

*Annex 7*

Climate reports (RiR 2013:19)



## Annex 7, Climate reports

This annex describes the results of the Swedish National Audit Office's examination of four types of publication that give a more in-depth description and analysis of climate policy. The publications are the checkpoints (progress reviews), the in-depth evaluation, the national report and the National Institute of Economic Research environmental economic report.

### In-depth evaluation without any link to national climate policy instruments

In-depth evaluations of environmental quality objectives are carried out every fourth year, most recently in 2012. The environmental quality objective *Limited Climate Impact* is included in the evaluation. According to the Government's instructions the evaluation should include an analysis and evaluation of the effect of policy instruments and measures introduced.<sup>1</sup> The in-depth evaluation does not, however, contain any analysis or evaluation of the effects of policy instruments introduced to achieve the climate objectives. There is no data whatsoever on whether policy instruments approved have had the desired effect, despite the fact that the Government has requested it. Instead the Swedish Environmental Protection Agency refers to the checkpoint to take place in 2015.

A basic problem with the premises of the in-depth evaluation is that the analysis proceeds from a global two-degree limit and is not related to Swedish emissions or Swedish measures. This is in spite of the fact that the Government state that the in-depth evaluation is to clarify how policy instruments and measures contribute to the objectives.<sup>2</sup>

### Results of the checkpoints are difficult to assess

The checkpoints are carried out by the Swedish Environmental Protection Agency and the Swedish Energy Agency on behalf of the Government and to date two have been carried out; in 2004 and 2008. The premise was that a checkpoint for climate policy was to be carried out every fourth year, but in the Climate Bill of 2009 the Government announced that it will wait until 2015 for the next checkpoint.<sup>3</sup>

In the last checkpoint in 2008 some cost data for climate related policy instruments were reported and in some cases the effects of policy instruments employed. The report pursues some arguments

<sup>1</sup> Government decision (M2006/2845/Mk) Uppdrag att utarbeta underlag inför utvärderingen av klimatpolitiken vid kontrollstationen 2008 (Mandate to draw up a basis for evaluation of climate policy at checkpoint 2008), 29 June 2006.

<sup>2</sup> Govt. Bill 2009/10:1.

<sup>3</sup> See Government Bill 2008/09:162.



on how proposed policy instruments affect other social objectives. However, the reporting is not complete and is difficult to assess.

The checkpoint in 2008 was to contribute to many different aims and the Government had not indicated any main purpose for the report. The agencies tasks included forecasting the emissions tend to 2020, evaluating current policy instruments and effects on emissions, analysing the consequences for other social objectives, submitting proposals for new climate objectives, proposing new cost-effective measures and reviewing the environmental quality objective.<sup>4</sup> The checkpoint devoted much space to analysing new proposals for climate policy objectives and policy instruments. In the 2009 Climate Bill the Government, however, chose another formulation of objectives and policy instruments than was proposed in the checkpoint. The analyses and forecasts of the checkpoint were made before the 2008–2009 financial crisis, which means that external factors changed the conditions for objectives and policy instruments in climate policy.

All in all, there is no current and relevant checkpoint. The work of the 2015 checkpoint was started in summer 2013.<sup>5</sup>

## The national report – the UN requirement for in-depth follow-up

The 2009 national report describes historical emissions by sector, as well as forecasts of emission trends to 2020. The forecast results are analysed in relation to UN objectives, EU objectives and national objectives.<sup>6</sup> The emission forecasts and calculations of effects of policy instruments are reported in total for policy instruments adopted by both the EU and the Riksdag.<sup>7</sup> The most important climate efforts are listed with information on the main purpose of the policy instrument, the greenhouse gases concerned, the status of the policy instrument and the government agency in charge of the policy instrument. For some policy instruments an assessment is made of how it has affected emissions of greenhouse gases.<sup>8</sup>

Estimated effects of climate measures in Sweden and at EU level in 1990–2010 are reported on the basis of reporting requirements overall per sector, but without any link to the respective policy instrument. Only in a few cases are the estimated effects reported at policy instrument level. As regards costs there is no data per policy instrument and in total for climate policy. For some measures in the electricity and heating sector costs of measures are reported, however.<sup>9</sup>

<sup>4</sup> Ministry of Sustainable Development 29 June 2006. Mandate to draw up a basis for evaluation of climate policy at checkpoint 2008. Government Decision 33, M2006/2845/Mk.

<sup>5</sup> *The Government starts work on control of Sweden's climate objectives*. Ministry of the Environment press release 11 July 2013. See also the Government's mandate to the Swedish Environmental Protection Agency and Swedish Energy Agency to draw up a basis for evaluation of climate policy at checkpoint 2015 for the climate and energy policy objectives, Government Decision M2013/2523/KL.

<sup>6</sup> Ministry Publications Series Ds 2009:63 p. 10 f.

<sup>7</sup> *Ibid.* p. 10 f and 60 f.

<sup>8</sup> *Ibid.* p. 58 f.

<sup>9</sup> *Ibid.* p. 34 f. and p. 56 f. The reporting must present emission data by sector as well as a forecast of emission trends in 2015, 2020, 2025 and 2030. Emission data is reported for both the trading and non-trading sector and achievement of



Apart from the UN, the EU also requires climate reports. Every other year the Swedish Environmental Protection Agency submits a progress report to the EU (Report for Sweden on assessment of projected progress).

## **National Institute of Economic Research environmental economic report**

Every year starting in 2012 the National Institute of Economic Research prepares a report on the macroeconomic aspects of environmental policy, including the short and long-term effects of economic policy on the Riksdag's environmental quality objectives and on otherwise environmentally sustainable development.<sup>10</sup> The assignment is freely formulated and the first report focuses on climate policy.

The report gives a broad picture of various types of support and policy instruments in climate and energy policy. The agency discusses cost efficiency, interaction of objectives and how policy instruments in the climate and energy sector interact. Fulfilment of the milestone target for 2020 is analysed, as is the absence of an emission reduction pathway for 2030 and 2050. The report analyses some policy instruments but does not give a comprehensive picture of climate policy. The report mainly contains general arguments around interaction of policy instruments and cost efficiency. The costs of some policy instruments are reported, but not in total for all policy instruments.

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objectives is analysed in relation to the Kyoto objectives, EU objectives and national objectives. Furthermore the most important climate measures are listed, though without any link to costs, effects or side-effects.

<sup>10</sup> Ministry of Finance, *Appropriation directions for budget year 2012 regarding the National Institute of Economic Research* 22 December 2011.

