

TOOL #2

ACTIVATING GRANTS



What are activating grants?

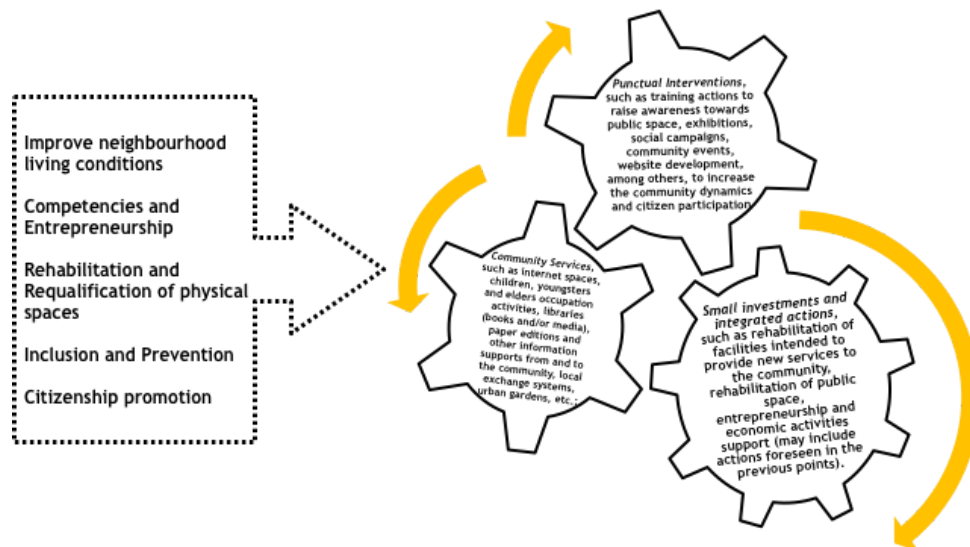
The second tool of the Lisbon toolbox are the activating grants of the Bip/Zip program. The principle at the basis of this program is that local initiatives operating in the priority neighbourhoods should be empowered to become as much as possible autonomous, operating within the framework of social economy.

The Lisbon experience

Ambitions of the grant system

In 2011 the City of Lisbon started a grant program that is to be seen as start-up fund for social initiatives. The grant system is an instrument of public policy to ignite local partnerships and small local interventions and to promote social territorial cohesion. Through the supported projects there should be the promotion of local development, enhancement of active citizenship, improved self-organizational capacity, collective search for solutions through communities' participation in the improvement of their own living conditions. The projects aim at creating a favourable context to develop entrepreneurship and local initiative capacities. Projects contribute to a positive perception of territories and populations, reinforce their integration in the city and their access to collective goods and services.

The grant system is developed through the following steps:



The call for applications is developed around a series of themes to which local projects should respond to:

- Improve neighbourhood living conditions
- Competencies and Entrepreneurship
- Rehabilitation and Requalification of physical spaces
- Inclusion and Prevention
- Citizenship promotion

Partnership

The grant requires that at least two non-profit organisations must team up presenting a proposal for a Bip/Zip, preferably with at least one of the organisations being local. Eligible partners are:

Local parishes: If including at least one priority intervention territory and one local partner; the project shall not overlap its executive competencies

Formal/Informal entities: Working or intending to work in priority intervention territories, with informal organisations not being eligible as lead partners.

The key requirements for all partners are:

- Territorial partnership: at least two entities (one promoter + one partner), promoter legally constituted;
- Promoters and partners may not present more than one application for each priority intervention territory;
- Promoter establishes a protocol with Lisbon Municipality, receives the grant and is responsible by the financial management of the project;
- Partners don't have direct responsibility on financial management but share the responsibility for its creation, implementation and sustainability.

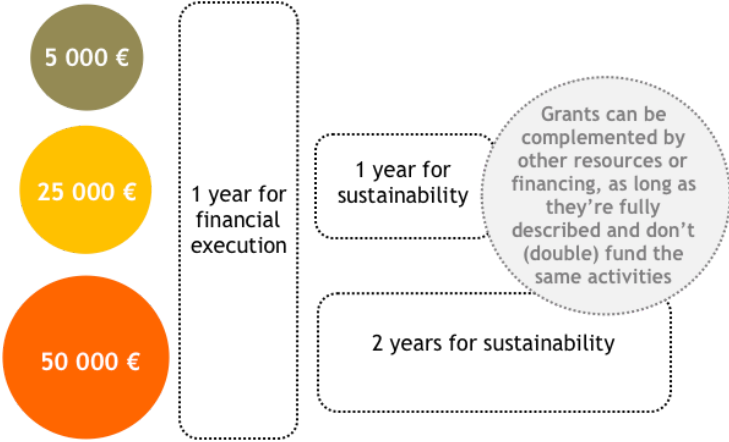


In order to prepare applicants to the call, the City organises public events where previously funded projects can present their experience and in which participants can simulate the project development through an interactive Bip/Zip card game.

