

Gaining leverage from the European **Social Fund**

Structural Fund period 2007–2013



European Union
European Social Fund

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Gaining leverage from the European Social Fund

Have you been unemployed for a long time?
Did you miss out on school for some reason
or drop out of education? Would you like to,
and be able to, work despite your challenges?
Looking for suitable employees to your
firm? Planning to set up your own business?
Considering how to develop your business?
Programmes financed by the European Social
Fund (ESF) may provide the solution.

The ESF programme was designed to make human investments, i.e. to support projects that promote employment and knowledge. Financing is used to improve the prospects of success for people at a disadvantage and promote equal opportunities. In Finland, the Fund helps improve employment and job prospects and boost job creation.

The ESF programme provides financing for projects in which long-term unemployed and disabled people receive training so that they can return to work. The objectives include the promotion of employment, staying at work, and the prevention of social exclusion.

The ESF supports entrepreneurship and the development of businesses and improves the functioning and productivity of work organisations in a sustainable manner.

The ESF programme also finances structural projects that affect large groups of people in the long term. Examples of such projects include the revamping of educational systems and curricula. The objective is to improve the responsiveness of training and education to the needs of the labour market and to make it easier for graduates to join the labour market and for the adult population to participate in training.

ESF and ERDF work for a better Finland

The EU's regional and structural policy is implemented through national development programmes.

The European Social Fund (ESF) supports the Member States' operating principles, which follow the guidelines and recommendations of the European Employment Strategy.

The programme helps promote economic and social cohesion throughout the European Union.

In addition to the ESF programme, the EU participates in the development of Finnish regions with resources from the European Regional Development Fund (ERDF). The Fund supports projects that develop businesses, the creation of innovations, networking, knowledge, and the accessibility of areas.

EU programmes and financing are geared to improving Finnish knowledge, employment, and competitiveness. The objective is Finland with jobs, skilled people, a favourable atmosphere for new ideas, successful enterprises, as well as a good environment in which to make a home, to live and work.

Outcomes and impacts

The implementation of plans is controlled. The effectiveness and efficiency of the ESF programme is monitored annually.

Solutions for life from the Kuopio Area Pathway to Employment

The four-year ESF project "Kuopio Area Pathway to Employment II" commenced in February 2004. The objective was to find life solutions for unemployed jobseekers in Kuopio and Siilinjärvi whose unemployment has been prolonged for some reason. Solutions were sought through vocational training and employment, among other things. The tools used in the Pathway to Employment included individual guidance, different types of preparatory training, skills identification periods, practically-oriented training leading to partial vocational degrees,

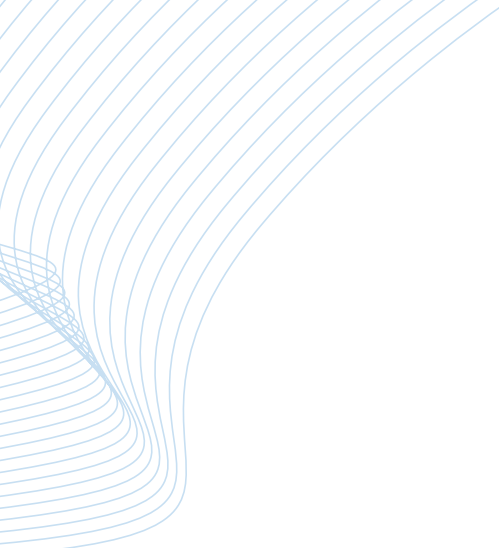
cooperation with enterprises, and networking.

The municipalities of Kuopio and Siilinjärvi and the Employment and Economic Development Centre of North Savo participated in the project, which was managed by the Savo Vocational College. According to project manager **Pertti Haapakorva**, the share of the Employment and Economic Development Centre in financing was EUR 935,000, the share of the municipalities was EUR 165,000, and the Labour Administration contributed EUR 3.62 million. Of the 780 people who have participated in the

Pathway to Employment, 123 have found a job, 209 currently participate in training, and one has set up a business.

Towards the labour market via partial degrees

Helena Huovinen became interested in the "Seize Your Opportunities" training of the Pathway to Employment project. She noticed during an on-the-job training period that she liked working with people. Her interest in nursing and the good employment situation in the care



Both quantitative and qualitative indicators, which describe the progress of the programme by priority axis, have been specified for the ESF programme.

