

# Government-funded business support

**How can government-funded business support become as  
efficient and effective as possible?**

# The scope of the assignment and delivered reports

- The Swedish Agency for Growth Policy Analysis received the assignment in June 2024. The assignment encompasses:
  - ✓ An overview of the organization of the government-funded business support
  - ✓ The number of support measures and grants
  - ✓ The actors responsible of those
  - ✓ The categories available
  - ✓ Suggestions of how the government-funded business support overall can be organized
- Problem description and international overview, including proposed measures, were reported in January 2025 ([PM 2025:01](#))
- Mapping of actors and amount, including proposed measures, were reported in June 2025 ([PM 2025:05](#))
- Final report with proposed measures was presented in January 2026 ([PM 2026:01](#))

# A ball pit or a system?

There is no established definition of government-funded business support

The actors have different organizational forms and are found within different government ministries

The application and reporting systems are administratively complex, which may favor experienced project managers and larger support recipients

Business support has emerged organically from various activities that have varied over time and in their scope

The government-funded business support is difficult to overview and complex since many measures are handled by different actors

Business support lacks a framework and strategy regarding its aims, governance, and organization

*“Government-funded business support refers to government-funded activities primarily aimed at promoting investments, improving competitiveness, or supporting the economic development of businesses”*

**Tax expenditures**  
(Revenue side)  
109 billion SEK 2025

**Budget appropriations**  
(Expenditure side)  
13 billion SEK 2025

**State guarantee and lending activities**  
(Self-sustaining)  
339 billion SEK 2024

Advisory services, loans, venture capital, guarantees, and general business promotion activities conducted through state-owned enterprises

Crisis support

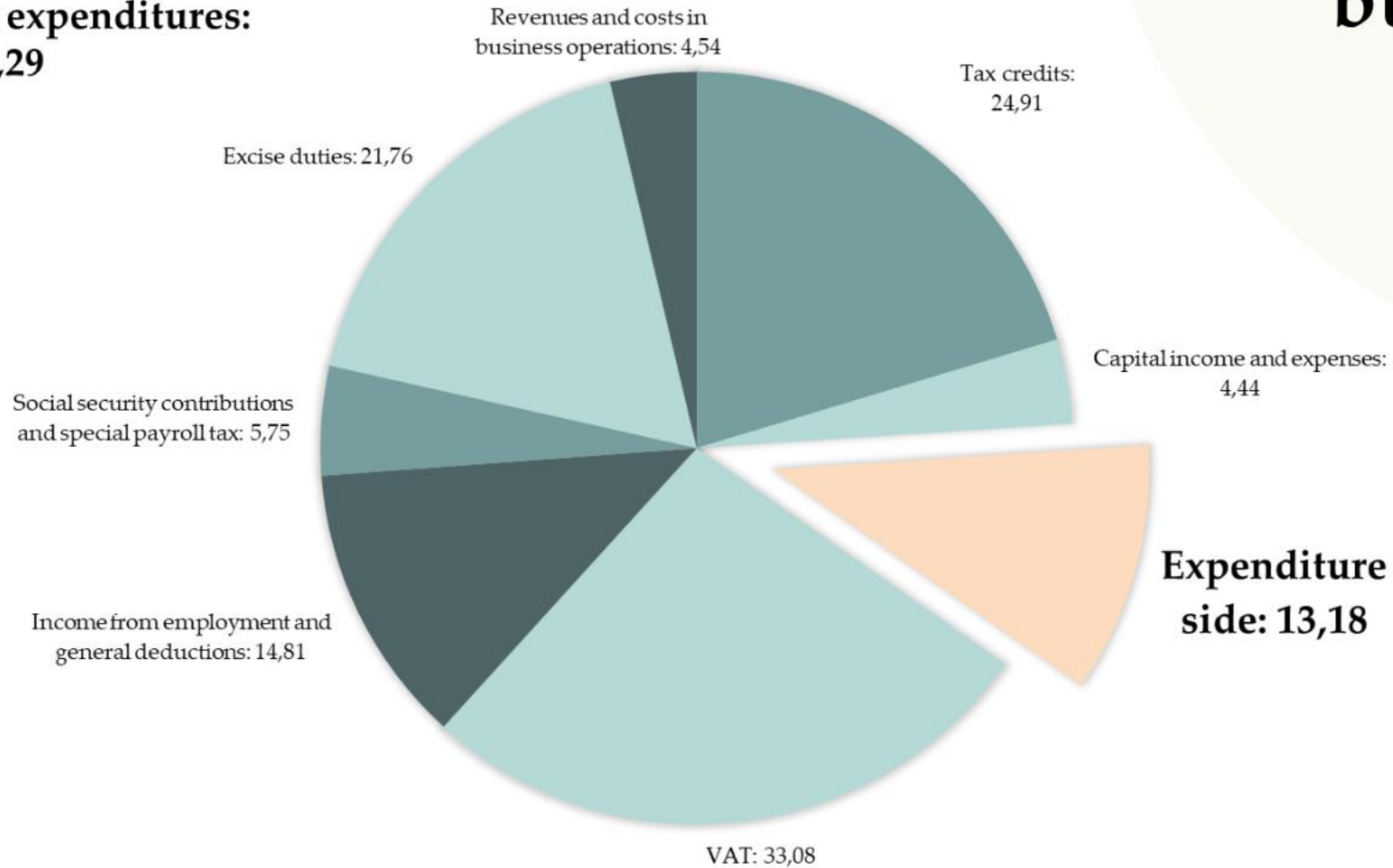
Regulatory simplification and general business promotion activities

