

National structural fund programme for regional
competitiveness and employment (ESF)
2007–2013

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Summary

Existing proposals for the national operational structural fund program state the focus and content for providing support under the European Social Fund to Sweden during the period 2007 –2013. The program should contribute to fulfilling the Lisbon strategy: the overall objective of the European Employment Strategy on full employment, higher quality and productivity at work, and strengthening social and regional cohesion.

The overall goal for the national structural fund program is "Increased growth through a good supply of skills and an increase in the supply of labour". Having sufficient skills in companies as well as better integration in working life are to be given special priority, as should be the establishment of young people on the labour market. The programme is implemented within the framework of the structural fund objective "Regional competitiveness and employment".

The programme is divided into three priority axes as follows:

- 1) Skills supply
- 2) Increased labour supply
- 3) Technical assistance

The following guidelines should be taken into account for Priority axes 1 and 2:

- Promote such skills development as to ensure that those already employed do not run the risk of unemployment due to not having the required skills.
- Make it easier for persons who find themselves far outside the labour market to enter and remain in the labour market through non-traditional initiatives.
- Prevent and combat discrimination and exclusion from the labour market.
- Prevent long-term sick leave and facilitate a return to work for those who are or who have been on long-term sick leave through innovative initiatives.

Each priority axis should apply one or more of these guidelines.

In the first instance, projects that focus on innovative development may receive support for transnational cooperation.

These initiatives should create value added by facilitating initiatives that aim at having an impact and improving:

- the situation of individuals and groups in working life,
- company strategies, productivity and growth by making use of sufficient skills development,
- formal and informal routines and praxis at workplaces for developing and utilising the existing skills and supply of labour, and
- policy and development of ideas in policy areas affected, structures and institutions.

Four criteria have been drawn up for the implementation of the programme. Projects which fulfil at least one of these criteria, in addition to other criteria providing entitlement to support, can receive funding. The criteria are to promote learning environments, promote innovation, promote cooperation and also promote work that will have a strategic impact.

The Swedish ESF Council is the managing authority, responsible for the implementation of the programme.

Eight regional ESF plans are to be drawn up within the framework of the national structural fund program. Regional influence should ensure that knowledge about and the need for future development of the region is taken into account. Regional influence is an important foundation for effective implementation of the programme.

The starting point is that all regional ESF plans should apply the different guidelines in both Priority axis 1 and Priority axis 2, and aim to attain all programme objectives, by focusing on problems, needs and opportunities which the regional analysis shows are where resources should be concentrated.

A regional ESF plan should be drawn up for each of the eight geographical priority axes defined in the national strategy for regional competitiveness, entrepreneurship and employment 2007–2013. The structural fund partnerships to be established in these areas under the European Regional Development Fund and the European Social Fund, in addition to drawing up the regional ESF plans, should also have the task of establishing priorities between project applications for support within the framework of the national structural fund program and the regional structural fund programmes.

Implementation of the national structural fund program is subject to the scrutiny of a monitoring committee. Its main task is to ensure that implementation of the programme is effective and of satisfactory quality.

Great emphasis is attached in the programme to follow-up and evaluation, both at programme and project levels in order to contribute to learning and good project management.

Foreword

The programme sets out the orientation and support from the European Social Fund to Sweden during the period 2007–2013. This document is based on the Commission decision as set out in Article 32.5 in the European Council Regulation (EC) No 1083/2006.¹

The program which should provide the foundation for implementing social fund initiatives during the programme period 2007–2013 covers the whole country. It has been developed as part of the EU's revised Lisbon strategy with integrated guidelines for growth and employment, the Swedish Reform Programme for Growth and Jobs,² and also the national strategy for regional competitiveness, entrepreneurship and employment 2007–2013.³ There are also linkages to the national strategy for social security and social participation.

Implementation of the programme is regulated under EU regulations for the structural funds: Council Regulation (EC) No 1083/2006, European Parliament and Council Regulation (EC) No 1081/2006 about the European Social Fund, Commission Regulation (EC) No 1828/2006 on the rules for the implementation of Council Regulation (EC) No 1083/2006, as well as the Swedish Ordinance 2007:14 on the management of EU structural funds.

The introductory section of Council Regulation (EC) No 1081/2006 sets out the reasons why the European Parliament and the Council of the European Union have adopted the regulation. Amongst others, the following reasons were given, see quotation in points 6-9 below:

”6) Lessons have been learnt from the Community's initiative Equal, especially regarding the combination of local, regional, national and European activities. These lessons should be taken into account when support is provided from ESF. Special attention should be given to participation of the target groups, integration of immigrants, including those who have applied for asylum, determination of political questions and their subsequent integration, innovative and experimental methods of working, methods for transnational cooperation, activities directed to groups which have been marginalised in relation to the labour market, the impact of social aspects on the internal market and also access of non-governmental organisations to opportunities to take part in and manage projects.

7) ESF should support such policies in member states that are in line with the employment strategy and the relevant objectives which the Community has set up for social integration, non-discrimination, promotion of gender equality and education to better contribute to the achievement of objectives from the European Council's meeting in Lisbon 23rd and 24th of March 2000 and in Göteborg on the 15th and 16th of June 2001.

8) ESF should also act to manage the relevant dimensions and consequences of demographic changes in the working population of the Community, especially through lifelong vocational education and training.

¹Council Regulation (EC) No 1083/2006 on the general provisions for the European Regional Development Fund, the European Social Fund and the Cohesion Fund.

²”The Swedish Reform Programme for Growth and Jobs 2006-2008. Government communication (Skr) 2006/07:23

³A national strategy for regional competitiveness, entrepreneurship and employment 2007–2013. Annex to Government decision 14 December 2006, dnr N2006/11184/RUT.

9) In order to better forecast and handle changes and increase economic growth, employment opportunities for both women and men, and also work quality and productivity in relation to the goal of regional competitiveness and employment, as well as the convergence objective, support from ESF should be specifically focused on increasing the adaptive capacities of employees and companies, increase human capital and entry to and participation on the labour market, strengthen the social integration of disadvantaged groups, combat discrimination, work so that persons who are not gainfully employed can return to the labour market as well as promote partnerships or reforms."⁴

The first chapter of the National structural fund program provides the policy framework at the EU level and respective national levels for drawing up and implementing the programme. The chapter also contains a socio-economic analysis of the labour market. A summary of the recommendations and conclusions that came up in the ex ante evaluation done when drawing up of the program can be seen in Annex 6.

Chapter 2 presents a starting point and criteria for implementation of the national structural fund program and the eight regional ESF plans. Chapter 3 describes the program areas, goals and indicators. Together these chapter provide a description of the strategy for implementing the programme.

Chapter 4 covers the preconditions for implementation of the programme; importance of cooperation, organisation and implementation, regional orientation and also central starting points for implementation of the programme, role and tasks of the monitoring committee, follow-up and evaluation in the programme, information and requirements for publication, cofinancing and financial responsibility and financial flows, as well as the interface between the national structural fund program and other programs.

Chapter 5 presents the financial preconditions for the program.

⁴ See the introductory section in the European Parliament's and Council Regulation (EC) No 1081/2006 of 5 July 2006 on the European Social Fund and on the repeal of Regulation (EC) No 1784/1999.

1 Framework for social fund initiatives

1.1 Introduction

Initially an overview of European policy for growth and employment is provided. Thereafter an overarching description is given of government goals and directions for different policy areas, followed by some aspects of the national strategy for regional competitiveness, entrepreneurship and employment 2007–2013 of importance for the national structural fund program (ESF) for regional competitiveness and employment.

The socio-economic analysis provides an up-to-date picture of the context in which the program will be implemented. Annex 6 presents conclusions followed by the ex ante evaluation of the program carried out during the development stage.

The chapter concludes with a summary of strengths, weaknesses, opportunities and threats of relevance for employment.

1.2 EU policy for employment and social and economic cohesion

The EU's cohesion policy aims at contributing to economic and social cohesion within the EU. Measures within the framework of the structural funds and the cohesion fund will contribute to reducing regional differences and inequalities between people.

During the period 2007–2013 the EU will face a number of challenges. Socio-economic differences have increased in the Union as enlargement has led, amongst other things, to countries with lower socio-economic standards becoming members of the EU. The Union must also manage the effects of globalisation, technological development, growth of the knowledge economy, unemployment, an ageing population and increased immigration.

Under the Commission's revised cohesion policy for 2007–2013, the area is given a clear strategic focus. This means that European strategic guidelines at the Community level will be supplemented by national strategic reference frameworks developed by the member states. The intention is to increase the alignment between national and regional strategies, and also to concentrate initiatives where needs are greatest.

Overarching objectives of EU employment policy

The initiatives taken for increasing cohesion are to contribute to fulfilling the Lisbon strategy and the overarching goals of European employment strategy on:

- full employment,

- high quality and productivity at work, and also
- social cohesion.

The employment strategy since its adoption in 1997 has been further developed and revised. In connection with the revision of the Lisbon strategy in March 2005, heads of government decided to integrate the guidelines for micro- and macro economic policies with policy in the employment area.

European cooperation over the employment strategy builds on what is called the "Open Method of Co-ordination". The method covers the Community's goals and guidelines, monitoring and follow-up by means of indicators and recommendations, as well as exchange of experience and good examples between the member states.

Guidelines for EU Cohesion policy

The European Council adopted in autumn 2006 the European strategic guidelines on economic, social and territorial cohesion 2007–2013.⁵ These strategic guidelines aim at reinforcing synergies between Cohesion policy and the Lisbon strategy. To this end, the guidelines state that between 60 to 75 per cent of structural fund resources in the EU-15 during the programme period, are to be ear-marked for initiatives relating to the objectives of the Lisbon strategy.

The following guidelines show current priorities of cohesion policy in future years:

1. Making Europe and its regions more attractive places in which to invest and work
2. Creating growth through enhancing knowledge and innovation
3. More and better jobs⁶

Taking as a point of departure the goals of cohesion policy on contributing to economic and social cohesion in the EU, the integrated guidelines of the Lisbon strategy, as well as the need for a thematic and territorial focus, the European Commission decided on three objectives for the implementation of cohesion policy during the period 2007–2013: *Convergence*, *Regional competitiveness and employment* and also *Territorial cooperation*. During the period Sweden will allocate funds for initiatives related to the second and third objective; Convergence, Regional competitiveness and employment and Territorial cooperation.

- The objective of Regional competitiveness and employment aims at anticipating and promoting economic change through a limited number of priorities focusing on innovation and the knowledge economy, accessibility, environment and risk prevention, and more and better jobs. The objective will be financed during 2007-2013 by the two structural funds, the European Regional Development Fund and the European Social Fund.

⁵The Council Decision of 6 October 2006 on the Community's strategic guidelines for cohesion(2006/702/EC).

⁶The following sub-headings are related to the third guideline, with direct linkage to activity areas of the European Social Fund: a) Bringing in and retaining more people at work and modernising social security systems, b) Improving employee and company adaptability and flexibility on the labour market, c) Increasing investment in human capital through improved education and skills enhancement, d) Administrative capacity, and e) Contributing to maintaining a healthy labour force.

- The objective of Territorial cooperation represents a further development of the Community Initiative Interreg. The aim is to promote greater integration and cooperation between regions in order to contribute towards the development of regions in the EU. Implementation will be through three types of programmes: cross-border, transnational and interregional programmes.

European cohesion policy should be typified by decentralised implementation, based on local, regional and national strategies. Effective policy implementation is dependent on close cooperation among broad partnerships of players, including players and organisations on the labour market, in the planning and implementation of the programmes.

Implementation is also assumed to be strengthened by greater interaction and exchange of knowledge and experience between players at the local, regional, national and European levels.

The starting point for Sweden's work on cohesion policy goals is set out in the national strategy for regional competitiveness, entrepreneurship and employment.⁷ A corresponding strategy (the national strategic framework) is drawn up in each member state.

The Swedish Reform Programme for Growth and Jobs, and also the national strategy mentioned above set out the frames and orientation of initiatives for the structural funds in Sweden for the period 2007–2013. The design and priorities in the national structural fund programme for regional competitiveness and employment describe how the social fund and the regional development fund will contribute to achieving current objectives and development in the Swedish Reform Programme for Growth and Jobs.

The conclusions of the European Council meeting in Lisbon show that modernisation and improvement of social security is an important step in achieving the overall Lisbon goals. Within the framework of the open coordination method, member states are also drawing up national strategy reports on social security and social participation. The national structural fund program will also contribute to the achievement of goals set up in Sweden's strategy report on social security and social participation.

1.3 The Swedish Reform Programme for Growth and Jobs 2006–2008

At the Spring Summit in March 2005, member states were urged to present national action programmes for growth and employment for the period 2005–2008, and also annual follow-up reports. The decision was taken in conjunction with the European Council's mid-term review of the Lisbon strategy, and the aim was to deepen political commitment and implementation of strategy at national levels. The action programmes and the annual progress reports provide an important basis for the Commission and the European Council in their examination of member states' implementation of the Lisbon strategy.

⁷A national strategy for regional competitiveness, entrepreneurship and employment 2007–2013. Annex to Government decision 14 December 2006, dnr N2006/11184/RUT.

The starting point for the national action programmes are the integrated guidelines approved by the member states i.e. the Broad Economic Policy Guidelines and the Employment Guidelines. The guidelines focus on the main challenges that lie ahead, such as globalisation and an ageing population, and also on the need for reforms to promote competitiveness and economic growth, as well as more and better jobs within the framework of the overall goal of sustainable development. Sustainable development refers to development where account is taken of economic, social and environmental consequences. Accordingly, there is a strong link between the Lisbon strategy and the new strategy of the EU for Sustainable Development, adopted by the European Council in June 2006.

The most important task of the Government as set out in the Reform Programme for Growth and Jobs 2006⁸, is to implement measures that lead to higher employment and lower unemployment, and reduce exclusion on the labour market.

The Commission stated in its Progress Report December 2006 that Sweden together with a number of other member states be given the highest rating, "very good progress", and that Sweden should continue on its chosen path:

"It will be important for Sweden over the period of the National Reform Programme to focus on: taking further regulatory measures to increase competition, notably in services; implementing rapidly planned improvements to the impact assessment system; taking a more coherent approach to better regulation, strengthening its strategy to increase labour supply and hours worked, including the implementation of proposals to increase incentives to work, as well as stronger measures to increase the employment rate of immigrants and young people, and to reintegrate people on sickness-related schemes."⁹(page 6)

The European Youth Pact, which is a part of the Swedish Reform Programme for Growth and Jobs, was adopted at the European Council meeting 22-23 March 2005. The Pact aims at promoting opportunities for young people to obtain a good education and work, study, gain work experience and work abroad, participate in society and also be better able to combine work and family life. The European Youth Pact means that a youth perspective shall be integrated in all relevant areas within the framework of the Lisbon strategy and that initiatives directed towards young people shall be promoted and coordinated.

1.4 A national strategy for regional competitiveness, entrepreneurship and employment 2007–2013

European cohesion policy aims at contributing to economic and social cohesion within the EU by reducing regional differences and inequalities between people. The aim during the coming programme period of 2007–2013 is to create competitiveness and employment by safeguarding existing conditions throughout the whole of the EU and by creating opportunities for all regions to contribute towards European competitiveness.

⁸The Swedish Reform Programme for Growth and Jobs 2006-2008. Government communication 2006/07:23

⁹A year of delivery. The European Commission's 2006 annual progress report on growth and jobs.

During 2006 a national strategy was drawn up for regional competitiveness, entrepreneurship and employment in Sweden over the period 2007–2013¹⁰. This national strategic framework for cohesion policy in Sweden will form the basis for development focusing on regional needs. The strategy will contribute to the creation of more competitive regions and individuals in Sweden. In accordance with the European strategic guidelines for cohesion, the national strategy sets out the guidelines for structural fund programs for regional competitiveness and employment 2007–2013.

The national strategy involves coordination between regional growth policy, labour market policy and EU cohesion policy. Cohesion policy will i.a. be implemented in a national structural fund program for the European Social Fund (ESF) by means of eight regional ESF plans, and eight structural fund programmes for the European Regional Development Fund (ERUF). The regional ESF plans aim at adapting the national structural fund program to regional conditions. The geographical division of the country into eight programme areas is shown below.¹¹

¹⁰ A national strategy for regional competitiveness, entrepreneurship and employment 2007–2013. Annex to Government Decision, 14 December 2006, dnr N2006/11184/RUT.

¹¹ A national strategy for regional competitiveness, entrepreneurship and employment 2007–2013.

Table 1 *Eight geographical program areas for implementation of the national and regional structural fund programmes during the period 2007–2013.*

Övre Norrland (<i>Counties of Norrbotten and Västerbotten</i>)
Mellersta Norrland (<i>Counties of Jämtland and Västernorrland</i>)
Norra Mellansverige (<i>Counties of Gävleborg, Dalarna and Värmland</i>)
Stockholm (<i>County of Stockholm</i>)
Östra Mellansverige (<i>Counties of Uppsala, Södermanland, Örebro, Västmanland and Östergötland</i>)
Västsverige (<i>Counties of Västra Götaland and Halland</i>)
Småland and islands (<i>Counties of Kalmar, Kronoberg, Jönköping and Gotland</i>)
Skåne-Blekinge (<i>Counties of Skåne and Blekinge</i>)



The structural fund programmes provide opportunities for cooperation and reinforcement of regional processes to create additional growth and employment, and social and economic cohesion. The structural fund partnerships to be formed will become important instruments for coordination in the eight geographical programme areas (c.f. section 4.4).

In the national strategy for regional competitiveness, entrepreneurship and employment, the following national priorities exist for 2007–2013:

- Innovation and renewal, with innovative environments and entrepreneurship as particularly important areas.
- Skills supply and improved labour supply.

- Accessibility with regional enlargement and an advanced information society are particularly important areas.
- Strategic cross-border cooperation.

The strategy states that sustainable development shall be taken into account in all phases of development and implementation of structural fund programmes, and initiatives within them. A comprehensive and long-term perspective will contribute to sustainable development in the region. Special focus must be placed on equality between women and men, integration and diversity, as well as environmental issues. Equality between women and men must be promoted at all levels, when drawing up and implementing structural fund programmes and projects, both through even representation and ensuring that gender perspectives are taken into account. As regards integration and diversity, influence and participation of the groups involved on the labour market is also to be safeguarded.

The strategy also states the importance of having a clear industrial perspective, both locally and regionally, which permeates the development of the structural fund program, its orientation and implementation. It is also important to develop working methods that stimulate players in the business sector, including representatives of the social economy, to become involved in implementation.

Typical of large cities is high growth and high employment at the same time as there are segregated areas of high unemployment and low levels of employment. Less favoured areas occur in the three Swedish metropolitan regions, as well as in a number of other large cities. In accordance with this strategy, the social fund should contribute to ongoing work in metropolitan areas aiming at reducing exclusion from the labour market. This involves supporting development in problem city areas based on a holistic perspective and focusing on supporting citizens' needs for asserting control. The territorial conditions described in the national strategy also cover the sparsely populated areas of northern Sweden. When drawing up regional ESF plans within the framework of the national structural fund programme (ESF), conditions in less favoured areas in larger cities and towns, as well as in the most sparsely populated areas in northern Sweden should be considered.

Culture is of importance for employment and entrepreneurship, for dynamism, propensity to change and mobility. Culture and the adventure industry as a result increasingly contribute to European growth and employment. This should be taken into account when drawing up the regional ESF plans.

1.5 The Swedish policy context

This section provides an overall view of the ambitions and goals in different policy areas of particular importance for implementation of the national structural fund program.

1.5.1 Labour market policy

The overall objective of labour market policy is to contribute to a well-functioning labour market. Standards of living can be safeguarded by overcoming exclusion in the labour market, creating more jobs and more companies, and also making work more profitable. The employment principle should be clarified in unemployment insurance through changes in compensation and its terms and conditions. Health insurance should aim at providing security for those affected by illness or injury whilst providing the motivation and opportunity to return to work.

Employment is critically important not least for achieving the goal of greater social participation. Social participation in its turn contributes to an increased supply of labour and higher employment.¹²

Initiatives will be taken to make it easier for the long-term unemployed to return to work. It should be simpler and less costly to employ people. The costs of employing young people should be reduced. Reducing employer contributions in certain service industries is also important. Unemployment amongst young persons is high in Sweden, and one out of every three young people have a very weak link to the labour market. It is important that young people at an early stage receive the support needed to combat exclusion.

1.5.2 Integration policy

The best route to integration is through work and language skills. A common theme in the Government's integration policy is the elimination of obstacles and the creation of new opportunities. A policy empowering people's inner resources is needed. This is a policy for greater freedom and a society characterised by a sense of community and belonging, where no group is excluded or discriminated against. There is great need for initiatives to bring about better integration, given that policy measures taken so far have not led to a reduction in disparities between different groups.

Labour market and industrial policy need to provide the preconditions for entrepreneurship and creation of more jobs, education policy for knowledge, improvements for newly arriving immigrants, as well as measures to combat discrimination. Special measures directed to immigrants as a group should in principle be limited to initiatives needed during their early years in Sweden.

1.5.3 Industrial policy

The Swedish business climate needs to be improved, and running a business should be simpler and more profitable. The objective of industrial policy is to promote sustainable economic growth and greater employment by initiatives for increasing competition, and encouraging the establishment and growth of companies. A precondition for greater competitiveness is that companies have access to a skilled labour force. The importance of higher knowledge content in production is becoming increasingly greater. Standardised and labour-intensive operations are facing elimination or relocation to countries where costs are

¹²See also Sweden's national strategy report on social participation and social inclusion in 2006–2008.

lower. Competitiveness will increasingly involve good provision of knowledge, product renewal, efficient production processes, as well as flexible and effective working organisations. This means more is required of the labour force, in terms of skills, mobility and capacity for change.

1.5.4 Education policy and lifelong learning

Sweden needs a well-educated labour force to manage international competition, and create economic growth and greater prosperity. Education of high quality from an international perspective is a precondition for achieving this. It also provides the foundation for future research and development.

The education system and access to skills development initiatives for both employees and the unemployed, as part of life-long learning, are essential for economic growth, productivity and employment.¹³ Ongoing cooperation between the education system and the surrounding society creates favourable conditions for satisfying labour market demands for skilled labour. Quality and internationally competitive higher education are of the utmost importance for Sweden as a nation, as well as from a regional perspective.

Basic vocational education at upper secondary school level should provide students with good vocational skills and prepare them for work and lifelong learning. In order to reduce the risk of the young being excluded, vocational education in the upper secondary school will be reformed to increase throughput and improve the knowledge and skills of young persons. More specialised vocational skills will help to make students more attractive to potential employers on completion of their education.

Shorter vocationally oriented education programs, and advanced vocational education, are particularly relevant in this context and will continue to be required both by working life and individual students. These programs are of great importance for supplying skills to industry and for regional development. A wide range of different forms of education and orientations provide the individual with opportunities to choose the most appropriate options. The infrastructure for adult education is significant for growth. Access to different kinds of learning environments, e.g. at the regular workplace, in a learning centre, distance education or in labour market training programs, are also important prerequisites for adult learning and ultimately for the individual's competitiveness on the labour market.

