

## Summary of the Partnership Agreement for Sweden, 2014-2020

The Partnership Agreement (PA) of Sweden is the overarching strategic document covering the investments made from the European Regional Development Fund (ERDF), the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), together forming the European Structural and Investment Funds (ESIF). The PA outlines the way in which the financial means of these four funds will be used to help Sweden achieve its targets for smart, sustainable and inclusive growth.

The Partnership Agreement links the European perspective and the EU 2020 targets with the Swedish perspective based on Sweden's challenges and opportunities. Important starting points for the socio-economic analysis on which the Partnership Agreement is based are Sweden's national reform program of 2014, the country specific recommendations for 2014, the European Commission's position paper of 2012 as well as the evaluations carried out on the programmes of the 2007-2013 period.

To ensure that the ESIF are used in the best way, individually but also complementary, Sweden has chosen to focus on the following priorities strongly linked to the Europe 2020 objectives of smart, sustainable and inclusive growth:

- Foster competitiveness, knowledge and innovation;
- Strengthen the sustainable and efficient use of resources for sustainable growth;
- Increase employment, promote employability and improve access to the labor market.

These three priorities are tied to ten thematic objectives<sup>1</sup> that are to ensure that actions under the four funds will address specific challenges and help Sweden achieve the objectives of the Europe 2020 strategy. Details on the allocations per thematic objective are presented in Table 1.

### Programmes

The ERDF will be implemented through one national and eight regional operational programmes (OPs). The ESF will be implemented through one national OP for ESF and the extra allocation from the Youth Employment Initiative (YEI). Moreover, there will be one EAFRD and one EMFF programme. The three latter operational programmes will have subordinated regional action plans. In addition, there will be one multi-fund programme for Community Lead Local Development (CLLD)<sup>2</sup> which will be supported from ERDF and ESF.

### The European Regional Development Fund

The ERDF allocation for Sweden is approximately €945 million. 31% of the allocation will support actions under the thematic objective "Support to SMEs", 28 % the thematic objective "Research and innovation", 18% the thematic objective "Low-carbon economy", 10% the thematic objective "ICT" and 8% the thematic objective "Transport and infrastructures. The managing authority for the 9 ERDF programmes will be the same as in the previous period,

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<sup>1</sup> Sweden has chosen to finance investments under 10 out of the 11 possible thematic objectives, only the thematic objective of "Institutional capacity" has not been considered.

<sup>2</sup> This OP will be managed by the Board of Agriculture.

Tillväxtverket (The Swedish Agency for Economic and Regional Growth). The actions under the ERDF aim at fostering regional competitiveness and sustainable growth. National and regional efforts should be complementary and should create value within the regional growth policy and foster structural changing interventions in the priority areas of innovation, entrepreneurship and green economy.

Within the thematic objective "Research and innovation" the ERDF investments will help create strong research and innovation environments in order to strengthen the interaction between research and industry, to increase the commercialisation ability and to contribute to more innovation. The ERDF national and regional programmes are designed to complement national policies for regional smart specialisation strategies and strengthening research and innovation environments throughout the country.

Activities within the thematic objective "ICT" will contribute to providing businesses and organisations with access to high speed broadband. Priority is given to high capacity broadband in areas where commercial conditions for the deployment of broadband are missing. The analysis shows that access to high capacity broadband is important for growth, the ability to run a business and to provide good public services. Increased broadband deployment is needed in order to increase productivity and competitiveness in the sparsely populated areas. The investments under the rural development programme and the regional development fund is set up in such a way that they will complement and reinforce each other. The ERDF will support the interconnecting networks while investments in the rural development program will focus on connecting the end users. Broadband infrastructure measures financed from ERDF are only envisaged in the three northernmost regional programmes presenting a special challenge in relation to very sparse population and long distances.