Grant available

The grant can be below 25.000 euros to support smaller initiatives, such as neighbourhood fairs, or between 25.000 and 50.000 euros, requiring that the organisations can ensure an economic sustainability for at least two years after the end of the supporting grant.

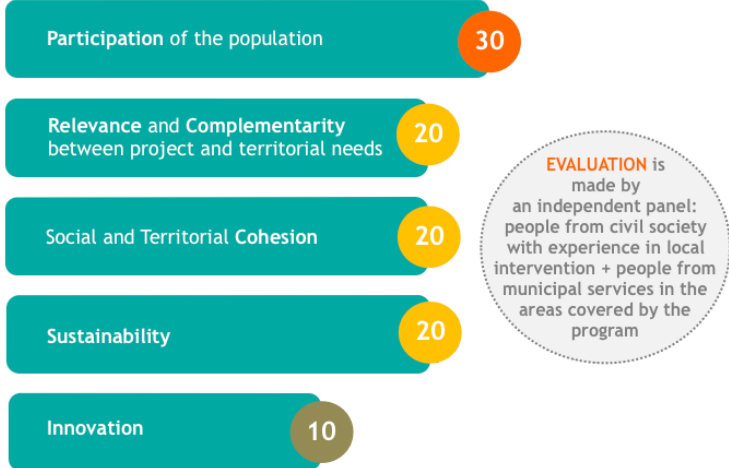
For many projects, it is difficult to maintain the intensity of an activity after the end of the funding period, but the objective of the programme is to select projects that have the capacity to function independently after the funding period. We press them towards this and can help them reach sustainability with different means. Some projects still return to us for funding in their second year: we cannot fund them for the same activities but can fund an upgrade.



For now, the budget comes only from the municipality's budget. 50.000 euros for a project are not always enough but this investment normally multiplies in the community, in terms of energy and also finance. In the beginning local initiatives have only this sum to begin with to plan their activities, but relying on the fact that they have a BIP/ZIP project with the funding approved, once they start connecting locally with other actors, they can also approach local

companies that have social responsibility programmes for additional funding or help with materials.

Evaluation



Today, at its 8th edition, there have been approx 800 applications with 300 approved projects selected by an independent panel and more than 600 partners involved. Each year there are approximately 100 applications with 30 or 40 approved ones, that see at least 50% of new organisations involved.

Monitoring

Between 2011 and 2018, up until its 8th edition, the Bip/Zip grant has invested 12,5 million euro on 67 territories of Lisbon addressing 141.000 inhabitants with 310 projects run by 610 entities with 1918 local activities. Within this grant system the local partnership decides and carries out projects autonomously and is only accompanied by the administration, unlike in the Participatory Budgeting. Within the department there are civil servants responsible for coordinating, supporting and monitoring the local granted projects. Impact assessment is carried out by local coordinators based on the criteria identified in the application, such as gender, community addressed, jobs, skills, theme, etc.

Impact

It has been estimated that 1 euro of public money brings another 1 euro in other resources and that for larger scale projects, on average each one creates 2 permanent jobs. In case local projects get extra funding from other actors, the Bip/Zip program still wants them to spend the 50,000 euros they receive, but they need to increase their activities accordingly. It can be said that projects have an average increase of their budget with almost 50% from additional funding. This expansion also duplicates their network: if you start with four partners in the application, normally they end with six to ten in the same network.

Over the years the organisational capacities of civil society in these citizens have greatly increased, in fact, often informal groups establish themselves as formal groups and later apply as main promoters of projects. The ambition in the coming year is to setup a upscaling version of the grant, which will help to develop the replication of positive projects in new neighbourhoods.

Examples



Largo Residências is a hostel, hotel, artist-in-residence and café in Lisbon's Intendente neighbourhood. Largo is run by a cooperative that develops projects to support the cultural and social inclusion of the neighbourhood's precarious inhabitants, currently employing 15 locals.

[A detailed interview available here](#)



The **composting project** develops a composting site where local inhabitants can bring organic waste, which is managed by the municipality. On site are run workshops and trainings with children from schools. The compost is reused in the nearby community gardens.



The **Cozinha Popular da Mouraria** was funded during the first call and is a community kitchen that offers affordable food to the neighbourhood, cultural activities and employment to 5 people from a disadvantage background.

[A detailed interview available here](#)

Experiences from other cities

Lublin

The cooperation between the city administration and local NGOs is based on a document which open every year for public consultation. The goal of the document is to identify how the public budget of 10 million euro will be divided amongst different themes (culture, sport and tourism, social services, disability, participation, health). Each project can have 2.500 euros max twice in a year for a project to be developed in 2.5 months.

