

OPERATIONAL PROGRAMME UNDER THE 'INVESTMENT FOR GROWTH AND JOBS' GOAL

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	UKM6 - Highlands and Islands UKM61 - Caithness & Sutherland and Ross & Cromarty UKM62 - Inverness & Nairn and Moray, Badenoch & Strathspey UKM63 - Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute UKM64 - Eilean Siar (Western Isles) UKM65 - Orkney Islands UKM66 - Shetland Islands
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1. STRATEGY FOR THE OPERATIONAL PROGRAMME'S CONTRIBUTION TO THE UNION STRATEGY FOR SMART, SUSTAINABLE AND INCLUSIVE GROWTH AND THE ACHIEVEMENT OF ECONOMIC, SOCIAL AND TERRITORIAL COHESION

1.1 Strategy for the operational programme's contribution to the Union strategy for smart, sustainable and inclusive growth and to the achievement of economic, social and territorial cohesion

1.1.1 Description of the programme's strategy for contributing to the delivery of the Union strategy for smart, sustainable and inclusive growth and for achieving economic, social and territorial cohesion.

Over more than 20 years EU Cohesion Policy has been a force for change, ensuring that a genuine contribution is made to convergence and growth. Scotland embraces the vision of the regulations for Regional Policy 2014-20 and its strong focus on maintaining and improving Europe's competitive advantages through managing the environmental impact of the economy, ensuring that all regions and people benefit, and becoming a value-added, innovation and knowledge intensive region of world.

In the period from 2014-20, Scotland will focus the Structural Funds on achieving **structural reforms** which facilitate sustainable economic growth. As EU Funds are deployed alongside significantly greater national resources, efforts will focus on quite **specific niche** investments which would not otherwise take place, or not to the same scale and timeframes, without Structural Funds. Deliberate efforts to create **alignment** between all EU Funds deployed in Scotland should ensure that the funds act together to support growth and jobs.

To maintain this focus, the Scottish Programmes will be designed around Strategic Interventions – programmes of work of significant scale and defined scope which will align with and help shift the focus on domestic policy. These strategic interventions will be managed and co-financed by Lead Partners, typically the existing organisations and legal vehicles which already manage domestic funding in the same policy area. There will be a key role for the third sector including community organisations and social enterprises in the shaping and delivery of these strategic interventions. This strategy means Scotland is more likely to retain the focus of these Funds on areas where they can be truly transformational, for example creating a one-stop feel for a whole range of business support around innovation, leadership, digital exploitation, export and growth support; tackling poverty, supporting communities or helping to re-introduce a focus on mid-tier and higher vocational learning and skills and the benefits these can bring to an economy like Scotland's.

Both ESF and ERDF Operational Programmes will cover both the more developed and the transition category regions of Scotland. Although there are some divergent **territorial challenges** which the programmes will respond to, many of the structural reforms required for Scotland to most effectively contribute to Smart, Sustainable and Inclusive growth – for example creating better alignment between skills levels and demands for skills, making the most of Scotland's low carbon and energy technology and know-how – are shared across Scotland. The justification for and choice of thematic objective and

investment priority are the same across Scotland; but the delivery structure will ensure that relevant national and local projects can be tailored to regional need, particularly in the Highlands and Islands. A separate Priority Axis will cover the Youth Employment Initiative for South West Scotland.

Current Economic Performance

Scotland has seen welcome improvements to the employment and economic picture over 2013. The most recent data for the Scottish economy showed that, over the year to Q1 2013, the Scottish economy grew by 1.2%, compared to 0.3% for the UK. New, revised UK data also confirms earlier findings that Scotland had a less severe recession than the UK as a whole, although both remain below pre-recession levels of output and employment.

Like most of Europe, Scotland has seen a rise in unemployment during the financial crisis. However, 2013 has seen an improvement in the labour market, particularly when compared to one year ago. Employment is up, driven by a rise in full-time employment, and economic inactivity and unemployment are down, indicating a positive direction of travel in terms of Scotland's labour market recovery, and highlighting the adaptability and high level of skills within the Scottish workforce as key strengths to build on.

Figure 1 - See Documents > ESF Graphics Figure 1

There has been a fall in youth unemployment over the year with Scotland's youth unemployment rate, as measured by the International Labour Office (ILO) rate, comparing favourably to that of the UK and other European countries. However, youth employment continues to be heavily concentrated in South West Scotland; as does long-term unemployment. One of the most significant long-term threats to sustainable growth in Scotland is now the loss of skills due to those unemployment trends, and the parallel risk of increasing inequality.

Despite recent positive performance, then, after 5 years of global financial turmoil, Scotland is not without its economic challenges. Public and private spending levels are lower and the ability to stimulate markets therefore decreased. The unemployment rate, at 7.1 per cent over the 3-month period between February and April, is substantially above its level five years prior to the recession (4.9 per cent). Real GDP in 2012 Q4 remained below its pre-crisis peak level, and although growth is now returning, it is at modest levels. Real wages in the economy have declined by 8% since the recession, and this, alongside the higher rates of unemployment and UK welfare reform, have contributed to a decline in people's living standards. Scotland, like the UK, also remains below the EU average productivity levels.

A sustained recovery, and a sustainable future, will depend on growing and using Scotland's human capital, with increasing skills bringing in investment, and economic growth driving increased demand for labour. This will also require a better match between the skills available and the skills required in a labour market, particular with Scotland's increasing focus on the high value-added sectors included in the Smart Specialisation Strategy, which will drive investment in both RTDI and increasing SME competitiveness.

This vision depends on all individuals having the opportunity to participate in it. There are currently particular geographical areas in Scotland which still live with a legacy of industrial decline, where traditional employers such as steel works, shipyards and mines have not been replaced by other employment and where individuals and communities involved in those trades have not been given sufficient help to retrain and upskill. This applies also in some rural and fisheries areas, where a decreasing number of individuals are employed in primary trades, and where a combination of upskilling and diversifying the local economic base will be required. There are also groups, such as disabled people, those with multiple needs, some ethnic minorities, women and lone parents who can be particularly marginalised and find it difficult to access employment, to achieve equality in the labour market or to participate fully in their community.

In this way, the three thematic objectives linked to the European Social Fund – Promoting labour mobility, Social inclusion and combating poverty and Investing in skills and lifelong learning – are interdependent, and also enable many of the ERDF thematic objectives. Higher and more widely skilled individuals are more employable and more productive in employment, and Scotland will need greater numbers of them to support its sustainable growth ambitions. Employed individuals have not only higher incomes but also better health and mental wellbeing, factors which are in turn very highly correlated with social inclusion and equity. And there is increasing evidence that society which values and promotes equity and participation is in turn more economically productive and socially stable.

The services on which such a vision is built, for example well-designed welfare support, employment support and services, regeneration and community health, and the provision of tertiary education, are well-funded in the UK and in Scotland. In this context, the European Social Fund therefore has to act as a catalyst, either for individuals for whom mainstream provision is not working; or for systemic change where the current provision is not delivering what Scotland is likely to need in future.

Labour market mobility

Current social and labour market trends highlight a number of areas for attention.

- There has been a significant increase in *youth unemployment*, rising from just under 15% in 2008 to just over 20% in 2012. This is particularly concentrated in South West Scotland[1] which has the highest rate of Scotland's four NUTS 2 regions at 25.8% in 2012. Although the overall trend is now slightly downwards, this has potential to create problems for the future. With an ageing population (a particular issue in the Highlands and Islands) and ageing workforce, young people are needed to replace retirees, but are not getting a positive chance at starting their working lives.

[1] South West Scotland consists of the following local authority areas, North and South Lanarkshire, North, South and East Ayrshire, Glasgow City, East Renfrewshire, Renfrewshire, Inverclyde, East and West Dunbartonshire and Dumfries and Galloway.

Figure 2 - See Documents > ESF Graphics Figure 2: Youth unemployment rate (ages 16-24)

- The number of people in Scotland who were *long-term unemployed* for 12 months or more has also increased, to 32.9 per cent of unemployed people in 2012, up from 18.5 per cent in 2008; and despite changes in the UK welfare system aimed at encouraging individuals back into work. Long-term unemployment can lead to a loss of skills, reducing the economy's stock of human capital and reducing the individual's future employment prospects. *Under-employment* has also shown a steady increase, particularly in the age 16 – 24 age category, again posing a threat to long-term skills retention and under-utilising the potential of individuals; and causing a bottleneck in employment prospects for those with lower levels of skills.

Figure 3 - See Documents > ESF Graphics Figure 3: Number of people unemployed for 12 months or more, Scotland

- *Disabled people* continue to be significantly under-represented in the labour market, with just 45% being in employment compared to 71% of the general population (highlighted in figure 4).

Figure 4 - See Documents > ESF Graphics Figure 5: Proportion of working-age people who are disabled; economic activity and employment rates, year ending September 2012

- There are some differences between employment and unemployment for men and women in Scotland. There is higher male unemployment (2% difference), but

lower female activity rates (10% difference). Whilst the participation rate for women, at 73%, is higher than the EU average (65%)[1], women carry out more part-time work (50.6% of women work part-time in H&I NUTS 2 region). Women are over-represented in caring and administrative occupations, and underrepresented in management and skilled trades. Female ethnic groups from Pakistan, Bangladesh and Africa are also under-represented, though male migrants from the same geographical areas are not[2]. Although full work and home life equality between genders is too big a cultural shift for Structural Funds alone to achieve, this programme considers some targeted action on child care and lone parents which may contribute to greater equality in the workplace

[1] In 2011, the rate for males was 80.9 per cent in Scotland and 77.6 per cent in the EU. The rate for females was 72.3 per cent in Scotland and 64.8 per cent in the EU. Note that Eurostat data is not directly comparable to ONS labour market data, due to differences in definitions and data sources.

[2] <http://www.scotland.gov.uk/Topics/Business-Industry/support/17404/2014-2020programmes/2014-ProgrammingDocumentation/DraftBaselineAnalysisESF>

Figure 5 - See Documents > ESF Graphics Figure 6: Occupational split: % of all in employment, Scotland, 2012

- This effect is exacerbated by its levels of concentration, with the south west affected by higher levels of unemployment. This reflects a long-term pattern of deindustrialisation in the region, which also affects Dundee, and parts of the Ayrshires and Clackmannanshire and Fife.

Figure 6 - See Documents > ESF Graphics Figure 4: Unemployment rates (% , model-based), 2012

The European Social Fund in Scotland will address these factors in two different ways – through an individualised approach to a person’s needs for employment and training; and through targeting particularly vulnerable or under-represented groups.

During the 2007-13 Programme, Scotland developed a new approach to employability under the European Social Fund, the Strategic Skills Pipeline. This allows local areas to supplement national employability programmes, such as the Work Programme, with

targeted support for particular groups or issues which are locally prevalent – e.g. health and mental health issues, particular skills gaps or an ageing workforce. The pipelines have operated only in some areas of Scotland previously, but on-going evaluation suggests that it is a valuable and value-adding approach, and that the value of it increases as the partnerships and planning required to run it develop and mature. The approach is therefore being rolled out across Scotland, and the options to address barriers to employment expanded to take account of differing regional labour markets and labour force profiles.

This approach focuses on the individual's needs, identifying their aspirations for employment and their work-readiness, and then delivering a tailored package of mixed support, which can include mentoring, specialised training, in-work support, recruitment incentives and so on. The approach can also support anyone at any stage of the 'pipeline' – whether they are very far from work-ready, or whether they just need a specialist short qualification to re-train for a new career. This allows a great degree of tailoring to the local employment market as well, matching training to local employers or sectors for example.

The emphasis of the pipelines tends to be at the lower-skilled and most socially disadvantaged end of the spectrum – the 'hard to reach' cases, in itself reflecting that mainstream provision can sometimes be ineffective for these individuals. This focus forms the second part of the European Social Fund's response to this set of needs: disadvantaged groups such as those with multiple barriers and health issues, low income families, workless households and disabled individuals will continue to be key target groups, with specific objectives and results expected for such groups.

Each region applying for support from the European Social Fund for this pipeline approach will be expected to justify its choices for the types of activity which should be supported through evidence of the local labour market and labour demand, but it is expected that there will be a focus on:

- Disability
- Long-Term Unemployed
- Participants in workless households
- Participants facing multiple barriers to participation
- Childcare – removing a key barrier to women participating in the labour market through individually tailored support
- Youth - providing a recruitment incentive to employers taking on young people and building in skills support
- Active/Ageing workforce

The focus on those for whom childcare is a significant barrier addresses CSR 4 for the UK; and the focus on youth, particularly trying to support young people within the first 6 months of them becoming inactive or unemployed reflects CSR 3.

Youth Unemployment in South West Scotland

Significant regional variation in youth unemployment rates have been generated by the period of recession beginning in 2008.

Eurostat data indicates that the youth unemployment rate in 2012 was slightly lower in Scotland than in the EU as a whole, 21.7% and 22.9% respectively. However the increase in youth unemployment rate over the period 2007 – 2012 was greater in Scotland (8.5%) than in the EU (7.4%).

South West Scotland qualifies for support from the Youth Employment Initiative, as the region had a youth unemployment rate of 25.8% in 2012. This is not simply caused by the impact of the economic crisis since 2008. Regional variations in youth unemployment follow the same pattern as variations in the overall (ages 16+) unemployment rate, and are thus substantially higher in South West Scotland than in the North East, for example. This is despite Glasgow, which is the third-highest placed region in Scotland by GDP per capita, sitting at the centre of the region, and to a very large extent driving employment patterns and opportunities.

South West Scotland is one of the most deprived areas in Scotland. Former heavy industry, coal mining, long-standing areas of social and material deprivation, and health inequalities are just some of the factors that may impact on a young person's ability to take up a training place, education or employment or their ability to engage effectively and positively.

Youth unemployment can have a long-term impact on earnings and probability of employment, and there is also evidence that youth unemployment increases crime rates and has a long-term negative effect on life satisfaction[1] – further adding to the overall picture of deprivation and lack of opportunity.

However, it is also worth noting that the trend and proportion of 16 – 24 year olds not in Education, Employment or Training (NEET) in Scotland has shown no significant trend downwards over the last 10 years. The lowest rate recorded was in 2007 (14.6%) increasing to 18.3% by 2011, although this figure has now dropped slightly to 17.7% by 2013. Similarly the trend in levels and proportion of 16 – 19 year olds not in Education, Employment or Training (NEET) in Scotland has not dropped below 11% over the last 10 years. Young people who are NEET is an area which will need particular focus in order to make an impact on young people and break the above trend.

[1] A summary of key results is provided in David Bell and David Blanchflower (2010), UK Unemployment in the Great Recession, *National Institute Economic Review* 214, October 2010.

Figure 7- See Documents > ESF Graphics Figure 7: Number of employed 16-24 year olds in South West Scotland who are not in education, training or employment (NEET)

Figure 8 - See Documents > ESF Graphics Figure 8: 16 – 19 year olds not in Employment, Education or Training (NEET) Scotland

To have an impact in an area where deprivation levels are high, and where the underlying trend of NEETs has not changed despite growth and contraction patterns in the economy, it is clear that more of the same approach to these young people will not work The Youth Employment Initiative

Scotland will extend the YEI priority axis to those who are ages between 25 and 29 who are inactive (exclusively NEET, not pre NEET) or unemployed. This age group includes 24,000 young people who are NEET (15% of the population of this age group) and 14,000 (10%) who are unemployed[1], in addition to the numbers between 16 and 24.

There is currently a significant gap in provision for this older group. For example, early indications from research being conducted by Cambridge Policy Consultants on behalf of the Scottish Employability Forum (chaired by the Scottish Government, study not yet published) suggests that total spend on employability across all public sector providers in Scotland was in the region of £673 million in 2013/14 – an increase of 8% since 2011/12. Further analysis shows that

- 46% of the spend is targeted to the 16-19 age range (who represented just under a fifth of the unemployed population in 2013),
- 20-24 age range account for 25% (a fifth of the unemployed population) and,
- 25 and older is 29%, despite this group representing 60% of the unemployed population (this measures up to age 65)

Although the Cambridge Policy Consultants study is based on Scotland wide data, much unemployment data is heavily skewed by South West Scotland as the most populous region in Scotland, and it can be reasonably assumed that this split of both funding and target age ranges is replicated in SW Scotland.

This picture is compounded by the education and training systems being aimed at linear progress through education to qualification and work, meaning most of the attention is focused on those ages 16-24. This groups takes up 45% of college and university places[2], including those supported by ESF, with the remainder spread across the entire population (up to age 70). That no data for the particular age range is available, on either studentships or unemployment, without being collated with a much wider age range is itself suggestive that this group simply does not receive the focus it needs.

There are significant barriers for mature students, such as fee structures (part-time fees or fees for flexible courses are frequently not free), course structures (many are not offered on a part-time basis) and externalities like childcare and other caring responsibilities which affect this age range more than 16-24 year olds.

Within both proposed age ranges (16-24 and 25-29), interventions under this thematic objective will focus on two target groups – those young people who are very far from the labour market and need a significant additional amount of support to overcome those barriers and get into work, qualifications or self-employment; and those who are more work-ready, with a higher level of skills, qualifications and behavioural motivation.

In both cases, the ESF Scotland programme will restrict its support to those who are within the first 6 months of becoming inactive or unemployed in order to maintain separation from domestic instruments and funding, such as the work programme.

Support will be results oriented, aiming to get young people into self-employment, employment, a formal and long-term traineeship or formal and long-term qualifications, depending on their individual needs and abilities. Unlike mainstream ESF support under thematic objective 8, the youth employment component will not support activity which is aimed at progression towards employment unless there is a very clear opportunity for long-term sustainable work at the end of it. For example, sector-specific training will be eligible to support a young person to enter, e.g. the off shore industry but basic training which does not materially impact the young person's likelihood of finding work will not.

It will strongly orientated towards achieving concrete results and will focus on only two long-term results, either sustainable employment or entry onto and progress to an accredited qualification, whether vocational or academic. To maintain the focus on results, payments under the youth employment heading will be made based on unit costs, with the final element of the unit cost not payable until the young person has achieved one of the long-term results. In this way, it will contribute to meeting CSR 3 for the UK, maintaining the support for the Youth Contract by supporting training which focuses on gaining employment, and move Scotland towards implementing the Youth Guarantee.

[1] Annual population survey, Office of National Statistics

[2] http://dera.ioe.ac.uk/19194/1/College_Performance_Indicators_2012-13.pdf

Promoting Social Inclusion and Combating Poverty

Many of the groups Scotland will target through labour mobility can also be said to be socially excluded and/or living in poverty. However, poverty and differing degrees of deprivation are not limited to those individuals not in work. Low income working households have been identified as experiencing increasing levels of poverty due to a number of issues around the rising living costs (especially fuel, food and housing) and static wages.

Figure 9 - See Documents > ESF Graphics Figure 9: Proportion of individuals in in-work poverty (relative poverty before housing costs): 1998/99-2011/12

Through the economic downturn, anecdotal evidence of in-work poverty is also increasing, as is the evidence of use of less stable employment forms such as zero-hours or limited part-time contracts. As noted in the macro-economic analysis at the start of this chapter, living standards have contracted by 8% since the beginning of the recession, and the current economic situation, together with reductions and reform in UK public spending could have a significant negative impact on social inclusion if employment opportunities continue to be limited.

While the proportion of individuals living in relative poverty in Scotland has reduced over the last decade there are still pockets of need across Scotland. These areas are highlighted in the Scottish Index of Multiple Deprivation[1], a combination of indicators in seven domains: Employment; Income; Health; Education, Skills, and Training; Geographic Access to Services; Crime; and Housing. Data is collected relating to each of these domains and combined to give an overall measure of how deprived an area is in relation to other areas in Scotland. Figure 8 shows the proportion of data zones in each local authority area that are among the 15 per cent most deprived data zones in Scotland. The most deprived local authority areas by this measure are Glasgow (41.6 per cent), Inverclyde (40.0 per cent), and Dundee City (30.7 per cent).

These areas are likely to be extremely vulnerable to the further planned changes in welfare policy at a UK level[2], with the real and perceived barriers to employment and other forms of participation (such as the level of lone parent households, child care, health and disability, declining industries and lack of retraining) more likely to increase than to decrease unless significant numbers of jobs, and particularly more stable and higher-wage jobs, can be created locally and with a reasonable skills match.

[1] http://22fa0f74501b902c9f11-8b3fbddfa1e1fab453a8e75cb14f3396.r26.cf3.rackcdn.com/simd_448749_v7_20121217

[2] http://www.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/hitting-poorest-places-hardest_0.pdf

Figure 11: Proportion of data zones in local authority area that are in Scotland's 15% most deprived data zones

The insight offered by the index is not just the geographical concentration, but the inter-relatedness of the factors contributing to deprivation and social exclusion. For example, in 2011:

- The employment rate (aged 16-64) in the 15 per cent most deprived areas in Scotland was 58 % compared with a rate of 73 % for the rest of Scotland.
- The reasons for economic inactivity vary greatly depending on deprivation levels - the number of people in the most deprived quintile who reported “sickness” as their reason for economic inactivity was 47 % compared with a level of 10 % for the least deprived quintile, whereas the number of people who reported “being a student” as their reason for economic inactivity was 14 % in the most deprived quintile compared with 31 % in the least deprived.
- Educational attainment varies greatly: the proportion of individuals in the most deprived region with low or no qualifications was 27 % compared with 5 % in the least deprived area. The proportion of those living in the most deprived region who had a degree level or above qualification was just 9% compared with 39 % for the least deprived areas.
- Self-assessed health is also significantly associated with deprivation: The proportion of people reporting good or very good health increases as deprivation decreases, so that just 60 % of people living in the most deprived quintile assess their general health as good or very good, increasing to 86 % for people living in the least deprived quintile.

Any intervention which seeks to target one of these factors in isolation is unlikely to be effective in these areas because of the inter-connectedness of different issues. It is therefore important that efforts to combat poverty and social exclusion, unlike employment, seek to target the whole human environment – family, community – as well as underlying issues like financial inclusion and awareness, health and wellbeing and basic skills for accessing services such as digital inclusion.

The Scotland ESF Programme will target disadvantaged working households, workless households and fragile and deprived communities through focusing on:

- Employability - through the employability pipeline measures under the Labour Mobility thematic objective
- Workforce Development - under Smart Growth the aim is to increase and widen skills to tackling the issue of revolving employment, as well as helping young people gain skills which means they are less likely to fall into unemployment
- Social Inclusion and poverty through community sustainability measures - by empowering communities to identify and tackle issues at a local level especially

focussed on an asset based approach to planning and delivering their own community development

- Social inclusion and poverty through locally delivered activity which addresses issues such as fuel and food poverty and which enhance equality of opportunity.
- Financial Inclusion - supplementing the financial inclusion support offered through the employability packages with one more targeted at the most disadvantaged households and providing more intensive support
- Social Economy – to strengthen the supporting infrastructure of the third sector and social enterprises to increase the social economy and to support measures to address poverty and social inclusion.
- Social Innovation - access to funding to pilot new approaches to tackling poverty including using third sector and social enterprises as vehicles to provide sustainable solutions

This activity will contribute to the implementation of CSR 4 for the UK, particularly around reducing child poverty in low-income households, as these will be supported both to manage their money better (financial awareness, food and fuel poverty) and to increase their income levels (removing barriers to work, or to moving into better paid work).

The Scottish Index of Multiple Deprivation (SIMD) picks up on difficult predominantly urban areas but only assesses concentration of multiple deprivation and so is not as useful for more dispersed populations such as those in the Highlands and Islands and parts of the Borders and Dumfries and Galloway. 77% of people in poverty live outside 15% 'most deprived' data zones. Fragile rural areas have different but equally difficult issues to address. Poverty and deprivation are more spatially dispersed in rural areas, which are more likely to qualify on criteria around fragility, remoteness from services and extreme fuel poverty which is not highly weighted in the SIMD. The index is also under-reporting e.g. income deprivation due to low take up of benefits in rural areas (culture of independence, concerns about stigmatisation, poor access to information and advice, eligibility), lack of data in remote areas, and exclusion from indices of some of the key factors affecting rural areas such as fuel poverty.

The support and activity outlined above will be strategically concentrated on the communities which need it most to have a real and significant impact on the underlying casus of deprivation, and in recognition of the different factors which affect urban and rural communities, will be a mix of communities to reflect fragility within rural areas alongside deprivation in urban areas.

Smart Growth

Scotland faces a substantial human capital barrier to achieving the European vision of Smart Growth: there is a clear gap between those individuals who leave education with limited or no formal skills (13% of the population); and the high number of individuals who achieve tertiary education (50% of 30-34 year olds).

This could potentially hold back the development of the kind of economy Scotland wishes to build – one based on technological advancement and the sustainable use of resources. The sectors highlighted for their potential in Scotland in many cases, including the circular economy and low carbon sectors, advanced food and drink production and packaging, life sciences and creative and ICT sectors, are likely to require both higher levels of skills than currently available in the labour market; and more vocational/academic mixed skills with individuals able to apply both practical and analytical thinking.

The braking effect of such a skills mismatch could be further exacerbated by changes in the UK economy. The UK Commission for Employment and Skills' (UKCES) Working Futures projections[1] provide an indication of what Scotland's labour market might look like over the period 2010-2020 if past trends and patterns of behaviour continue. Their analysis suggests:

- **A substantial shift in employment from less-skilled to more skilled** occupations with the greatest employment growth likely in professional occupations, and associate professional and technical occupations; and the greatest falls in process, plant and machine operatives and administrative and secretarial occupations, as well as skilled trades and customer service occupations. Whilst replacement demands (e.g. replacing retired individuals) are expected to result in job openings in all occupational groups, the sectors with growth potential in Scotland suggest these may still be slanted to the higher end of the skills market.
- **A marked increase in the educational qualification level of the workforce.** The proportion of jobs held by people with level 4 or above qualifications is projected to reach almost 50 per cent by 2020 (higher than any other UK nation). Conversely, the proportion of jobs held by people with no formal qualifications or low level qualifications below level 2 is projected to fall to around a fifth by 2020.

Addressing this mismatch in skills and skills levels will be important in supporting long-term ambitions around social inclusion and labour market mobility as well, since the impact of skills on an individual's employment chances are already marked, with a strong correlation between the highest level of educational attainment and the employment rate. The difference between the employment rates for those holding degree level qualifications, at 84%; and those holding basic qualifications equivalent to leaving school aged 16 at just 57% is stark[2].

[1] <http://www.ukces.org.uk/publications/working-futures-scotland>

[2] Annual population survey 2012, Office of National Statistics

Figure 12 - See Documents > ESF Graphics Figure 12: Employment rate by highest qualification, people aged 16-64, Scotland, 2012

With the changes predicted in the labour market, Scotland should be seeking to increase the number of individuals available with at least SVQ 3 (ISCED 3 and 4) – and if the employment rates for qualification levels hold, this could further help achieve the EU 2020 target of 75% employment.

The Wood Commission, a major review of post-16 education in Scotland carried out over 2013-14 has also highlighted the increasing demand for vocational skills, particularly advanced vocational skills and technical training which will be required in many of Scotland's potential growth sectors. It also recognised the diversity of needs amongst Scotland's young people, not all of whom are suited to, or want, an academic route into work. Vocational training has been somewhat neglected in the UK while the economy shifted towards service provision. With a strong policy desire in both Scotland and Europe for balancing the economy through reindustrialisation, and the pace of change in Scotland's Smart Specialisation sectors, the ability to blend practical and academic skills could allow individuals and companies in Scotland to be more responsive to global change and give a practical edge to Scotland's expertise in for example engineering and research.

In addition, it is important that Scotland's growth sectors gain the types of graduates and graduate level skills which they require. There is evidence, for example, that research-based companies and the low carbon sector in particular are struggling to attract enough graduates and post-graduates.

This means that Scotland's approach to Smart Growth will align with the Smart Specialisation approach taken to the thematic objectives of promoting RTDI; and SME competitiveness using ERDF. Additional skills provision will be targeted towards regional strengths and national key sectors, with a clear aim of ensuring that Scotland can provide the right skills mix for those sectors and companies; and that people in Scotland have the best possible opportunity for entering more qualified and better paid jobs in these sectors. To achieve this improved skills mix, the European Social Fund programme will focus on two types of skills: vocational/technical; and graduate/post-graduate.

