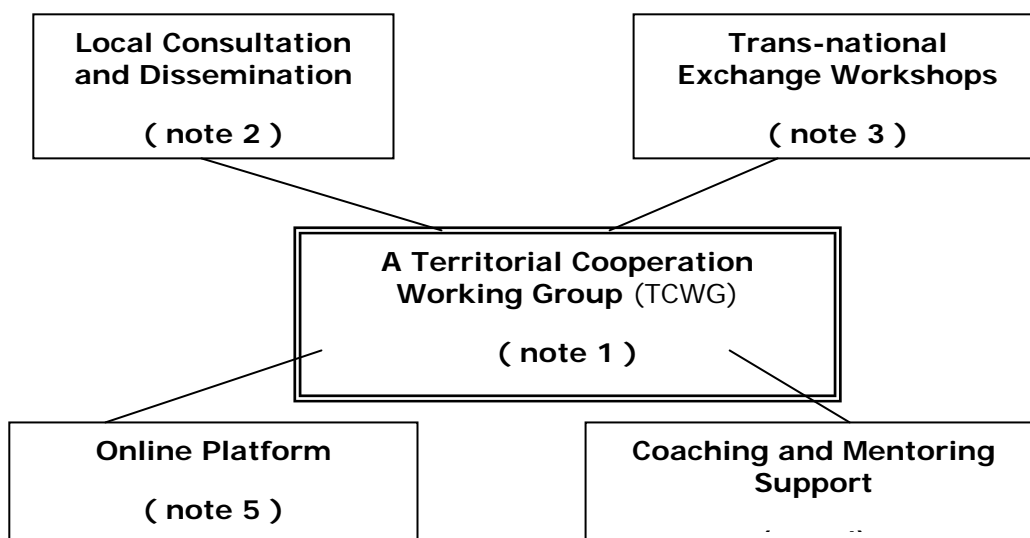
The proposal will use an **Action Learning Methodology**. Action Learning is inherently based on ensuring that the personal and social capital that participants bring will form part of the exchange and learning process. Action Learning is an organisational, problem-solving technique. Action Learning is a technique which encourages participants to learn with and from each other, in pursuit of the solutions to real-life, work - related problems. It uses problem-solving as a means towards both individual and organisational change. Action Learning also provides external inputs which reflect the needs of participants. The methodology aims to achieve two key goals:

- Maximise impact at a local level and ensure that the eventual local action plan has wide ownership

- Facilitate the effective trans-national exchange of experience and learning

The two diagrams below provide an overview of the process and key actions in order to achieve both goals:

### Maximising impact at a local level



**Note One:** A Territorial Cooperation Group (TCWG) will be established by each partner. The TCWG will consist of between 10-12 members who will be selected on the following basis:

- Membership has to include participants from public and third sector organisations. Where desirable, private sector involvement should also be included.
- Participants have to be actively connected to the theme of the network at a local level.
- There should be a gender balance in the TCWG.
- Include one local politician responsible for the theme of the network. This politician will also be required to participate in the final trans-national event of the network.

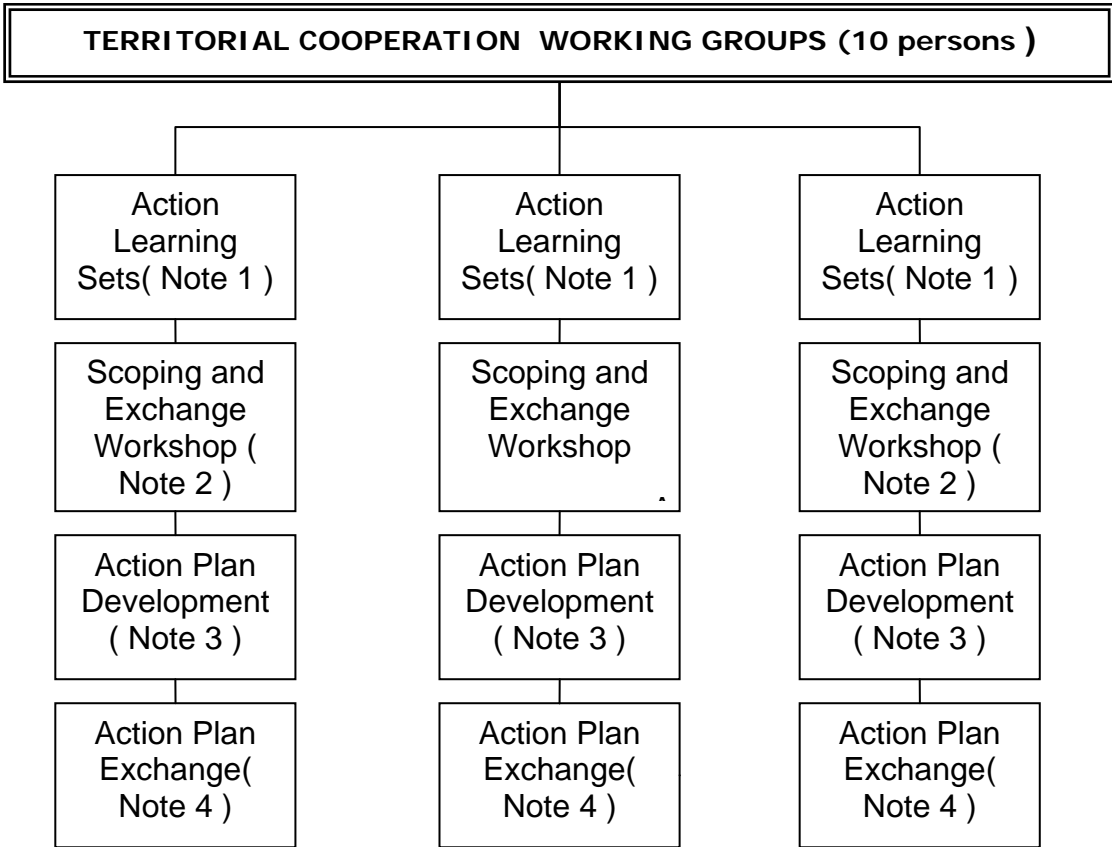
**Note Two:** The TCWG will meet at least 3 times per year. One of these meetings will be linked once a year to a consultation and dissemination event which will attract at least 30-40 other local stakeholders. The goal here is to make sure that the results of the trans-national exchange programme are shared.