Quantitative objectives include the promotion of knowledge and job prospects for 450,000 people with resources from the European Social Fund and associated national resources in 2007–2013. The objective is to create 7,000 new businesses and 12,000 new jobs during the seven-year operating period.

Qualitative effectiveness is monitored by means of different surveys, studies, and barometers directed at the participants and trainers. These indicators are related to the improvement of the skills and knowledge of project participants, their employment placement after the project has ended, cooperation

networks, the created operating models, and the practices and innovations, as well as the promotion of equal opportunities.

Financing for seven years

The third programming period of the European Social Fund started in 2007 and will end in 2013. Financing has been allocated separately for each year.

Information on the different financing opportunities for projects can be obtained from the Employment and Economic Development Centres, the Regional Council and the State Provincial Office of your area. Financiers announce the call for proposals for financing annually both on their own web sites, and in national and regional newspapers.

sector encouraged her first to apply for a traineeship and then for paid work in a private home care enterprise. "I applied and was admitted to the Pathway to Employment project to receive a six-month training course in nursing and care. At first I was a bit worried because 40 years had passed since I last studied anything. I am now employed in the home for the elderly where I practised during my training and I have applied for training to become a practical nurse," explains Helena Huovinen, happy at finding her calling.



National and regional ESF projects

Two European Social Fund programmes are implemented in Finland in 2007–2013: one for mainland Finland and one for the Åland Islands. The programme for mainland Finland is divided into two structural sections: a national section and a regional section.

The national programme section does not cover the whole of Finland despite its name, as Eastern Finland is excluded. Eastern Finland has been provided with a specifically-tailored financial framework that will be monitored separately due to the special position of this area. However, Eastern Finland may participate in the national section if it so decides within its own financial framework.

The regional section is divided into the major regions of Southern, Western, Eastern, and Northern Finland, so that the areas can better be developed in accordance with their special characteristics. Eastern Finland also forms a particular transitional area in the regional section.

The Porvoo work pool brings together companies and jobseekers

Jobseekers and companies needing labour do not always meet. To solve this problem, the Eastern Uusimaa Work Pool was established in 2001. Employees are employed in companies that belong to the pool and they receive training for their new jobs if necessary. For their part, employers receive suitable employees for their needs more easily.

The work pool is a consortium set up by companies and the labour administration, which started operating in 2001. In five years,

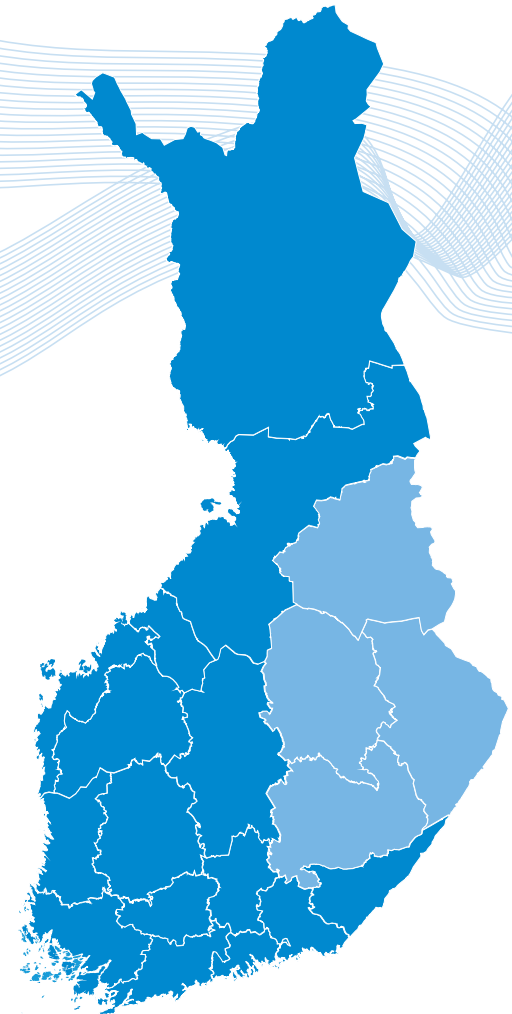
around 30 companies have joined the work pool and it has been possible to organise around 900 jobs in the pool companies. The project is coordinated by the Porvoo region's New Entrepreneurship Centre and it is financed by the European Social Fund, the T&E Centre and the companies that are part of the work pool.