Regarding the thematic objective "Support to SMEs", investments in this area will contribute to the strengthening of small and medium sized enterprises, which in turn contributes to the Europe 2020 objectives of research and innovation, and employment. ERDF interventions will help to promote entrepreneurship and develop businesses regionally and nationally. In order to have maximum impact from the interventions in the different programmes due consideration is given to specific regional conditions, collaboration across programme boundaries and borders, combination of entrepreneurship and innovation, as well as focusing on companies with growth potential. In this context, the PA is also underlining the importance of linking interventions to the smart specialisation strategies and priority areas in TO 1. Actions within the programmes will also help to develop small and medium sized enterprises' willingness and ability to internationalisation.

The PA also underlines the importance of a well-functioning capital supply for the creation and development of enterprises. Companies' need for capital should primarily be sought in the private market, but there are specific areas where the market fails to provide necessary complementary funding, in particular in early development phases. Thus venture capital projects, focused on equity capital, will continue to be conducted following the methodology of the 2007-2013 period by direct investment in SMEs coupled with private equity (in the eight regional programs). In addition, the national ERDF programme shall improve the supply of venture capital in general in the early stages and to promote the establishment of more private venture capital market operators.

The ERDF interventions within the thematic objective "Low-carbon economy" should help to promote a more efficient use of energy and use of renewable energy, as well as efforts to develop technologies to reduce emissions. ERDF will support SMEs' investments within these fields with a positive impact on the environment and contribute to increased energy awareness in the companies. Furthermore, ERDF will support networks, clusters and incubators for small and medium sized enterprises working with energy efficiency; a key issue for the programmes is the increased potential for commercialisation of innovation in the energy sector. In addition, development of strategies and plans for sustainable and energy efficient urban planning, favoring energy conservation and non-fossil energy, will be supported. Here, efforts will be made to support capital in companies whose activities contribute to the transition to a low carbon economy. A fund for early stage investments in companies, focusing on a low-carbon economy, will be established.

Investments under the thematic objective "Promoting sustainable transport and removing bottlenecks in key network infrastructures" will only be implemented in the two northern sparsely populated areas (NSPA). Good accessibility and an efficient transport system are of great strategic importance for Sweden. In the sparsely populated parts of the country investments in transport infrastructure is of great significance to the environment and the business community, in order to achieve to increased labor mobility and access to markets. The long distances also mean that the regions have a high dependence on fossil fuels and road transport. The ERDF interventions in this area will contribute to sustainable transport solutions that facilitate business connections and facilitate labor mobility. Focus will be on improved capacity of the existing transportation system, with respect to identified bottlenecks, connection to the TEN-T network, multimodal solutions and reduction of greenhouse gas emissions.

### **European Social Fund**

The ESF allocation for Sweden is €774 million, plus a specific Youth Employment Initiative (YEI) allocation of € 44 million for three of Sweden's eight NUTS 2 regions. The ESF allocation is 45 percent of the allocation for the Structural Funds, up from 42.5 percent in the earlier period. The PA describes the use of the ESF closely related to the Country Specific Recommendations for Sweden and the Commission's Position Paper (CPP) from 2012: To support measures that help increase labour market participation and social inclusion for vulnerable groups, especially the youth and persons with an immigration background.

Over 70 percent of the ESF and YEI allocation will be invested in labour integration of people at the margins of the labour market. Labour integration pathways, (re)-training, and individual coaching will be the most prominent tools used. The actions funded through the ESF are complementary to the relevant national policy instruments. Twenty percent of the ESF allocation is used to support activities within the thematic objective "Promoting social inclusion and combating poverty", namely through active inclusion measures to improve employability of the most vulnerable groups. The remainder of the ESF investments will go to enterprises and employees to create conditions that enable workers to stay in current or new employment longer, mainly through measures for lifelong learning.

Most of the ESF allocation, and the specific YEI allocation, will be handled in one single national OP that comprises €810 million of Union support. Under the single national OP there will be eighth regional action plans, that will ensure that the ESF supported measures and the YEI supported measures will be fully adapted to the regional specifics. It will also

help ensure the coordination with ERDF supported measures in the regions. The authority involved in managing and controlling the ESF will be the same as already established in the previous period, Rådet för europeiska socialfonden i Sverige (The ESF Council). The Managing Authority has eight regional offices.

