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COUNTRY FICHE

SWEDEN [SE]

A wide range of Territorial Delivery Mechanisms were used in Sweden. Domestic priorities for integrated approaches to urban development and EU-funded Sustainable Urban Development (SUD) strategies were closely aligned. The national Agency for Economic and Regional Growth (Management Authority for ERDF) worked with the National Board of Housing, Building and Planning, the Swedish Energy Agency, the Swedish Environmental Protection Agency, and the Swedish Transport Administration to create a platform for cooperation, coordination, and knowledge sharing on SUD initiatives.

Decisions on the specific mechanisms for SUD were made at the regional level, resulting in three different implementation approaches in the main cities. Stockholm chose a strategy implemented through a dedicated Operational Programme (SUD OP), Gothenburg opted for a strategy implemented through Integrated Territorial Investment (SUD ITI), and Malmö implemented a strategy through a priority axis of an Operational Programme (SUD PrAx). All of these used ERDF as the primary source of funding. Additionally, 42 Community-led Development strategies were deployed, combining ERDF, European Social Fund (ESF), and European Agricultural Fund for Rural Development (EAFRD) funding streams.

POPULATION	STATE TYPE
9.99 million	Decentralised

NATIONAL ESIF BUDGET

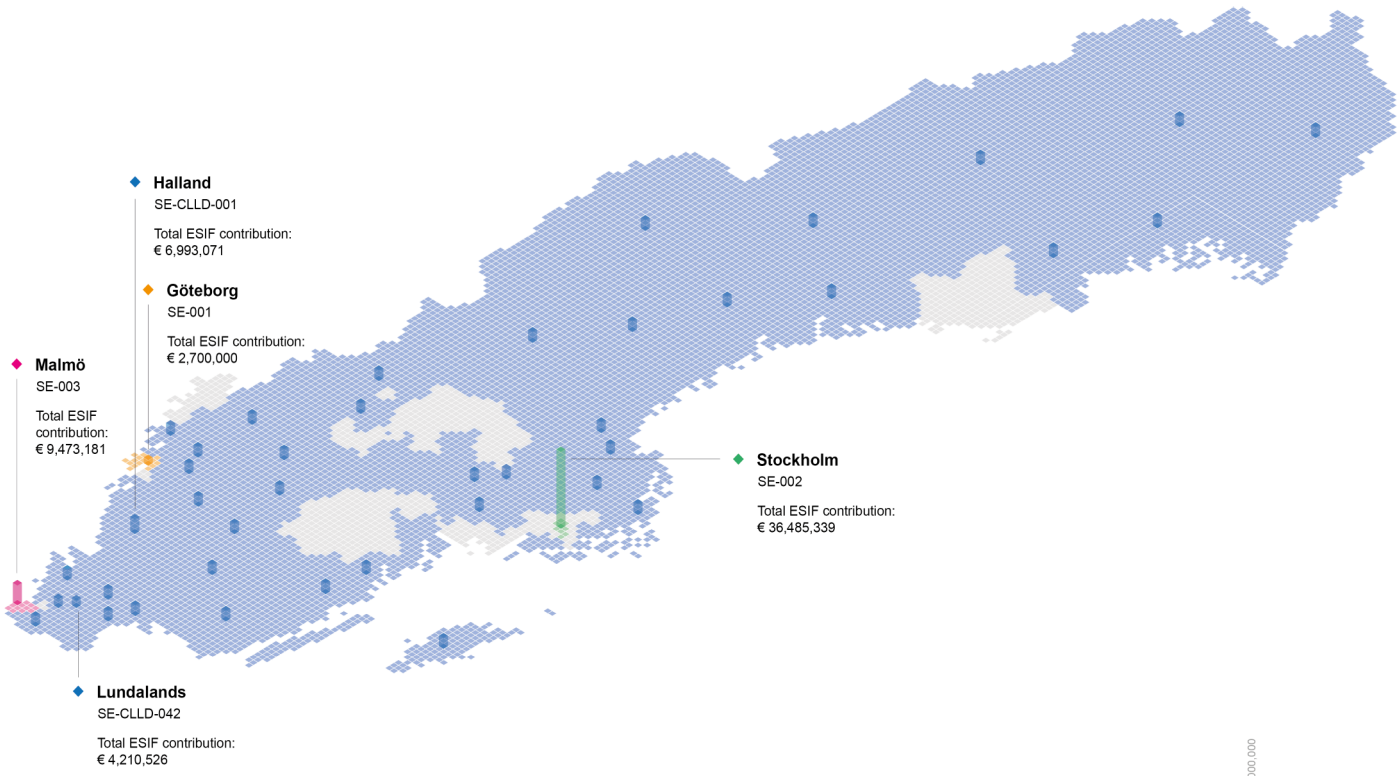
EU Contribution (EUR)	€ 4,615,105,339
National Contribution (EUR)	€ 3,362,071,842
Total Contribution (EUR)	€ 7,977,177,181

