



Ministry of the Environment and Energy

Largest ever investment in building a green society

Our generation must pass on to our children a society in which the major environmental problems have been solved. A great deal remains to be done if we are to succeed in this. Sweden must show leadership when it comes to living up to climate and environmental commitments and becoming one of the first fossil-free welfare nations. The Government has previously presented major investments in the area of climate and the environment. Well-invested funds produce results in the process of building a green society, strengthening our competitiveness and creating jobs all over Sweden.

In the budget for 2018, the Government proposes total investments in climate and environmental efforts, in various expenditure areas, in and Sweden and internationally, of SEK 5 billion in 2018. Of this, SEK 2 167 million has already been presented for investments in oceans, solar cells, the Green Industry Leap and international development cooperation (see the specification below).

Compared with previous governments, there is a very clear difference in the level of ambition in the area of climate and the environment. One example can be taken from the investments in expenditure area 20 (General environmental protection and nature conservation), i.e. one part of the total investments, which will be approximately 110 per cent higher in 2018 than in 2014 – in other words more than double.

The Budget Bill for 2018 is based on an agreement between the Government and the Left Party.

Theme 1: Investments in adaptation throughout Sweden

Without proper climate investments here and now, we will not meet the goals of the Paris Agreement. The Government considers that all of Sweden should be involved in climate adaptation and no one should be left dependent on outdated solutions when Sweden becomes fossil-free. Investments need to be made in homes, municipalities and the business sector, not least in Swedish industry. To reach the climate goals, comprehensive adaptation measures will be necessary.

	2018	2019	2020
The Climate Leap	800	1300	2300
The Green Industry Leap (previously presented)	300	300	300
Energy and climate advisory services and adaptation	190	250	335
Climate change adaptation	97	182	182
Other	10	10	10
TOTAL	1 397	2 042	3 127

Table 1. Investments in the area 'Adaptation throughout Sweden'

The Climate Leap

Thanks to the comprehensive investment support called the 'Climate Leap', municipalities, companies, organisations and others can apply for investment support for measures to reduce climate impact, such as investments in biogas or the installation of charging points. So far, a total of SEK 2 billion in support has been allocated to over 1 000 different investments. To enable more investments and provide better support to projects with a longer investment horizon, this popular programme is being strengthened by a further SEK 800 million in 2018, so that it will cover a total of SEK 1.5 billion in 2018.

The Green Industry Leap

Emissions from industrial incineration and processes currently make up a third of Sweden's total emissions. With the Green Industry Leap, the Government is investing SEK 300 million per year in support for far-reaching measures to reduce emissions in industry, strengthen companies' long-term competitiveness and secure Swedish jobs. The Green Industry Leap is a long-term reform that will begin in 2018 and is planned to continue until 2040. The initiative covers support for feasibility studies – including detailed planning studies – and support for investments. The target group for this support is industry with process-related emissions, and also universities/research institutes.

Energy and climate advisory services

Municipal energy and climate advisory services have provided households and companies with better opportunities to contribute to energy and climate adaptation. The initiative helps to strengthen the effects of economic policy levers. The Government proposes that state aid for advisory services be extended and enhanced. This increase will enable more in-depth advice at local level and impact projects, as well as an initiative for integration through energy and climate advisory services. The latter is necessary as there is a need for advisory services in languages other than Swedish, which can be provided by newly arrived immigrants with knowledge about energy and climate.

Climate change adaptation

We are already seeing the devastating effects of a changing climate all over the world. These changes will continue and it is necessary to adapt society at an early stage to the altered circumstances. One major advantage of early adaptation measures is the ability to protect society against potentially more dangerous and expensive effects further down the line. The Government will therefore produce a national strategy for climate change adaptation in 2018.

The Government proposes an increase of the appropriation for climate change adaptation of SEK 97 million in 2018. This increase in the appropriation means additional opportunities to strengthen long-term efforts and coordination of climate change adaptation, and to increase knowledge about climate change and its impact.

The Göta River Valley is one of the areas in Sweden that is most at risk of landslide in a changing climate. The Government wants to enable more measures for landslide protection along the Göta River and proposes an investment with state co-financing for such measures. A delegation for the Göta River will also be established at the Swedish Geotechnical Institute.

