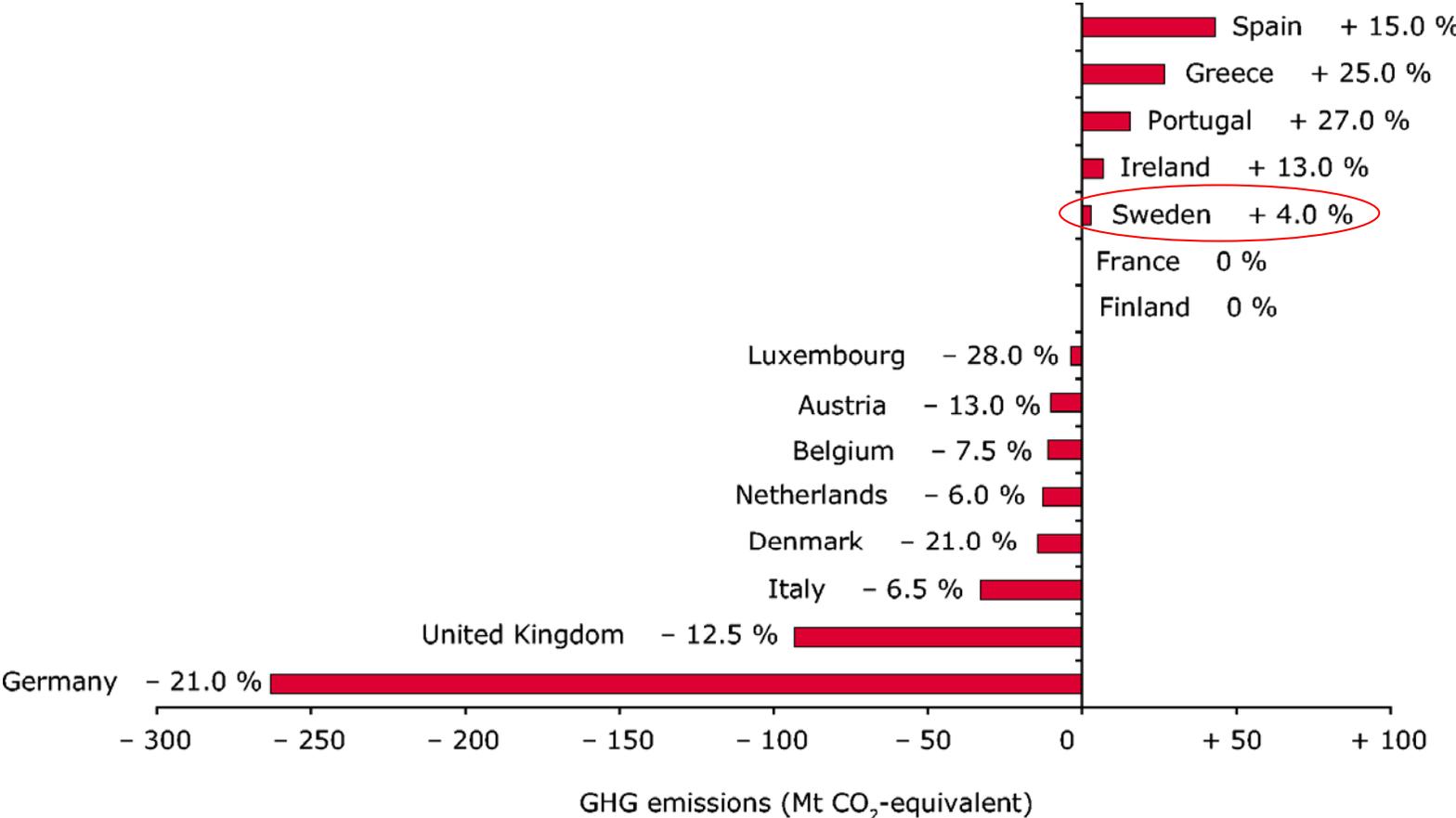




# What are Sweden's Emission Rights Worth?

