

Avosetta Meeting

May 29th/30th 2026 – Copenhagen

“Instruments of Climate Mitigation and Energy Transition”

Introduction

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The EU is pursuing a comparatively ambitious climate policy. However, it is increasingly coming under pressure. Achieving the self-imposed targets appears uncertain.

In Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality (“European Climate Law”), the EU committed itself to achieving climate neutrality by 2050 and reducing net greenhouse gas emissions by 55% by 2030 and by 90% by 2040 (compared to 1990 levels).

The central instrument for achieving these targets is the EU Emissions Trading System (ETS I).

From 2028 onwards, emissions from the buildings and road transport sectors are to be included in the EU Emissions Trading System (ETS II).

For areas that (so far) are not fully integrated into emissions trading, the Effort Sharing Regulation 2018/842 (ESR) applies. It sets national reduction targets for the Member States. Member States that fail to meet these targets will in the future have to buy emission allowances from other EU countries that have overachieved their targets.

In addition to these more or less market-based instruments, the EU also relies on regulatory measures. With the Renewable Energy Directive 2023/2413 (RED III), the EU target for the share of renewable energy in 2030 was raised to 42.5% (with the aim of reaching 45%). There are also stricter energy efficiency requirements.

In the transport sector, the EU initially adopted a ban on combustion engines from 2035 onwards but has since moved back significantly from this position.

In the land-use sector (LULUCF), the EU obliges Member States to increase the removal of CO₂ through natural sinks (forests, wetlands) (“no debit rule” plus restoration targets).

To cushion the social impacts of the measures under ETS II in particular, the EU has created a compensation mechanism, the Social Climate Fund. In addition, the Just Transition Mechanism is intended to help regions that are heavily dependent on fossil-fuel-based industries finance structural change.

Objective of the Copenhagen Meeting

The aim of our meeting and of the subsequent questionnaire is to make the national implementation of EU environmental policy requirements transparent. Implementation

successes and shortcomings should be highlighted, as well as nationally independent climate policy and regulatory approaches.

Questionnaire

The following questionnaire is intended to give us some common ground for discussion and analysis. Please feel free to choose the topics that are particularly relevant while leaving out the questions that are irrelevant in your national context.

Please remember also the obligation to provide a brief **National Report on Recent Developments in Environmental Law**, including a section on Recent Developments in Climate Litigation.

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1. Political Situation

Is EU climate (and energy transition) policy generally supported or viewed critically in the respective national political context? How has national climate (and energy transition) policy developed in recent years? What are the prospects for future political developments? What are the key climate (and energy transition) policy controversies in the national political debate? What has been the role of the Courts in your national context?

To begin with, it should be noted that the Swedish government has been conservative since 2022, ruling with the support of a right-wing party that is sceptical of both the climate crisis and the EU. Thus, the ‘nothing here, nothing there’ policy in Sweden continues (see cartoon in the report to the Avosetta meeting in 2024).¹ In a recent article, Mattias Goldman – professor of international law at EBS Universität für Wirtschaft und Recht in Wiesbaden – highlighted this policy of nothingness and contradiction.² By analysing the content of the instruction letters to national authorities for 2026, he revealed that all effective measures focused on developing nuclear power, while climate adaptation measures were either vague or counterproductive (e.g. recommending trains instead of flights and allowing gas installations to receive export credits (Siemens)). Although Sweden prides itself on being ‘best in class’ with regard to renewable energy production and meeting EU climate neutrality goals, current policy is heading in a different direction → First, industrialisation, whether green or not. Second, Sweden must eliminate all ‘gold plating’, particularly with regard to national neutrality goals. Third, the introduction of new nuclear power is the solution to the ‘energy crisis’, which actually is not present in Sweden for the moment.