Information, advisory services, and training

Grants, reimbursements, and support

# 122 billion SEK for business support in 2025

**Tax expenditures:  
109,29**



Note: In billion SEK.

# Expenditure side

Calculated amount: 13,18 billion SEK

Uncalculated amount: 100 billion SEK

Uncalculated admin. costs for 66 government agencies

Education and research 4,53 mdkr  
34.4%

Infrastructure 2,70 mdkr  
20.5%

Agriculture 2,22 mdkr  
16.8%

Business development 3,73 mdkr  
28.3%

The estimation of the scope of the business support on the expenditure side is likely understated, as many appropriations could not be quantified

The administrative costs could not be calculated

There are few evaluations, in particular impact evaluations

66 government agencies, though many additional actors

Many actors handle different measures

The absence of impact evaluations does not mean that there is no effect

## Proposed measures in the first interim report

(Tillväxtanalys. (2025). *Ett effektivt och ändamålsenligt företagsfrämjande*. PM 2025:01.)

Coordination of government assignments and inquiries

Coordination of support regulations

Coordination of budget proposals

## Proposed measures in the second interim report

(Tillväxtanalys. (2025). *Kartläggning av det statligt finansierade företagsfrämjandet*. PM 2025:05.)

More clearly defined requirements for evaluations

A digital platform for better overview of public support measures

# Point of departure and framework

Rationales for public intervention- what should the state do?

Description of Sweden's industrial structure

Perceived barriers to growth among Swedish companies

Trade policy, Sweden's EU membership, geopolitics, and defense

State aid regulations, the tax system, workforce development, and infrastructure

## Proposals for a more efficient and effective business support

- Based on an international analysis and previous literature
- Based on needs identified in the interim reports
- Based on an in-depth analysis of overlaps within export and investment promotion