**Note Three:** Participants of the TCWG will take part in at least one of the trans-national exchange workshops. This will ensure that the LSG members are all actively connected to the exchange programme and can thus ensure that there is adequate dissemination at a local level. This step is further elaborated below.

**Note Four:** The TCWG will be required to produce a regional action plan as one of the obligatory requirements of the programme together with locally identified “coaches/mentors” who can advise and guide the TCWG in its development of the regional action plan. The local dissemination and consultation events will form part of the action plan development process. Thus, ensuring that the end product has a wide ownership and a greater chance for implementation.

**Note Five:** An online interactive Web 2.0 platform will be established for the Fast Track project. Each TCWG will be required to ensure that all TCWG member profiles are placed on the platform. The aim will be to facilitate exchange between TCWG members from other TCWGs established by partner organisations in the project. The platform will seek to create a “community of practice” related to the theme of the project. The platform will also provide an online conferencing (telephonic/video) facility and this will be used to offer TCWG members(sub-groups) moderated telephone discussion workshops on key issues related to the theme of the workshop. Finally, the platform will provide access to relevant case studies and resources that can assist TCWGs in their action plan development.

## **Facilitating effective transfer of experience at trans-national level**



**Note One:** Each Partner would identify 3 participants who would form the Action Learning Set (ALS) for the specific sub-theme. This would mean that each Action Learning Set would consist of 24 key actors plus external experts and the Management Team.

- Action Learning Sets will be formed for each of the sub-themes. Whilst there will be some overlap in membership between the ALSs, the intension is also to ensure that membership of each ALS is directly linked to the sub-theme, thus ensuring a close involvement with the issue at regional level. For each sub-theme the composition of the ALS will remain fixed.

**Note Two:** Participation of the 24 members in a trans-national scoping and exchange workshop. This workshop would focus on mapping of practice and identification of need of all partners in relation to the sub-theme as well as show casing good practice.

**Note Three:** This is the action plan development phase. This will involve each local action learning set undertaking a number of activities:

- Participation in an online module which would focus on providing support and coaching/mentoring in developing local action plans.
- Undertaking local consultation and dissemination in order to share the outcomes of the trans-national workshop and clarify local needs/priorities in relation to the sub-theme.
- Liase with other ALS members via the online platform in order to stimulate peer learning

**Note Four:** This would be the final workshop for each ALS at which all of the ALSs will present their action plans and thus provide a means for further exchange of good practice and good ideas.

The work of each ALS would be undertaken over a 6 to 7 month period thus enabling participants to develop good relationships that will enable ongoing working with each other beyond the life of the group.

Alongside the work of the ALS, the project will create the online resource consisting of:

- Case Studies
- Sub-Theme reports
- Links to relevant websites
- Publications / Reports
- Contacts with regional/city/national/European actors

## **IMPACT AND OUTCOMES**

This proposal will realise the following projected results/outcomes/outputs:

1. Developing a framework of assessment that moves beyond GDP in measuring growth and sustainability at a local/regional level.
2. Creating an action learning exchange for over 90 key actors from 9 regions
3. Establishment of 9 Territorial Cooperation Working Groups

4. 3 sub-theme reports
5. 3 sub-theme linked case-study reports-incorporating at least 40 case studies
6. An online programme of support relating to the specific sub-themes.
7. 9 action plans linked to funding sources at EU, National and local levels
8. Establishment on online interactive platform which will also host an ongoing community of practice at local/regional/national and EU levels
9. Dissemination of results at European regional level

