Priorities in the forthcoming Swedish climate policy action plan - industry

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Introduction

In 2017, Sweden's Riksdag adopted the Climate act

According to this, every fourth year, the Government is required to present **a climate policy action plan** to describe how the climate goals are to be achieved

Several projects will provide the basis;

- Climate transition of enterprise and Industry
- Climate transition of the transport sector
- Regional and local climate transition

Today we will talk about the report for the industrial transition, which is part of the first project for which *The Swedish Agency for growth policy analysis* are responsible

Industrins klimatomställning

Underlagsrapport till regeringsuppdraget om Näringslivets klimatomställning

Naturvårdsverket Statens Energimyndighet





Introduction

The report is a result of joint work between the Swedish Environmental Protection Agency and the Swedish Energy Agency. It includes:

- an analysis of barriers for the industrial transition,
- a description of existing policies and measures,
- shortcomings in existing policies,
- suggestions of revisions, new policies or measures that should be taken in order to reach net zero.



Results

- Much of the basic policies are already in place
- The outcome from the "Fit for 55" negotiations will be of importance for the industrial transition
- We still see potential for improvements due to shortcomings in existing policies
- Barriers for an increased electrification rate needs to be handled



1. Sweden should actively advocate that the EU decides on climate targets for 2040 and an emission trajectory for the EU ETS for the entire period until 2050.



2. Sweden should actively advocate that a Carbon Boarder Adjustment Mechanism (CBAM) replaces free allocation of emissions allowances.

If free allocation remains, allocation methods need to be designed to avoid distorted competition



3. Improved support for small and medium-sized enterprises to apply for EU funding



4. The need for additional policy instruments for energy efficiency to reach climate targets should be further investigated



5. Sweden should actively advocate an increased consensus regarding the climate benefits of CCU technology.



6. Improved procurement requirements and Carbon Contracts for Difference (CCfD) could promote innovation effects





7. The authorities propose that the potential for increased material and resource efficiency in Swedish industry should be investigated, and if policies are needed.



Link to report: <u>https://www.naturvardsverket.se/om-oss/publikationer/7000/978-91-620-7045-8/</u>

More info: <u>Handlingsplan för att nå Sveriges klimatmål (naturvårdsverket.se)</u> <u>Webbinarium – Vad krävs för industrins omställning? (youtube)</u>

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