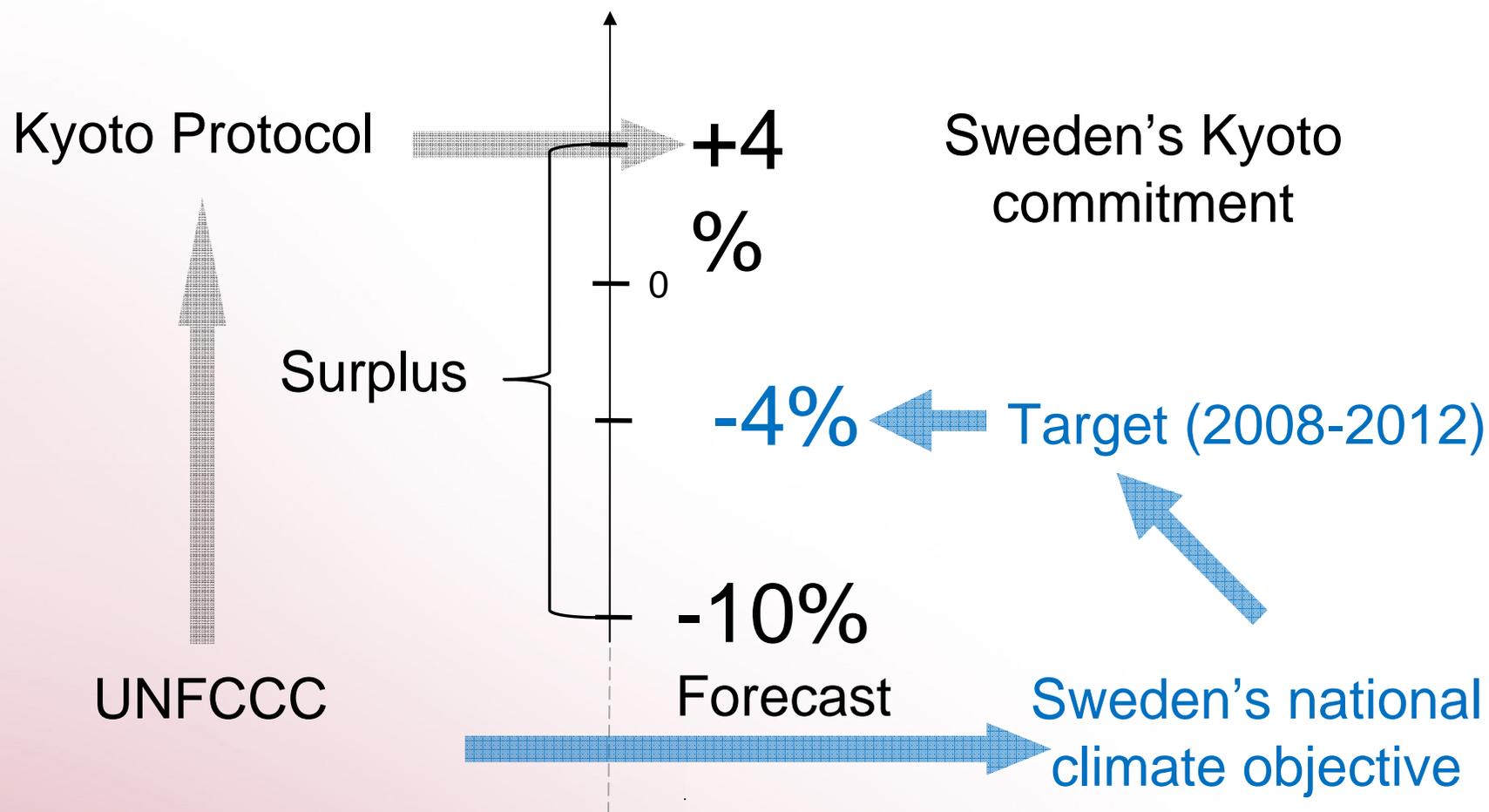
EUROSAI WGEA seminar March 24, 2010 in Copenhagen

