

# THE SWEDISH GOVERNMENT

Ministry of Enterprise, Energy  
and Communications

Government Decision  
22/12/2010

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N2010/8185/KLS  
(partial)

Swedish Agency for Growth Policy Analysis  
Studentplan 3  
831 40 Östersund  
Sweden

## Letter of Regulation for the 2011 budget year in respect of the Swedish Agency for Growth Policy Analysis (Growth Analysis) within the expenditure area 24 Industry and Commerce

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The Swedish Parliament (Riksdag) has adopted a resolution concerning operations of the Swedish Agency for Growth Policy Analysis (Growth Analysis) for the 2011 budget year (Government Bill 2010/11:1, expenditure area 24, reference 2010/11:NU1, Government Communication 2010/11:132).

The government decides that the following shall apply during the budget year 2011 for the Swedish Agency for Growth Policy Analysis (Growth Analysis) and for the grants indicated below.

### OPERATIONS

#### 1. Objectives and reporting requirement

##### *Expenditure forecasts*

Growth Analysis shall report forecasts for the period 2011-2015 on the forecasting dates below. The forecasts shall be commented on both in relation to the previous forecast occasion and in relation to the budget. The forecasts shall be delivered to the Hermes information system in accordance with the instruction from the Swedish National Financial Management Authority (ESV).

The forecasts shall be reported:

23 February 2011,  
5 May 2011,  
1 August 2011 and  
28 October 2011.

##### *Financial Reporting*

Growth Analysis shall report the following:

- Total costs per organizational unit.
- Total costs for procurement.

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- Grant incomes from respective contributor.

### **3. Missions**

#### *NEW MISSIONS*

##### **1. Evaluation of state financed business consulting for companies**

In the government bill 2009/10:148 "Företagsutveckling – statliga insatser för finansiering och rådgivning" ("Corporate development – state initiatives for financing and consulting") the government emphasizes that the consultancy services provided by the state should be complementary to the market, cost-efficient, take regional conditions into account and be based on corporate demand. In order to increase the suitability of consultancy activities it is advisable to assess the following questions: Do publically financed consultancy initiatives have the desired effect on participating (established) companies in terms of growth, profitability and survival compared to (established) companies which have not participated in publically financed consultancy initiatives? Are there differences in the effect of various consultancy tools?

##### **Mission**

Growth Analysis shall conduct the evaluation described in government bill 2009/10:148 "Corporate development – state initiatives for financing and consulting". Consultancy initiatives within the national programs for entrepreneurs with a foreign background and female entrepreneurs as well as the consultancy initiatives which ALMI Företagspartner AB is responsible for should be a part of the evaluation. The consultancy initiatives which are a part of the industry specific national investments, such as cultural and creative businesses or health and social care may also be included. The mission may also cover consultancy initiatives of individual actors.

The mission is specified in communication with the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) and may cover several different sub-sections which are reported in ongoing interim reports. The dates for the interim reports are determined in collaboration with the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications). The final report of the mission is to be presented no later than 15 November 2013 and an interim report is to be submitted on 1 May 2010, in which Growth Analysis shall clarify how the Agency intends to resolve the mission.

##### **2. Analysis of capital provision amongst small and medium-sized enterprises**

The conditions of small and medium-sized companies (SMEs) are decisive for the dynamics and opportunities of industry and commerce to create new employment opportunities and growth in the economy. Capital provision for SMEs is a key prerequisite for both regeneration and continuity in industry and commerce.

## **Mission**

Growth Analysis shall carry out an analysis of the capital supply situation in respect of SMEs. The analysis shall address both the enterprises' needs/demand for external financing and the existing supply of capital available to SMEs (structure, pricing and quantities). The analysis shall be based on information about both public and private company financing. The report shall cover a description of the development within the area and provide background material for assessments of the occurrence of financing gaps and the need for state supplementary measures for the market which are justified from a growth perspective.

The statistics that are shown shall, where possible, be broken down by gender, industry group and those born in Sweden and those born abroad as well as the investment stages. Furthermore, regional differences in the capital supply situation of companies shall be reported. The reporting shall be conducted in a manner which allows monitoring over time on an ongoing basis. The general analysis shall be supplemented by a specific analysis on the financing of innovations. The analysis shall contain a description of the situation in respect of financing for innovations, which is divided into different types of innovations (product, process, organizational and market innovations). This part of the mission shall be co-ordinated with the mission on the service sector and service innovation. Particular emphasis shall be attached to the role capital provision plays in terms of positive long term structural transformation.

The work shall also include an inventory of existing information on the risk capital market in Sweden. In so far as this information is difficult to obtain and is characterized by quality defects, the Agency shall propose how the statistics can be improved in order to make it possible to conduct systematic analysis of a high quality in the future. The work shall be conducted in collaboration with the Swedish Agency for Economic and Regional Growth.

