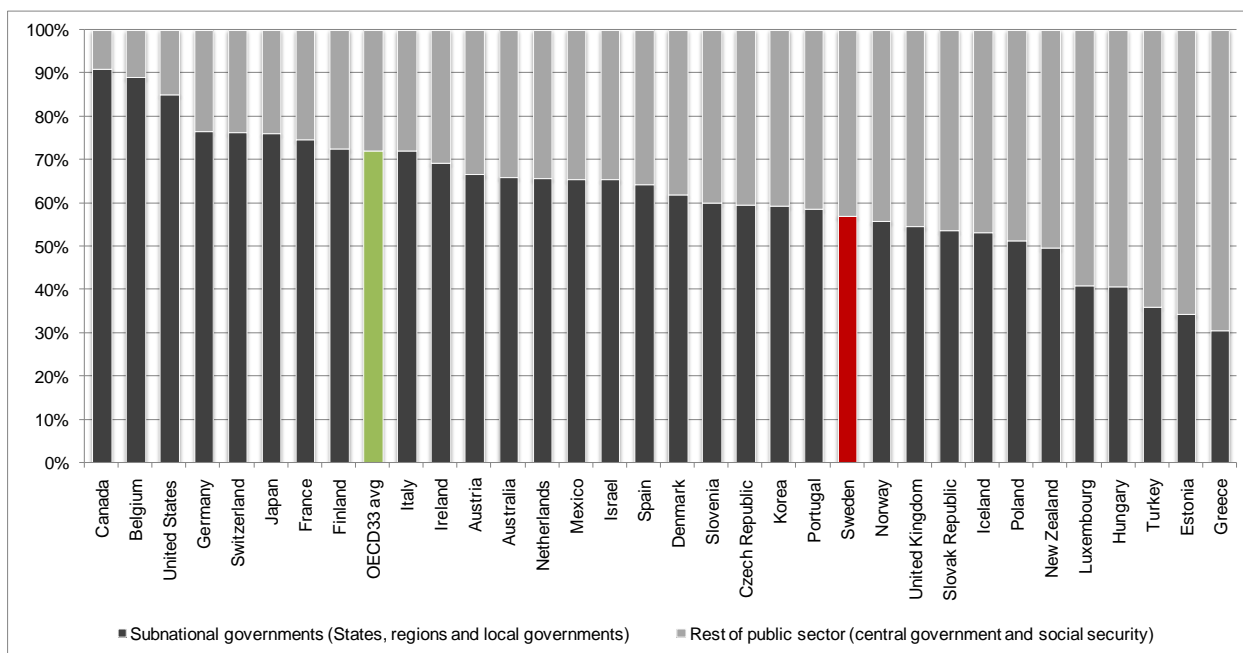


# Country Fact Sheet

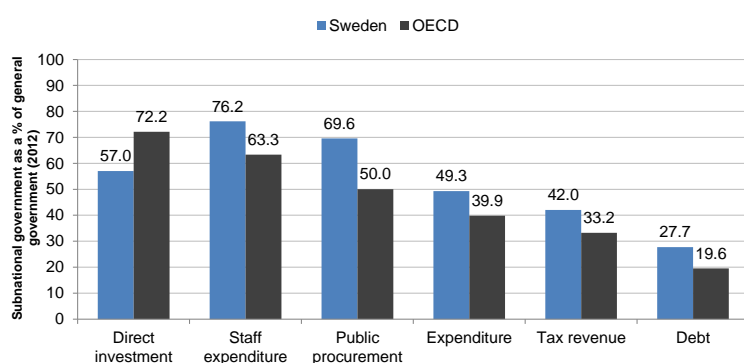
## SWEDEN

**Figure 1. Sub-national public direct investment in OECD countries, 2012**  
(as a share of public direct investment)



Note: Data for Australia, Mexico, Switzerland, the U.S., Israel, Japan, Korea, & Turkey from 2011; Data for Canada and New Zealand from 2010  
Source: OECD National accounts