Scotland's current vocational programmes consist largely of Modern Apprenticeships, a significant number of which are SVQ level 2 (ISCED 2 or 3). To expand this into a full suite of vocational options, which would both support individuals for whom the academic route is not suitable, and would boost the overall skills available to the economy is not a job for Structural Funds alone, and is likely to take longer than a single programming cycle to bed in and see benefits.

The aim over this 7-year ESF programme cycle is instead to test and roll out some of the Wood Commission recommendations, for example to create a vocational route starting in

secondary school; to increase the numbers of higher level modern apprenticeships (those at levels 3-5 in figure 9 above) particularly in STEM subjects related to the Smart Specialisation Strategy.

In addition, ESF will support additional learning places which blend vocational and academic study; course development and delivery of university level courses which introduce a practical component to some under- and post-graduate level degree courses in those same subjects so that young graduates have experience and are immediately employable; conversion courses to retrain graduates into a different subject; and specialist study-and-work places for post-graduates particularly in sectors which are currently underserved by Scotland's graduate workforce. These will particularly include the ICT sector (high level ICT skills only, as basic skills including basic design and programming are already extensively taught under statutory provision and young people are increasingly 'digital natives' with better ICT skills than older generations), low carbon and R&TD&I related subjects.

In line with Smart Specialisation, these skills developments will be regionally tailored. Four regions in Scotland are already developing 'regional skills plans' which work with employers and industry to identify their future needs. The sectors are frequently, and not unexpectedly, the same as those identified in the Smart Specialisation strategy, with some additional sectors identified particularly in rural areas, such as forestry and advanced (environmental) land management.

Supporting skills development according to these plans gives three distinct advantages:

- It realises alignment with the skills needs for rural sectors which cannot be supported through EAFRD, particularly around formal qualifications and providing a suitably skilled workforce for land-based activity, which continues to form over 5% of Scotland's GDP
- There is very significant potential for helping to support the creation of the 40,000 green jobs expected in the low carbon sector – the right skills will help the sector develop and grow even further potential for supporting significant green jobs creation, in the low carbon sect. there is also strong potential for green jobs in other areas supported by the ERDF, such as resource efficiency and the circular economy, including jobs in developing the technology which will help deliver more sustainable products and methods of production.
- Developing higher skills levels will make the most of the European Social Fund's ability to support other thematic objectives, in particular through graduate and post graduate training and work placements in innovation-intensive sectors

The delivery of such training opportunities has a significant territorial and social cohesion impact, and it is therefore important that the European Social Fund supports different ways of delivery. For example blended learning, distance access courses and part-time courses to allow a wider range of individuals access to these opportunities, including those in remote areas where a full classroom set up may not be possible; and the existing workforce, which still greatly outnumbers the potential young and graduate workforce coming through over the next decade.

All of these will require working more directly with a greater range of businesses who can provide those training places, and who will continue to invest in their workforce. This is being supported through domestic funding, including the underlying research, the development of the regional skills plans with industry and support for individualised learning. This domestic support means the European Social Fund has an almost preventative approach: by focusing on what comes next for skills, it is expected that young people will get a better chance of attaining qualifications; that these qualifications will be more useful in the labour market and thus lead more securely to employment and reduce long-term levels of NEET and youth unemployment; that businesses will value the higher level of skills and this work to improve and retain the people holding them; and that in sum Scotland's economy will become increasingly knowledge based and added-value. This particular priority axis is therefore one which is critical for both the achievement of the rest of the programme's aims; and for the achievement of the aims in the ERDF Scotland programme.

This is also a significant contribution to CSR 3 for the UK, in particular in seeking to improve skills that meet employer needs, addressing skills mismatches and furthering apprenticeship offers, and reducing (in the longer term) the number of young people with low basic skills.

The ESF Contribution to Sustainable Growth and Territorial Dimensions

An increasing skill level, and an increase in the number of individuals who feel able to participate in the labour market, is an intrinsic part of the economic strategy for Scotland which aims as much at inclusion, participation and equity as it does at increasing GDP.

The approach to skills, for Scotland and for the use of the Social Fund in Scotland, underlies and supports the aims of the ERDF programme. The ambitions around RTDI, a low carbon economy and development of a circular economy will not happen if the right skills are not present to attract and develop good business ideas and products and services. Although the Social Fund programme does not directly fund the 'Sustainable Growth' thematic objectives, it makes a strong indirect contribution to Low Carbon and Resource Efficiency, as well as a direct contribution to 'Smart Growth'.

This indirect contribution to sustainable growth extends to territorial dimensions. Remoter areas, particularly the transition region, suffer from an overdependence on public sector employment, and it is a general problem for the rural communities of Scotland that a lack of high-skilled jobs prevents these regions from retaining many of their young population. Out-migration is a particular issue for the transition region illustrated by the Young People in the Highlands and Islands - 2009 report commissioned by Highlands and Islands Enterprise[1]. This identified the need to not just retain young people but in attracting talented people from elsewhere to live, work and study in the region.

To address this demographic challenge call for considerable and linked effort by agencies to address both the demand for higher level skills from innovating businesses in key sectors, and to provide those skills through a combination of in-migration and training by the small number of providers of higher education located in the region. Vocational skills gaps also need to be addressed to meet the demands of the key growth sectors.

The possibilities offered in the a number of growth sectors, including the low carbon economy, and particularly the renewables generating, operations and maintenance sectors, could benefit the region hugely, with key sites for development located in areas which are highly affected by out-migration such as the islands and far north of the mainland. However, this requires bringing together ERDF, ESF, domestic and other European instruments successfully to:

- Support business growth in key sectors, including scetors which do not currently have a strong presence but where the resource opportunities suggest potential, such as marine energy
- Support innovation in new technology, including making stronger links to European priorities such as the Strategic Energy Technology plan and Horizon 2020
- Support for skills, particularly technical vocational and graduate level skills in key sectors
- Support for alternative delivery models, e.g. remote and distance learning, to enable remote communities and individuals to participate

Combining these efforts could also be a way of addressing, over the long term, the current high levels of seasonable, part-time and low-wage work, particularly in service sectors such as catering and leisure, as other scetors open up with employment opportunities.

There is also a strong territorial dimension to the social incusion elemnts of this programme. The Scottish Index of Multiple Deprivation (SIMD), as discussed under Inclusive Growth in this section, picks up on predominantly urban areas. As it assesses *concentration* of multiple deprivation, is not as useful for more dispersed populations such as those in the Highlands and Islands and parts of the Borders and Dumfries and Galloway. 77% of people in poverty live outside 15% 'most deprived' data zones, and are more likely than their urban counterparts to suffer fuel poverty and lack of service accessibility – more so the more remote the region is.

The index is also under-reporting e.g. income deprivation due to lower take up of benefits in rural areas (where a culture if independence, concerns about stigmatisation, and poor access to information and advice about eligibility are all factors), lack of data in remote areas, and the exclusion of some of the key factors affecting rural areas such as fuel poverty.

Efforts to address social inclusion and poverty will be tightly focused on those communities most in need, and where the ESF Funding can have the greatest impact.

However, in selecting these communities, a range of indicators and data will be used so that they represent a good balance of urban and rural. For particularly fragile areas with very low population densities and a high degree of remoteness, additional and dedicated community support for planning and implementing quality projects may also be made available, similar to some approaches currently operating under LEADER in the EAFRD programme.

[1] <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/youth-migration.html>

1.1.2 A justification for the choice of thematic objectives and corresponding investment priorities having regard to the partnership agreement, based on an identification of regional and, where appropriate, national needs including the need to address the challenges identified in relevant country-specific recommendations adopted in accordance with Article 121(2) TFEU and the relevant Council recommendations adopted in accordance with Article 148(4) TFEU, taking into account the ex-ante evaluation.

Table 1: Justification for the selection of thematic objectives and investment priorities

Selected thematic objective	Selected investment priority	Justification for selection
08 - Promoting sustainable and quality employment and supporting labour mobility	8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	<p>Unemployment and inactivity has risen over the course of the economic crisis, particularly long-term unemployment.</p> <p>There are also high levels of part-time employment (where the individual would like to be full time), increasing numbers of underemployed and those on less secure employment contracts.</p> <p>These situations are both most prevalent in areas which also face other forms of deprivation, such as high numbers of workless households, mental/other ill health and low skills attainment; and/or distance from labour markets of scale. The situation may also be more difficult for particular groups such as disabled people, some ethnic minorities and women. Activity in this investment priority should also</p>

Selected thematic objective	Selected investment priority	Justification for selection
		reflect CSR 4, in particular seeking to provide childcare for those individuals (predominantly women) for whom this represents a significant barrier to taking up employment. Only those with multiple barriers will be eligible.
08 - Promoting sustainable and quality employment and supporting labour mobility	8ii - Sustainable integration into the labour market of young people (ESF), 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	<p>The Scottish unemployment rate in the 16-24 age group is 16.9% higher than the EU rate at 20.7%. There is evidence that youth unemployment, particularly if it is of a long duration, can have a long-term impact on earnings and probability of employment. There is also evidence that youth unemployment increases crime rates and has long-term negative effect on life satisfaction.</p> <p>Significant regional variation in youth unemployment rates have been generated by the period of recession beginning in 2008. South Western Scotland has the highest rate of Scotland's four NUTS 2 regions, at 25.8% in 2012. This has the potential to create problems for the future, especially given the ageing population and workforce.</p> <p>Selection of this investment priority reflects the National Reform programme and CSR 3 for the United Kingdom, maintaining the commitment to the Youth Guarantee, in particular focusing on young people within the first 6 months of them becoming inactive or unemployed.</p>
08 - Promoting sustainable and quality	8ii - Sustainable integration into the labour market of young people (YEI), in particular those not in employment,	There is evidence that youth unemployment, particularly if it is of

Selected thematic objective	Selected investment priority	Justification for selection
employment and supporting labour mobility	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	<p>a long duration, can have a long-term impact on earnings and probability of employment. There is also evidence that youth unemployment increases crime rates and has long-term negative effect on life satisfaction. The youth (16-24) unemployment rate in Scotland in 2012, at 20.7%. Scotland's youth unemployment rate increased from 12.4% in 2007 to 21.5% in 2011. Significant regional variation in youth unemployment rates have been generated by the period of recession beginning in 2008. Regional variations in youth unemployment follow the same pattern of variations in the overall (ages 16+) unemployment rate. South Western Scotland has the highest rate of Scotland's four NUTS 2 regions, at 25.8% in 2012. This has the potential to create problems for the future, and for the programming period especially given the ageing population and workforce.</p>
09 - Promoting social inclusion, combating poverty and any discrimination	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	<p>Concentrated pockets of deprivation remain in Scotland, in both urban and rural settings, with people and families from these settings more likely to face multiple barriers to civic and economic participation.</p> <p>Particular groups within communities also face issues of exclusion and deprivation but may not reside within geographic areas of deprivation.</p> <p>Communities empowered to take decisions and shape their approaches are more likely to be resilient and to find innovative, appropriate and sustainable solutions.</p>

Selected thematic objective	Selected investment priority	Justification for selection
		<p>Third sector organisations including social enterprises are key to tackling poverty and social exclusion and they provide significant employment opportunities but face similar issues to traditional SMEs in accessing capital and growth support and in longer term sustainability.</p> <p>Selection of this investment priority also reflects CSR 4 for the UK, as general poverty is very highly correlated with child poverty.</p>
09 - Promoting social inclusion, combating poverty and any discrimination	9v - Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment	Third sector organisations including social enterprises are key to tackling poverty and social exclusion and they provide significant employment opportunities but face similar issues to traditional SMEs in accessing capital and growth support and in longer term sustainability.
10 - Investing in education, training and vocational training for skills and lifelong learning	10iv - 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 and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes	<p>Structural skills gap with a significant gap between high and low skills and life outcomes.</p> <p>Lack of vocational and technical learning options contributing both to early school leaver rates and skills shortages.</p> <p>Decreasing demand for low skills, and increasing demand for high skills in in potential growth sectors – and this skills gap is projected to increase.</p>

1.2 Justification for the financial allocation

Justification for the financial allocation (Union support) to each thematic objective and, where appropriate, investment priority, in accordance with the thematic concentration requirements, taking into account the ex-ante evaluation.

As part of an advanced Member state economy such as the UK's, and with only one region in Scotland defined as a Transition region, Scotland's choices on thematic objectives are to a great extent defined by the Regulations, and the need to align investments with the Europe 2020 strategy and targets. However, the Scottish Government Economic Strategy highlights the same areas for growth and development, and so this is not seen as a constraint but rather as a means of focusing on those investments which will have the greatest impact on long-term sustainable growth.

The Social Fund Programme must span three seemingly disparate areas – unemployment /employability/basic skills, social inclusion and higher-level skills – but in fact these can be seen as trying to build a continuum where an individual can enter at any point, and be supported to get to a level that is the best possible outcome for them, whether that is sustainable employment, a training and educational opportunity, or an improved ability to engage with society. It is in the spirit of this aspiration that Scotland has made its allocations of the Social Fund.

Scotland continues to see areas of concentrated joblessness and workless households, often allied to other social, health and economic issues. The recession has pushed up unemployment, and in particular extended long-term and youth unemployment. There is still a gap between gender participation rates and levels of part-time working and there is still occupational segregation and inequality in pay. Individuals with disabilities are considerably less likely to be in sustainable employment and the employment rates for some ethnic minorities are also lower..

The potential barriers to entering sustainable employment, or progressing into better employment are varied, and differ across Scotland's regions. During the 2007-13 programmes, Scotland developed the pipeline approach to employability and skills. This is a flexible and localised response that allows each area to respond to its particular challenges, and evidence suggests this is a successful way of both aligning with national and local initiatives, and in delivering better results for the individual participants. To ensure that this approach can be rolled out across Scotland, 32.7% of the ESF Programme will be dedicated to Thematic Objective 8, promoting sustainable and quality employment and supporting labour mobility.

Scotland has a separate Priority Axis in support of the Youth Employment Initiative for the South West Scotland region. The YEI programme will draw on and align with all of the ambitions above, but will speed up intervention in an area where youth unemployment could otherwise start to jeopardise the life chances of a generation. The YEI priority axis accounts for a further 19.95% of the programme value.

Beyond employability, there are an increasing number of people and families at risk of poverty or social exclusion, or already facing it. This includes in-work poverty and can lead to increased child poverty. These issues are not necessarily individual, but may be

family- or community based, and include factors such as financial awareness and inclusion, basic skills and life skills, material deprivation (food and fuel in particular), and lack of access to services (including digital ability) - all of which can be intertwined.

These issues do correlate heavily with income levels and income deprivation, particularly at the very low end of skills and abilities. The 19.26% allocation of the ESF programme to thematic objective 9, promoting social inclusion and combating poverty, will support both the very first stages of the pipeline approach, and a broader focus on social inclusion and sustainable communities (this represents 21.4% of the programme value without counting the Youth employment initiative funding).

Finally, the ESF must make a significant contribution to Smart Growth, through improving the match between education, labour supply and labour demand. The Scottish ESF programme explicitly links this to the Smart Specialisation Strategy, and to regional skills strategies so that the type and duration of courses and skills being offered contribute both to an individuals' opportunity to enter fulfilling and sustained employment; and help Scotland achieve the Europe 2020 vision. This will include the development and piloting of vocational training and the mix of vocational and academic skills, and close engagement with private sector employers to ensure that training and learning does not stop once formal educational institutions are left behind. The pipeline approach to labour mobility links directly into this, referring individuals in the upper stages of the pipeline into further and higher education.

Ensuring that Scotland can offer the individuals a wide variety of labour-market relevant and high-quality training, which boosts their own and the economy's competitiveness, is a potentially transformative change to Scotland's skills base, and industrial capability and also offers the potential for a genuine lifelong progression and development of skills, with options at all levels to increase an individual's chances of participation and inclusion. The allocation to Thematic Objective 10, investing in education, training and vocational training for skills and lifelong learning, reflects this transformative potential and is a substantial allocation with the ESF programme, at 26.3%.

The remaining 1.8% (2% without the YEI allocation) is allocated to Technical Assistance, a modest amount reflecting Scotland's long experience in delivering and managing EU Funds in an efficient and cost-effective manner. The 1.8% reflects the costs of operation controls through the control bodies during the 2007-13 programme, as well as establishing a more results oriented IT support system. It also reflects Scotland's ambition to pro-actively identify and exploit synergies between the different funding instruments available for building towards Europe 2020 ambitions.

Table 2: Overview of the investment strategy of the operational programme

Priority axis	Fund	Union support (€)	Proportion of total Union support for the operational programme	Thematic objective / Investment priority / Specific objective	Common and programme-specific result indicators for which a target has been set
1	ESF	150,748,252.00	35.87%	<ul style="list-style-type: none"> ▼ 08 - Promoting sustainable and quality employment and supporting labour mobility <ul style="list-style-type: none"> ▼ 8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility <ul style="list-style-type: none"> ▼ SO11 - Provide direct routes to sustainable employment for unemployed and inactive with multiple barriers ▼ SO12 - Increase the skills and labour market opportunities of employed with multiple barriers 	[PR01, PR02, PR03, PR04, PR05, PR06]
2	ESF	79,328,267.00	18.88%	<ul style="list-style-type: none"> ▼ 09 - Promoting social inclusion, combating poverty and any discrimination <ul style="list-style-type: none"> ▼ 9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability <ul style="list-style-type: none"> ▼ SO21 - Increase the financial capacity of the most disadvantaged individuals and households ▼ SO22 - Increase the number of disadvantaged participants from workless, lone parent and low income households with positive employment or training outcomes ▼ SO23 - Enable disadvantaged communities to develop long-term solutions to increase active inclusion and reduce poverty ▼ 9v - Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment <ul style="list-style-type: none"> ▼ SO24 - Increase the sustainability and capacity of the social economy to deliver support to the most disadvantaged areas and groups ▼ SO25 - Support and encourage social innovation ideas and solutions 	[CR05, PR21, PR22, PR23, PR24, PR25, PR26]
3	ESF	130,877,907.00	31.15%	<ul style="list-style-type: none"> ▼ 10 - Investing in education, training and vocational training for skills and lifelong learning <ul style="list-style-type: none"> ▼ 10iv - 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 and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes <ul style="list-style-type: none"> ▼ SO31 - Support key growth sectors by promoting graduate- and post-graduate level skills relevant to those sectors and developing new curricula to meet their needs ▼ SO32 - Support key growth sectors by promoting relevant vocational skills at ISCED level 3 and above ▼ SO33 - increase the number of employers who offer vocational placements and opportunities 	[PR31, PR32, PR33]
4	YEI	51,014,110.00	12.14%	<ul style="list-style-type: none"> ▼ 08 - Promoting sustainable and quality employment and supporting labour mobility <ul style="list-style-type: none"> ▼ 8ii - Sustainable integration into the labour market of young people (YEI), 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 <ul style="list-style-type: none"> ▼ SO41 - Decrease the number of young unemployed who are NEET in SW Scotland ▼ SO42 - Reduce the number of young people not in employment, education or training (NEET) who are inactive and socially excluded in South West Scotland 	[CR01, CR02, CR03, CR04, CR05, CR06, CR07, CR08, CR09, CR10, CR11, CR12, PR01a, PR02a, PR03b, PR10, PR11, PR12]
5	ESF	8,247,696.00	1.96%	<ul style="list-style-type: none"> TASO1 - Support effective delivery of ERDF programme in Scotland TASO2 - Support synergies between EU instruments 	[]

2. PRIORITY AXES

2.A DESCRIPTION OF THE PRIORITY AXES OTHER THAN TECHNICAL ASSISTANCE

2.A.1 Priority axis

ID of the priority axis	1
Title of the priority axis	Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

The analysis of need for the Scotland ESF programme in respect of high quality employment and labour mobility has outlined challenges around rising long-term unemployment and youth unemployment, demographic trends (notably an ageing population), and to a lesser extent the participation of women in the workforce. Within the long-term unemployed group, there are also often connections to particularly difficult barriers, such as disabilities, mental health issues, a history of offending etc.

During the 2007-13 period, Scotland has developed the ‘pipeline’ model for delivering employment support using the European Social Fund. This approach allows tailoring to an individual’s needs to help them access training, mentoring, in-work support, and allows progression towards employment (for those furthest from the labour market); into work; or into better, higher quality employment.

In 2007-13, this approach was used only in the more developed regions in the Lowlands and Uplands programme. However, evaluations strongly suggest that this approach has big advantages in terms of streamlining local provision, aligning ESF supported activity with domestically funded activity and of course gaining better results for the individual participant, as they are able to move between range of agencies supporting different aspects of their needs.

From an organisational perspective, this approach also allows an individual region to tailor their focus to particular target groups – for example, it is likely that some rural areas will have a higher proportion of older people requiring support into employment; and particular areas have greater concentrations of people with multiple barriers to participation. To address unemployment, under-employment and the quality of work an individual is able to undertake, this approach will be rolled out across Scotland in the 2014-2020 programme. Although the underlying needs for each area may differ slightly to reflect their populations, the individualised method of delivery, and the choice of thematic objective and investment priorities are therefore the same across Scotland, and a single priority axis is proposed. The selection of operations will ensure that relevant local projects can be tailored to different regional needs.

2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
ESF	Transition	Public	
ESF	More developed	Public	

2.A.4 Investment priority

ID of the investment priority	8i
Title of the investment priority	Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO11
Title of the specific objective	Provide direct routes to sustainable employment for unemployed and inactive with multiple barriers
Results that the Member States seek to achieve with Union support	This specific objective is focussed on those that are unemployed or inactive but have more than one major barrier to progressing into employment and therefore target harder to reach groups. The key results therefore reflect the need to create the necessary support and skills to enable sustainable employment - targets reflect the more challenging nature of the client groups and need to work more intensively than in previous programmes. Whilst appreciating the target groups involved, the programme is pursuing harder outcomes and raising targets from baselines under the 07-13 programmes in Scotland.

	<p>Analysis shows that there are differences in the outcomes achieved in Highlands and Islands compared to the rest of Scotland. This is reflected in the targets where there are historically higher rates of employment and qualification outcomes in the transition region.</p> <p>Results for this target group comprise:</p> <p>Into employment upon leaving - this is based on increasing the rate of progression into employment upon leaving. Current evidence suggests around 18% of those with multiple barriers have been entering employment upon leaving in the more developed region but this programme aims to increase this to around 20% in recognition of the employment focus of this specific objective. For the transition region, there is a current baseline of 20% and the programme aims to maintain this as an immediate outcome whilst increasing the target and focus on the sustainable employment indicator below.</p> <p>In employment six months after leaving - this indicator is more important when measuring the specific objective and the baselines are currently low in the more developed region with only 11% in employment six months after leaving compared to 23% in the transition region. The pipeline approach will provide a system whereby participants are still tracked after leaving or continue to be given support whilst employed. The targets are ambitious at raising employment six months after leaving to 23% in the more developed and 27% in the transition region but this reflects the outcome based approach of the programme.</p> <p>Qualifications are still considered an important indication of the results of the support received within the employability pipeline - current baselines indicate 25% achievement (transition) and 10% (more developed) and the aim is to increase the rate of success particularly under the more developed region but recognising this challenging target group. The transition region target is to maintain the 25% rate but to raise attainment in the more developed region by 50% up to 15%.</p>
ID of the specific objective	SO12

Title of the specific objective	Increase the skills and labour market opportunities of employed with multiple barriers
Results that the Member States seek to achieve with Union support	<p>Employed participants that have multiple barriers to progressing in the labour market will be the focus. This is most likely to be achieved through developing new skills or improving capacity to unlock opportunities. The key results will focus on qualification attainment and improving the labour market situation. The European Commission definition of improved labour market situation is very focussed and is highly relevant for this priority and specific objective.</p> <p>Qualifications - the current baseline is 45% attainment in the transition region and 32% in the more developed region. Given the diverse range of participants that have been supported under the 07-13 these current achievements are positive. However, the programme aims to be ambitious in raising these - it recognises the approach taken by the pipeline is structured and capable of increasing these targets across all of Scotland to ensure support drives higher levels of outcomes. The targets therefore are set at increasing attainment by 20%. This results in a target of 55% of employed participants supported in the transition region gaining a qualification and 38% in the more developed region.</p> <p>Improved labour market situation six months after leaving - this indicator is not currently captured by the 07-13 programmes in Scotland, although some evidence from evaluation coupled with extrapolation of data from workforce development initiatives has been used to compile baselines. It suggests that approximately 18% of those employed receiving support gain a positive labour market change in the transition region and 15% in the more developed region. These are low but reflect gaps in tracking longer term which the EUMIS system and other public MIS used will improve. With the focus on tailored support to drive outcomes and raising ambition through this programme we aim to improve the labour market situation for 25% in the transition region (an increase of 33%) and 20% in the more developed region.</p>

Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for the ESF)

Investment priority : 8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility														
ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis for target setting	Baseline value			Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
					M	W	T			M	W	T		
PR01	Unemployed and inactive participants with multiple barriers entering education or training	Transition	Number			190.00	Number	2013			1,500.00	Scottish Government EUMIS/Local Authority MIS	Quarterly	
PR02	Unemployed and inactive participants with multiple barriers gaining a qualification	Transition	Number			540.00	Number	2013			2,502.00	Scottish Government EUMIS/Local Authority MIS	Quarterly	
PR03	Unemployed and inactive participants with multiple barriers in employment, including self-employment, upon leaving	Transition	Number			420.00	Number	2013			2,001.00	Scottish Government EUMIS/Local Authority MIS	Quarterly	
PR04	Unemployed and inactive with multiple barriers in employment, including self-employment, six months after leaving	Transition	Number			490.00	Number	2013			1,701.00	Scottish Government EUMIS/Local Authority MIS	6 monthly	
PR05	Employed participants with multiple barriers gaining a qualification upon leaving	Transition	Number			48.00		2013			143.00	Scottish Government EUMIS/Local Authority MIS	Quarterly	
PR06	Employed participants with multiple barriers with an improved labour market situation six months after leaving	Transition	Number			36.00	Number	2012			96.00	Scottish Government EUMIS/Local Authority MIS	6 monthly	
PR01	Unemployed and inactive participants with multiple barriers entering education or training	More developed	Number			1,411.00	Number	2013			10,914.00	Scottish Government EUMIS/Local Authority MIS	Quarterly	
PR02	Unemployed and inactive participants with multiple barriers gaining a qualification	More developed	Number			1,765.00	Number	2013			16,867.00	Scottish Government EUMIS/Local Authority MIS	Quarterly	
PR03	Unemployed and inactive participants with multiple barriers in employment, including self-employment, upon leaving	More developed	Number			3,175.00	Number	2013			20,927.00	Scottish Government EUMIS/Local Authority MIS	Quarterly	
PR04	Unemployed and inactive with multiple barriers in employment, including self-employment, six months after leaving	More developed	Number			2,028.00	Number	2013			22,820.00	Scottish Government EUMIS/Local Authority MIS	6 monthly	
PR05	Employed participants with multiple barriers gaining a qualification upon leaving	More developed	Number			360.00	Number	2013			2,617.00	Scottish Government EUMIS/Local Authority MIS	Quarterly	
PR06	Employed participants with multiple barriers with an improved labour market situation six months after leaving	More developed	Number			120.00	Number	2012			1,377.00	Scottish Government EUMIS/Local Authority MIS	6 monthly	

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility
The fundamental purpose of this priority is to actively seek out practical measures and processes to aid the transition from unemployed or inactive status to employment, tailored round the individual needs rather than supporting broad and general services. This is coupled with recognition that there is a significant cohort in Scotland of employed with barriers that require a need for support which is more tailored than the broader education and training focus of priority axis 3. Therefore the key target groups for this priority will be those that are either unemployed/inactive with more than one	