1.5.5 Gender equality policy

The objective of gender equality policy is that women and men should have the same power to shape decisions that affect society and their own lives. A precondition for achieving this is that women and men have the same rights, opportunities and responsibilities in all areas of life. Gender equality policy involves all sectors, and this means that gender equality should be taken into account in other policy areas. Gender equality integration is a principal strategy for

¹³ A national strategy for regional competitiveness, entrepreneurship and employment. Annex to Government Decision 14 December 2006, dnr N2006/11184/RUT.

implementation of gender equality policy, and is based on the notion that gender equality is created whenever ordinary decisions are made.

Important issues for gender equality policy are that both women and men should be able to live on their own salaries and be able to combine family life with working life. Conditions for women in working life and their opportunities to run businesses must be improved, and all forms of male violence against women must be combated.

1.5.6 Disability policy

Disability policy covers measures to remove obstacles to full participation in society, measures to combat discrimination, as well as for individual support. The measures are cross-sectoral and included in most policy areas.

The national objectives for disability policy are:

- a social community based on diversity,
- a society designed to enable disabled people of all ages to participate fully in the life of the community,
- equal opportunities in living conditions for girls and boys, and women and men with disabilities.

Work on disability policy should focus particularly on:

- identifying and removing obstacles to full participation in society for people with disabilities,
- preventing and combating discrimination against people with disabilities,
- enabling children, young people and adults with disabilities to achieve independence and self-determination.

1.5.7 Social services policy

The objective of social services policy is to strengthen the capability and opportunities for social participation of people who are in economically and socially vulnerable situations, and to strengthen protection of children at risk. The social services supplement general financial support systems. Persons who are outside the labour market should receive support as quickly as possible to facilitate their entry to the labour market. Fundamental to the social services are the principles of a holistic perspective and voluntary action, a preventive perspective and also that the resources of the individual are used.

1.5.8 Regional development policy

All parts of the country must contribute to Sweden's growth and sustainable development. Regional development policy aims at preventing structural problems and creating growth, sustainable development and a high level of service for women and men in all parts of the

country. Long-term growth and welfare need to be strengthened, not least with regard to Sweden's demographic development.

Growth is generated at local and regional level by people in companies. Regional development policy is based on the way in which local labour market regions create structural conditions for growth and employment in sparsely populated and rural areas, and small and medium-sized towns and cities. Built-up areas sparsely populated rural areas are viewed as being interconnected. The sustainable growth of cities is promoted through initiatives in both regional development and national metropolitan policy.

1.5.9 Metropolitan policy

National metropolitan policy in Sweden has been devised, amongst other things, to create opportunities and eliminate obstacles for people living in less favoured urban areas, and to make these more attractive. The number of less favoured areas in metropolitan regions need to be reduced in order to promote long-term sustainable growth and social cohesion. Less favoured areas create social and economic tensions which affect both conditions for people living in these areas and the development of the city as a whole. Interrelated problems concerning less favoured areas also apply to cities other than the three large cities of Stockholm, Göteborg and Malmö. Less favoured areas in other larger towns also need special attention to break down exclusion brought about by local conditions specific to these areas.

Metropolitan policy goals are shaped in relation to the problems of increased segregation, and have a multi-sectoral dimension which focuses on better coordination across a number of policy areas. The objectives of metropolitan policy are:

- to provide good foundations for sustainable growth in metropolitan regions and thus contribute to the creation of new employment both in the metropolitan regions and in other parts of the country (Growth objective), and also
- to end social, ethnic and discriminatory segregation in metropolitan regions and work for equality and comparable living conditions for inhabitants of metropolitan regions (Segregation Objective).

1.5.10 Rural policy

Rural policy covers measures for providing support to sustainable economic, ecological and social development of rural areas. A large proportion of the measures are implemented by means of the EU cofinanced Rural Development Program. The new Rural Development Program for the period 2007–2013 just like the program for the earlier period 2000–2006 will have a high level of environmental ambition, but will also cover measures for more widely based rural development. The program is divided up into four objective and initiative areas which are common to EU countries:

- support for restructuring, development and innovation aimed at strengthening the competitiveness of agriculture and forestry,

- support for land-use management to improve the environment and landscape,
- support to raise quality of life in rural areas and encourage diversification of industrial activities.

Rural development policy also covers national support to agriculture in northern Sweden, as well as measures in the environmental area concerning agriculture.

1.6 Socio-economic analysis

The socio-economic analysis, which provides both national and regional perspectives on the labour market, is the basis for the national structural fund program's orientation and contents. It also provides the foundation for the development and implementation of the eight regional ESF plans.

Updates of the socio-economic analysis in contrast to evaluations of what has been implemented, will provide a foundation for possible reviews of the program and the regional ESF plans during the programme period.

1.6.1 What are the typical features of the Swedish labour market ?

Structural changes on the labour market

Restructuring of the labour market in the context of a shrinking industrial sector and a growing service sector has been an ongoing process since the middle of the 1970s. It is partly related to increasing competition from low-cost countries, and also to the expansion that has taken place in capital and knowledge intensive industries. Outsourcing of production whilst simultaneously keeping research and development in Sweden has led to an increase in the service content and value added components of production. Parallel with changes in industry, demand for both private and company related services has increased. Managing this restructuring will require a large degree of mobility and good matching on the labour market.

Increased productivity in the business sector over the last decade has probably contributed to relatively weak development trends in employment when the business situation once again started to improve after 2003. One explanation for high productivity is the rationalisation carried out within industry in connection with the crisis of the 1990s. Employment, however, accelerated during 2005 and 2006, and in the longer term employment can be expected to increase, primarily due to a reduction in the potential for rationalisation in industry and greater demand for employment intensive production in the service sector.

Company structure

Approximately 9.2 per cent of the labour force were running their own businesses during 2005.¹⁴ There are some 900 000 companies in Sweden, privately and publicly owned,¹⁵ where about half are one-person businesses, a third limited liability companies and about one in every 10 are partnerships of various kinds.¹⁶ The majority of companies have either no employees or less than nine.¹⁷ Only 1 700 companies had more than 200 employees.¹⁸

About 44 500 companies are started each year and the survival rate of companies after three years is 62 per cent. Of newly started companies about 80 per cent related to services and 18 per cent to goods manufacturing.¹⁹ Of companies started in 2005, 31 per cent were run by female owners and 62 per cent by male owners. 6 per cent of newly started companies are run by both women and men.²⁰

Exclusion, employment, unemployment and hours worked

Large parts of the Swedish population capable of work are outside the regular labour market. There are also many people who can and wish to work, but do not succeed in obtaining a job. Number of annual equivalents²¹ receiving public support during 2005, amounted to slightly more than 1 million or 21 per cent of the population registered in the age group 20-64. In 2006 slightly more than 12 per cent of the working age population received benefits (sickness and rehabilitation benefits and also sickness or activity compensation), nearly 8 per cent received labour market related benefits, and approximately 1.5 per cent financial assistance under the Social Services Act.

After several years of good growth in the Swedish economy at the end of the 1990s, positive development came to a halt at the beginning of the millennium, and as a result of this, the Swedish labour market became weaker than before. Although the economy once again started to improve during the latter part of 2003, employment declined during 2003 and 2004, mainly amongst women. Since 2005, however, employment has increased and in September 2006, the rate of employment amongst women aged 16-64 amounted to 71.6 percent, the comparable figure for men being 77.2 per cent.²²

¹⁴ SCB, Labour Force Survey.

¹⁵ Statistics Sweden Business register.

¹⁶ Statistics Sweden, Economic statistics.

¹⁷ Statistics Sweden, Business Register.

¹⁸ Statistics Sweden, Business Register.

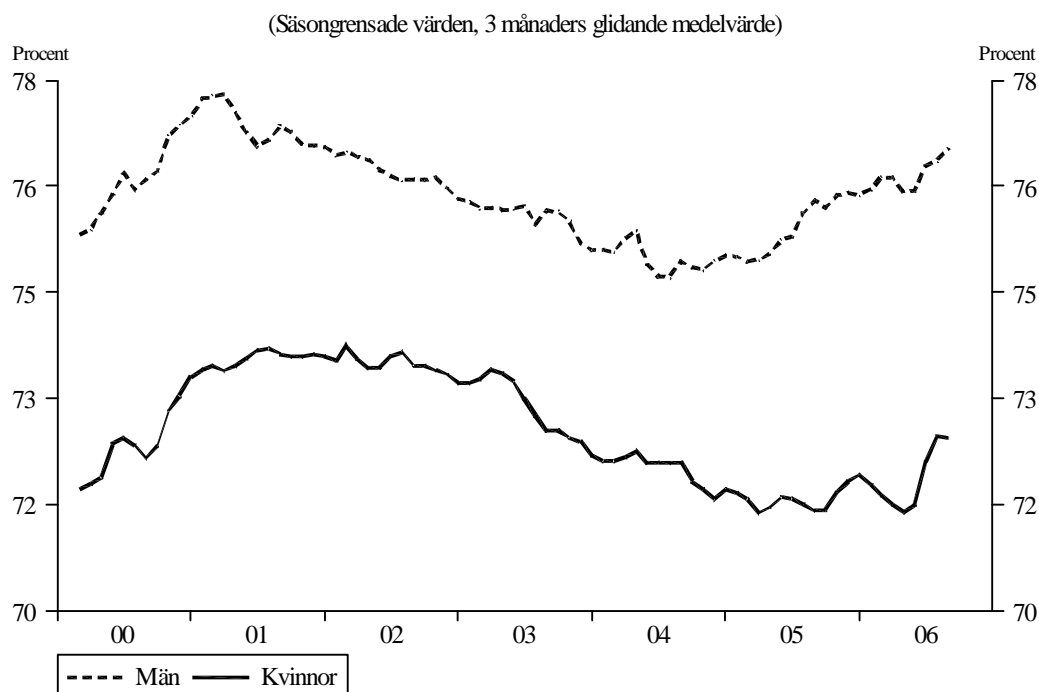
¹⁹ All statistics concerning companies come from, Statistics Sweden, Labour Force Survey (AKU).

²⁰ All statistics concerning new companies come from ITPS.

²¹ Annual equivalents refer to the number of people who could be supported over a whole year with full compensation.

²² In April 2005 Statistics Sweden made changes to the Labour Force Surveys (AKU) to harmonise more closely with the EU. As a result of this change, the number of employees has increased, and this is the reason the rate of employment is probably overestimated in these figures. However, this does not mean that employment did not increase during 2005, since the National Accounts also showed an increase during the year.

Figure 1. Rate of employment for women and men 16-64 years, January 2000 to September 2006



Note: Linked series.

Source: LFS, Statistics Sweden

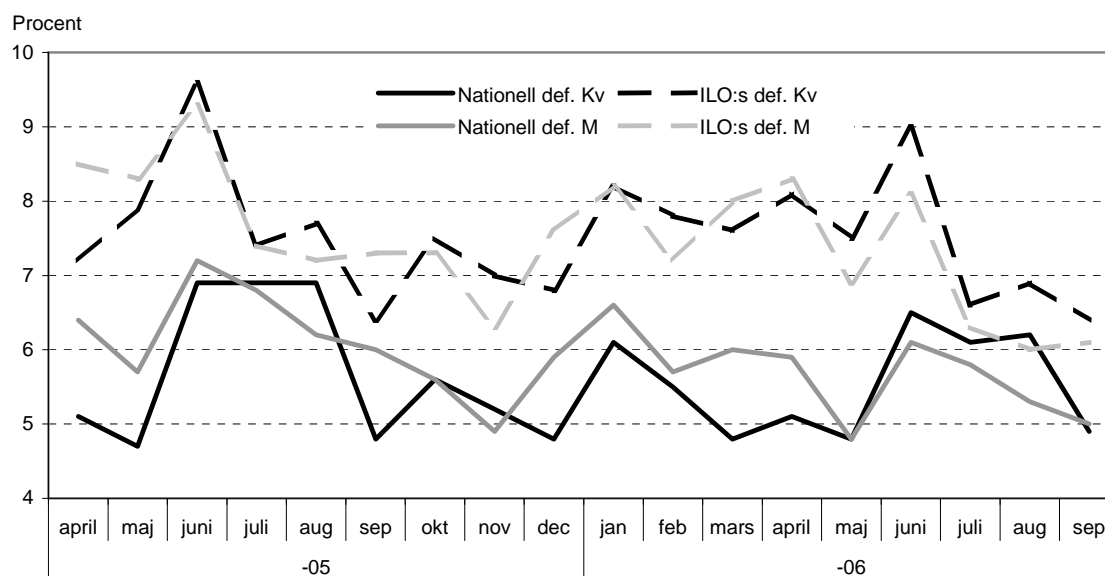
Open unemployment decreased as a result of improvements in the economy between 1997 and 2001. Open unemployment increased once again during 2003 up to the first half of 2004, although the economy improved over the same period. Thereafter unemployment has remained at a stable but high level, apart from a strong increase during the summer months of 2005, which can be partially explained by changes made by Statistics Sweden to AKU (Labour Force Survey). Over a number of months open unemployment amongst women was higher than among men, primarily because employment improved in traditional male sectors.

But in September 2006 the unemployment percentages were 4.9 per cent for women and 5.0 per cent for men.

Amongst students, large numbers were latent job seekers, i.e. students who were looking for and available for work. In 2005 about 89 000 full-time students aged between 16-64 were latent job seekers. Using the ILO definition of open unemployment, which includes latent job seekers, the proportion of unemployed women amounted to 6.4 percent, and 6.1 per cent for men in September 2006.

Figure 2 below shows the difference in unemployment between the ILO definition and the national definition (up to September 2006). The low differences during the summer months can be explained by the fact that few persons studied during these months.

Figure 2. Comparisons of unemployment by international and national measures, for women and men April 2005 to September 2006



Source: LFS, Statistics Sweden.

Total unemployment (open unemployment and people in compensatory labour market programs) as a proportion of the labour force, amounted in September 2006 to about 8 per cent amongst women and 7.9 per cent amongst men.

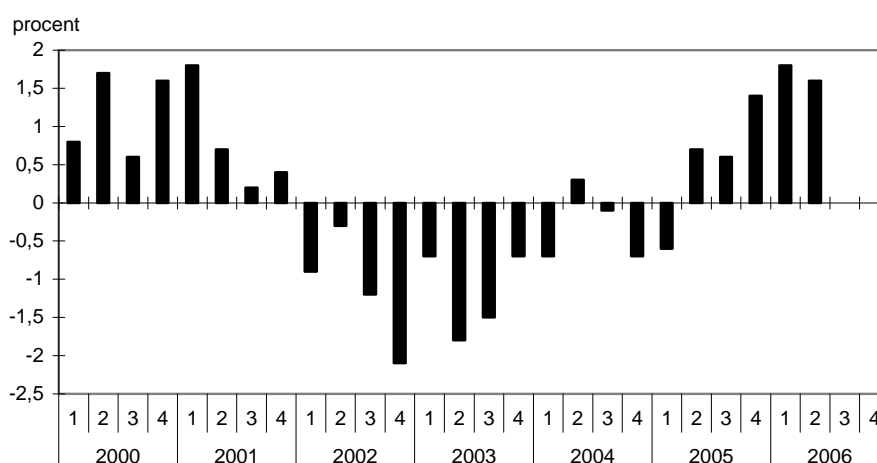
Since the beginning of the 1990s, young people have experienced difficulties to a much greater extent than others in establishing themselves on the labour market. The establishment age for young people (i.e. the age at which 75 per cent of a specific age group are employed) amounted in 2004 to 27 years, which can be compared to an establishment age of 21 over the period 1998-1990. The increase can be partly explained by the fact that more young people continue studying for a longer period, but it also reflects the fact that young people,

particularly those born abroad, find it more difficult to get a firm footing on the labour market.

Statistics Sweden carries out population forecasts for all age groups. In the most recent population forecast from Statistics Sweden, the number of young people aged between 16 and 24 will increase substantially up to year 2010. This will increase the pressure on the education system, and also contribute to a large labour force in the younger part of the population. Given the background that young people often lack a firm position on the labour market or have many temporary jobs, they are often affected more critically than other age groups where demand for labour is declining. If the increase in population coincides with a downturn in the economy and reduced demand for labour, there is a risk that unemployment of young people will increase.

Yet another measure of how well the labour market is performing is the number of hours worked in the economy. According to the National accounts the number of hours worked decreased substantially during 2002 and 2003, largely as a result of the weakening of the economy at the beginning of the decade. During 2004 the number of hours worked fluctuated, but since the second quarter of 2005 this figure has increased compared with the equivalent quarter for the previous year, see Figure 3.

Figure 3. Change in the number of hours worked, by quarters 2000-2006



Source: National accounts, Statistics Sweden Note. Hours worked are seasonally adjusted.

The earlier unexpectedly weak labour market for employment, unemployment and hours worked, despite improvements in the economy, can be linked to various factors in the Swedish economy. One explanation is that productivity (value added per hour worked) has increased in the Swedish economy over this period; companies have been able to expand their production without needing to increase the number of employees or the number of hours worked. During the second quarter of 2006 industrial capacity utilisation was at a record high throughout the country at 91.1 per cent. However, productivity increases during an upturn in the economy are common, as companies make greater use of existing staff and capital until the upturn becomes more permanent. Over the coming years productivity is expected to be weaker, and this in its turn means that both the number of hours worked and employment can probably be expected to develop positively.

Some explanations as to why unemployment has not decreased as expected, are not only that more people entered the labour force as the situation improved, but also that sickness absenteeism has decreased since 2003. Both these factors increase unemployment in the short term since more people are looking for jobs on the labour market. But in the long term an increased supply is expected to lead to higher employment.

Regional labour markets

Employment in the country's 21 counties has varied in recent years, as the strength of the recovery after the downturn of the 1990s has varied between counties. Stockholm is the only county where the number of people employed was higher during 2000 than during 1990.²³ One explanation for the different employment levels are differences in age structures at the regional level. The primary reason is the large inflow of young people to large towns and university regions which do not have any counterpart in many other parts of the country. According to forecasts from Statistics Sweden²⁴ the proportion of professionally active, and of young people will continue to decrease in all counties until 2030. This means that the burden of support (the number of young and elderly people in the 20-64 age range) is expected to rise further in all counties. The rate of change does vary, however. The regions with currently an unfavourable age structure are forecast to lag further behind. Table 2 below shows the rate of employment in counties during 2005.

Table 2. The rate of employment (per cent) for women and men aged between 16-64, 2005

County	Women	Men	County	Women	Men
Stockholm	75.6	77.9	Västra Götaland	72.3	76.6
Uppsala	72.0	74.6	Värmland	68.4	73.2
Södermanland	69.8	76.4	Örebro	70.3	71.6
Östergötland	68.3	73.0	Västmanland	71.9	76.5
Jönköping	77.1	82.1	Dalarna	68.9	74.9
Kronoberg	75.9	77.5	Gävleborg	67.4	73.7
Kalmar	69.2	76.0	Västernorrland	72.6	73.8
Gotland	69.4	72.7	Jämtland	72.4	74.1
Blekinge	69.6	72.6	Västerbotten	70.5	74.9
Skåne	67.8	75.0	Norrbotten	69.3	71.1
Halland	74.7	79.4	<i>Whole country</i>	<i>71.8</i>	<i>75.9</i>

Source: AKU, Statistics Sweden

Traditional descriptions of local conditions on the labour market as shown above are often from administrative areas such as municipalities and counties. The local labour market, however, seldom follows administrative borders. Statistics Sweden has thus defined local labour markets (LA regions) which in contrast to municipalities and counties take into account demand and supply factors for labour in different regions. Within a given LA region, people should be able to both live and work without excessive commuting.

Employment increases forecast until 2020 are expected to concentrate mainly on densely populated regions (Stockholm, Göteborg, Malmö).²⁵ In large cities interregional differences in

²³SCB (2003), Länens arbetskraft (Labour force by counties) Changes in the last few decades.

²⁴ Ibid.

²⁵ SOU 2004:34, Regional utveckling – utsikter till 2020 (Regional Development - Prospects up to 2020) Annex 3 to LU 2003/04.

rates of employment continue to be large. There is a heavy concentration of women and men without employment in a large number of areas, where the average proportion employed is less than 50 per cent.²⁶

The counties of Stockholm, Uppsala, Västerbotten and Skåne have high proportions of people with post upper secondary education, and according to Statistics Sweden this will continue up to 2020. In addition, calculations show that even if changes in employment are weak or if employment decreases in smaller regions, then there will be a shortage of labour in certain skill areas, such as healthcare and pedagogy due to substantial population decreases in groups aged between 20-64. The largest shortages in health and medical care are estimated to be in sparsely populated and peripheral areas which often have a high proportion of employees in the public sector. Changes in age structure not only mean that the supply of labour decreases, but also that the need for healthcare increases. Shortages of labour in technology/natural sciences are expected to be largest in metropolitan regions, as well as in regions dominated by the private sector.²⁷

Labour force participation of persons born abroad

Too many people with a foreign background experience major difficulties in establishing themselves in society and working life. Major differences exist between persons born abroad and domestically, and between persons born abroad from different areas of the world in terms of participation in the labour force and exclusion, employment and unemployment.

The differences in employment and unemployment rates between persons born abroad and in Sweden, have remained relatively unchanged in recent years. The rate of employment for foreign-born women and men aged between 16-64 was 59.2 per cent and 64.6 per cent during the fourth quarter of 2005. The rate of employment for foreign-born women was 73.9 per cent, and for men born in Sweden 77.8 per cent. In the same year open unemployment of persons born abroad was more than twice as high as for those born in Sweden.

People born abroad do not make up a homogeneous group. A number of factors are important in determining opportunities on the labour market. The rate of employment is linked to the period spent in Sweden. The gap between rates of employment of people born in and outside Sweden is significantly higher for those who have been in Sweden a relatively short time.

Amongst immigrants to Sweden, there are many whose skills and expertise are not utilised. These people could contribute to economic growth if they had gainful employment. Negative attitudes and a lack of knowledge are obstacles to this. Young persons with a foreign background have lower salaries, lower employment and higher unemployment than other young persons. This applies particularly to young people who have migrated, and the problem is greater the older they are when arriving in Sweden. It is particularly disturbing that young people born in Sweden do not manage as well on the labour market if their parents were born abroad.

Labour market participation of women and men with disabilities

Similar to the rest of the population, employment increased amongst persons with disabilities and reduced work capacity from the middle of the 1990s up to 2000 (from 54.8 to 67 per cent). Thereafter, however the proportion employed with disabilities decreased to 61.6 per

²⁶ Storstadsdelegationens årsrapport (Annual Report from Commission on Metropolitan Areas) 2005.

²⁷ SOU 2004:34, Regional utveckling – utsikter till 2020 (Regional development – Prospects up to 2020). Annex 3 to LU 2003/04.

cent during 2004. For women with disabilities, employment was 59.0 per cent and for men with disabilities 64.4 per cent during 2004. Open unemployment for persons with disabilities declined up to 2002, which contributed to unemployment approaching the levels of the rest of the population. Open unemployment subsequently increased for these people, and was 6.3 per cent in 2004. In the same year open unemployment for women and men with disabilities was 6.5 and 6.1 per cent respectively.²⁸

Level of education is an important factor determining an individual's position on the labour market. Persons with disabilities have a lower level of education than the rest of the population even though the difference has decreased since the end of the 1990s.²⁹ The lower educational level can partially explain why people with disabilities have a weaker position on the labour market.