The background is that Sweden for years has had rather ambitious national climate goals, as well as an obligation under the Climate Act (2017:20) for the government to report its efforts. In October 2025, the All-Party Committee on Environmental Objectives presented a report on updated national climate goals for 2030. This was summarised as follows:

The Climate Policy Council is putting forward a proposal for an updated target structure for Sweden's interim target for reducing greenhouse gases by 2030. The Council proposes that the base year for the 2030 milestone be

¹ http://jandarpa.se/wp-content/uploads/2025/02/2024-Recent-developments_SE.pdf

² Goldman, M: *Så här styr regeringen myndigheterna på klimatområdet 2026* (How the government guides the climate policy of the national authorities in 2026), JP Miljönet 2026-03-11.

changed from 1990 to 2005. The Council proposes that greenhouse gas emissions in the ESR sector should be reduced by at least 60 per cent compared with 2005, of which 10 percentage points may be achieved through supplementary measures. It is proposed that emissions follow a target path until 2030. In order to monitor progress towards the 2030 interim target and the target path, the Climate Policy Council proposes, through an amendment to the Climate Act, that the Government should monitor emissions trends and the development of supplementary measures in relation to the interim target and target path in its climate report.

The Climate Policy Council proposes that bio-CCS, increased uptake in the land use sector and three types of verified emission reductions outside Sweden's borders can be used as supplementary measures and proposes accounting rules for these. The Climate Policy Council also proposes that the relevant authorities be tasked with proposing accounting rules for additional supplementary measures that can be taken within Sweden's borders.

The Climate Policy Council assesses that a more thorough review of Sweden's target structure and interim targets for 2040 will be needed once the EU framework is in place and proposes that the Climate Policy Council be tasked with conducting such a review at that time.

The Climate Policy Council considers that a transition in the transport sector is central to Sweden's ability to meet its commitments within the EU and nationally, and that the national target for domestic transport by 2030 has provided a clear signal to actors in the transport sector. The Council proposes that relevant authorities be tasked with proposing targets or indicators for the phasing out of fossil fuels and the electrification of the vehicle fleet that complement EU legislation.

When the government received the report, the Minister for Climate expressed her satisfaction that all the political parties had agreed on the scheme. However, in February this year, she announced that the national target for domestic transport would be abolished, as she considered it to be 'unrealistic'. This government's move may be explained by the fact that, with its current policy direction, Sweden looks set to miss all its national climate targets. For example, emissions from the transport sector were supposed to be reduced by 70% between 2010 and 2030. However, according to the Swedish Environmental Protection Agency, Sweden has only managed to reduce these emissions by 19%. It is also typical of today's political debates that some government parties are calling for the Climate Policy Council to be closed down.

As Ludwig Krämer pointed out in his document 2026-02-26, the figures for the GHG emission targets reached in Sweden in 2024 differ substantially between the Commission's Climate Action Progress Report 2025 (+51%) and the EEA's Annual EU GHG Inventory 2025 (+11.6%). I asked Magnus Nilsson, a journalist and one of the most well-informed people in Sweden on this matter (<https://www.nilssonproduktion.se/>), and he replied:

I guess the figure +51% is taken from the report's appendix (at page 33), where Sweden reports an increase in net emissions (emissions minus carbon storage but also including the refuelling of bunker fuels for aviation and shipping) 1990-2024.

This variable is a bit unusual, and the somewhat strange outcome can probably be explained in part by the inclusion of bunker oils, which are not usually included in national statistics (bunkering has certainly increased significantly since 1990). In addition, the recorded carbon storage in 2024 was very low.

Concerning the EEA report, he said:

According to statistics from the Swedish Environmental Protection Agency for the years 1990 and 2024, the figures are as follows:

	1990	2023
ETS	46.26	17.58
ESR	25	26.65
LULUCF	-59.56	-46.05
	11.7	-1.82

Concerning the figures under paragrapg 2 in Ludwig Krämer’s document:

As can be seen, the net figure for 1990 is close to that in the table you refer to – emissions were 11.7 vs. 11.9 Mton greater than storage.

However, the figure below for 2023 (that emissions would be 13.2 Mton greater than sequestration) seems strange. According to the Swedish Environmental Protection Agency's figures, sequestration was 1.82 Mton greater than emissions.