Investment priority	8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility
<p>major barrier to employment or employed with more than one major barrier to progressing through the labour market.</p> <p>This will be undertaken through an employability pipeline approach, as highlighted in chapter 1, which supports individuals through the development and implementation of personalised action plans focussed on where support can be most effective. Seeking to actively engage with people and work with them through various stages of their personal development and provide them with the right tools to enter back into job searching/employment/learning, this approach maintains a critical connection with the participant and, therefore, the relevance and appropriateness of the support required. Whilst the focus is clearly on employment outcomes or creating the conditions to strengthen employability, there is strong evidence that re-employment leads to improved self-esteem, improved general and mental health and reduced psychological distress and so this priority will have a wider impact.</p> <p>Stages - individuals, irrespective of age or background, may require different levels of support. Scotland has established 5 stages to the development of employability ranging from Initial Engagement and Assessment through to Job Sustainability and Development, thus this intervention seeks to address the early stages focussed on the development of individual needs, to encourage personal development and confidence in progressing into employment or vocational training. Whilst all participants will receive an action plan, some may not require support from all stages. This priority will be implemented on a territorial basis allowing areas to assess and design the pipeline to respond to local needs and issues and labour market opportunities. The regional skills plans will be used to assist in the identification of these opportunities. Below are key actions required to progress through to next stage of development to fulfil successful pathways to attaining employment or entering into formal learning.</p> <p>Stage 1 – Engagement/ Case management</p> <ul style="list-style-type: none"> • Initial local engagement • Intensive action planning and case management 	

Investment priority	8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility
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Stage 2 – Overcoming barriers

- Childcare advice and access to childcare fund
- Financial capability training and debt support
- Condition management (support for those with health related barriers)

Stage 3 – Work / institutional learning focused Training

- Vocational training, developing core skills, supported volunteering, job search advice, job tasters and work experience
- Accredited pre-employment training for core skills
- Vocational training specific to the key sectors and other high participation/enabling sectors.
- Industry specific qualifications (non-statutory)

Stage 4 - Progression preparation – developing skills to source, apply for and secure labour market entry or routes to further development. Stage 4 - Employer engagement and Job Matching

- Limited pre-employment support for job ready individuals to move directly into employment
- Employment engagement / matching including short placements into jobs
- Training, mentoring and supporting men and women who want to enter occupations or sectors where their gender is under-represented, in order to tackle gender segregation and the pay gap
- Developing support for employees and employers to help employee retention and progression in due course, including supported employment and training
- Activities enabling disadvantaged young people and adult to enter apprenticeships

Investment priority	8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility
<p>Stage 5 - In work Aftercare</p> <ul style="list-style-type: none"> • Actions to encourage and support the development of vocational skills among low-skilled and low-waged individuals, including training • Actions to support the development of vocational and core skills among specific groups • Actions to provide training for those wishing to start up or manage a business, particularly from groups under-represented at managerial levels such as women or individuals from ethnic minority backgrounds • Training to provide entrepreneurial, business planning, financial, marketing, and for those starting up new companies or in self-employment and key managers in new and existing SMEs, third sector organisations and social enterprises • High level business and management skills required by workers in social enterprises and co-operatives to improve the sustainability of their organisations 	

2.A.6.2 Guiding principles for selection of operations

Investment priority	8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility
<p>To maximise their impact, Structural Funds programmes in Scotland for 2014-20 will be structured around Strategic Interventions – groups of projects of scale, longevity and ambition that can achieve long term change, but also ensure long-term stability of funding in support of that identified required change. Selection of operations will therefore operate on two levels, with the strategic intervention selected first, and the individual operations within it able to be added over a longer timeframe to ensure that the whole group of projects performs and delivers the expected results.</p> <p>Strategic Interventions will be selected based on:</p> <ul style="list-style-type: none"> • Their fit with EU and Scottish policy priorities, particularly where long-term policy is changing considerably and requires support for implementation 	

Investment priority	8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility
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- Their transformational potential in respect of an identified need or development potential
- Their long-term sustainability and ability to be mainstreamed beyond EU funding support
- Affordability within the EU Funds envelope, and certainty of match funding, to ensure absorption and balanced programmes

For this priority, local areas must demonstrate a clear analysis of the nature and type of multiple barriers affecting the target groups are most prevalent in their area, and how the pipeline approach will be used to support them into work or into higher-quality or more sustainable work. This priority will also require operations to demonstrate that there is alignment between their plans for developing skills for the unemployed and key growth sectors in the region, so that training and support provided has the maximum opportunity to result in long-term, sustainable employment. Operations have to clearly state their focus on only those with **multiple** barriers to either employment or progressing in the labour market - these will be from the list of disadvantage within the Commission's monitoring guidance but classed as "other disadvantaged" will include those with the following barriers: health, substance or alcohol misuse, looked after children, low income, migrants, refugees, asylum seekers, low income, no or low skilled, underemployed and those with dependent care responsibilities.

Operations within each of such strategic interventions will be selected based on:

- Their ability to realistically deliver against the objectives and results for the strategic intervention – they must have a measurable and direct impact on an individual’s ability to move into or through employment
- A strong alignment of an assessment of local labour market issues and needs and corresponding actions to address these
- A clear approach to supporting and prioritising key target groups rather than providing generic approaches
- Value for money, e.g. through evidence for a simplified cost model or testing the market through procurement
- Additionality, e.g. evidence of how any specific operation fits alongside existing provision and improves the offer and outcomes of domestic policy alone

For this priority axis, it will also be important for operations to demonstrate a sound understanding of horizontal themes, in particular equality (the ability to widen access to higher levels of skills and the improved employment opportunities they tend to engender); and gender equality, in particular

Investment priority	8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility
in terms of removing barriers to women returners and assisting lone parents to engage in the labour market.	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility
No use of financial instruments is planned under this priority axis.	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility
No major projects are planned, however this will be kept under review throughout the programming period.	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PO11	Unemployed and inactive participants with multiple barriers to employment	Number	ESF	Transition			10,005.00	Scottish Government Authority MIS	Quarterly
PO12	Employed participants with multiple barriers to progressing in the labour market	Number	ESF	Transition			191.00	Scottish Government Authority MIS	Quarterly
PO11	Unemployed and inactive participants with multiple barriers to employment	Number	ESF	More developed			99,218.00	Scottish Government Authority MIS	Quarterly
PO12	Employed participants with multiple barriers to progressing in the labour market	Number	ESF	More developed			6,885.00	Scottish Government Authority MIS	Quarterly

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

Priority axis	1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility
Whilst all priority axes will involve innovative approaches, social innovation will be delivered through Priority Axis 2 Promoting Social Inclusion, combating poverty and any discrimination.	

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

Priority axis		1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
100	F	expenditure	Euro	ESF	Transition			6,432,939			36,828,030.00	Scottish Government EUMIS System	
100	F	expenditure	Euro	ESF	More developed			27,242,119			281,800,073.00	Scottish Government EUMIS System	
PO11	O	Unemployed and inactive participants with multiple barriers to employment	Number	ESF	Transition			2,092			10,005.00	Scottish Government EUMIS/Local Authority MIS	This is the key output indicator for this priority reflecting the target of those with multiple barriers to accessing employment.
PO11	O	Unemployed and inactive participants with multiple barriers to employment	Number	ESF	More developed			24,464			99,218.00	Scottish Government EUMIS/Local Authority MIS	This is the key output for this priority focussing on supporting those with multiple barriers to accessing employment.
PO12	O	Employed participants with multiple barriers to progressing in the labour market	Number	ESF	Transition			30			191.00	Scottish Government EUMIS/Local Authority MIS	Both output indicators for this priority are considered relevant to the framework as they both focus on those with multiple barriers - this one in respect of those progressing through the labour market. Activity based measurement considered best approach for milestone setting.
PO12	O	Employed participants with multiple barriers to progressing in the labour market	Number	ESF	More developed			1,224			6,885.00	Scottish Government EUMIS/Local Authority MIS	Both output indicators for this priority are considered relevant to the framework as they both focus on those with multiple barriers - this one in respect of those progressing through the labour market. Activity based measurement considered best approach for milestone setting.

Additional qualitative information on the establishment of the performance framework

The milestones have been set in recognition of the delayed start to the programme and that the focus is on the use of the five stage employability pipeline across Scotland. This currently only exists in half of the local authority areas in Scotland and so the milestones reflect a target of 20% in the transition region and 25% in the more developed region for achievements of the output indicators. There are currently no pipelines operating in this way in the transition region hence the lower target. As this priority is targeting only those with multiple barriers and involves tailored support rather than generic services then throughput will not be as high as operations that pursue that more generic approach. The outcomes achieved are anticipated to be higher however as a result but these are not reflected in the milestones for 2018 as it has been considered more appropriate to only use activity based indicators for this. The activity milestones for the employed category are slightly lower as it is anticipated that this group may be less of a focus initially and will

involve the development of new approaches. Therefore milestones are set at 15% and 18% for transition and more developed respectively. Again in recognition that the pipeline approach does not exist in the transition region currently

2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis		1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	
Fund	Category of region	Code	€ amount
ESF	Transition	102. Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	23,938,219.00
ESF	More developed	102. Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	126,810,033.00

Table 8: Dimension 2 - Form of finance

Priority axis		1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	
Fund	Category of region	Code	€ amount
ESF	Transition	01. Non-repayable grant	23,938,219.00
ESF	More developed	01. Non-repayable grant	126,810,033.00

Table 9: Dimension 3 - Territory type

Priority axis		1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	
Fund	Category of region	Code	€ amount
ESF	Transition	01. Large Urban areas (densely populated >50 000 population)	4,787,645.00
ESF	More developed	01. Large Urban areas (densely populated >50 000 population)	63,405,016.00
ESF	Transition	02. Small Urban areas (intermediate density >5 000 population)	9,575,287.00
ESF	More developed	02. Small Urban areas (intermediate density >5 000 population)	25,362,007.00

Priority axis		1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	
Fund	Category of region	Code	€ amount
ESF	Transition	03. Rural areas (thinly populated)	9,575,287.00
ESF	More developed	03. Rural areas (thinly populated)	38,043,010.00

Table 10: Dimension 4 - Territorial delivery mechanisms

Priority axis		1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	
Fund	Category of region	Code	€ amount
ESF	Transition	07. Not applicable	23,938,219.00
ESF	More developed	07. Not applicable	126,810,033.00

Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)

Priority axis		1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	
Fund	Category of region	Code	€ amount
ESF	Transition	05. Enhancing the accessibility, use and quality of information and communication technologies	1,196,91 1.00
ESF	More developed	05. Enhancing the accessibility, use and quality of information and communication technologies	6,340,50 2.00

2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)

Priority axis:	1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility
The individual priority axes in the Scotland ESF programme will not seek to support this, as Scotland's management of the Funds is mature and well-established. A separate TA Priority Axis will support effective delivery of the funds.	

2.A.1 Priority axis

ID of the priority axis	2
Title of the priority axis	Promoting Social Inclusion, combating poverty and any discrimination

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

The analysis of need in respect of this priority axis, highlights the complexity of social inclusion. It is linked to income and employment, but also to health, financial awareness and acumen, personal, family and community resilience and access to services. There is also increasing evidence of in-work poverty, fuel poverty and material deprivation such as food poverty, and a worrying trend towards increases in child poverty as a result.

The territorial needs analysis shows that such exclusion can be highly concentrated in particular – either in urban areas which suffer from multiple and complex interaction between different types of deprivation; or in rural settings where the issues might be more weighted towards distance from services, and fuel poverty. To tackle these levels of concentration of social exclusion and poverty, the European Social Fund will target the communities most heavily affected. These are not uniformly located in one category of region, and the approach therefore demands a single priority axis in order to be able to help and support those communities on their own terms.

77% of individuals facing poverty, though, do not live in those targeted communities. Intensive support and barrier-removal to enable progression into work and participation will therefore sit alongside activity in particularly Priority Axis 1.

Although the underlying needs for each individual and community affected may differ slightly, the choice of thematic objective and investment priorities are therefore the same across Scotland, and a single priority axis is proposed. The selection of operations will ensure that relevant local projects can be tailored to different regional needs.

2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
ESF	Transition	Public	
ESF	More developed	Public	

2.A.4 Investment priority

ID of the investment priority	9i
Title of the investment priority	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO21
Title of the specific objective	Increase the financial capacity of the most disadvantaged individuals and households
Results that the Member States seek to achieve with Union support	<p>This specific objective seeks to increase the financial awareness, capacity and inclusion of the most disadvantaged individuals and households. This will be monitored through:</p> <ul style="list-style-type: none"> • increase in disadvantaged participants with improved money management skills; and • decrease in disadvantaged participants affected by debt as a barrier to social inclusion <p>Current indications for baselines are that 33% of participants supported do not achieve the results anticipated, due in particular to these interventions currently being focussed on the most deprived communities and on the most disadvantaged participants in Scotland. Of the remainder around 60% achieve improved money management skills and for 30% , debt is removed as a barrier. The programme aims to increase these through an increase in resources and the more intensive approach being pursued as well as through learning lessons from pilots operating in parts of Scotland.</p>

ID of the specific objective	SO22
Title of the specific objective	Increase the number of disadvantaged participants from workless, lone parent and low income households with positive employment or training outcomes
Results that the Member States seek to achieve with Union support	<p>The key target group comprises those that are in workless, lone parent or low income households although these may also have other barriers to active inclusion including disabilities, health, other care responsibilities that substantially affect their ability to participate in society or the labour market. These will be targeted mainly through a more intensive approach taken to pre stage 1 and stage 2 of the employability pipeline where support may need to be more complex or longer term.</p> <p>The common result indicator provides a strong indication of progress either through active job searching, training, education, qualifications or employment. Current baselines have been built from both 07-13 data on projects that support the most difficult to reach target groups that are the focus here and suggest a low outcome rate of 10% in the more developed region and 12% in the H&I. The programme aims to increase this rate through an intensive partnership approach. Therefore outcomes are set at 20% for both regions in respect of the participant base.</p>
ID of the specific objective	SO23
Title of the specific objective	Enable disadvantaged communities to develop long-term solutions to increase active inclusion and reduce poverty
Results that the Member States seek to achieve with Union support	<p>This result is in recognition that whilst there is a need for tailored support services focussed on the needs of the participant, and these are pursued under this priority axis also, there may be a more practical and innovative way of tackling exclusion and poverty at an area level using communities to drive the identification of the issues and own the solutions. The results are therefore to support the most fragile and disadvantaged communities in Scotland to develop these long-term solutions. The Programme will actively monitor the number of community based or community led services developed as a result of the communities that are supported. By increasing the amount of funding available for these approaches the results aim to have a greater impact. Currently 38 communities in the transition region are supported in this way and it is aimed to increase the number of services they develop and introduce using an average of just under 3 services per community supported (depending on the nature of the community and so some have been calculated on the basis of 2 new services). There is currently no baseline for developing childcare provision using this community based and led approach and therefore the baseline is zero. This will be taken forward as a new intervention to combat this key barrier to inclusion and poverty and pilot new approaches to</p>

	extending the type or availability of provision from which it is anticipated that lessons are learned and shared for wider roll out.
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Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for the ESF)

Investment priority : 9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability															
ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis for target setting	Baseline value			Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting	
					M	W	T			M	W	T			
CR05	disadvantaged participants engaged in job searching, education/ training, gaining a qualification, or in employment, including self-employment , upon leaving	Transition	Number				105.00	Number	2013				559.00	Scottish Government EUMIS	6 monthly
PR21	Disadvantaged participants in workless, lone parent or low income households with improved money management skills	Transition	Number				260.00	Number	2013				2,128.00	Scottish Government EUMIS	Quarterly
PR22	Community based or community led services supported	Transition	Number				25.00	Number	2013				229.00	Scottish Government EUMIS	Quarterly
PR23	New childcare places available	Transition	Number				0.00	Number	2013				135.00	Scottish Government EUMIS	Quarterly
PR26	Participants no longer affected by debt as a barrier to social inclusion	Transition	Number				150.00	Number	2013				765.00	Scottish Government EUMIS	Quarterly
CR05	disadvantaged participants engaged in job searching, education/ training, gaining a qualification, or in employment, including self-employment , upon leaving	More developed	Number				440.00	Number	2013				3,030.00	Scottish Government EUMIS	6 monthly
PR21	Disadvantaged participants in workless, lone parent or low income households with improved money management skills	More developed	Number				900.00	Number	2013				9,682.00	Scottish Government EUMIS	Quarterly
PR22	Community based or community led services supported	More developed	Number				32.00	Number	2013				423.00	Scottish Government EUMIS	Quarterly
PR23	New childcare places available	More developed	Number				0.00	Number	2013				306.00	Scottish Government EUMIS	Quarterly
PR26	Participants no longer affected by debt as a barrier to social inclusion	More developed	Number				550.00	Number	2013				3,271.00	Scottish Government EUMIS	Quarterly

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
<p>Whilst the measures pursued under priority 1 support actions to move unemployed and inactive participants into employment, it is recognised that some require longer-term and more intensive support. This is particularly so for those that have disengaged from the labour market and society due to complex and multiple factors. The key barriers identified are childcare and social care, debt and financial acumen, long-term health issues, homelessness and low income. Therefore the target groups will focus on workless households, lone parent households, homeless, other disadvantaged (which will include those with long-term health issues, alcohol/drug misuse, ex-offenders, looked after children).</p> <p>Intensive action planning will identify the right type of support and will work in tandem with the more traditional debt advice and support</p>	

Investment priority

9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability

mechanisms already strongly delivered in Scotland. New services and innovative solutions will be encouraged and the following actions will be supported:

- Tailored action plans
- Provision of financial and debt advice
- Provision of fuel/energy advice
- Set-up of first-steps banking services and credit unions
- Provision of intensive services and support for those with multiple barriers, including health and disabilities, to employment or education and training
- Provision of training, support and access to childcare and social care services

Poverty and social exclusion will manifest itself in different ways depending on locality and transformation in the long-term will come if communities are empowered to determine the most appropriate activity and interventions. There will therefore be actions to support communities to undertake this role in identifying, developing and owning solutions to poverty and social exclusion. Whilst other interventions being pursued under this priority axis, and priority axis 1, will be focussed around the individual, this approach allows a collective approach and wider area-based solution.

Interventions will depend on local circumstances and will address both long-term and short-term needs. The programme will support the advancement of the delivery of services locally, especially through the third sector, including community organisations and social enterprises; increase resilience; enable community asset ownership and advance community cohesion in areas of significant disadvantage.

Funding will be targeted on the most fragile and deprived communities. The key actions that will be supported include:

- Support for community-led actions to combat fuel and food poverty
- Support for community-led actions to provide enhanced child and social care solutions
- Community designed and delivered initiatives, particularly to support the key target groups highlighted

Investment priority	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
<ul style="list-style-type: none"> • Business and financial management training to community anchor organisations 	

2.A.6.2 Guiding principles for selection of operations

Investment priority	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
<p>To maximise their impact, Structural Funds programmes in Scotland for 2014-20 will be structured around Strategic Interventions – groups of projects of scale, longevity and ambition that can achieve long-term change, but also ensure long-term stability of funding in support of that identified required change. Selection of operations will therefore operate on two levels, with the strategic intervention selected first, and the individual operations within it able to be added over a longer timeframe to ensure that the whole group of projects performs and delivers the expected results.</p> <p>Strategic Interventions will be selected based on:</p> <ul style="list-style-type: none"> • Their fit with EU and Scottish policy priorities, particularly where long-term policy is changing considerably and requires support for implementation • Their transformational potential, particularly where innovative community-based solutions are suggested • Their long-term sustainability and ability to be mainstreamed beyond EU funding support • Their ability to clearly identify and meet the needs of the key target groups identified: workless households, lone parents, disabled, homeless and other disadvantaged groups • Consideration of synergies with other European instruments including ETC and the Social innovation programme • Additionality - there will need to be clear evidence of how an operation fits alongside existing provision and improves the offer and outcomes of domestic policy alone • Provide clear and practical gender equality outcomes • Affordability within the EU Funds envelope, and certainty of match funding, to ensure absorption and balanced programmes <p>Operations within each of such strategic interventions will be selected based on:</p>	

Investment priority

9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability

- Their ability to realistically deliver against the objectives and results for the strategic intervention – they must have a measurable and direct impact
- Clear targeting of support on the most disadvantaged participants
- Clear identification of how the specific needs of the target groups will be met
- Involve strong partnership to deliver outcomes and ensure there is no duplication
- The ability to respond to regional need, e.g. demonstrating an ability work with major sectoral or regional employers
- Consideration of synergies with other European instruments including ETC and the Social Innovation Programme
- Value for money, e.g. through evidence for a simplified cost model or testing the market through procurement
- Additionality, e.g. evidence of how any specific operation fits alongside existing provision and improves the offer and outcomes of domestic policy alone

The community strand of this priority will be targeted on the areas of most disadvantage or the most fragile areas in more rural areas. Indices highlighted in section 1 will be used in addition to other relevant statistics. This will provide a framework for ensuring support is as targeted as possible and will include:

- SIMD - experiencing the highest levels of multiple deprivation
- located in Fragile Areas - therefore known to be disadvantaged by geography, economic or social challenges
- health inequality (linked to poverty) (NHS has these figures)

In addition, the Scottish Government has commissioned work to map social/economic disadvantage across rural Scotland and this may provide a data set for rural areas where SIMD isn't helpful, especially outwith the H&I for which the fragile areas map exists.

For this priority axis, it will also be important for operations to demonstrate a sound understanding of horizontal themes, in particular equality (the ability to widen access to higher levels of skills and the improved employment opportunities they tend to engender); and gender equality, in particular

Investment priority	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
in terms of removing barriers for women returners, targeting childcare provision and assisting lone parents.	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
None planned. The Ex-ante assessment suggests there may be scope for developing financial instruments in support of financial inclusion, and support for social enterprise, innovation and entrepreneurship, later on the programme, and this will be kept under review.	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
No major projects are planned, however this will be kept under review throughout the programming period.	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability								
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data		Frequency of reporting
					M	W	T			
PO21	Disadvantaged participants in workless, lone parent or low income households	Number	ESF	Transition			4,096.00	Scottish EUMIS	Government	Quarterly
PO22	Deprived or fragile communities supported	Number	ESF	Transition			81.00	Scottish EUMIS	Government	Quarterly
PO21	Disadvantaged participants in workless, lone parent or low income households	Number	ESF	More developed			20,203.00	Scottish EUMIS	Government	Quarterly
PO22	Deprived or fragile communities supported	Number	ESF	More developed			147.00	Scottish EUMIS	Government	Quarterly

2.A.4 Investment priority

ID of the investment priority	9v
Title of the investment priority	Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO24
Title of the specific objective	Increase the sustainability and capacity of the social economy to deliver support to the most disadvantaged areas and groups
Results that the Member States seek to achieve with Union support	This element of the priority axis aims to strengthen and grow the social economy as a driver to combat poverty and social exclusion. The social economy, including the third sector, provides valuable employment, particularly in more rural areas, and valuable services. Coupled with a focus on innovation and piloting new approaches, the results will be to increase the number of products or services that are created as a result of financial and advisory support in the sector and also create additional employment. The baselines are built around current average investment levels of around €180k in a social enterprise in the more developed region and around €120k in the transition region. The aim is to increase the number that can be supported through increased access to finance and development support and advice. The target in the more developed region reflects higher average investment levels up to a proposed (but not exclusive) £300k hence the overall target is lower relatively. Not all supported enterprises will create employment opportunities as some activity may be based around strengthening and sustainability. Employment estimates are based on 20% of supported entities creating at least 1 FTE. Note that FTEs are used to enable monitoring alongside ERDF interventions where this is the common output indicator used by the European Commission. This will improve monitoring and evaluation if the indicator set is consistent.
ID of the specific objective	SO25
Title of the specific objective	Support and encourage social innovation ideas and solutions
Results that the Member States seek to achieve with Union support	The programme aims to stimulate new ideas, processes, products and solutions to combating poverty and social exclusion. Access to this support is new and so baselines don't exist for the same direct activity which is going to encourage academic collaborations and increase RTD capacity. Not all entities will pursue this target as it will not be relevant to all. The baseline and targets for SO24 apply here also. The results will be broader and provider softer outcomes in relation to sharing knowledge from the pilots and other support undertaken. This will be regularly fed into the programme delivery within the governance structures where the social partner forum will be able to reflect on the outcomes from the social innovation support and consider how best to use these.

Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for the ESF)

Investment priority : 9v - Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment															
ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis for target setting	Baseline value			Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data		Frequency of reporting
					M	W	T			M	W	T			
PR24	No of new products and services developed to support targeted groups	Transition	Number				16.00	Number	2013			108.00	Scottish EUMIS	Government	Quarterly
PR25	FTEs created in supported enterprises/organisations	Transition	Number				5.00	Number	2013			32.00	Scottish EUMIS	Government	6 monthly
PR24	No of new products and services developed to support targeted groups	More developed	Number				32.00	Number	2013			342.00	Scottish EUMIS	Government	Quarterly
PR25	FTEs created in supported enterprises/organisations	More developed	Number				6.00	Number	2013			75.00	Scottish EUMIS	Government	6 monthly

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	9v - Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment
<p>The third sector in Scotland, encompassing community organisations and social enterprises, plays an important role in achieving sustainable and inclusive economic growth. This is not only because of their ability to deliver services to the most vulnerable, but also because strengthening the sector provides clear employment potential coupled with wider benefits especially around gender equality and positive opportunities for women: social economy organisations not only employ a high proportion of women, but also give them access to management positions, promote female entrepreneurship and flexible working.</p> <p>In addition to providing direct financial and advisory support to the sector, this investment priority will support the stimulation, incubation and testing of new approaches to supporting the most disadvantaged groups in society and unlocking the potential of the social economy. This will include facilitation through collaborations between social entrepreneurs, academia, and where possible the private and public sectors.</p> <p>Funding will be available for the following actions:</p>	

Investment priority	9v - Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment
<ul style="list-style-type: none"> • Financial support to grow social enterprises/sector to increase employment opportunities • Develop new business models for the social economy • Provision of training and development support for social entrepreneurs aimed at growing their social enterprise • Services to connect social economy and research institutions to foster and develop social innovation • Establish a social innovation fund to support piloting of new approaches to combating poverty and aiding social inclusion • Support to develop research capacity within social enterprises <p>Target groups will be third sector including social enterprises, community organisations, equality and disadvantaged groups.</p>	

2.A.6.2 Guiding principles for selection of operations

Investment priority	9v - Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment
<p>To maximise their impact, Structural Funds programmes in Scotland for 2014-20 will be structured around Strategic Interventions – groups of projects of scale, longevity and ambition that can achieve long term change, but also ensure long-term stability of funding in support of that identified required change. Selection of operations will therefore operate on two levels, with the strategic intervention selected first, and the individual operations within it able to be added over a longer timeframe to ensure that the whole group of projects performs and delivers the expected results.</p> <p>Strategic Interventions will be selected based on:</p> <ul style="list-style-type: none"> • Their fit with EU and Scottish policy priorities, particularly ensuring the long-term sustainability of social enterprise and the need to transition away from grant funding in the sector • Their transformational potential, particularly where innovative community-based solutions are suggested • Consideration of synergies with other European instruments including ETC and the Social innovation programme • Additionality - there will need to be clear evidence of how an operation fits alongside existing provision and improves the offer and outcomes of domestic policy alone 	

Investment priority	9v - Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment
<ul style="list-style-type: none"> • Provide clear and practical gender equality outcomes • Affordability within the EU Funds envelope, and certainty of match funding, to ensure absorption and balanced programmes <p>Operations will focus on social enterprises with the capacity to grow and create employment opportunities. Those that are targeting and developing services focussed on the target groups within this priority axis will also be prioritised. Part of this priority is focussing on innovative approaches and investments will need to clearly differentiate from current provision or activity.</p> <p>Operations within each of such strategic interventions will be selected based on:</p> <ul style="list-style-type: none"> • Their ability to realistically deliver against the objectives and results for the strategic intervention – they must have a measurable and direct impact • Clear targeting of support on innovation and enterprises with wider community benefit outcomes • Involve strong partnership to deliver outcomes and ensure there is no duplication • Consideration of synergies with other European instruments including ETC and the Social innovation programme • Value for money, e.g. through evidence for a simplified cost model or testing the market through procurement <p>For this priority axis, it will also be important for operations to demonstrate a sound understanding of horizontal themes, in particular equality (the ability to widen access to higher levels of skills and the improved employment opportunities they tend to engender); and gender equality, in particular in terms of removing barriers for women returners, targeting childcare provision and assisting lone parents.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	9v - Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment
None planned. The Ex ante assessment suggests there may be scope for developing financial instruments in support of financial inclusion, and support for social enterprise, innovation and entrepreneurship, later on the programme, and this will be kept under review.	