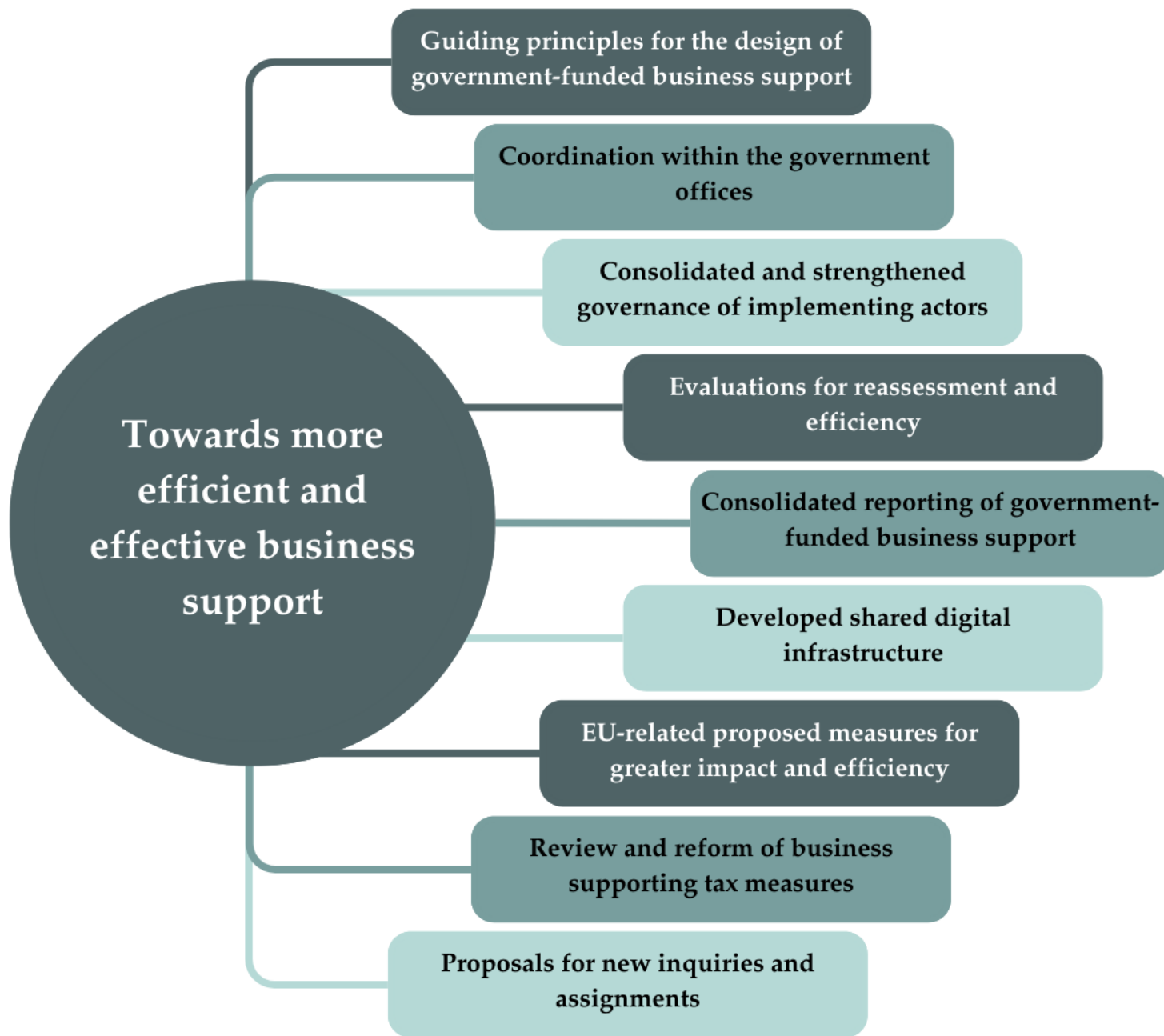
Delimitations with respect to the definition and ongoing analyses

Do not submit proposals regarding the scope or the distribution between the revenue and expenditure sides of the budget

Do not conduct evaluations or impact evaluations of specific activities

Submit both more general and detailed policy recommendations

Based on the requirements that government activities be characterized by high efficiency and sound management of public resources, the government's public administration policy, the industrial policy objective and its sub-objectives, as well as the objectives for simplification policy