"We secure the operating potential and competitiveness of companies needing a seasonal work force through a very favourable employment acquisition and training model,"

explains project manager **Martti Villanen**.

"In addition to temporary employment, 142 employees have been made full-time in the companies during the years the programme has been operational." The work pool has also developed temporary work so that employees can work in three companies belonging to the pool in several part-time jobs, even alternately, without losing their own benefits.

The network that operates from East Helsinki to Loviisa has carried out diverse coopera-



National projects are based on development activities described in the priority axes. Projects in the regional sections are primarily based on the development needs arising from the areas' operating environments and follow the priority axis structure of the national section. Regional Management Committees coordinate the activities at a regional level, whereas Employment and Economic Development Centres coordinate and monitor the implementation of ESF projects at the level of major regions.

The urban dimension is included in the regional section of the ESF programme in Southern and Western Finland. In Eastern and Northern Finland it is integrated in the priority axes.

tion to advance employment. "The labour market organisations have been especially good in developing the pool's activities together with companies. Pension insurance companies, banks and other financial institutions have also been involved in the project," says Villanen.

"When my temporary job in the day-care centre came to an end, I looked on the job centre's website to find out about employment and training opportunities," says **Noora Lindelöf**. "I study process engineering, so the opportunity

offered by the work pool to train to become a refrigeration equipment mechanic was just right and suited my life situation," explains the 29-year-old mother of two. In between theory periods at the adult education centre Edupoli, Noora is training as a fitter of Norpe's refrigeration equipment. The training will continue as local employment and Noora hopes to be made permanent at Norpe. "After doing temporary work and maternity leave, it is nice for me to get some training that will lead to a permanent job."







Financing is allocated by priority axis

The ESF programme for mainland Finland consists of five priority axes (axes 1–5) during the Structural Fund period 2007–2013. The priority axes were designed to make it easier to allocate financing. They are based on the national Structural Fund strategy and the ESF Regulation.

Priority axis 1 develops entrepreneurship and businesses as well as the skills of personnel and work organisations. A particular aim was to improve the preparedness of SMEs and personnel to adapt to the restructuring caused by global economy and labour force ageing. The aim is to ensure the retention of employees at work and the availability of a skilled labour force. The priority axis also promotes equality at work in general and equal opportunities for both genders at work in particular.

Priority axis 2 aims to decrease structural unemployment. Special actions will be taken to combat prolonged unemployment

and its consequences, but another aim is to decrease the drop-out rates of young people and prevent social exclusion. The support helps to prepare for changes in the age structure and the availability of labour force.

The objective of priority axis 3 is to improve the matching of education and the labour market, the transfer from education to work, and the skills required in the labour market. The main emphasis is on the development of different systems, such as employment service, information, guidance and counselling systems as well as learning models that boost creativity.

Priority axis 4 focuses on cooperation between Member States and regions in ESF activities. The objective is to increase European cooperation in labour market policy, education and training policy, and industrial policy by promoting employment-based immigration.

Priority axis 5 provides technical support for activities related to preparation, management, monitoring, evaluation, information, and control. Support is also used for the improvement of the administrative skills related to the implementation of the ESF programme.

Breakdown of funding

The ESF programme is financed by the Social Fund, the State, municipalities, and the private sector. The EU provides the programme with approximately EUR 615 million in ESF financing. Approximately EUR 799 million is allocated to the programme in national public financing.

Funding from the ESF programme, broken down by type of activity (EUR millions)

Type of activity	ESF funding	National public funding	Total	EU funding share
1: Development of labour organisations, the employed labour force and companies, and boosting of entrepreneurship	194	249	443	44 %
2: Promotion of employment and remaining on the labour market, and prevention of marginalisation	193	255	448	43 %
3: Development of skill systems, innovation systems and service systems that improve the working of the labour market, and development of service systems	167	213	380	44 %
4: Cooperation between Member States and regions in ESF operations	37	49	86	43 %
5: Technical support	25	32	57	44 %
Total*	615	799	1414	44 %

*) Due to rounding error, the figures for different types of activity do not sum up exactly. Figures are indexed.

From an idea to a plan

Instructions for ESF project planners

If you have an idea for a project that could be financed partly from the EU's Social Fund, you can test your idea by answering the questions: why, what, for whom, how, who, when, and where. Identify the need and the demand for the project plan by discussing them both within your own organisation and with other actors, who may then become your partners. By doing so, you will also establish a network that will provide support to your project in the future.