Investment priority	9v - Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment
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2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	9v - Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment
No major projects are planned, however this will be kept under review throughout the programming period.	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		9v - Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment								
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data		Frequency of reporting
					M	W	T			
CO23	number of supported micro, small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy)	Number	ESF	Transition	0.00	0.00	65.00	Scottish Management System	Government Information	6 monthly
PO23	No of supported projects which increase RTD capacity and investment in the social economy	Number	ESF	Transition			3.00	Scottish EUMIS	Government	Quarterly
PO24	No of collaborative projects supported between academic partners and social enterprises	Number	ESF	Transition			3.00	Scottish EUMIS	Government	Quarterly
PO25	Social innovation projects supported	Number	ESF	Transition			20.00	Scottish EUMIS	Government	Quarterly
CO23	number of supported micro, small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy)	Number	ESF	More developed	0.00	0.00	344.00	Scottish Management System	Government Information	6 monthly
PO23	No of supported projects which increase RTD capacity and investment in the social economy	Number	ESF	More developed			19.00	Scottish EUMIS	Government	Quarterly
PO24	No of collaborative projects supported between academic partners and social enterprises	Number	ESF	More developed			19.00	Scottish EUMIS	Government	Quarterly
PO25	Social innovation projects supported	Number	ESF	More developed			38.00	Scottish EUMIS	Government	Quarterly

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

Priority axis	2 - Promoting Social Inclusion, combating poverty and any discrimination
Social innovation will be delivered through this Priority Axis 2. Support will be available to test and pilot new approaches to tackling poverty and social exclusion under both investment priorities; and all strategic interventions and operations will need to carefully consider potential synergies with other EU instruments to maximise their impact.	

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

Priority axis		2 - Promoting Social Inclusion, combating poverty and any discrimination											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
100	F	expenditure	Euro	ESF	Transition			5,607,659			35,836,483.00	Scottish Government EUMIS System	
100	F	expenditure	Euro	ESF	More developed			13,252,119			144,427,565.00	Scottish Government EUMIS System	
PO21	O	Disadvantaged participants in workless, lone parent or low income households	Number	ESF	Transition			846			5,678.00	Scottish Government EUMIS	This is the key indicator for this priority - supporting those disadvantaged with barriers to active inclusion.
PO21	O	Disadvantaged participants in workless, lone parent or low income households	Number	ESF	More developed			3150			21,000.00	Scottish Government EUMIS	This is the key indicator for this priority axis for supporting participants.
PO22	O	Deprived or fragile communities supported	Number	ESF	Transition			20			112.00	Scottish Government EUMIS	This represents a substantial component of the amount of support available under this priority axis
PO22	O	Deprived or fragile communities supported	Number	ESF	More developed			29			153.00	Scottish Government EUMIS	This represents a substantial component of the amount of support available under this priority axis

Additional qualitative information on the establishment of the performance framework

The framework only includes two of the output indicators as the two most relevant and reflecting the highest proportion of the funding that will be made available under the priority axis. The milestones have been set on the basis of 15% of the overall target of disadvantaged participants supported. This is because this priority is piloting a new approach to combating the issues highlighted earlier. This will involve developing new collaborative and also territorial approaches rather than the creation of basic services and so will take some time for the outputs to be generated. There should be a marked increase in activity from the mid point onwards.

2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis		2 - Promoting Social Inclusion, combating poverty and any discrimination	
Fund	Category of region	Code	€ amount
ESF	Transition	109. Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	14,401,989.00
ESF	More developed	109. Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	55,289,304.00
ESF	Transition	113. Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment	2,400,047.00
ESF	More developed	113. Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment	7,236,927.00

Table 8: Dimension 2 - Form of finance

Priority axis		2 - Promoting Social Inclusion, combating poverty and any discrimination	
Fund	Category of region	Code	€ amount
ESF	Transition	01. Non-repayable grant	16,802,036.00
ESF	More developed	01. Non-repayable grant	62,526,231.00

Table 9: Dimension 3 - Territory type

Priority axis		2 - Promoting Social Inclusion, combating poverty and any discrimination	
Fund	Category of region	Code	€ amount
ESF	Transition	01. Large Urban areas (densely populated >50 000 population)	3,360,408.00
ESF	More developed	01. Large Urban areas (densely populated >50 000 population)	31,263,116.00
ESF	Transition	02. Small Urban areas (intermediate density >5 000 population)	6,720,814.00
ESF	More developed	02. Small Urban areas (intermediate density >5 000 population)	12,505,246.00
ESF	Transition	03. Rural areas (thinly populated)	6,720,814.00
ESF	More developed	03. Rural areas (thinly populated)	18,757,869.00

Table 10: Dimension 4 - Territorial delivery mechanisms

Priority axis		2 - Promoting Social Inclusion, combating poverty and any discrimination	
Fund	Category of region	Code	€ amount
ESF	Transition	07. Not applicable	16,802,036.00
ESF	More developed	07. Not applicable	62,526,231.00

Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)

Priority axis		2 - Promoting Social Inclusion, combating poverty and any discrimination	
Fund	Category of region	Code	€ amount
ESF	Transition	05. Enhancing the accessibility, use and quality of information and communication technologies	504,061.00
ESF	More developed	05. Enhancing the accessibility, use and quality of information and communication technologies	1,875,787.00

2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)

Priority axis:	2 - Promoting Social Inclusion, combating poverty and any discrimination

2.A.1 Priority axis

ID of the priority axis	3
Title of the priority axis	Investing in Education, Training and Vocational Training for Skills and Lifelong Learning

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

Both ESF and ERDF Operational Programmes will cover both the more developed and the transition category regions of Scotland. This priority axis is a prime example of why this approach has been chosen. The analysis shows that the main factor to address is the current mismatch between low-level skills and demands for higher and increasing levels of skills, whether vocational or academic. This demand is being driven by Scotland's Smart Specialisation sectors, in particular around innovation (health and agri-science, for example), ICT and data management, low carbon, circular economy and food and drink (packaging and advanced nutrition).

This priority axis has a clear focus on addressing that skills gap, ensuring that key sectors can find the talent they need within Scotland; but also that Scottish people have the opportunity to benefit individually from the expansion in these sectors.

The priority axis will target delivery around Regional Skills Plans, which are drafted and agreed with industry and identify particular regional needs. This allows, for example, regional tailoring to include jobs in forestry or land management or retraining from fisheries into marine management and marine energy skills, and is thus a significant area for alignment between the ESI Funds.

The regionally tailored delivery is also what enables a single priority axis – the focus for all of Scotland remains on closing the skills gap and giving all participants the opportunity at more rewarding and fulfilling skilled work; but the delivery is tailored to ensure that those chances appear locally as well as nationally.

Activity under this priority axis will also ensure that relevant national and local projects can be tailored to different regional needs. One aspect of this tailoring is to develop and provide more flexible and blended learning to support learning in remote rural areas as well as an upgrading of skills by people who wish to undertake learning on a part-time basis, perhaps around existing work.

2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
ESF	Transition	Public	
ESF	More developed	Public	

2.A.4 Investment priority

ID of the investment priority	10iv
Title of the investment priority	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 and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO31
Title of the specific objective	Support key growth sectors by promoting graduate- and post-graduate level skills relevant to those sectors and developing new curricula to meet their needs
Results that the Member States seek to achieve with Union support	<p>This priority axis overall objective aims to increase the levels of skills available for key sector growth in Scotland, and is very closely aligned with the ERDF programme for Scotland. For this objective, where the aim is graduate and post-graduate level skills, this will be measured through the following indicators:</p> <ul style="list-style-type: none"> • Increase in numbers of ISCED 5 and above skills attainment, particularly for key sector

	<ul style="list-style-type: none"> • Participants in employment, including self-employment, 6 months after leaving <p>The baselines have been drawn from the 2007-13 ESF programme, in particular assessing how many entrants on learning places arrive at less than level 5; and how many are expected to leave with level 5 and above skills. However, as the 2007-13 programmes have a stronger focus on participation than on the level of skills, the level of ISCED 5 qualifications achieved is actually relatively low. The targets are set to be more ambitious; and also ambitious about pulling individuals through from lower starting points in skills (ISCED 1 and 2 as well as 3 and 4) to ISCED 5 and above.</p> <p>A secondary measure of the success of aligning learning and skills with key sectoral needs is the ease with which participants find employment afterwards. The baseline here is also drawn from 2007-13 programmes, and is likewise lower than might be expected as the emphasis has not been on jobs and growth, but on participation.</p> <p>For both results, targets are based on lower attrition rates (fewer participants dropping out during an intervention) as well as higher final achievement rates.</p>
ID of the specific objective	SO32
Title of the specific objective	Support key growth sectors by promoting relevant vocational skills at ISCED level 3 and above
Results that the Member States seek to achieve with Union support	<p>This priority axis overall objective aims to increase the level of skills available for key sector growth in Scotland, and is very closely aligned with the ERDF programme for Scotland. For this objective, where the aim is graduate and post-graduate level skills, this will be measured through:</p> <ul style="list-style-type: none"> • Increase in numbers of ISCED 3 and above skills attainment, particularly for key sectors • Increase in numbers of ISCED 5 and above skills attainment, particularly for key sector • Participants in employment, including self-employment, 6 months after leaving <p>The baselines have been drawn from the 2007-13 ESF programme, in particular assessing how many entrants on learning places</p>

	<p>arrive at less than level 5; and how many are expected to leave with level 5 and above skills. However, as the 2007-13 programmes have a stronger focus on participation than on the level of skills, the level of ISCED 5 qualifications achieved is actually relatively low, particularly as a high number of participants in the 2007-13 programme stayed at the same qualification level (e.g. undertaking another ISCED level 3 qualification rather than progressing to level 4 or above).</p> <p>The targets are set to be more ambitious than this; and also ambitious about pulling individuals through from lower starting points in skills (ISCED 1 and 2 as well as 3 and 4) to ISCED 5 and above, as this is the level of skills most likely to be required in both vocational and academic skills for sectors such as low carbon or life sciences.</p> <p>A secondary measure of the success of aligning learning and skills with key sectoral needs is the ease with which participants find employment afterwards. The baseline here is also drawn from 2007-13 programmes, and is likewise lower than might be expected as the emphasis has not been on jobs and growth, but on participation.</p> <p>For both results, targets are based on lower attrition rates (fewer participants dropping out during an intervention) as well as higher final achievement rates.</p>
ID of the specific objective	SO33
Title of the specific objective	increase the number of employers who offer vocational placements and opportunities
Results that the Member States seek to achieve with Union support	<p>To achieve a higher rate of vocational training, and a higher level of skills within that training, will require the participation of businesses and other organisations in taking on young people. An intrinsic result of this priority axis is therefore to increase the number of employers offering vocational placements.</p> <p>The baseline number is drawn from the Modern Apprenticeship programme, a national programme operated by Skills Development Scotland. This is not a perfect proxy, as the nature of the apprenticeships to be supported by ESF will focus on both earlier introduction of vocational skills and pathways leading to significantly increased level of skills in vocational programmes (ISCED 4 and above). However, it is anticipated that with additional support on offer for employers as well as</p>

	skills alignment with key sectors, a 37% increase as suggested by the target figures should be achievable.
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Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for the ESF)

Investment priority : 10iv - 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 and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes														
ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis for target setting	Baseline value			Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
					M	W	T			M	W	T		
PR31	total participants with ISCED level 3 or 4 qualification upon leaving	Transition	participants			900.00	Number	2013			3,563.00	Scottish Government EUMIS System	6 monthly	
PR32	Total participants with ISCED level 5 and above qualification upon leaving	Transition	participants			600.00	Number	2013			3,873.00	Scottish Government EUMIS System	6 monthly	
PR33	Total Participants in employment, including self-employment, 6 months after leaving	Transition	participants			335.00	Number	2013			3,341.00	Scottish Government EUMIS System	6 monthly	
PR31	total participants with ISCED level 3 or 4 qualification upon leaving	More developed	participants			3,296.00	Number	2013			18,657.00	Scottish Government EUMIS System	6 monthly	
PR32	Total participants with ISCED level 5 and above qualification upon leaving	More developed	participants			565.00	Number	2013			10,512.00	Scottish Government EUMIS System	6 monthly	
PR33	Total Participants in employment, including self-employment, 6 months after leaving	More developed	participants			2,923.00	Number	2013			13,317.00	Scottish Government EUMIS System	6 monthly	

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	10iv - 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 and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes
<p>This investment priority focuses on providing the intermediate and higher-level skills which Scotland’s growth sectors will increasingly require; and which will directly support EU 2020 targets around R&D spending, emissions, energy efficiency and tertiary education by developing a workforce skilled and capable at working in these knowledge-intensive sectors. There is significant potential for this priority axis to support both green jobs, for example in the low carbon sector; and knowledge-intensive jobs such as those in the ICT sector or in innovation-driven industries.</p> <p>Learning opportunities under this investment priority will be provided in a manner which engages individual participants in different geographical locations, age ranges and skills levels, providing broader opportunities to train and work in highly-skilled sectors. These sectors will be identified through Regional Skills Plans, which have been created through intensive analysis of local labour markets, assessments of where economic and jobs growth potential lies, the needs of employers in the identified key sectors and current education provision. This provides a strong context within</p>	

Investment priority	10iv - 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 and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes
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which suppliers of education and training support can base investment decisions, and form the cornerstone for new course development and education/training places. This activity can make a significant contribution to delivering green jobs in Scotland, by identifying regional strengths in for example low carbon industries, and seeking to target their skills needs.

The range of activity will both increase overall skills levels and enable broader participation in and uptake of those skills. This will be done partly through developing vocational educational routes in Scotland, and promoting these on parity with academic routes; and partly through flexible design and implementation such as distance learning to enable a wider range of individuals to participate at their own pace.

Activity under this investment priority will include:

- Curriculum development to ensure that learning places and courses offered are relevant to industry. This includes the development of blended learning to allow remote participation, part-time learning, conversion learning and wider access to skills enhancement.
- Developing the range and increasing the quality of vocational placements, including advanced apprenticeships with strong STEM sector alignment
- Introduction of sandwich courses and courses with accredited work placement, both vocational and academic
- Graduate placements, particularly in key sectors identified in Regional Skills strategies
- Post-graduate placements, particularly relevant to key sectors and with a work experience component
- Engaging with employers and supporting employers in offering work-based training and learning placements
- One year conversion courses for retraining and upskilling existing graduates and the existing workforce into key growth sector skills
- Specialist training provision in emerging sectors

2.A.6.2 Guiding principles for selection of operations

Investment priority	10iv - 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 and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes
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Investment priority	10iv - 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 and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes
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To maximise their impact, Structural Funds programmes in Scotland for 2014-20 will be structured around Strategic Interventions – groups of projects of scale, longevity and ambition that can achieve long term change, but also ensure long-term stability of funding in support of that identified required change. Selection of operations will therefore operate on two levels, with the strategic intervention selected first, and the individual operations within it able to be added over a longer timeframe to ensure that the whole group of projects performs and delivers the expected results.

Strategic Interventions will be selected based on:

- Their fit with EU and Scottish policy priorities, including a clear intention to address both quality of and access to skills acquisition
- Their transformational potential in respect of an identified need or development potential, with reference to current major policy trends and reviews and the needs of growth sectors
- Their long-term sustainability and ability to be mainstreamed beyond EU funding support
- Affordability within the EU Funds envelope, and certainty of match funding, to ensure absorption and balanced programmes

For this Priority Axis, strategic interventions must demonstrate that they will promote intermediate and high-level skills in line with Regional Skills Plans, a detailed industry survey of the types of skills required by growth sectors in each region of Scotland. Successful Strategic Interventions will also demonstrate commitment to the development of high-quality and high-skill vocational training and placements; the ability to support lower-skilled groups into higher levels of skill and productivity; and scope to broaden access and learning into the full work force, for example through flexible or remote learning provision.

Operations within each of such strategic interventions will be selected based on:

- Their ability to realistically deliver against the objectives and results for the strategic intervention – they must have a measurable and direct impact
- The ability to respond to regional need, e.g. demonstrating an ability to work with major sectoral or regional employers

Investment priority	10iv - 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 and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes
<ul style="list-style-type: none"> • Value for money, e.g. through evidence for a simplified cost model or testing the market through procurement • Additionality, e.g. evidence of how any specific operation fits alongside existing provision and improves the offer and outcomes of domestic policy alone <p>For this priority axis, it will also be important for operations to demonstrate a sound understanding of horizontal themes, in particular equality (the ability to widen access to higher levels of skills and the improved employment opportunities they tend to engender); and gender equality, in particular in terms of addressing significant areas of under-representation of women such as STEM subjects and technical and managerial employment.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	10iv - 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 and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes
No use of Financial instruments is planned under this priority axis.	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	10iv - 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 and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes
No major projects are planned, however this will be kept under review throughout the programming period.	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		10iv - 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 and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PO31	Total participants (employed, unemployed, inactive) with ISCED level 2 or below qualification	participants	ESF	Transition			2,608.00	Scottish Government EUMIS System	6 monthly
PO32	Total participants (employed, unemployed, inactive) with ISCED level 3 or 4 qualifications	participant	ESF	Transition			4,412.00	Scottish Government EUMIS System	6 monthly
PO33	Total participants with ISCED level 5 and above qualification	participants	ESF	Transition			1,156.00	Scottish Government EUMIS System	6 monthly
PO35	employers offering vocational places	employers	ESF	Transition			191.00	Scottish Government EUMIS System	6 monthly
PO31	Total participants (employed, unemployed, inactive) with ISCED level 2 or below qualification	participants	ESF	More developed			15,298.00	Scottish Government EUMIS System	6 monthly
PO32	Total participants (employed, unemployed, inactive) with ISCED level 3 or 4 qualifications	participant	ESF	More developed			18,274.00	Scottish Government EUMIS System	6 monthly
PO33	Total participants with ISCED level 5 and above qualification	participants	ESF	More developed			4,579.00	Scottish Government EUMIS System	6 monthly
PO35	employers offering vocational places	employers	ESF	More developed			662.00	Skills Development Scotland	

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

Priority axis	3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning
Whilst all priority axes will involve innovative approaches, social innovation will be delivered through Priority Axis 2 Promoting Social Inclusion, combating poverty and any discrimination.	

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

Priority axis		3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
100	F	expenditure	Euro	ESF	Transition			7,650,867.00			52,194,878.00	Scottish Government EUMIS System	
100	F	expenditure	Euro	ESF	More developed			20,124,347			215,447,191.00	Scottish Government EUMIS System	
PO31	O	Total participants (employed, unemployed, inactive) with ISCED level 2 or below qualification	participants	ESF	Transition			573			2,608.00	Scottish Government EUMIS System	Relevant as the main focus for the priority is to increase qualification levels.
PO31	O	Total participants (employed, unemployed, inactive) with ISCED level 2 or below qualification	participants	ESF	More developed			3,650			15,298.00	Scottish Government EUMIS System	Relevant as the main focus for the priority is to increase qualification levels.
PO32	O	Total participants (employed, unemployed, inactive) with ISCED level 3 or 4 qualifications	participant	ESF	Transition			968			4,412.00	Scottish Government EUMIS System	Relevant as the main focus for the priority is to increase qualification levels.
PO32	O	Total participants (employed, unemployed, inactive) with ISCED level 3 or 4 qualifications	participant	ESF	More developed			4,361			18,274.00	Scottish Government EUMIS System	Relevant as the main focus for the priority is to increase qualification levels.
PO33	O	Total participants with ISCED level 5 and above qualification	participants	ESF	Transition			254			1,156.00	Scottish Government EUMIS System	Relevant as the main focus for the priority is to increase qualification levels.
PO33	O	Total participants with ISCED level 5 and above qualification	participants	ESF	More developed			1092			4,579.00	Scottish Government EUMIS System	Relevant as the main focus for the priority is to increase qualification levels.

Additional qualitative information on the establishment of the performance framework

The outputs for this priority have been set using data from the 2007-2013 on related activities supporting college places and apprenticeship training programmes and adjusted to take account of the different financial allocations, the focus on stronger outcomes, new types of apprenticeships and higher levels of qualifications (therefore with a higher cost and longer time for the results). Results targets aim to drive stronger qualification and employment outcomes.

The milestones for measurement in 2018 have been set at 25% of the overall targets. This reflects the start date of the programmes (2015), as well as the need for curriculum development in order to align some courses better with industry requirements (this needs to be front loaded, meaning fewer participants will have made their way through new courses by 2018). In addition, the skills levels and therefore course lengths are increasing. The milestones reflect participants that will have largely completed the support where they have started at levels 0-4 although the operations that are assisted will not have fully completed by the end of 2018. The participants milestones for entrants with level 5 and above are most likely to be undertaking longer term courses/apprenticeships and so are not as likely to have completed but the milestone reflects those that should have received substantial support (and not just started their course or training) by the end of 2018.

2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis		3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	
Fund	Category of region	Code	€ amount
ESF	Transition	118. 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 and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes	33,926,671.00
ESF	More developed	118. 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 and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes	96,951,236.00

Table 8: Dimension 2 - Form of finance

Priority axis		3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	
Fund	Category of region	Code	€ amount
ESF	Transition	01. Non-repayable grant	33,926,671.00
ESF	More developed	01. Non-repayable grant	96,951,236.00

Table 9: Dimension 3 - Territory type

Priority axis		3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	
Fund	Category of region	Code	€ amount
ESF	Transition	01. Large Urban areas (densely populated >50 000 population)	6,785,333.00
ESF	More developed	01. Large Urban areas (densely populated >50 000 population)	48,475,619.00
ESF	Transition	02. Small Urban areas (intermediate density >5 000 population)	13,570,669.00
ESF	More developed	02. Small Urban areas (intermediate density >5 000 population)	19,390,247.00
ESF	Transition	03. Rural areas (thinly populated)	13,570,669.00
ESF	More developed	03. Rural areas (thinly populated)	29,085,370.00

Table 10: Dimension 4 - Territorial delivery mechanisms

Priority axis		3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	
Fund	Category of region	Code	€ amount
ESF	Transition	07. Not applicable	33,926,671.00
ESF	More developed	07. Not applicable	96,951,236.00

Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)

Priority axis		3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	
Fund	Category of region	Code	€ amount
ESF	Transition	01. Supporting the shift to a low-carbon, resource efficient economy	2,202,77 5.00
ESF	More developed	01. Supporting the shift to a low-carbon, resource efficient economy	9,383,35 7.00
ESF	Transition	05. Enhancing the accessibility, use and quality of information and communication technologies	1,597,01 2.00
ESF	More developed	05. Enhancing the accessibility, use and quality of information and communication technologies	4,847,56 2.00

2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)

Priority axis:	3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning
The individual priority axes in the Scotland ESF programme will not seek to support this, as Scotland's management of the Funds is mature and well-established. A separate TA Priority Axis will support effective delivery of the funds.	

2.A.1 Priority axis

ID of the priority axis	4
Title of the priority axis	Youth Employment Initiative

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

Not applicable, this priority axis will only apply to South West Scotland, which is a more developed region.

2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
YEI		Public	

2.A.4 Investment priority

ID of the investment priority	8ii
Title of the investment priority	Sustainable integration into the labour market of young people (YEI), 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

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	SO41
Title of the specific objective	Decrease the number of young unemployed who are NEET in SW Scotland

<p>Results that the Member States seek to achieve with Union support</p>	<p>The priority axis for the Youth Employment Initiative has a fairly singular focus: supporting young people who are currently unemployed and NEET into work, training, education or self-employment. The results are pre-set, and have been applied to both the main target group (ages 16-24) and directly copied as programme specific result indicators for the additional target group in Scotland, those aged 25-29:</p> <ul style="list-style-type: none"> • participants in sustainable employment 6 months after leaving • participants in self-employment after 6 months after leaving • participants in continued education, training programmes leading to a qualification, an apprenticeship or a traineeship six months after leaving <p>The baselines are all drawn from a combination of projects and programmes supported by the 2007-13 ESF programme, including the Youth Employment Scotland Fund, support for youth entrepreneurship, support for additional learning places and support for apprenticeship schemes.</p> <p>The drop-out rates, and the rates of participants who complete an intervention but do not find a long-term sustainable outcome is high on those current programmes, particularly for the 16-24 age range - frequently around 35%. The YEI is much more results oriented than existing youth employment programmes and support schemes on offer in Scotland. This is reflected in the increase between baseline and target figures across the spectrum, in particular aiming for a lower attrition rate both at initial intervention/immediate results; and a higher proportion of participants achieving the long-term results.</p>
<p>ID of the specific objective</p>	<p>SO42</p>
<p>Title of the specific objective</p>	<p>Reduce the number of young people not in employment, education or training (NEET) who are inactive and socially excluded in South West Scotland</p>
<p>Results that the Member States seek to achieve with Union support</p>	<p>The priority axis for the Youth Employment Initiative has a fairly singular focus: supporting young people who are currently inactive and not in education or training into work, training, education or self-employment. The results are pre-set, and have been applied to both the main target group (ages 16-24) and directly copied as programme specific result indicators for the additional target group in Scotland, those aged 25-29:</p>

- participants in sustainable employment 6 months after leaving
- participants in self-employment after 6 months after leaving
- participants in continued education, training programmes leading to a qualification, an apprenticeship or a traineeship six months after leaving

The baselines are all drawn from a combination of projects and programmes supported by the 2007-13 ESF programme, including the Youth Employment Scotland Fund, support for youth entrepreneurship, support for additional learning places and support for apprenticeship schemes.

The drop-out rates, and the rates of participants who complete an intervention but do not find a long-term sustainable outcome is high on those current programmes, particularly for the 16-24 age range - frequently around 35%. The YEI is much more results oriented than existing youth employment programmes and support schemes on offer in Scotland. This is reflected in the increase between baseline and target figures across the spectrum, in particular aiming for a lower attrition rate both at initial intervention/immediate results; and a higher proportion of participants achieving the long-term results.