## Outline Budget (Based on 24 months with 9 partners)

### Heading 1 - Staff costs

<b>Management/Coordination (trans-national and national)</b> .....	<b>€420,000</b>
<i>- Trans-national</i>	
<i>Strategic Manager = € 20,000</i>	
<i>Network Co-ordinator = € 70,000</i>	
<i>Technological Steward and webmaster (CoP)= € 60,000</i>	
<i>- Local</i>	
<i>Territorial Co-operation Working Group Co-ordinators = € 30,000 per partner = €270,000</i>	
<b>Administration</b> .....	<b>€30,000</b>
<i>Administrator = € 30,000</i>	
<b>Accounting</b> .....	<b>€30,000</b>
<i>Financial Controller = € 30,000</i>	
<i>Other staff. .... 00</i>	
<b>Total - Staff costs</b> .....	<b>€480,000</b>

### Heading 2 - Travel and subsistence allowances

<b>Travel</b> .....	<b>€78,750</b>
<i>- Travel for delegates Steering Group Meetings (1 delegates per partner+ 4 management team € 450 x 18 people x 3 SGMs = €24,300)</i>	
<i>- Travel for delegates for three trans-national Action Learning Sets (3 delegates per partner + 4 management team + 2 experts €450 x 33 x 3 TALs = € 44,550)</i>	
<i>-Travel for delegates Final Dissemination Conference (€450 per delegate 2 delegates per partner plus 4 Management team and two experts=€9900)</i>	

<b>Subsistence allowances (accommodation, meals, etc.)</b> . . . . .	<b>€76,330</b>
- Subsistence for delegates Steering Group Meetings (1 delegates per partner+ 4 management team €340 x 18 people x 3 SGMs = € 18,360)-two nights)	
- Subsistence for delegates Trans-national Action Learning Sets (3 delegates per partner + 4 management team + 2 experts €510 x 33 x 3 TALSs = € 50,490)-three nights	
-Subsistence for delegates for final dissemination Conference(€340 x 22=7480)	
<b>Total - Travel and subsistence allowances</b> .....	<b>€155,080</b>

### Heading 3 - Costs of services

<b>Territorial Co-operation Working Group Activities Programme</b> . . . . .	<b>€450,000</b>
<i>The TCWG will have a budget of = € 50,000 per partner = € 450,000. The use of this will be to support the undertaking of activities linked to developing local/regional framework for assessment</i>	
<b>Translations</b> . . . . .	<b>€42,188</b>
<i>This will enable each partner to translate up to 180 pages of text.</i>	
<b>Reproductions and publications</b> . . . . .	<b>€25,000</b>
<i>This will be for the production of a final report. This covers costs of design and printing</i>	
<b>Interpretations</b> . . . . .	<b>€48,000</b>
<i>Based on working in ALS in three languages PLUS English</i>	
<i>This will be available at the trans-national workshop BUT not at SGM meetings</i>	
<i>The rate per interpreter/day = 600 €</i>	
<i>600€ x 8 interpreters x 3days = 14,400 € per ALS trans-national Workshop x 3 €43,200</i>	
<i>7.200 € x 3workshops total= 21.600 €</i>	
<i>Final dissemination conference (€600x8=€4800)</i>	
<b>External expertise</b> . . . . .	<b>€48,000</b>
<i>2 experts per trans-national Workshop= 12,000 € (lead expert) + 4,000 € (assistant expert)</i>	
<i>= Total = 16,000 x 3 = 48,000€</i>	
<b>Other services</b> . . . . .	<b>€18,300</b>
<i>Materials/ Hire of beamer/technical equipment = € 4000</i>	
<i>Costs of video-conferencing (license fee) = € 14,000 for two years</i>	
<b>Total - Costs of services</b> .....	<b>€591,468</b>

### Heading 4 - Administration costs

Depreciation for purchase of equipment. . . . .	0.00
<b>Hire of rooms for ALS's and final conference</b> . . . . .	<b>€12000</b>
.....	
<b>Hire of interpreting booths</b> . . . . .	<b>€21,000</b>
Audits . . . . .	0.00
Financial services. . . . .	0.00
Other administrative costs. . . . .	0.00
<b>Total - Administration costs</b> .....	<b>€33,000</b>

## Heading 5 – Overheads

Overheads.....	€15,000
<b>Total – Overheads.....</b>	<b>€25,000</b>

## Total cost of proposal.....€1,284,548

We anticipate that the above “total cost of proposal” figure will be a maximum. At the above level, the EC would provide **€1,001,947.44** the remaining **€282,600.56** will have to be paid at *co-financing* by the 8 partners. This co-financing is based on a calculated 22% average. This will mean **€31,400.07 per partner**. However, it is important to bear on mind that this percentage may be modified depending on the actual partnership of the project . The following table shows the **minimum** budget allocation per partner:

Budget allocation per partner	Detail
€40.000	Territorial Co-operation Working Group Activities
€30.000	Coordination
€4.600	Translation
€17.000	Travel and subsistence allowances
<b>€1.600</b>	<b>Total</b>

## Next steps

If you are interested in this proposal please contact:

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Closing date for submission is 5 March 2010 therefore we wish to finalise the partnership by end of January2010.

Partners will need to ensure that they can secure the participation of their respective Managing authority for ESF or ERDF as this is an obligatory element of the call.

We will send out to interested partners documentation that they have to complete.