Toolkit for Evidence-Informed Policymaking in Migrant Integration

Section 5
Using Funding to Promote an Evidence Culture

By Jasmijn Slootjes and Maria Belen Zanzuchi
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The full toolkit can be found at:
www.migrationpolicy.org/research/toolkit-evidence-policymaking

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SPRING is a EU-funded project focusing on the integration of recently arrived migrants in the context of the large-scale arrivals of refugees and other migrants since 2014. It aims to develop a toolbox to improve the innovation, effectiveness and sustainability of the work done by Europe’s integration stakeholders at national, regional and local levels. The project mobilises significant research, networks and communications capacity and gathers, summarises and shares the best available research and evidence on the effectiveness, innovation, transferability, sustainability and evaluation methods for integration policies and practice.

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5. Using Funding to Promote an Evidence Culture

**Key takeaways**

- Funding plays a crucial role throughout the policy cycle. Funding is essential to cover policymakers’ time and build capacity to find and assess evidence to inform policy design, to implement policies in line with evidence-informed recommendations, to evaluate policies, and to disseminate evidence so it supports future policymaking. In all of these steps, funding is also needed to support stakeholder engagement activities.

- EU institutions, national and local governments, foundations, and other actors provide different funding opportunities. These can be challenging to find and navigate, but dedicating time and effort to diversifying funding sources can make funding for evidence-based policymaking more sustainable. Improving access is particularly pressing at the local level, where both funding opportunities and capacity to pursue them are generally most limited.

- Long-term funding is not only desirable but also critical to secure enough time and resources for proper use of evidence throughout the policy cycle. Short-term funding, while also useful, can be less effective as it might only cover the upfront costs of setting up a policy but not the costs of implementing it over time. It might also be insufficient for institutional learning, policy evaluation, and evidence dissemination.

- Different funding models offer different ways to support evidence-informed policymaking. Funding pilot projects makes it possible to test an innovative policy while keeping costs and risks low and to secure buy-in before scaling policies up; tiered-evidence grantmaking gives grants of different sizes depending on the strength of the evidence supporting the policy in question; and social impact bonds provide upfront funding to test interventions, with payment dependent on proof of success.
Access to funding is a prerequisite for promoting the use of evidence throughout the policy cycle. Sufficient funding is needed to build policymakers’ capacity to access and assess evidence as they design policies, to implement smartly adapted and improved policies, to carry out effective evaluations, and to share key findings with others in a way that feeds into future policymaking and practice. Funding is also an essential part of creating the infrastructure for evidence-informed policymaking—from building and maintaining databases that facilitate access to data and evidence, to investing in capacity-building among policymakers and other stakeholders whose work on migrant integration can be strengthened through better use of evidence. Funding opportunities are often context specific and many of the examples in this section come from the European Union, but the principles and funding models discussed hold promise in other contexts as well.

**In this section, you will learn...**

- what role funding plays in different parts of the evidence-informed policy cycle;
- where to search for funding opportunities for migrant integration projects, programmes, and policies in the European Union; and
- how you can use different funding models (including pilot projects, tiered-evidence grantmaking, and social impact bonds) to support the development of an evidence culture in integration policymaking, with examples of how they are already being used in this field to promote polices that work.

**FIGURE 5.1**

The importance of funding throughout the policy cycle

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5.1 What are the obstacles to effectively funding evidence-informed integration policymaking?

Policymakers often mention a lack of funding as one of the main obstacles to embracing an evidence culture in the field of migrant integration. Yet, funding evidence-informed policymaking can help save money in the long run by ending funding for ineffective policies and allocating more funding to those that are most effective. In short, while evidence-informed policymaking may require a significant investment, the payoff for policymakers, funders, and entire societies in the long term is worth it.