2. Overall Climate Policy Targets

Are the EU’s overall climate targets (2035/2040/2050) considered adequate / too ambitious / insufficient in national politics? Has the Member State set more ambitious national climate targets (“gold plating”)? If so, what additional national targets are being pursued?

According to the Environmental Protection Agency (Naturvårdsverket), Sweden's climate targets are generally more ambitious and ahead of schedule than the EU's common targets. However, a caveat is needed here, as the Swedish target for climate neutrality is constructed differently to the EU's, making a comparison difficult. Sweden aims to be climate neutral by 2045 and then achieve negative emissions, while the EU's target is to be climate neutral by

2050. Sweden also has specific interim targets for 2030 and 2040 that go beyond the EU's requirements. Here are the main differences and connections:³

Climate neutrality (net zero):

Sweden: By 2045, followed by negative emissions.

EU: By 2050 at the latest.

Target for 2030 (compared to 1990):

Sweden: Aim for a reduction in emissions of approximately 63% (for sectors outside the emissions trading system).

EU: At least 55% reduction in net emissions (including LULUCF).

Effort Sharing Regulation (ESR) 2030: The EU requires Sweden to reduce its emissions in transport, agriculture and buildings (non-trading sector) by 50% by 2030 compared to 2005 levels. The All-Party Committee on Environmental Objectives recently proposed that the national ESR target should be to reduce emissions by 60%.

Forestry and land use (LULUCF): Sweden has binding EU requirement to increase the net uptake of carbon dioxide in forests and land. Sweden's interim targets are 40% lower emissions by 2020, 63% by 2030 and 75% by 2040 (compared to 1990), which is tougher than the EU's requirements.

3. Emission Trading System I (Industry)

Is ETS I considered appropriate? If not, what reforms are viewed as priorities from the national perspective?

Sweden is one of the strongest supporters of the system, as we benefit from a plentiful supply of renewable electricity and a number of pioneering companies, green steel, etc...

4. Emission Trading System II (Buildings and Road Transport)

What share of national total energy consumption is attributable to buildings and road transport? Is the postponement of ETS II to 2028 viewed positively? Are buildings and road transport already part of a national regulatory regime that anticipates elements of ETS II? How are the prospects for decarbonizing the national building and transport sectors assessed?

Based on 2024–2026 data, buildings and road transport constitute a significant portion of Sweden's energy demand, with road transport accounting for about 20–33% of domestic emissions and residential/commercial buildings making up over 35% of final energy consumption. Sweden generally opposes further delays to the EU's ETS II (the second Emissions Trading System for buildings and transport), viewing them as detrimental to

³ The figures in this report are based on information from the Swedish the Environmental Protection Agency (Naturvårdsverket), the Statistics Sweden (Statistiska Centralbyrån) and the Energy Agency (Energimyndigheten). The accuracy is controlled by Magnus Nilsson.

climate goals, and already has a strong national regulatory framework that anticipates these changes.

Energy Consumption: Buildings and Road Transport:

- Road Transport: Represents approximately one-third of Sweden's total domestic greenhouse gas emissions (16.8 Mt CO₂-eq in 2024). In terms of final energy consumption, transport accounted for about 20.5% in 2023. Emission Impact: Transport accounts for half of energy-related CO₂ emissions in Sweden.
- Buildings: Residential buildings accounted for roughly 22.2% of total final energy consumption in 2023, while commercial and public services accounted for 13.1%, totaling over 35% combined.

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View on Postponement of ETS2 to 2028:

Sweden is not viewing the postponement of ETS2 to 2028 positively; rather, it is actively resisting further delays.

