

## **Sweden's new climate policy framework: sets the world's most ambitious climate goals and puts climate policies in national law**

*By CIDCE national correspondent in Sweden, LL.D Åsa Romson, former minister for climate and the environment and one of the initiators of the Swedish climate policy framework.*

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**The 15th of June the Swedish parliament approved a comprehensive climate policy framework. The reform is a key component of Sweden's determinations to fulfil the Paris Agreement and an ambitious strategy towards a society free from fossil fuels. Professor Laurance Tubiana, head of European Climate Foundation and former Paris negotiator, visited Stockholm and the parliament in conjunction with the decision and she praised the ambitious targets and the robustness of setting a national climate law, noting that more and more states are doing so. This report describes the content and the background of the new Swedish climate policy framework, and shortly reflects on what we can expect from it.**

### The content of the climate policy framework

The climate policy framework consist of three related items, a climate act regulating the Government's responsibilities, long term goals on Swedish climate emissions and the establishment of an independent climate policy council.

The climate act, which will enter into force on 1 January 2018, sets down in law the Government's climate policy aims which are to protect the ecosystem and the living as well as future generations from dangerous climate changes. It states that the climate actions shall be based on science, and relevant technological, social, economic and environmental considerations. The climate policy is to be based on long term climate goals which are set in precise numbers and dates by the Parliament. The climate act further prescribes the Government, after election every fourth year, shall draw up a climate policy action plan which is to provide information on how the climate goals are to be achieved, as well as presenting a climate report every year to the Parliament in its Budget Bill. The climate act also specifies the guiding structure of the policy action plan and the yearly report.

The Swedish long term climate goals were decided by the Parliament at the same time as the climate act were adopted. Those goals were set to the following: by 2045 Sweden is to have no net emissions of greenhouse gases into the atmosphere and should thereafter achieve negative emissions. By 2045 emissions from activities in Swedish territory are to be at least 85 per cent lower than emissions in 1990. To achieve zero net emissions, supplementary measures may be counted. This can, for example, be increased uptake of carbon dioxide in forests and land, and investments in other countries. Emissions in Sweden outside of the EU ETS should, by 2030, be at least 63 per cent lower than emissions in 1990, and by 2040 at least 75 per cent lower. To achieve these goals by 2030 and 2040, no more than 8 and 2 percentage points, respectively, of the emissions reductions may be realised through supplementary measures. Those economy-wide absolute emission reduction targets, on unconditional basis, might be the most ambitious in the world today. On top of that a sector

target on transport was set. Emissions from domestic transport (but not aviation) are to be reduced by at least 70 per cent by 2030 compared with 2010.

As a third component in the climate policy framework the Government establish a climate policy council to assist in the policy work with Swedish climate actions by providing an independent assessment of how the overall policy presented by the Government is compatible with the climate goals. The climate policy council will have its location at the Swedish research council for sustainable development, Formas. The plan is to get the council stated from January 2018.

The aim of the climate policy framework is to provide long-time stability and transparency. By adopting the framework parliament highlight the need for societal transformation in order to reach climate goals. It was underlined that the framework works cross-sector, aims to involve all actors and make sure the parliament and public get information on the progress of climate policies and on the impacts.

The reason that domestic aviation was not included in the specific sector goal to 2030 on transport, is that domestic aviation is included in the EU trading sector emissions and not all other domestic transport emissions these emissions in the non-trading emissions.

It is worth noting that the Swedish climate policy framework does not focus on neither climate adaptation, nor contribution to capacity building in developing countries. This shows that domestic climate adaptation in Sweden is considered to be part of another area of environmental policy, more connected to water management and over all environmental protection. This does not mean that climate adaptation is seen as less important than mitigation, especially not in the global context where learning experience clearly show how interrelated the capacity building for adaptation is with the development of mitigating actions. Since the climate policy framework focuses on domestic policies the issue of capacity building in developing countries are not covered. This does not say that reforms will not include such perspectives. This will be important in discussions on how actors must develop techniques and methods to transform basic need in society to be met in a sustainable and no-carbon-way. It is important that Swedish business actors in this work are well connected to global trends and markets. The Swedish cooperation on foreign aid has accordingly strengthen its mandate to act in climate policy.

### Background

The climate policy framework including a climate act was proposed in Sweden by the Green Party in 2012 and since then several motions in parliament, also from other parties, have pushed for it. Those demands took inspiration from two other reforms. One is the Swedish financial framework and the budget act which regulates the budget process and its parliamentary control. The financial framework is based at a cross-party agreement when Sweden was to rebuild its economy after the crash in the 1990:th, and it contains a detailed regulation on how the government and the parliament must act for budget constraints and surplus over a long period of time. Similar needs for long time planning and regulated constraints are asked for in climate policies, therefore the inspiration to the climate act.