Growth Analysis shall specify how the Agency intends to resolve the mission in an interim report, which is to be submitted no later than 15 April 2011. The part of the report which relates to the inventory-taking of information on the risk capital market and proposals for development of the risk capital statistics shall be submitted to the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) no later than 15 September 2011. The final report of the mission is to be presented to the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) no later than 15 April 2012.

## **3. Knowledge platform on the effects of regulations on entrepreneurship and economic development**

There is a need to further study the effects of regulations on entrepreneurship and economic development based on both international and Swedish conditions. A previous study has illustrated that the knowledge gaps are largest in terms of the effect of regulations and the regulatory burden on industry and commerce and corporate dynamics ["Regelbörda och ekonomisk utveckling – en forskningsöversikt" (Regulatory burden and economic

development – a research review) Report 2010:7, Growth Analysis]. There is a need for further studies of both international and Swedish conditions with regard to the connection between reduced regulatory burden and growth.

### **Mission**

Growth Analysis shall, within two months of completion of the report on the mission "Study of effects of regulations for companies" (from Growth Analysis' Letter of Regulation for the 2010 budget year N2009/9578/KLS, N2009/9750/KLS, N2010/4186/MK), in collaboration with the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) decide on the focus for continued work within the area. The final report of the "Study of effects of regulations for companies" (N2009/9578/KLS, N2009/9750/KLS, N2010/4186/MK) shall be presented on 31 December 2010, which means that the continuation mission will be specified in March 2011.

### **4. Continued evaluation of the resources which the government and authorities have invested for entrepreneurship policies and policies for small and medium-sized enterprises**

The government has conducted a number of large reforms which aim to promote entrepreneurship and the establishment and development of small and medium-sized enterprises (SMEs) in Sweden. In order to acquire further knowledge of the initiatives the policies need to be evaluated with respect to how they impact the emergence of new companies, companies' survival capacity, growth of employment etc.

### **Mission**

This is a long term mission for Growth Analysis and involves evaluating areas of the policies which aim to promote and support both entrepreneurship and SMEs based on Swedish conditions. The mission may involve evaluating a number of reforms decided by the government. Supporting information for the evaluation can be obtained from, for example, IPREG (a project within Growth Analysis which aims primarily to review and estimate the costs of the resources which the authorities have invested on entrepreneurship and policies for SMEs in 2009 and evaluate this in an international context). Other reviews can also be used to identify important reforms which are possible to evaluate.

In 2011 a part of the mission involves evaluating the extent to which the measures prescribed in the EU's Small Business Act (SBA) can be implemented in Sweden. The additional initiatives which should be evaluated in 2011 within the framework of the mission and based on the reviews presented by Growth Analysis, shall be determined in collaboration with the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications). The initiatives which will be evaluated should have individual reporting dates, which shall be specified in collaboration with the Government Offices of Sweden (Ministry of Enterprise, Energy and

Communications). The final report of the mission shall be presented to the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) on 31 December 2012.

### **5. The use of IT among small and medium-sized Swedish enterprises in a global context**

Sweden has a high ranking globally in terms of general IT maturity and expansive infrastructure. Meanwhile studies reveal that the use of IT in small companies is low in comparison to large companies. There is an unclear picture of the use of IT among small and medium-sized enterprises relative to similar companies in comparable nations.

#### **Mission**

There is a need to obtain a more concise picture of how small and medium-sized Swedish enterprises use IT in comparison to equivalent companies in comparable nations.

The analysis should mainly focus on the slightly more advanced use of IT (e-commerce and e-business are an appropriate definition). Comparisons should primarily be made with the use of IT at small and medium-sized enterprises, for example, Europe and the U.S. The starting point of the analysis should be the prevalence of any market failures. As a suggestion the mission should be conducted in conjunction with other reviews of IT policies.

The mission shall be reported to the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) in a pilot study no later than 30 April 2011 and the final report shall be presented following an agreement with the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications).

### **6. Functioning innovation systems and knowledge and statistics on services and service innovation**

In July 2010 the government adopted a strategy for increased service innovation and is planning to launch an integrated national innovation strategy. In order to develop and adapt policies, structures and instruments to the conditions of a knowledge and service economy, it is necessary to develop knowledge of services and service providers, propose new indicators which capture service innovation and changes in service productivity in a better manner and contribute to the discussion on the effectiveness of various policy measures. In 2010 Growth Analysis contributed in different ways to the assimilation of knowledge about the functioning of innovation systems and proposed to further develop this work in the coming year.

Measuring productivity and productivity growth within the service sector is complicated and statistics in the field leave much to be desired. One explanation for this is that the development within service production focuses to a large extent on quality improvements, which are generally harder to measure than pure volume increases. Another explanation is that many services are still not priced in the market and therefore are difficult to handle

statistically.

There are discussions both within the OECD and the EU on the development of new indicators in this direction. In Sweden research programmes within the service economy sector are ongoing at, inter alia, Institutet för näringslivsfrågor (the Institute for Industry and Commerce Issues) and the Swedish Entrepreneurship Forum. In the Letter of Regulation for 2010 Growth Analysis was commissioned to analyze available indicators, the need for development etc.