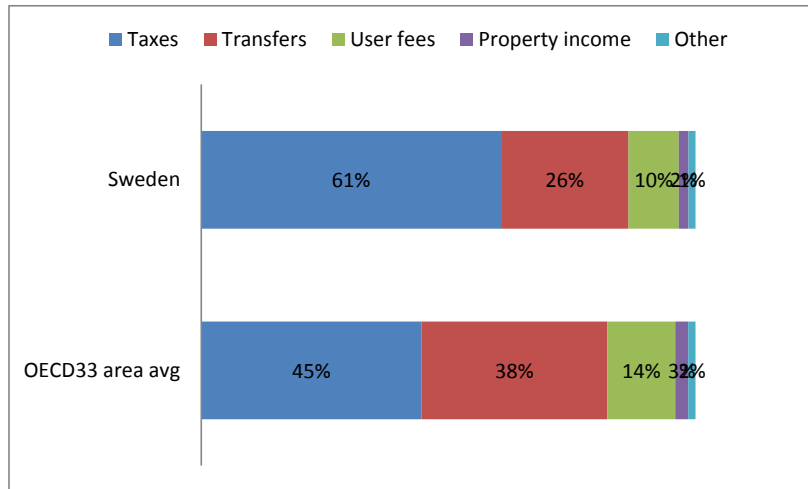
**Figure 2. The role of sub-national governments in public finance in Sweden**



Source: OECD (2013), [Subnational governments in OECD countries: Key data](#)

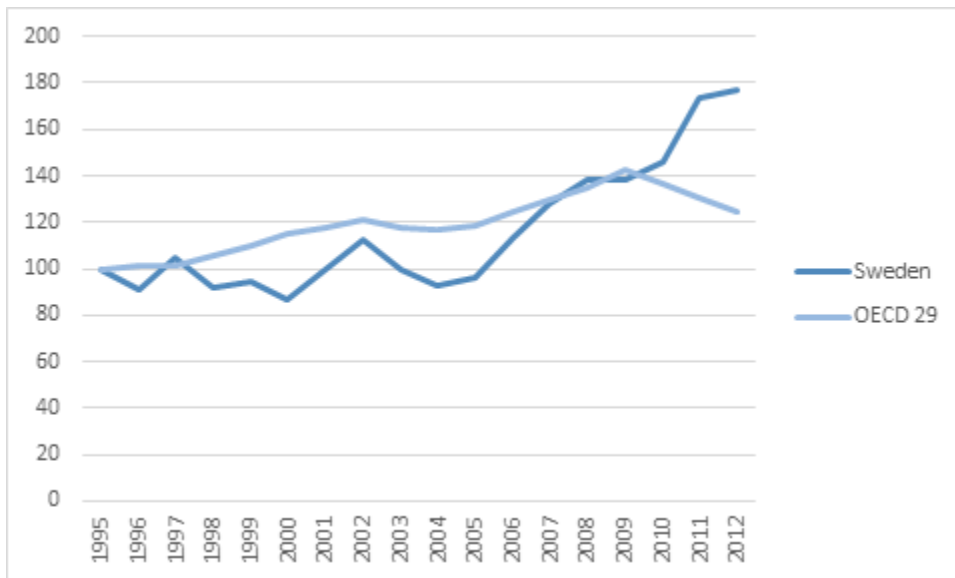
Sub-national public investment represents 57% of total investment. Health and social protection are the two largest spending items for SNGs in Sweden: together they represent 54% of sub-national expenditure, compared to 30% in the OECD area.