Government-funded business support currently encompasses a broad spectrum of publicly funded activities, such as grants, subsidies, loans, tax reductions, and advisory services, aimed at promoting investment, improving competitiveness, or supporting the economic development of businesses. Like all government activities, government-funded business support should be characterized by high efficiency and sound management of resources. The design of business support should be guided by principles that help maintain focus on the overarching purpose and reduce the risk of arbitrary decisions and deficiencies in quality. Guiding principles can also promote long-term continuity in activities and facilitate monitoring and evaluation. Against this background, the government should establish and, in its governance, ensure that:

- Government-funded business support should be delineated based on a common definition. The definition developed within this government assignment can be applied. However, the government should undertake an assessment regarding what should and should not be defined as government-funded business support.
- Structural and institutional conditions, such as regulations, the tax system, infrastructure, and skills provision, constitute the framework conditions that form the foundation for a well-functioning business sector. General measures in these areas are of particular importance, even though there may also be a need for targeted activities to address specific challenges.
- Government-funded activities should have a clearly defined purpose and objective and be undertaken when there is market failure, a need for political guidance (directionality), or when external contextual factors justify public intervention. As a rule, government-funded activities should have a defined time frame, a program logic, and, as far as possible, complement private alternatives.
- New activities should be formulated in relation to existing ones to ensure balance and added value, for example by complementing or reinforcing existing activities, or addressing an identified gap.
- Business support should be concentrated among a number of actors, and new activities should be allocated to the actor best suited in terms of resources and capacity.
- The objectives of simplification policy — reduced regulatory burden and lower administrative costs — should guide both governance and implementation. Government-funded activities should therefore be designed for ease of management by businesses and authorities, while minimizing the risk of fraud and incorrect payments.
- Business support should be designed to allow activities to be continuously improved or reassessed. This requires conditions for monitoring and evaluation.

Business support consists of a range of activities and areas of responsibility that have developed over time. As a result, it is difficult to obtain an overview of the system, which is fragmented and complex in its design. There are many actors with different organizational forms, governance models, and political mandates, which fall under different ministries and are also influenced by decisions in other policy areas. Governance also varies — ranging from ownership directives and regulations for state-owned companies to instructions and annual appropriation letters for agencies. In addition, regions manage state funds while being governed by elected regional politicians. Given this dispersion, there is a need for improved coordination.

- The Ministry of Climate and Enterprise should be responsible, based on the guiding principles, for coordinating matters related to government-funded business support within an interdepartmental working group (IDA group) or another organizational form. The appointed group should have the mandate to coordinate the following:
  - Develop proposals for new business support activities.
  - Provide an overview of initiatives by establishing a register of ongoing assignments and inquiries relating to government-funded business support.
  - Map business support regulations to ensure that they are jointly designed to be as efficient and appropriate as possible, including in relation to one another.
  - Consolidate and strengthen governance of agencies and other implementing actors.
  - Monitor and report government-funded business support.

More than 70 individual implementing actors have been identified within this government assignment. They carry out a wide range of business support tasks, ranging from managing funds for disbursement to various types of simplification assignments. To achieve impact from the government in terms of simplification efforts and improved conditions for businesses, and to enable better opportunities for monitoring and evaluation, measures for consolidated governance of agencies and other implementing actors should be implemented.

- Based on the guiding principles, the government should determine which implementing actors are to operate within business support and thus be included in consolidated governance. In this work, previous proposals for mergers may also be taken into consideration.
- The government should commission an inquiry or assign the Swedish National Financial Management Authority, or another suitable actor, to clarify how the financing of government-funded business support should be carried out. This should be based on an analysis of what should be financed through administrative budget appropriations, budget appropriations for specific purposes, fees, conditions in other agencies' appropriation letters, or project funding.
- The government should decide that reporting on the costs of the implementing actors' administration of business support funds is required. As a first step, this reporting should be limited to the administration of direct disbursements.
- In its governance, the government should create the conditions necessary to enable evaluation of business support activities where appropriate, for example based on the scale of the activity, its cost, or other principled reasons.
- The government should clarify which agencies and other implementing actors should have simplification tasks included in their instructions or equivalent governance documents. The purpose of these simplification tasks should be clearly defined, consistently formulated, and possible to monitor.