### **Mission**

Growth Analysis shall:

1.  
Further develop the analysis in the continued mission in terms of key skills for service innovation in industrial and service companies and barriers and incentives for service innovation in the public sector.
2.  
Further develop the analysis on the requirements of and possibilities for new and developed indicators in the forthcoming Community Innovation Survey (CIS).
3.  
Further develop the analysis on the role of internationalization of services and service innovation in terms of global value chains, innovation networks and innovation cooperation between and large and small companies in and between sectors.
4.  
Analyze complex productivity links between service and manufacturing companies and sectors and thus respond to the question whether there are ways to measure and analyze spillover effects with regard to productivity between service and manufacturing companies.

Growth Analysis shall consult the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) and other relevant actors as a part of its work.

The mission in point 1 shall be reported to the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) no later than 15 June 2011. The mission in point 2 shall be reported to the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) in a manner which allows it to be used as a feature of the Community Innovation Survey (CIS) during the spring of 2011. The specific date for the report in this respect is to be established in communication with the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications). The commission in points 3 and 4 shall be reported to the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) no later than 31

December 2011. The interim reporting on the progress update and implementation for all interim missions shall be submitted to the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) no later than 1 March 2011.

## **7. Analysis of development of - and within - Sweden's different regions**

The development of industry and commerce as well as society differs throughout the country. Therefore, in order to attain sustainable growth throughout the country and for all areas within the country to contribute towards sustainable development knowledge on the developments is required on a regional level.

### **Mission**

Growth Analysis shall:

1.  
Describe, analyze and report on regional development in Sweden with the focus on the economy, employment and population. This comprehends, in the long term, the provision of a database with regional indicators that is continually developed and updated. The indicators for sustainable development in Sweden shall be duly taken into account in this work. The project also includes, after communication with the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications), presenting more detailed analyses within appropriate areas. Growth Analysis shall conduct analysis for vulnerable regions with regard to industry and commerce bias and large dominance of a small number of employers.
2.  
By way of relevant indicators and other factual data - showing the development and scope of inner-regional differences in functional analysis regions (FA regions) both in respect of rural areas and towns and cities.
3.  
Report on developments in Sweden's sparsely populated and rural areas e.g. in respect of their significance for sustainable national growth as well as a description of population trends, access to commercial and public services, infrastructure, work opportunities and competence development as well as prospects for business activities and development.
4.  
By way of relevant indicators – report on the development and scope of inner-regional differences in functional analysis regions (FA regions) as well as the significance of urban centres for sustainable national growth.
5.  
Analyze how different types of urban centres, in the best possible way, can contribute to Sweden's sustainable growth. The project shall be based on mutually dependent relationships which exist between built-up areas and

sparsely populated and rural districts. Being based on existing analytical material in Sweden as well as within the Nordic region, the EU and e.g. the OECD, such as examples of how the issue is handled in the regional growth policies of comparable nations, information material on how the urban dimension can be developed within the framework of regional policy shall be prepared.

The project shall be carried out in collaboration with the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications and the Ministry of Employment), the relevant parts shall be prepared in communication with the Swedish counties and reported on a continuous basis to the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications and a copy to be provided to the Ministry of Employment) as well as presented in a final report to the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications and a copy to be provided to the Ministry of Employment) by 15 December 2011 at the latest. The results shall also be disseminated to the relevant parties at the regional and national level, both in writing and through seminars.

## **8. National strategy for regional competitiveness, entrepreneurship and employment 2007-2013 and a Nordic working group for rural area development**

### **Mission**

Growth Analysis has an analytically supportive and co-ordinating role for the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) in the analytical work carried out in connection with the implementation of the national strategy for regional competitiveness, entrepreneurship and employment 2007-2013. Growth Analysis shall also support the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) in the work of leading a Nordic working group for rural area development through actively participating in and helping with knowledge and background data for the working group's operations.

## **9. Proposals on how the learning within the regional growth policy can be developed**

The regional growth policy shall, to a greater extent, be based on experiences, knowledge and results from implemented initiatives which are financed by various actors. The learning shall be promoted in the development and implementation of strategies, programs, initiatives and projects. The learning should also help to develop collaborative processes, methods and work procedures. A large number of actors at local, regional, national and European level are a part of the learning. In order to enhance the learning autonomous regional bodies, cooperation agencies and, where applicable, county administrative boards, have been commissioned by the government to, in accordance with the Swedish Agency for Economic and Regional Growth's guidelines, devise a plan for monitoring, evaluation, analysis and the learning (learning plan) of the regional growth initiatives in the county.