Existing financial resources and budget mechanisms in the field of migrant integration have typically been insufficient to support or incentivise the use of evidence throughout the policy cycle. The obstacles that contribute to this situation25 include:

- **Existing budget allocation mechanisms reinforce the status quo and do not prioritise evidence-informed policymaking.** In general, funding allocation is not based on whether a policy or programme is effective, and it often remains the same year on year. If evidence is used to allocate funding, it is often only required for new programmes or additional funding. This system offers few incentives for policymakers and practitioners to assess the effectiveness of existing policies or to introduce evidence-informed policy changes.

- **Key information is often lacking to assess policy effectiveness.** The status quo described above means that many governments lack information on the cost and the performance of activities they fund. Without such information, they cannot make informed decisions to (re)distribute funding to the most effective programmes, creating a vicious cycle.

- **When policies are evaluated, there is often no funding to implement recommendations.** Funding for integration tends to be project based. Short-term projects often lack the time and resources to measure impact, making it difficult to carry out evaluations, and those that do may end before they can implement the resulting recommendations.

- **Short-term funding often results in more ineffective use of funds.** Setting up a new programme or policy often entails significant upfront costs. A new integration programme, for example, may incur one-time costs related to designing the programme, creating course materials, and training teachers. If a programme only runs for a few years, a relatively high proportion of the funding will go to its preparation and launch instead of day-to-day operating costs, compared to a programme that runs for a longer period.

- **Short-term funding hinders institutional learning.** During the lifetime of a policy, policymakers and practitioners become increasingly familiar with how to effectively implement it. If funding for the policy ends within just a few years and is not renewed, this institutional learning is cut short and, often, lost.

• **Limited budgets for integration are the rule, not the exception, in most countries.** The highly politicised debate about migrant integration and competition for scarce government resources often mean limited funding is available to implement integration policies, let alone to dedicate to evaluating existing policies and designing new ones based on a thorough assessment of the evidence base.

• **Poor access to funding and resources is most pressing at the local level.** Local stakeholders are taking on increasing responsibilities in the migrant integration arena. Yet, many face barriers to accessing funding due to their limited capacity and expertise in how to apply for funding and their ineligibility for many EU funding opportunities, which are often reserved for Member States.

5.2 Where to search for funding opportunities

Funding for migrant integration programmes is often limited, let alone funding to inject more evidence into these policies. This section highlights resources that can help you devote more funds to the use of evidence in your work, including activities such as mapping evidence to inform integration policy design, evaluating policies, and disseminating best practices.

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EU funding opportunities

While funding for integration measures is typically allocated at the national level (discussed below), several EU funds are available for those working to support migrant integration. Depending on the aspect of integration your work focuses on and whether you are planning a national or transnational project, you may want to explore some of the EU funds and resources in Table 5.1.