The existing funding sources available are:

- Participatory Budgeting (PB), currently at its 5th edition, is designed with the goal of distributing projects across 27 neighbourhoods. Interventions can be small (approx. 70.000 euro, often soft such as sport or training) or large projects (300.000 euros, for infrastructure). The total budget 3,5 million euro, so there are many funded projects every year. The process foresees the submission, the technical verification by the different departments, the possibility of contesting, the promotion of the voting (also children), the implementation within one year, which is a challenge of cooperation between departments. The PB process grew some local politicians at district level. There is a need to update the regulations to avoid the “professionalisation” of people proposing projects, as this limits the broad participation.
- Local initiative funding: The program consists of 1 million euro of municipal budget that can co-fund citizens’ ideas, resulting in a similar program to PB but without the voting as the Mayor decides on the winning project, and ends up being mainly related to infrastructure projects.
- Green Budget: Is a funding program specific for environmental issues with a budget of 0,5 million euro on which the University and NGOs decide. It is a very good opportunity for getting the city to listen to the needs of the citizens, especially in terms of protecting green areas, as many projects are meadows, community gardens, etc.
- Citizens Panel is a democracy 2.0 strategy which was developed in Australia and Ireland. The process foresees to randomly select a representative group of citizens, who are asked to solve problem of the city over a period of six weeks. In Lublin 60 people were selected based on districts, gender, education level, age, etc through a special algorithm and were asked “How to solve Lublin’s smog problem?”. At beginning experts are involved to explain smog issues and different stakeholders invited. Based on this input the Citizens Panel compiles a list of recommendations to the Mayor, of which 80% of voted items are binding law. It was started in 2018 with positive results, such as changing heating in houses currently working with coal, which is currently nationally promoted. Participants were paid 25 euro for each day, which is symbolically important to state their expert role. The overall organisational cost was of 50.000 euros for promotion, rental room, food, expert fees and mailing by post invitations.



The Food Cooperative was established in 2017 in the old City centre of Lublin through the collaboration between IKEA's NGO grant scheme and the City of Lublin in order to create a sustainable food hub. The cooperative is a basis for Food Not Bombs meetings, solidarity Purchase Groups and soup kitchens for the population of the old city centre.



Sempre a Frente is an NGO offering extra curricular activities to working class children of the old city centre of Lublin. The financial model is based on grants from the City and international subsidies.



The Open Air auditorium was built by a local office of landscape architects with the inhabitants of the old city centre in order to provide a public open space for debates, events, film screenings and art exhibitions. The space was built with the Green Budget grant of the City of Lublin.



The regeneration of local shops in the old city centre was carried out by a local NGO with support from the City of Lublin in order to improve the creative industry and traditional crafts offer of the shops.

There is a need to create a strategy at neighbourhood level so that projects are better integrated and responding to a general need, rather than isolated spots. For this reason it could be useful to implement Lisbon experience of local partnerships. Furthermore, the Lublin team identifies that the project duration should be extended as one year is often too limited to see the expected impact.

Sofia

The City of Sofia operates a number of grants that are directed towards socio-cultural events to which civil society can apply for.

- The Cultural Calendar of the Sofia Municipality is running since the 1970's, spreading the budget to the 24 small municipalities. Only in 2018 there were allocated 2.041.000 leva (1.020.500 EUR) on 6 areas of action: strategic events; meaningful events; traditional holidays and repeatable events; foreign bulgarian communities; summer program of the municipality; events of the small districts of the municipality.
- The Program Culture is the most recognisable grant and the door of urban NGOs, which started in the early 90's as mecenat program and was transformed in a grant in 2007, only fully operational in 2009. The grant was aiming at the preparation of the candidature of EU capital of Culture 2011/12/13 with 1.800.000 lv (900.000 EUR with 179 financed initiatives). In 2018 it operated with 1.400 000 lv (700.000 EUR) and 127 financed initiatives. The fields of finance are: performing arts; visual arts; music and dance, classics and folklore; literature; cultural heritage - material and immaterial; mobility; cinema; cultural partnerships and coproductions; active participation; Sofia - city of cinema under UNESCO.
- Program Europe is a tool for citizen participation and collaboration with the local government. It was opened in 2009 but became fully operational in 2011 with the following areas of cooperation: participation between Civil Society and Municipality in building new policies and practices for the development of the city; policies for renovation of urban areas with the help of Civil Society; sustainable development and youth actions. In 2017 it invested 450.000 lv (225.000 EUR) to finance 47 projects.
- Program Green Sofia aims at building working communities, while greening the neighborhood. It opened in 2011 with operators in the 24 districts of Sofia, each one with a different budget. Little money is invested for the renovation of the greenery and the space around the block. Citizens don't receive money but goods to implement the projects.
- Program Social Innovations aims at promoting innovations in the delivery of social services. It was opened in 2019 as a cooperation between NGOs delivering social services and the Municipality. The overall budget is 100.000 lv (50.000 EUR) for the following fields of action: innovation in the process of the integration of vulnerable groups, social cohesion and the social policy of the municipality.