**Figure 3. Indicators of sub-national fiscal autonomy in Sweden**



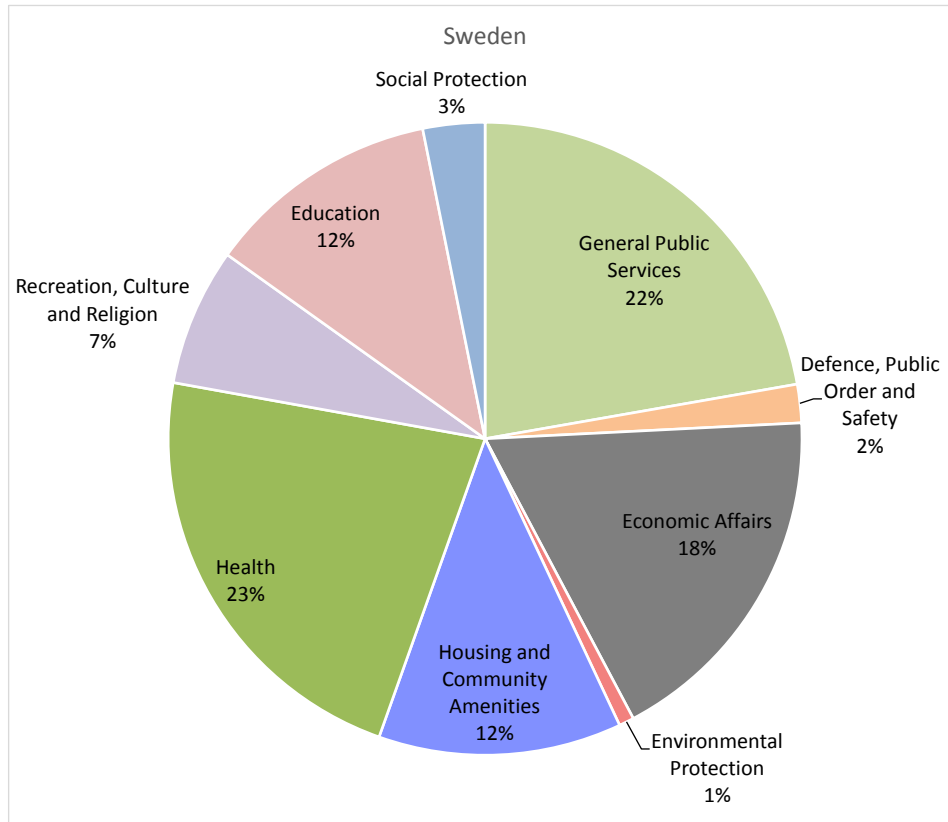
Source: OECD (2013), [Subnational governments in OECD countries: Key data](#)

**Figure 4. Trends in sub-national investment in Sweden**



Source: OECD National Accounts.

**Figure 5. Breakdown of sub-national investment in Sweden by economic function  
(% of total direct investment, average 2008-2012)**



Source: OECD (2013), [Subnational governments in OECD countries: Key data](#).

## FACTS AND FIGURES RELATED TO PUBLIC INVESTMENT:

General government public direct investment (USD billion), 2012	14.2
<ul style="list-style-type: none"> <li>• Percent of GDP</li> <li>• Percent of public expenditure</li> <li>• In USD per capita</li> </ul>	3.4 6.6 1 483
Sub-national government public direct investment (USD billion), 2012	8.1
<ul style="list-style-type: none"> <li>• Percent of GDP</li> <li>• Percent of sub-national public expenditure</li> <li>• Percent of total public direct investment</li> <li>• In USD per capita</li> </ul>	2.0 7.7 57.0 846

## INDICATOR SUBNATIONAL FISCAL ATOMY

<ul style="list-style-type: none"> <li>• Tax revenues (2012) [Percentage in total sub-national revenues]</li> <li>• User fees (2012) [Percentage in total sub-national revenues]</li> <li>• Property income</li> <li>• Transfers (2012) [Percentage in total sub-national revenues]</li> </ul>	61% 10% 2% 26%
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## MAIN MECHANISMS FOR COORDINATING PRIOTISATION AND IMPLEMENTATION OF PUBLIC INVESTMENT BETWEEN NATIONAL AND SUB-NATIONAL LEVELS (2012)

