

BUSINESS SWEDEN



POWERING UP WITH EU GROWTH

How to navigate the EU recovery fund

NextGenerationEU: A plan for EU recovery and resilience

THE EU'S NEXTGENERATION FUNDING has lofty ambitions: to counteract the major impact of the Covid19 pandemic and shifting geopolitical trends through a joint approach to fund individual Member States to roll out sustainable, digital economic recovery and reform initiatives. The unprecedented strategic investments are already in the approval phase and Swedish companies looking to navigate potential opportunities need to target their approach to be considered as part of tender processes and supplier networks.

Social, economic, and political stability are critical pillars of the EU and integral to the bloc's and individual member states' future competitiveness. The challenging times faced by the EU over the past five years prompted a major strategic rethink to enable recovery; now, EUR 750 billion has been allocated to stimulate growth based on implementing sustainable and digital solutions across business ecosystems.

The EU's NextGeneration funding has prioritised seven flagship areas that align with the EU priorities and they must boost growth, create jobs, and build economic and social resilience. Projects must support the green transition, reflect country-specific challenges, and foster digital transformation. With national plans coming from countries across the EU, understanding the details and potential for partnership and supplier opportunities within tenders that have to go through a public procurement process can be overwhelming. Business Sweden has mapped areas where Sweden and Swedish expertise are aligned, especially in the areas of energy and infrastructure, digitalisation, and electrification and mobility.

THE BIG OPPORTUNITIES

Power up is one of the major flagship areas for investment with a focus on developing renewable and green technologies. With around EUR 55 billion allocated to this stream, Italy, France, Germany, and Spain have already secured funding to deliver major projects as outlined in their national plans. Smart grids, biomethane development, innovative energy plants, green tech, and decarbonisation of industry are all on the agenda and will need large-scale project solutions to turn those plans into reality.

Recharge and refuel puts a focus on sustainable transport and charging stations, an area where Sweden is global forerunner in the adoption of emissions-free transport. With the largest budget allocation of nearly EUR 86 billion, the opportunities in this area are vast. Green bus and government vehicle fleets, low carbon transport infrastructure, new electrification of new and existing railroads, and charging infrastructure are all key projects that already have dedicated funding.

The EU has also put a heavy emphasis on the need to *modernise*, particularly in the area of public administration. To bring Europe into the digital future, EUR 42 billion has been earmarked for projects that can support digitalisation of public services, e-health services and health data, modernisation of hospital technology, and the digital transformation of tax and customs administration. Sweden's advanced position in many of these key areas will be of interest to public procurement leaders across the EU.

KEY FACTS

2021-2027

EUR 750 billion

7 focus areas

27 EU countries

Green and digital focus

NAVIGATING THE MAZE

Mapping the opportunities is just the first hurdle for Swedish companies to overcome. While this knowledge is powerful, the real challenge is to understand how the funding will be distributed within each country, the type of funding, time frames for delivery, and who the responsible authorities are. Each country has provided a blueprint for their plans, but these vary considerably.

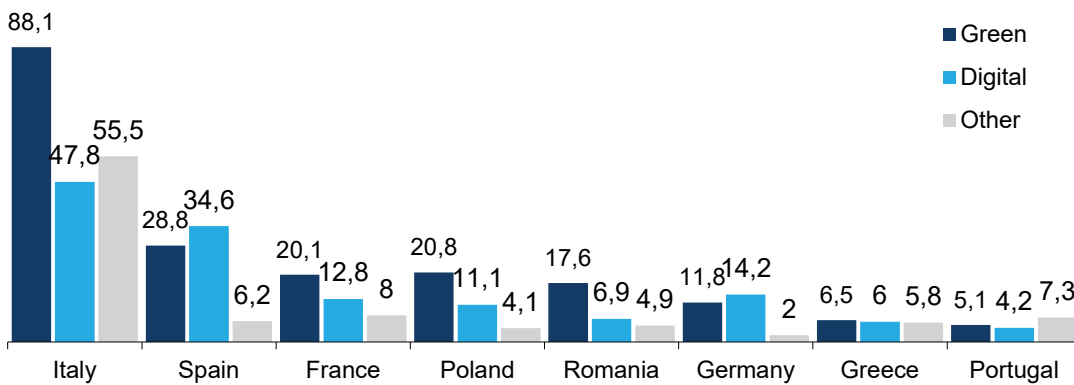
Over the coming months countries will publish more detail including information on the designated authorities, calls for interest, and requests for proposals. Business Sweden's dedicated teams in each country will continuously review and publish additional information on the latest developments, acting as both an advisor and partner to Swedish companies who are looking to exploit areas of untapped potential.

A make-or-break success factor will be companies' relation to government representatives and other public sector stakeholders. Through our dual public and private ownership, Business Sweden has strong relationships with key stakeholders that cross the public and private sector divide, giving Swedish companies access to connections that give maximum value for public partnerships in all European markets.