Why is it important that your idea and plan be implemented?

Show the added value that the implementation of your plan will bring to the beneficiaries (participating individuals, enterprises, organisations) and your own organisation. Discuss with the management of your organisation what will happen to the new action models and practices that will have been developed in accordance with the plan when the ESF project ends. Make sure that your plan fits in with the strategic targets of your organisation so that the implementation of the project will develop and improve your organisation.

What does it take to attain the objectives?

Write down clearly what must be done in order to attain the objectives specified in your plan. Check that the measures listed in your plan can be implemented in accordance with legislation. Ensure that the measures included in your plan are based on a careful analysis of the project's beneficiaries and operating environment.

Who will benefit from your plan and who will be able to help you?

Consider carefully for whom your plan is designed and how you will be able to involve them. Identify the actors that could help you access the beneficiaries. Identify the actors that you must involve in order to implement the project plan.

How, when, and where will your project be implemented?


Prepare a preliminary project action plan, including the schedule and resources.

Instructions for applicants for ESF funding

Funding through the European Social Fund can be applied for, for projects that are included in the objectives of any of the priority axes.

The application must clearly show that:

- the content of the plan corresponds to the content of the priority axis of the ESF programme from which funding is applied, and the plan meets the requirements of the call for proposals;
- the plan includes a concrete description of the measures to be offered to the project's participants and how they will promote the attainment of the objectives;
- the project's implementation schedule is realistic and feasible, and you are able to assume responsibility for project management;

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- the defined objectives are in proportion to the skills of the projects' participants and the restrictions set by the operating environment;
 - the plan is cost-effective in that it will provide good quality with reasonable eligible expenses;
 - the organisation responsible for implementation and the cooperation partners will be able to fulfil the requirements related to the management of an ESF project;
 - the plan describes how the attainment of the project's objectives will be monitored.
- cooperation with the organisation's financial administration has been organised so that the requirements of the ESF can be taken into consideration in accounting and financial follow-up;
 - the monitoring system of your project makes it possible to monitor project participation, outcomes, customer feedback, impacts, and the identification of good practices so that you will be able to report them regularly to the financier;
 - you provide information on the project efficiently and spread the outcomes and good practices of the project.

Instructions for implementers of ESF projects

Make sure that:

- you read the project decision, its terms and conditions and the delivered annexes carefully, because these documents will direct the implementation of your project;
- you document and file all project measures in order to guarantee a sufficient basis for the verification of the eligibility of expenses;

Additional information on project planning and applying for financing can be obtained from regional Employment and Economic Development Centres, State Provincial Offices, Regional Councils, and the Ministry of Social Affairs and Health. Their contact information is given on page 15 of this leaflet.



For whom is the ESF programme designed?

Municipalities, the business development organisations of municipalities, enterprises, educational institutions, development organisations, associations, foundations, and other legally competent corporations may apply for financing from the European Social Fund.

Enterprises can make initiatives and proposals, for example, to the business development companies of municipalities or educational institutions in order to implement their development projects.

Actors are guided by the principles of fair play

Attention is paid in all EU activities to equal opportunities, partnership, and sustainability. For the whole of Finland to prosper, it is important to develop the vitality of environments, take care of sparsely populated rural areas, and strengthen the dialogue between urban and rural areas.

Impacts on the environment, cooperation and equal opportunities under the spotlight

Environmental impact assessment is an essential part of projects financed from the Structural Funds. The best outcome from the environmental perspective can be attained

when the projects' environmental impacts - whether positive or adverse - are identified as early as in the project selection phase.

Cooperation between the authorities, businesses, associations, and other actors is carried out in all phases of the projects. Partnership is encouraged in both project planning and implementation.