<b>Vertical relations</b>	
<ul style="list-style-type: none"> <li>• Sectoral body in charge of national/sub-national co-ordination</li> <li>• National body in charge of national/sub-national co-ordination;</li> <li>• Forum gathering sub-national governments</li> <li>• Contractual arrangements across levels of government</li> <li>• National sectoral representatives appointed to sub-national levels</li> <li>• Regional Development Agencies</li> </ul>	No (?) Yes Yes No (Regional Development Programmes) Yes No

## Horizontal relations

<ul style="list-style-type: none"> <li>• Mechanisms or incentives exist to encourage co-operation for public investment (horizontally) across sub-national authorities, 2012</li> </ul>	Yes
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## STRENGTHENING CAPACITIES FOR PUBLIC INVESTMENT AT DIFFERENT LEVELS OF GOVERNMENT

<ul style="list-style-type: none"> <li>• There is recognition of procurement officials as a specific profession, 2010</li> <li>• Percent of general government procurement occurring at the sub-national level, 2011<sup>(1)</sup></li> <li>• PPP unit(s) exist at the national (Nat'l) or sub-national (SN) levels</li> <li>• Use of relative and/or absolute value-for-money (VFM) assessments of PPPs</li> <li>• Intergovernmental co-ordination mechanisms impose obligations in regulatory practice</li> </ul>	Yes 69% No Both Yes
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Sources: OECD (2013), [Subnational governments in OECD countries: Key data](#); OECD (2013), [OECD Regions at a Glance 2013](#); OECD (2013), [Government at a Glance 2013](#); OECD (2012), Questionnaire: Multi-Level Governance of Public Investment, unpublished; OECD (2010), [Dedicated Public-Private Partnership Units: A Survey of Institutional and Governance Structures](#); OECD (2009), ["Indicators of Regulatory Management Systems, 2009 Report"](#).

## GOOD PRACTICE EXAMPLES IN SWEDEN

Principle	Good practice examples from different levels of government
<i>Principle 1.</i>	<i>Invest using an integrated strategy tailored to different places and coordinate across sectors</i>
	<p><b>Cross-sectoral coordination</b></p> <p>A National Strategy for Regional Growth and Attractiveness 2014-2020 is scheduled to be launched in June 2014, with a broader scope than the previous National Strategy for Regional Competitiveness, Entrepreneurship and Employment 2007-2013. The new strategy adopts a cross-sectoral approach and will rely on multi-level governance mechanisms for dialogue and learning.</p> <p><i>Source: OECD (2010), Territorial Review of Sweden, OECD Publishing, Paris.</i></p>
<i>Principle 2.</i>	<i>Co-ordinate among levels of government</i>
	<p><b>National forum gathering national and sub-national governments</b></p> <p>A <i>national forum</i> on regional competitiveness, entrepreneurship and employment was set up to create a formal setting for the discussions that took place in the preparation of the NSRF. The forum serves as a platform for ongoing political dialogue among national and regional representatives, for which the NSRF and the Regional Development Programmes were the starting points. Debates of the forum focus on themes related to the priorities of the NSRF, such as regional enlargement, regional innovation systems, cross-border integration as well as the future cohesion policy, local and regional ownership of the Lisbon strategy, and rural development issues.</p> <p><i>Source: OECD (2010), Territorial Review of Sweden, OECD Publishing, Paris.</i></p>
<i>Principle 3.</i>	<i>Encourage effectiveness through cross-jurisdictional co-ordination</i>
	<p><b>Cooperation across counties and municipalities</b></p> <p>Sweden has been particularly active in supporting inter-municipal co-operation for public service provision (through local federations and common committees in particular). Since 1919 municipalities and counties have had the opportunity to form local federations to improve the cost efficiency of service delivery. A local federation is a legal entity, i.e. a special local authority, to which members can transfer the management of local government concerns. All areas of local competence, including the exercise of legal powers, can be transferred to a local federation. Local federations have a decision-making body whose members are elected by the assemblies of the federation members.</p> <p>Since 1996 co-operation by municipalities and by county councils can also be handled through a common committee.</p> <p>There are currently 95 local federations and 70 common committees which handle a wide range of activities. The most usual activities are rescue services (37), education (23), and environment/building (14), which account for 45% of the horizontal co-operation organised through local federations or common committees.</p> <p>There are few local federations and common committees compared to the number of municipal enterprises, which number over 1 800. Although this includes enterprises serving a single municipality or a single county council, it is likely that the municipal enterprise is the</p>