The OP for ESF and YEI will focus the support on the following investment priorities: Sustainable integration of young people into the labour market, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee. Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, e.g. through local employment initiatives and support for labour mobility. Active inclusion to improve employability, including to promote equal opportunities and active participation.

Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula, dual learning systems and apprenticeship schemes. Enhancing access to lifelong learning for all age groups, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways, including through career guidance and validation of acquired competences.

### **The European Agricultural Fund for Rural Development**

The EAFRD allocation to Sweden is € 1763 million. The EAFRD will allow support to increase the level of expertise of farmers and other enterprises in rural areas as well as the cooperation between businesses. This increase can lead to business developments, more enterprises in rural areas, the strengthening of competitiveness and attractiveness in the form of more favourable conditions for the development of rural areas. Through the EAFRD the setting up of operational groups composed of actors dealing with innovative solutions is supported, these groups are aiming for developing and testing. This effort in the innovation field is seen as important for long-term competitiveness. Support is also made available with the EAFRD to allow more young people to enter the agricultural sector. Further priorities are included to reduce the digital divide between rural and urban areas by increasing the availability of broadband networks reaching the end-user. Natural and cultivated habitats are important for innovative development and the attractiveness of regions. Activities may therefore be made with the help of the EAFRD to further develop entrepreneurship, self-employment and attractiveness of rural areas. Through the EAFRD the use and development of local resources and local specificities can lead to new product possibilities and the opening up of new markets. There will also be efforts to protect the Swedish added values, including a high level of animal welfare and good animal health and environmentally responsible farming.

The EAFRD is aiming at strengthening the sustainable development of rural areas in order to tackle environmental problems and climate change and to contribute to the sustainable management of natural resources. Production of biogas and increased energy efficiency and the reduced use of fossil energy in agriculture are important areas to support. Farmers are encouraged to improve air quality by reducing emissions. Open landscapes are seen as crucial for viable rural areas, and these include elements of wetlands and ponds which are supported

by the EAFRD. An important action is also to allow forest biological diversity to be maintained. Activities under the rural development fund include the conservation of grazing areas, biotopes, reduction in discharges of nutrients into the air and water and the reduction of the risks of plant protection products. Support will also be targeted to organic production, as well as farming in mountain areas and other areas with significant natural constraints.

Rural areas are rich in local resources and the EAFRD is aiming at supporting the use of these resources in a sustainable way. There are attractive natural and cultural heritage values which impact on, *inter alia*, tourism. Access to well-developed infrastructure and a good general level of service are essential conditions for a favourable development of rural areas. The EAFRD is therefore aiming at supporting activities to be carried out in order to contribute to the attractiveness of rural areas through increasing services, cultural and leisure activities, tourism and the development of natural and cultural heritage.

The Swedish countryside is characterised by strong local involvement which helps to find effective solutions based on an integrated approach. Sweden is putting effort into a new concept of promoting multi-fund community-led local development (CLLD) which is particularly interesting as it also allows local communities to take ownership of the objectives of the Europe 2020 strategy. Within all funds, action for community-led local development will be implemented.

### **European Maritime and Fisheries Fund**

The total EMFF allocation for Sweden is €119.5 million. The main objective is to support the implementation of the Common Fisheries Policy reform, thereby ensuring a sustainable development of fisheries and aquaculture. This includes, for example, support to the development of selective fishing gears and environmentally friendly production methods and promotion of the protection of the marine environment. Support will also be provided to strengthen technological development, innovation and knowledge transfer. Besides, significant EMFF allocations will be used to reinforce the control and enforcement of the common fisheries policy (CFP) and to improve the supply of scientific knowledge and data collection. Finally, EMFF will support the promotion of economic growth, social inclusion and job creation in communities depending on fisheries. The EMFF support to Sweden will be managed through a single operational programme, which currently is under development. Mechanisms will be put in place to ensure coordination with the other ESI-funds, notably as regards local development (CLLD). The managing and controlling authority will be the same as for the previous period, Jordbruksverket (The Swedish Board of Agriculture).