In our previous mapping, it was noted that a large proportion of business support activities have not been subject to impact evaluations. One reason for this is that the conditions necessary to conduct such evaluations are often lacking. To determine which types of initiatives are most effective, knowledge is needed on how they function and what effects they have in relation to costs and benefits. The lack of impact evaluations therefore means that the government does not have reliable evidence to support reassessment and reprioritization.

Additional impact evaluations of individual measures provide a better basis for understanding and highlighting broader systemic issues. Creating the conditions for such evaluations therefore increases the opportunities to reassess political decisions and, over time, to design policy in a more targeted and effective manner.

The conditions for impact evaluations, therefore, need to be strengthened, and the number of evaluations increased. This applies to both direct grants and subsidies as well as various tax expenditures. It is important to note, however, that it would be neither cost-effective nor resource-efficient to evaluate all activities.

- The government should ensure that resource-intensive and strategically significant activities are evaluated with a focus on their effects. For particularly resource-intensive activities with a long duration, the government should ensure the possibility of early reassessment.
- The government should strengthen the governance of implementing actors to improve the conditions for impact evaluations. This includes commissioning the development of program theory, setting measurable primary and secondary objectives, and collecting and providing data and documentation. Prerequisites for impact evaluations can be further improved through strengthened dialogue between analytical authorities and implementing actors, as well as by enabling implementing actors to utilize and develop internal evaluation competence.
- The government should clarify that impact evaluations are to be carried out by an independent party, such as the analytical authorities. Consultants conducting impact evaluations on behalf of implementing actors are not considered independent in this context.

Reporting on government-funded business support currently occurs at different times and in various formats. In order to obtain an overview of the government's business support policies and to be able to monitor them over time, it is therefore proposed that the government establish a clear delineation of business support and based on this, ensure consolidated reporting. This is intended to provide an overview of the entire business support system and enable monitoring over time. The government should therefore commission a suitable actor to map:

- Measures undertaken during the previous year concerning the objectives of the government's simplification efforts, as outlined in Communication 2021/22:3.
- Other regulations and initiatives affecting businesses, beyond those covered by simplification efforts, that were implemented during the previous year.
- All ongoing inquiries and assignments relevant to business support.
- Proposals submitted and/or decisions made in various business support inquiries and assignments during the previous year.
- The scope of government-funded business support for the previous year based on the approved budget, including information on state-owned companies as well as committed guarantees and loans, similar to the mapping produced within this government assignment.
- The agencies' costs for administering business support funds during the previous year, primarily related to the administration of direct disbursements to businesses.
- Conducted impact evaluations concerning government-funded activities. Before these evaluations are used for reassessment, their quality should be assessed.

Based on previous interim reports, a need has been identified to further facilitate processes for businesses through digitalization, for example regarding applications and reporting, as well as to provide an overview of current offerings, advisers, support, and implementing actors. There is also a need for improved systems that show which funds have been disbursed to different businesses, to obtain an overview of fund allocation and enable monitoring and evaluation.

- The government should take measures to ensure more efficient use of application and case management systems. It is, therefore, proposed that a suitable actor be assigned the task of initiating an inventory based on our mapping of:
  - Necessary changes to existing application and case management systems.
  - Which implementing actors could use shared application and case management systems.
  - The possibilities for connecting implementing actors to already existing systems.
- The government should ensure that reporting to the EU on state aid is handled using existing reporting systems, and that new, parallel systems are not developed without considering the current work within the assignment on shared data infrastructure, which is scheduled to conclude in February 2027.
- The government should implement measures to establish long-term conditions for the development and implementation of a shared data infrastructure. It is particularly important to connect the Swedish Tax Agency to this infrastructure, as the agency manages a significant share of the state's costs related to business support.