	<p>main organisational means of handling horizontal co-operation. More than 70% of municipal enterprises operate in housing, real estate, energy or other infrastructure.</p> <p>Sweden has recently moved towards a system where there is more strategic oversight of national infrastructure investment frameworks. The government has reformed the planning process to design more integrated regional infrastructure plans, in which counties have a stronger say. The government also established a new traffic agency in 2010 to better coordinate infrastructure, environmental and regional development policies. This approach helps to ensure that transport policies are set in line with other national priorities, including larger regions and more inter-regional interaction, and that there is more consideration given to inter-regional flows.</p> <p><i>Source: OECD (2010), Territorial Review of Sweden, OECD Publishing, Paris.</i></p>
<b>Principle 4.</b>	<b><i>Use long-term and comprehensive appraisals for investment selection</i></b>
<b>Principle 5.</b>	<b><i>Engage public, private and civil society stakeholders throughout the investment cycle</i></b>
	<p><b>Platforms for co-operation with multi stakeholders</b></p> <p>The region of <b>Västra Götaland</b> in Sweden has established five platforms for co-operation with stakeholders from industry, academia and municipalities to design a common vision for the region, entitled "The Good Life". The focus of Västra Götaland's Innovation and R&amp;D strategy is the stimulation of entrepreneurship and the development of start-ups and SMEs as well as research-based clusters.</p> <p>The region and stakeholders from industry, academia and municipalities have established five so-called "platforms". They are a vital means of putting this strategy to work to realise the region's vision, "The Good Life", and they set the prerequisites for partnerships business, universities, institutes and public stakeholders on both strategic and operational levels. The platforms are located in the four regional nodes: Göteborg (2), Trollhättan/Vänersborg (1), Skövde (1) and Borås (1) and are also important hubs in the regional innovation system.</p> <p><i>Source: OECD (2010), Territorial Review of Sweden, OECD Publishing, Paris.</i></p>
<b>Principle 6.</b>	<b><i>Mobilise private actors and innovative financing arrangements to diversify sources of funding and strengthen capacities</i></b>
	<p><b>Public Private Partnerships</b></p> <p>PPPs are rarely used at the regional and national level, but Stockholm has been an innovator at the municipal level (a good example is the Arlanda express train that links the airport to the city centre, and which is the only example of PPP in transport investment so far in Sweden).</p> <p><b>Specific investment funds</b></p> <p>The <i>Industrial Development Fund</i> is an independent foundation formed by the Swedish government in 1979, whose role is to promote profitable industrial growth in Sweden. The Fund has assets under management of around SEK 3 000 million. The Fund invests in equity but can also provide loans. It can purchase equity via placements or rights issues and owns shares in several venture capital companies in Sweden (it is a shareholder in Innovation Bridge). The Fund mainly focuses on companies with growth potential, supplying early-stage and expansion capital. All investments are made on a commercial basis in co-operation with entrepreneurs and other investors (including Swedish and international business angels, and public institutions). Investments focus on ICT, the life sciences, industry (automation, material</p>