The other inspirational reform was the British Climate Change Act decided already in 2008. The British embassy in Stockholm have been generous in helping Swedish politicians and others to learn about the British experiences with this climate act. Learning that the business sector in Brittan widely embraced the Climate Change Act was especially important. This

made a Swedish business initiative, Haga Initiativet, already in 2012 to argue for such reform also to be introduced in Sweden. And it has also been reported that during the final cross-parliamentary discussions one of the things facilitating agreement was the personal meetings with British officials giving hands on arguments for business confidence in a robust and long term framework.

The climate policies in Sweden before this year's decision were based at decisions from 2009 then the Swedish parliament decided on a climate policy package including climate goals to 2020. Those decisions did however not include any major institutional arrangements and no legal act was adopted. The climate goals for 2020 were not set with long term directions and even more problematic there were no broad agreement between major parties of the then center-right government and the opposition in parliament. This meant that the decisions most certainly would change by change of government. All in all the Swedish climate framework from 2009 did not hold to be robust enough to provide certainty to non-state actors.

When the present Government of Social Democrats and Greens took office in October 2014 the standing Cross-Party Committee on Environmental Objectives was tasked by the minister of climate to work out a robust climate policy framework. Key persons from environmental NGOs, business organisations, science and public administration were appointed as experts to assist the committee. This committee worked over one year to find a political agreement for the policy framework and the long-time targets to be set. The committee was inspired also by following the parallel process at international level forming the global Paris Agreement. The strong and worldwide call for action from the science community and broad support for climate policies from cities and business sector equally pushed the work in the committee forward. The committee contained all parties in the parliament, except the Swedish Democrats (far right wing nationalists) which have not expressed any wish to enter this standing committee. The agreement in the committee was for most of the framework unanimous, and that held also for the parliamentary debate and vote in June 2017.

#### Reflections on the effectiveness

So, will the climate policy framework lead to stronger climate policies which will increase the reduction of carbon emissions and thereby fulfilling the ambitions of the Paris Agreement to scale up climate actions? Well, the future will tell, but some reflections on key issues might give a hint what to expect from it.

One of the most important impacts of the climate policy framework is probably in sending clear signals of the direction of politics. And by that showing all actors that Swedish politicians take the climate threat seriously and will continuously be ready to act in order to set and fulfil ambitious emission reduction targets. Swedish actors are not unfamiliar to climate reforms. Sweden has since the 1990th used carbon taxes on fossil fuel and has implemented far reaching energy efficiency standards in housing as well as tailored energy reforms to scale up renewable energy. However, actors still tend to wait to make changes in their business until more specific reforms are in place, not calculating on any changes merely on new political targets (and thereby may count on future profits from fossil fuel technology far later than when those must be phased out according to IPCC to reach the 2 degree target). With a more robust policy framework including clear emission reduction targets more actors within the business community will be pushed to recalculate and move more quickly towards sustainable solutions and don't sit and wait for harsh policies.

As a consequence of the new climate goals there is a need for policy reforms which transforms the society to have no or negative emissions of greenhouse gases into the atmosphere already before mid-century. Everybody must understand such reforms will involve many sectors and it is well known in political science that integrated actions and cross-sector reforms are a big challenge. The cross-sector approach is highlighted as a main argument for the increase numbers of climate framework legislation world-wide (see the Global Climate Legislation Study drawing from a database of more than 160 countries at Grantham Research Institute on Climate Change and the Environment and Sabin Center for Climate Change Law). Making economic policies to be more in line with climate policies will be crucial. The climate act imitating the financial framework would probably help in this.

An important and in policy discussions too often neglected tool to up-hold climate policies is public accountability. The climate policy framework ensures information to the public and thus to environmental organisations who can act to hold government and parliament accountable. What the climate act does not provide is a legal review of the effectiveness of the government's climate reforms. It does leave that to the system of parliamentary review and public accountability. This is the same system which is used by the financial framework with the budget act. However, the climate act does not change other legal basis for legal reviews concerning the Swedish fulfilment of international obligations to combat climate change. The recent Urgenda case (Rechtbank Den Haag, case no C/09/456689/HA ZA 13-1396) in the Netherlands also shows that such legal reviews may take place notwithstanding the existence of specific national climate law.

One reflection should also be made on what the climate policy framework will not achieve, and that is around political consensus on policy reforms. It is clear in the Swedish political debate that despite wide agreement on the framework of climate policies there is no consensus on different climate reforms. The current government is pushing for new taxes on trucks and on aviation but the opposition says no and rather subsidising electric vehicles more, as only a short example. This means a climate policy framework does not wipe out a vivid political debate on the choice of political climate reforms. This shows a framework does not limit democratic powers, but rather empower a good debate on the important issues.

Finally, as one looks at world politics these days the most important function of a national climate act might be to resist any short times of political backlash, making it harder for a politically short lived climate denier to reverse climate policies. Although a law may get changed by parliament the legal form still makes it significant harder to roll-back than a simple decision by government.