The EU Structural Fund programme shall, inter alia, contribute to

knowledge- driven sustainable regional growth and employment policies. Within the framework of the Structural Fund program the focus has been on evaluation and results have further been strengthened during the period 2007-2013. Within the framework of implementation of the Regional Fund and Social Fund programmes 2007-2013 a relatively large number of resources have been dedicated to ongoing evaluation, not least for the National Structural Fund programme (ESF). Initiatives, projects and programmes, will gradually be evaluated, experiences will be exchanged and knowledge will be accumulated among actors on a regional, national and EU level. Evaluation for learning is thus the foundation for Structural Fund to provide a permanent contribution to sustainable regional growth.

### **Mission**

Growth Analysis shall:

1.  
Analyze how the learning within the regional growth policies (including the county's learning plans and ongoing evaluation) can be developed.
2.  
Study the results of the ongoing evaluation methods which are used within the National Structural Fund programme and the regional Structural Fund programme.
3.  
Conduct an analysis of the learning plans which the counties have been commissioned by the government to devise.

How can appropriate systems and models to collect and systematize experiences, knowledge and results be developed? An important question is also how a broader range of actors can be part of the learning.

The mission should make use of the experiences of the mission which was assigned to the former Institute for Growth Policy Studies (ITPS) in the Letter of Regulation for 2008 on developing methods to evaluate the regional growth policies from an economic, environmental and social perspective, focusing on the impact and attainment of objectives (N2007/10115/SAM, N2007/10294/SAM).

The work shall be conducted following consultation with the Swedish Agency for Economic and Regional Growth and the Swedish European Social Fund Council. The mission shall be conducted in collaboration with the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) and be reported on an ongoing basis on the dates determined in collaboration with the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) and the final report shall be presented no later than 15 December 2012.

## **10. Analysis of the prerequisites for environmentally-driven development of industry and commerce nationally and regionally**

There is a need for an extended base which can be used to monitor and develop various forms of support operations (both supply and demand side) within environmentally-driven development of industry and commerce (including environmental technology) nationally, regionally and locally, and from a life cycle perspective.

### **Mission**

Growth Analysis shall:

1.  
Compile national and international research focusing on investigating prerequisites for and effects of public initiatives to promote environmentally-driven development of industry and commerce. In addition, Growth Analysis shall compile qualitative and quantitative indicators which are used to monitor public's initiatives for promoting environmentally-driven development of industry and commerce. General conclusions which can be drawn from the afore-mentioned studies should be highlighted.
2.  
Analyze the international initiatives which are considered particularly interesting from a Swedish policy perspective. These initiatives shall be explored more deeply in the form of one or some in-depth case studies if the Agency deems this to be relevant.
3.  
Compile and analyze existing evaluations. The Agency shall also, after consultation with the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications and the Ministry of the Environment), conduct an evaluation of a range of public initiatives to promote environmentally-driven development of industry and commerce in different policy areas.
4.  
Analyze both structural and functional prerequisites for environmentally-driven development of industry and commerce in all sectors in Sweden and in its different regions, focusing on small-and medium-sized enterprises.

The mission shall be conducted in collaboration with the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) and presented to the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) no later than 30 April 2011 for point 1 and the final report shall be submitted no later than 28 February 2012. Points 2-4 may be presented in separate interim reports on the dates which are determined in consultation with the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications).

## **11. Statistics on the environmental technology sector**

Challenges in the environment and climate area can create both significant opportunities for new jobs and increased export of Swedish environmental technology. There is therefore a need for advanced knowledge and statistics

on developments within the Swedish environmental technology sector.

The demand for green technology is increasing to a greater extent especially when energy and transport systems are restructured to meet environmental and climate challenges. In recent years several initiatives have been undertaken by the government to promote and support the development of Swedish environmental technology. In recent years the Swedish Environmental Technology Council, Swentec, has been commissioned to annually devise and analyze relevant statistics on the Swedish environmental technology sector, along with Statistics Sweden. Swentec's committee mission expires on 31 December 2010. There is a need for continued and further developed statistics on the development of the environmental technology sector, as a basis for continued measures and initiatives in the area.

### **Mission**

Growth Analysis shall administer the statistics on the Swedish environmental technology sector which have previously been devised by the Swedish Environmental Technology Council, Swentec. Growth Analysis shall also estimate the cost of and provide proposals for how the content and design of annual compilations of statistics on the environmental technology sector's development can be developed appropriately and organized in the coming years. The mission shall be presented to the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) no later than 1 March 2011.

### **12. Project plan for growing companies**

Scientific literature provides theoretical and empirical support for the fact that growth companies play a key role for industry and commerce dynamics and thereby its impact on productivity, employment and economic growth. Among other things the OECD uses the presence of growth entrepreneurship as one of the key indicators of value-creating entrepreneurship.

There is a need to further develop the concepts and definitions concerning growth companies. Growth companies are often defined as companies which grow rapidly over a short period of time (generally 3 years is used as a measure). Some definitions exclude firms with less than 10 employees (OECD definitions), other definitions also tend to disregard the growth processes of small enterprises (the Birch index).