This government assignment is limited to government-funded business support, and EU and EU funds are therefore excluded. However, EU regulations have a significant impact on Swedish businesses. EU funds are an important part of business support and often require national co-financing, which is managed by state or regional implementing actors. It is therefore important to view these funds as a tool for enabling important initiatives in Sweden.

- The government should consider previously proposed measures regarding fewer implementing actors and more efficient fund management, as strengthened coordination is desirable, although it needs to be assessed on a case-by-case basis. Previous proposals include, for example, consolidated management of the EU Agricultural Funds at the Swedish Board of Agriculture, centralization of the County Administrative Boards' administration, and a managing authority for the EU Structural Funds.
- In addition to ensure that EU measures are guided by budgetary restraint, the government should set targeted objectives reflecting Swedish goals and priorities and actively pursue them.
- The government should ensure that the national regulations governing co-financing for EU funds are collectively designed to be compatible with the EU funds.
- The government should continue to promote regulatory simplifications within the EU framework to ensure a purposeful, proportionate, and straightforward regulatory system. Long-term, deliberate efforts are needed to achieve the goal that Swedish and European businesses are not disadvantaged in competition with companies outside the EU.
- The government should establish principles regarding regional adaptation of regulations where permitted, and any implementation beyond the obligations arising from EU legislation should be avoided or justified.

The design of the tax system is crucial for business activity, entrepreneurship, and productivity, and should, as a starting point, be general, with broad tax bases and tax expenditures that are regularly reassessed. The number of tax expenditures should be kept low to reduce system complexity.

- The government should conduct a comprehensive review of corporate taxation to establish neutrality between different types of businesses and forms of financing.
- The government should conduct a new review of value-added taxes to examine how the VAT base can be broadened and tax rates harmonized, with the aim of improving competitive neutrality and simplifying compliance for businesses and authorities.
- The government should take measures to systematically analyze and evaluate major tax expenditures, for example by reintroducing assessments of the cost-benefit efficiency and employment effects of individual tax expenditures in the government's annual report on tax expenditures. Based on such analyses, the scope of business support and the balance between tax measures and direct expenditures can then be further evaluated.

Within this government assignment, we have identified a number of issues that could not be investigated in depth and therefore require further review. Accordingly, the following inquiries and/or assignments are proposed.

- The government should decide to continue investigating how export and investment promotion can be made as efficient and effective as possible, by addressing the following:
  - A review of the core funding required for implementing actors within export and investment promotion, considering that such promotion is also conducted with funding from the EU, the Swedish Agency for Economic and Regional Growth, and various regions.
  - The role of the regions in export and investment promotion, with consideration of whether this should be a regional or state responsibility and how it should be financed.
  - An assessment of whether there are positive effects from merging Swedish Export Credit Corporation (a state-owned company) with the Swedish Export Credit Agency (a government agency). There is currently no overlapping activity between these, however; in countries such as Denmark and Norway, loans, credits, and guarantees are organized within a single body.
  - Clarification of Business Sweden's mandate to promote export and investment across the country in relation to Almi's subsidiaries, which are partly regionally owned and currently manage several export and investment promotion projects.
  - Governance of Business Sweden and Almi AB to determine whether they should report to the same responsible ministry.
- The government should decide to investigate the Research Institutes of Sweden (RISE), focusing on, among other things, RISE's role as a state-owned company in relation to government agencies and higher education institutions with similar activities, how its operations should be structured and financed, and whether its activities constitute a public responsibility that should be funded by state resources. This recommendation stems from ambiguities regarding RISE's role and contributions within the research and innovation system, as well as its complex funding structure.
- The government should decide to investigate what proportion of state funding allocated to business support reaches companies, and how much is channeled to other public actors and intermediaries. The inquiry should also examine the portion used for administrative costs and processing. This could be examined collectively along with the cost of administration.

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