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SWEDEN

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# SWEDEN



## Overall assessment

The 2010 version of the Climate Policy Tracker gave Sweden a rating of D. Energy and climate policy has remained relatively stable in Sweden over the past 12 months, with small positive changes to the energy and carbon tax system and an extension announced of the quota obligation for renewable electricity. Sweden also announced an intention to launch a joint tradable green certificate market with Norway as from 2012.

### RECOMMENDATIONS ON MOST URGENT ACTIONS

- The vision of no net emissions by 2050 should be turned into a full strategy with a legally binding trajectory with little, if any, offsetting of emissions and a coherent action plan including policy incentives to provide long-term certainty for all stakeholders. Ambitious, long-term and binding national targets are set in for example the UK or Ireland.
- Sweden's strong availability of biomass should not take the pressure off the development of electricity end-use efficiency, restructuring industry and investment in infrastructure supporting modal shift. Also, regulations and governance should be developed to ensure that the domestic production of renewable energies does not undermine biodiversity and ecosystem services. It is therefore of high importance for Sweden to start strongly supporting deployment of energy efficiency, solar and wind energy.

### Overview summary

	Renewables	Energy efficiency	Overarching
<b>GENERAL</b>			<b>D</b> No recent policy developments.
<b>ELECTRICITY SUPPLY</b>	<b>E</b> <ul style="list-style-type: none"> <li>• Extension of renewable energy obligation to 2035.</li> <li>• Mandatory sustainability requirements for bio-liquids.</li> <li>• Joint green certificate market with Norway from 2012.</li> </ul>	<b>G</b> No recent policy developments.	<b>E</b> No recent policy developments.
<b>INDUSTRY</b>	<b>C</b> No recent policy developments.	<b>E</b> No recent policy developments.	<b>E</b> <ul style="list-style-type: none"> <li>• Increases in energy and CO2 tax from 2011.</li> </ul>
<b>BUILDINGS</b>	<b>D</b> No recent policy developments.	<b>E</b> No recent policy developments.	<b>D</b> No recent policy developments.
<b>TRANSPORT</b>	<b>E</b> <ul style="list-style-type: none"> <li>• Mandatory sustainability requirements for biofuels.</li> </ul>	<b>D</b> No recent policy developments.	<b>E</b> <ul style="list-style-type: none"> <li>• Policy goal to reach fossil fuel independent transport fleet by 2035.</li> </ul>
<b>AGRICULTURE</b>			<b>C</b> No recent policy developments.
<b>FORESTRY</b>			<b>D</b> No recent policy developments.

Letters indicate last year's score:



Arrows indicate the recent policy trend:



The size of the icons indicates the relative importance of the sector: small, medium or large.

## 2010 analysis: main findings

According to the 2010 Climate Policy Tracker analysis, Sweden adopts a vision that in 2050 the country will have no net emissions of greenhouse gases into the atmosphere. Standards in buildings and incentives for transport are also relatively high. Sweden has (traditionally) relatively strict energy standards for buildings. Renovated buildings need to reach the same standard as new buildings. Sweden has a long history of using biomass, both for heat and power, but also for materials. In 2009, biomass energy overtook oil to become the largest contributor to Sweden's energy mix. It is regularly used for combined heat and power (CHP) and as heat source in industry. The high share of biomass use is due to high availability and partly due to policy. However, a trajectory to zero energy buildings is not foreseen. However, the concentration on biomass has turned the focus away from electricity end-use efficiency, restructuring industry and investing in infrastructure to support a modal shift. The moratorium on new nuclear capacity was lifted, raising the possibility of increased dependence on nuclear energy and diverting resources away from much needed investment in efficiency and renewables.

## Policy developments in the last 12 months

Sweden held a general election on 19 September 2010. The governing centre-right coalition party, the Alliance, lost its absolute majority but continues as a minority government. The far-right Sweden Democrats party won their first ever seats in Parliament. No major new climate strategies or plans have been published in Sweden in the past year, although small changes have been made to the energy and carbon tax system and an extension announced to the quota obligation for renewable electricity.

The Swedish economy has a history of reliance on exports of cars, telecommunications and construction materials and so was hard hit by the global financial crisis. However Sweden has a strong economy and the country has recovered more quickly than most. In October 2010 the Government published a conservative budget for 2011 aiming to re-establish a surplus and consolidate the economic recovery. The budget states that tackling climate change is a key priority. However, the funds allocated to energy efficiency are much below what is needed.

No specific budget cuts have been announced that will impact the climate and energy policies.

The beginning of 2011 saw an increase in the level of energy and CO<sub>2</sub> tax payable by industry. Energy tax increased from 0% to 30% and CO<sub>2</sub> tax increased from 21% to 30%. There are exemptions or partial exemptions for those installations covered by the EU emission trading system or for companies taking part in voluntary programmes.

As well as tackling climate change, the 2011 budget focuses on achieving higher welfare and employment. This is mainly done through increasing knowledge capital and creating an economic environment that stimulates innovation. No specific policies are announced that would have a particularly negative impact on CO<sub>2</sub> emissions.

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