Additional knowledge is needed about companies' growth in the long term and definitions which take into account the growth patterns of small enterprises.

The mission aims to increase knowledge about how and why companies grow. Follow-up studies are needed in the long run and within the framework of future missions on why certain companies grow, the implications this has for economic development and which (industry and commerce) political tools can be used to promote and encourage the presence of growth entrepreneurship. There is limited knowledge on companies' growth patterns in the long run.

Companies rarely grow continuously and linearly in the long-run. Longitudinal studies over long periods of time can increase understanding of how businesses grow and develop.

### **Mission**

Growth Analysis shall:

1.

Conduct a review of existing measures and definitions of growth companies. In connection with this review, the shortcomings and merits of existing measures shall be highlighted.

2.

Discuss and devise various appropriate definitions of growth companies. Measures which also take into account the growth processes of small enterprises should be discussed and proposed. Several alternative growth measures rather than absolute or relative growth of employees should be used.

*Other issues which can be addressed if the Agency deems them to be relevant*  
A distinction of growth companies which are growing in local, national and international markets can be made. The significance of conditions specific to location and their importance for the growth process can be analyzed.

The following questions may be considered: How is the growth process of growth companies structured? To what extent do they grow organically or through acquisitions and mergers?

An analysis of growth companies which cease to exist can be conducted. To what extent are they purchased, shut down or enter into bankruptcy? An important issue in this context may be whether the purchasing companies are Swedish or foreign.

How does the emergence of growth companies differ based on industry, region or knowledge intensity or other relevant background variables?

Growth Analysis shall consult the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) and other relevant actors as a part of its work. The interim reporting on the progress update and implementation of the mission shall be submitted to the Ministry of Enterprise, Energy and Communications no later than 15 March 2011, a report on points 1 and 2 above shall be submitted no later than 30 June 2011 and any other parts of the mission shall be reported no later than 31 December 2011.

Missions 1-2 may, following a specific agreement between representatives of the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) and the Agency, be reported on another than that specified here.

## *CHANGE OF EXISTING MISSIONS*

*In a Letter of Regulation for 2009, Growth Analysis was commissioned to evaluate equity capital within the framework of the EU's structural fund programme for regional competitiveness and employment. With amendment for what is specified in this Letter of Regulation the mission shall have the following wording:*

### *4. Evaluation of equity capital within the framework of the EU's structural fund programme for competitiveness and employment*

#### **Background**

In order to rectify identified inadequacies in capital provision for new and growing small and medium enterprises, measures will be taken, during the period 2009-2014 and within the framework of the eight structural fund programmes, to increase the regional supply of equity capital for new and growing companies. An evaluation of the aforementioned measures needs to be carried out so as to learn from the results and as a basis for the formulation of possible future measures of similar type. A method for the evaluation of the measures therefore needs to be worked out.

#### **Mission**

The mission comprehends two principal elements.

1.

Growth Analysis shall evaluate measures aimed at increasing the regional supply of equity capital for new and growing companies within the framework of the EU's structural fund programme for competitiveness and employment and be a part of the learning process. The evaluation shall be carried out in relation to the objectives set. The mission shall complement the assessments that will be undertaken at project and programme level. The Agency shall work out a method that can be used to evaluate these measures. The work shall be carried out in accordance with the EU Commission's guidelines for continuous evaluation and international knowledge shall be procured in the course of the work.

2.

Growth Analysis shall compile a summary of international empirical research that is focused on investigating the effects of similar measures. General conclusions that may be drawn from these studies shall be highlighted. International measures that, in this connection, are adjudged to be of special interest from a Swedish policy perspective shall, where the Agency adjudges them to be relevant, be subject to further investigation in the form of one or several detailed case studies.

The evaluation method and research summary shall be reported to the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) no later than 15 March 2010. Other interim reports shall be reported no later than 15 November 2011 (including possible case studies) as

well as 15 October 2013 at the latest. A final report shall be submitted no later than 15 October 2015. The project shall be carried out in collaboration with Growth Analysis.

*In a Letter of Regulation for 2010, Growth Analysis was commissioned to develop a Micro Database for growth policy measures in individual enterprises. With amendment for what is specified in this Letter of Regulation the mission shall have the following wording:*

### **Develop a Micro Database for growth policy measures in individual enterprises**

1.

The government has the need to evaluate and analyze growth policy measures in order to ensure that allocated resources are used in a way that is effective from the viewpoint of the national economy. Growth Analysis has, in accordance with its instruction, a number of general evaluation assignments that presuppose a proper follow-up in respect of the actors concerned. Microdata is necessary for the Agency to be able to complete the task of evaluating and analyzing growth policy measures.

Furthermore, the Agency has the task of collecting data on the state's grants and subsidies to the business sector since Sweden has an obligation to report disbursed financial support to the EU and the WTO.