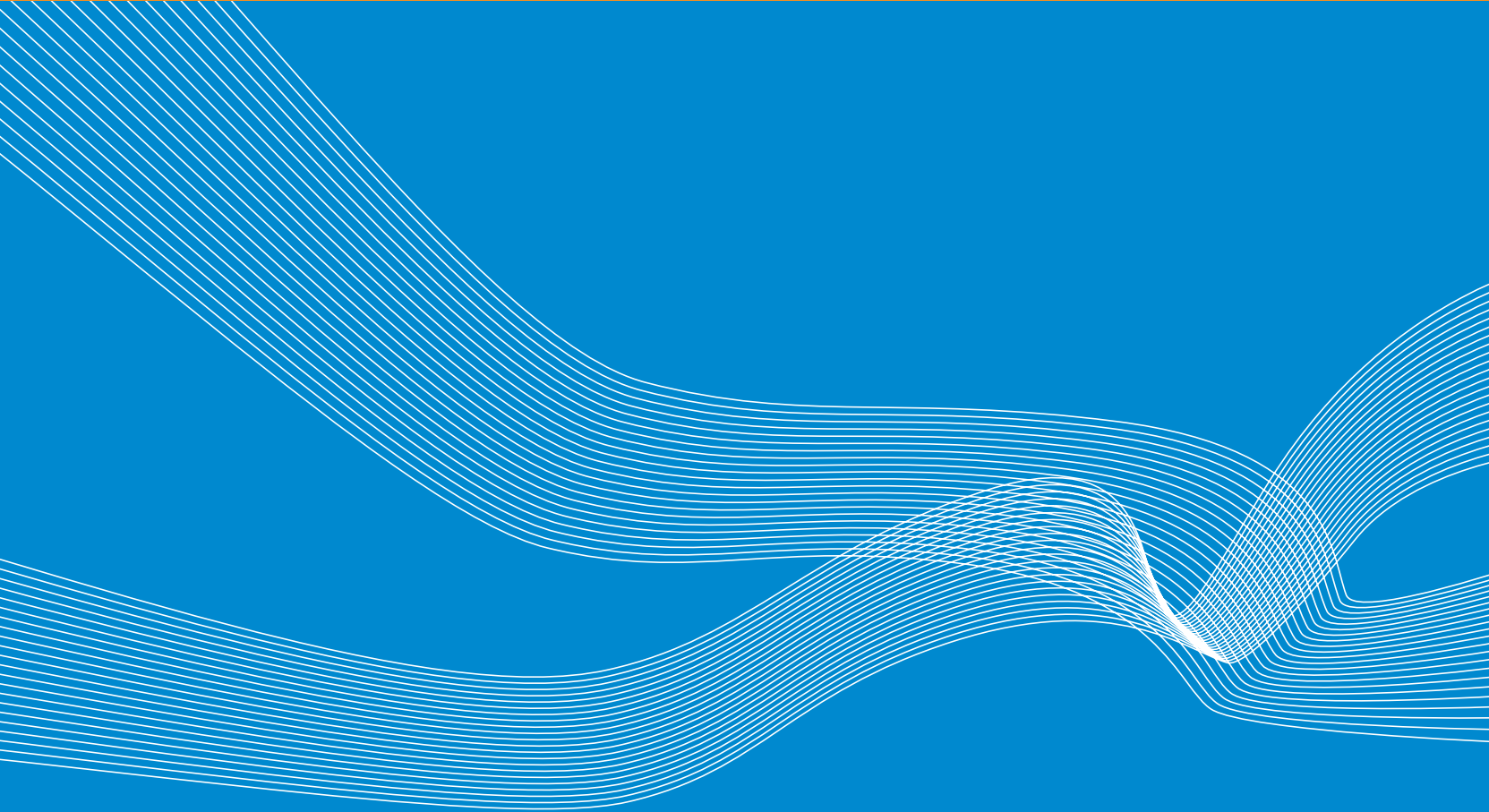
EU projects encourage the promotion of equal opportunities for both genders and for all age and population groups. Equality is one of the basic principles of the Finnish welfare society.

Efficient interaction between urban and rural areas

Rural development is supported from the European Union's Structural Funds. The objective is to promote the vitality of rural areas by improving the availability of private services and creating new enterprises in the areas. Attempts are made in sparsely populated areas to remove obstacles to development and other disadvantages, and to improve the attractiveness of areas.

The projects generate interaction between rural and urban areas, which is beneficial to both parties. Areas in the vicinity of large cities can increase recreational activities related to housing and leisure time that will attract urban citizens.

ESF activities also stress social innovations and the position of small actors.



www.structuralfunds.fi

State Provincial offices
www.laaninhallitus.fi

Regional Councils
www.reg.fi

Employment and Economic
Development Centres
www.te-keskus.fi

Ministry of Education
www.minedu.fi

Ministry of the Interior
www.intermin.fi

Ministry of Social Affairs and Health
www.stm.fi

Ministry of Employment
and the Economy
www.tem.fi



Leverage from
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