- Opposition to delays: Alongside Denmark, Finland, and Luxembourg, Sweden has formed a front opposing calls from other EU nations to delay or weaken the ETS2, which imposes a carbon price on heating and transport fuels starting in 2028.
- Policy effectiveness: Sweden argues that delaying the ETS2 undermines the effectiveness of EU climate policy and increases uncertainty for investment decisions.
- Focus on reliability: Sweden preferred maintaining the 2027 schedule to allow for a predictable transition, even while acknowledging it might raise short-term fuel costs.
- It is also worth noting that, unlike any other member state, Sweden has added non-obligatory activities to ETS2, including agriculture, forestry, boat traffic and fishing.

National Regulatory Regime Anticipating ETS2:

Sweden is well-positioned for ETS2 because it has already implemented strict national policies targeting these sectors:

- Carbon tax: On the one hand, Sweden has one of the highest carbon taxes in the world, which already covers heating and transport fuels. On the other hand, as Magnus Nilsson points out, this is much a chimera as the tax on diesel is among the lowest in the EU.
- Reduction obligation (Reduktionsplikt): A mandate requiring fuel suppliers to reduce emissions from petrol and diesel by blending in biofuels, although this was reduced to minimum levels in 2024.
- Building regulations: The Swedish National Board of Housing, Building and Planning (Boverket) already sets strict climate declaration requirements and limit values for greenhouse gas emissions from new building construction.

Prospects for Decarbonization:

The assessment of future decarbonization in Sweden is mixed, with strong goals challenged by recent policy shifts.

- **Transportation:** Sweden has a target to reduce transport emissions by at least 70% by 2030 (compared to 2010). However, the Climate Policy Council reported in 2025 that this target is unlikely to be achieved under current policies, partly due to reduced taxation on fossil fuels and lower biofuel blending requirements, causing emissions to rise.
- **Buildings:** The sector has strong potential due to high use of district heating and heat pumps, with the renewable share in buildings projected to reach 89% by 2030.

Overall outlook: While Sweden has the lowest share of fossil fuels in its energy supply among IEA countries, current policies are deemed insufficient to meet 2030 targets without further intervention, according to the 2025 Climate Policy Council report.

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5. Double regulation?

Is there a discussion about the topic of 'double' regulation: e.g. energy efficiency in ETS installations / build environment, National taxes on/pricing of CO2 emissions, Emission Limit Values in environmental permits?

- Not to my knowledge...

6. Effort Sharing

Is the Member State “on track” to meet its national reduction targets under the Effort Sharing Regulation 2018/842? Is failure / compliance / over-achievement of the EU requirements expected? What are the main challenges or success factors influencing compliance or non-compliance with the EU requirements? Does the state intend to sell its own emission credits or to purchase such credits from other Member States?

Based on the latest reports and projections (as of 2024–2025), Sweden is not on track to meet its national emission reduction targets under the Effort Sharing Regulation (ESR) 2018/842 for 2030, despite historically being a leader in climate policy.

Here is a detailed breakdown:

On Track Status & Compliance Expectation

- **Current status:** The Swedish Climate Policy Council reported in 2024 and 2025 that current government policies are insufficient to meet the 2030 targets.
- **Expected Outcome:** Failure to meet both the national 2030 targets and the EU Effort Sharing regulation commitment is expected, unless significant new measures are introduced.
- **The gap:** In 2024, it was estimated that emissions would not return to 2023 levels until 2027, and the 2030 target for domestic transport will not be met. Recent 2025 updates suggest a 5.8 million-ton gap in the EU target, which is much higher than initially projected.

Main Challenges and Success Factors

Challenges (Causes of Non-Compliance):

- Policy rollbacks: The government reduced taxes on fossil fuels and lowered the reduction obligation (biofuel blending mandates) for diesel and petrol in 2024.
- Short-term increase: These actions directly resulted in an increase in greenhouse gas emissions in 2024, reversing previous downward trends.
- Postponed action: Necessary decisions to curb emissions have been deferred to the next term of office (2027–2030), creating a need for a very rapid reduction later.