Table 4a: YEI result indicators and programme-specific result indicators corresponding to the specific objective (by priority axis or by part of a priority axis)

Investment priority : 8ii - Sustainable integration into the labour market of young people (YEI), 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													
ID	Indicator	Measurement unit for indicator	Common output indicator used as basis for target setting	Baseline value			Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
				M	W	T			M	W	T		
CR01	Unemployed participants who complete the YEI supported intervention	Number	unemployed, including long-term unemployed	0.00	0.00	3,492.00	Number	2014			2,646.00	Scottish Government MIS	quarterly
CR02	Unemployed participants who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving	Number	unemployed, including long-term unemployed	0.00	0.00	2,095.00	Number	2014			1,587.00	Scottish Government MIS	quarterly
CR03	Unemployed participants who are in education/training, gaining a qualification, or in employment, including self-employment, upon leaving	Number	unemployed, including long-term unemployed	0.00	0.00	1,397.00	Number	2014			1,059.00	Scottish Government MIS	quarterly
CR04	Long-term unemployed participants who complete the YEI supported intervention	Number	long-term unemployed	0.00	0.00	525.00	Number	2013			529.00	Scottish Government MIS	quarterly
CR05	Long-term unemployed participants who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving	Number	long-term unemployed	0.00	0.00	314.00	Number	2013	0.00	0.00	318.00	Scottish Government MIS	quarterly
CR06	Long-term unemployed participants who are in education/training, gaining a qualification, or are in employment, including self-employment, upon leaving	Number	long-term unemployed	0.00	0.00	210.00	Number	2013	0.00	0.00	212.00	Scottish Government MIS	quarterly
CR07	Inactive participants not in education or training who complete the YEI supported intervention	Number	inactive, not in education or training	0.00	0.00	5,238.00	Number	2014	0.00	0.00	3,969.00	Scottish Government MIS	quarterly
CR08	Inactive participants not in education or training who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving	Number	inactive, not in education or training	0.00	0.00	2,619.00	Number	2014			1,587.00	Scottish Government MIS	quarterly
CR09	Inactive participants not in education or training who are in education/training, gaining a qualification, or are in employment, including self-employment, upon leaving	Number		0.00	0.00	2,619.00	Number	2014	0.00	0.00	2,381.00	Scottish Government MIS	quarterly
CR10	Participants in continued education, training programmes leading to a qualification, an apprenticeship or a traineeship six months after leaving	Number		0.00	0.00	2,417.00	Number	2014	0.00	0.00	3,528.00	Scottish Government MIS and participant surveys	6-monthly
CR11	Participants in employment six months after leaving	Number	below 25 years of age	0.00	0.00	1,612.00	Number	2014	0.00	0.00	2,646.00	Scottish Government MIS and participant surveys	6-monthly
CR12	Participants in self-employment six months after leaving	Number	below 25 years of age	0.00	0.00	201.00	Number	2014	0.00	0.00	882.00	Scottish Government MIS and participant surveys	6-monthly
PR01a	participants aged 25-29 who complete the YEI supported intervention	participants				2,963.00	Number	2014			2,110.00	SG MIS	Quarterly
PR02a	Participants aged 25-29 who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving	Participants				1,925.00	Number	2014			1,477.00	SG MIS	Quarterly
PR03b	Participants aged 25-29 who are in education/training, gaining a qualification or in employment, including self-employment upon leaving	Participants				1,037.00	Number	2014			633.00	SG MIS	Quarterly
PR10	Participants aged 25-29 in continued education, training programmes leading to a qualification, an apprenticeship or a traineeship six months after leaving	participants				1,446.00	Number	2014			422.00	Scottish government and participant surveys	6 monthly
PR11	Participants aged 25-29 in employment six months after leaving	participants				1,285.00	Number	2013			950.00	Scottish government and participant surveys	6-monthly
PR12	Participants aged 25-29 in self-employment six months after leaving	participants				482.00	Number	2014			317.00	Scottish Government and participant surveys	6-monthly

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	8ii - Sustainable integration into the labour market of young people (YEI), 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
<p>Activities under this investment priority will be highly results-oriented, with all support offered to an individual required to be targeted on their particular needs and barriers; and set in the context of their work-readiness and level of skills. There will be two target ranges of young people, those who are work-ready or nearly work-ready, characterised by high motivation and relatively high skills levels; and those who have significant barriers to entering work or education. These groups are broadly aligned with the skills pipeline approach used under priority axis 1 of this programme, so that stages 3-4 of the pipeline are considered more work-ready; and stages 1-2 are considered to need greater support to first engage, then upskill and then move towards a long-term sustainable result.</p> <p>The Scotland programme will target clear YEI results by seeking specific projects for each kind of result. For projects aimed at employment and self-employment, the work-ready group will be eligible for support for up to 12 months; for the more support-intensive group, 18 months. For projects aimed at traineeships and long-term qualifications, national models for apprenticeships and learning places exist, both of which support a young person for one year (or more, in the case of learning places which progress into full qualifications).</p> <p>The YEI priority axis will adopt a series of unit costs which are focused on achieving the final result for a young person. This will mean that payments are staggered to ensure beneficiaries are capable of supporting a young person over either 12 or 18 months, and that a final payment will be <u>back-loaded</u> 6 months after the intervention has completed to encourage activity which is effective in achieving the long-term results. Interventions which do not achieve the results are thus only partly supported in recognition of the work they carried out to support an individual, but a final results payment is not triggered until a long-term sustainable result for the young person has been achieved. This results focus will apply across all payment models.</p> <p>Both the potential range of young people to be supported, and therefore the potential range of activity, is broad. However, not all activity will apply equally to every individual, with some simply needing help into a supported (recruitment incentive) workplace, and some requiring extensive mentoring, training and in-work support to remove barriers to participation.</p>	

Investment priority	8ii - Sustainable integration into the labour market of young people (YEI), 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
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Eligible activity, depending on the identified needs of the young person, will be:

- Employers Recruitment Incentive (wage subsidy up to 12 months) - The 2007-13 ESF programme has demonstrated that 6 months of recruitment incentives is enough to persuade an employer to take on a work-ready young person. However, for those with lower levels of skills or confidence, or with other barriers including health issues or disabilities, a longer time frame is required to bring the young person to a standard of performance at work which encourages the employer to maintain their employment in the long-term.
- In Work support - access to appropriate services to help young person stay in employment eg, money advice, acquisition of additional and more advanced job-relevant skills
- Key worker or mentoring support for the young person, particularly aimed at identifying needs or ambitions for long-term work or study
- pre-recruitment training linked to specific job opportunity
- support to arrange work experience
- Provision of tailored counselling and job search advice
- Employment Skills training – CV preparation, job applications, interview skills training
- Traineeship or apprenticeship with a company
- Additional educational places
- Start-up support for young entrepreneurs, in particular mentoring, help with business planning, assistance with registration and other initial business set-up costs, and small-scale grants (up to €2,000) for equipment directly relevant to business idea
- Where required by the individual's circumstances, barrier removal which directly enables any of the above activities, including:
 - Recruitment and in work support – dedicated support for a young person offered work within particularly smaller SME's, where the SME will not hire a young person without a third party to oversee their training, induction, management and safety. This is reported from the 2007-13 programme to be a significant barrier to finding quality employment in SME's, who do not have the capacity to run a full HR service. However, this element shall not fund a stand-alone service available to all SME's, but be focused around support for the young person, and directly enabling the SME to offer an employment opportunity.
 - childcare costs where these are over and above statutory responsibility and directly linked to the offer of training or employment, and act to enable it.

Investment priority	8ii - Sustainable integration into the labour market of young people (YEI), 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
	<ul style="list-style-type: none"> ○ small-scale purchase of necessary and initial tools to take up offer of employment, such as steel toe-cap boots or professional scissors. NB: the purchase of clothing for interviews is not eligible ○ Short term transport costs to enable young person to take up offer of job and paid until young person receives first wage ○ workplace aids for disability, e.g. specialised keyboards, where this is not already a statutory duty for the employer to provide ○ additional training, for example literacy or numeracy training <p><u>Actions not Eligible</u></p> <ul style="list-style-type: none"> ● Long term or normal transport costs to help the young person get to and from training or employment ● Generic training which is aimed at general skills rather than a specific opportunity ● Emergency income to help meet monthly living expenses ● Structural change or systems by public employment services to better assist NEETs ● Support for pre NEETs ● Funding of services. ● Displacement of funding for existing programmes or supported individuals

2.A.6.2 Guiding principles for selection of operations

Investment priority	8ii - Sustainable integration into the labour market of young people (YEI), 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
	To maximise their impact, Structural Funds programmes in Scotland for 2014-20 will be structured around Strategic Interventions – groups of projects of scale, longevity and ambition that can achieve long term change, but also ensure long-term stability of funding in support of that identified required change. Selection of operations will therefore operate on two levels, with the strategic intervention selected first, and the individual operations within it able to be added over a longer timeframe to ensure that the whole group of projects performs and delivers the expected results.

Investment priority	8ii - Sustainable integration into the labour market of young people (YEI), 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
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Strategic Interventions will be selected based on:

- Their fit with EU and Scottish policy priorities, particularly where long-term policy is changing considerably and requires support for implementation
- Their transformational potential in respect of an identified need or development potential, in this case particularly the ability to contribute to the long-term reduction in the numbers of young unemployed and young people who are NEET people in SW Scotland, and addressing low skills levels within this group
- Their long-term sustainability and ability to be mainstreamed beyond EU funding support
- Affordability within the EU Funds envelope, and certainty of match funding, to ensure absorption and balanced programmes

For this Priority Axis, strategic interventions must demonstrate a clear commitment to the principle of results-orientation, and particularly an ambition to achieve the long-term results 6 months after support for a young person completes, regardless of the difficulties facing the young individual when they commence support. Strategic interventions must also demonstrate a clear additionality and demarcation to the multiple domestic policy instruments which operate in the area of employment and employability, e.g. the DWP Work Programme, the Employability Fund, or ESF-funded interventions such as the employability Pipeline (see priority Axis 1). Young people who are already mandated onto a UK statutory programme, such as the Work programme, will not be eligible for YEI support.

Operations within each of such strategic interventions will be selected based on:

- Their ability to realistically deliver against the objectives and results for the strategic intervention – they must have a measurable and direct impact, and show a clear link to the result they want to achieve for the young people they engage with
- The ability to respond to regional need, e.g. demonstrating an ability work with major sectoral or regional employers to swiftly address the high levels of youth unemployment in the region
- A demonstration of how the various eligible activities will be applied to different target groups to obtain the maximum number of successful long-term participants

Investment priority	8ii - Sustainable integration into the labour market of young people (YEI), 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
<ul style="list-style-type: none"> • A justification for the split between target groups to ensure that beneficiaries are not picking only young people who are relatively easy to assist, and that all target groups have coverage. This should include a justification of age ranges, to ensure adequate additional coverage for currently under-served the 25-29 year group. <p>For this priority axis, it will also be important for operations to demonstrate a sound understanding of horizontal themes, in particular equality (the ability to help those with multiple barriers to participation such as lone parent status or health issues); and gender equality, in particular in terms of addressing significant areas of under-representation in employment and self-employment of women such as STEM subjects, ICT driven self-employment and technical employment.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	8ii - Sustainable integration into the labour market of young people (YEI), 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
This priority axis will not use financial instruments.	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	8ii - Sustainable integration into the labour market of young people (YEI), 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
No major projects planned.	

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		8ii - Sustainable integration into the labour market of young people (YEI), 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							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
PO41	Participants aged 16-24 who are unemployed or NEET	participants	YEI				8,819.00	Scottish Government	Quarterly
PO42	Participants aged 25-29 who are unemployed or NEET	participants	YEI				2,344.00	Scottish Government	Quarterly

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

Priority axis	4 - Youth Employment Initiative
Whilst all priority axes will involve innovative approaches, social innovation will be delivered through Priority Axis 2 Promoting Social Inclusion, combating poverty and any discrimination.	

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

Priority axis		4 - Youth Employment Initiative											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
100	F	expenditure	Euro	YEI			86,048,558			76,521,165.00	Scottish Government EUMIS System		
PO41	O	Participants aged 16-24 who are unemployed or NEET	participants	YEI			13,430			8,819.00	Scottish Government EUMIS System		
PO42	O	Participants aged 25-29 who are unemployed or NEET	participants	YEI			3,570			2,344.00	Scottish Government EUMIS System		

Additional qualitative information on the establishment of the performance framework

2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis		4 - Youth Employment Initiative	
Fund	Category of region	Code	€ amount
YEI		103. Sustainable integration into the labour market of young people, 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	51,014,110.00

Table 8: Dimension 2 - Form of finance

Priority axis		4 - Youth Employment Initiative	
Fund	Category of region	Code	€ amount
YEI		01. Non-repayable grant	51,014,110.00

Table 9: Dimension 3 - Territory type

Priority axis		4 - Youth Employment Initiative	
Fund	Category of region	Code	€ amount
YEI		01. Large Urban areas (densely populated >50 000 population)	25,507,055.00
YEI		02. Small Urban areas (intermediate density >5 000 population)	10,202,822.00
YEI		03. Rural areas (thinly populated)	15,304,233.00

Table 10: Dimension 4 - Territorial delivery mechanisms

Priority axis		4 - Youth Employment Initiative	
Fund	Category of region	Code	€ amount
YEI		07. Not applicable	51,014,110.00

Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)

Priority axis		4 - Youth Employment Initiative	
Fund	Category of region	Code	€ amount

Priority axis		4 - Youth Employment Initiative	
Fund	Category of region	Code	€ amount
YEI		05. Enhancing the accessibility, use and quality of information and communication technologies	1,020,28 2.00

2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)

Priority axis:	4 - Youth Employment Initiative
The individual priority axes in the Scotland ESF programme will not seek to support this, as Scotland's management of the Funds is mature and well-established. A separate TA Priority Axis will support effective delivery of the funds.	

2.B DESCRIPTION OF THE PRIORITY AXES FOR TECHNICAL ASSISTANCE

2.B.1 Priority axis

ID of the priority axis	5
Title of the priority axis	Technical Assistance

2.B.2 Justification for establishing a priority axis covering more than one category of region (where applicable)

Both ESF and ERDF Operational Programmes will cover both the more developed and the transition category regions of Scotland. Although there are some divergent territorial challenges which the programmes will respond to, the administrative capacity and ability to manage the Funds cost effectively are well-established across all categories of region in Scotland. A single priority axis responds to the need to set up a single IT system, and to have a single division within the Scottish government acting as Managing Authority, enabling cross-project monitoring and working. It will also better enable evaluation across different categories of region with similar activity, and across different strategic interventions and operations.

Although technical assistance will form a single priority axis, it is anticipated that the split of funding per category of region within technical assistance will follow the same average split of the rest of the Fund, with a small top-up for the transition region to cover higher costs for some remote areas. This notional split will therefore be 25% to the Transition region Highlands and Islands, and 75% to the rest of Scotland.

2.B.3 Fund and category of region

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)
ESF	Transition	Public
ESF	More developed	Public

2.B.4 Specific objectives and expected results

ID	Specific objective	Results that the Member States seek to achieve with Union support
TASO1	Support effective delivery of ERDF programme in Scotland	Support effective delivery of ERDF programme in Scotland, including data management and carrying out of the regulatory functions of management bodies, publicity and evaluation

2.B.5 Result indicators

Table 12: Programme-specific result indicators (by specific objective) (for ERDF/ESF/Cohesion Fund)

Priority axis		TASO1 - Support effective delivery of ERDF programme in Scotland									
ID	Indicator	Measurement unit	Baseline value			Baseline year	Target value (2023)			Source of data	Frequency of reporting
			M	W	T		M	W	T		

2.B.4 Specific objectives and expected results

ID	Specific objective	Results that the Member States seek to achieve with Union support
TASO2	Support synergies between EU instruments	Support synergies between EU instruments

2.B.5 Result indicators

Table 12: Programme-specific result indicators (by specific objective) (for ERDF/ESF/Cohesion Fund)

Priority axis		TASO2 - Support synergies between EU instruments									
ID	Indicator	Measurement unit	Baseline value			Baseline year	Target value (2023)			Source of data	Frequency of reporting
			M	W	T		M	W	T		

2.B.6 Actions to be supported and their expected contribution to the specific objectives (by priority axis)

2.B.6.1 A description of actions to be supported and their expected contribution to the specific objectives

Priority axis	5 - Technical Assistance
<p>Scotland has a well-established management framework for EU Funds, and will therefore dedicate only 2% of the programme value to technical assistance. This will be used to support:</p> <ul style="list-style-type: none"> Managing, Audit and Certifying Authority costs associated with the secure management of the Fund, principally staffing IT system implementation in line with requirements for monitoring and reporting and E-Cohesion Evaluation of the effectiveness of Fund interventions 	

Priority axis	5 - Technical Assistance
<ul style="list-style-type: none"> • Evaluations and studies which inform policy decisions around appropriate focus for the Funds, such as ex ante or ex post evaluations • Preparatory studies and partner finding to enhance synergies between ESI Funds and other European instruments including ETC 	
<p>These types of expenditure may span more than one programme period, e.g. some work may have been started in 2007-13 programmes; and some may carry on beyond 2020.</p>	

2.B.6.2 Output indicators expected to contribute to results

Table 13: Output indicators (by priority axis) (for ERDF/ESF/Cohesion Fund)

Priority axis	5 - Technical Assistance					
ID	Indicator (name of indicator)	Measurement unit	Target value (2023) (optional)			Source of data
			M	W	T	
51	Number of FTE's whose salaries are co-financed by TA	whole number	40.00	50.00	90.00	Scottish Government personnel system
52	Annual communications activities to be undertaken and co-financed by TA	whole number	0.00	0.00	7.00	Scottish Government records
53	Thematic evaluations to be co-financed by TA	whole number	0.00	0.00	5.00	Scottish Government records

2.B.7 Categories of intervention (by priority axis)

Corresponding categories of intervention based on a nomenclature adopted by the Commission, and an indicative breakdown of the Union support

Tables 14-16: Categories of intervention

Table 14: Dimension 1 - Intervention field

Priority axis	5 - Technical Assistance		
Fund	Category of region	Code	€ Amount
ESF	Transition	121. Preparation, implementation, monitoring and inspection	1,545,295.00
ESF	More developed	121. Preparation, implementation, monitoring and inspection	5,052,863.00
ESF	Transition	122. Evaluation and studies	193,162.00

Priority axis		5 - Technical Assistance	
Fund	Category of region	Code	€ Amount
ESF	More developed	122. Evaluation and studies	631,608.00
ESF	Transition	123. Information and communication	193,161.00
ESF	More developed	123. Information and communication	631,607.00

Table 15: Dimension 2 - Form of finance

Priority axis		5 - Technical Assistance	
Fund	Category of region	Code	€ Amount
ESF	Transition	01. Non-repayable grant	1,931,618.00
ESF	More developed	01. Non-repayable grant	6,316,078.00

Table 16: Dimension 3 – Territory type

Priority axis		5 - Technical Assistance	
Fund	Category of region	Code	€ Amount
ESF	Transition	07. Not applicable	1,931,618.00
ESF	More developed	07. Not applicable	6,316,078.00

3. FINANCING PLAN

3.1 Financial appropriation from each fund and amounts for performance reserve

Table 17

Fund	Category of region	2014		2015		2016		2017		2018		2019		2020		Total	
		Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve
ESF	Transition	7,536,091.00	654,281.00	6,892,536.00	667,380.00	10,664,910.00	680,739.00	11,289,682.00	720,618.00	11,515,614.00	735,039.00	11,746,059.00	749,749.00	11,981,095.00	764,751.00	71,625,987.00	4,972,557.00
ESF	More developed	35,228,689.00	1,156,823.00	34,904,150.00	1,554,654.00	44,301,076.00	2,827,728.00	45,187,684.00	2,884,320.00	46,092,008.00	2,942,043.00	47,014,400.00	3,000,920.00	47,955,170.00	3,060,968.00	300,683,177.00	17,427,456.00
Total ESF		42,764,780.00	1,811,104.00	41,796,686.00	2,222,034.00	54,965,986.00	3,508,467.00	56,477,366.00	3,604,938.00	57,607,622.00	3,677,082.00	58,760,459.00	3,750,669.00	59,936,265.00	3,825,719.00	372,309,164.00	22,400,013.00
YEI		18,551,007.00	0.00	6,956,048.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,507,055.00	0.00
Total		61,315,787.00	1,811,104.00	48,752,734.00	2,222,034.00	54,965,986.00	3,508,467.00	56,477,366.00	3,604,938.00	57,607,622.00	3,677,082.00	58,760,459.00	3,750,669.00	59,936,265.00	3,825,719.00	397,816,219.00	22,400,013.00

3.2 Total financial appropriation by fund and national co-financing (€)

Table 18a: Financing plan

Priority axis	Fund	Category of region	Basis for calculation of Union support (Total eligible cost or public eligible cost)	Union support (a)	National counterpart (b) = (c) + (d)	Indicative breakdown of national counterpart		Total funding (e) = (a) + (b)	Co-financing rate (f) = (a) / (e) (2)	EIB contributions (g)	Main allocation		Performance reserve		Performance reserve amount as proportion of total Union support (l) = (j) / (a) * 100
						National public funding (c)	National private funding (d) (1)				Union support (h) = (a) - (j)	National Counterpart (i) = (b) - (k)	Union support (j)	National Counterpart (k) = (b) * (j) / (a)	
1	ESF	Transition	Public	23,938,219.00	12,889,811.00	12,889,811.00	0.00	36,828,030.00	64.9999986423%	0.00	22,344,016.00	12,031,394.00	1,594,203.00	858,417.00	6.66%
1	ESF	More developed	Public	126,810,033.00	154,990,040.00	154,990,040.00	0.00	281,800,073.00	45.0000005322%	0.00	119,090,603.00	145,555,181.00	7,719,430.00	9,434,859.00	6.09%
2	ESF	Transition	Public	16,802,036.00	9,047,250.00	9,047,250.00	0.00	25,849,286.00	65.0000003869%	0.00	15,319,709.00	8,249,074.00	1,482,327.00	798,176.00	8.82%
2	ESF	More developed	Public	62,526,231.00	76,420,950.00	76,420,950.00	0.00	138,947,181.00	44.9999996761%	0.00	58,520,716.00	71,525,320.00	4,005,515.00	4,895,630.00	6.41%
3	ESF	Transition	Public	33,926,671.00	18,268,207.00	18,268,207.00	0.00	52,194,878.00	65.0000005748%	0.00	32,030,644.00	17,247,269.00	1,896,027.00	1,020,938.00	5.59%
3	ESF	More developed	Public	96,951,236.00	118,495,955.00	118,495,955.00	0.00	215,447,191.00	45.0000002322%	0.00	91,248,725.00	111,526,219.00	5,702,511.00	6,969,736.00	5.88%
4	YEI		Public	51,014,110.00	25,507,055.00	25,507,055.00	0.00	76,521,165.00	66.6666666667%	0.00	51,014,110.00	25,507,055.00			
5	ESF	Transition	Public	1,931,618.00	1,931,618.00	1,931,618.00	0.00	3,863,236.00	50.0000000000%	0.00	1,931,618.00	1,931,618.00			
5	ESF	More developed	Public	6,316,078.00	6,316,078.00	6,316,078.00	0.00	12,632,156.00	50.0000000000%	0.00	6,316,078.00	6,316,078.00			
Total	ESF	Transition	Public	76,598,544.00	42,136,886.00	42,136,886.00	0.00	118,735,430.00	64.5119523296%	0.00	71,625,987.00	39,459,355.00	4,972,557.00	2,677,531.00	6.49%
Total	ESF	More developed	Public	292,603,578.00	356,223,023.00	356,223,023.00	0.00	648,826,601.00	45.0973461244%	0.00	275,176,122.00	334,922,798.00	17,427,456.00	21,300,225.00	5.96%
Total	YEI		Public	51,014,110.00	25,507,055.00	25,507,055.00	0.00	76,521,165.00	66.6666666667%	0.00	51,014,110.00	25,507,055.00	0.00	0.00	0.00
Grand total				420,216,232.00	423,866,964.00	423,866,964.00	0.00	844,083,196.00	49.7837457245%	0.00	397,816,219.00	399,889,208.00	22,400,013.00	23,977,756.00	

(1) To be completed only when priority axes are expressed in total costs.

(2) This rate may be rounded to the nearest whole number in the table. The precise rate used to reimburse payments is the ratio (f).

Table 18b: Youth Employment Initiative - ESF and YEI specific allocations (where appropriate)

Priority axis	Fund	Category of region	Basis for calculation of Union support (Total eligible cost or public eligible cost)	Union support (a)	National counterpart (b) = (c) + (d)	Indicative breakdown of national counterpart		Total funding (e) = (a) + (b)	Co-financing rate (f) = (a)/(e) (2)
						National public funding (c)	National private funding (d) (1)		
4	ESF	Less developed	Total	0.00	0.00	0.00	0.00	0.00	0.00%
4	ESF	Transition	Total	0.00	0.00	0.00	0.00	0.00	0.00%
4	ESF	More developed	Total	25,507,055.00	25,507,055.00	25,507,055.00	0.00	51,014,110.00	50.00%
4	YEI		Public	25,507,055.00				25,507,055.00	100.00%
4	Total			51,014,110.00	25,507,055.00	25,507,055.00	0.00	76,521,165.00	66.67%
Total				51,014,110.00	25,507,055.00	25,507,055.00	0.00	76,521,165.00	66.67%

Ratio	%
Ratio of ESF for less developed regions	0.00%
Ratio of ESF for transition regions	0.00%
Ratio of ESF for more developed regions	100.00%

(1) To be completed only when priority axes are expressed in total costs.

(2) This rate may be rounded to the nearest whole number in the table. The precise rate used to reimburse payments is the ratio (f).

Table 18c: Breakdown of the financial plan by priority axis, fund, category of region and thematic objective

Priority axis	Fund	Category of region	Thematic objective	Union support	National counterpart	Total funding
Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	ESF	Transition	Promoting sustainable and quality employment and supporting labour mobility	23,938,219.00	12,889,811.00	36,828,030.00
Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	ESF	More developed	Promoting sustainable and quality employment and supporting labour mobility	126,810,033.00	154,990,040.00	281,800,073.00
Promoting Social Inclusion, combating poverty and any discrimination	ESF	Transition	Promoting social inclusion, combating poverty and any discrimination	16,802,036.00	9,047,250.00	25,849,286.00
Promoting Social Inclusion, combating poverty and any discrimination	ESF	More developed	Promoting social inclusion, combating poverty and any discrimination	62,526,231.00	76,420,950.00	138,947,181.00
Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	ESF	Transition	Investing in education, training and vocational training for skills and lifelong learning	33,926,671.00	18,268,207.00	52,194,878.00
Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	ESF	More developed	Investing in education, training and vocational training for skills and lifelong learning	96,951,236.00	118,495,955.00	215,447,191.00
Youth Employment Initiative	YEI		Promoting sustainable and quality employment and supporting labour mobility	51,014,110.00	25,507,055.00	76,521,165.00

Priority axis	Fund	Category of region	Thematic objective	Union support	National counterpart	Total funding
Total				411,968,536.00	415,619,268.00	827,587,804.00

Table 19: Indicative amount of support to be used for climate change objectives

Priority axis	Indicative amount of support to be used for climate change objectives (€)	Proportion of the total allocation to the operational programme (%)
3	11,586,132.00	2.76%
Total	11,586,132.00	2.76%

4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT

Description of the integrated approach to territorial development taking into account the content and objectives of the operational programme having regard to the Partnership Agreement and showing how it the operational programme contributes to the accomplishment of the objectives of the operational programme and expected results
The ESI Funds will operate nationally in Scotland – but the territorial dimension will inform specific targeting within national interventions, territorial delivery options around the Highlands and Islands, and shaping specific geographic interventions such as investment in broadband infrastructure.

For ESF, there are particular needs in territorial terms around:

- Communities with multiple deprivation, many of which were worse off before the recession, and which have been hit harder by it, in terms of unemployment (including youth and long-term), income and social equality and inclusion
- Fragile rural areas and communities, which share some of the characteristics of areas of multiple deprivation, but which can additionally be subject to permanent geographical handicaps, fuel poverty, distance from services and demographic decline
- Target groups, such as those with disabilities, multiple barriers to participation, those not in education, employment or training
- Access to education and training particularly in the transition region where more work is needed to expand opportunities at all education levels and by increasing online and blended learning options

Although Scotland will not make use of the regulatory instruments for territorial delivery, the programme is focussed on supporting individuals, businesses and communities, recognising the relevant territorial issues that play a key role in the type of support or focus required.

Scotland has an established system of Community Planning Partnerships, wide groupings covering local authorities, health, social, justice and educational services, local third sector representatives and others. These are responsible for delivering a range of local outcomes agreed on a multi-annual basis, including many areas where the European Social Fund also takes an interest. The Scotland ESF programme will use these existing groupings as a delivery method, which will use local leadership in determining the actions required to support labour mobility and employability directly. In addition, support for community sustainability measures to enable communities to identify and tackle issues to combat poverty locally will ensure territorial challenges are considered from the beginning. There is a strong expectation that Community Planning Partnerships will establish and maintain effective working relationships with LEADER/fisheries local area groups to ensure that the funds working together rather than across each other.

The ‘smart growth’ priorities will further strengthen this territorial approach by focusing on regional skills plans and so ERDF and ESF will work strongly together to effect transformational growth in both businesses and skills at a territorial level.

Significant work has been undertaken particularly around the Transition region to identify how best to tailor and deliver national interventions in an area with dispersed locations, low population density and high distance to services, lower and sometimes seasonally dependent wages, sparse population concentrations and very particular sectoral and skills strengths around low carbon and tourism.

This has determined how the transition regional allocation has been split across the thematic objectives, with a different profile than in more developed regions; as well as allowing for different remote delivery options e.g. around skills, and additional eligible activity e.g. around highly specialised business or innovation infrastructure.

4.1 Community-led local development (where appropriate)

The approach to the use of community-led local development instruments and the principles for identifying the areas in where they will be implemented
ESF in Scotland will not be implemented through community led local development.