COUNTRY SPECIFIC PLANS OUTLINE HOW AND WHERE FUNDING WILL BE SPENT

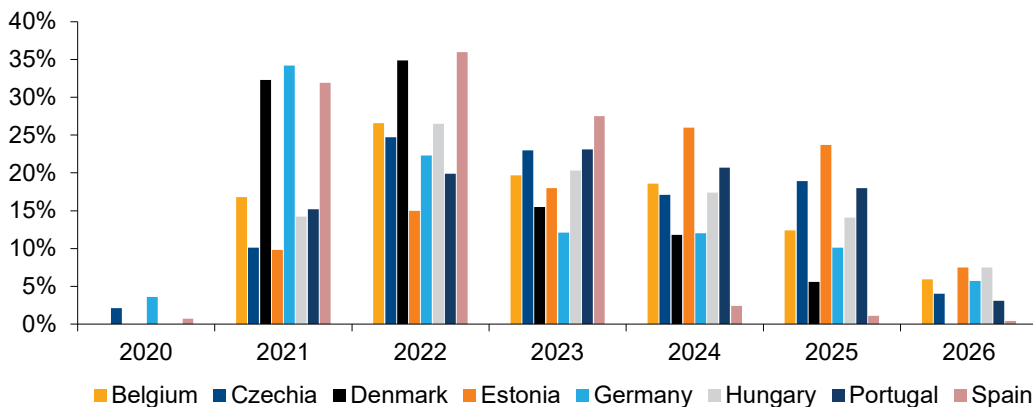
Overall allocation of national recovery plans in 8 largest RRF recipients

Value in billion EUR



Time profile of planned recovery spending

% of total in 2020-2026



Note: Seven countries presented the annual breakdown of planned spending so far in their recovery plans. Spain provided the annual breakdown in its 2021 Stability Programme. For Portugal, both grants and loans are considered.

Source: Bruegel

BECOMING AN ACTIVE GAMECHANGER

The sheer scale and impact of the ambitious projects laid out as part of the NextGeneration programme go far beyond just recovery; transforming public administration alone is a monumental task which will reverberate across services and industry. Digitalisation and sustainability are now so intertwined and critical to development and growth that all actors in the value chain need to be able to prove their credentials and demonstrate success in these areas.

Sweden, and Swedish companies' early adoption and innovative approach to both sustainability has justifiably gained international recognition. But this is not a guarantee for inclusion in local procurement. In many cases, domestic procurement may require local establishment, a local partner, or legal and linguistic support. While this can be challenging, the benefits far outweigh the initial set-up costs and administrative process. While about 70 per cent of Swedish exports already go to other European countries, Swedish companies need robust foundations, a relevant and viable offering, and to be ready to move quickly as part of tender processes.

Swift and decisive action can only happen if the groundwork has been laid. Partnering with Business Sweden will not only save time and effort trying to understand complex regulations but will help you build a targeted strategy to shorten the route to market and increase your chances of winning public deals, while also significantly minimise the risks associated with global expansion.

Let us put you at the forefront of Europe's green recovery.

FLAGSHIP AREAS OF INVESTMENT

With seven priority areas in focus, Swedish companies from every business ecosystem can find opportunities within large-scale procurement projects across the EU.



POWER UP

With a focus on clean technologies and renewables, Swedish expertise across all renewable energy ecosystems is in demand. Proven scale-up and complex supply chain partnership experience will be viewed positively.



RENOVATE

Making domestic and commercial spaces fit for the future is a priority for many European countries. Swedish expertise in energy efficiency solutions including smart district heating and cooling can make an impact.



RECHARGE AND REFUEL

Sustainable transport and charging infrastructure are needed to transform transport networks to clean technology. Swedish solutions can accelerate the green transition of public and private fleets and drive the creation of low-emission networks.



CONNECT

A digital and smart society needs rapid and reliable broadband services, and across Europe the digital divide is still vast. Sweden can share knowledge and technology to bridge the gap to support digital growth.



MODERNISE

Smart societies need public infrastructure that works for all users; digital services must facilitate dynamic civil service delivery that is secure and inclusive. Sweden's advanced learnings could facilitate rapid scale-up of solutions.



SCALE-UP

Build accessible, trustworthy, and sustainable data and cloud capacities and infrastructures based upon digital components and systems. Sweden's high digital acceptance can be an inspiration and model for other European countries.



RE-SKILL AND UPSKILL

Provide the workforce of today, and tomorrow, with education and training that supports digital skills required for an evolving labour market. Swedish expertise in training and uptake has the power to drive ambitions forward.

KEY RECOMMENDATIONS

Swedish companies must take a strategic approach to identifying specific projects within markets to be actively participate in tender and procurement processes.

This should include:

- Identifying which markets are prioritising growth and development in the areas where they can offer proven solutions
- Keeping up to date with the most relevant funding allocations and where new opportunities are arising
- Actively pursue relevant partners and supply chain collaborations that will boost attractiveness towards public and private stakeholders
- Understanding the funding programmes including how they will be added to national budgets

Our Business Sweden teams across Europe are constantly mapping the opportunities, funding allocations, and tender processes, as well as engaging with key public and private stakeholders.

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