Theme 2: A fossil-free Sweden

Sweden has for the first time ever clear and long-term goals for the transition to renewable energy. Sweden will have 100 per cent renewable energy by 2040, and emissions in the transport sector, which is currently very much dependent on fossil energy, will decrease by 70 per cent by 2030. Clarity in these goals means that all actors can now plan their activities. The Government has previously presented a number of reforms for renewable energy and this year's Budget Bill contains proposals for additional robust measures.

	2017	2018	2019	2020
Increased support for solar cells (presented previously)	203	550	575	965
Investment in developing fossil-free transport solutions		180	200	250
Charging at home and away		150	150	150
Other		313	1 318	1 778
TOTAL	203	1 193	2 243	3 193

Table 2. Investments in the area 'A fossil-free Sweden'

Increased support for solar cells

Solar energy will play an increasingly important role in a future sustainable energy system. The Government wants to favour the expansion of solar energy and is therefore considerably increasing investment support for solar energy. The great level of interest combined with limited resources has meant that a waiting list has built up for access to this support. The Government wants to top up this investment support this year with SEK

200 million to tackle the backlog and proposes an increase in support of SEK 525 million in 2018. The Government considers that the level of support should be raised to 30 per cent for all recipients of support, from the current 20 per cent for households.

Investment in developing fossil-free transport solutions

Domestic transport accounts for one third of Sweden's emissions of greenhouse gases, and measures are necessary to achieve the goal of a fossil-free vehicle fleet. Through this investment, the Government is supporting the transition to an electric transport sector and making investments in developments in biogas and other areas. These measures strengthen the competitiveness of the Swedish automotive industry and contribute to the development and export of products that are beneficial to the environment on a global level.

Charging at home and away

Purchasing an electric vehicle must be a safe investment. Obstacles to using electric vehicles must be reduced, including through an expansion of charging infrastructure. The Climate Leap is important for increasing the number of charging points, but the transition also requires more charging points at home, at workplaces, along roads and regionally. So far, the Climate Leap has granted support to local and regional climate investments, which will lead to 9 000 charging points for electric vehicles. Through a new 'charge-at-home' support, the Government is now making it easier and cheaper for households to install charging points for electric vehicles at home.

The Government will also review access to fast chargers along major roads and at regionally strategic locations with the ambition of carrying out a strategically important expansion of charging infrastructure throughout Sweden.

Theme 3: Dynamic cities

The competition for land is tough in growing cities. The priority must be on a city that is more dynamic. In cities, more people are able to lead their day-to-day lives without a car of their own. Good urban planning increases the chances of achieving transport-efficient cities, which also makes it easier for travellers to choose efficient public transport, or to walk or bicycle rather than use a private car.

To increase the opportunities for cities to solve many of today's environmental and climate challenges, the Government has introduced a number of tools, including urban environment agreements and the Climate Leap. These tools will now be supplemented by the new support for green cities and an electric vehicle premium to encourage more people to choose a bicycle for their daily transport needs.

In autumn 2017, the Government will present a coherent policy for sustainable urban development that focuses on dynamic cities.

	2018	2019	2020
Support for green cities	100	500	550
Electric vehicle premium	350	350	350
Other	110	155	255
TOTAL	560	1 005	1 155

Table 3. Investments in the area 'Dynamic cities'

Green city support

The Government will establish support primarily intended for municipal green city measures: peri-urban park areas, ecosystem services in urban environments and children's outdoor environments. Through this support, the Government aims to strengthen the opportunities for cities to develop into dynamic, green, healthy and safe places where people meet and innovations are created. The Government is allocating SEK 100 million for this in 2018. The Government Offices is working on the design of the support.

Electric vehicle premium

In cities, there are a variety of ways to replace travel by car with other modes of travel. Especially in larger cities, more people are able to live and work without owning a car. To decisively improve the possibilities of commuting and travelling in a climate-friendly way, the Government is allocating SEK 350 million in 2018 to an electric vehicle premium for the purchase of electric bicycles or electric scooters. This will give large groups of potential

commuter cyclists access to electricity-powered vehicles and make it easier for them to choose not to travel by car.

The exact design will be determined later, but our starting point is a premium amounting to 25 per cent for the most common electric vehicles, such as electric bicycles, but no more than a SEK 10 000 premium per vehicle.