4.2 Integrated actions for sustainable urban development (where appropriate)

Where appropriate the indicative amount of ERDF support for integrated actions for sustainable urban development to be implemented in accordance with the provisions under Article 7(2) of Regulation (EU) No 1301/2013 and the indicative allocation of ESF support for integrated action.

ESF will not contribute to sustainable urban development in Scotland. The Scottish ERDF programme will support activity which aligns with the spirit of the regulations whilst still respecting national and devolved management of the funds within the UK, and activities are outlined in that programme.

Table 20: Integrated actions for sustainable urban development – indicative amounts of ERDF and ESF support

Fund	ERDF and ESF support (indicative) (€)	Proportion of fund's total allocation to programme
Total ESF	0.00	0.00%
TOTAL ERDF+ESF	0.00	0.00%

4.3 Integrated Territorial Investment (ITI) (where appropriate)

The approach to the use of Integrated Territorial Investments (ITIs) (as defined in Article 36 of Regulation (EU) No 1303/2013) other than in cases covered by 4.2, and their indicative financial allocation from each priority axis.

No Integrated Territorial Instruments are planned for ESF or ERDF in Scotland. Delivery of the planned Strategic Interventions will be tailored to local circumstances and needs.

Table 21: Indicative financial allocation to ITI other than those mentioned under point 4.2 (aggregate amount)

Priority axis	Fund	Indicative financial allocation (Union support) (€)
Total		0.00

4.4 The arrangements for interregional and transnational actions, within the operational programme, with beneficiaries located in at least one other Member State (where appropriate)

None planned.

4.5 Contribution of the planned actions under the programme to macro-regional and sea basin strategies, subject to the needs of the programme area as identified by the Member State (where appropriate)

(Where the Member State and regions participate in macro-regional strategies and sea basin strategies).

Scotland recognises the efforts of the Commission to promote sustainable economic growth, employment and regional cohesion through its Blue Growth Agenda, which includes separate sea basin strategies. Scotland has taken an active role in the development of the Atlantic Strategy and shares the Commission's objectives of ensuring the waters around Scotland contribute to economic growth. The following investment priorities have been identified for Scotland

- Ecosystem management
- Reducing Carbon footprint
- Seabed resources
- Risk and Emergencies
- Inclusive Growth

Of these, ESF can make a specific contribution through retraining individuals currently employed in shrinking sectors such as fisheries into new areas of growth such as marine energy. In this way, it should be possible both for individuals to secure other

employment opportunities; and for those areas and communities to attract investment in those new sectors.

Mainstream areas for intervention, such as community development for social inclusion, are also likely to pick up remote coastal and island communities and help these develop their assets and resilience., e.g. to demographic change and population decline by developing alternative service delivery models. This will complement activity under the UK EMFF Programme to develop coastal and maritime communities and businesses.

5. SPECIFIC NEEDS OF GEOGRAPHICAL AREAS MOST AFFECTED BY POVERTY OR TARGET GROUPS AT HIGHEST RISK OF DISCRIMINATION OR SOCIAL EXCLUSION (WHERE APPROPRIATE)

5.1 Geographical areas most affected by poverty/target groups at highest risk of discrimination or social exclusion

The Scottish ESF programme will target geographical areas based on a the concentrations of a combination of metrics, including material deprivation, low skills attainment, perceived quality of neighbourhood, distance from services, likelihood of being affected by crime, changes in demography (particularly where these are expected to be rapid), and employment and labour conditions.

Whilst the overall economic picture remains reasonably resilient, pockets remain within Scotland which were worse off before the recession, and which have been hit harder by it, in terms of unemployment (including youth and long-term), income and social equality and inclusion. That these areas are in many cases the same areas which have been economically and socially excluded for decades, which highlights the complexity of dealing with such a range of inter-dependent issues. These areas are highlighted in the Scottish Index of Multiple Deprivation, which identifies Greater Glasgow (the main population concentration in South West Scotland) and Dundee as the most deprived areas, with other considerable concentrations of deprived individuals and communities in urban areas of the Ayrshires and in former heavy industrial and mining communities across Scotland's central belt.

South Western Scotland underperforms Scotland as a whole on unemployment rates. In 2012, the long-term unemployment rate in Scotland (2.89%) was slightly above the UK rate, but in South West Scotland, this was 3.91%. This is also the largest conurbation in Scotland, and the statistical pull of this is visible - all other NUTS 2 regions in Scotland had long-term unemployment rates below the Scottish average, indicating that Scottish figures here are to a great extent driven by what happens in South West Scotland. This is mirrored in this region also being eligible for the Youth Employment Initiative, and young people in this area remain a key focus.

This regional inequity doesn't just relate to employment. Data regarding disabilities and long-term health condition for 2008-11 show that 27% of adults in Scotland had a limiting long-term health condition. By Health Board areas, Greater Glasgow and Clyde had a significantly higher proportion of adults with a limiting long-term condition than the national average. This is, as with employment and the index of multiple deprivation, accompanied by Dundee and the former industrial and coalfield areas in Central Scotland.

The Scottish Index of Multiple Deprivation is not always an accurate measure of rural deprivation as it identifies small area concentrations of multiple deprivation, whereas poverty and deprivation is more spatially dispersed in rural areas. Rural areas on this index are more likely to qualify on criteria around remoteness from services, which is not as highly weighted as income deprivation, and the index may also be under-reporting e.g. income deprivation due to low take up of benefits (concerns about stigmatisation in smaller communities, poor access to information and advice, eligibility), lack of data in remote areas, and the exclusion from the index of some of the key factors affecting rural areas, such as fuel poverty.

Parts of rural Scotland, in particular the Highlands and Islands and parts of the Borders and Dumfries and Galloway thus have different but equally difficult issues to address. These include remoteness and permanent geographical handicaps, a high dependency on micro-businesses, self-employment and public sector employment, and falling employment in some primary sectors. Employment is more seasonal and more part-time than in the rest of Scotland; and the costs of living higher through fuel and transport costs.

Youth employment is also different in these areas – young people simply leave to study and find work and have been doing so for generations, and this trend is masked in unemployment statistics. Although some return later in life, this also impacts on the demographics in remote and rural areas, resulting in a more rapidly ageing population than the rest of Scotland, and potentially less socially sustainable communities.

In terms of remoteness (rather than rurality) and permanent geographical handicaps the Highlands and Islands is the area most affected, and there is a need to acknowledge that this requires a particular response. It is amongst the most sparsely populated regions of all of Europe (11 inhabitants per km²), and although it represents over half Scotland's landmass, it accounts for just 9% of its population, and that includes the urban centre around Inverness. As a transition region for the purposes of Structural Funds, the region will take part in the national ERDF and ESF programmes but interventions will be tailored, supplemented and delivered by appropriate local partners in this region to address the additional requirements that the degree of remoteness, peripherality, physical and demographic challenges offer.

In all areas of Scotland, particularly social groups are more affected by social exclusion and lack of employment. Although Scotland is less ethnically diverse than many parts of the EU, some of those ethnicities do suffer from lower participation rates (particularly ethnic groups of South Asian origin and some of African origin); and disabled people are 40% less likely than able-bodied people to be economically active. These groups will be targeted within Scotland-wide interventions, in particular in relation to employability and skills attainment. And in the social inclusion and poverty interventions which give focus to equality of opportunity.

5.2 Strategy to address the specific needs of geographical areas most affected by poverty/target groups at highest risk of discrimination or social exclusion, and where relevant, the contribution to the integrated approach set out in the Partnership Agreement

The programme plans for social inclusion and combating poverty highlight the territorial and individual issues affecting deprived and fragile areas and target groups. Poverty and social exclusion will be targeted based on:

- a community centred approach focussed on sustainability, locally identified issues and solutions and targeted on fragile and disadvantaged communities and with reference to the needs of particular groups most at risk of discrimination and inequality.

- people and household centred approach using the enhanced employability pipeline, strategic interventions to tackle financial inclusion, and interventions to support local activity around for example food and fuel poverty.
- strengthening the social economy through developing the third sector, social entrepreneurship and social innovation to address poverty and social exclusion and to facilitate access to employment.

The Scottish Index for Multiple Deprivation will provide a basis on which areas will be identified. This identified Greater Glasgow and Dundee as the most deprived areas, with other considerable concentrations of deprived individual and communities in urban areas of the Ayrshires and in former industrial and mining communities across Scotland's central belt. However, as the SIMD is largely urban focused, it will be supplemented by other appropriate indices (such as the Highlands and Islands Enterprise fragile areas map) to identify target areas with different issues – for example low population density or rapid demographic change. This will enable consideration of the needs of some communities who experience poverty and inequality but don't live in areas of deprivation.

People centred actions will not be exclusively geographically targeted but focussed on those that need support, for example through targeting the Employability Pipelines at the lower end of skills and abilities spectra.

These two approaches are not mutually exclusive and will work together to form a coherent package of support at an individual , family, household and community level. Issues such as food and fuel poverty, social and childcare, financial inclusion and employment opportunity will be tackled.

Table 22: Actions to address specific needs of geographical areas most affected by poverty/target groups at highest risk of discrimination or social exclusion

Target group/geographical area	Main types of planned action as part of integrated approach	Priority axis	Fund	Category of region	Investment priority
Long Term Unemployed and individuals facing multiple disadvantage	Tailored support through the employability pipeline focussed on removing barriers to active participation, increasing skills and job opportunities through access to training and work placements.	1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	ESF	Transition	8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility
Long Term Unemployed and individuals facing multiple disadvantage	Tailored support through the employability pipeline focussed on removing barriers to active participation, increasing skills and job opportunities through access to training and work placements.	1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	ESF	More developed	8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility
Persons with Disabilities	Measures to support employability and social inclusion through a tailored approach using the enhanced and expanded employability pipeline focussing on removing barriers to active participation	1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	ESF	Transition	8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility
Persons with Disabilities	Measures to support employability and social inclusion through a tailored approach using the enhanced and expanded employability pipeline focussing on removing barriers to active participation	1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	ESF	More developed	8i - Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility
Long Term Unemployed and individuals facing multiple disadvantage	Tailored support through the employability pipeline focussed on removing barriers to active participation, increasing skills and job opportunities through access to training and work placements.	2 - Promoting Social Inclusion, combating poverty and any discrimination	ESF	Transition	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
Long Term Unemployed and	Tailored support through the	2 - Promoting Social	ESF	More	9i - Active inclusion, including with a view to

Target group/geographical area	Main types of planned action as part of integrated approach	Priority axis	Fund	Category of region	Investment priority
individuals facing multiple disadvantage	employability pipeline focussed on removing barriers to active participation, increasing skills and job opportunities through access to training and work placements.	Inclusion, combating poverty and any discrimination		developed	promoting equal opportunities and active participation, and improving employability
Persons with Disabilities	Measures to support employability and social inclusion through a tailored approach using the enhanced and expanded employability pipeline focussing on removing barriers to active participation	2 - Promoting Social Inclusion, combating poverty and any discrimination	ESF	Transition	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
Persons with Disabilities	Measures to support employability and social inclusion through a tailored approach using the enhanced and expanded employability pipeline focussing on removing barriers to active participation	2 - Promoting Social Inclusion, combating poverty and any discrimination	ESF	More developed	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
Working households suffering from severe poverty	Intensive face-to-face support and financial inclusion measures, childcare through increased access and financial support	2 - Promoting Social Inclusion, combating poverty and any discrimination	ESF	Transition	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
Working households suffering from severe poverty	Intensive face-to-face support and financial inclusion measures, childcare through increased access and financial support	2 - Promoting Social Inclusion, combating poverty and any discrimination	ESF	More developed	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
Workless Households	Intensive face-to-face support and financial inclusion measures, employability support through pipeline approach, alleviation of any barriers to employment including childcare through increased access and financial support	2 - Promoting Social Inclusion, combating poverty and any discrimination	ESF	Transition	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
Workless Households	Intensive face-to-face support and financial inclusion measures,	2 - Promoting Social Inclusion, combating	ESF	More developed	9i - Active inclusion, including with a view to promoting equal opportunities and active participation,

Target group/geographical area	Main types of planned action as part of integrated approach	Priority axis	Fund	Category of region	Investment priority
	employability support through pipeline approach, alleviation of any barriers to employment including childcare through increased access and financial support	poverty and any discrimination			and improving employability
Young people not in employment, education or training	Training, apprenticeships, development of vocational training opportunities including for 14+ - an intensive and territorial approach will be undertaken	3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	ESF	Transition	10iv - 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 and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes
Young people not in employment, education or training	Training, apprenticeships, development of vocational training opportunities including for 14+ - an intensive and territorial approach will be undertaken	3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	ESF	More developed	10iv - 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 and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes
Young people in South West Scotland, and area which suffers both very high youth unemployment and high levels and concentrations of other forms of deprivation	Training, apprenticeships, development of vocational training opportunities including for 14+ - an intensive and territorial approach will be undertaken	4 - Youth Employment Initiative	YEI		8ii - Sustainable integration into the labour market of young people (YEI), 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

6. SPECIFIC NEEDS OF GEOGRAPHICAL AREAS WHICH SUFFER FROM SEVERE AND PERMANENT NATURAL OR DEMOGRAPHIC HANDICAPS (WHERE APPROPRIATE)

The challenges of the types of areas highlighted in Article 174 of the Treaty will be addressed through the delivery mechanisms outlined previously, which will allow local delivery partnerships to identify the key needs and issues that affect growth in an area and provide access to the ESI funds to provide appropriate responses. The specific challenges for Highlands and Islands include:

- Business Base - the scale and type of businesses that exist and can be supported in particularly rural areas is different from the more urban areas of Scotland - the economy is dominated by small and micro businesses with over 60% of the workforce employed in small and micro enterprises; and the types of support which can make a remote area a feasible investment opportunity for a business (e.g. the availability of specialised business infrastructure)
- Connectivity - the region is characterised by complex, mountainous and insular geography and sparse population, which combined, are a challenge for physical and digital connectivity. Over 20% of the region's population live on over 90 inhabited islands. As a result businesses and individuals have to contend with higher costs of accessing services and doing business
- The clear geographic opportunity around low carbon - with a number of key energy production sites located in remote and rural areas which might, without investment, be subject to further depopulation through lack of opportunity, in addition the difficulties of exporting renewable energy due to lack of access to grid infrastructure could limit the potential the region has to capitalise on its extensive natural resources
- Skills - access to education and training across a remote and sparsely populated region remains a priority
- Ongoing out migration of young people as a result of limited education and employment opportunities - this has led to disguised unemployment
- Innovation - the region is characterised by a modest number of innovation active businesses and relatively low spend on research and innovation, exacerbated by the historic lack of a university based within the region
- High transport and fuel costs contribute towards business challenges and social exclusion
- Lower incomes exacerbated by underemployment and seasonal employment
- Fuel poverty is a key challenge

Many of these issues need to be tackled across tailored actions within both the ESF and the ERDF Programmes for Scotland, with ERDF playing a significant role in connectivity and business support focused on key sectors and geographical opportunities for those sectors, and ESF providing the complementary support on skills investment, including in higher level skills and the need for blended learning in recognition of remote and dispersed communities. ESF will also support the capacity of the research system by training and supporting work placements for more individuals in research-related post-graduate level placements.

The specific issues around communities which suffer from demographic challenges such as depopulation, and distance from services or other population centres are particularly

concentrated in the Transition region. Additional community sustainability measures, including dedicated project support officers to support communities in developing and implementing asset based plans will therefore be available in the region, supported by ESF.

7. AUTHORITIES AND BODIES RESPONSIBLE FOR MANAGEMENT, CONTROL AND AUDIT AND THE ROLE OF RELEVANT PARTNERS

7.1 Relevant authorities and bodies

Table 23: Relevant authorities and bodies

Authority/body	Name of authority/body and department or unit	Name of the person responsible for the authority/body (position or post)	Address	Email
Managing authority	Scottish Government, European Structural Funds Division	David Anderson	Scottish Government, Atlantic Quay, 150 Broomielaw, GLASGOW G2 8LU	David.Anderson@gov.scot
Certifying authority	Scottish Government, European Structural Funds Division	David Anderson	Scottish Government, Atlantic Quay, 150 Broomielaw, GLASGOW G2 8LU	David.Anderson@gov.scot
Audit authority	Scottish Government, Internal Audit Directorate	Sharon Fairweather	Scottish Government, Internal Audit Directorat, 3D-North, Victoria Quay, Leith Edinburgh. EH66QQ	directorofinternalaudit@gov.scot
Body to which Commission will make payments	Scottish Government, European Structural Funds Division	David Anderson	Scottish Government, Atlantic Quay, 150 Broomielaw, GLASGOW G2 8LU	david.anderson@gov.scot

7.2 Involvement of relevant partners

7.2.1 Actions taken to involve the relevant partners in the preparation of the operational programme, and the role of those partners in the implementation, monitoring and evaluation of the programme

Scotland's approach to drawing up Operational Programmes has been focused on identifying the right niche for EU Funds – the relatively few and significant interventions of scale that Programmes of this size can affect and change positively. Two significant drivers have been the need to identify match funding in a spending climate where this is scarce; and the need to get a greater impact from the Funds than has been possible from the high number of small projects in the past.

Partnership has been at the heart of this process, with more focused programmes built on joint analysis between government departments and partners of which activities on the ground would most impact the needs and opportunities identified for Scotland. This has involved intensive working group activity as well as on-going dialogue and consultation with a wide range of partners. A diagram describes the main stages of partnership involvement.

Figure 15: See Documents: ESF graphics Figure 15 Partnership Arrangements

A High Level Stakeholder Engagement Group was established early in 2012. This group was involved in working groups on the thematic objectives and the principles of programming and alignment between ESI Funds. This group has been deliberately very tightly focused on strategic agencies with an interest in more than one fund and policy area; an ability to represent the views of a wide sector of interested parties; and with a commitment to helping Scottish Government plan and deliver an aligned set of Operational Programmes.

These partners have helped to gather evidence from and engage a wider range of partners on the needs and opportunities in Scotland, the effectiveness of current policy directions and initial ideas for where ESI Funds should be focused. These groups met over the summer of 2012, and in parallel with the gathering of the baseline evidence by analytical divisions in Scottish Government, narrowed the potential focus of the Funds even prior to the recommendations made by the Commission Services in the UK Position Paper.

With over 800 project sponsors in the 2007-13 programmes, it is not possible to involve every previous partner directly in such meetings. A blog and website was therefore established to regularly update and provide an interactive comment facility with partners, which encouraged partners to speak to each other as well as to Scottish Government. There have also been two formal consultations on the principles of programming; and on the emerging proposals which are likely to be included in the Operational Programmes, one of which was accompanied by a series of road shows, and the other of which was launched at a very well-attended Structural Funds Annual Event as well as on the blog and main Scottish Government website. A draft of the Operational Programmes was published in advance of first submission to the Commission, and stakeholders were updated on the changes made through negotiations via the website.

At the heart of the partnership process has been core stakeholder groupings around each of the Smart, Sustainable and Inclusive growth requirements for the ESI Funds. Members of these, reflecting the Partnership principles and taking into account consultation responses, discussed, proposed and refined a small range of mutually reinforcing activity which the Funds should support. The groups each had a dedicated set of analysis to start discussions off, building on the earlier thematic identification of needs and opportunities and highlighting existing domestic policy and funding as well as possible gaps or additionality.

The process, groupings and partners involved has remained thematic to keep the focus on 'what' will work best to deliver Smart, Sustainable and Inclusive growth rather than who will deliver it or be a beneficiary of the Funds. This has led to a collaborative questioning

of what policies are effective and should be continued, and which need change; as well as some radical new options for joint working across agencies around thematic objectives where Scotland has not previously had clear delivery and project streams.

The partnership process has thus clearly identified those partners who can organise and propose significant interventions in their area of expertise, helping to achieve alignment both between EU Funds and with domestic policy and funding. This clarity has helped secure the long-term stability and match funding required for the scale of structural change proposed. It has also established new working partnerships, aligning not just their EU Funded activity, but a broader set of interests around e.g. business development, mentoring, innovation and skills.

The process has added significant value, to the extent that many partners are keeping these relationships going without MA support. These informal groupings continue to be supported and attended by the Managing Authority, and by the groups in Scotland with responsibility for monitoring the horizontal themes.

An organisational list of members of the High Level Stakeholder Group; and of the Strategic Delivery Partnerships is included in the Annexes.

Implementation

The Scottish Operational Programmes are, through the Partnership process, designed around a small number of Strategic Interventions, or groups of linked projects and operations. This builds on good experience in Scotland from the 2007-13 programmes, including strategic delivery bodies around innovation and skills development; and linking a large range of employability projects through the oversight of local authorities and their partners in the Skills Pipelines. Scotland also has experience of this kind of working arrangement through the ETC and Framework programmes.

Groups of projects which are linked in this way are shown in evaluation to make a bigger contribution to the objectives of the Programme; increase additionality and reduce duplication between local projects; and increase compliance with national rules and audit requirements. More importantly, they retain the focus on the long-term outcomes, and as this is the emphasis in the new programmes, this structure is being taken forward and further developed.

Designing the Operational Programmes around a small number of project groupings logically requires a small number of organisations to act as the main beneficiaries. These typically have significant policy and technical expertise in their area (e.g. low carbon or business development), and will be referred to as Lead Partners. They will be responsible for proposing strategic interventions to the Managing Authority which demonstrate clearly the objectives, activities, results, costs, and delivery methods.

This structure will lend flexibility over the programming period to ensure that results are achieved: as strategic interventions will run over 3-4 years, some operations may be approved very early on, whilst some may take longer to develop to get the focus and

results right, and some may be replaced over that timeframe if they are not delivering the right outcomes and results. The net effect should be a continuous focus on the aims and objectives of the Programme, and ongoing evaluation to make sure the Funds remain aligned with European and Scottish priorities and are delivering the maximum impact.

There is close coordination between EAFRD and the two structural funds on interventions with shared interests, such as food and drink, business development and skills, through the Joint PMC as described in section 8. A number of partners around shared interests operate across the funds and are pro-active in making suggestions to the Scottish Government in respect of aligning fund programmes.

The Managing Authority is also introducing improved anti-fraud measures in line with Article 125 (4)(c) of the CPR. The risk of fraud will be assessed through the scrutiny panels, and this will be monitored by staff undertaking on-the-ground visits. A whistle-blower facility (email and telephone) will also operate, with clear guidance published in advance of programme commencement on what constitutes fraud and how both MA staff and lead partner and delivery agents staff should report it if found.

7.2.2 Global Grants

Scotland will not be using Global Grants.

7.2.3 Allocation of an amount for capacity building

Scotland has been in receipt of Cohesion and Structural Funds since 1989, and has a great range and depth of administering these Funds to good effect. There is therefore no earmarking for capacity building in ERDF.

7.2.2 *Global grants* (for the ESF, where appropriate)

Scotland will not be using Global Grants.

7.2.3 *Allocation of an amount for capacity building* (for the ESF, where appropriate)

Scotland has been in receipt of Cohesion and Structural Funds since 1989, and has a great range and depth of experience in administering these Funds to good effect. There is therefore no earmarking for capacity building. However, in the activity relating to the thematic objective ‘Promoting social inclusion and combating poverty’ some of the activity will inherently support capacity building in communities, social enterprises and third sector organisations.

8. COORDINATION BETWEEN THE FUNDS, THE EAFRD, THE EMFF AND OTHER UNION AND NATIONAL FUNDING INSTRUMENTS, AND WITH THE EIB

The mechanisms to ensure coordination between the Funds, the European Agricultural Fund for Rural Development (EAFRD), the European Maritime and Fisheries Fund (EMFF) and other Union and national funding instruments, and with the European Investment Bank (EIB), taking into account the relevant provisions laid down in the Common Strategic Framework.

Co-ordination between ESIF Funds

Effective co-ordination is fundamental in providing a more strategic approach to Scotland's Operational Programmes. That the funds can provide greater impact when combining to effect change and better outcomes for Scotland has resulted in a common approach to planning Programmes, structured around the 2020 themes of 'smart, sustainable and inclusive' and aiming to identify, with Partners, the potential impact these Funds could achieve on EU 2020 aims. In addition to more focused programmes, better co-ordination ensures there is no duplication and that there are clear distinctions that allow each ESIF Programme to understand its role in delivering the overall objectives.

As set out in section 7, the Operational Programmes will be designed around 'strategic interventions' – groups of projects of significant financial scale led by organisations with the capability and scale to manage the EU audit obligations and deliver significant outcomes. These strategic interventions have been developed with stakeholders and are considered to be the best opportunities to use ESI Funds to effect appropriate sustainable structural economic and social change.

The strategic interventions will generally be long-term, and will be implemented over a number of years and in some cases over the life of the ESIF programmes. They will be managed by Lead Partners, most often organisations who have parallel responsibilities for significant amounts of domestic funding, and who are therefore well placed to assess the suitability of operations and projects. For example, land management interventions will be managed by the same organisation who manages Pillar 1 of the CAP, as the client groups overlap significantly; innovation and SME competitiveness will be delivered together by the existing enterprise agencies; and employability interventions will be delivered alongside the domestic local support already available.

The interventions have been designed to complement each other as well as domestic policy, for example ensuring that Smart Specialisation drives the approach to innovation but also to SME support and skills and workforce development. The more targeted approach to skills development allows the ESF to extend into traditionally rural and maritime sectors, assisting in the development of key skills in land and environmental management and in diversification out of primary sectors such as fishing and into growth sectors such as off-shore energy and marine management.

Support for SME's is another key area of alignment and co-ordination of ESIF and domestic funds. Domestic arrangements already provide a range of support advice to businesses, from starting up to accessing finance. EAFRD will supplement at one end by providing additional support to small rural businesses which are vital for providing

employment and community sustainability; whilst ERDF will focus on the other end of identifying and supporting to their potential a new generation of high-growth companies across all of Scotland, both through business development and innovation support.

A single Joint Programme Monitoring Committee covering all four EU funds will provide strategic direction and oversight of the separate programmes, and will have a specific function to help the managing authorities co-ordinate across the ESI Funds. The secretariat role for this will be held by the MA for ERDF and ESF. All MAs will contribute to the agenda and papers ensuring that all MAs buy into and reflect this principle of coordination. Its role will be to monitor that all programmes work towards the common strategic framework and shared objectives articulated in the Partnership Agreement, and recommend any corrective or improving action. To ensure that the Committee can effectively span the range of regulatory activity, it will be supported by a rural operational group as well as territorially targeted groups for the Transition Region or the YEI. The structure and functions are set out briefly in the diagram below.

The strategic interventions will be expected to have considerable scale, momentum and impact, and provide stable platforms around which significant match funding can be committed over extended periods. There are risks with long term strategic interventions, the anticipated outcomes may not be achieved, the match funding may not be available for the entire life of an intervention, and different economic issues and priorities may emerge. Therefore, to ensure the Operational Programmes focus on delivering results and outcomes over the lifetime of the programmes there will be a significant review point, circa 2017, for the programmes. This means that most strategic interventions will be phased so that funds are not committed beyond the review point, and the programmes can be re-orientated if appropriate.

Figure 16 - See Documents > ESF Graphics Figure 16

Co-ordination of the ESI funds with other Union and National Funding Instruments and the EIB

Designing Operational Programmes around Strategic Interventions builds in synergies with domestic instruments and strategies from the start. The Structural Funds support major policy and direction changes, and support these to become mainstream. For example, the European Regional Development Fund Programme aligns with (and has influenced) Digital Scotland 2020, innovation policy and alignment of innovation agencies, and the implementation of the National Renewables Infrastructure Plan and its associated Fund.

The focus of the Scottish Structural Funds Operational Programmes is specifically designed to develop wider opportunity through synergies with both European and domestic instruments. Assessment of strategic interventions and operations will include detailed scrutiny by the MA and its scrutiny panel of the potential for synergies with other funds, and all Lead Partners are obliged to consider how this potential can best be

exploited. The purpose in pursuing synergies should be to create or encourage projects and concepts which could be supported by mainstream funds ; or to create things through the mainstream programmes which help drive forward European agendas on e.g. healthy aging. The MA will report regularly on this co-ordination to the JPMC.