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation[2]	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	1	ERDF	3.4%	87%
SUD (Art. 7) Priority Axis	1	ERDF	1%	77%
Integrated Territorial Investment (ITI; SUD)	1	ERDF	0.2%	92%
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	42	ERDF, ESF EAFRD	1%	62%
TOTAL	**45**	**-**	**8.6%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



SE

Description

Geographical distribution of strategies per type of TDM, with an indication of the amounts of the respective ESIF contributions. For each type of TDM, strategies with the highest and the lowest amounts of funding are indicated.

Source: STRAT-Board (JRC, n.d.).
Note: There may be discrepancies between data from STRAT-Board and from other data bases.

Legend

= SUD (Art. 7) Operational Programme
= SUD (Art. 7) Priority Axis
= Integrated Territorial Investment (ITI; SUD)
= Community-led Local Development (CLLD)

Scale

€ 5,000,000
€ 10,000,000
€ 50,000,000
€ 100,000,000

GOVERNANCE CONTEXT

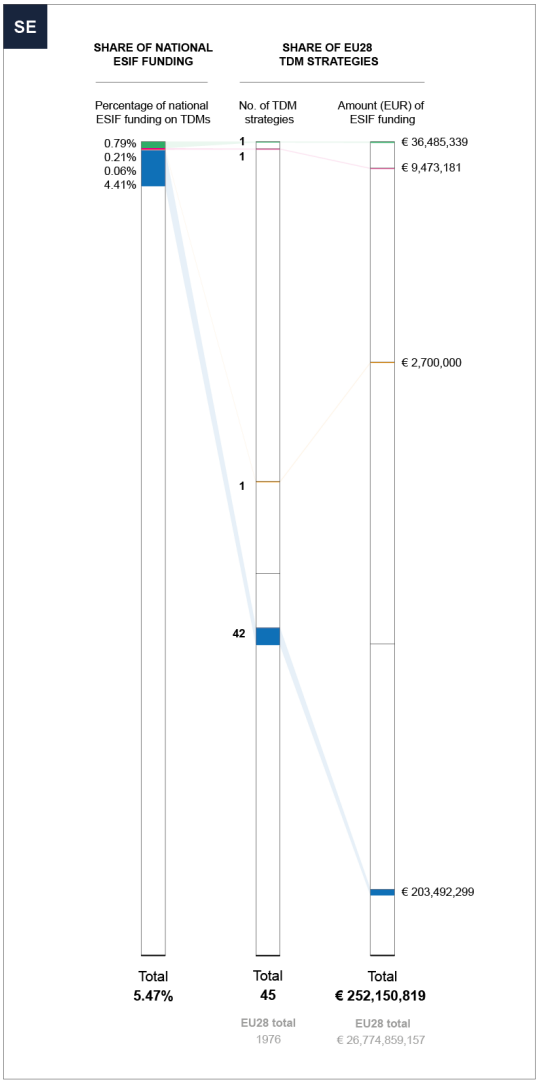
Sweden's territorial administration system has three tiers and is decentralised. There are 21 regional authorities, known as regioner, which formally act as the governing bodies for their respective regions. The regions are responsible for public health, culture, public transport, as well as regional growth and development. Meanwhile, the 290 municipalities (kommuner) have a broader range of responsibilities, including transport, social welfare, education, urban planning and building matters, emergency and rescue services, health protection, environmental protection, waste and water management, and housing. Collaboration between public authorities, private sector actors, and civil society is a key feature of Sweden's territorial governance, involving partnerships between regional agencies, municipalities, and other organisations.