Theme 4: Clean seas and environment

Biodiversity is under threat. More than half of the world’s vertebrate animals have already disappeared, and species are disappearing at an ever increasing rate. This trend must be reversed. Sustainable forests and seas are necessary for our economic prosperity.

Protecting valuable forests and marine areas is important to ensure and preserve biodiversity in forests, coastal and marine areas. In the Budget Bill for 2018, the Government is therefore investing SEK 1 069 million in measures that include increasing protection of biodiversity, natural forests and marine areas. Measures will also target sustainable production and consumption.

	2018	2019	2020
Clean seas (presented previously)	606	711	811
Protection of valuable forests	256	256	256
Sustainable consumption and production	99	177	232
Other	108	152	158
TOTAL	1 069	1 296	1 457

Table 4. Investments in the area ‘Clean seas and environment’

Clean seas

Robust measures are needed to tackle eutrophication, environmental toxins, littering and other threats against Sweden's lakes, seas and coastlines. As already announced, the Government proposes investing an additional SEK 600 million next year in measures for clean seas. The Government wants to use these new funds for projects aimed at cleaning up environmentally hazardous shipwrecks, measures targeting seabeds contaminated by old industrial emissions, measures against eutrophication and measures to strengthen protection of marine areas.

Protection of valuable forests

The Government will increase the annual appropriations to the Swedish Environmental Protection Agency by SEK 150 million, and to the Swedish Forest Agency by SEK 100 million, until the end of 2027.

Environmental consideration must increase in managed forests and additional measures that promote the varied and sustainable management of forest landscapes must be carried out to achieve the environmental quality objectives and the outdoor recreation objectives. The Government considers that the area devoted to continuous cover forestry should increase, and is therefore increasing support to continuous cover forestry by SEK 6 million per year.

Sustainable production and consumption

Since 1990, emissions of greenhouse gases in Sweden have decreased by 25 per cent. At the same time, consumption-based emissions that occur in other countries but were caused by Swedish consumption have increased by more than 50 per cent. The Government considers it important to take measures to reduce emissions from Swedish consumption to a level that is sustainable in the long term. In 2018, the Government will make various investments in the circular economy and sustainable production and consumption.

Part of this effort concerns the production and consumption of organic food. Another part concerns the consumption of textile goods, which has increased significantly in recent decades. Textile materials are produced in large quantities and are among a variety of goods that are widely used in society. Our efforts include creating sustainable business models among small and medium-sized enterprises and providing information to consumers.

Theme 5: International leadership

Implementing the Paris Agreement requires cooperation among many of the world's countries to ensure a good distribution of knowledge, technology and financing. The Government's position is that Sweden should take the lead and show leadership both at home and around the world, and is therefore bolstering international measures. Sweden supports developing countries in building the capacity for climate adaptation, and is one of the largest donors per capita to both the Green Climate Fund and the Global Environmental Facility.

	2018	2019	2020
Environmental investments in development cooperation (presented previously)	742	742	742
Implementation of the Paris Agreement	70	90	90
TOTAL	812	832	832

Table 5. Investments in the area 'International leadership'

Environmental investments in development cooperation

The Government is now increasing investments in climate, environment and oceans in the aid budget for 2018.

The allocation will be channelled through core support to international organisations. The Government is increasing support to the Adaptation Fund and the Least Developed Countries Fund, which will allow developing countries to increase investments in climate adaptation. Support to the Swedish Fund for Industrial Cooperation with Developing Countries and the Swedish International Development Cooperation Agency (Sida) will also be increased, including through bilateral strategies where large parts will go to environmental and climate initiatives in partner countries. A special initiative regarding oceans and climate will be conducted during the year so as to maintain Sweden's high level of ambition in this area.

Implementation of the Paris Agreement

The Government is allocating funds to enable Sweden to develop and support international climate cooperation that contributes to raising the level

of ambition in the implementation of the Paris Agreement. This includes contributions to new international forms of cooperation, not least through cooperation with middle income countries. These countries account for a large and growing share of greenhouse gas emissions.

Summation

	2017	2018	2019	2020
Investments in adaptation throughout Sweden	3	1 397	2 042	3 127
A fossil-free Sweden	203	1 193	2 243	3 143
Dynamic cities		560	1 005	1 155
Clean seas and environment		1 069	1 296	1 457
International leadership		812	832	832
TOTAL	206	5 031	7 418	9 714

Table 6. Summation of the Government's new investments (SEK million)