The main factor mentioned by employed disabled persons as important in determining their capacity to work is the extent to which work tasks, tempos and flexible working hours are adapted to their needs. Just as large a proportion of women and men state that adaptation of work tasks is important. On the other hand women more than men state that they have a greater need for flexible working hours or adapted work tempos.³⁰

High labour force participation amongst older persons and women

Typically the Swedish labour market has from an international perspective high labour force participation. The fact that this figure is so high is largely due to the high rate of labour force participation in Sweden amongst older persons and women. During 2005 Sweden and Denmark had the highest employment rate among women in the EU. The rate of employment amongst women was 70.2 percent, which was significantly higher than the EU employment objective of 60 per cent for women. In Sweden the rate of employment amongst older persons aged 55-64 was 69.5 per cent during 2005, which was the highest level in the EU. The high employment rates amongst the elderly applies to both women and men (66.7 per cent and 72.4 per cent, respectively).³¹ The objective of the EU is an employment rate of 50 per cent amongst older persons.

Ill health

Over periods Sweden has had a high rate of sickness absenteeism, particularly during economic upturns. Today sickness absenteeism is probably at a normal level from an international perspective despite a relatively good labour market situation.

In recent years the proportion of the population receiving sickness and rehabilitation benefits has fallen substantially, albeit from a high level. This has not meant that ill-health has decreased to the same extent in overall terms, since the proportion of people receiving sickness and activity compensation (formerly early retirement pension) has increased, even though last year there was also a substantial reduction in the number of applications for compensation granted. The further people are from a position on the labour market, the more difficult it is for them to return. This is why the increase in sickness and activity compensation over a long period is cause for concern. The number of persons receiving

²⁸ SCB (2005), Funktionshindrades situation på arbetsmarknaden – 4:e kvartalet 2004. (Position of people with disabilities on the labour market – 4th quarter 2004).

²⁹ Ibid.

³⁰ Ibid.

³¹ Eurostat.

sickness and activity compensation today is more than 550,000, this figure represents 10 per cent of the population aged between 20-64.³²

In 2006 women accounted for 64 per cent, and men 36 per cent of the total number on sick leave. From a longer term perspective, male sickness absenteeism is not currently at a particularly high level. Changes in sickness absenteeism for women varies between occupational areas. Particularly high figures are reported in municipal areas of work, i.e. healthcare, schools and nursing.

Flexibility and matching on the labour market

Mobility and good matching on the labour market reduces imbalances that may exist between regions and sectors, and accelerates the process of matching job vacancies with job seekers. There are two dimensions to labour mobility: geographical mobility, and mobility within and between sectors (change of employer). There is thus no single measure of mobility on the labour market. In order to give as complete a picture as possible, a number of indicators should be used. As regards change of employer, mobility on the Swedish labour market is very closely related to the state of the economy, and when opportunities of getting a job are limited, fewer individuals change employer and vice versa.³³ Young people and persons with longer education tend to change employer more often. Internationally, however, the mobility of the Swedish labour force is relatively small in relation to the average number of working hours at one and the same employer. In comparison with other OECD countries the Swedish labour market typically has long employment periods.

Effective matching on the labour market occurs when i.a. there is low unemployment and short job search times for those who are unemployed, and also when the quality of matching is good in that job searchers get a job that matches their qualifications. According to the so-called Beveridge curve which measures the relationship between job vacancies and unemployment measures on the labour market, matching processes in Sweden have improved somewhat from the beginning of the millennium. However we have not returned to the situation of the Beveridge curve which applied during the 1980s.

In order to achieve better matching on the labour market, the Government has announced and also partially implemented a number of reforms covering unemployment insurance and the role of the National Employment and Training Board as intermediaries. One way of improving matching on the labour market is to encourage job searching of persons who are not employed. In Sweden unemployment insurance helps to protect the individual against loss of income in connection with unemployment. At the same time this provides persons with better opportunities to find appropriate work.

Education level of the labour force

A positive factor in the performance of the Swedish labour market is that the Swedish education system provides good opportunities for further education. For instance, nearly all young people in Sweden continue to upper secondary school (98 per cent), and of 25 year-old women and men during 2004, 50 per cent and slightly more than 37 per cent respectively had started in higher education.³⁴ However, there are some problems in the upper secondary

³² Budget Bill for 2007. Expenditure area 13 The labour market and 14 Working life.

³³ Furåker (2006), "Anställningsform och inställning till rörlighet: en analys av data från tre svenska undersökningar (Type of employment and attitude to mobility: An analysis of data from three Swedish studies)" In Rauhut & Falkenhall (ed.) Arbetsrätt, rörlighet och tillväxt, (Labour legislation, mobility and growth) ITPS.

³⁴ SCB (2005), Trender och prognoser 2005 (Trends and Forecasts 2005).

school. Approximately 7 per cent of students in the upper secondary school attend individual programs, and the throughput is too low. In 2005 only 72 per cent of 20 year-olds completed a three year upper secondary education and received a final certificate. In the same year only 65 per cent of an annual cohort received a final certificate providing basic eligibility for higher education.³⁵

Our national education system also provides opportunities for learning and re-education throughout the whole life cycle. Internationally Sweden is among those countries with the highest participation in lifelong learning.³⁶ In 2004 about 40 per cent women and 32 per cent men (in total about 36 per cent) in the age group 25-64 participated in lifelong learning, which in overall terms is about 25 percentage points more than the average for EU countries. Sweden thus fulfils the objectives of the EU employment strategy that at least 12.5 per cent of the adult population aged between 25-64 should take part in lifelong learning. The OECD provides measures of skill levels of adults in the member states.

According to the OECD, Sweden, together with the UK, Ireland, Norway, and the USA belong to the group of countries that have a relatively large proportion of immigrants with a higher education. In these countries over 30 per cent of foreign citizens have a university or higher education.

1.6.2 What challenges does the Swedish labour market face?

Demography and the supply of labour

Trends in childbirth in Sweden have decreased at the same time as average life expectancy has increased, and this contributes to an ageing population in Sweden. It has become increasingly common to participate in longer educational programs which delay entry to working life. As mentioned earlier, the average age of entry has increased since the beginning of the 1990s.³⁷ Together these trends contribute to a smaller working population having to support an increasing number of older and younger people, which increases the burden of support. The public sector, in particular, will face demanding challenges over the next 10 years since the need for healthcare will increase at the same time given that the average age of older persons among employees in the public sector is high today. The situation is not made easier by the fact that many people today are outside the labour force.

In general, effects on the labour market depend not only on population demographics, but also on groups which today are not fully utilised, such as those born abroad, receiving opportunities to contribute to maintaining the supply of labour, as well as on how demand for labour changes. The persons outside the labour force who would like to work more, can be defined in a number of different ways. Statistics Sweden refers to unused labour force in terms of open unemployment, under-unemployment and latent job seeking. The National

³⁵The National Agency for Education, assessment of current status 2006, Report 288.

³⁶Lifelong learning is defined here as participating in education during the four weeks of the survey. Statistics on lifelong learning based on a 12 month period from 2002/03 show that Sweden is in a leading position concerning participation in formal education and/or courses and study circles (SCB, 2005), *Svensk utbildning i internationell statistik* (Swedish education in international statistics) 2005. Statistics on participants in staff training can be found in Annex 1.

³⁷Swedish National Institute for Working Life (2006). *Routes to a more open labour market*, National Institute for Working Life Year Book 2006.

Institute of Economic Research uses a measure for expanded unemployment (open unemployment and latent unemployment as per AKU). In order to combat exclusion, it is important that all groups with potential for additional work are utilised.

Supply of labour in hours

Another measure which is important in the estimates of how future growth in Sweden will change in relation to the labour market is the number of hours worked in the economy. In contrast to the supply of labour, the number of persons is not measured, but the number of hours worked by the working population, even though this measure is closely related to the number of people at work.

In international terms annual hours per employee in Sweden are about 10 per cent less than the average for the OECD as a whole, but more than in Denmark, Norway and Germany, and this is largely due to the higher frequency of part-time work in these countries.³⁸ As stated earlier, however, the number of hours worked is expected to change positively over the next few years due to declining increases in productivity.

The number of hours worked must continue to increase in the longer term if the economy is to develop and living standards are to be maintained. According to forecasts from the National Institute of Economic Research (2005), demographic changes will lead to decreases in average working hours up to 2009, since the proportion aged 25-54 is decreasing, this assumes that average working hours remain constant in relation to age, gender and country of origin. A larger number of hours worked can be achieved through longer average working hours or an increased supply of labour. As regards the supply of labour, entering the labour market at an earlier age, less sickness absenteeism and early retirement, better integration of those born abroad, and later exit from the labour market could contribute to a positive supply of hours worked and improved conditions for growth.

1.6.3 The labour market from a gender equality perspective

The Swedish labour market is gender segregated. Horizontal segregation means that women and men have different occupations and employers, and also work in different industries and sectors on the labour market. In terms of sectors, it is mainly the uneven distribution of men between different sectors on the labour market that creates the pattern of segregation. 80 per cent of men work in the private sector and 20 per cent in the public sector whereas women are equally distributed between public and private sectors.

Vertical gender segregation means that women and men do not work at the same levels in the hierarchy, and that women do not hold managerial positions to the same extent as men. In terms of occupation, only three out of the thirty largest occupations can be regarded as gender integrated. Men are overrepresented in metal and mechanical engineering, industry, construction and in the transport sector. Women are overrepresented in retailing, care of the elderly, health care and schools.

Regular employment is still the most common form of employment, but the proportion with temporary employment has increased appreciably since the beginning of the 1990s. In 2006

³⁸ SCB (2005), *Trender och prognoser* (Trends and Forecasts) 2005.

17 per cent of all employed women and 13 per cent of men aged between 20-64 were on temporary employment contracts. In a number of areas great differences exist in the conditions for temporary employment compared with regular employment.

As regards salary differences over the whole labour market, women on average have 84 per cent of the salaries men have, i.e. their salaries are 16 per cent lower than men's. Salary differentials have remained largely unchanged since the beginning of the 1990s. A large part of salary differences arise from the fact that the age distribution of women and men varies, as does level of education, working hours, sector and occupational groupings. If account is taken of their distribution in terms of the factors mentioned – standard weighting – there remains a salary difference between women and men of about 8 per cent in relation to the labour market as a whole.³⁹

A relatively small proportion of the population are running their own business, this applies to both women and men. Of women in the labour force, less than 3 per cent were business owners and the corresponding figure for men was 10 per cent. Running a business is just as gender segregated as the labour market as a whole. Running a business is usually divided into three business sectors: retailing companies, service companies and manufacturing companies. All sectors are dominated by men. The number of companies started by women has increased by over 50 per cent over the last 10 years. During the period 1995-2005 the proportion of women amongst new company owners increased from 25 to 34 per cent. More women than men have a higher education today. Women who are business owners generally have a higher level of education than male business owners.

Even though gender differences are relatively small concerning labour force participation, female employment is lower than that of men i.e. women have a higher incidence of absenteeism from the labour market than men, amongst other things, due to part-time work and parental leave of absence. In 2006 of employed women 35 per cent aged between 20-64 were working part-time. The corresponding figure for men in the same age group was 10 per cent. Having small children is not the most important explanation as to why women work part-time, since there is a relatively small difference between the proportion of women with children working part-time, and the proportion of women without children working part-time.

Women take out 80 per cent and men 20 per cent of parental insurance. About 60 per cent of men do not take advantage of parental leave of absence at all during the child's early years. A consequence of the unequal use of parental leave of absence is that women of childbearing age run the risk of being disadvantaged in working life, irrespective of whether they intend to have children or not. The fact that women use most of the parental leave of absence also contributes to the uneven distribution of paid and non-paid work within the family.

1.7 SWOT analysis – an overall view of strengths, weaknesses, opportunities and threats on the Swedish labour market.

³⁹The National Mediation Office and Statistics Sweden.

In recent years, the size of the labour force has increased. This is positive since more people need work as a response to ongoing demographic changes leading to an ageing population. A large increase that is not accompanied by a corresponding increase in demand, however, can lead to higher unemployment, at least in the short term.

The increase in employment in recent years has mainly taken place in those sectors where the majority are men. Later on this could lead to greater differences in the rate of employment between men and women. It is also important to note that demographic change is moving in the direction of a larger proportion of older people in the labour force, at the same time as the number of young people are increasing. These factors show the need to create greater opportunities for both older and younger persons to participate in working life. Young women and men must be given the chance of establishing themselves on the labour market. Older women and men must be able to work until retirement.

Given this analysis, it is important to invest in both those with jobs and those who are unemployed. The SWOT analysis shows a diversified picture of the different segments and Sweden has chosen to give priority to reducing exclusion based on this view of the situation. This can take place in a number of different ways, and is evident in the existing programme proposals.

Strengths	Weaknesses
<ul style="list-style-type: none"> • High level of education • High productivity • High rate of employment • Large number of older people employed • Relatively large proportion of women employed 	<ul style="list-style-type: none"> • More than 1 million persons excluded in 2005 • High unemployment among foreign-born persons • High unemployment of young persons • Large proportion with social compensation • Short annual working hours per employee

	<ul style="list-style-type: none"> • Many with temporary employment • Little mobility in the labour force • Increasing unemployment for people with disabilities • Higher unemployment amongst women than men • Large salary differences maintained between men and women over the last decade • Differences in rates of employment between different occupational groups
Opportunities <ul style="list-style-type: none"> • The supply of labour is greater than that used today • Increasing proportion of new business owners • Reduction in sickness absenteeism • Positive trends in number of hours worked • Reduction in number of part-time working women • Maintain low sickness absenteeism also during high levels of economic activity • The education system is adapted to local and regional labour market needs 	Threats <ul style="list-style-type: none"> • Ageing population: an increasingly smaller proportion of the population supporting more persons • A particularly high proportion of people on sick leave in female dominated municipal working areas • Increase in employment is less in occupations dominated by women • Low birth rate • Regional differences in employment and unemployment • Late average entry to the labour market • Investments not made or transfer of activities as a result of lack of trained labour • Education system too inflexible and cannot adjust to regional labour market needs

2 Starting point of the program and criteria for implementation of the program and the regional ESF plans

2.1 Introduction

The aim of the National structural fund program for regional competitiveness and employment is to generate value added by contributing to the Objectives of the Lisbon Strategy on full employment, quality and productivity at work, as well as strengthen social cohesion.

A natural starting point for the national structural fund program is the focus laid down for ESF initiatives in the national strategy for regional competitiveness, entrepreneurship and employment. The program is linked to the Swedish Reform Programme for Growth and Jobs and the strategic guidelines of the Community for cohesion policy. Section 2.4 provides an overall review of this.

The socio-economic analysis in section 1.6 leads to another important starting point for the ESF initiatives. The program should provide scope for regions to determine what regional orientation ESF initiatives are important for managing the structural transformation on the labour market. Demographic changes have a varying impact on different regions. The regions should be able to develop solutions for growth and employment based on their own preconditions. Within the framework of the program, eight regional ESF plans will be drawn up.

Other important starting points of the program are not only those set out in Annex 2, and the lessons learned from initiatives related to the social fund, but also the recommendations submitted in connection with ex ante evaluation of the program (Annex 6). Experiences from ESF initiatives during the programme period 2000-2006 in terms of methods and working approaches considered to be successful can and should be taken into account and further developed where possible within the framework of the implementation of the national structural fund program.

Chapter 2 aims at providing a report of the orientation of the social fund in Sweden, the implementation of eight regional ESF plans, as well as a number of criteria concerning preparation and implementation of ESF initiatives. The criteria aim at strengthening opportunities so that initiatives provide value added in terms of contributions to the employment strategy which the program is expected to generate.

2.2 Orientation of the Social Fund in Sweden

Possible shortages of labour may well restrict opportunities for companies to grow and as a result are a threat to Sweden's economic growth. Initiatives in many policy areas are required

to prevent such a development. Amongst other things, this involves making better use of the existing labour force and increasing labour force participation.⁴⁰

The overall objective for the national structural fund program is "Increased growth through good skills support and an increase in the supply of labour". Adequate skills in companies, as well as better integration in working life are to be given high priority, as well as the establishment of young people on the labour market.

The focus of the national structural fund programme over 2007–2013, according to the National strategy for regional competitiveness, entrepreneurship and employment, is a *good supply of skills* and an *increase in the supply of labour*.

The programme covers activities within the four guidelines for the social fund as formulated in the strategy:

Guidelines	Also in the Priority axis
1. - Promote such skills development as to ensure that those already employed do not risk unemployment through not having the skills required.	Priority axis 1
2. Make it easier for people far outside the labour market to enter and remain in the labour market through non-traditional initiatives.	Priority axis 2
3. Prevent and combat discrimination and exclusion from the labour market.	Priority axis 1
4. - Prevent long-term sick leave and facilitate a return to work for people who are or who have been on long-term sick leave through innovative initiatives.	Priority axes 1 and 2

These initiatives should create value added by making possible initiatives that aim at having an impact and improving :

- conditions and circumstances of individuals and groups in working life,
- company strategies, productivity and growth by utilising sufficient skill development,
- formal and informal routines and praxis at workplaces for developing and utilising existing skills and supply of labour, and
- policy and its development in policy areas, structures and institutions affected.

Opportunities exist for transnational cooperation, inspired by the experiences gained from the Equal Community Initiative during the 2000-2006 programme period.

Good dialogue with organisations on the labour market during program implementation is of crucial importance in the program and the eight regional ESF plans.

⁴⁰ A national strategy for regional competitiveness, entrepreneurship and employment 2007–2013.

2.2.1 Supply of skills

Access to labour with the right competencies, as set out in the National strategy for regional competitiveness, entrepreneurship and employment, is a prerequisite for industry and other activities to develop in working life without restrictions. In many respects, Sweden today has a well-educated labour force, but rapid technological development and restructuring within private and public sectors require continuous skills development of employees. Relevant skills better enable people to remain in working life.

In order to fully use the skills of those employed, and make it possible for them to work to the desired extent, it is important to provide the preconditions for combining working life with family life. Such conditions can be created by initiatives focusing on how work is organised as well as through skills development. These initiatives are of importance, not least for preventing longer periods of sickness absenteeism from work, thereby reducing the risk of exclusion from working life.

2.2.2 Increased supply of labour

Large parts of the adult population of working age are outside the labour market or working less than they would like to. In total more than 1 million people, both women and men, are outside the labour market. In order to combat this exclusion, it is important to make use of those who want to and are able to work.

It is not only the unemployed who make up the potential labour force. There are many people who are willing and able to work, but who for various reasons do not match the criteria used to define unemployment. This concerns, people receiving non-health-related compensation or compensation in the form of financial support under the Social Services Act. Particular focus is put on persons in the target group with a foreign background.

Among those on sick leave there are large groups who state that they could work more if certain conditions at the workplace were met. Persons receiving sickness and activity benefit (formerly, early retirement pension) are also a group that can be examined to determine if they are a possible workforce reserve. Exclusion from the labour market has increased particularly among young people. Another group which also wishes to and often can work more are persons with reduced work capacity due to disabilities.

The core of Government economic policy and hence also its labour market policy is the creation of conditions allowing more people to enter the labour market at an earlier stage, more people of working age to work, and fewer people leaving the labour market early.

Given that one out of every three young people have a very weak position on the labour market, it is important that they obtain the support needed at an early stage to counteract exclusion. Particularly difficult is the situation for young people who have discontinued their

upper secondary studies or have an incomplete final certificate from upper secondary school.⁴¹

2.3 Promoting gender equality in working life

Principles of equivalent treatment and non-discrimination are fundamental in a democratic society. In EU law there is a principle of equal treatment in i.a. Article 13 of the EU Treaty and in a number of different directives. Discrimination arising from e.g. gender⁴², ethnicity⁴³, disabilities, sexual orientation, religion or other beliefs, and age is not permitted^{44 45}.

The programme's focus on a good supply of skills and an increased supply of labour covers the objectives and the measures drawn up to promote equality of treatment in working life, which can deal with initiatives for increasing knowledge in this area. The situation of women and men born abroad, and other persons with a foreign background should be given special priority in the program.

According to Article 16 in Council Regulation (EC) No 1083/2006,⁴⁶ and also Article 6 in the European Parliament and Council Regulation (EC) No 1081/2006,⁴⁷ the member states and the Commission should make sure that gender equality between women and men and integration of an equality perspective is promoted during the different stages of fund implementation. Article 16 of the first mentioned regulation also states that necessary measures shall be taken to prevent each type of discrimination during the different stages of implementing the funds. In particular, accessibility for people with disabilities are one of the criteria to be fulfilled when drawing up measures to be cofinanced by funds. Accessibility should thus be taken into account in ESF projects.

It is important that initiatives for gender equality in working life focus on the demand side. Such initiatives can aim at increasing knowledge and awareness of employers and influence attitudes to remedy discrimination and exclusion. Greater knowledge provides conditions for employers to better utilise existing skills on the labour market and the supply of labour can be expected to be influenced positively. A number of projects in the social fund have had this focus during the programme period 2000-2006.

⁴¹ The quote is from the supplementary directive for the Inquiry on more flexible employment training N/2006:10.

⁴² See, amongst others, The Directive of the European Parliament and Council 2006/54/EC of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation, Council Directive 2004/113/EC of 13 December 2004 implementing the principle of equal treatment between men and women in the access to and supply of goods and services, and Council Directive 86/613/EEC of 11 December 1986 on the application of the principle of equal treatment between men and women engaged in an activity, including agriculture, in a self-employed capacity, and on the protection of self-employed women during pregnancy and motherhood.

⁴³ Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin.

⁴⁴ Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation.

⁴⁵ See also further description in Annex 4 on types of discrimination.

⁴⁶ Council Regulation (EC) No 1083/2006 general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund.

⁴⁷ Regulation (EC) No 1081/2006 of the European Parliament and the Council on the European Social Fund.

Gender is an element in the concept of equality of treatment as it is one of the types of discrimination. As regards gender equality between women and men, knowledge of a gender perspective needs to exist in daily work where regular decisions are taken, resources allocated and norms created. Access to risk capital, loans, advice, education etc still vary between women and men. In order to bring about change, targeted initiatives may be needed for counselling, financing and support for women running their own businesses. Increased knowledge of how discrimination can be counteracted by players being given conditions where innovative ideas coming from women can be better used and developed for entrepreneurial purposes. This involves changing the norms of what typifies innovation, entrepreneurship and running businesses.

A gender equality perspective shall be incorporated into projects. The program also covers opportunities to increase knowledge on how this can be achieved in practice. Annex 4 provides further details on existing and proposed discrimination grounds, obtained from the final report of the Discrimination Commission.⁴⁸

2.4 Linkages of the programme to Swedish and European employment policy

The orientation of the Social Fund in Sweden to a good supply of skills and an increase in labour supply takes as its starting point the four guidelines formulated for the social fund in the national strategy for regional competitiveness, entrepreneurship and employment 2007–2013. The focus of the program is clearly in line with the strategic guidelines of the European cohesion policy, and the integrated guidelines for employment in the Swedish Reform Programme.⁴⁹ This is clarified in the overview provided below.

The overview shows what types of initiatives are possible within the framework of the programme. Here we show how the initiatives are coded in accordance with Commission Regulation (EC) No 1828/2006,⁵⁰ not only which parts of Article 3 in Council Regulation (EC) No 1081/2006 are relevant in the programme.