## Table 5.1
### EU funding opportunities and resources for migrant integration activities

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
<th>Integration areas</th>
<th>Scale of projects funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Website on Integration</td>
<td>The site's funding section provides an overview of EU funds for migrant integration for the 2021–27 period. It is also possible to identify funding opportunities by Member State.</td>
<td>All</td>
<td>Transnational and national</td>
</tr>
<tr>
<td>Asylum, Migration, and Integration Fund (AMIF)</td>
<td>AMIF funding supports third-country nationals in the early stages of integration and actions that support Member States’ integration capacity.</td>
<td>Education, training, employment, housing, social integration, health care, child care</td>
<td>Transnational and national</td>
</tr>
<tr>
<td>Erasmus+</td>
<td>Erasmus+ funding goes to individuals and organisations to support initiatives that equip participants with the skills and qualifications to meaningfully participate in society.</td>
<td>Culture, sports, education, training, and youth (e.g., integration of migrants into school system through sport, youth work, etc.)</td>
<td>Transnational and national</td>
</tr>
<tr>
<td>Citizens, Equality, Rights, and Values (CERV) Programme</td>
<td>CERV funding promotes equality and civic and human rights to sustain and further develop open, rights-based, democratic, equal, and inclusive societies based on the rule of law.</td>
<td>Social inclusion, violence prevention, antidiscrimination</td>
<td>Transnational</td>
</tr>
<tr>
<td>European Social Fund Plus (ESF+)</td>
<td>Funding aims to have a longer-term impact on access to inclusive mainstream services.</td>
<td>Education, employment, housing, social integration, health care, child care</td>
<td>National</td>
</tr>
<tr>
<td>European Regional Development Fund (ERDF)</td>
<td>Funding aims to support economic, social, and territorial cohesion within the European Union.</td>
<td>Regeneration of marginalised neighbourhoods, education infrastructure development for migrants and refugees, and access to mainstream services in education, employment, housing, social care, health care, child care</td>
<td>National</td>
</tr>
<tr>
<td>Fund for European Aid to the Most Deprived (FEAD)</td>
<td>Funding aims to support disadvantaged populations, such as migrants experiencing homelessness.</td>
<td>Access to food and basic material assistance</td>
<td>National</td>
</tr>
<tr>
<td>European Agricultural Fund for Rural Development (EAFRD)</td>
<td>Funding to support rural areas and the European Union’s agrifood and forestry sectors.</td>
<td>Housing, health care, education, and employment</td>
<td>National</td>
</tr>
</tbody>
</table>
Local governments are increasingly responsible for migrant integration but face many challenges to approaching the issue in an evidence-informed way, including limited funding opportunities and capacity to apply for funding.

Recognising this, the European Commission’s Action Plan on Integration and Inclusion for 2021–27 calls on Member States to support local and regional authorities’ access to EU funding. Member States are asked to launch calls for proposals from local and regional authorities and to involve local and regional authorities, civil-society organisations, and social and economic partners in applying for EU funding. This is an improvement, but these calls often do not include dedicated funding for evaluation or evidence dissemination.

Other opportunities to improve local actors’ access to funding for migrant integration and for the promotion of evidence-informed policies include projects run by Eurocities, a network of hundreds of European cities. For example, Eurocities’ CONNECTION project (2020–22) provided seven cities that had limited integration experience with the opportunity to learn about best practices from other cities as well as grants and support to help them develop a new integration strategy.

**National-level funding opportunities**

The European Website on Integration provides an overview of potential sources of funding for migrant integration in each EU country. This includes a list of foundations, private funds, banks, tender portals, and other funding opportunities. In Figure 5.2, click on a country you are interested in to read the site’s page on national (and EU) funding opportunities available in that country.

**FIGURE 5.2**
Funding opportunities available to support migrant integration, by EU country
BOX 5.2
Case study: Using foundation funding to support evidence-informed integration policies for Syrian refugees in Rotterdam

The project: The Stichting Nieuw Thuis Rotterdam (New Home Rotterdam Foundation, or SNTR) provided 200 Syrian refugee families with housing, intensive language courses, social support, and career guidance in Rotterdam, the Netherlands. The funding for all of these activities came from the Stichting De Verre Bergen, a foundation based in the city.

Funding evidence-informed practices: The semi-random allocation of Syrian refugee families to receive support from either the SNTR programme or the standard municipal integration programme created a unique opportunity to compare their effectiveness. In addition to funding the programme, Stichting De Verre Bergen also funded an external process evaluation of the project and commissioned the Erasmus University Rotterdam to carry out the BRIDGE research project, a five-year assessment of the SNTR’s effectiveness that included a comparison with the municipal integration programme. The results showed that, in the end, there was no difference between the regular and the SNTR integration programmes in terms of migrant integration outcomes.

Takeaways:

- Foundations can play an important role in promoting evidence-informed integration programmes and policymaking by funding not only programmes themselves but also impact evaluations.
- Foundations can amplify the impact of the programmes and projects they fund through funding evaluations and research projects that assess the programmes’ effectiveness.
- Even when evaluations show that one programme is not more effective than another, as was the case with SNTR, this is helpful information that can make future funding decisions more cost-effective.