Success Factors / Future Mitigation:

- Long-term ambition: Sweden still maintains a strong target to reach net-zero emissions by 2045, which is supported by all parliamentary parties.
- Bio-CCS: Sweden is investing heavily in Bioenergy with Carbon Capture and Storage (BECCS), allocating SEK 36 billion (approx. EUR 3.3 billion) for 2026–2046 to help meet long-term goals.
- Industrial electrification: Continued investment in the "Industrial Leap" initiative (Industriklivet) supports green industrial transition.

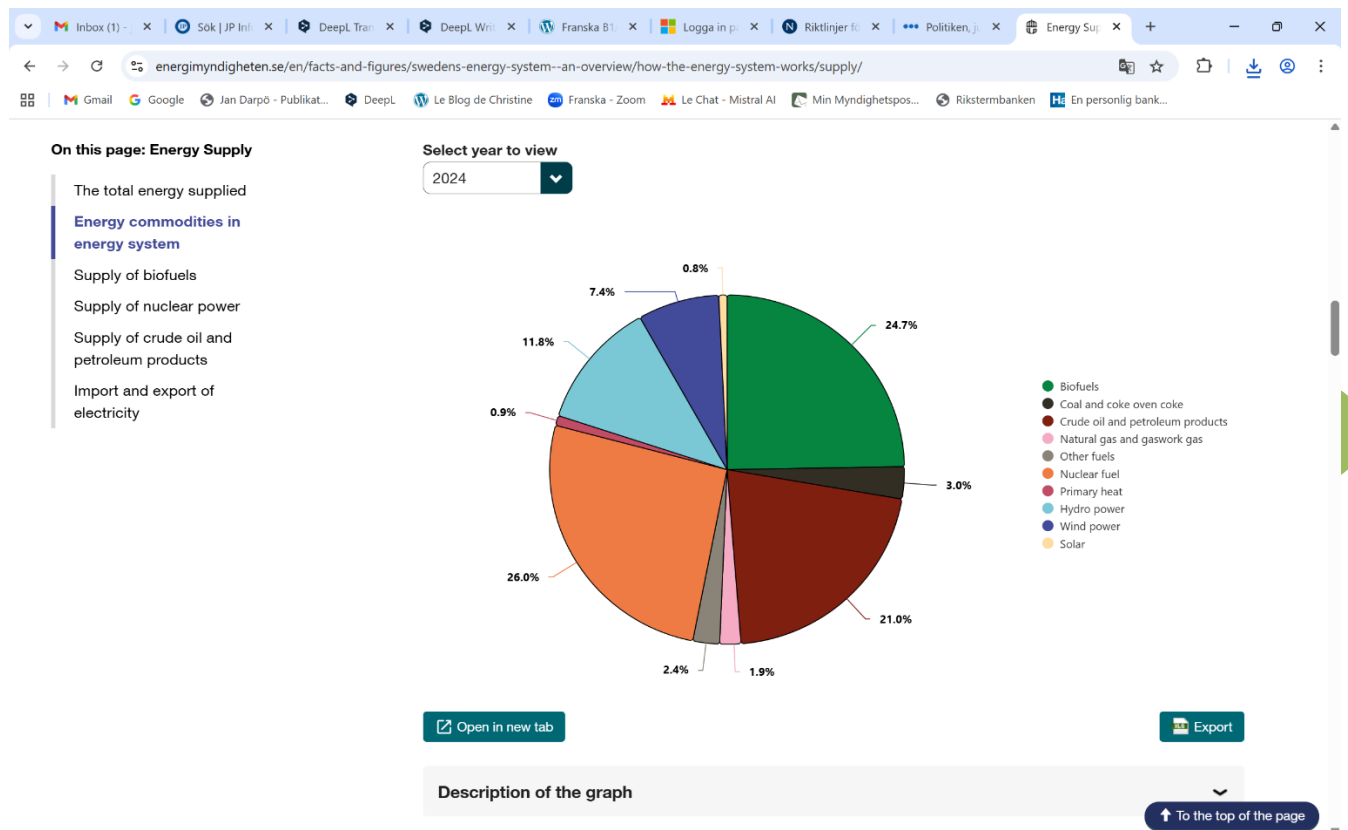
Emission Credits Trading Intentions

- Potential purchase: Because Sweden is likely to fall short of its ESR target (covering transport, agriculture, and housing), it may be forced to purchase emission credits from other EU Member States that have over-achieved their targets.
- Alternative measures: Rather than outright purchasing, the Swedish strategy heavily emphasizes using its "supplementary measures" allowance, which includes purchasing international verified emission reductions (Article 6 of the Paris Agreement) and utilizing carbon removals (LULUCF/BECCS) to bridge the gap.