In accordance with Section 22 of the Swedish Ordinance on state aid to commerce and industry (1988:764), the agencies/authorities concerned are obliged to submit information to facilitate the monitoring of existing financial aid and support. According to the Agency's regulations on follow-up information concerning state aid to the private business sector (MTFS 2009:3) information shall be submitted to enable the identification of every aid recipient and to infer the amount of the aid during the year to each aid recipient for each support category that has occurred (microdata).

So far as the reporting of financial aid to the EU and the WTO is concerned, there is reason to monitor whether the present procedures are fit for purpose and sufficiently effective. An additional factor regarding access to microdata concerns the possibilities of strengthening the control of Swedish implementation of so-called 'de minimis aid' (aid of lesser amounts) through the establishment of a national register. The current application of these provisions is based on control via the companies that apply for financial support.

### **Mission**

Growth Analysis shall develop a Micro Database concerning state aid to the business sector provided by public agencies/authorities, state-owned companies and foundations. On the one hand, the database shall be used for Sweden's reporting to the EU and WTO and, on the other hand, as background material for the national evaluation of growth policy measures for individual companies.

The mission here includes a harmonization of the follow-up of the state aid. An overview must therefore be made of the content of existing instructions and templates for reporting so that e.g. distortions do not arise on the aggregated level. Clear definitions of the meaning of significant terms e.g. new enterprises and seed financing, need to be developed.

The work shall take place in collaboration with the stakeholders concerned in order to ensure an effective data acquisition process as well as feedback of results so as to develop the work of the agencies/authorities, companies and foundations that provide support to the business sector.

Starting from e.g. the requirements that follow from Sweden's undertaking to report aid provided in accordance with the EU's rules on state aids and the WTO agreement on subventions and compensating measures, proposals shall also be submitted the aim of which is to ensure the quality of the reported data and that the procedures concerning the reporting optimise resources at all stages.

Against the background of the proposals on the future make-up of the reporting as referred to above, the Agency shall also clarify the preconditions for establishing a national register for Swedish application of the EU Commission's provisions concerning aid within the 'de minimis' threshold.

The mission shall be conducted in collaboration with the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications). An interim report on the progress of the part of the mission which relates to Sweden's reporting to the EU shall be submitted no later than 28 February 2011. The date for submitting the final report is to be determined in collaboration with the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications).

*In a Letter of Regulation for 2010, Growth Analysis was commissioned to follow-up the support form regional reduction of social security contributions. With amendment for what is specified in this Letter of Regulation the mission shall have the following wording:*

## **2. Method for follow-up of regional reduction of social security contributions**

The regional reduction of social security contributions has been used in Sweden as a regional support form since 1983. The targeting of the support in respect of business sectors, geography and scale has varied over time. The purpose of the support is to stimulate small-scale enterprise as well as to contribute to a good service in those parts of the country that have the largest geographical disadvantages in regard to location. The Swedish National Audit Office during 2008 has examined *inter alia* the regional abatement of social security contributions. "Lower social-security contributions – for whom and at what cost?" (RiR 2008:16).

The National Audit Office, with the help of the Institute for Labour Market Policy Evaluation (IFAU), has examined whether the regional reduction in

individual contributions and employer contributions for companies in development area A is an effective instrument for increasing employment. The National Audit Office's overall assessment is that the regional reduction has not delivered any employment effects nor has it led to any change in the service nor has it affected enterprise development to any significant extent. The National Audit Office recommends the government to propose to the Swedish Parliament a phasing out of the reduction. In its annual budget proposal for 2010 (bill 2009/10:1, expenditure area 19), the government has stated that the reduction is an important factor for companies but there are reasons to seek better methods for evaluating this form of support.

### **Mission**

Growth Analysis shall monitor the regional reduction in social security contributions as a support form. The follow-up shall complement the evaluation that the National Audit Office carried out in 2008 (RiR 2008:16). The survey that the Institute for Labour Market Policy Evaluation (IFAU) conducted, on behalf of the National Audit Office, has its main focus on the question whether the reduction has delivered any employment effects. Since the purpose of this form of support is to stimulate business development and contribute to good service provision, the Swedish government considers that this assessment should be supplemented with other factors than solely employment effects and, moreover, explicitly check for regional differences. There is, moreover, reason to carry out comparisons with studies made in other countries of this type of support in order to analyze how this type of support can be structured to provide optimal results. The experiences and conclusions which have appeared in the mission for 2010 in this area shall form the basis of the work. The project shall be reported to the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) by 30 June 2011 at the latest.

*In a Letter of Regulation for 2010, Growth Analysis was commissioned to analyze the role of the municipalities and regions in the work of sustainable growth. With amendment for what is specified in this Letter of Regulation the mission shall have the following wording:*

## **8. Analysis of the role of the municipalities and regions in the work of sustainable growth**

### **Mission**

Growth Analysis shall analyze the contributions of municipalities and regions to the work of achieving sustainable growth. Municipalities and regions account for a significant proportion of the growth-targeted measures. For this reason there is a need to develop knowledge of how different municipal and regional operators act within the growth area, which resources are involved and how the stakeholders – national, regional and municipal – interact with one another.