The main lessons learnt are that the grants are a tool to empower and activate civil society, if operated properly. For this there is the need for the development of a real partnership and cooperation amongst civil society and the Municipality, which must be based upon a real trust.

One of the problems is that Municipality is not really involved in the local projects.

The Hague

The city of The Hague is in transition as it is growing in population but not in size, there are in fact currently 560.000 inhabitants and it is expected to reach 610.000 inhabitants by 2040, There are persistent inequalities within the population. For this, The Hague aims at connecting education to labour market, making use of big data and digitalization, grabbing chances in energy transition and circular economy. Citizen engagement and participation are necessary for a successful transition. This importance is also emphasised by the City Council and there are tools in place to facilitate and invite citizen participation and contribute to transitions. One strategic tool for this is the use of the local grant system.

Grants

In order to support local initiatives that contribute to the goals of the city council, the municipality offers several grants. The following grants are relevant when focusing on the support of civil society, the funding of local community projects and local empowerment:

- Small grants for organizing neighborhood events and activities
- Grants for cultural projects, neighborhood libraries and creative hubs
- Grants for innovative neighborhood projects related to health and well-being
- Grants for neighborhood initiatives related to sustainability (Initiative Budget)

Some of the funded projects are, for example

- Energy Party: gathering at neighbourhood level to discuss energy bills
- Duurzamer Wolterbeekstraat
- Warm in de Wijk (district heating)
- TrashUre Hunt: a waste collection on the beach and making sculptures out of trash

Investment

When promising initiatives have the ambition and the potential to scale up, the municipality can provide them with loans from different revolving funds from the The Hague Economic Holding Fund which consists of 9 funds that focus on sustainable urban development:

- Energy Fund (innovative sustainable energy projects)
- Spatial and Economic Fund (re/development of small-scale commercial premises).
- Fisheries Investment Fund (national fund aimed at making Dutch fishing industry more sustainable)
- Sustainability Fund for Owners' Associations
- Venture Capital Fund (young tech companies) and the Security of Things Fund (tech companies that specialize in eSecurity)
- UNIQQ Investment Fund (funding for proof-of-concepts phase)
- World Startup Factory (accelerator program)
- International cooperation through Urbact's CSI-Europe/RICE-project

Maturity

- Only investments in projects not picked up on by market
- Importance of having 'skin in the game': grants must not cover all expenses, there has to be own contribution to ensure the commitment
- Investments flow back to municipality: chances to invest in new projects/startups

Participatory

Grants and investments remain thematically organised and spring from municipal policy objectives. To allow for more community participation and support, the Hague increasingly experiments with forms of bottom-up engagement and spending:

Neighborhood budgets (Action Plan Citizen Participation, 6 in 2017 and 2018)

Citizen Budget Houtwijk (€100.000)

Citizen Budget Duinoord (€30.000)

Community-led Local Development (Scheveningen; subject of the city visit in The Hague)

Reflection points

TARGET

Special attention needs to be paid when developing grant schemes targeting priority neighbourhoods, as local inhabitants and stakeholders might not all have the competences and means to set up applications and run projects autonomously.

For example, Sofia and Ostrava have a problem that in “border line” priority neighbourhoods there is a very low participation and hardly any presence of local NGOs.

IMPACT

We need to assess real local needs. Local initiatives for the same amount of money can create more local impact on the ground because they know the context and the needs instead of projects operated from external organisations or the administration itself.

There is a need to create KPIs to do impact assessment of development of local initiatives

GOALS

A point of attention must be made for the goals of the grant system, as this is to empower local inhabitants and create the local participatory culture and skills. These grants should not be setup to deliver cheaper social service contracts.

COMPETENCES

Small grants are occasion for local inhabitants to develop basic and core skills in terms of participation, direct democracy, project management, impact creation. For this reason it is essential to ensure that good part of the budget goes towards

The City Administration’s role is to accompany the success of the local projects.

At the same time special attention must be paid to ensure that it’s not always the same organisations accessing the grants as they have reached a higher level of professionalisation, as it happens today in Lille.

FUNDING

The co-funding quota is extremely relevant to define the commitment, involvement and responsibilities of local partners (Skin in the Game). Whilst 100% funding is relevant for more cultural activities with no business model, a co-financing from local stakeholders can be a means to ensure the economic feasibility of entrepreneurial projects. Nevertheless the co-funding quota must take into consideration the fact that the business is taking place in a priority neighbourhood.

For example, in The Hague the revolving fund solves the skin in the game issue because there is a stronger interest in getting money back