5.3 Funding models to promote evidence-informed policymaking

While not the case for all funding models, some actively seek to promote and facilitate evidence-informed policymaking. This section looks at three such models. This information can be useful both to funders looking to ensure their allocation of resources supports evidence-informed integration policymaking and to funding recipients looking to make smart use of the money they receive.

*Pilot projects*

In policymaking, a pilot project is a mechanism to test a new policy on a small scale, with the aim to scale it up or extend its life if it is successful.28 Pilot projects can reduce the risks and costs involved with launching new large-scale programmes, in part because it can be less costly to discontinue them if they are unsuccessful. This makes pilot projects a great tool in situations with limited funding. While funding to scale up pilots is often lacking, the evidence generated by the project can still be used by policymakers as a proof-of-concept to secure funding in the future. In addition, because pilot projects are smaller and less costly than launching a full-fledged programme, they are great for testing innovative integration approaches that are not yet supported by evidence and for testing policy options in a context with limited political buy-in.

Requirements:

- Pilot projects are usually small but should reach a large enough population that the impact of the policy is measurable.

- A theory of change that explains how the policy is supposed to have an impact on integration outcomes. (See Section 3.3 for more information on theories of change.)

- Successful evidence-informed pilot projects allocate funding to each stage of the policy cycle, including design, implementation, evaluation, dissemination of best practices, and in this case, the scaling up of successful projects.

- A clear strategy that describes what happens if the pilot project is successful (or not); for example, a plan to scale up or continue the successful pilot project.

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BOX 5.3
Pilot projects in practice: The VIA Programme in the Netherlands

The VIA programme (Verdere Integratie op de Arbeidsmarkt, or Further Integration in the Labour Market) in the Netherlands is an evidence-informed programme that uses pilot projects to promote the labour market integration of people with a migration background. The programme, launched in 2018, has enjoyed political buy-in and support from the Ministry of Social Affairs and Employment, which has helped it secure a 10 million euro budget for pilot projects, evaluations, and the scaling up of effective pilots. Stakeholder engagement has also featured prominently in the programme, with some stakeholders funding parts of the projects’ implementation. Notably, the Ministry of Social Affairs and Employment has pledged to continue funding the monitoring and evaluation of project activities and the launch of learning networks for municipalities and other stakeholders—steps that amplify the VIA programme’s impact.

Takeaways:

• Political buy-in is often key to ensuring continued access to funding.

• Successful evidence-informed pilot projects allocate funding to each stage of the policy cycle.

• Involving stakeholders at each step of the policy cycle and making them responsible for a portion of the funding facilitates shared ownership of the pilot project and strengthens its sustainability.

• Funding for continued monitoring and evaluation, even after the pilot phase, is essential to the creation of a stronger evidence base.

Note: The VIA programme’s full name was changed to Voor een Inclusieve Arbeidsmarkt (For an Inclusive Labour Market) in December 2022. Because most of the reports and other sources available still refer to the programme by its old name, this toolkit does as well to avoid confusion.


Want to learn more about pilot projects? Check out:

★ Designing Better Pilot Programs: 10 Questions Policymakers Should Ask, a brief written by a U.S. fiscal analyst, helps policymakers to design better pilot programmes by guiding them through key questions.

★ The Harvard Business Review article How to Scale a Successful Pilot Project provides suggestions on how to leverage the work of successful pilot projects and how to avoid common pitfalls by adopting a customised approach.
**Tiered-evidence grantmaking**

It takes time and effort to build a solid evidence base for policymaking. Tiered-evidence grantmaking is a funding model that, recognising this fact, supports both innovative, less-proven projects as well as those backed by robust evidence—but with a different approach to each. Larger grants are allocated to projects with more evidence of success to help them expand or replicate their work; those backed by moderate evidence receive validation grants to support their evaluation; and smaller grants go to high-potential but relatively untested approaches the funder wishes to encourage (see Figure 5.3). This funding model promotes evidence-informed policymaking by creating incentives for organisations seeking funding to design their approaches based on evidence and by ensuring that projects taking a novel approach will have funding for evaluation, thus bringing new evidence to the field. As more evidence is produced for a policy or programme, it may move to a higher funding tier.