All public support in this program must be supported under Article 3 in the Regulation of the European Parliament and the Council (EC) No 1081/2006 at the time when public support is granted. However, this does not apply to technical support as referred to in Article 46 in Council Regulation (EC) No 1083/2006. Exemptions from Article 3 are also given in Article 34 (2) in the same regulation which governs the possibility of financing initiatives falling within the framework of the other fund.

⁴⁸ Diskrimineringskommittén. *En sammanhållen diskrimineringslagstiftning (Consolidated anti-discrimination legislation)* SOU 2006:22

⁴⁹ Government Communication, 2006/07:23, The Swedish Reform Programme for Growth and Jobs 2006-2008

⁵⁰ The Commission Regulation (EC) No 1828/2006 on the general provisions for European Regional Development Funds, the European Social Fund and the Cohesion Fund, Annex II. Regulation (EC) No 1081/2006 of the European Parliament and the Council on the European Social Fund.

Table 3 Overview: Linkages of the national structural fund programme to Swedish and European employment policy.

Program areas in the national structural fund program	Guidelines to the national structural fund program 2007–2013, as per the national strategy for regional competitiveness, entrepreneurship and employment 2007–2013. Orientation : Skills supply and an increase in labour supply.	Swedish Reform Programme for Growth and Jobs. Selected guidelines for ESF in the national strategy correspond to the following five of the integrated guidelines for employment policy in the Swedish Reform Programme for Growth and Jobs, 2006-2008:	The strategic guidelines of the Community for Cohesion policy, CSG. Selected guidelines for ESF in the national strategy correspond to the following three CSG guidelines:
<p>Priority axis 1 "Skills provision"</p> <p>Priority axis 2 "Increased labour supply"</p> <p>Priority axis 3 "Technical assistance"</p>	<p>1. Promote such skills development as to ensure that those already employed do not risk unemployment through not having the skills required.</p> <p>2. Make it easier for people far outside the labour market to enter and remain on the labour market through non-traditional initiatives.</p> <p>3. Prevent and combat discrimination and exclusion from the labour market.</p> <p>4. Prevent long-term sick leave and facilitate return to work for those who are or who have been on long-term sick leave through innovative initiatives.</p>	<p>- No 17 Implement employment policies aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion.</p> <p>- No 18 Promote a life-cycle approach to work.</p> <p>- No 19 Make the labour market open to all, enhance work attractiveness and make work pay for job seekers, including disadvantaged people and those outside the labour force.</p> <p>- No 21 Promoting flexibility combined with employment security and reducing labour market segmentation, with due regard to the role of the social partners on the labour market.</p> <p>- No 23 Expand and improve investment in human capital.</p>	<p>- 1.3.3 Increase investment in human capital by means of better education and increased skills.</p> <p>- 1.3.2 Increase the adaptability of workers and enterprises, and the flexibility of the labour market.</p> <p>- 1.3.1 Attract and retain more people in employment and modernise social security systems.</p>

Article 3	Priority axis
<p>1.</p> <p>a) Increased adaptability of employees, companies and business owners to be better able to forecast and in a positive way manage economic changes, especially by working to promote :</p> <ul style="list-style-type: none"> - i) lifelong learning and increased investments in human resources, both from companies and employers, by means of the development of qualifications and skills, promotion of entrepreneurship and innovation. - ii) drawing up and disseminating innovative and more productive forms of work organisation, which also encompass enhanced health at workplaces, identification of future needs in terms of vocational skills and competence. <p>Corresponding guidelines 17 and 23 in the Swedish Reform Programme for Growth and Jobs 2006-2008.</p> <p>b) Increased access to working life and sustainable integration on the labour market for job seekers and persons not in regular employment, prevention of unemployment, in particular long-term unemployment and unemployment of young persons, encouragement of active ageing and longer working lives, and also greater participation on the labour market, especially by promoting</p> <ul style="list-style-type: none"> - ii) implementation of active and preventive measures to identify at an early stage needs, with individual action plans and customised support, such as tailor-made training, job searching, outplacement and mobility, activities such as running one's own business and establishing a company – including cooperative companies, incentives for stimulating participation on the labour market, flexible measures enabling older employees to remain longer in working life and measures which make it easier to combine work and private life. <p>Corresponding guidelines 17, 18, 21 and 23 in the Swedish Reform Programme for Growth and Jobs 2006-2008.</p> <p>iii) integration of a gender equality perspective and special activities for increasing access of women to working life and their permanent participation and progress in working life, and reducing gender related segregation on the labour market.</p> <p>Corresponding guidelines 17, 18 and 21 in the Swedish Reform Programme for Growth and Jobs 2006-2008.</p> <p>iv) special activities to increase participation of immigrants in employment and thereby strengthen their social integration, facilitate both geographic and occupational mobility, and the integration of sector overlapping labour markets by such measures as counselling, language training and validation of competence and skills acquired. Corresponding guidelines 17,19, and 23 in the Swedish Reform Programme for Growth and Jobs 2006-2008.</p> <p>c) Strengthen social integration of disadvantaged groups that aims at sustainable integration on the labour market and the combating of all forms of discrimination on the labour market, especially by promoting</p>	<p></p> <p>1</p> <p>1</p> <p>1. 2</p> <p>1. 2</p> <p>1. 2</p>

<p>i) routes to integration and re-entry into working life for disadvantaged persons, by means of measures that increase employability, intervention in the social economy, access to vocational education, and through supplementary activities and relevant support, societal and healthcare services which improve opportunities for employment.</p>	1. 2
<p>ii) acceptance of diversity at workplaces and combating discrimination concerning access to and progress on the labour market, also through creating greater awareness and involving local communities and local companies and the promotion of local employment alternatives.</p>	1
<p>Corresponding guidelines 17, 19 and 23 in the Swedish Reform Programme for Growth and Jobs 2006-2008.</p>	
<p>d) Strengthen human capital, especially by promoting:</p>	
<p>i) drawing up and introduction of reforms in the education system to develop employability, improve labour market adaptation of basic and vocational education, as well as regularly updating skills of personnel in the education system through focusing on innovation and a knowledge-based economy. Corresponding guidelines 17,19, and 23 in the Swedish Reform Programme for Growth and Jobs 2006-2008.</p>	1. 2
<p>e) Promoting partnerships, alliances and initiatives through networks of the groups involved, for example players on the labour market and NGOs, at transnational, national, regional and local levels to prepare for reforms concerning integration in the employment area and on the labour market.</p>	
<p>2. -</p>	
<p>3. Member states shall within the framework of the priorities set out in points 1 and 2 concentrate on those that are most applicable with regard to the problems they are facing.</p>	
<p>4. -</p>	
<p>5. In the efforts to achieve the goals and in working with the priorities set out in points 1 and 2, ESF will support the promotion and integration of innovation in the member states.</p>	
<p>6. ESF will also support transnational and interregional activities, particularly through sharing information, experiences, results and good methods, and by the development of complementary working approaches and coordination of common measures.</p>	
<p>7. By way of derogation from Article 34.2 in Regulation (EC) No 1083/2006, the financing of measures in accordance with the priorities of social integration set out in point 1 (c) (i) in this article, and in the application area of the European Parliament and Council Regulation (EC) No 1080/2006 of 5 July 2006 on the European Regional Development Fund is raised to 15 per cent of the amount granted for the Priority axis in question.</p>	

Type of ESF initiatives in the national structural fund program, ” Categories of expenditure ” (in accordance with Annex 2) in Council Regulation No 1828/2006.

Category: Increased adaptability on the part of employees, companies and entrepreneurs

Code 62 Development of systems and strategies for lifelong learning in companies, education and services for employees in order to provide better conditions for adjusting to changes: promotion of entrepreneurship and innovation.

Code 64 Development of special services for employment, education and support in conjunction with restructuring of sectors and companies, as well as development of systems for intervening in economic changes and future requirements concerning work and skills.

Category: Better access to the labour market and greater permanence

Code 66 Implementation of active and preventative measures on the labour market.

Category: Better social integration for less favoured groups

Code 71 Routes which lead to integration and re-entry to the labour market for less favoured persons ; Combating discrimination concerning access to and the ability to make progress on the labour market, and also the promotion of positive attitudes for diversity at workplaces.

Code 72 Planning, introduction and implementation of reforms in the education system to increase employability; Better adaptation of not only basic but also vocationally oriented education to satisfy the needs of the labour market, as well as updating of trainers' skills with the goal of innovation and a knowledge-based economy.

Category: Technical assistance

Code 85 Planning, implementation, monitoring and inspection.

Code 86 Evaluation and studies, information and communication.

2.5 Criteria for implementation of the programme and the regional ESF plans

The most important dimensions of the social fund project are to ensure that individuals have skills and opportunities, succeed in involving stakeholders, and be able to exercise influence and have an impact on outcomes.

The section below covers the four criteria for implementation of the programme and the regional ESF plans. The criteria aim at ensuring that the program provides additional value to the Lisbon strategy's focus on increased growth and employment. All projects shall fulfil at least one of these criteria.

The criteria are that the project should promote:

1. learning environments,
2. innovation,
3. cooperation, and
4. strategic work on exercising influence.

One or more criteria should be applied in connection with regional and national announcements (c.f. Section 4.5).

2.5.1 Promote learning environments

Initiatives contributing to the development of learning environments can be supported within the framework of the social fund. The background is that individual influence and participation are important prerequisites for development in working life.

For those employed this also deals with the importance of having a sense of belonging and that there is a balance between working life and non-working life. When every person has the right skills for carrying out their work tasks, and the conditions and abilities of everyone are utilised, there will be better opportunities to achieve good results and thus attain the goals. A good result can also be achieved via work organisation and management which encourages learning and regards skills development as one of the most important factors in developing activities and co-workers.

The program should promote learning environments by stimulating skills development, based on the individual's development needs, irrespective of whether the person is running a business, an employee, manager or co-worker, and link this to the objectives of the activity. Skills development helps individuals to be better able to face future changes at the workplace and increase their overall employability.

The development of learning environments requires additional knowledge of how learning takes place in modern working life, what takes place in the transition between studying and working life, how informal learning in daily life and at the workplace can be used, and how

we can create conditions for everyone to learn and improve opportunities for people to establish themselves in working life. Cooperation over developing learning environments may e.g. involve players such as the education system, labour market authorities, partners on the labour market, employers and the social economy.

2.5.2 Promote innovation

Within the framework for each of the structural fund operational programs, particular attention should be devoted to the promotion of innovation⁵¹. This creates opportunities to assess alternative ways of investing in human capital.

New projects can be based on results achieved from earlier social fund projects and integrate earlier successful methods, in order to further develop them. For instance, this can take place by using methods on a larger scale or by changing the target groups.

Innovation in itself is not an objective but an instrument for achieving better quality and higher productivity. Annex 4 provides a supplementary description of what is referred to by the term "innovation".

2.5.3 Promote cooperation

Cooperation, support for ideas and solutions, as well as strategic planning to achieve impact from innovation are important elements in efforts to ensure value added in the program. Participating players must be clear both in their reasons for participating and their commitments to the project, and also how they intend to build on the results obtained to facilitate their application in a broader context.

Chapter 4 provides further information on cooperation. The concept of cooperation and partnership is developed along the same lines in Annex 4.

2.5.4 Promote strategic work on exercising influence

The scope for bringing about change and creating an impact from the results achieved is strengthened by taking a strategic approach where the players in the preparatory stage of a project focus on the knowledge required and what contacts are needed for effective implementation. This is important both in terms of achieving the desired recognition from the target groups and involving them in future work. Only after such an inventory of knowledge and contacts has been drawn up should it be followed by planning and implementation.

Annex 4 elaborates on what is meant by exercising strategic influence.

⁵¹Regulation (EC) No 1081/2006 of the European Parliament and Council on the European Social Fund, Article 3.5.

3 Description of objectives and priority axes

3.1 Overall objectives

The overall objectives of the national structural fund programme are:

Increased growth through a good supply of skills, as well as an increase in the supply of labour.

3.1.1 Priorities

Adequate skills in companies, and better integration in working life are to be given high priority in the programme, as well as assisting young people to get established in working life. Priority axis 1 focuses on providing those employees with sufficient skills, and counteracting discrimination and promoting equality of treatment in working life and preventing long-term sickness absenteeism. Priority axis 2 in the first instance focuses on people who are furthest from the labour market. On the other hand ESF initiatives in Priority axis 2 also cover initiatives to make it easier for young people to establish themselves in working life, as well as initiatives to prevent the exclusion of young people.

3.2 Priority axis 1: Skills provision

3.2.1 Objectives

The efforts made for skills development in Priority axis 1 contribute to the objectives of the European Employment Strategy for growth, competitiveness and social and economic development by focusing on the following objectives:

1. Contribute towards developing skills that facilitate the development of women and men in line with the requirements of working life.
2. Contribute towards greater knowledge in working life on how discrimination can be counteracted and the promotion of equal treatment.
3. Contribute towards greater knowledge in working life on how long-term sick leave can be prevented.

3.2.2 Quantified targets

1. a) A minimum of 200,000 working persons shall be able to participate in skills development, in addition to those persons covered by quantified targets 2 and 3 below.

(Total number of employees in 2006 according to Statistics Sweden's Labour Force surveys, (AKU), was 4 340 000 persons.)

- b) Minimum of 75 per cent of projects receiving support in the pre-project phase will continue to the implementation phase.

(In the Objective 3 Programme during 2000-2006, projects in the implementation phase, measure 1:2 as a proportion of projects in the pre-project phase, measure 1:1, accounted for 69 per cent of all projects and 83 per cent of individual projects.)

2. The number of participants in projects to increase knowledge of how to combat discrimination and promote equal treatment will be a minimum of 20,000 persons.

(The proportion of participants in projects to increase skills in the fields of diversity, accessibility and gender equality was slightly more than 6 per cent of the number of participants in the implementation phase, measure 1:2 in Objective 3 Programme during the period 2000-2006.)

3. A minimum of 20 000 persons taking part in projects to prevent long-term sick leave

(Empirical studies from 2003 show that almost 50 per cent, of those working prior to sick leave considered their sick leave to be work-related.⁵²)

3.2.3 Target groups

The target group is all working persons, those running their own business, employees, co-workers as well as managers in private, public and non-profit organisations. The objective has the broad aim of satisfying the specific retraining needs and skills requirements identified in the regional ESF plans of the national structural fund program. The programme also incorporates projects contributing support for increasing skills in selected target groups in specific fields of competence. This may involve skills development aiming at promoting equal treatment in working life by tackling some of the causes of discrimination as a starting point, as well as the prevention of long-term sick leave.

⁵²Report from the Swedish Work Environment Authority (Arbetsmiljöverket) Arbetsmiljötillsynens effekter på regel efterlevnad, arbetsmiljö och sjukfrånvaro, Rapport 2006:8 (Effects of work environment inspection on compliance with regulations, working environment and sick leave)

3.2.4 Indicators Priority axis 1

3.2.4.1 Result and outcome indicators

All indicators will as far as possible be gender disaggregated.

1. The number of participants who consider that skills development efforts have resulted in:
 - a) creation of conditions for carrying out more specialised work tasks or broadening their working area.
 - b) receiving more specialised or broader work tasks.
2. The number of participating workplaces that consider that skills development initiatives have resulted in workplaces :
 - a) typified by more in-depth knowledge in the current working area.
 - b) with broader activities, which will or have led to a need to get new or different work tasks carried out.
3. The number of participating workplaces that consider on completion of a project that they are better equipped to prevent long-term sick leave.
4. The number of participating workplaces that consider on completion of the project that they have obtained greater knowledge of how discrimination can be counteracted and gender equality be promoted.

3.2.4.2 Financial and physical indicators

All indicators will as far as possible be gender disaggregated.

1. The number of workplaces starting participation in program projects, each year and totally, by number of employees, industry and labour market sector.
2. The number of individuals starting participation in program projects, each year and totally, by age groups 16-24, 55-64 and others.
3. The number of persons running their own business who started participating in programme projects, per year and totally.
4. Average funding paid out per participating workplace from ESF support and national cofinancing.

5. Average ESF funding and national cofinancing per participant by pre-design project and implementation.
6. Number of participant hours per project.
7. Number of participants in projects focusing on different types of discrimination.
8. Number of projects transitioning from pre-design phase to implementation receiving support from the social fund.
9. Number of participants in projects focusing on the prevention of long-term sick leave.

3.2.5 Description of Priority axis 1

- Promote such skills development as to ensure that those already employed do not risk unemployment through not having the required skills.

Within the framework of the axis, measures to update and develop the skills of employees. Increased skills will strengthen the opportunities of employees to manage ongoing structural changes. Given the axis objective of contributing to growth and employment, skills development of those running their own businesses is particularly important. Initiatives for skills development focusing on entrepreneurship can contribute to an increase in people starting businesses, and support existing businesses to develop their activities. In this way more jobs can be created in the public and private sectors and within the social economy. It is important that initiatives are based on individual needs. Skills development in entrepreneurship and regulations concerning running businesses can also target potential business owners who are employees today.

A clearer picture can be obtained of the need for skills at workplaces by identifying skills of individuals, connecting these with ideas on the development of work organisations and business operations, as well as the needs of local and regional industry. Experience shows that growth opportunities are supported by better use of the capabilities of workers when developing operations and work organisation.

Geographic and occupational mobility contribute to more effective matching between the labour force and job vacancies, and thus create greater dynamics on the labour market. Effective matching on the labour market occurs when i.a. there is low unemployment and short job search and vacancy periods, and when the quality of matching is good and job seekers obtain a job that matches their individual qualifications, and employers get the labour force they require.

In addition, the programme provides support for projects for skills training based on this broad perspective on retraining. Projects for specific industries are examples of skills development in this axis area.

Preventing and combating discrimination and exclusion on the labour market.

An important objective of the axis is the promotion of equal treatment in working life. In addition to fundamental and democratic rights in this context, it is of great importance that the

actual supply of labour is transparent. In the axis special importance is given to programme contributions that increase integration.

As such scope is given to skill raising measures in the axis to promote gender equivalent treatment in working life. This also covers skill raising initiatives for greater gender equality between women and men e.g. by providing scope for skills development aiming to break down gender-based segregation patterns on the labour market.

In the axis conditions in less favoured areas in larger cities and metropolitan districts, as well as sparsely populated areas in northern Sweden should be taken into account.

The axis thus also supports projects contributing to skill increases in specific target groups in certain skill areas. This may involve skills development that aims at promoting gender equivalent treatment in working life with respect to one or more of the basic types of discrimination as the starting point.

Prevention of long-term sick leave

One objective of the programme is to prevent long-term sick leave, and facilitate the return to work of persons already on sick leave. In order to fully use the skills of those employed and make it possible for them to work to the extent they would like, it is important to provide the preconditions where working life and family life can be combined. Such conditions can be created by initiatives focusing on how work is organised as well as skills development. These initiatives are of importance not least for preventing longer periods of sickness absenteeism from work, and thus reducing the risk of exclusion from working life.

3.3 Priority axis 2: Increased labour supply

3.3.1 Objectives

Initiatives in Priority axis 2 contribute to the achievement of the Objective of the European Employment Strategy by focusing on the following:

1. Contribute towards the development of women and men who are far outside the labour market, so they can start work or come closer to the labour market, and that opportunities for women and men to work on the basis of their preconditions are broadened.
2. Contribute to making it easier for young people to establish themselves in working life, as well as preventing their exclusion from the labour market.
3. Contribute to making it easier for persons with a foreign background to establish themselves in working life.
4. Contribute to making it easier for people who are or have been on long-term sick leave to return to work.

3.3.2 Quantified targets

1. Minimum 75 000 participants. Of which at least 15 000 born abroad, 5 000 young people and 20 000 on long-term sick leave.

(According to the Swedish National Labour Market Board (AMS) the number unemployed during 2006 on average was: 154 000 long-term unemployed, 76 000 born abroad, 22, 000 young persons. During the same period, according to the Swedish Social Insurance Agency (Försäkringskassan) there were 119 000 persons on long-term sick leave)

2. The proportion of participants who on completion of the project obtain a job or consider that their chances of obtaining a job have increased, should amount to at least 70 per cent.
3. The proportion of people at work, 90 days after completion of the project should be at least 10 percentage points greater than the weighted average result for Special employment support (anställningsstöd) and Introductory training (Förberedande utbildning), (or other regular measures for corresponding target group) for respective years and for the whole of the period.

(In 2005 the weighted average proportion of people at work after 90 days for these two initiatives was 18 per cent.

3.3.3 Target groups

The target group consists of the following persons:

- a) Those who have been completely unemployed for at least a year with particular focus on people with a foreign background (minimum of 3 months for persons aged between 18-24), or
- b) persons who have been on full or partial sick leave for at least six months, or
- c) persons who have full or partial disability pension, or
- d) persons receiving social assistance under the Social Services Act or introductory assistance in accordance with the Act on introductory cash benefits for refugees and certain other immigrants, or
- e) young people in transition between studies and working life.

3.3.4 Indicators for Priority axis 2

3.3.4.1 Result and output indicators

All indicators will as far as possible be gender disaggregated.

1. Number of participants at work within 90 days of completion of project. Participants in the age group 16-24, disaggregated by those born abroad and on long-term sick leave.
2. Number of participants who within 90 days of project completion are in regular education. Participants in the age group 16-24, disaggregated by those born abroad and on long-term sick leave.
3. Number of participants who within 90 days of completion of project are in other labour market policy measures. Participants in the age group 16-24, and also those born abroad reported separately.
4. Number of participants who consider that their chances of getting work have increased after completion of the project. Participants in the age group 16-24, disaggregated by those born abroad and on long-term sick leave.

3.3.4.2 Physical and financial indicators

All indicators will as far as possible be gender disaggregated.

1. Number of participants who have started participating in projects, by different target groups (c.f. a-e in section 3.3.3).

2. Number of persons participating, per year and in total, by age groups 16-24, and 55-64, and others.
3. Support paid out and confirmed cofinancing per project.
4. Number of participants born abroad.
5. Number of participants with disabilities reducing their work capacity.
6. Number of participant hours per project.

3.2.5 Description of Priority axis 2

Make it easier for persons who find themselves far outside the labour market to enter and remain in the labour market through non-traditional initiatives.

The axis aims at contributing to greater social cohesion and inclusive working life, focusing on persons who today are currently far from the labour market, but who by participating in a project, increase their chances of entering and remaining on the labour market. Special priority will be given to making it easier for persons with a foreign background, and also young people, to establish themselves on the labour market. Conditions in less favoured areas in bigger cities and metropolitan districts, as well as conditions in sparsely populated areas in northern Sweden should be taken into account.

Methods and experiences providing good results should be disseminated to mainstream activities on completion of projects. It would also be desirable if projects could continue independently on a commercial basis.

The focus of the axis on creating greater participation on the labour market, and breaking down exclusion entails initiatives where more effective matching between job seekers and employers by intensive job searching, counselling, education and coaching. Such initiatives could, for instance, take place within the framework of job and development guarantees. The public employment service, the Social Insurance Agency, municipalities, social services could collaborate with manpower and recruitment companies in order to create supplementary networking activities.

In Priority axis 2, priority should also be given to the establishment of young people on the labour market. Support could be given to initiatives for reducing the group of young people excluded, and also for initiatives that aim at reducing the exclusion of young people. This would provide scope for initiatives directed towards young people entering working life, with specific focus on those who have not completed upper secondary schooling.