# EU-15 Kyoto Protocol commitment



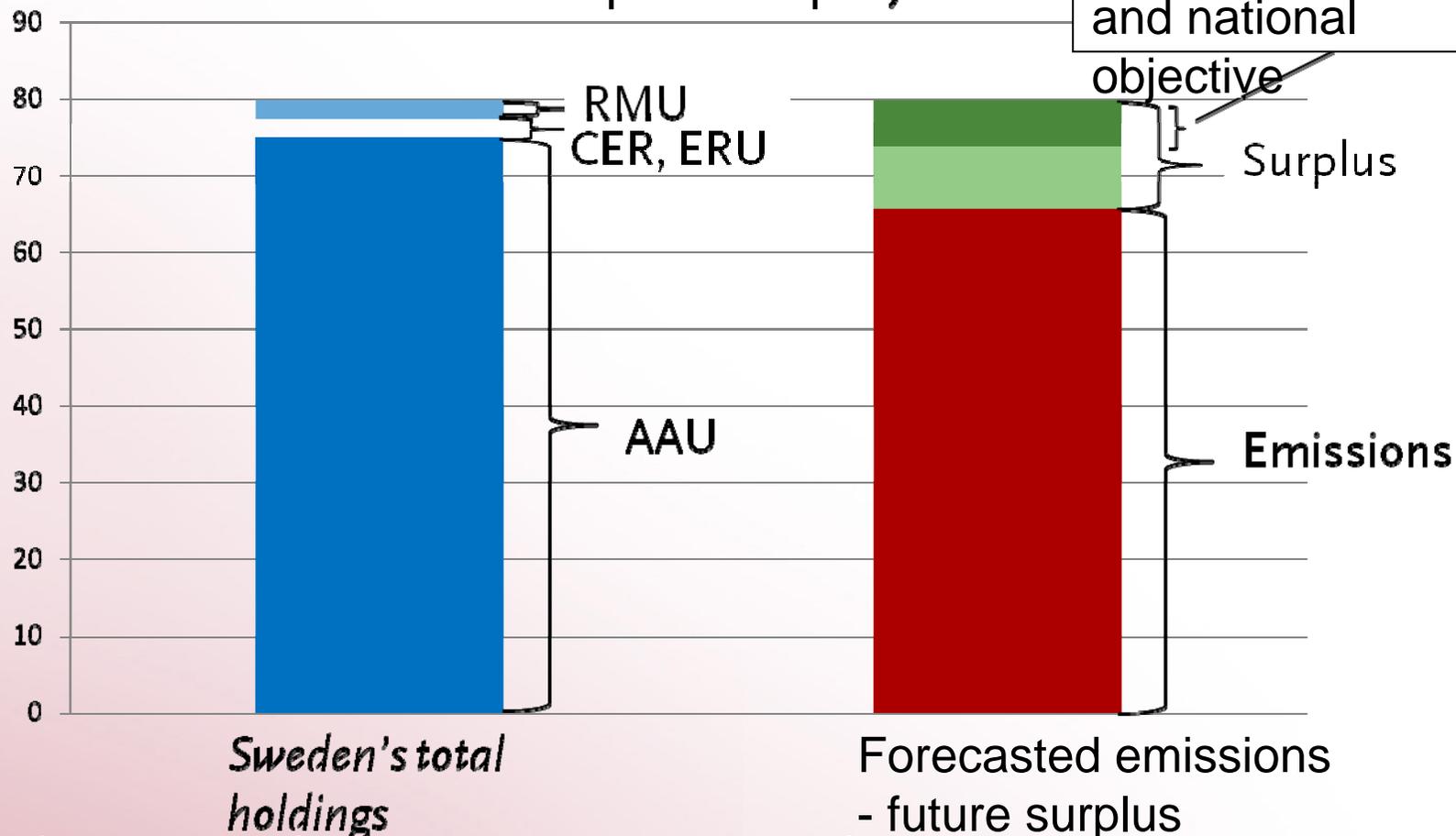
Source: European Environmental Agency

# Three alternatives: sell, save, cancel



# Surplus of emission rights

Million tonnes carbon dioxide equivalents per year



Sources: Data from the Swedish Environmental Protection Agency and the Swedish Energy Agency, processed by the SNAC.

# The Government has not informed about

- The future surplus of emission rights and the consequences of various courses of actions for the emissions' target for the 2008-2012 period
- Sweden's holdings of emission rights or the future surplus of emission rights in the Central Government Annual Report neither in climate bills nor in budget bills

# Shortcomings in the Agencies reporting

- The agencies have only mentioned the surplus of emission rights in a report published five years ago. Cancelling surplus emission rights was not addressed.
- The Environmental Protection Agency has not informed the general public or the Government about the value of the future surplus of national emission rights or how the handling of the surplus affects the attainment of emissions' target for the 2008-2012 period
- The Energy Agency has not provided information on Sweden's total national holdings of the entire range of emission rights, or on the surplus of such rights

# Consequences

- The lack of decision makes it uncertain whether the national emissions' target for the period of 2008-2012 will be attained, despite reduced emissions
- If the future surplus of emission rights were to be sold, the national climate objective will not be attained. Sweden's efforts will not achieve the climate objective nor global reductions of emissions: The effects of further efforts will be unclear
- A sale would strengthen the government budget. The Riksdag have not been given an opportunity to decide on how to handle about SEK 7 – 9 billion (approximately EUR 600-700 million)



# Consequences

- Lack of consensus among the government agencies and ministries concerned
- The lack of consensus may have negative effects on the coherence of the ministries' and agencies' efforts to achieve emission target for 2012
- Lack of clarity and consensus about how to achieve the subsequent national emission target for 2020

# Recommendations to the Government

- Report to the Riksdag on Sweden's total national holdings of emission rights and on their estimated value
- Present to the Riksdag a proposal for a decision on the handling of the future surplus of emission rights
- Regulate – Who is the holder of the central-government sector's accounts?
- Account for overall information to the general public
- Ensure that the Energy Agency promotes the national climate objective by reporting to the Government and the Environmental Objectives Council

# Recommendations to the agencies

The Environment Protection Agency should inform the general public about:

- Sweden's total national holdings
- Future surplus relative to Sweden's official emission forecasts
- How different courses of action as regards the handling of that surplus will affect compliance with the national objective of *Reduced Climate Impact* and with its emission target for 2012

The Energy Agency should:

- Develop reporting so that it covers Sweden's total national holdings of the entire range of emission rights