Actors at the regional level need to have an international outlook to a greater extent in order to search for both cooperation and knowledge in the process of creating competitive regions. Growth Analysis shall describe how the regions

work towards strengthening their international frame of reference for the regional growth initiatives. It involves highlighting needs and possible effects of having an increased international outlook in both the design and implementation of the strategic regional growth initiatives. Integral parts in the international frame of reference may, for example, relate to international outlook, business intelligence, international cooperation and sharing experiences.

The analysis should identify both examples and possible development needs (for example, relating to knowledge and skills on internationalization and integration and diversity) at the regional and national level for a strengthened international frame of reference for the regional growth initiatives.

The mission shall be conducted in collaboration with the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) and be reported to the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications) no later than 31 May 2011.

#### *OTHER MISSIONS*

##### ***Regulation simplification***

The government's overall objective in terms of the simplification work is to accomplish a noticeable positive change in companies' daily operations. As part of this and as a key driver of the work the objective includes reducing the companies' administrative costs imposed by government regulations by 25 per cent in 2012 compared to 2006. Growth Analysis shall therefore, within its area of responsibility, collaborate with the Swedish Agency for Economic and Regional Growth and contribute to the government's simplification work based on its conditions and assist the Swedish Agency for Economic and Regional Growth on measurements of companies' administrative costs with an update on changes in regulations for 2010. The date for reporting the supporting documentation shall be determined in collaboration between the Swedish Agency for Economic and Regional Growth and Growth Analysis.

#### ***MISSIONS PRESENTED IN LETTER OF REGULATION FOR 2009***

<b>Mission</b>	<b>Presented</b>	<b>Reported no later than</b>
4. Evaluation of capital equity within framework of EU's Structural Fund programme for competitiveness and employment	26 March 2009	See above under heading "Change in existing missions"
9. Taking over the mission from the former Institute for Growth Policy Studies (ITPS). S2008/10485/HS	26 March 2009 (appendix 1)	Final report: 31 December 2011

(partially) To follow price trend in the pharmaceutical market owing to change in regulation of the pharmaceutical market		
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***MISSIONS PRESENTED IN LETTER OF REGULATION FOR 2010***

<b>Mission</b>	<b>Presented</b>	<b>Reported no later than</b>
1. Develop a Micro Database for growth policy measures in individual enterprises	21 December 2009	See above under heading "Change in existing missions"
4. Analysis of the role of the municipalities and regions in the work of sustainable growth	21 December 2009	See above under heading "Change in existing missions"
7. Evaluation of regional service programmes	21 December 2009	1 April 2014

***MISSIONS PRESENTED IN SPECIFIC GOVERNMENT RULINGS***

<b>Mission</b>	<b>Presented</b>	<b>Reported no later than</b>
To follow developments in respect of diversity and entrepreneurship in nursing and care	10 December 2009	Interim report: 19 May 2010 Interim report: 19 May 2011 Interim report: 19 May 2012 Final Report: 1 December 2012
Collaboration between authorities within the area of competency provision	25 March 2010	See above under heading "Change in existing missions"
To follow price trend in the pharmaceutical market owing to change in regulation of the pharmaceutical	10 June 2010	Interim report: 31 December 2010 Final report: 31 December 2012

## FINANCING

### 4 Grants

#### 4.1 Allocated grants/appropriations (amounts shown in SEK thousand)

*Expenditure Area 24 Industry and Commerce*

##### **1:6 Swedish Agency for Growth Policy Analysis (framework grant)**

*Utilised by Swedish Agency for Growth Policy Analysis* 78,748

App. 1	Swedish Agency for Growth Policy Analysis (framework)	78,748
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#### 4.2 Older grants/appropriations which are utilised (amounts shown in SEK thousand)

*Expenditure Area 24 Industry and Commerce*

##### **1:26 Liquidation grant for Nutek, ITPS and the National Rural Development Agency (framework grant)**

*Utilised by the Investigation on liquidation of ITPS, the National Rural Development Agency and Nutek (framework)* 0

App. 1

Liquidation costs for ITPS, the National Rural Development Agency and Nutek (framework grant)	0
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*Utilised by the Government Offices of Sweden (Ministry of Enterprise, Energy and Communications)* 0

App. 3

Administration costs for the Investigation on liquidation of ITPS, the National Rural Development Agency and Nutek (framework)	0
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##### **Conditions for grant 1:26**

*App. 1 Liquidation costs for ITPS, the National Rural Development Agency and Nutek*

The appropriation item may also be used for one-off premiums to the National Government Employee Pensions Board for persons who currently receive pension benefits.