In the first instance this may involve initiatives targeting young people who have neither completed their studies in all subjects or who are working. For instance, support to individuals who have either completed their upper secondary studies, or who are starting upper secondary studies, or who in some other way are preparing for working life. These initiatives could be implemented within the framework of the job guarantee for young persons. Follow-up and monitoring of young people who are either in education or work is another important issue,

where coordination between education and labour market administrations in the municipalities are important players.

In the latter case this may involve initiatives for preventing labour market exclusion of young persons, covering co-ordination between different players, e.g. municipalities, public employment services, the education system, private and public employers, as well as organisations, associations and companies within the social economy. This involves preparing young students for working life.

With the help of coordination between various players, young people can be offered the chance of learning in working life and creating their own network of contacts with potential future employers. Cooperation between schools and working life can contribute to improvements in matching young peoples' choice of education, its actual contents and the skills needed for working life. Cooperation between school and working life can help to make entry into many occupations easier, by e.g. the development of skills certification, skill ladders, introductory and final education/training.

For instance, in connection with development of educational content for vocational education, scope will be created for more young people to get an insight into the everyday reality of working in a company. The education will then make it easier for young people to start their own businesses after completing studies. The initiatives can thus contribute to reducing exclusion.

Conditions in less favoured areas in bigger cities and metropolitan districts as well as in sparsely populated areas in northern Sweden should be taken into account in the programme.

Facilitate a return to work for persons who are or who have been on long-term sick leave through innovative initiatives.

Projects focusing on activities for persons on sick leave or who are receiving sickness and activity compensation and who are considered to either completely or partially have reduced work capacity can be oriented to working life or provide preparatory training for working life. The projects should aim at utilising work capacity and facilitating a return to working life. Initiatives may focus both on the skills of the individual, their needs and preconditions, and also the needs of employers. Projects can cover collaboration between players such as employers, health and medical care, the Swedish Social Insurance Agency, company health care, labour market organisations, public employment services, municipalities, education providers or non-profit organisations, associations and companies in the social economy. Models and methods of collaboration with employers such as employer networks or organisations focusing on rehabilitation within a specific industry may be relevant in these contexts.

3.4 Implementation of projects in Priority axes 1 and 2

3.4.1 Projects in Priority axis 1

In Priority axis 1, projects provide support for initiatives for skills development of participants from a number of different workplaces, with one player as the project owner receiving funding.

Projects may have different components for skills development depending on the needs and requirements of the target group. It is the task of the project owner to provide the skills training. Planning of the content of skills development and what is required to implement these initiatives with regard to what has been stated by the project target group and what is stated in the regional ESF plan, may take place in conjunction with relevant players from e.g. industry, labour market organisations, university colleges and universities, as well as the social economy.

Skill development projects should be implemented in two phases; both a pre-project phase, and an implementation phase. During the pre-project phase, skill needs of the target group are mapped. Knowledge of ongoing structural change should be linked to the development needs facing workplaces, so that they can better manage future requirements for retraining.

The needs of workplaces for skills development shall be identified and mapped on the basis of existing skills and skill requirements. Management and co-workers at workplaces in a project will be involved in the assessment of needs according to the methodology adopted by the project to ensure broad participation.

The idea is that the pre-project should lead to an application for funding for the implementation of planned activities. The application should also report on the results of the mapping, the target group for the skills development initiatives, relevant skill needs, and also how the project will be organised and implemented.

The pre-project can be implemented both with and without support from ESF. Irrespective of how it is financed, the requirements presented above apply to the contents of the pre-project for receiving support.

Implementation of a project should cover the skills development that has been identified. Projects incorporate common resources for the project organisation in order to increase quality of implementation; e.g. coordination, communication, follow-up, evaluation, dissemination and benchmarking, reporting, finance/administration.

With reference to section 2.3, accessibility for persons with disabilities should be one of the criteria to be fulfilled in determining the initiatives to be cofinanced by ESF funds. Accessibility should thus be taken into account in ESF projects.

The integration of gender equality should be promoted during the different stages of fund/project implementation. This can be achieved by a gender equality SWOT analysis or corresponding problem and needs analysis when drawing up the pre-project, partly by follow up at the project level depending on the impact of the analysis on the project.

Both the pre-project and implementation phase can be used to increase awareness through skill raising initiatives on how discrimination and exclusion from working life can be

prevented in order to promote equal treatment and make better use of existing skills on the labour market.

Cost effectiveness should permeate planning and implementation of the project.

Projects with special orientation in Priority axis 1

Projects with special orientation in Priority axis 1 can focus on supporting processes. Within the framework of such projects, knowledge and support can be provided to players working with potential and ongoing ESF projects in Priority axis 1 or 2 in order to contribute to raising quality in both preparatory and implementation phases. Support may consist of a dialogue and other knowledge raising initiatives on the aims and contents of the program e.g. the criteria, the objectives, strategic impact, follow-up and project evaluation, transnational work etc.

Dialogue partners can be valuable as "sounding boards" in developing ideas prior to submitting an application. But they can also have value during project implementation by making it easier to manage problems related to learning or organisation of project activities. The aim is to provide preconditions for improving the impact of results from social fund projects.

The authorities are responsible for ensuring that projects with a special focus do not finance activities that should be financed by TA funds.

3.4.2 Projects in Priority axis 2

In projects in Priority axis 2 cooperation between relevant players in the project should be striven for with one player as the project manager and final support recipient.

Priority axis 2 provides opportunities for pre-project work. During the pre-project phase, development needs, ideas and conditions for activities to be applied in the implementation of the project are identified. Cooperation partners in a project should involve themselves in identifying needs and conditions, and also in the development of ideas concerning the methods which the project chooses to ensure broad involvement not only with the cooperation partners, but also representatives of the target groups.

The idea is that pre-project studies should result in an application for project implementation. The application should also report the results of the mapping and development of ideas, as well as describe how the project is to be organised and how follow-up and evaluation are to be carried out, as well as other requirements based on the program criteria applied in the announcement of funds. Project financing should also be transparent.

The pre-project phase can be implemented both with and without support from ESF. Irrespective of how it is financed, the requirements presented above apply to the contents of the pre-project for receiving support.

In the implementation phase, the plans established are then transformed into practical actions. Scope should also be provided for benefiting from what has been learnt from follow-up and evaluation during the work. Projects also incorporate common resources for project

organisation to increase quality of implementation: e.g. coordination, communication, follow-up, evaluation, dissemination and benchmarking, reporting, finance/administration.

With reference to section 2.3, accessibility for persons with disabilities should be one of the criteria to be fulfilled in the initiatives to be cofinanced by ESF funds. Accessibility should thus be taken into account in ESF projects.

The integration of gender equality should be promoted during the different stages of the fund/project implementation. This can be achieved by a gender equality SWOT analysis, or corresponding problem and needs analysis when drawing up the project, partly by following up at the project level depending on the impact of the analysis on the project.

Cost efficiency should permeate planning and implementation of the project.

Projects with special orientation in Priority axis 2

Projects with a special orientation in Priority axis 2 aim at bringing together knowledge within a subject area relevant to the programme, work for this knowledge to be disseminated, have an impact and facilitate the program in attaining its objectives.

Earlier experiences indicate that a thematic project should be based on a number of players with relevant experience and skills in the area working together in a partnership. With their overall competence and common interest in the current area, they can contribute not only to the needs of the programme and project for policy intelligence, but also facilitate transmission of the results achieved to prospective recipients.

Thematic projects should preferably be approved so that in accordance with the priorities of the program their impact in terms of the young establishing themselves in working life will be facilitated and this will lead to better integration in working life.

The authorities are responsible for ensuring that projects with a special focus do not finance activities that should be financed by TA funds.

3.4.3 Transnational activities

Transnational cooperation is one option that could be selected as a development tool, transferring the contents and results of the activity to new and more developed forms. The objective is to use transnational cooperation both as a tool for innovation, i.e. obtaining and disseminating new ideas, and also as a tool for achieving strategic impact.

Transnational projects in the national structural fund program 2007-2013 can take on a number of different forms. One of the working groups appointed by the Commission has

formulated a number of examples of transnational cooperation which can be carried out within the social fund⁵³.

Transnational activities can take place in projects working with development at local, regional or national levels and then take place in cooperation with one or more other projects in other member states in the EU. This type of transnational activity should not exceed 20 per cent of the project budget already decided on. In larger projects this part of the budget should be significantly lower.

Transnational activities can take place in cooperation between national networks focusing on a specific problem or area or that players within a specific delimited area cooperate with corresponding players in other countries, for instance, labour market organisations and players within the social economy. Exchange of information, joint activities and policy development can be covered by cooperation. This means existing and new players can be brought together for relevant themes or goals. In this type of project the whole project budget is assigned to transnational activities.

In cases where an application covers transnational activities, they should to the extent possible be prepared by staff with special skills and experience from transnational work. In order to ensure uniformity in assessment and quality of preparation, cooperation between the ESF Council's central secretariat and the regional units should always take place in transnational questions.

TA funds can be used to finance different types of activities in order to facilitate and stimulate transnational operations in the programme, e.g. conferences and seminars.

3.4.4 Follow-up and evaluation

An important dimension in the work of increasing the impact of a project is a strategy for and initiatives in follow up and evaluation to make the processes and results achieved visible. Follow-up and evaluation initiatives shall be implemented in order not only to contribute to the project but also provide scope for reflection and learning, as well as better management of future work.

In addition follow-up, and evaluation initiatives within the project are of importance for ongoing evaluation processes taking place at programme level (c.f. Section 4.7).

The follow-up systems should also cover obtaining data in accordance with Commission Regulation (EC) No 1828/2006 Annex XXIII.

3.4.5 Project owners

⁵³ *Transnational and interregional Cooperation in ESF programmes in the 2007-2013 programme period. A framework for programming.* Report by an ad hoc working group of Member states on Transnational and Interregional Cooperation. EQUAL 2006.

Project owners may be players both within the public and private sectors, e.g. labour market organisations, municipalities, public employment services, social insurance, non-commercial organisations, associations and companies within the social economy, education providers and companies.

3.5 Priority axis 2: Technical assistance

On the initiative of the member state, the funds shall in accordance with Article 46 in Council Regulation (EC) No 1083/2006, finance measures in connection with preparation, administration, monitoring, evaluation, information and checks concerning operational programs, as well as apply measures to strengthen the administrative capacity for implementation of the funds, up to a maximum of 4 per cent of the total funds.

At the managing authority and the certifying authority for the National structural fund program, costs connected with preparations, administration, checks, evaluations, information measures, seminars and computer systems may be financed out of technical support funds. The costs of the auditing authority concerning initiatives under Article 62 1b in Council Regulation (EC) No 1083/2006 can also be covered by technical support. The costs of preparing and implementing structural fund partnerships and meetings of the monitoring committee can be eligible for technical support financing.

European Parliament and Council Regulation (EC) No 1081/2006 sets out the exemptions from Council Regulation (EC) No 1083/2006 Article 56.4 concerning entitlement to support for expenses. Council Regulation (EC) No 1083/2006 Article 34.2 governs the conditions for 10 per cent flexibility between the funds which can also cover technical assistance.

4 Preconditions for implementation of the programme

4.1 Partnerships and cooperation

There are good experiences and results to report on innovative work on development in different areas in working life, not only at the local but also the regional level, where partnerships and other forms of cooperation between different interest groups were of importance.⁵⁴ Cooperation has turned out to be an important success factor in developing an integrated policy approach and is also central to the work of Cohesion policy within the framework of the revised agenda of the Lisbon Strategy.

Cooperation between players should be striven for not only in the implementation of programmes but also projects. Work in partnerships is an instrument or model for cooperation which provides a fundamental precondition for preparations for, implementation, follow-up and evaluation on the structural fund program during 2007–2013.

In the European Parliament and Council Regulation (EC) No 1081/2006 the importance of the social fund in promoting different forms of partnership is emphasised.⁵⁵ Partnership also covers alliances and initiatives through networks between those with an interest in the project, for example the partners on the labour market, educational organisers and non-governmental organisations, at local, regional, inter-regional, national and transnational levels, as well as consortia, networks and working groups with clearly defined tasks.

The program also provides opportunities for different forms of cooperation at the project level. Cooperation in the national structural fund program for the social fund can cover players not only at the local, regional, inter-regional, and national levels, but also transnational levels and represent different target groups and activities in working life; e.g. labour market organisations, non-commercial organisations, associations and companies in the social economy, private and public employers, the social insurance agency, public employment services and other authorities, municipalities, social services and education players. The idea is that players cooperate in important ways to define and work on problems and needs for their projects. Cooperation such as the model for preparation and implementation of projects can pave the way to solutions which otherwise would not have come about.

4.2 Managing and certifying authority

The managing authority for the national structural fund program is the Council for the European Social Fund in Sweden, the Swedish ESF Council. Within the Swedish ESF

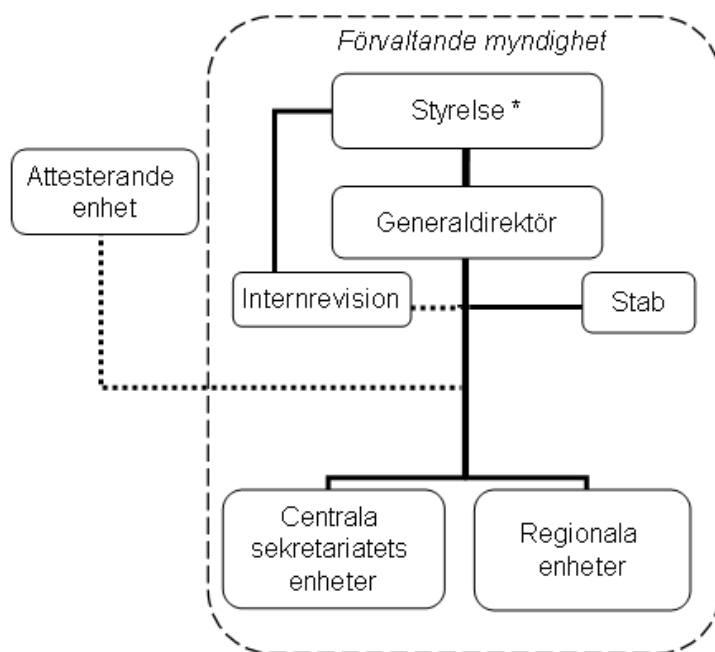
⁵⁴ *Integrating partnership in ESF programmes 2007–2013. A framework for programming.* Report by an ad hoc working group of Member States on Partnership. EQUAL, June 2006.

⁵⁵ Regulation (EC) No 1081/2006 of the European Parliament and the Council on the European Social Fund.

Council, apart from a central secretariat, there are regional units located in Luleå, Östersund, Gävle, Stockholm, Örebro, Jönköping, Göteborg and Malmö. The role and tasks of the managing authority are regulated in Article 60 in Council Regulation (EC) No 1083/2006, the Government's instructions for the Swedish ESF Council and ordinance (2007:14) on the management of the EU structural funds. The Swedish ESF Council is also responsible for the payment to recipients of the social fund.

At the Swedish ESF Council there is a unit with the tasks that the certifying authority has as laid down in Article 61 in Council Regulation (EC) No 1083/2006. The head of the unit decides and is responsible for the unit's area of responsibility, which covers amongst other things producing certified statements of expenditure. In order to ensure the principle of drawing a clear distinction in the Swedish ESF Council between the functions of a managing authority and those of a certifying authority, the units operate independently as regards the Council's management tasks.

Figure 4. The Swedish ESF Council organisation for the programme period 2007-2013



*) A change in management structure is planned as of 2008

4.2.1 Managing authority

The managing authority in accordance with Article 60 in Regulation (EC) No 1083/2006 shall take responsibility for the administration of the operational program and its implementation in accordance with the principle of sound economic management. In particular, this covers the following:

- a) Ensuring that the selection of initiatives for financing takes place in accordance with the criteria for operational programs and that during the whole of the implementation period the requirements set out in applicable Community legislation and national rules are fulfilled.
- b) Verifying that cofinanced products and services are delivered and that the costs reported by support recipients for the initiatives have really occurred and fulfil the requirements in Community and national rules. In-situ checks of individual initiatives are carried out on a random basis in accordance with the details in provisions adopted by the Commission. See Regulation (EC) No 1828/2006.
- (c) Ensuring that there is a system for recording and storing in computerised form accounting records for each transaction under the operational programme, and that the data on implementation necessary for financial management, monitoring, verification, audit and evaluation is collected.
- d) Ensuring that support recipients and other bodies participating in the implementation of initiatives either use a separate reporting system or an appropriate reporting code for all transactions related to the initiative whilst ensuring compliance with national bookkeeping provisions.
- e) Ensuring that the evaluations of the operational program as set out in Article 48.3 are implemented in accordance with Article 47 (see Regulation (EC) No 1083/2006).
- f) The introduction of routines in order to ensure that all documents concerning expenditure and auditing required for ensuring a satisfactory audit trail are saved in accordance with requirements set out in Article 90 (see Regulation (EC) No 1083/2006).
- g) Ensuring that the certifying authority has all necessary information beforehand of the procedures which have been applied and the checks carried out concerning expenditures.
- h) Guiding the work of the monitoring committee and supplying it with the documents required to monitor quality of the implementation of the operational program in the light of the different programme objectives.
- i) After approval of the monitoring committee, drawing up, delivering annual and final reports to the Commission on implementation.
- j) Ensuring that the requirements for information and public access in Article 69 (see Regulation (EC) No 1083/2006) are fulfilled.
- k) Supplying the Commission with information that can be used to make an assessment of larger projects.

4.2.2 Certifying Authority

The certifying authority for an operational program shall in accordance with Article 61 in Regulation (EC) No 1083/2006 take particular responsibility for the following:

- a) Establishing certified expenditure declarations and applications for payment, as well as submitting these to the Commission.
- b) Certifying :
 - i) that the expenditure statement is correct, has been drawn up using reliable bookkeeping systems and is based on auditable verifications,
 - ii) that the expenditure stated complies with applicable Community and national rules, and has occurred in conjunction with initiatives selected for financing in accordance with the criteria applicable to the programme and in compliance with Community and national rules.
- c) Ensuring before certifying that sufficient information has been received from the managing authority concerning the procedures applied and the checks carried out regarding expenses in the statement of expenditure.
- (d) When certifying transactions, take into account the results of all audits carried out by the audit authority or under its responsibility.
- e) Electronically save statements of expenditure which are submitted to the Commission.
- f) Keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the support for an initiative. The recovered amounts should be repaid to the general budget of the European Union before the end of the operational program by deducting them from the next statement of expenditure.

4.3 Audit authority

The audit authority for the European Social Fund with EU powers is the Swedish National Financial Management Authority (ESV). The roles and tasks of the auditing authority are regulated in Article 62 in Council Regulation (EC) No 1083/2006.

ESV is also instructed in accordance with Article 71.2 in the Regulation above to draw up a report and a statement containing a description of the system for administration and verification. Since this description should also cover procedures used by the auditing authority, ESV in its work on the report and the statement shall ensure that a distinction is applied to the separation of functions within the authority.

4.4 Structural fund partnerships and the National Structural fund program (ESF)

A common structural fund partnership should be created in the area for each regional ESF plan and correspond to regional structural fund programs in the European Regional Development Fund. Structural fund partnerships should have as their task the determination of priorities between applications for support for projects within the framework of the national structural fund program for the social fund, and the regional structural fund programmes. Prior to making a decision on support, the managing authority shall consult the structural fund partnership. The authority may only grant support in accordance with the priorities of the partnership between projects. The managing authority shall prior to consultation provide the necessary material on the priorities of the structural fund partnership for decision-making.

A structural fund partnership shall comprise elected representatives of municipalities and county councils from relevant counties, and in certain cases from the Sami Parliament, as well as representatives from labour market organisations, the county administrative boards, county labour boards, interest groups and associations. The Government appoints the chairman of the structural fund partnership. The chairman will appoint other representatives in the structural fund partnership in accordance with the principles laid down by the Government. The total number of representatives from municipalities and county councils, as well as in some cases the Sami Parliament shall exceed the number of other representatives. Annex 5 reports the composition of the respective structural fund partnerships.

4.5 Regional ESF plans within the framework of the national structural fund program (ESF)

4.5.1 Background

The starting point in the programme is that the regional ESF plans for implementation of the programme shall contribute to positive effects on growth and employment in the country. Regional influence should ensure that local labour market needs and also knowledge of the region's future development is taken into account. Regional influence is an important foundation for effective implementation of the programme.

The regional ESF plan is a formal steering document setting out the contents of the region's ESF related initiatives. The plan is delimited by the national structural fund program. In the regional ESF plan which should be based on an analysis with a regional orientation and focus, regional adaptation to the programme should be set out together with regional priorities for the announcement of program funds. Here the working forms of the structural fund partnerships' initiatives in the implementation of the plan are described.

The starting point is that all regional ESF plans should cover Priority axis 1 and 2, and thus all programme objectives, with a focus on the problems, needs and opportunities identified by the regional analyses as most important for targeting resources.

4.5.2 Division of responsibility

The structural fund partnerships in close cooperation with the managing authority are invited to draw up the regional ESF plans within the framework of the national structural fund program. Structural fund partnerships should thus also be responsible for ensuring the plans are supported in the regions. It is of vital importance that representatives of both industry, as well as the public and non-commercial sectors are involved in the process of drawing up plans to ensure broad participation in the program and make use of regional knowledge.

The managing authority shall contribute to ensuring that ESF plans are consistent with the program by ensuring that during the process of developing the plan, facts are provided on the preconditions and formal requirements the authority has in implementing the national structural fund program. Experiences from earlier programme periods which should be taken into account in the regional ESF plan can also be proposed by the authority.

The managing authority shall prepare plans before they are taken up in the monitoring committee overseeing the program. The monitoring committee shall determine whether the contents of respective regional ESF plans correspond with the framework and intentions of the program.

The regional ESF plan shall be regularly followed up by the structural fund partnership which can itself propose changes to the plan. The plan where necessary may be revised once a year. The managing authority can also determine what should be covered in follow-up and evaluation of the programme, and propose changes in the regional ESF plans. Revisions of the regional ESF plans, prepared by the managing authority, should be supported by the monitoring committee.

Cooperation between the managing authorities for the structural funds, namely the Swedish ESF Council and NUTEK is essential for providing support for coordination of structural fund partnerships within the framework of the national structural fund program and the regional structural fund programs.

4.5.3 Selection criteria, national announcements, transnational projects and also procurement of projects

Selection criteria

Selection criteria for granting program funds should be drawn up by the managing authority and approved by the monitoring committee (c.f. Section 4.6). The national selection criteria are formulated based on the prerequisites and demands stated in the programme. The authority shall also examine applications to determine if they are legally compatible, and assessment of economic efficiency etc.

Announcements of program funds should be in line with the focus of the regional ESF plans. Regional priorities are to be formulated when developing the regional plan. These regional

priorities should i.a. clarify the criteria for program implementation (c.f. section 2.4) which should be taken into account in the project application.

Project applications are processed by the managing authority. The applications are assessed in relation to formal requirements and selection criteria. The management authority's assessment of selection criteria will be carried out in conjunction with the structural fund partnership. Priorities should be established between the project applications. The authority makes decisions in accordance with the procedural rules laid down in the decision-making process of the authority. The authority may only grant support in accordance with the national structural fund program and regional adaptations in the regional ESF plans.