**FIGURE 5.3**

**Tiered-evidence grantmaking**

It should be noted, however, that tiered-evidence models risk disincentivising innovation if funding is allocated based only on evidence, since innovative policies and projects often have yet to develop a solid evidence base. Moreover, this funding model can raise barriers that hinder access to funding among stakeholders with limited capacity to evaluate or gather evidence, such as local governments and smaller civil-society organisations. To address these issues, funders could combine tiered-evidence funding with the pilot project model. Supporting pilot projects would foster innovation, while tiered-evidence grants would promote policies proven to be effective.

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Requirements:

- Funding applicants should use well-defined outcome measures when compiling evidence for their proposed policies to increase their chances of getting funding and so that funders can properly assess which evidence tier proposals fit into.

- Applicants need to have the expertise and capacity to conduct evaluations and assess available evidence in order to design policies that are likely to be funded. (See Sections 3 and 2 for more information on building capacity to conduct/commission evaluations and to assess the quality of evidence.)

- An evidence base compiling effective programs and interventions is needed to support applicants’ proposals and funders’ assessment of them, especially in the higher tiers of this model. (See Section 2 for information on mapping evidence and using it in policy design.)

**BOX 5.4**

**Tiered-evidence funding in practice: Investing in Innovation (i3) Fund in the United States**

The Investing in Innovation (i3) Fund was established in 2009 by the U.S. government to award grants to implement and evaluate educational interventions across the United States. Through the fund, the U.S. Department of Education launched the i3 programme, which allocates funding based on available evidence on the impact of such intervention and on the expected scale of implementation. In line with the tiered-evidence approach, small development grants are awarded to interventions with scarce or no evidence, and larger validation grants are used to support interventions with moderate evidence of effectiveness. The largest sums, scale-up grants, are awarded to interventions with strong supporting evidence to fund their implementation and testing on a large scale. Because credible evidence, which is necessary to identify effective interventions, is challenging to produce, an external agency supports the evaluation process.

Of the 67 evaluations conducted under the programme, 73 per cent met the previously established What Works Clearinghouse evidence standards, providing credible evidence for local decisionmakers on whether to adopt specific interventions.

**Takeaways:**

- High-quality evaluations are costly but produce invaluable and reliable evidence for local decisionmakers and policymakers.

- Evidence requirements to secure funding can encourage and help organisations to build their capacity to conduct or commission evaluations and support the further development of evidence-based practices.

- Where necessary, resources should be made available to contract external evaluation agencies to thoroughly assess the evidence backing funding proposals to avoid overburdening (or outright excluding) smaller programmes that may not be able to do this themselves.

Want to learn more about tiered-evidence grantmaking? Check out:

- The Evidence-Based Policymaking Collaborative’s Tiered-Evidence Grantmaking toolkit provides a clear overview of the advantages of and requirements involved in using this funding model.

- The policy brief Supporting Access to Opportunity with a Tiered-Evidence Grantmaking Approach, also published by the collaborative, provides a more in-depth analysis of examples and good practices.

**Social impact bonds**

Social impact bonds (SIBs), also called pay-for-success funding models, are outcome-based contracts where an outside funder, on behalf of a government, provides capital to cover the upfront costs of a programme. A service provider implements the programme and, if it meets pre-agreed outcome targets, the government repays the funder with interest. The use of bonds fosters multistakeholder partnerships and knowledge-sharing by bringing different actors together for the implementation of a programme, such as financial intermediaries, commissioners, investors, social service providers, and public authorities. SIBs are a great tool to test new interventions because they provide practitioners and project managers with upfront capital.\(^{32}\)

A UK-based study also found that SIBs may promote better data collection by incentivising practitioners to handle data with greater rigour and attention to detail because payouts—which often support ongoing programme operations, in addition to paying back funders’ upfront investments—depend on proof of success.\(^{33}\)

**FIGURE 5.4**

**Social impact bonds**

1. Government and investors enter into a contract
2. Investors provide operating funds for programme
3. Service provider implements programme and conducts or commissions an evaluation
4. Government pays back initial capital, plus a share of any savings made


Requirements:

- SIBs require investors who are willing to take on a considerable financial risk.