COHESION POLICY CONTEXT

In 2014-20, Sweden implemented 11 Operational Programmes (OPs) under EU Cohesion Policy. Of these, 8 regional programmes and one national programme were funded by the European Regional Development Fund (ERDF)—the National Regional Fund Programme for Investments in Growth and Jobs 2014-2020. Additionally, one national programme was funded by the European Social Fund (ESF), with extra support from the Youth Employment Initiative (YEI). There was also one national multi-fund OP on Community-Led Local Development, financed by both the ERDF and the ESF.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The whole bar represents the total allocation of ESIF for TDMs in the EU28. Please note that STRAT-Board data set is not always complete and correct. There may be discrepancies between it and other data bases.

Sustainable Urban Development (Art. 7) Operational Programme

A single SUD OP strategy was implemented in Stockholm. This was the largest Territorial Delivery Mechanism strategy in Sweden in budgetary terms. The regional programme for Stockholm was entirely focused on implementing SUD, aligned with the regional development strategy, RUFS 2050. While the OP was funded by the ERDF, SUD operations in Stockholm were also supported by ESF-funded Regional Action for Stockholm.

The strategy covered the entire Stockholm Functional Urban Area (FUA), corresponding to the NUTS 2 region, without further territorial demarcation. The programme's formulation involved all municipalities within the FUA, brought together through the Stockholm Structural Funds Partnership, which was responsible for prioritising EU-funded projects in the region.

There was a clear intervention logic for the programme. The integrated approach to SUD aimed to foster links between the research and innovation sectors and firms within the metropolitan area, with the SUD OP strongly tied to the Smart Specialisation Strategy (S3). A shared needs analysis informed both initiatives, and the SUD OP was viewed as a tool to operationalise the S3 strategy. However, challenges were noted in ensuring coherence between the SUD OP and local urban strategies.

A key limitation was the difficulty in developing larger, more integrated strategic operations due to limited funding. Additionally, the SUD OP triggered limited governance innovation, as strong regional partnerships between municipalities already existed. The involvement of other urban actors was somewhat less prominent than in other SUD strategies in Sweden.

However, a new dialogue between the Managing Authorities for the ERDF SUD OP and the ESF OP was established, fostering a collaborative approach to urban challenges. Innovative stakeholder engagement methods, such as 'urban games', were also introduced. In line with the 'Stockholm model', which included a mobilisation group for city authorities and local actors, there was a strong emphasis on involving the private sector in smart specialisation. Nevertheless, the inability to integrate ERDF and ESF measures, along with limited funding, hindered the mobilisation of some actors.

ERDF funding was primarily allocated to support Small and Medium-sized Enterprises (SMEs), with €16.4 million, and to promote research and innovation, with nearly €15 million. A smaller amount, €3.2 million, was allocated to promoting a low-carbon economy.

By the end of 2022, 87% of ERDF resources committed to the SUD OP in Stockholm had been spent on projects, slightly outperforming mainstream Cohesion Policy programmes, where 81% of ERDF and CF funding had been implemented by the end of the same year.

Sustainable Urban Development (Art. 7) Priority Axis

Sweden's only SUD PrAx strategy was implemented in Malmö, funded by the ERDF. The strategy was carried out under Priority 5 of the regional OP Skåne-Blekinge, focusing on sustainable urban and community development. This priority targeted strengthening research, technological development and innovation, and enhancing the competitiveness of SMEs, with corresponding ERDF allocations of €8.7 million

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

and €1 million. To be eligible for funding, projects had to align with both Malmö's cross-sectoral sustainable urban development plan and the Skåne-Blekinge regional OP. The Municipality of Malmö was responsible for prioritising applications submitted to the Managing Authority before they were approved by the regional Structural Funds Partnership.

An application process was established, allowing various project owners, including different municipal departments, to apply for funding. This approach enabled those with direct, hands-on experience of specific needs to design and implement projects, promoting a bottom-up approach to funding allocation. It fostered a collaborative working environment for project leaders, who typically worked in isolation, and provided department directors with better oversight for planning and coordination (Fioretti et al., 2021).

The strategy's focus on designated areas within Malmö's administrative boundaries limited efforts to strengthen functional linkages. The specific territorial delimitation made it difficult for potential beneficiaries to implement projects solely in these areas, as most operated in broader geographical regions.

The SUD PrAx strategy performed slightly worse than mainstream Cohesion Policy in terms of financial implementation. By the end of 2022, 77% of the allocated ERDF funds had been utilised for projects under the SUD PrAx strategy.