Scotland has a positive history in this area, with strong participation in both European Territorial Cooperation Programmes and the Framework 7 programme, both of which have helped to identify ideas which are shared across a number of territories, and which become viable when those territories work together. In the arena of social inclusion, the O4O project, or ‘Older people for older people’, was a RegioStars winner during the 2007-13 programme, helping to better connect older people in peripheral rural communities to each other and thereby strengthening their resilience, and their mental and physical wellbeing.

For ETC, given the ERDF focus, actions are largely predicated around smart and sustainable. However, Scotland expects to contribute to the inclusion agenda through social innovation, addressing health inequalities and demographic challenges particularly in remote and peripheral communities and, where feasible using digital service delivery. Much of the potential will be to ensure that projects, sectors or themes developed through ETC can exploit synergies with ESF programmes across participating regions to ensure the necessary skills development is supported to capitalize on SME growth opportunities, or support to sustain communities and enhance community delivery opportunities. For example, at the end of 2014, Scotland is pursuing with Norway a preparatory project under the Northern Periphery programme to explore how best to coordinate programme and project activity between programmes operating in and near the Arctic. This work aims to recognise economic and social changes, particularly in an ESF context, in fragile communities in the region and deliver a means by which programmes can remain relevant, share good practice and make best use of the limited resources available.

The findings of this approach so far suggest that the preparatory work in finding partners and identifying common interests in itself adds value. Both ERDF and ESF programmes in Scotland will therefore use Technical Assistance to fund such preparatory work. Although the TA will be drawn for the mainstream programmes, the preparatory work might be aimed at international collaborations using the Article 70 flexibility to fund projects involving partners from other member states (particularly around innovation), or identifying shared approaches with new partners to the competitive funds. Scotland will be particularly seeking partners and projects which have application to more than one of these instruments, for example blending health and environmental challenges and linking domestic or mainstream ESI Funds to other instruments, including LIFE or EIB investment.

Other European instruments also have potential for collaboration and synergies. For the ESF, an area of particular interest will be ERASMUS+, where changes to the programme offer increased opportunity for collaborative projects, developing an international perspective for our young workforce through mobility opportunities and the enhancement of the range of skills requirements highlighted throughout this programme. Scotland’s Education Institutions have always been active in the Life Long Learning Programmes, and we see the new ERASMUS+ structure as providing real opportunity to build upon this experience and bring in a wider range of business and public sector partners into the delivery structure in future.

Programmes such as ERASMUS + and Youth on the Move can help Scotland attract and train highly skilled individuals from all over Europe to its growth sectors; but can also benefit young Scottish people in seeking employment abroad, or in gaining experience of other working cultures which they can then bring home and disseminate.

H2020 in theory aligns more easily with the ERDF programme, but with its focus on societal challenges, and the social inclusion theme, there is a clear avenue for collaboration with ESF as well. This might be, for example, through providing placements for post graduate places for individuals from other member states who bring particular skills into Scottish projects, e.g. around the EIT KIC initiative, our investment in Smart Specialisation Innovation Centres or joint projects to address service delivery against a backdrop of remoteness, ageing populations and more individualised care.

9. EX-ANTE CONDITIONALITIES

9.1 Ex-ante conditionalities

Information on the assessment of the applicability and the fulfilment of ex-ante conditionalities (optional).

Table 24: Applicable ex-ante conditionalities and assessment of their fulfilment

Ex-ante conditionality	Priority axes to which conditionality applies	Ex-ante conditionality fulfilled (Yes/No/Partially)
T.08.1 - Active labour market policies are designed and delivered in the light of the Employment guidelines.	1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	Yes
T.08.6 - YEI: The existence of a strategic policy framework for promoting youth employment including through the implementation of the Youth Guarantee.	4 - Youth Employment Initiative	Yes
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	2 - Promoting Social Inclusion, combating poverty and any discrimination	Yes
T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.	3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	Yes
G.1 - The existence of administrative capacity for the implementation and application of Union anti-discrimination law and policy in the field of ESI Funds.	1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility 2 - Promoting Social Inclusion, combating poverty and any discrimination 3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning 4 - Youth Employment Initiative 5 - Technical Assistance	Yes
G.2 - The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.	1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility 2 - Promoting Social Inclusion, combating poverty and any discrimination 3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning 4 - Youth Employment	Yes

Ex-ante conditionality	Priority axes to which conditionality applies	Ex-ante conditionality fulfilled (Yes/No/Partially)
	Initiative 5 - Technical Assistance	
G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.	1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility 2 - Promoting Social Inclusion, combating poverty and any discrimination 3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning 4 - Youth Employment Initiative 5 - Technical Assistance	Yes
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility 2 - Promoting Social Inclusion, combating poverty and any discrimination 3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning 4 - Youth Employment Initiative 5 - Technical Assistance	Yes
G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility 2 - Promoting Social Inclusion, combating poverty and any discrimination 3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning 4 - Youth Employment Initiative 5 - Technical Assistance	Yes
G.6 - The existence of arrangements for the effective application of Union environmental legislation related	1 - Supporting Sustainable and Quality	Yes

Ex-ante conditionality	Priority axes to which conditionality applies	Ex-ante conditionality fulfilled (Yes/No/Partially)
to EIA and SEA.	Employment and Supporting Labour Market Mobility 2 - Promoting Social Inclusion, combating poverty and any discrimination 3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning 4 - Youth Employment Initiative 5 - Technical Assistance	
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility 2 - Promoting Social Inclusion, combating poverty and any discrimination 3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning 4 - Youth Employment Initiative 5 - Technical Assistance	Yes

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.08.1 - Active labour market policies are designed and delivered in the light of the Employment guidelines.	1 - Employment services have the capacity to, and do, deliver: personalised services and active and preventive labour market measures at an early stage, which are open to all jobseekers while focusing on people at highest risk of social exclusion, including people from marginalised communities ;	Yes	http://www.scotland.gov.uk/Publications/2012/09/5609	Employment is reserved to the UK Government who have in place systematic active labour market interventions for those unemployed and claiming out of work benefits. Dependent on age and length of time unemployed, DWP will offer a range of in house or contracted services. These include: <ul style="list-style-type: none"> • Adviser assessment of likelihood of long term unemployment and early referral to interventions if required; • A range of interventions in the first 9-12 months including sector based training; mandatory community activity;

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				<p>support to enter self-employment;</p> <ul style="list-style-type: none"> • Referral to contracted Work Programme at 9 or 12 months. Two year programme with outcome payments for providers based on sustained jobs; • A range of mandatory activity if the claimant remains unemployed at the end of the Work Programme period including support to tackle barriers and mandatory community activity for 6 months; • Universal Jobmatch is a DWP funded vacancy handling system which unemployed benefit claimants are required to register o

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.08.1 - Active labour market policies are designed and delivered in the light of the Employment guidelines.	2 - Employment services have the capacity to, and do, deliver: comprehensive and transparent information on new job vacancies and employment opportunities taking into account the changing needs of the labour market.	Yes	https://www.gov.uk/jobsearch	Reserved to the UK and delivered through Job Centre online
T.08.1 - Active labour market policies are designed and delivered in the light of	3 - Employment services have set up formal or informal cooperation arrangements with	Yes	http://www.dundee.gov.uk/socialwork/employmentsupportservice	as well as at UK level, Scottish local authorities cooperate with local employment agencies and voluntary sector to help people into employment. An

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
the Employment guidelines.	relevant stakeholders .			example of this is attached in the link - each local authority has its own, serving particular local needs and target groups.
T.08.6 - YEI: The existence of a strategic policy framework for promoting youth employment including through the implementation of the Youth Guarantee.	1 - A strategic policy framework for promoting youth employment is in place that:	Yes	http://www.scotland.gov.uk/Resource/0039/00396371.pdf	Our Youth Employment Strategy Action for Jobs was published in June 2012. With the changing economic environment we are currently reviewing the current strategy and our findings will be published in autumn 2014
T.08.6 - YEI: The existence of a strategic policy framework for promoting	2 - is based on evidence that measures the results for young people not in employment	Yes	http://www.scotland.gov.uk/Resource/0045/00451746.pdf http://www.scotland.gov.uk/About/Performance/scotPerforms/outcome	The Scottish Government set up a commission for developing our young workforce in Jan 2013. The final report was published in June 2014 and

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
youth employment including through the implementation of the Youth Guarantee.	, education or training and that represents a base to develop targeted policies and monitor development s;			<p>Scottish Government has welcomed the recommendations. It is currently working with its partners in local government to develop a joint response.</p> <p>Performance is tracked across a range of indicators in Scotland to give long-term time series information about the performance of services and policies.</p>
T.08.6 - YEI: The existence of a strategic policy framework for promoting youth employment including	3 - identifies the relevant public authority in charge of managing youth employment measures and coordinating	Yes	http://www.scotland.gov.uk/Resource/0039/00396371.pdf	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
through the implementation of the Youth Guarantee.	partnerships across all levels and sectors;			
T.08.6 - YEI: The existence of a strategic policy framework for promoting youth employment including through the implementation of the Youth Guarantee.	4 - involves stakeholders that are relevant for addressing youth unemployment;	Yes	http://www.scotland.gov.uk/Resource/0039/00396371.pdf	
T.08.6 - YEI: The existence of a strategic policy framework for promoting youth employment	5 - allows early intervention and activation;	Yes	http://www.scotland.gov.uk/Resource/0039/00396371.pdf	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
including through the implementation of the Youth Guarantee.				
T.08.6 - YEI: The existence of a strategic policy framework for promoting youth employment including through the implementation of the Youth Guarantee.	6 - comprises supportive measures for access to employment, enhancing skills, labour mobility and sustainable integration of young people not in employment, education or training into the labour market.	Yes	http://www.scotland.gov.uk/Resource/0039/00396371.pdf	
T.09.1 - The existence and the implementation of a	1 - A national strategic policy framework for poverty	Yes	http://www.scotland.gov.uk/Resource/Doc/331419/0107865.pdf http://www.scotland.gov.uk/Publications/2011/03/21120326/0 http://www.scotland.gov.uk/Resource/Doc/304557/0116066.doc http://www.scotland.gov.uk/Publications/2013/09/2212	Several strategies cover this area: Achieving our Potential; the Child Poverty Strategy; and tackling

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	reduction, aiming at active inclusion, is in place that:			exclusion through financial awareness. . The Annual Report on The Child Poverty Strategy for Scotland presents evidence around three areas, broadly reflecting the three strands of active inclusion. It is structured around pockets (maximising household incomes), prospects (early years provision, education, training and employability) and places (housing, regeneration, community assets and access to services).
T.09.1 - The existence and the implementation of a national	2 - provides a sufficient evidence base to develop policies for poverty	Yes	http://www.scotland.gov.uk/Publications/2011/03/14094421/0 http://www.scotland.gov.uk/About/Performance/scotPerforms	Scotland monitors progress against a range of key indicators to continuously assess the effectiveness and suitability of policy

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	reduction and monitor development s;			responses. This is presented on Scotland Performs; and the same data is used in many topic-specific reports.
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active	3 - contains measures supporting the achievement of the national poverty and social exclusion target (as defined in the National Reform	Yes	http://www.scotland.gov.uk/Publications/2013/09/2212 http://www.scotland.gov.uk/Publications/2013/06/1123 http://www.scotland.gov.uk/Publications/2011/11/01120340/0 http://www.scotland.gov.uk/Publications/2013/04/2067	The Child Poverty Strategy for Scotland sets out the main Scottish measures, including: •The Solidarity purpose target “to increase overall income and the proportion of income earned by the lowest three deciles as a group by 2017”

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
inclusion of people excluded from the labour market in the light of the Employment guidelines.	Programme) , which includes the promotion of sustainable and quality employment opportunities for people at the highest risk of social exclusion, including people from marginalised communities ;			<p>•National Indicator 35: Reduce the proportion of individuals living in poverty</p> <p>•National Indicator 36: Reduce children’s deprivation.</p> <p>The keys to life – learning disability strategy aims to improve the quality of life for people with learning disabilities this includes inclusion in their community, inclusion in health services and inclusion into supported employment; The Scottish Autism Strategy also aims to improve access to services and supports for people with ASD including access to</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				employment; To address the specific needs of people with sensory impairments the Scottish Government is developing a strategic framework which covers cradle to grave sensory impairment and is set against a background of increasing demand.
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded	4 - involves relevant stakeholders in combating poverty;	Yes	http://www.scotland.gov.uk/Publications/2011/03/21120326/0	A Ministerial group including key anti-poverty stakeholders, academics, health service and local government representatives advises Ministers on the strategy

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
from the labour market in the light of the Employment guidelines.				
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	5 - depending on the identified needs, includes measures for the shift from institutional to community based care;	Yes	http://www.scotland.gov.uk/Resource/Doc/329971/0106962.pdf http://www.legislation.gov.uk/asp/2013/1/introduction/enacted	The Social Care (Self-directed Support) (Scotland) Act 2013 will help to ensure that all people who are eligible for social care get access to a wide range of support options such as direct payments and individual service funds. Greater choice and control over social care, and alternative options to "arranged services" such as direct payments and individual service funds, can help to support better tailored and

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				personalised community care support. Support from a personal assistant or a provider of their choice can help the disabled person to access education, training and work. The Scottish Government continues to deliver the national strategy on self-directed support in partnership with COSLA, national provider organisations and user and carer groups.
T.09.1 - The existence and the implementation of a national strategic policy	6 - Upon request and where justified, relevant stakeholders will be provided with support	Yes	http://www.scotland.gov.uk/Topics/Business-Industry/support/17404/resources/GuidanceDocuments/GuidanceApplicants http://www.scotland.gov.uk/Resource/0041/00414052.pdf	Staff within the Scottish Government Managing Authority have the appropriate knowledge and expertise to support applicants in preparing and

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	for submitting project applications and for implementing and managing the selected projects.			<p>submitting project applications. This includes how to structure projects to ensure compliance with European Structural Funds rules and the procedure for submitting applications. Full guidance is available for download to assist applicants.</p> <p>Once projects have been approved they are allocated a Portfolio Manager who is proactive in ensuring that the project is implemented and managed in accordance with the approval schedules. This includes providing advice and guidance to project sponsors on all matters relating</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				to European Structural Funds eligibility rules.
T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.	1 - A national or regional strategic policy framework is in place for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU which includes measures for the following:	Yes	http://www.scotland.gov.uk/Publications/2012/02/4185/6 http://www.scotland.gov.uk/Resource/0038/00388945.pdf http://www.scotland.gov.uk/Topics/Education/edandtrainingforyoungple/commissiondevelopingscotlandsyoungworkforce	Following consultation, 'Putting learners at the Centre – Delivering our Ambitions for post-16 Education' sets out our policies in relation to tertiary education. The government will be taking forward the recommendations contained with the independent report it commissioned led by Sir Ian Wood on improving the reach and quality of, and outcomes from, vocational education.
T.10.4 - The existence of a national or	2 - to improve the labour market	Yes	http://www.scotland.gov.uk/Topics/Education/edandtrainingforyoungple/commissiondevelopingscotlandsyoungworkforce	The Wood Commission has and is hearing from a wide range of

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.	relevance of VET systems in close cooperation with relevant stakeholders including through mechanisms for skills anticipation, adaptation of curricula and the strengthening of work-based learning provision in its different forms;			stakeholders from educational, vocational and business sectors.
T.10.4 - The existence of a national or regional strategic policy framework	3 - to increase the quality and attractiveness of VET including through establishing	Yes	http://www.scotland.gov.uk/Publications/2011/09/13091128/5 http://www.scotland.gov.uk/Resource/Doc/357909/0120943.pdf http://www.legislation.gov.uk/asp/2013/12/contents/enacted http://www.sqa.org.uk/sqa/42159.html	The development of a skilled workforce is one of 5 key priorities for growth set out in the Government Economic Strategy. Further information

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.	a national approach for quality assurance for VET (for example in line with the, European Quality Assurance Reference Framework for Vocational Education and Training) and implementing the transparency and recognition tools, for example European Credit system for Vocational Education			<p>on the strategy and Priority 3, Learning Skills and Well being can be found at the links. The Strategy refers to action on Post 16 education reform. Putting learners at the Centre sets out these ambitions and is being implemented through the Post 16 Education Act 2013.</p> <p>All qualifications, including vocational, in Scotland are subject to accreditation by the Scottish Qualifications Authority. The attached link shows the process for accreditation and quality assurance.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	and Training. (ECVET).			
G.1 - The existence of administrative capacity for the implementation and application of Union anti-discrimination law and policy in the field of ESI Funds.	1 - Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for the promotion of equal treatment of all persons throughout the preparation and implementation of programmes, including	Yes	Details for the UK Equality Act 2010 can be found here: http://www.legislation.gov.uk/ukpga/2010/15/contents Scotland specific duties http://www.legislation.gov.uk/ssi/2012/162/contents/made www.equalityhumanrights.com explains the work of the EHRC https://www.gov.uk/government/organisations/government-equalities-office explains the work of the Government Equalities Office.	The legislative framework for all equalities (anti-discrimination, gender and disability) are contained in the UK Equality Act 2010 which is applicable in Great Britain (England, Scotland and Wales). The Equality & Human Rights Commission (EHRC) was formed in 2007 and fully complies with Article 13 of Directive 2000/43/EC. The Government Equalities Office (GEO) is responsible for equality strategy and

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	the provision of advice on equality in ESI fund related activities.			<p>legislation across government. They take action on the government's commitment to remove barriers to equality and help to build a fairer society, leading on issues relating to women, sexual orientation and transgender equality.</p> <p>ECHR has been a key partner in preparing the PA and OP's, and has a permanent seat on the JPMC for Scotland, covering all ESI Funds in Scotland.</p>
G.1 - The existence of administrative capacity for the implementation and	2 - Arrangements for training for staff of the authorities involved in	Yes	Link to civil service code: https://www.gov.uk/government/publications/civil-service-code	Anti-discrimination and equality law and practice forms a core part of induction and training for all UK civil servants in accordance with the

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
application of Union anti-discrimination law and policy in the field of ESI Funds.	the management and control of the ESI Funds in the fields of Union anti-discrimination law and policy.			civil service code. This includes training on the specific Equalities duties to be carried out by public sector bodies such as the Managing Authorities.
G.2 - The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.	1 - Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for gender equality throughout the preparation and implementation	Yes	Details for the UK Equality Act 2010 can be found here: http://www.legislation.gov.uk/ukpga/2010/15/contents Scotland specific duties: http://www.legislation.gov.uk/ssi/2012/162/contents/made www.equalityhumanrights.com explains the work of the EHRC https://www.gov.uk/government/organisations/government-equalities-office explains the work of the Government Equalities Office. http://www.scotland.gov.uk/Topics/People/Equality	The legislative framework for all equalities (anti-discrimination, gender and disability) are contained in the UK Equality Act 2010 which is applicable in Great Britain. The Equality & Human Rights Commission (EHRC) was formed in 2007 and fully complies with Article 13 of Directive 2000/43/EC.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	<p>ion of programmes, including the provision of advice on gender equality in ESI Fund-related activities.</p>			<p>The Government Equalities Office (GEO) is responsible for equality strategy and legislation across government. They take action on the government's commitment to remove barriers to equality and help to build a fairer society, leading on issues relating to women, sexual orientation and transgender equality.</p> <p>ECHR has been a key partner in preparing the PA and OP's, and has a permanent seat on the JPMC for Scotland, covering all ESI Funds in Scotland.</p> <p>SG Equalities Unit has in addition provided specialist</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				advice on improving the mainstreaming of horizontal themes and on undertaking an equalities impact assessment.
G.2 - The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.	2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union gender equality law and policy as well as on gender mainstreaming.	Yes	Link to civil service code: https://www.gov.uk/government/publications/civil-service-code http://www.scotland.gov.uk/Topics/People/Equality	Anti-discrimination and equality law and practice forms a core part of induction and training for all UK civil servants in accordance with the civil service code. This includes training on the specific Equalities duties to be carried out by public sector bodies such as the Managing Authorities. Further training is provided to MA staff in Scotland on gender equality law and policy as well as on gender mainstreaming as

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				part of the horizontal themes . This is supported by the SG Equalities Unit.
G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.	1 - Arrangements in accordance with the institutional and legal framework of Member States for the consultation and involvement of bodies in charge of protection of rights of persons with disabilities or representative organisations of persons with	Yes	Details for the UK Equality Act 2010 can be found here : http://www.legislation.gov.uk/ukpga/2010/15/contents www.equalityhumanrights.com explains the work of the EHRC https://www.gov.uk/government/organisations/government-equalities-office explains the work of the Government Equalities Office. Scotland specific duties: http://www.legislation.gov.uk/ssi/2012/162/contents/made	The legislative framework for all equalities (anti-discrimination, gender and disability) are contained in the UK Equality Act 2010 which is applicable in Great Britain. The Equality & Human Rights Commission (EHRC) was formed in 2007 and fully complies with Article 13 of Directive 2000/43/EC. The Government Equalities Office (GEO) is responsible for equality strategy and

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	disabilities and other relevant stakeholders throughout the preparation and implementation of programmes			<p>legislation across government. They take action on the government's commitment to remove barriers to equality and help to build a fairer society, leading on issues relating to women, sexual orientation and transgender equality.</p> <p>ECHR has been a key partner in preparing the PA and OP's, and has a permanent seat on the JPMC for Scotland, covering all ESI Funds in Scotland.</p> <p>SG Equalities Unit has in addition provided specialist advice on improving the mainstreaming of horizontal themes and on undertaking an equalities impact</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				assessment.
G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.	2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of applicable Union and national disability law and policy, including accessibility and the practical application of the UNCRPD as reflected in	Yes	Civil service code: https://www.gov.uk/government/publications/civil-service-code https://civilservicelearning.civilservice.gov.uk/ link to Civil Service learning	Anti-discrimination and equality law and practice forms a core part of induction and training for all UK civil servants in accordance with the civil service code. This includes training on the specific Equalities duties to be carried out by public sector bodies such as the Managing Authorities. All staff also have access to comprehensive on-line learning through Civil Service Learning. Training is provided to MA staff in Scotland on disability and equality law and

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	Union and national legislation, as appropriate.			policy.
G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.	3 - Arrangements to ensure monitoring of the implementation of Article 9 of the UNCRPD in relation to the ESI Funds throughout the preparation and the implementation of the programmes.	Yes	http://odi.dwp.gov.uk/disabled-people-and-legislation/un-convention-on-the-rights-of-disabled-people.php details the UN Convention of Rights of Persons with Disabilities and other Office for Disabilities Issues (ODI) guidance.	The Office for Disability website (part of Department for Work and Pensions) details the UN Convention of Rights of Persons with Disabilities and other Office for Disabilities Issues (ODI) guidance. DWP are responsible for collating and providing contributions for inclusion with the UK Government reports to all UN Conventions and Covenants.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	1 - Arrangements for the effective application of Union public procurement rules through appropriate mechanisms.	Yes	Public tendering arrangements are governed by the Public Contracts Directive (2004/18/EC) implemented in the UK by Public Contracts Regulations 2006 (Statutory Instrument 2006/5). http://www.scotland.gov.uk/Topics/Government/Procurement	The UK has committed to early transposition of the new public procurement rules agreed by the European parliament in January 2014. This process should be completed early next year. A specialist unit in the Scottish government, The Scottish Procurement Directorate, advises all parts of Scottish government on procurement compliance, and acts as contract manager on all contracts which require procurement under EU law.
G.4 - The existence of arrangements for the	2 - Arrangements which ensure	Yes	http://www.scotland.gov.uk/Topics/Government/Procurement	Specialist unit in Scottish Government provides advice and

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
effective application of Union public procurement law in the field of the ESI Funds.	transparent contract award procedures.			acts as contract manager.
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	3 - Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	Yes	Public tendering arrangements are governed by the Public Contracts Directive (2004/18/EC) implemented in the UK by Public Contracts Regulations 2006 (Statutory Instrument 2006/5). http://www.scotland.gov.uk/Topics/Government/Procurement	A specialist unit advises all parts of Scottish Government and other public contracting bodies on correct and transparent procurement. Procurement also forms a core component of training for Managing and Audit Authorities staff.
G.4 - The existence of arrangements for the effective application of Union	4 - Arrangements to ensure administrative capacity for implementation	Yes	http://www.scotland.gov.uk/Topics/Government/Procurement	A specialist unit in the Scottish government, The Scottish Procurement Directorate, advises all parts of Scottish

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
public procurement law in the field of the ESI Funds.	ion and application of Union public procurement rules.			government on procurement compliance, and acts as contract manager on all contracts which require procurement under EU law.
G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	1 - Arrangements for the effective application of Union State aid rules.	Yes	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/261384/bis_13-1330_state_aid_the_basics.pdf https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31705/12-747-state-aid-frequently-asked-questions.pdf . http://www.scotland.gov.uk/Topics/Government/State-Aid/SAU	Business, Innovation and Skills ("BIS") is responsible for setting UK State aid policy and coordinating notifications to the Commission- https://www.gov.uk/state-aid . BIS verifies every UK notification prior to its submission to the European Commission for approval. General advice and support is provided, such as online guidance which explains the application of De Minimis and the

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				<p>cumulation rules. In addition, a specialist State Aid Unit exists within the Scottish government with the specific purpose of providing advice to all Scottish public bodies on their State Aid duties. This includes a programme of training and seminars, as well as advice on specific cases and issues. State Aid Unit will deliver training directly to all MA staff in advance of programme commencement.</p>
G.5 - The existence of arrangements for the effective application of Union	2 - Arrangements for training and dissemination of information	Yes	http://www.scotland.gov.uk/Topics/Government/State-Aid/SAU	A specialist State Aid Unit exists within the Scottish Government with the specific purpose of providing advice to all Scottish public

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
State aid rules in the field of the ESI Funds.	for staff involved in the implementation of the ESI funds.			bodies on their State Aid duties. This includes a programme of training and seminars, as well as advice on specific cases and issues. State Aid Unit will deliver training directly to all MA staff in advance of programme commencement.
G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	3 - Arrangements to ensure administrative capacity for implementation and application of Union State aid rules.	Yes	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/261384/bis_13-1330_state_aid_the_basics.pdf https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31705/12-747-state-aid-frequently-asked-questions.pdf . http://www.scotland.gov.uk/Topics/Government/State-Aid/SAU	Business, Innovation and Skills ("BIS") is responsible for setting UK State aid policy and coordinating notifications to the Commission- https://www.gov.uk/state-aid . BIS verifies every UK notification prior to its submission to the European Commission for approval. General

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				<p>advice and support is provided, such as online guidance which explains the application of De Minimis and the cumulation rules.</p> <p>In addition, a specialist State Aid Unit exists within the Scottish government with the specific purpose of providing advice to all Scottish public bodies on their State Aid duties. This includes a programme of training and seminars, as well as advice on specific cases and issues. State Aid Unit will deliver training directly to all MA staff in advance of programme commencement.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
G.6 - The existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.	1 - Arrangements for the effective application of Directive 2011/92/EU of the European Parliament and of the Council (EIA) and of Directive 2001/42/EC of the European Parliament and of the Council (SEA).	Yes	The Environmental Assessment (Scotland) Act 2005 http://www.scotland.gov.uk/Topics/Environment/environmental-assessment	In the UK, developers, competent authorities and statutory consultation bodies are responsible for ensuring their processes are compliant with EIA and SEA regulations and that decisions are made taking into account a full assessment of the significant environmental effects. EIA guidance is also provided on an individual basis either centrally by government or by bodies involved in the process e.g. consultation bodies. Specialist units provide advice within Scottish government on how to undertake EIA's

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				and SEA's.
G.6 - The existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.	2 - Arrangements for training and dissemination of information for staff involved in the implementation of the EIA and SEA Directives.	Yes	The Environmental Assessment (Scotland) Act 2005 http://www.scotland.gov.uk/Topics/Environment/environmental-assessment/sea	In the UK, developers, competent authorities and statutory consultation bodies are responsible for ensuring their processes are compliant with EIA and SEA regulations and that decisions are made taking into account a full assessment of the significant environmental effects. EIA guidance is also provided on an individual basis either centrally by government or by bodies involved in the process e.g. consultation bodies.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				Specialist units provide advice within Scottish government on how to undertake EIA's and SEA's.
G.6 - The existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.	3 - Arrangements to ensure sufficient administrative capacity.	Yes	The Environmental Assessment (Scotland) Act 2005 http://www.scotland.gov.uk/Topics/Environment/environmental-assessment/sea	In the UK, developers, competent authorities and statutory consultation bodies are responsible for ensuring their processes are compliant with EIA and SEA regulations and that decisions are made taking into account a full assessment of the significant environmental effects. EIA guidance is also provided on an individual basis either centrally by government or by bodies involved in