The Investigation on liquidation of ITPS, the National Rural Development Agency and Nutek (N 2008:13) are exempt, for the financial years 2010 and 2011, from the requirement that expenditure for its own operations shall be offset against appropriations of the budget year associated with the costs, as stipulated in Section 16 of the government appropriations ordinance (1996:1189). The offsetting against appropriation item 1 Liquidation costs for ITPS, the National Rural Development Agency and Nutek should instead take place in accordance with the rules which applied for 2008 pursuant to the government appropriations ordinance. The exception also applies to appropriation items which the Investigation on liquidation of ITPS, the National Rural Development Agency and Nutek utilise for equivalent purposes.

### 4.3 Financial conditions

#### 4.3.1 Financial conditions for grants/appropriations

*Expenditure area 24 Industry and Commerce*

Grant/approp.	Grant credit	Grant balance utilised in 2011	Withdrawal of grant amount
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#### 1:6 Swedish Agency for Growth Policy Analysis

App. 1	2 362	3%	0
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#### 1.26 (2010) Liquidation grant for Nutek, ITPS and the National Rural Development Agency

App. 1 (2010)	0	All	0
App. 3 (2010)	0	All	0

Amounts shown in SEK thousand

Grant saving is reviewed after any reallocation of grant saving

### 5. Other conditions

#### 5.1 Loan framework and credit facilities

<b>Loan frame (as per Section 20 of budgetary law)</b>	<b>5 000</b>
Interest account credit facilities (as per Section 21 of budgetary law)	7 000
<i>Other credit facilities (as per Section 23 of budgetary law)</i>	

Amounts shown in SEK thousand

## 5.2 Payment Schedule

In accordance with this Letter of Regulation, the following funds are transferred to the interest account of the Swedish Agency for Growth Policy Analysis held with the Swedish National Debt Office (Riksgäldskontoret) as per the following table:

<b>Payment date</b>	<b>Amount</b>
25/1/2011	6 562
25/2/2011	6 562
25/3/2011	6 562
25/4/2011	6 562
25/5/2011	6 562
25/6/2011	6 562
25/7/2011	6 562
25/8/2011	6 562
25/9/2011	6 562
25/10/2011	6 562
25/11/2011	6 562
25/12/2011	6 566
<b>Total</b>	<b>78 748</b>

Amounts shown in SEK thousand

Interest-bearing grants/appropriations that are made available to the Swedish Agency for Growth Policy Analysis, in accordance with this Letter of Regulation, are:

1:6 app. 1 Swedish Agency for Growth Policy Analysis

## 6. Charges and contributions

### 6.4 Conditions for chargeable (fee-based) activities

The income from these activities is at the disposition of Growth Analysis. The size of the fees is determined by the Agency, however not in those cases that fall within Section 15 of the Fees Ordinance (1992:191).

### 6.5 Conditions for grant-financed activities

Growth Analysis may receive contributions, both from state and non-state funding sources, for its activities based outside Sweden. Grant income remains at the disposition of the Agency.

On behalf of the Swedish government

Maud Olofsson

Sofia Knapp

Copies to:

Riksdag Committee on Industry and Trade  
Swedish National Audit Office  
Swedish National Debt Office  
Swedish Financial Management Authority (ESV)  
The Prime Minister's Office  
Internrevisionen/SB [Internal Auditing]  
Ministry of Finance/BA and ESA  
Ministry of Integration and Gender Equality/KO and IU  
Ministry of Health and Social Affairs/HS and EIS  
Ministry of the Environment/I  
Ministry of Culture/KV  
Ministry of Education and Research/IS  
Ministry for Foreign Affairs/USTYR  
Ministry of Enterprise, Energy and Communications  
The Government Offices of Sweden, Office for Administrative Affairs/RK  
Ekonomi  
Avvecklingskommittén för näringsmyndigheter [Liquidation Committee for  
Industry and Commerce authorities] (N 2008:13)  
Swedish Foundation for Small Business Research (FSF)  
Swedish National Board of Trade  
National Institute of Economic Research  
Swedish Competition Authority  
Mid Sweden University  
Invest in Sweden Agency (ISA)  
Swedish Energy Agency  
Transport Analysis  
Statistics Sweden  
Swedish Trade Council  
Swedish Agency for Innovation Systems  
Swedish Agency for Growth Policy Analysis  
All County Administrative Boards  
Region Skåne  
Västra Götaland Regional Council  
Regional Council in Kalmar County  
Gotland Municipality regional development organisation  
Regional Cooperation Council of Dalarna  
Halland Regional Development Council  
Regional Council of Blekinge  
Uppsala Regional Council  
County of Södermanland regional cooperation organisation  
Regional Council of Jönköping County  
Regional Association of Local Authorities in Gävleborg  
Region Värmland  
Kronoberg Regional Association of Local Authorities  
Örebro Regional Development Council  
Västerbotten Regional Development Unit  
ALMI Företagspartner AB

**Innovationsbron AB**  
**Industrifonden Foundation**  
**Norrlandsfonden Foundation**