National announcements

The program makes possible projects covering local, regional, inter-regional, national and transnational levels. A national announcement can be directed to the whole country or parts thereof i.e. a number of regions. The managing authority after consultation with one or more structural fund partnerships can implement a national announcement on funds set aside for this purpose when distributing program funding.

The selection criteria for national announcements are chosen by the managing authority in conjunction with at least one structural fund partnership. Thereafter, the selection criteria should be approved by the monitoring committee. Project applications are processed by the managing authority. The applications thereafter are subject to consultation with the structural fund partnership which determines priorities between the applications. The authority makes decisions in accordance with the rules of procedure laid down in the decision-making process of the authority.

Transnational projects

National announcement of projects covering transnational activities are managed in accordance with the above-mentioned procedure for national announcements covering a number of Swedish regions. In cases where projects cover transnational activities where only one region in Sweden is involved, e.g. transnational activities are included in a project together with national activities, the announcement and processing with the partnership takes place at regional level.

Procurement of projects

Scope is also provided in the programme for the managing authority by means of public procurement to make agreements with one player for carrying out ESF initiatives. The managing authority determines when public procurement is appropriate for implementation of the programme. The documents are drawn up by the managing authority in conjunction with one or more structural fund partnerships. Assessment of incoming tenders is carried out by the managing authority.

4.5.4 Model for allocation of funds

The managing authority is responsible for developing a model for distributing program funds, not only between regions for regional announcements, but also for national announcements. The distribution model is approved by the monitoring committee before decisions on the regional plans can be made.

4.6 Monitoring

4.6.1 Monitoring committee

According to Article 63 in Council Regulation (EC) No 1083/2006 on general provisions for structural funds, member states shall establish a monitoring committee for each operational program in conjunction with the managing authority. This committee will be established within three months of the date of notification to member states on the decision regarding approval of the operational program.

The monitoring committee shall draw up its own rules of procedure within the institutional, legal and financial framework of the member state concerned and agree on these with the managing authority.

4.6.2 Composition of the Monitoring Committee

The monitoring committee shall be chaired by a representative of the Government Offices or the managing authority. The composition of the committee is decided on by the Government Offices in conjunction with the managing authority. On its own initiative or at the request of the monitoring committee, a representative of the Commission shall participate as an adviser in the monitoring committee.

In the monitoring committee the organisations which are of the greatest importance for implementation of the programme at national, regional and local levels should be represented:

- 1) Labour market organisations,
- 2) Authorities affected, and also
- 3) Non-commercial and other organisations.

In addition the research community should also be represented on the committee. This is justified principally by the importance of follow-up and evaluation in the implementation of the programme.

4.6.3 Tasks of the monitoring committee

According to Article 65 in Council Regulation (EC) No 1083/2006, the monitoring committee shall ensure that the implementation of the operational program is effective and of satisfactory quality in accordance with the following:

- (a) It shall consider and approve the criteria for selecting initiatives to be financed within six months of the approval of the operational programme, and approve each revision of these criteria in accordance with the needs for planning programmes.
- b) There should be a regular review of progress in the realisation of the objectives of the programme on the basis of the documents submitted by the managing authority.
- c) It shall assess results from implementation, particularly the attainment of the goals for each prioritised area and the evaluations referred to in Article 48.3.
- d) It shall examine and approve the annual and final reports on implementation referred to in Article 67.
- e) It should be informed of the annual report or that part of the report concerning the programme and on relevant views of the Commission after reviewing the report or concerning this part of the report.
- f) It can propose that the managing authority exercise such oversight or review of the operational program that can contribute to the achievement of fund objectives in accordance with Article 3, or that the management of the programme, including economic administration, be improved.
- g) It shall examine and approve each proposal for amending the contents of a Commission decision on support from the funds.

4.6.4 Working groups

The monitoring committee determines in conjunction with the managing authority, the need for appointing working groups such as a working committee and preparatory groups or their equivalents, in order to carry out the tasks of the monitoring committee.

4.6.5 Monitoring

The managing authority and the monitoring committee shall in accordance with Article 66 in Council Regulation (EC) No 1083/2006, ensure quality in implementation of the operational program. They are required to implement monitoring with the help of financial indicators, as well as the indicators referred to in Article 37.1c in accordance with the specifications of the operational program (c.f. Section 4.6). Exchange of information for this purpose between the Commission and member states should take place electronically in accordance with Council Regulation (EC) No 1828/2006 on the application provisions for Council Regulation (EC) No 1083/2006.

4.6.6 Annual report and final report on implementation

Starting in 2008 and by the latest 30 June each year, the managing authority shall submit to the Commission an annual report, and by 31 March 2017 a final report on the implementation of the operational program. For further details concerning this report, refer to Article 67 in Council Regulation (EC) No 1083/2006.

4.6.7 Annual review of the program

When the annual report referred to in Article 67 in the regulation mentioned above has been submitted, the Commission and the managing authority shall each year examine the progress made in implementing the operational programme, the principal results achieved over the previous year, financial implementation and other factors with a view to improving implementation.

The aspects concerning operations of the management and control system taken up in the most recent annual report as laid down in Article 62.1 d may also be examined.

After reviewing the program, the Commission can submit views to the member state and managing authority, which will inform the monitoring committee of these. The member state shall inform the Commission on the measures taken with regard to these views.

4.7 Follow-up and evaluation in the program

The aim of evaluating the program as set out in Article 47 in Council Regulation (EC) No 1083/2006 is to improve quality, goal fulfilment and continuity in support from the funds. An evaluation can be strategic in order to examine how a program has developed in relation to Community and national priorities. It can also be operational in the sense of supporting the monitoring of an operational program. The evaluation should be implemented prior to, during and after the programme period.

In accordance with Article 48 in the Regulation, the operational program shall be regularly ex ante evaluated during the program description process. The aim of ex ante evaluation is to optimise the allocation of budget funds during the operational program and improve quality of programme planning. Ex ante evaluation should be identified and assess shortcomings and development potential, the goals to be attained, expected outcomes, quantified goals, and where needed the strategy proposed in the region, value added for the Community, the extent to which Community priorities have been taken into account, lessons from earlier programme planning and quality of the procedures for implementation, monitoring, evaluation and financial administration.

During the programme period, member states should carry out evaluations which are linked to monitoring of operational programs, especially if during the monitoring there has been a

significant deviation from the original objectives determined, or if proposals have been submitted in accordance with Article 33 in Council Regulation (EC) No 1083/2006 on a review of the operational program.

The evaluation shall be carried out by internal or external experts or bodies functioning independently of the certifying authority and the auditing authority. The evaluations shall be financed within the framework of the budget for technical support. Recommended guidelines on methods of evaluation are submitted by the Commission.

Member states shall, with reference to Article 48 in the Regulation, provide the economic resources required for carrying out the evaluations, organise production and the collection of necessary data, and use different kinds of information which become available from the monitoring system.

The Commission will carry out an ex ante evaluation of each objective in close cooperation with the member state and the managing authority.

4.7.1 Follow-up and evaluation at programme and project level

An important element of this development work is ongoing reflection on the activities and initiatives carried out in order to learn from experiences, both positive and negative. The national structural fund program for the social fund shall at both the program as well as project level encompass activities contributing to such learning. The goal is that knowledge from follow-up, evaluation and research carried out within the framework of the program, at both project as well as program levels, be used to improve all program work, from planning to implementation.

Programme

Since the program is evaluated in conjunction with the development of the programme, during the operating phase of the programme, and subsequently, the evaluations will have a slightly different character and serve different purposes in the program cycle. The evaluation process and the evaluation results are important for quality and learning during the implementation of the programme. It is vital that the parties involved, owners and those responsible for programmes and strategies, are also those who process the results of evaluation and contribute to improving the programmes and strategies in order to enhance goal attainment. Furthermore, it is important to learn both from successes and failures.

Taking as a starting point the analyses of development at national and regional level, in-depth progress checks shall take place in 2009 and 2012 regarding the national strategy, regional development strategies, and the structural fund programme.⁵⁶ The national strategy may be revised as a result, and this could lead to changes in structural fund programmes.

The implementation of work on structural funds from 2007, must also be reported annually as a part of the follow-up of the Swedish Reform Programme for Growth and Jobs, in conjunction with the spring summit of the European Council.

⁵⁶ National strategy for regional competitiveness, entrepreneurship and employment 2007–2013.

An evaluation plan shall be drawn up by the managing authority. This describes the preliminary evaluation plan which the managing authority plans for the program, and an indicative timetable. The plan shall be decided on by the monitoring committee and reviewed annually. The initiative for updating the plan can be taken by either the managing authority or the monitoring committee. The evaluation should be done when there are strategic or operational needs, especially if monitoring reveals a substantial deviation from the objectives originally set up.

The managing authority is responsible in conjunction with the monitoring committee to identify the subject, aim and point in time for the specific evaluation planned. The managing authority is responsible for procurement of evaluations. However, in appropriate cases, certain evaluation activities can be carried out internally by the managing authority in order to promote its own learning.

Program evaluation shall cover:

1. Relevance of support, e.g. whether the most important areas have been concentrated on,
2. Consistency of support, e.g. how ESF initiatives operate in relation to the national and European employment strategy with regard to their innovative capacity,
3. Results from support, i.e long-term effects of results achieved, organisation of implementation, division of responsibility and guidelines, selection criteria, information measures are examples of important aspects to focus on.
4. Effectiveness of support i.e. implementation of some kind of analysis of effectiveness.

The evaluation should thus be able to contribute to clarifying the value added from support received under the social fund.

Projects

The follow-up and evaluation carried out within the framework of the project aims at stimulating reflection and learning during the course of the work, in order to improve processes, steering of future activities and to evaluate ongoing progress during the project period. In addition, the project follow-up and evaluation initiatives are of importance in the ongoing evaluation process taking place at the programme level. What information the project shall report, as well as the forms for developing this by the managing authority, based on the indicators formulated for the program.

4.7.2 Indicators

During the programme period 2007–2013, cooperation between member states and the Commission should be of a more strategic nature. This means that structural fund programmes should focus on the objectives of the employment strategy, by formulating objectives for priority axes in the operational program. Program objectives can be broken down into short-term objectives which take into account changes in the socio-economic context. However, this should first be done in the regional ESF plans.

An important starting point is the Commission's expectations of a focused and user oriented indicator system. The indicator system should be ready and clearly oriented to users at

different levels. Only those indicators that are appropriate for program goals are to be maintained and developed.

Indicators according to the Commission's guidance documents should focus on two levels:

a) By categorising physical and financial indicators, as well as data describing recipients' characteristics: age, sex, status on the labour market etc. These indicators are set out in Council Regulation (EC) No 1828/2006 on the application of provisions for the Council Regulation (EC) No 1083/2006, Annex II and Annex XXIII.

b) The other preconditions for comparisons that are needed to show how ESF contributes to European work on growth and employment, will mainly be handled through the system of follow-up that already exists for the policy areas of employment, cohesion and education.

The Commission's guidelines on follow-up and evaluation emphasise the importance of strengthening joint work between not only the authority responsible for follow-up of the operational program for the social fund, but also those responsible for following up the Swedish Reform Programme for Growth and Jobs, and also the national action programme for social cohesion (the national strategy for social security and social participation). The aim of the Commission is that reports from following up programs will report significant and standardised information on ESF's contribution to achieving the policy goals at both EU and national levels.

When choosing result and outcome indicators for priority axis 1 and 2 in the programme, the indicators used in the European employment strategy have been taken into account. Result and output indicators, as well as physical and financial indicators are described in Chapter 3. Reporting of these indicators at the program level takes place based on starting points from the data which the project submits in conjunction with reports to the managing authority. If this is considered relevant, reporting is to be supplemented by further indicators developed during the implementation of the programme.

A review is provided below on different types of indicators.

Definitions of different indicators

"Input indicators" refers to the funds allocated to the implementation of the programme.

"Financial indicators" are used to monitor development of funds assigned and paid out in the program in relation to costs eligible for support.

"Output indicators", activity indicators, are related to the activity: for goods and services produced. They are measured in physical or monetary units (number of people covered, number of participating workplaces etc). They are designed to meet the operational goals in the programme.

"Result indicators", relate to the direct and immediate effects on the target groups arising from the program. They provide information on changes in e.g. behaviour, capacity or actions of target groups. These indicators may be physical (number of persons achieving their goal etc.) or financial (e.g. reduced costs for a given input). They are designed to meet goals specifically formulated in the programme.

"Impact indicators", indicators on outcomes, refer to the consequences of the program, quite apart from its immediate effects, namely long-term outcomes. They may be of two different kinds: "Specific impact" are those effects occurring after a certain time, but which are less directly connected to the measure taken and the specific target group. "Global impact" on the other hand are the outcomes in the longer term impacting a larger part of the population. They are designed to achieve the global goals set out in the program.

Process

The development and implementation of structural fund programs requires the involvement of a number of players or interest groups. The processes which these players involve themselves in not only lead to specific results, outcomes or impact. They impact and change knowledge, working methods, social competence etc of the players themselves. In some contexts, perhaps particularly in connection with the formulation of indicators for innovation, cooperation etc., it is valuable to focus particular attention on these process aspects, and use them when following up and evaluating the program.

Source:

European Commission DG Regional policy. The new programming period, 2007–2013: Working Document No 2. Indicative guidelines on evaluation methods: monitoring and evaluation indicators. August 2006.

4.7.3 Support for follow-up and evaluation in programmes and projects

National follow-up and evaluation can be facilitated by participation in the network for evaluation of the social fund which is managed by the evaluation unit within the Directorate-General Employment, Social Affairs, Equal Opportunities.

4.7.4 Computerised exchange of data with the Commission

Section 7, Articles 39-42 in Commission Regulation (EC) No 1828/2006 deals with the application of Articles 66 and 76 in Regulation (EC) No 1083/2006. Here we present views on the electronic exchange of data. Under Article 39, a data system is introduced as a tool for the exchange of all data relating to the operational programme. The exchange of data between individual member states and the Commission shall be carried out using a computer system, established by the Commission, SFC2007, which permits the secure exchange of data. Member states shall be involved in the further development of the computer system for data exchange.

Article 40 regulates the contents of the computer system. The computer system for data exchange shall contain information of common interest to the Commission and the member states, and as a minimum the following data which is necessary for financial transactions:

1. a) The preliminary annual distribution from each fund to each operational program, as stated in the national strategic reference framework in accordance with the model in Annex XVI (Regulation No 1828/2006).
- b) The financing plan of the operational program in accordance with the model in Annex XVI (in regulation).
- c) Statement of expenditure and applications for payment in accordance with the model set out in Annex X (in regulation).
- d) Annual forecasts on probable payments of expenditure as per the model in Annex XVII (in regulation).
- e) The financial section of the annual and final reports on implementation in accordance with the model set out in point 2.1 in Annex XVIII (in regulation).

In addition to the above, the computer system should also contain the following documents and data of common interest needed for monitoring :

2. a) The national strategic reference framework set out in Article 27.1 in Regulation (EC) No 1083/2006.

b) –

c) The operational programs, including information about categorisation of expenses, in accordance with the model in part B in Annex II and the tables in Part A in Annex II, in Regulation (EC) No 1828/2006.

d) The Commission decision concerning support from the fund.

e) –

c) Reports on implementation in accordance with Annex XVIII, including information on categorisation of expenses, in accordance with the model in part C in Annex II and the tables in Part A in Annex II, (regulation above).

g) Information on participants in initiatives financed by ESF by priority axis, in accordance with the model in Annex XXIII (regulation above). Section 3.4.4. states what tasks are reported concerning participants in ESF initiatives in the program.

h) A description of administration and control systems in accordance with the model in Annex XII (regulation above).

i) The auditing strategy in accordance with the model in Annex V (regulation above).

j) Reports and opinions of auditors in accordance with the models set out in Annexes VI, VII, VIII and XIII (in regulation above) and correspondence between the Commission and each Member State.

k) Statements of expenditure concerning partial closure in accordance with the model set out in Annex XIV (in regulation above).

l) Annual statements on amounts withdrawn and recovered, and pending recoveries in accordance with XI) (in regulation above).

m) The communications plan referred to in Article 2 (regulation above).

Information on the functioning of the computer system, as well as the transmission of data is regulated under Article 41 and 42 in Regulation (EC) No 1828/2006, and is not discussed further here.

4.7.5 Economic, follow-up and reporting systems

A new IT-based management system for the social fund is under development.

The system for managing cases aims at correctness in handling and efficiency in terms of legislation, rules and regulations of relevance for the social fund in Sweden. The system shall also provide support and service to project owners and quality assurance for the preparation and follow-up of cases.

The system shall also cover the whole chain from announcement to possible recovery, including follow-up and evaluation, as well as ensure the quality of requisitions from the Commission.

Stage 1 contains basic functionality for making announcements, preparation, decisions and is planned to be operational during November 2007. Process of handing requisitions, as well as payments of funds to project owners will be applied during March 2008. Functionality for following up, evaluation and recovery are planned to be brought into operation during the second half of 2008. This time period for the development of a case handling system ensures that program implementation is not limited.

4.8 Information and the public sphere

Member states and the managing authority of the operational program shall in accordance with Article 69 in Council Regulation (EC) No 1083/2006 provide information about and make public initiatives and cofinanced programs. The information should be directed to citizens of the European Union and to support recipients in order to give prominence to the role of the Community and ensure that support from the funds is correct.

Commission Regulation (EC) No 1828/2006 on the application provisions for Council Regulation (EC) No 1083/2006, details more specifically the information and publicising measures. According to Article 2, a communications plan shall be drawn up. Possible major changes in this should be made by the managing authority as regards the operational program it is responsible for and which is cofinanced by the European Social Fund. The communications plan should include at least information on the following:

- a) Goals and target groups.
- b) Strategy and contents concerning information and publishing measures to be taken by member states or the managing authority and which are directed to potential support recipients, support recipients or the general public, taking into account value added by Community funding at national, regional and local levels.
- c) The preliminary budget for implementation of the plans.
- d) The administrative departments or bodies responsible for the implementation of information and publishing measures.

e) The planned evaluation of how information and publishing measures have impacted the visibility of the operational program, as well as knowledge of and the role of the Community.

In accordance with Article 3, in the regulation above, on the examination of the compliance of the communication plan with the rules, member states or the managing authority shall put forward communication plans to the Commission within four months of the adoption of the operational program. If the Commission does not put forward views within two months of receiving the communication plan, it shall be regarded as compatible with Article 2.2 in the relevant regulation. If the Commission submits views within two months of receiving the communication plan, the member state or the managing authority shall within two months submit a revised communication plan. If the Commission does not submit any further viewpoints within two months of receiving a revised communication plan, the communication plan will be implemented. Member states or the managing authorities shall in appropriate cases begin to implement the information and publication measures set out in Articles 5, 6 or 7 in the Regulation, even though there may be no final version of the communication plan.

Articles 4-10 regulate information and publication measures, see Regulation (EC) No 1828/2006.

4.9 Cofinancing

National public cofinancing takes place within Priority axis 1 with funds specifically set aside by the Government in its appropriation directions to the Swedish ESF council. Where it is considered to be urgent for project implementation, other public cofinancing is possible. For Priority axis 2, cofinancing takes place using state funds decided on primarily at regional and local levels. In Priority axis 2, the majority of public cofinancing comprises support to project participants in accordance with ordinances in both labour market and social insurance policy areas. Public cofinancing comes in the first instance from the Swedish National Labour Market Administration, Swedish Social Insurance Agency and municipalities, as well as from county administrative boards, county councils, and other mandators.

National public financing of Priority axis 3 Technical support takes place with funds from the administrative appropriation in the Central Government budget.

Distribution by year of national cofinancing can be seen in the financing plan.

National public cofinancing of initiatives covered by the European social fund during the period 2007–2013 should be notified to the Commission to the extent that the measures in question involves state support as laid down in Article 87.1 in the EC Treaty. This, however, is not necessary when applying regulations on block exemptions or provisions that will replace these. Within the framework of the program, the block exemption ordinance can be applied on de minimis aid.⁵⁷

⁵⁷ Compare the provisions in Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the EC Treaty for de minimis aid. Commission Regulation (EC) No 68/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to support for education.

4.10 Financial flows

Payments concerning the European Social Fund and other structural funds are budgeted and reported in the Swedish central government budget. The Swedish central government budget is reported in gross terms in accordance with the Act (1996:1059) on the central government budget. For the structural funds, this means that funds from the EU budget are reported under income headings and that funds for activities in different structural fund programs are budgeted as appropriations in the Swedish central government budget.

Transfer of funds between the EU and Sweden follows in cash liquidity terms the normal international transactions procedure with the Swedish National Debt Office as the mediating link. As regards the structural funds, the Commission sends funds to the National Debt Office's account with Nordea Bank AB, Box 7840, 103 98 Stockholm, and at the same time provides the name of the certifying authority and its account number. The funds received are converted to Swedish Krona in accordance with the applicable rate of exchange. The amounts in Swedish Krona are transferred to the state's central account in the Riksbank (the state's checking account) which is not subject to interest payment. The National Debt Office registers the payment in a sub-ledger and sends a statement to the certifying authority, which thereafter reports the amount as income under the appropriate income title. The managing authority processes payments to support recipients under the national structural fund program which are booked to the appropriation European Social Fund etc for the period 2007-2013.

4.11 The interface between the national structural fund programme and other programs

Synergies, where appropriate, between initiative areas and measures focusing on regions, rural development areas, fishery areas etc will be further developed. As a consequence coordination will be strengthened between activities financed from the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD), European Regional Development Fund (ERUF), and the European Fisheries Fund (EFF) during the programme period.

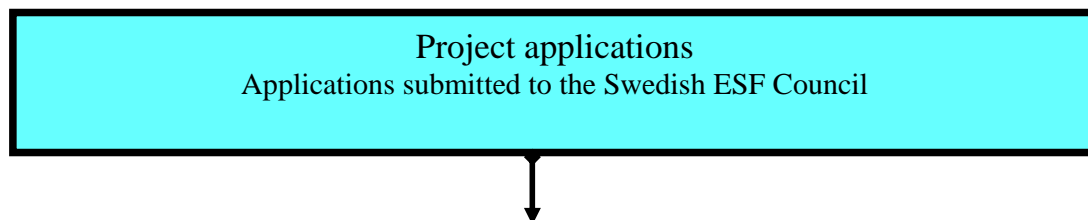
It may also be necessary to clarify different objectives, priorities and expected results. The target groups are different for different funds and this must also be highlighted. In implementation there is a need for delimiting in order to prevent double financing, and achieving clarity as to what each fund should finance and simplify the process for recipients applying for support. Possible synergies between programs must also be leveraged. For further information on the process of clarifying the delimitation between ESF and other EU funds, see figure below.