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				the process e.g. consultation bodies. Specialist units provide advice within Scottish government on how to undertake EIA's and SEA's.
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes . The existence of a system of result indicators necessary to select actions, which most effectively	1 - Arrangements for timely collection and aggregation of statistical data with the following elements are in place: the identification of sources and mechanisms to ensure statistical validation.	Yes	http://www.scotland.gov.uk/About/Performance/scotPerforms	Scotland Performs, a nation-wide system of setting and tracking performance targets, was established in 2007. Scottish Government collects and publishes statistics on a wide range of indicators linked to an overall set of targets and a single purpose. The work is carried out by analytical specialists working for the Government, and draws on specialist contractors as required.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
contribute to desired results, to monitor progress towards results and to undertake impact evaluation.				<p>All public bodies in Scotland report against these indicators (as relevant to their duties) on a regular basis, and performance is constantly tracked and updated.</p> <p>Micro level data will be collected and stored on the Scottish Government EUMIS system which will be used to monitor and report data as well as being used as a tool to build statistical evidence for evaluation purposes and progress and annual reports in conformity with article 125 (2) of the CPR and the guidance for ESF monitoring and</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				evaluation.
<p>G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes . The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress</p>	<p>2 - Arrangements for timely collection and aggregation of statistical data with the following elements are in place: arrangements for publication and public availability of aggregated data.</p>	<p>Yes</p>	<p>http://www.scotland.gov.uk/About/Performance/scotPerforms</p>	<p>Scotland Performs, a nation-wide system of setting and tracking performance targets, was established in 2007. Scottish Government collects and publishes statistics on a wide range of indicators linked to an overall set of targets and a single purpose. The work is carried out by analytical specialists working for the Government, and draws on specialist contractors as required.</p> <p>All public bodies in Scotland report against these indicators (as relevant to their</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
towards results and to undertake impact evaluation.				<p>duties) on a regular basis, and performance is constantly tracked and updated.</p> <p>Micro level data will be collected and stored on the Scottish Government EUMIS system which will be used to monitor and report data as well as being used as a tool to build statistical evidence for evaluation purposes and progress and annual reports in conformity with article 125 (2) of the CPR and the guidance for ESF monitoring and evaluation.</p>
G.7 - The existence of a statistical basis	3 - An effective system of result	Yes	http://www.scotland.gov.uk/About/Performance/scotPerforms	Indicators in Scottish programmes are either aligned with

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>necessary to undertake evaluations to assess the effectiveness and impact of the programmes . The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.</p>	<p>indicators including: the selection of result indicators for each programme providing information on what motivates the selection of policy actions financed by the programme.</p>			<p>European Commission core indicators or, where possible, with Scotland Performs. This ensures relevance, statistical validity and stable definition of the selected indicators.</p> <p>Further information on the specific development of targets for this programme is provided in the accompanying paper on indicators and target setting available as an annex.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes . The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact</p>	<p>4 - An effective system of result indicators including: the establishment of targets for these indicators.</p>	<p>Yes</p>	<p>http://www.scotland.gov.uk/About/Performance/scotPerforms</p>	<p>Indicators in Scottish programmes are either aligned with European Commission core indicators or, where possible, with Scotland Performs. This ensures relevance, statistical validity and stable definition of the selected indicators.</p> <p>Further information on the specific development of targets for this programme is provided in the accompanying paper on indicators and target setting available as an annex.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
evaluation.				
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes . The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress	5 - An effective system of result indicators including: the consistency of each indicator with the following requisites: robustness and statistical validation, clarity of normative interpretation, responsiveness to policy, timely collection of data.	Yes	http://www.scotland.gov.uk/About/Performance/scotPerforms	<p>Indicators in Scottish programmes are either aligned with European Commission core indicators or, where possible, with Scotland Performs. This ensures relevance, statistical validity and stable definition of the selected indicators.</p> <p>Further information on the specific development of targets for this programme are provided in the accompanying paper on indicators and target setting available as an annex</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
towards results and to undertake impact evaluation.				
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes . The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor	6 - Procedures in place to ensure that all operations financed by the programme adopt an effective system of indicators.	Yes	http://www.scotland.gov.uk/Topics/Business-Industry/support/17404/EuropeanStructuralFunds/NewITSystem	This is a requirement in national rules. All public bodies regularly report on key indicators, and are tied into the Scotland Performs approach. A new information management system has been established which allows for automatic updating of participant and final beneficiary (e.g. business) records to ensure that data is accurate and timely.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
progress towards results and to undertake impact evaluation.				

9.2 Description of actions to fulfil ex-ante conditionalities, responsible bodies and timetable

Table 25: Actions to fulfil applicable general ex-ante conditionalities

General ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible

Table 26: Actions to fulfil applicable thematic ex-ante conditionalities

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible

10. REDUCTION OF ADMINISTRATIVE BURDEN FOR BENEFICIARIES

Summary of the assessment of the administrative burden for beneficiaries and, where necessary, the actions planned accompanied by an indicative timeframe to reduce administrative burden.

During the 2007-2013 Structural Fund Programmes there were a number of audit and compliance issues in Scotland. This has formed a significant part of the ‘lessons learned’ for the preparation of the 2014-2020 programmes, and the Scottish Government as Managing Authority will therefore pursue a range of options to simplify and improve the management of the Funds in Scotland, and the experience of these funds by beneficiaries.

Use of Lead Partners

Lead Partners are beneficiaries in that they will receive the EU Funding in respect of a particular set of objectives and expected results. They will be charged with overseeing strategic interventions, and will either procure, operate open and transparent calls for operations or, where justified through an analysis of delivery options, deliver operations themselves. The MA will determine whether in-house delivery is justified.

Lead Partners will lend stability and long-term security to Delivery Agents who are running operations, and may act to centralise match funding so that smaller organisations are applying to only one source of funding, rather than to EU Funds and domestic funds. Individual organisations should find fewer points of information and sources of funding to deal with.

Guidance on the roles of Lead Partner and Delivery Agent will be published as part of the overall programme guidance by the end of 2014, prior to programme commencement. Lists of approved Strategic Interventions, will be made available on the Scottish Government website to direct delivery agents to the right source of potential funding.

Increased use of procurement

Increasing the use of procurement by lead partners makes it clear what is expected of potential delivery agents, and gaining a rapid response from a range of proposals as to the best and most cost effective way of achieving set outcomes. Procurement considerably simplifies the audit trail required, as the costs can be based on invoices and can incorporate both direct and indirect costs and allows a greater focus on outcomes. All lead partners are being actively encouraged to consider procurement as the favoured option.

Guidance on the detailed operation of the model will be available in 2014 prior to programme commencement. All contracting bodies using procurement must operate under EU procurement rules and relevant Directives.

Increased use of simplified and unit costs

Smaller projects and revenue projects have found it onerous to track costs associated with delivery to meet requirements. Widening the use of unit costs, especially for training and revenue projects, and increasing the variety to extend to other funds outwith ESF will assist in refocusing efforts on delivery of outcomes. Although establishing the models will require work upfront to gather historical evidence of costs, both Lead Partners and Delivery Agents will be able to simply report progress in terms of outputs and outcomes, with no further checking of expenditure required.

A number of simplified cost models will be incorporated into the National Rules during 2014, with the emphasis being on establishing those which are most likely to be used by a wide range of stakeholders (e.g. for training or employability projects via the Community Planning Partnerships). Guidance will be available on the types of Simplified cost options which are considered suitable for which types of activities, and on which models will not be used in the Scottish programmes. Initial models and guidance will be available in time for programme commencement, with further cost models to be developed 'on demand'. All cost models may be reviewed periodically to ensure that organisation costs are being fairly reimbursed and that activity is not being over-financed.

Improved IT systems

The new European Structural Funds IT system 'EUMIS' will see initial launch in January 2015, with full implementation being in place for summer 2015. The system matches programme design, with separate functionality for Lead Partners, Delivery Agents and Managing Authority, and features on simplified cost options and setting milestones to help beneficiaries structure their applications for better evaluation and selection results. A dashboard on log-in will call attention to outstanding actions, helping users including beneficiaries manage their interaction with the Funds.

This new IT system will be far more agile than the current and allow data to be interrogated in order to effectively monitor the implementation of the programme. In particular, it provides a platform for data exchange, data interrogation and reporting, and by summer 2015, this will include a web based update service which allows lead partners to electronically load progress such as participants and final beneficiaries and their associated outcomes. If this reaches a milestone, a claim will automatically be triggered, removing the need for 'blank' claims and progress reports.

Improved guidance and support

Guidance will be published by the end of 2014 for Structural Funds, in time for programme commencement. Guidance will be made available on-line, and will be a mix of principles (what sort of activity the Funds are interested in supporting) with practicalities (which Lead Partner to contact, how to use the IT system, eligibility rules, guidance on assessing state aids or procurement, publicity requirements etc). All guidance will be published prior to programme commencement, with a regular update system in place within the MA to maintain it and ensure its relevance as the programme cycle develops.

A mailbox for enquiries will operate throughout the programme cycle. During initial phases, the MA will also establish a helpdesk using existing staff.

11. HORIZONTAL PRINCIPLES

11.1 Sustainable development

Description of specific actions to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management, in the selection of operations.

Article 8 of the Common Provision Regulations requires that ‘The Member States and the Commission shall ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaptation, biodiversity, disaster resilience, and risk prevention and management are promoted in the preparation and implementation of Partnership Agreements and programmes.’

It is also a requirement in Scotland for all public sector organisations to adhere to the regulations outlined in part 4 of The Climate Change (Scotland) Act 2009. All public sector organisations participating in the 2014-20 European Structural Funds Programmes should ensure they are fully aware of the Public Bodies Duty outlined in this act and make use of the guidance provided in relation to this. For further information on the Climate Change (Scotland) Act 2009 please visit

<http://www.scotland.gov.uk/Topics/Environment/climatechange/howyoucanhelp/publicbodies/publicsector>.

Two significant pieces of work were undertaken prior to the commencement of the new programme period. These have been instrumental in the design of the 2014-2020 Programmes and the development of monitoring and evaluation processes.

Firstly, as part of the ex-ante evaluation, a Strategic Environmental Assessment (SEA) was conducted. The results of the SEA were made available to the public via the Scottish Government website and advertised in a national Scottish newspaper. This allowed stakeholders the opportunity to comment on the findings from the report and submit any queries to the European Structural Funds ESF.

The main findings from the SEA showed the strategic interventions to have an overall positive impact on the environment. For a copy of this report please visit the European Structural Funds Website <http://www.scotland.gov.uk/Resource/0046/00464997.pdf>.

The second report which greatly contributed to the design process for mainstreaming environmental sustainability in the 2014-2020 programmes was a research study prepared by IDEAction for Scottish Natural Heritage entitled ‘Mainstreaming Environmental Sustainability in EU Funds 2014-2020.’

The research carried out in the development of this report involved reviewing mainstreaming literature and conducting interviews with 36 individuals from a variety of organisations including RSPB Scotland, Visit Scotland, HIE, the Scottish Government and several Scottish councils.

The majority of organisations interviewed as part of the research process were of the opinion that mainstreaming environmental sustainability was significantly weaker in the

2007-13 Programmes compared with 2000-06. It was considered to be more of an add on to the monitoring and evaluation process rather than an integral part and was overshadowed by financial auditing.

Main concerns raised by stakeholders included:

- Horizontal themes were a ‘tick box’ exercise at application stage and were not part of the audit process thereafter
- There is not enough guidance available on horizontal themes
- There is no way for projects undertaking similar work to communicate with each other, share ideas and promote the work they do
- Case studies and project results have to be better advertised

The European Structural Funds have in response adopted a two-fold approach to sustainable development in the 2014-2020 Programmes. Firstly the thematic objectives ‘Supporting a Shift Towards a Low Carbon Economy’ & ‘Protecting the Environment and Promoting Resource Efficiency’ will include a number of niche projects which will directly promote sustainable development in the work they do.

Secondly sustainable development is one of the three horizontal themes adopted by European Structural Funds. This means that regardless of which thematic objective a project is assigned to, the promotion of sustainable development will be a priority for all projects.

- Long-term sustainability forms a selection criteria for the relevant priority axes and investment priorities within the programme
- Lead Partners will be required as part of the application process to develop an annual action plan outlining their objectives for environmental sustainability and how they plan to achieve these. This will be monitored and reported against as part of the European Structural Funds audit process
- Where applicable, all delivery partners for strategic interventions will be required to demonstrate how their proposed projects will fully comply with the Public Bodies Duty, outlined in Part 4 of the Climate Change (Scotland) Act 2009, at the start of the programme
- Case studies will be encouraged as a form of qualitative evidence. Each year the Managing Authority will select one case study per investment priority which can be used for European Structural Funds ESF publicity requirements.
- An online forum will be created where projects can showcase their case studies and share lessons learned. It is also an opportunity to share ideas and seek guidance from similar projects and the Scottish Government.
- A member of the JPMC will be someone with expert knowledge in this area to ensure sustainable development interests are taken into consideration at a higher level

11.2 Equal opportunities and non-discrimination

Description of specific actions to promote equal opportunities and prevent discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the operational programme and in particular in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination and in particular the requirements for ensuring accessibility for persons with disabilities.

The Equality Act 2010 provides the domestic legal framework for protection of individuals with particular characteristics – age, disability, gender reassignment, race, religion and belief, sex and sexual orientation, pregnancy and maternity and marriage and civil partnership. It includes a duty on public bodies to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations in carrying out its functions.

The Scottish Government takes its responsibilities under the legislation seriously and introduced additional specific duties to help authorities in Scotland deliver on their equality responsibilities.

An Equality Impact Assessment (EQIA) of the proposed 2014-2020 ESF was undertaken to inform the development of the programme. It was published on the Scottish Government website and formed part of the consultation on the Operational Plan. It will continue to be work in progress as the Programme develops.

In the context of the 2014-20 ESF Programme, each project will be required to identify how it will address possible discrimination (including unconscious discrimination) as part of the application process. Projects will be expected to state how they will identify discrimination of any kind and how the activity planned, and the way in which it is to be delivered, will contribute to eliminating discrimination. Projects will be monitored in this as part of the verification of results and outcomes.

In this context we will be drawing on the observations on the 2007- 2013 Programme which identified the importance of mainstreaming equality and non-discrimination, in particular the use of monitoring data in the supporting evidence for the Programme and equality analysis and assessment.

Strategic Intervention Lead Partners

The responsibility for mainstreaming and promoting equality sits with the strategic intervention lead partners and as part of the application process lead partners will include details on how equality issues will be addressed by activity funded by European Structural Funds, and include details of what discrete or positive action projects will be supported by the strategic intervention lead partners operations.

Working Group

A short-life working group is being set up to support the Strategic Lead Partners in the further promotion and integration of equality issues (including equality between men and women) into the 2014-2020 structural funds programmes. It will provide input on integration and monitoring and on proposals for guidance as required.

11.3 Equality between men and women

Description of contribution of the operational programme to the promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of the gender perspective at operational programme and operation level.

The promotion of equality between men and women in the 2014-20 Programmes will form an integral part of future projects. Gender equality will be mainstreamed in the planning, preparation, implementation, monitoring and evaluation stage, as outlined in the Scottish Chapter of the UK Partnership Agreement.

A socio-economic analysis was conducted as part of the ex-ante evaluation process. This helped determine where the funds could best be focused to achieve the EU2020 targets. Gender disaggregated data was gathered as part of this analysis. This data ensured a gender perspective was taken into account in the design of 2014-20 Programmes and will be essential whilst going forward and developing the monitoring and evaluation processes.

To ensure full integration of the horizontal themes each project will be required to identify how it will address these themes, including gender equality, as part of the application process. Projects will be expected to state how they have considered equality, including gender equality, in the development of the project and how the activity planned will contribute to promoting equality and eliminating discrimination. This will help projects identify gender barriers and possible discrimination at an early stage and tailor the design to deliver equal opportunities.

To assist the full integration of the horizontal themes in the 2014-20 Programmes, the application form has been redesigned and will include specific questions relating to each of the horizontal themes, for example:

1. How will your project reduce gender stereotyping and how will you attract a more diverse range of participants during the 2014 – 2020 Programmes?
2. What processes do you have in place to tackle discrimination if it occurs?

The technical assistance (TA) round which was conducted prior to the commencement of the new programmes identified a number of areas where improvements could be made in relation to horizontal themes and gender mainstreaming. The TA project ‘Occupational Segregation and Gender Mainstreaming’ was and will continue to be of particular use when developing a new monitoring system for the future programmes. It will inform the work of the short-life working group on equality which will be supporting the Strategic Lead Partners. It will help to improve the understanding of equality and its integration into the process.

One of the key points outlined by the projects who had taken part in both the 2000-06 and the 2007-13 programmes was the reduced focus on horizontal themes as the programmes progressed. The Programme Monitoring Committee will ensure that there is oversight of the horizontal themes throughout the duration of the 2014- 2020 Programme.

A consultation document was published in December 2013 and provided stakeholders with an overview of the Partnership Agreement, Operational Programmes and proposed governance structures. Stakeholders were asked to provide comments on all of the above and the possible impact they may have on the promotion of equal opportunities in the 2014-20 Programmes. The answers provided to these questions were carefully analysed and presented in our Consultation Responses Report published in April 2014. The information gathered during the consultation process also formed an important part of the ESF EQIA.

The Equality Impact Assessment (EQIA) was conducted and published on both the Scottish Government and European Structural Funds website. Stakeholders were strongly encouraged to comment on the EQIA and asked to provide suggestions for future monitoring and evaluation processes. In depth feedback was received from Engender which is an NGO which specialises in gender equality. This feedback has formed an important part of the development process for monitoring horizontal themes.

The Socio-economic Analysis, Consultation Document and EQIA have all been essential to ensuring equal opportunities, and in particular a gender perspective, have and will continue to inform the design and delivery of the 2014-2020 Programmes.

12. SEPARATE ELEMENTS

12.1 Major projects to be implemented during programming period

Table 27: List of major projects

Project	Planned notification/submission date (year, quarter)	Planned start of implementation (year, quarter)	Planned completion date (year, quarter)	Priority Axes / Investment Priorities
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12.2 Performance framework of operational programme

Table 28: Performance framework by fund and category of region (summary table)

Priority axis	Fund	Category of region	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018			Final target (2023)		
					M	W	T	M	W	T
1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	ESF	Transition	expenditure	Euro			6,432,939			36,828,030.00
1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	ESF	More developed	expenditure	Euro			27,242,119			281,800,073.00
1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	ESF	Transition	Unemployed and inactive participants with multiple barriers to employment	Number			2,092			10,005.00
1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	ESF	Transition	Employed participants with multiple barriers to progressing in the labour market	Number			30			191.00
1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	ESF	More developed	Unemployed and inactive participants with multiple barriers to employment	Number			24,464			99,218.00
1 - Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility	ESF	More developed	Employed participants with multiple barriers to progressing in the labour market	Number			1,224			6,885.00
2 - Promoting Social Inclusion, combating poverty and any discrimination	ESF	Transition	expenditure	Euro			5,607,659			35,836,483.00
2 - Promoting Social Inclusion, combating poverty and any discrimination	ESF	More developed	expenditure	Euro			13,252,119			144,427,565.00
2 - Promoting Social Inclusion, combating poverty and any discrimination	ESF	Transition	Disadvantaged participants in workless, lone parent or low income households	Number			846			5,678.00
2 - Promoting Social Inclusion, combating poverty and any discrimination	ESF	Transition	Deprived or fragile communities supported	Number			20			112.00
2 - Promoting Social Inclusion, combating poverty and any discrimination	ESF	More developed	Disadvantaged participants in workless, lone parent or low income households	Number			3150			21,000.00
2 - Promoting Social Inclusion, combating poverty and any discrimination	ESF	More developed	Deprived or fragile communities supported	Number			29			153.00
3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	ESF	Transition	expenditure	Euro			7,650,867.00			52,194,878.00
3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	ESF	More developed	expenditure	Euro			20,124,347			215,447,191.00
3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	ESF	Transition	Total participants (employed, unemployed, inactive) with ISCED level 2 or below qualification	participants			573			2,608.00
3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	ESF	Transition	Total participants (employed, unemployed, inactive) with ISCED level 3 or 4 qualifications	participant			968			4,412.00
3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	ESF	Transition	Total participants with ISCED level 5 and above qualification	participants			254			1,156.00
3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	ESF	More developed	Total participants (employed, unemployed, inactive) with ISCED level 2 or below qualification	participants			3,650			15,298.00
3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	ESF	More developed	Total participants (employed, unemployed, inactive) with ISCED level 3 or 4 qualifications	participant			4,361			18,274.00
3 - Investing in Education, Training and Vocational Training for Skills and Lifelong Learning	ESF	More developed	Total participants with ISCED level 5 and above qualification	participants			1092			4,579.00
4 - Youth Employment Initiative	YEI		expenditure	Euro			86,048,558			76,521,165.00
4 - Youth Employment Initiative	YEI		Participants aged 16-24 who are unemployed or NEET	participants			13,430			8,819.00
4 - Youth Employment Initiative	YEI		Participants aged 25-29 who are unemployed or NEET	participants			3,570			2,344.00

12.3 Relevant partners involved in preparation of programme

Aberdeen City Council

Aberdeenshire Council

Angus Council

Archaeology Scotland

Argentix Ltd

Argyll and Bute Council

British Red Cross

Children in Scotland

City of Edinburgh Council

Clydebank College

Coatbridge College

Comhairle nan Eilean Siar

Convention of Scottish Local Authorities

Directorate for Chief Medical Officer and Public Health

Director of Public Health

Dundee City Council

Dumfries and Galloway Council

East Ayrshire Council

East Dunbartonshire Council

East Lothian Council

East of Scotland European Consortium

Edinburgh CPP

Equality and Human Rights Commission

Fife Council

Financial Skills Partnership on behalf of JSSC group

Forth Valley and Lomond LEADER

Glasgow City Council

Highlands & Islands European Partnership

Highlands and Islands Enterprise

Highland Council

Industrial Communities Alliance Scotland

James Hutton Institute

John Wheatley College

Link Group

Moray Firth Media Trust

Moray Council

Moving on Employment Project Ltd

Edinburgh Napier Uni

NHS Ayrshire and Arran

NHS Fife

NHS Grampian

NHS Highland

North Ayrshire Council

North Lanarkshire Council

Orkney Blide Trust

Orkney Islands Council

Perth and Kinross Council

Peter Ross

Plunkett Scotland

Queen Margaret University

Renfrewshire Council

Scottish Trades Union Congress

The Action Group

The Princes Trust

The Wise Group

Shetland Islands Council

South Ayrshire Council

South Lanarkshire College

South Lanarkshire Council

Scottish Qualifications Authority

Shetland Islands Council

Stirling Council

Royal National Institute of Blind People (RNIB) in Scotland

Scottish Council for Development and Industry

Scottish Chambers of Commerce

Scottish Community Alliance

Scottish Opencast Communities Alliance

Scottish Out of School Care Network

Scottish Council of Voluntary Organisations(SCVO)

Scottish Enterprise

Scottish Environment Protection Agency

Scottish Further and Higher Education Funding Council (SFC)

South of Scotland Alliance

The Royal Society for the Protection of Birds (Scotland)

University of the Highlands & Islands

University of Strathclyde

Visit Scotland

Voluntary Action Scotland

Voluntary Arts Scotland

West Fife Enterprise Ltd

West Lothian Council

West of Scotland European Forum

Woodland Trust Scotland

West of Scotland Colleges Partnership (WoSCOP)

Documents

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent By
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Submitted annexes by the Commission implementing regulation laying down the model of the programme

Document title	Document type	Programme version	Document date	Local reference	Commission reference	Files	Sent date	Sent By
Ex-Ante Evaluation - ERDF and ESF Scotland	Report of the ex-ante evaluation	1.3	17-Nov-2014		Ares(2014)4165046	Ex-Ante Evaluation	11-Dec-2014	nfergnor
ESF Scotland Citizens' Summary	Citizens' summary	1.3	08-Dec-2014		Ares(2014)4165046	ESF Scotland Citizens' Summary	11-Dec-2014	nfergnor
Programme Snapshot of data before send 2014UK05M9OP002 3.2	Snapshot of data before send	3.2	12-Nov-2018		Ares(2018)5785615	Programme Snapshot of data before send 2014UK05M9OP002 3.2 en	12-Nov-2018	nanderwn

Latest validation results

Severity	Code	Message
Info		Programme version has been validated.
Warning	2.13.1	The total Union support (main+performance) per Fund/year (ESF/2015) in Table 17 should be equal to the total Union support for the programme/Fund/year in the last partnership agreement sent to the Commission (2014UK16M8PA001 4.0) : 44,018,720.00 - 57,326,918.00
Warning	2.13.1	The total Union support (main+performance) per Fund/year (YEI/2015) in Table 17 should be equal to the total Union support for the programme/Fund/year in the last partnership agreement sent to the Commission (2014UK16M8PA001 4.0) : 6,956,048.00 - 20,293,015.00
Warning	2.16.9	For subsequent versions compared to the previous version, the Union support in closed previous years should not be modified. Year 2015 - previous value "75,397,899.00", current value "48,752,734.00"
Warning	2.18.6	At least one indicator must be defined in the relevant indicator tables. Priority axis "5", specific objective "TASO1", Table 12
Warning	2.18.6	At least one indicator must be defined in the relevant indicator tables. Priority axis "5", specific objective "TASO2", Table 12
Warning	2.44	Indicator "CR01" has both a total/qualitative baseline value and a gender breakdown or no total/qualitative baseline value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.44	Indicator "CR02" has both a total/qualitative baseline value and a gender breakdown or no total/qualitative baseline value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.44	Indicator "CR03" has both a total/qualitative baseline value and a gender breakdown or no total/qualitative baseline value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.44	Indicator "CR04" has both a total/qualitative baseline value and a gender breakdown or no total/qualitative baseline value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.44	Indicator "CR05" has both a total/qualitative baseline value and a gender breakdown or no total/qualitative baseline value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.44	Indicator "CR06" has both a total/qualitative baseline value and a gender breakdown or no total/qualitative baseline value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.44	Indicator "CR07" has both a total/qualitative baseline value and a gender breakdown or no total/qualitative baseline value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.44	Indicator "CR08" has both a total/qualitative baseline value and a gender breakdown or no total/qualitative baseline value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.44	Indicator "CR09" has both a total/qualitative baseline value and a gender breakdown or no total/qualitative baseline value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.44	Indicator "CR10" has both a total/qualitative baseline value and a gender breakdown or no total/qualitative baseline value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.44	Indicator "CR11" has both a total/qualitative baseline value and a gender breakdown or no total/qualitative baseline value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.44	Indicator "CR12" has both a total/qualitative baseline value and a gender breakdown or no total/qualitative baseline value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.45	Indicator "CR05" has both a total/qualitative target value and a gender breakdown or no total/qualitative target value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.45	Indicator "CR06" has both a total/qualitative target value and a gender breakdown or no total/qualitative target value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.45	Indicator "CR07" has both a total/qualitative target value and a gender breakdown or no total/qualitative target value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.45	Indicator "CR09" has both a total/qualitative target value and a gender breakdown or no total/qualitative target value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.45	Indicator "CR10" has both a total/qualitative target value and a gender breakdown or no total/qualitative target value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.45	Indicator "CR11" has both a total/qualitative target value and a gender breakdown or no total/qualitative target value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.45	Indicator "CR12" has both a total/qualitative target value and a gender breakdown or no total/qualitative target value at all in Table 4a for priority axis "4" and investment priority "8ii".
Warning	2.65	The total ESF allocation (Main + Performance Reserve from Table 17) over all IGJ Programmes of country "UK" is not equal to the total ESF allocation in Table 1.4.1 of the Partnership Agreement with CCI "2014UK16M8PA001": "4,944,717,650.00", "4,958,025,848.00".