**Table 1: Allocation breakdown by thematic objective and by fund (except territorial cooperation) in Euro, Union support**

Thematic objective	ERDF	ESF	CF	EAFRD	EMFF	Total
01. Strengthening research, technological development and innovation	261,129,752.00	0.00	0.00	73,768,138.00	0.00	334,897,890.00
02. Enhancing access to, and use and quality of, information and communication technologies	95,342,503.00	0.00	0.00	156,956,567.00	0.00	252,299,070.00
03. Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)	296,128,381.00	0.00	0.00	184,001,391.00	19,964,243.00	500,094,015.00
04. Supporting the shift towards a low-carbon economy in all sectors	169,998,797.00	0.00	0.00	27,477,058.00	0.00	197,475,855.00
05. Promoting climate change adaptation, risk prevention and management	0.00	0.00	0.00	500,585,202.00	0.00	500,585,202.00
06. Preserving and protecting the environment and promoting resource efficiency	0.00	0.00	0.00	500,585,202.00	82,925,374.00	583,510,576.00
07. Promoting sustainable transport and removing bottlenecks in key network infrastructures	76,434,084.00	0.00	0.00	0.00	0.00	76,434,084.00
08. Promoting sustainable and quality employment and supporting labour mobility	0.00	379,901,990.00	0.00	28,880,008.00	11,769,964.00	420,551,962.00
09. Promoting social inclusion, combating poverty and any discrimination	8,164,785.00	154,876,201.00	0.00	178,325,818.00	0.00	341,366,804.00
10. Investing in education, training and vocational training for skills and lifelong learning	0.00	206,830,954.00	0.00	49,325,412.00	0.00	256,156,366.00
11. Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration	0.00	0.00	0.00	0.00	0.00	0.00
Technical assistance	37,799,928.00	32,740,509.00	0.00	63,410,454.00	4,886,769.00	138,837,660.00
<b>Total</b>	<b>944,998,230.00</b>	<b>774,349,654.00</b>	<b>0.00</b>	<b>1,763,315,250.00</b>	<b>119,546,350.00</b>	<b>3,602,209,484.00</b>

**Table 2: Allocation to ESIF programmes**

<b>Programme</b>	<b>ESI Fund (ERDF, ESF, Cohesion Fund, EAFRD EMFF or YEI)</b>	<b>Total Union support, Euro</b>
2014SE05M9OP001 – Youth Employment Initiative	YEI	44,163,096.00
2014SE05M9OP001 – European Social Fund OP	ESF	766,006,388.00
2014SE16M2OP001 – Community Led Local Development	ESF	8,343,266.00
2014SE16M2OP001 – Community Led Local Development	ERDF	8,504,984.00
2014SE16RFOP001 – Skåne Blekinge OP	ERDF	61,018,878.00
2014SE16RFOP002 – Småland och Öarna OP	ERDF	66,020,424.00
2014SE16RFOP003 – Västsverige OP	ERDF	56,017,329.00
2014SE16RFOP004 – Östra Mellansverige OP	ERDF	70,021,662.00
2014SE16RFOP005 – Stockholm OP	ERDF	37,011,451.00
2014SE16RFOP006 – Norra Mellansverige OP	ERDF	147,045,490.00
2014SE16RFOP007 – Mellersta Norrland OP	ERDF	154,047,657.00
2014SE16RFOP008 – Övre Norrland OP	ERDF	212,065,605.00
2014SE16RFOP009 – National Programme	ERDF	133,244,750.00
2014SE14MFOP001- Maritime and Fisheries Programme	EMFF	119,546,350.00
2014SE06RDNP001 – Rural Development Programme	EAFRD	1,763,315,250.00
<b>Total</b>		<b>3,646,372,580.00</b>