Sustainable Urban Development Integrated Territorial Investment

Gothenburg implemented Sweden's only SUD ITI strategy, funded by the ERDF. The Executive Committee of Gothenburg developed a cross-sectoral action plan for ERDF investments, detailing potential urban development projects. This plan was incorporated into the West Sweden ERDF programme and received 4.8% of its budget. The strategy enabled greater municipal involvement in managing EU funds, with Gothenburg participating in both programming and evaluation through the Structural Funds Partnership.

Similar to Malmö, Gothenburg established a fund coordination group to prioritise funding applications. However, like Malmö, the strategy's focus on the city's administrative boundaries limited its ability to enhance functional linkages. There is limited empirical evidence on the strategy's impact on governance and its place-based approach to Cohesion Policy.

The strategy primarily concentrated on the low-carbon economy, with €1.4 million of ERDF funding allocated, followed by €672,881 for SMEs and €323,091 for research and innovation activities. By the end of 2022, 92% of the allocated ERDF resources had been spent on projects, significantly outperforming mainstream Cohesion Policy, where only 81% of ERDF/CF resources were utilised by the same date.

Community-led Local Development

Across Sweden, 42 CLLD strategies were implemented. Local Action Groups (LAGs) could combine funding from four sources: ERDF, ESF, EAFRD, and EMFF. The Swedish Board of Agriculture Unit managed CLLD funding through a dedicated OP, complementing other ERDF and ESF programmes. The primary focus was on social inclusion, with support for various fields including migrant and refugee integration, ageing, youth, circular economy, digital transition, sustainable tourism, cultural heritage, urban-rural linkages, gender equality, research and innovation, jobs, skills, and SME support.

The programme featured a Monitoring Committee with 20 representatives from regional and local authorities, businesses, trade unions, and civil society organisations. The Swedish Rural Network acted as the contact point for LAGs, organising networking and capacity-building activities.

LAGs used different combinations of funds: 4 LAGs used only EMFF; 2 used only EAFRD; 4 combined EAFRD and ERDF; 2 combined EAFRD and ESF; 25 combined EAFRD, ERDF, and ESF; 1 combined EAFRD, EMFF, and ESF; and 8 used all four funds: EAFRD, EMFF, ERDF, and ESF.

Although CLLD strategies led to well-received projects responding to the local needs (LDnet, 2021), their impacts were mostly local and difficult to quantify due to issues with targets and indicators. Additionally, the pace of implementation was slow due to lengthy procedures. By the end of 2022, only 62% of the allocated funding had been used for CLLD projects, falling behind other Territorial Delivery Mechanisms and mainstream Cohesion Policy in terms of financial implementation.

The Stockholm model

The Stockholm Model, developed by the regional Structural Funds Partnership (SFP) during 2014-20, aimed to link SUD OP investments with national ESF OP funding to foster cross-sectoral collaboration and support SMEs, especially in line with the Regional Smart Specialisation Strategy. A mobilisation group, involving municipalities and stakeholders from business, higher education, and research, identified regional needs through thematic workshops. Matchmaking workshops were also held to develop project ideas before open calls for applications. Although calls were technically open to all, most submissions came from projects involving the mobilisation group. The model successfully brought together actors for ERDF-funded projects in key areas, but struggled with structural separation between ERDF and ESF OPs, and collaboration with stakeholders beyond ERDF projects remained limited.

IN SUM

During the 2014-20 period, Sweden adopted an unusual approach to Territorial Delivery Mechanisms. While numerous CLLD strategies were implemented, three different types of SUD strategies were employed in the country's three largest cities. The development and execution of these strategies relied heavily on Sweden's established culture of partnership-working. SUD strategies were crafted with input from relevant public actors and executed through partnerships between municipal governments and Managing Authorities. This approach enabled projects to address local needs effectively, particularly in the case of CLLD strategies.
However, the SUD OP in Stockholm, which focused on the Functional Urban Area (FUA), faced challenges in supporting larger projects due to limited funding. Similarly, in the SUD PrAx and SUD ITI strategies, the focus on city boundaries and restricted territorial areas hindered efforts to promote integration along functional linkages. Even though well-regarded projects responding to local needs were implemented through CLLD strategies, some administrative difficulties were encountered, slowing down financial implementation.

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