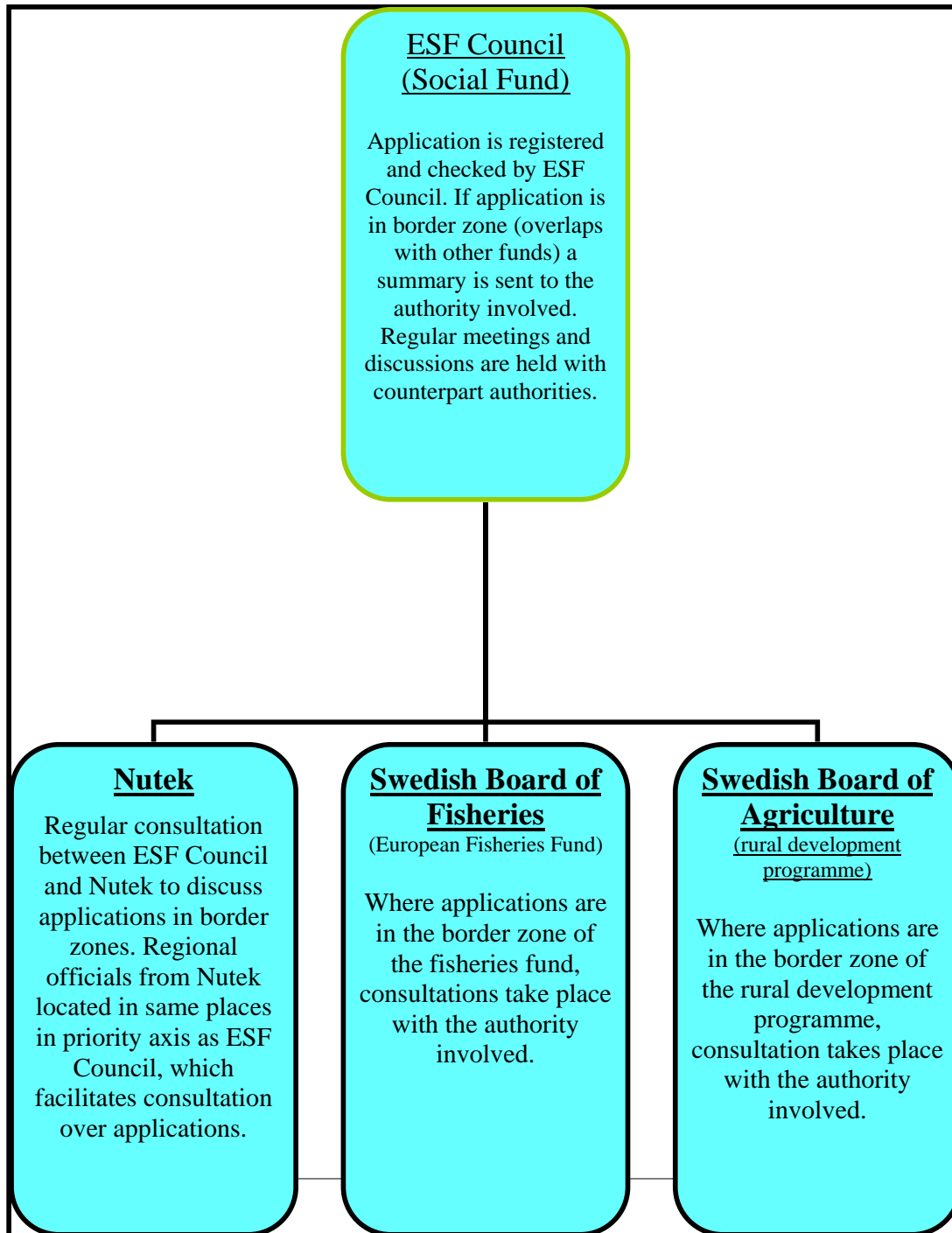
Commission Regulation (EC) No 2204/2002 of 12 December 2002 on the application of Articles 87 and 88 of the EC Treaty to State aid for employment.

Applications concerning the national structural fund program in regional competitiveness and employment are submitted to the managing authority responsible for checking the application. If the application does not clearly fall into a specific zone in some other fund or EU program, contact is made with the responsible authority. (see flow chart below)

The managing authority, for the regional structural fund program NUTEK, will locate regional staff at the same places as the ESF Council's regional units. This makes possible regular consultation between the ESF Council and NUTEK for preventing duplicate financing, as well as developing synergies.

Description of management of applications in relation to delimiting with respect to other EU funds





4.11.1 The national structural fund program and the regional structural fund programmes

The regulatory framework for 2007-2013 (Council Regulation (EC) No 1083/2006, Article 34.2) allows a figure corresponding to a maximum of 10 per cent of the budget for each Priority axis (up to 15 per cent for special initiatives for social integration) under Article 3.1(c) (i) may be used to finance initiatives falling within the framework of the second structural funds, i.e. the regulatory framework for the European Regional Development Fund

(European Parliament and Council Regulation (EC) No 1080/2006) and vice versa for the regional structural fund programmes. This flexibility should be utilised providing these initiatives are necessary for satisfactory implementation and are directly connected with this. The main principle, however, is that the European Social Fund finances initiatives falling within the framework of the rules for this fund and vice versa for the European Regional Development Fund.

The national structural fund program Priority Axes 1, 2 and 3 are covered by this flexibility.

The managing authority is responsible for implementation of a follow-up system to ensure that flexibility is not exceeded.

4.11.2 The national structural fund program and the Program for Lifelong Learning

The EU's new education program, the Program for Lifelong Learning, covers all levels of education, from preschool to higher education, vocational and adult education. In addition to opportunities for studies, practice, exchange and skills development in a different EU country, the program provides opportunities for development projects where e.g. new course modules can be developed. For employees, the program encompasses lifelong learning thereby creating opportunities to finance skills development in another EU country, as well as opportunities to create new courses. Synergy can thus be created between the national structural fund program and the program for lifelong learning. Education developed within the framework of the programme for lifelong learning could, for instance, be included in an ESF project.

4.11.3 The national structural fund program and the rural development program

The rural development programme provides opportunities for skills development of employees; mainly company owners and rural development players linked to agriculture, rural areas and local development. Managing authorities for these programs should aim at cooperation in processing project applications in order to reduce the risk of potentially unclear overlapping between programs. It is the responsibility of the managing authority to further develop specific detailed routines to prevent overlapping and duplicate financing, and take advantage of the opportunities where programs and initiatives supplement each other during implementation.

The boundaries between ESF and the Swedish Rural Development Program 2007-2013

• EAFRD measures	• Limitations
<ul style="list-style-type: none"> • Skills development and the use of consultancy services (ESF) • • 	<ul style="list-style-type: none"> • Axis 1 in the Rural Development Program is directed to persons who are employed in agriculture, forestry and

processing of products from these sectors to improve skills in these sectors. The measures cover activities directed to maintenance of land and animal welfare.

- Skills development in Priority axis 3 is focused on activities connected to support in other measures in the Axis.
- Skills development financed through ESF will be more general and a part of Swedish labour market policy as well as being linked to the EU employment strategy.

-
- Education and information (ESF and EFF)

- The boundaries occur as a result of different target groups.
-

4.11.4 The national structural fund program and the European Fisheries Fund (EFF)

The program for EFF provides i.a. scope for skills development initiatives. Skills development in the EFF covers primarily companies and players linked to the fisheries sector, and activities linked to fishing in rural areas. As regards Priority axes 1 and 2, the target groups are mainly restricted to traditional players in the fisheries sector. In the case of Priority axes 3 and 4, skills development can be an integral part of measures for diversification, business development and projects, and in addition to traditional players in fisheries, they can also cover a broader group of players.

In general terms, the delimitations between education measures financed through different programs should be based on the scope of the education rather than the employment area of support recipients. In this way exclusion of persons active in the fisheries sector from receiving ESF support can be avoided. Education support in EFF can thus focus on the fisheries sector.

Managing authorities for these programs should aim at cooperation in processing of project applications in order to reduce the risk of potentially unclear overlapping between programs. It is the responsibility of the managing authority to further develop specific detailed routines to prevent overlapping and duplicate financing, and take advantage of the opportunities where programs and initiatives supplement each other during implementation.

4.11.5 The national structural fund program and Jeremie and Jessica

When needed, the national structural fund program makes it possible for initiatives to be implemented within the framework of resources from the European Commission and EIB initiatives - Jeremie (Joint European resources for micro to medium enterprises) and Jessica (Joint European support for sustainable investments in the city). As regards Jeremie, initiatives are based on analyses identifying existing needs and shortcomings. As regards Jessica initiatives are based on an integrated plan for development of participating cities.

4.11.6 The national structural fund program and the objective of European territorial cooperation

In the national strategy for regional competitiveness, entrepreneurship and employment, the development of cross-border labour markets is set out as a prioritised area of the program for Territorial cooperation. Priorities are based on the idea that a well functioning cross-border labour market leads to growth. When the economy is stronger in one country in a given region, additional labour needs can be provided from an adjacent country. This means that inhabitants in adjacent countries receive better employment opportunities.

The individual gets greater freedom by having the opportunity to live in one country and work or study in another. The more the residents of border regions move across borders, the faster cross-regional cooperation will develop.

Since both the social fund and territorial cooperation programmes are jointly striving to increase mobility on the labour market, it would be valuable if the national structural fund program and the program for territorial cooperation were to contribute to reciprocal synergy outcomes as a result of project initiatives in the respective programs.

4.11.7 The national structural fund program and European Funds for integration of third country citizens

The authorities responsible should strive to ensure that initiatives within the framework of the Social Fund and the respective European funds for integration of citizens from third countries supplement each other.

4.12 Strategic assessment of environmental consequences

Skills development and education shall, where appropriate, increase awareness of environmental issues in general, as well as the causes and effects of climate change in particular. This may also cover information about and advocacy of environmental steering

systems. Technical support and cooperation between players within ESF supports the adoption of an environmental approach in the program. It is important that everything carried out in the implementation of the programme pays due regard to the environment, and the objective should be to reduce travelling and related activities which create greenhouse gases.

Sustainable development means that our resources are to be used in ways that are effective over the long term and thus ensure that the needs of the current generation are met without compromising the ability of future generations to meet their own needs. The programme contributes to the achievement of sustainable development by focusing on the supply of skills and an increase in the labour force.

The proposals which have been incorporated into the national structural fund program (ESF) for achieving the objective of regional competitiveness and employment in Sweden during the programme period 2007-2013 are considered by the Government Offices not to need environmental assessment as laid down in the Directive 2001/42/EC on the assessment of the environmental impact of certain plans and programs. The program does not fulfil the criteria of the directive that adoption of the program would have a significant impact on the environment. The program cannot be regarded as providing the conditions for future permits for projects in accordance with Annexes I and II for Directive 85/337/EEC or be assumed to influence areas which require an assessment in accordance with Articles 6 or 7 in Directive 92/43/EEC. Neither can the program be regarded as fulfilling the requirement in Article 4 of the directive when reviewing the relevant criteria in Annex II of the Directive.

The reason for the assessment is the program's focus on a good supply of skills and increased supply of labour and its ability to promote learning, innovation and cooperation. The three programme areas deal with development and retraining in working life, new opportunities to work, as well as technical support. The ESF initiatives expected to be taken in the project, cannot be assumed to be of a type that they correspond to projects that impact the environment as laid down in the directive.

5 Financial conditions

5.1 Preconditions for financing plans

The fund framework for the national structural fund program is calculated at Euro 691.6 million from the European Social Fund for the years 2007–2013 in current prices. Of funds available, about 29 per cent were allocated to Priority axis 1 and about 67 per cent to Priority axis 2. For Priority axis 3, technical support, 4 per cent of funds were set aside.

Table 4.

The financing plan for the national structural fund programme for regional competitiveness and employment (ESF) (In current prices), Euro

Finansieringsplan för det nationella strukturfondsprogrammet (ESF) i Sverige 2007-2013 (i löpande pris), euro						
CCI nummer: 2007SE052PO001						
Programområde	Stöd från gemenskapen ESF (*) (a)	Motsvarande nationell finansiering (b) = (c)+(d)	Uppdelning av motsvarande nationell finansiering		Stöd sammanlagt (e) = (a)+(b)	Medfinansierings grad (f) = (a)/(e)
			Nationellt offentligt stöd (c)	Nationellt privat stöd (d)		
Programområde 1	199,166,733	199,166,733	199,166,733	0	398,333,466	50%
Programområde 2	464,722,379	464,722,379	464,722,379	0	929,444,758	50%
Programområde 3 Tekniskt stöd	27,662,046	27,662,046	27,662,046	0	55,324,092	50%
Totalt	691,551,158	691,551,158	691,551,158	0	1,383,102,316	50%

Årliga åtagande (i löpande pris), euro						
År	Stöd från gemenskapen ESF (a)	Motsvarande nationell finansiering (b) = (c)+(d)	Uppdelning av motsvarande nationell finansiering		Stöd sammanlagt (e) = (a)+(b)	Medfin: grad (f)
			Nationellt offentligt stöd (c)	Nationellt privat stöd (d)		
2007	93 021 899	93 021 899	93 021 899	0	186 043 798	
2008	94 882 337	94 882 337	94 882 337	0	189 764 674	
2009	96 779 984	96 779 984	96 779 984	0	193 559 968	
2010	98 715 583	98 715 583	98 715 583	0	197 431 166	
2011	100 689 895	100 689 895	100 689 895	0	201 379 790	
2012	102 703 693	102 703 693	102 703 693	0	205 407 386	
2013	104 757 767	104 757 767	104 757 767	0	209 515 534	
Totalt 2007-2013	691 551 158	691 551 158	691 551 158	0	1 383 102 316	

(*) EU support for all priority axes is calculated with reference to expenditures entitled to public support.

Table 5
Preliminary allocation into categories of community support for the operational program

CCI No. : 2007SE052PO001

Delområde 1 Prioriterat område	
Kod	Belopp
62 (1)	92,875,679
64 (2)	82,556,158
66 (3)	435,677,230
71 (4)	23,734,896
72 (5)	29,045,149
85 (6)	20,746,535
86 (7)	6,915,511
Summa	691,551,158

Delområde 2 Finansieringsform	
Kod	Belopp
1	691,551,158
Summa	691,551,158

Delområde 3 Typ av område	
Kod	Belopp
0	691,551,158
Summa	691,551,158

- (1) concerns Priority axis 1
- (2) concerns Priority axis 1
- (3) concerns Priority axis 2
- (4) concerns Priority axis 1
- (5) concerns Priority axis 2
- (6) concerns Priority axis 3
- (7) concerns Priority axis 3

Annexes

Annex 1 Statistics concerning participating in personnel training

Table 1. Participation in personnel training, employed women and men by length of education, in thousands.

		2001		2002		2003		2006
		Juni	Dec	Juni	Dec	Juni	Dec	Juni
Ej deltagit i utbildning	Män	1 249	1 203	1 272	1 284	1 268	1 234	1 322
	Kvinnor	1 115	1 071	1 118	1 087	1 095	1 026	1 015
Deltagit i utbildning								
< 1 dag	Män	80	76	117	108	126	127	142
	Kvinnor	108	99	150	141	154	168	168
1-2 dagar	Män	356	404	220	207	233	224	254
	Kvinnor	380	419	246	247	282	284	292
3-5 dagar	Män	328	306	372	352	411	400	369
	Kvinnor	286	260	369	351	357	374	410
6 dagar - 1 månad	Män	174	152	230	205	196	162	215
	Kvinnor	148	136	186	175	172	152	176
> 1 månad	Män	54	43	42	25	30	25	33
	Kvinnor	49	54	61	47	36	28	32

Source: Statistics Sweden.

Table 2. Participation in personnel training, employed women and men by length of education, per cent

		2001		2002		2003		2006
		Juni	Dec	Juni	Dec	Juni	Dec	Juni
Ej deltagit i utbildning	Män							
		55,7	55,1	56,5	58,9	56,0	56,8	56,6
	Kvinnor	53,5	52,5	52,5	53,1	52,2	50,5	48,5
Deltagit i utbildning								
< 1 dag	Män	3,6	3,5	5,2	5,0	5,6	5,8	6,1
	Kvinnor	4,8	4,5	6,7	6,5	6,8	7,7	7,2
1-2 dagar	Män	15,9	18,5	9,8	9,5	10,3	10,3	10,9
	Kvinnor	17,0	19,2	10,9	11,3	12,5	13,1	12,5
3-5 dagar	Män	14,6	14,0	16,5	16,1	18,2	18,4	15,8
	Kvinnor	12,8	11,9	16,4	16,1	15,8	17,2	17,6
6 dagar - 1 månad	Män	7,8	7,0	10,2	9,4	8,7	7,5	9,2
	Kvinnor	6,6	6,2	8,3	8,0	7,6	7,0	7,5
> 1 månad	Män	2,4	2,0	1,9	1,1	1,3	1,2	1,4
	Kvinnor	2,2	2,5	2,7	2,2	1,6	1,3	1,4

Source: Statistics Sweden.

Table 3 Participation in personnel training, employment by period of education for different regions in thousands

		2001		2002		2003		2006
H-region		Juni	Dec	Juni	Dec	Juni	Dec	Juni
Stockholms	Ej deltagit i utbildning	459	491	502	505	497	486	472
	Deltagit i utbildning	476	434	434	426	441	437	427
Göteborgs	Ej deltagit i utbildning	218	206	224	207	232	214	234
	Deltagit i utbildning	205	212	201	196	205	212	248
Malmö	Ej deltagit i utbildning	132	139	136	125	131	127	148
	Deltagit i utbildning	116	102	104	101	113	108	111
Större städer	Ej deltagit i utbildning	865	807	850	835	851	790	851
	Deltagit i utbildning	669	701	720	654	693	703	771
Mellanbygd	Ej deltagit i utbildning	451	417	431	462	423	411	379
	Deltagit i utbildning	311	314	334	292	331	306	307
Tätbygd	Ej deltagit i utbildning	119	107	127	124	115	118	128
	Deltagit i utbildning	105	103	111	99	124	106	117
Glesbygd	Ej deltagit i utbildning	121	107	121	112	114	115	125
	Deltagit i utbildning	87	82	88	86	87	72	107

Source: Statistics Sweden.

Table 4. Participation in personnel training, employment by length of education in different regions, percent

H-region		2001		2002		2003		2006
		Juni	Dec	Juni	Dec	Juni	Dec	Juni
Stockholms	Ej deltagit i utbildning	10,6	11,6	11,5	12,0	11,4	11,6	10,7
	Deltagit i utbildning	11,0	10,3	9,9	10,1	10,1	10,4	9,6
Göteborgs	Ej deltagit i utbildning	5,0	4,9	5,1	4,9	5,3	5,1	5,3
	Deltagit i utbildning	4,7	5,0	4,6	4,6	4,7	5,0	5,6
Malmö	Ej deltagit i utbildning	3,0	3,3	3,1	3,0	3,0	3,0	3,3
	Deltagit i utbildning	2,7	2,4	2,4	2,4	2,6	2,6	2,5
Större städer	Ej deltagit i utbildning	20,0	19,1	19,4	19,8	19,5	18,8	19,2
	Deltagit i utbildning	15,4	16,6	16,4	15,5	15,9	16,7	17,4
Mellanbygd	Ej deltagit i utbildning	10,4	9,9	9,8	10,9	9,7	9,8	8,6
	Deltagit i utbildning	7,2	7,4	7,6	6,9	7,6	7,3	6,9
Tätbygd	Ej deltagit i utbildning	2,7	2,5	2,9	2,9	2,6	2,8	2,9
	Deltagit i utbildning	2,4	2,4	2,5	2,3	2,8	2,5	2,6
Glesbygd	Ej deltagit i utbildning	2,8	2,5	2,8	2,7	2,6	2,7	2,8
	Deltagit i utbildning	2,0	1,9	2,0	2,0	2,0	1,7	2,4

Source: Statistics Sweden.

Annex 2 Recommendations and experiences from independent evaluations of the social fund in Sweden during programme period 2000–2006

Recommendations from an independent evaluation of Objective 3⁵⁸

In summary, the evaluation of Objective 3 shows the value added of initiatives targeting skills development of those already employed, as well as good results from the initiatives. Major impact for "value-based" qualitative goals has been observed, such as participation and individualisation. The latter has meant that projects directed to unemployed persons have led to good results and contributed value added at the individual level, even though the programme objectives set up have not been attained. Cooperation between different organisations and structures has had an impact at the local level.

The evaluation reports conclusions and recommendations prior to the programme period 2007-2013.

- If a real impact on ordinary structures is to be achieved, an analysis of value added and potential impact must be considered at an early stage when choosing strategy.
- Avoid formulating an excessively broad programme covering everything in terms of target groups and activities. Have a simple starting point: where are the needs and gaps in regular policy ? What needs exist at different levels, such as perspective of the individual; based on a structural perspective etc.? Avoid excessively politicised, visionary – and thus unrealistic – goals.
- Create more coherent programme designs with a clearer logic and make strategic initiatives, e.g. for specific target groups, problem areas etc. Linkages between results - expected outcomes and overall goals need to be coherent.
- The number of priorities should be strictly limited. Provide opportunities for development of methods.
- Important to continue developing linkages between employment and growth oriented measures, based on realistic conditions. Clarify definitions value added/usefulness of value-based objectives.
- Objective 3 has covered many good projects and good ideas. Opportunities for structural influence have, however, been relatively marginal. There has been insufficient support in the ordinary structures, particularly at the national level.
- Ensure that there is ongoing, and greater regional support for implementation of the programme.
- Develop and further build on the ideas of partnerships and cooperation at regional and local levels.
- Strengthen linkages between local, regional and national levels through the design of the program and support – value added must be clear at all levels.
- Create national cofinancing that reduces dependency locally in implementation, e.g. through national earmarked funds.
- Strengthen the extent to which the program can be evaluated, with greater focus on resource management. Develop steering mechanisms and strengthen follow-up.
- Goals and indicators need to maintain high and stable quality, i.e. be “SMART” (Specific; Measurable; Adequate; Realistic; Time-limited).

⁵⁸ Ramböll Management (2005). *Swedish ESF Council - Final evaluation of Objective 3*

- Indicators should be limited in number – draw up key indicators.
- Impose clear demands on project organisers concerning follow-up and project reporting.

Recommendations from an independent evaluation of Equal.⁵⁹

The evaluation of the Equal programme came to the conclusion that Equal had achieved outcomes which in the long-term would reduce discrimination on the labour market. The work of disseminating and benchmarking has however largely consisted of creating awareness of the methods used rather than drawing up proposals for changes in systems and structures. The results from Equal have been mainly used at local and regional levels whilst dissemination to national authorities has been far less extensive. Regarding the general principles of Equal, the investigators state that the principles of gender equality have created additional value. On the other hand problems have been encountered in working with the principle of diversity. Partnerships in Equal have led to a mobilisation of competencies and resources to an extent that differs from other types of programs. Transnational cooperation has created value added, but of a less advanced nature than originally anticipated.

Finally the independent evaluation of Equal submits recommendations for implementation of ESF initiatives during the programme period 2007–2013:

More effective impact of project results can be achieved through strategies in forthcoming programmes.

- develop results which are relevant for possible users, and integrate mainstreaming perspectives based on user needs and demands,
- attract and include partners and financiers who are relevant in relation to the program and project tasks,
- develop and use dissemination strategies that are proactive and directed to players with influence,
- ensure good opportunities for steering and follow up as well as evaluating,
- impose demands on specific goals attaining impact from the program and project,
- use dissemination of results as a tool for achieving the objective, and also
- impose demands on clear strategies and plans for dissemination and achieving impact.

The Social Fund can contribute to greater gender equality by demonstrating opportunities and usefulness: creating greater impact from initiatives on gender equality by authorities, organisations, companies, programs and projects taking as their starting point the perspective of opportunity and usefulness. For instance, taking as a starting point a SWOT analysis on gender equality when drawing up objectives, strategies and methods for development work.