- Organisations that implement the programme need to have the capacity (including expertise and staff) to evaluate the programme’s impact.

- Strong evidence that a programme will deliver the projected outcomes is generally required to convince external investors to invest in the programme. More innovative projects backed by a limited evidence base are therefore usually not the best fit for the SIB model.

**BOX 5.5**
Social impact bonds in practice: The Kotouttamisen (KOTO) Project in Finland

Launched in 2017 in Finland, the nationwide KOTO SIB project aims to promote the labour market integration of 2,500 migrants. The project assists immigrants in finding a job by providing them with vocational and language training tailored to help them fill shortages in the Finnish labour market. It used outcomes-based contracting and brings together stakeholders from the private, public, and nonprofit sectors. Funding is provided upfront by the European Investment Fund, the European Fund for Strategic Investments, Sitra (the Finnish Innovation Fund), and other investors.

Impact evaluations will be carried out through a randomised controlled trial that will look at differences in tax collection and unemployment benefits between a control group (nonparticipants) and intervention group (KOTO participants). The project will be considered successful in improving immigrants’ integration if the KOTO participants rely less on unemployment benefits and contribute more in taxes than the control group. When this is the case, the Finnish government will have saved money (potentially up to an estimated 70 million euros over six years), and it will pay 50 per cent of any money saved back to the investors.

In 2020, the KOTO SIB entered its monitoring period. The Finnish Ministry of Economic Affairs and Employment published preliminary results: about two-thirds of the participants had received training for more than 70 days, and more than 50 per cent of participants who completed the training were successfully employed. The final results will be published in 2023, after which the outcome payments will be made.

**Takeaways:**

- By involving external investors, the Finnish government did not have to pay money upfront for the training courses and other project costs when the project’s level of success was still uncertain.

- Funding from nongovernmental actors resulted in a more efficient, outcomes-based approach focused on finding jobs, with a very short training period, while traditional training programmes set up without SIBs would usually last for up to five years.

Want to learn more about social impact bonds? Check out:

- The UK government’s guidance on social impact bonds provides a general overview of SIBs and their advantages and challenges.
- The Social Impact Bond Provider Toolkit offers guidance on how to set up SIBs, build capacity to manage them, contract commissioners, handle stakeholder involvement, and monitor and evaluate SIB performance.
- The Urban Institute’s website on pay-for-success models is a useful introduction to this type of funding tool and reviews examples of pay-for-success models.
- The Organisation for Economic Cooperation and Development (OECD) working paper Understanding Social Impact Bonds provides a detailed explanation of how SIBs work.

## 5.4 Further reading and resources

- The Guide to Evidence-Based Budget Development, published by the Pew Charitable Trusts, outlines key steps to incentivise the use of evidence in policymaking through budget development. It includes detailed instructions on how to create an inventory of programmes and embed evidence in funding requirements, and also provides case examples.
- Using Data and Evidence to Make Strategic Budget Decisions, published by the National Conference of State Legislatures in the United States, guides policymakers through six questions that help them use data and evidence to more effectively allocate funding.
- The European Commission’s EU Funding & Tenders Online Manual: EU Funding Programmes 2021–2027 is a guide that aims to assist applicants and beneficiaries of EU funding with applying for and managing EU grants.
- The Toolkit on the Use of EU Funds for the Integration of People with a Migrant Background provides an overview of how EU funding sources can be used for migrant integration activities in the areas of education, housing, employment, social care, health care, reception, basic mainstream services, and fighting discrimination and misrepresentation.