	<p>technologies, manufacturing and services). Amounts typically range from SEK 5 million to SEK 165 million. The Fund currently has direct investments in about 100 companies throughout Sweden.</p> <p><i>Source: OECD (2012), Innovation Review of Sweden, OECD Publishing, Paris.</i></p>
<b>Principle 7.</b>	<b><i>Reinforce the capacity of people and institutions throughout the investment cycle</i></b>
	<p><b>Policy learning</b></p> <p>Sweden's Innovation Agency (Vinnova) places a high value on policy learning. The VINNVÄXT programme, competitive 10-year financing for regional clusters/innovation systems, promotes sustainable growth by developing internationally competitive research and innovation environments in specific growth fields. The programme includes support activities such as seminars, training/education, exchange of experience, and extension of knowledge/research to promote policy learning.</p> <p><i>Source: OECD (2007), Competitive Regional Clusters: National Policy Approaches, OECD Reviews of Regional Innovation, OECD Publishing. doi: 10.1787/9789264031838-en..</i></p>
<b>Principle 8.</b>	<b><i>Focus on results and promote learning</i></b>
	<p><b>Performance monitoring and open comparisons</b></p> <p>The Open Comparison (OC) project aims to encourage comparison and increase transparency. Within this project networks of five to ten municipalities have been set up. A total of approximately 200 municipalities (out of 290) participate. The networks develop new methods for comparing costs and results in terms of quality in order to work towards concrete operational improvements. Unlike many other networks, the focus is on finding links between cost and quality. Another aim is to present good examples. Thus, new measures of the quality of results will be developed and tested by the networks. These measures can then become regular instruments in performance management. In a longer run the aim is to develop these into national quality indicators. SALAR also has a development project called "Measure to Lead" together with the county council of Jönköping. The aim is to teach how to go from measurement to action.</p> <p>An Open Comparison is based on indicators of quality, results and costs. They should be relevant and of good quality, be possible to measure at local/regional level, be influenced by the municipality/county council/region; and be evaluated in a way that cannot be contested. On the basis of the outcome a ranking is made. Comparisons are published with a view to eliciting an informed debate and thus contribute to increased citizen confidence. Nine Open Comparisons reports have been published on health care, medical care, elderly care, comprehensive schools, upper secondary schools as well as security and safety. Open Comparisons may also be extended to new areas, such as public health, individual and family care, climate, business climate and physical accessibility.</p> <p><i>Source: OECD (2010), Territorial Review of Sweden, OECD Publishing, Paris.</i></p>
<b>Principle 9.</b>	<b><i>Develop a fiscal framework adapted to the objectives pursued</i></b>
	<p><b>New fiscal instruments for green investments</b></p> <p>Local governments have recently developed new fiscal instruments, to better support environmental objectives – and indirectly regional development, through increased focus on public transport. Sweden is one of the few countries with carbon emissions below the level recorded in 1990.</p>

	<p>One of the best-known examples is Stockholm’s congestion tax, implemented in 2007, which has decreased traffic to and from the city centre by 20%. Combined with many other proactive policies to combat climate change, this has made Stockholm one of the most advanced cities in terms of climate change policies; it was named European Green Capital 2010. The national government also provides financial support to local governments to manage emissions and to adapt to climate change. Through the Swedish Climate Investment Program, which started in 2003, local governments can apply for national subsidies which can be used to promote local investments to reduce greenhouse gases emissions.</p> <p><i>Source: OECD (2010), Territorial Review of Sweden, OECD Publishing, Paris.</i></p>
<b>Principle 10.</b>	<b><i>Require sound and transparent financial management</i></b>
<b>Principle 11.</b>	<b><i>Promote transparency and smart use of public procurement at all levels of government</i></b>
<b>Principle 12.</b>	<b><i>Pursue high-quality and coherent regulation across levels of government</i></b>
	<p><b>Removing administrative burden</b></p> <p>Swedish local governments have made a particular effort in the past few years to remove obstacles to public-private co-operation. According to a survey by NUTEK, in 2003, 71% of the municipalities were developing programmes aimed at improving or simplifying the permitting process for business.</p> <p><i>Source: OECD (2010), Territorial Review of Sweden, OECD Publishing, Paris.</i></p>

***Areas of focus of recent/current/planned reforms (national level)***

**Please mention whether your country has recently conducted or is currently conducting reform(s) in the field of governance of public investment across levels of government** (territorial reforms, fiscal reforms, capacity building initiatives, performance monitoring, procurement reforms, reforms linked to PPPs or innovative financing arrangements, etc.). You may provide explanations in the box below (or just briefly mention which of the 12 OECD Principles are currently high on your government agenda).