Experiences from the Social Fund in Objective 1 and Objective 2 programs⁶⁰

⁵⁹ Ledningskonsulterna i Stockholm AB (2005). *Equal – Gemenskapens laboratorium (Equal – The Community's laboratory). Fungerande experiment – minskad diskriminering? (Functioning experiment – reduction in discrimination)* Halvtidsutvärdering II, Gemenskapsinitiativet Equal. (Interim evaluation II, Community Initiative Equal) Final report.

⁶⁰ NUTEK's paper "EU:s strukturfonder - ett verktyg för regional utveckling (EU structural funds - a tool for regional development)" Summary of interim evaluations for Objective 1, 2 Interreg IIIA and also Urban II. Infonr 039-2004.

Objectives 1 and 2 have both been partially financed by amongst others the Social Fund and the Regional Development Fund. In Objective 1 programmes, measures have existed that correspond to the National Objective 3 program and experiences from the former are essentially the same as for the National Objective 3 program. Interim evaluations show that the measure for skills development of employees has had positive effects not only for participants, but also the companies/organisations involved. Interim evaluations also show that projects which have a target group outside the labour market create largest value added, in relation to ordinary labour market initiatives, due to the possibility of working more individually and with greater focus. This is of great importance when working with the long-term unemployed, people on long-term sickness leave, born abroad or who have reduced work capacity.

In Objectives 1 and 2, it has been possible to take strategic initiatives by supplementing physical investments in regional development funds by e.g. development costs in the social fund. There are a number of examples where physical investments are partially financed by the regional development fund and the development of new training by the social fund. For instance, the education may be from universities or university colleges, and vocational education where the programmes developed have strong linkages to the needs of regional industry in terms of leading edge skills. The projects have contributed to creating closer cooperation between industry and the higher education sector. There are also projects that aim at changing attitudes and encouraging a positive approach to higher education and entrepreneurship.

It was stated in the evaluations that initiatives for skills development in terms of support to learning centres are important both for individual and collective self-confidence and a precondition for growth of other initiatives in production with a higher knowledge content. These initiatives may according to the evaluations turn out to be one of the most creative and long-term change oriented structural fund initiatives taken. Social fund initiatives have according to the evaluators generally been of great importance for growth since skills are an important competitive instrument.

Annex 3 Drawing up the National structural fund programme for regional competitiveness and employment (ESF)

Whilst the existing National Structural Fund Program for regional competitiveness and employment (ESF) was being drawn up, there has been a close ongoing dialogue with representatives of the labour market partners: companies, LO, SACO, Confederation of Swedish Enterprise, Swedish Association of Local Authorities and Regions, and also TCO.

Furthermore regional meetings have been held in Luleå, Växjö, Stockholm and Göteborg, to which representatives of the regional partnerships for Objective 3 during 2000-2006 were invited, together with regional and local politicians and representatives of the county administrative boards. The meetings have aimed at providing local and regional representatives with opportunities to submit information and views of importance for future work on the program.

In addition to these meetings, a dialogue has been held with i.a. DO, JämO, RFSL, HSO and other representatives of the social economy, the Swedish ESF Council, the Swedish Social Insurance Agency and the National Labour Market Board.

Annex 4 Description of concepts in the programme

Discrimination and types of discrimination

The section in Chapter 2 on equal treatment in working life refers to discrimination and the grounds on which it takes place. This is further developed below, based on the final report submitted by the Discrimination Inquiry during 2006.⁶¹

The final report examines the types of discrimination in the legislation as well as proposals for two new types to be combated: gender identity and age.

- By gender identity, reference is made to "a person's identity, appearance or behaviour concerning gender, irrespective of identity, gender or behaviour differing from what is traditionally regarded as constituting the norm for women and men".
- Age is not defined in the legal text.
- Gender discrimination can be defined as "the biological gender under which a person is registered at birth or the gender which is later attached to her or him".
- Discrimination on the basis of ethnic affiliation is defined, in the same way as in current legislation as "belonging to a group of persons who have the same national or ethnic origin, race or skin colour".
- Discrimination due to disability is defined in the same way as in current legislation such that permanent physical, mental or intellectual limitations of a person's functional capacity that, as a consequence of injury or illness, existed at birth, have arisen since then or can be expected to arise".
- Discrimination due to sexual orientation is defined as homosexual, bisexual or heterosexual orientation.

The definition of the term "discrimination" and how this is defined in Swedish law broadly corresponds to that in EC legislation. The Directive on Equal treatment 2006/54/EC, the Directive against ethnic discrimination 2000/43/EC, the Directive on working life 2000/78/EC and (the Directive on equal treatment of women and men as regards goods and services (2004/113/EC)) sets out what is meant by direct discrimination, indirect discrimination, harassment and sexual harassment and instructions to discriminate. The different types of discrimination are defined in the same way in all the different directives. The concepts mentioned have thus the same meaning irrespective of the origins of the discrimination.

Direct discrimination refers to a situation where someone is disadvantaged by being treated less favourably than others have been treated or would have been treated in a comparable situation, if this is associated with gender, gender identity, ethnic affiliation, religion or other belief, disability, sexual orientation or age.

⁶¹Diskrimineringskommittén (Discrimination Inquiry). *En sammanhållen diskrimineringslagstiftning (Consolidated anti-discrimination legislation)* SOU 2006:22

Indirect discrimination refers to someone being disadvantaged through the application of a rule, a criteria or a procedure that appears to be neutral, but which is specifically aimed at disfavoursing somebody of a particular gender, gender identity, ethnic affiliation, religion or other belief, disability, sexual orientation or age, unless the rule/criteria/procedure can be justified objectively by a legitimate purpose and the instrument for achieving this is appropriate and necessary.

Harassment: refers to behaviour that is connected to gender, gender identity, ethnic affiliation, religious belief, disability, sexual orientation or age, and which violates a person's dignity.

Sexual harassment refers to behaviour of a sexual nature that violates a person's dignity.

Instructions that discriminate refer to orders or instructions to discriminate against a person who is in a dependent or subordinate relationship to the person who gives the order or instructions, or who has undertaken to fulfil an assignment on behalf of that person.

Failure to take *reasonable measures for accessibility* for persons with disabilities is also regarded as discrimination.

Innovative activity

The concept of innovation has been defined in different ways depending on the context. One definition is "ideas that have achieved commercial success and/or been widely used".

Innovations may be based on "new knowledge or combinations of existing knowledge."⁶²

Experiences from working with the social fund within the framework of Equal provide support for the view that innovation has a value if it contributes to the solution of a specific discrimination problem. It must lead to a difference for the target group.⁶³

An activity may be described as innovative if:

1. It corresponds to real needs,
2. Results show clear advantages compared with existing praxis/solutions, and if
3. Potential users are prepared, initiated and able to transfer the good solution to the policy level, as well as to the systems where policy is applied. An innovative approach thus becomes cost-effective and a sustainable means of initiating change.⁶⁴

Social innovation

The European Social Fund shall in accordance with Council Regulation (EC) No 1081/2006 support the promotion of and integration of innovation. Given this, as well as earlier experiences from innovative activities, it may be valuable to describe innovation by means of a comparison between social and technical innovation, since interpretation of the concept is often made from different perspectives.⁶⁵

Technical innovation leads to improved products, processes and services, which often lead to comparative advantages on the market. What technical and social innovation can be said to have in common is the attempt to create an alternative approach or practical solution to a problem in order to achieve social and policy goals.

⁶² Vinnova information VA 2005:03

⁶³ Equal "Making change possible, a practical guide to mainstreaming."

⁶⁴ A framework for programming innovation in the next generation and ESF programmes. EQUAL, 2006.

⁶⁵ A framework for programming innovation in the next generation and ESF programmes. EQUAL, 2006.

Some common success factors underlying the design and execution of technical or social innovations produced by the Commission's working group in Equal in the area of innovation, are that activities are often managed by people with vision, ambition and a spirit of entrepreneurship, that the activities are oriented to satisfying the identified needs of users, strive to achieve solutions in implementation that take account of and integrate competencies and interests of the players involved, as well as organising work based on the importance of building confidence and credibility of the advantages in terms of cost efficiency, quality and other additional values which accompany innovation.

Achieving success in technical or social innovation presupposes at the same time that relevant changes in the surrounding world are monitored, not only to provide inspiration from good ideas, but also to avoid doing the same things or ending up in a blind alley.

In contrast to technical innovation, social innovation has a number of shortcomings in social policy and its application. It often involves needs which imposes requirements that overlap a number of policy areas. The national structural fund program is intended to i.a. stimulate solutions that make it easier for people who are far from the labour market to enter and remain there, as well as prevent discrimination and exclusion. Social policy and its application often focuses on this type of development, since the search is for solutions which are not offered or established in existing systems and structures.

In the framework for integrating innovation in the coming programme period the importance of applying a broad definition of innovation in an EU programme is emphasised when defining costs eligible for support where all steps in the work of achieving success in innovation are covered: from the process of identifying and evaluating needs from different initiatives for the supply of skills and increased supply of labour, implementation, guidance and training of target groups, to activities contributing to follow-up and their evaluation, during the work as well.

The definition of innovation that the European Commission took as its starting point in Equal is also included in the Commission recommendations for 2007–2013: *methods, objectives or policy oriented innovation*.

- Process-oriented innovation = focusing development on new methods, tools and approaches or improvements and adaptations of those already existing.
- Objective oriented innovation = focusing on formulating new objectives, benefits, target groups and qualifications or opening up new areas for employment.
- Context oriented innovation = focusing on political and institutional structures, developing labour market systems or other structures through innovative solutions from a different context.

Innovation per se is not an objective, but should be described as an instrument for achieving better quality, higher productivity. The importance of cooperation, getting support for ideas and solutions, and the strategic impact of innovation are important engines in contributing greater value to the programme.

Cooperation

The national structural fund program shall as mentioned contribute to development where cooperation can be regarded as a valuable element. The program is based on the Commission's definition of partnership, where a broad variety of cooperation forms can be covered.

The section below focuses on cooperation in terms of partnerships, taking as the starting point experiences gained under Equal 2000-2006, where projects worked in "development partnerships" with the aim of analysing and developing solutions to counteract discrimination and exclusion in working life.

The common starting point for cooperation in a partnership is that a problem involving a number of dimensions is best solved when organisations, with different profiles and competencies that complement and reinforce each other, cooperate by developing synergy.⁶⁶

Partnerships are formed and run by jointly formulating and sharing visions and objectives, opportunities and risks, commitments and tasks, competencies and resources. By sharing energy, reciprocal confidence and a willingness to take independent initiatives, openness to initiatives of others, players create a practical setting which makes the opening of structures easier for project players of importance to implement their development and changes. This may involve policy and priorities in the tasks of different organisations, work culture and organisation, guidelines and praxis for their implementation.

Value added of the partnership model does not necessarily mean that each partner extracts more from the initiatives than would have occurred if they hadn't participated. On the contrary there may well be different "losers" and "winners" in the short-term, but in the long-term hopefully there is greater value for all. Value added in the partnership can be made transparent through a dialogue on objectives, intentions and involvement in development work.

Development can generate results and outcomes that continue even after completion of the project, by enabling cooperation between players in the long-term.⁶⁷ This thematic work studying development through partnerships describes how focus can easily be put on short-term results since these are often in line with the tasks of partner organisations and are easier to measure and demonstrate. By focusing on problem areas, rather than purely on results, long-term outcomes should also be highlighted in order to ensure partnerships contribute to solving problems rather than just dealing with their symptoms.

A successful partnership is based on a strategically relevant composition of players from public, private and non-commercial organisations. In strategic terms, the composition of the potential team for partnerships is given attention and involves people with relevant knowledge and ideas with experience of, closeness to, and the authority to represent the interests and ambitions of their organisation to develop and test methods in the short-term, as well as contribute to reforming content and its implementation in the longer term.

⁶⁶ *Integrating partnership in ESF programmes 2007–2013. A framework for programming.* Report by an ad hoc working group of Member States on Partnership. EQUAL, June 2006.

⁶⁷ Equal, National thematic group on working in partnerships.

In a description of contributions from different interest groups and the usefulness of cooperation, the importance of all partners contributing in a partnership to the attainment of objectives is highlighted, although not necessarily through using the same funds.⁶⁸ The common core in the middle is the development organisation. Experiencing usefulness from participation is a precondition for the involvement of participants. This concerns not only individual usefulness, but also more general usefulness, namely what is generated in terms of synergies as a result of the cooperation. The usefulness or value added which comes from cooperation should be greater than the resources invested by the partners involved (companies/organisations) in the development organisation.

Strategic work on influence

The challenge of strategically influencing work affects the contents and working forms of implementation.. Mainstreaming refers to disseminating good results and lessons from these, as well as transferring them to the policy level, or put more generally, the players the results are intended for, in order to contribute to their acceptance and implementation. Good mainstreaming provides the preconditions for getting impact from the results achieved.

Some of the lessons are that important conditions for players, cooperating in projects are clear not only with regard to their participation, but also over how they intend to proceed with the results achieved to broaden their impact. This is supplemented by concrete planning of necessary communication and the organisation of procedures and approaches, and this becomes a methodical approach for achieving the goals and ambitions specified.

Specifically it may mean that communicating and getting support for development work at management levels, and in other relevant parts of players'/partners' own organisations during the whole of the development process. If the target group is not in the partnership, it needs to be linked to the partnership in some other way.

A learning approach based on ongoing reflection, dialogue and monitoring of project work provides a basis for communications between the partnership and its target groups. Not only support for what takes place, but also opportunities to identify signals on the need to adjust conditions and content during implementation, are some of the benefits attained by taking a communication and learning approach.

Preparations for implementation of projects require the inclusion of relevant facts and knowledge in order to strengthen the impact of results, and increase the chances of attaining the objectives set up. This means that irrespective of the priority given to a project, the persons involved need to be committed and able to exercise influence. With openness to taking responsibility and involvement of those who are affected, as well as those whose influence is important in terms of achieving results, good conditions are created for development to achieve the desired impact. This is the very core of strategic influence.

The possibility of financing process supporting projects in the programme strengthens the opportunities for achieving an impact from results at the project level, and this is important if the program is to generate value added. By carrying out a dialogue with the project on the purpose and content of the programme (values, priorities etc), understanding and insight can

⁶⁸ Svensson L., Åberg C., Andersson M., Paulsson J. (2005). *Att leda projekt och utvecklingsprocesser (Managing projects and relevant processes)*. Report 2005:18. Stockholm: ISA, Nutek, Vinnova.

be expected to increase among the players in individual projects on different ways of reasoning and applying this to specific projects. These projects are expected to contribute support to the project in various problem areas that can occur and which are described as being related to either learning problem complexes or organisational problems.

The learning problems cover e.g. pre-project issues which can affect the project in terms of stakeholders and target groups, issues concerning project dynamics on the internal efficiency of the project, capacity to learn and develop, as well as questions concerning transferability: ability to achieve the processes and status so that results have an impact. Organisational problems on the other hand may involve problems concerning owners, managing and steering.

With this activity, insight and quality checks through services to projects take place, at the same time as the usefulness of the project's coaching input is that players in the project create even better conditions for achieving their objectives. With clearly demarcated distinctions between the tasks and responsibilities of the managing authority, and what is encompassed in the role of being a project coach, this can benefit implementation at project level, and thereby contribute additional value to the project.

Annex 5 Composition of structural fund partnerships

Skåne-Blekinge

	Municipalities and County councils	Labour market organisations (6 units)	County boards	County labour boards	Social economy	Total
Skåne	5					
Blekinge	4					
Total number representatives	9	4	2	1	1	17
<i>Of which political representatives</i>	9					9

Småland and Islands

	Municipalities and County councils	Labour market organisations (6 units)	County boards	County labour boards	Social economy	Total
Gotland	2					
Jönköping	2					
Kalmar	2					
Kronoberg	2					
Total number representatives	8	3	2	1	1	15
<i>Of which political representatives</i>	8					8

Västsverige

	Municipalities and County councils	Labour market organisations (6 units)	County boards	County labour boards	Social economy	Total
Västra Götaland	5					
Halland	4					
Total number representatives	9	4	2	1	1	17
<i>Of which political representatives</i>	9					9

Östra Mellansverige

	Municipalities and County councils	Labour market organisations (6 units)	County boards	County labour boards	Social economy	Total
Södermanland	2					
Uppsala	2					
Västmanland	2					
Örebro	2					
Östergötland	2					
Total number representatives	10	4	2	1	2	19
<i>Of which political representatives</i>	10					10

Stockholm

	Municipalities and County councils	Labour market organisations (6 number)	County boards	County labour boards	Social economy	Total
Stockholm	9	4	2	1	1	
Total number representatives	9	4	2	1	1	17
<i>Of which political representatives</i>	9					9

Norra Mellansverige

	Municipalities and County councils	Labour market organisations (6 units)	County boards	County labour boards	Social economy	Total
Dalarna	3					
Gävleborg	3					
Värmland	3					
Total number representatives	9	4	2	1	1	17
<i>Of which political representatives</i>	9					9

Mellersta Norrland

	Municipalities and County councils	Labour market organisations (6)	County boards	County labour boards	Social economy	Sami Parliament	Total
Jämtland	5						
Västernorrland	5						
Total number representatives	10	4	3	2	1	2	22
<i>Of which political representatives</i>	10					2	12

Övre Norrland

	Municipalities and County councils	Labour market organisations (6)	County boards	County labour boards	Social economy	Sami Parliament	Total
Norrbotten	5						
Västerbotten	5						
Total number representatives	10	4	3	2	1	2	22
<i>Of which political representatives</i>	10					2	12

Annex 6 Conclusions from ex ante evaluation of the program

Parallel with the process of describing the program an independent ex ante evaluation of the program proposal was carried out. At the same time as the programme proposal was being drawn up, drafts were sent to the evaluator for views. The evaluator was invited and took part in meetings held between the Ministry of Employment and the group comprising labour market organisations. The aim was to contribute to the orientation and content of the programme as an important step in gaining support.

The evaluator submitted a number of views during the program description phase. These became valuable in determining the future design of the proposed contents of the program. For instance, it was claimed that analysis and description of programme areas were too broad, and lacking in priority (a lesson from the earlier programme period is that future programs should have stronger priorities in order to be able to contribute better value added). In overall terms, working out the programme proposal, including joint preparations of documents in the Government Offices, led to the determination of priorities: adequate skills in companies, better integration in working life, as well as the establishment of young people in working life. In this way the programme can be regarded as encompassing clear national priorities, at the same time as creating scope for applying a regional focus in the eight regions. It was considered to be important that regional conditions, problems and needs could be satisfied in the implementation of the programme. The indicators formulated reinforce nationally defined goals concerning results to be achieved from program implementation.

Another example is the view that the program should, amongst other things, focus on shortcomings in coordination concerning education and labour market issues at the regional level. This can be regarded as having been taken into account in the programme proposal, especially in Priority axis 2, by clearly defining the need for cooperation between different players in the description of the goals, for example, at the regional level, and these include representatives of public activities as well as tasks in labour market policy, social policy and education policy. Here players in the social economy as well as education players are regarded as important cooperation partners. This fact in combination not only with the value added the program was expected to provide, but also the criteria for program implementation, the program proposal can be expected to cover steering signals or components of benefit not only for the individual, but also involve players relevant to creating a better situation and solution to the specific problem. Projects are expected to have content which is supported by all participating project players wishing to cooperate over the project, but which is also of benefit for the development of their own activities. In this way the programme is expected to create value added for participating individuals, and at the same time contribute to the development of different cooperating players and their capacity to carry out tasks and achieve the goals where individuals with their support can strengthen their position in working life.

This is an important example of how viewpoints submitted during the drafting of the programme, and which were included in the final report from the evaluator, have been taken into account and influenced the program proposal. An important general comment concerning the necessity of learning from earlier program evaluations is that the program proposal as a whole covers the "building components" with direct reference to evaluations from earlier social fund programs. For instance, the choice of having the opportunity of a regional

orientation based on national frameworks and objectives, the model of applying at least one of the criteria for program implementation as decided on by an assessment of their applicability and value for project implementation.

The importance of learning from follow-up and evaluation measures has also been highlighted in earlier evaluations. For this reason, it is a requirement that all projects shall provide resources for this, and that planning should specify how follow up and evaluation, as well as learning and follow-up are to be included in the project planning stage.

Conclusions from ex ante evaluation

The work on the social fund program ("Nationellt strukturfondsprogram för regional konkurrenskraft och sysselsättning (ESF)" (National Structural Fund program for Regional Competitiveness and Employment (ESF)) was started in summer 2006, and until now the National Institute for Working Life has had the task during the process of carrying out an ex ante evaluation. When this summary of the evaluation report was written, no final version of the program was available. With this reservation, the comments below should be regarded as provisional since they are based on earlier versions. The summary covers three areas: The general orientation of the socio-economic analysis and "shortcomings" in linkages to program areas, unclear reasoning over the additional value created, as well as views from earlier evaluations of national social fund programs are not taken into account. Finally a number of shorter viewpoints will be presented on criteria and indicators.

The program is very open and general. This can be related to the socio-economic analysis, which is also of a general nature. The strengths and weaknesses of the Swedish labour force have been reported on in relatively great detail. The objection is that no specific problems are identified as the most central, nor are any of the most important strengths. Neither does the SWOT identify issues. The priorities which in other places are given prominence in the text: running a business, integration and the young, are not regarded in the analytical part as particularly important. The focus on entrepreneurship in later versions may be instrumental in illustrating this shortcoming. There are only short sections on running a business in various parts of the program text, and these are descriptive rather than analytical and of a fragmentary nature. In addition, examples concerning entrepreneurship, the social economy and social entrepreneurship emphasised in earlier program versions have been toned down. This is just one example of a lack of consistency between explicit priorities, the socio-economic analysis, and also how priority axes have been described.

Reasoning in the text concerning the value added from the programme is unclear. Sweden has a highly developed labour market policy, as well as internationally a high level of lifelong learning. The Social Fund with its relatively limited resources is to invest in these areas in Sweden, and this is the reason why a conscious approach is required to ensure that the initiatives do not get lost in this larger context. Now it is unclear in the program as to what value added is assumed to be created. Value added could have been related to established activities and administration, this would then have created the opportunity to discuss the capacity of the administration, problems of sectorisation of Swedish public administration, and shortcomings in regional coordination between the labour market and education. Such a detailed analysis of value added would have made it possible to use funds from the social fund to study the application of the current rules system in the areas of unemployment and social insurance, or examine how the linkage between work and education could be

strengthened regionally. Now the creation of value added is so unclear, that is not possible to put any focus on this.

Many of the views developed in the final report from this ex ante evaluation correspond with conclusions from evaluations of earlier national programmes in the Social Fund in Sweden: Objective 3 and Equal. These evaluations provide, amongst other things, priorities, strategic initiatives, simplicity and analysis of value added. The program is nevertheless general in nature and not typified by any delimitations. Part of this can be explained by the fact that the program is to be transformed into eight regional plans, where hopefully some of the experiences from the national evaluations can be used. If this is not done, the relatively ambitious formulations in the national programme also run the risk that different evaluation initiatives appear to be unrealistic. Just as important as describing the importance of evaluations is taking and discussing their results seriously.

In conclusion, a few words about criteria and indicators. Since the program has a general character and is open to regional initiatives and priorities, the criteria and indicators will also have a general dimension. There is little reason to discuss this in great detail, except to state that the general formulations must be understood as an inevitable consequence of how the Swedish Social Fund program is organised.