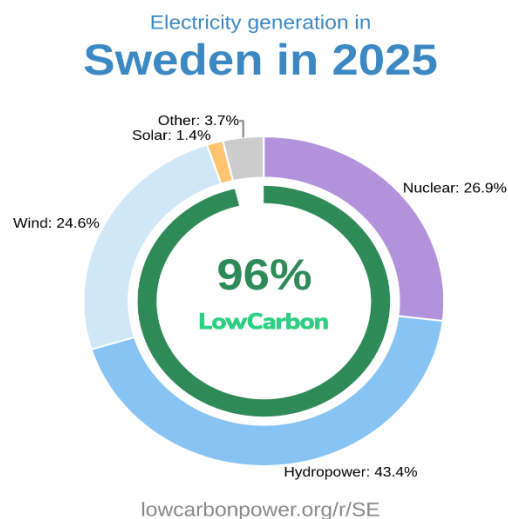
7. Renewable Energy

What progress has been made in the transition towards a national energy supply based on renewable energy? What is the current energy mix, and what are the projections up to 2050? What differences exist in the transformation of the electricity market versus the broader energy market (including non electric heating, transport and other energy use)? What are the major national regulatory instruments to support the transition to renewables? What major obstacles hinder a faster transition to renewable energy at the national level? Are adjustments to the EU's regulatory framework considered necessary? If so, which ones?

According to the Energy Agency, the distribution of energy commodities in the energy system in Sweden for year 2024 is the following:



The production of electricity in 2025:



The Swedish government has focused all its attention on expanding nuclear power. This has been achieved primarily through plans for generous, taxpayer-funded subsidies, the removal of obstacles to the development of nuclear installations on the coast, and the removal of

obstacles to uranium extraction. The government has also removed the possibility for the municipalities to veto such installations. In contrast, subsidies for other renewables are being phased out with some exceptions (see below). Sweden has no planning system covering the establishment of renewable energy, and the obligation to designate RAA according to REDIII will probably only apply to heat pumps or other less important energy sources in areas that have already been built on. The previous government's promise to finance the laying of cables to offshore wind farms has been withdrawn. All 13 applications to establish wind farms in the Baltic Sea have been rejected for “security reasons” (the national defence). The development of wind energy on land was until 2023 unparalleled in Europe, but has completely halted due to local opposition in recent years. In order to facilitate this development, the government is now promising to reimburse property tax for municipalities that do not veto new installations of this kind. Whether this will be successful remains to be seen. As for solar panels on private buildings, subsidies have been reduced. Very little effort has been made to encourage energy saving, for which Sweden together with 18 other member states has been criticized by the Commission.⁴

8. Land Use

How exactly are emissions from the land-use sector recorded nationally? What trends can be derived from this data? What strategies are being pursued at the national level to strengthen the land-use sector's contribution to emission reductions and to comply with the LULUCF-Regulation 2018/841?

This is a very technical question about which I have limited knowledge. Magnus Nilsson once again:

The basis is data from sample areas from the national forest inventory. Based on these data, extrapolations are made using the best available knowledge. One problem is that knowledge about these relationships is growing rapidly, which means that the extrapolations made, must be adjusted and changed yearly. This means that the recorded figure for a year ten years ago can be changed without the input data being changed.

Regarding the last question (What strategies are being pursued at the national level to strengthen the land-use sector's contribution to emission reductions and to comply with the LULUCF Regulation 2018/841?), the answer is: Practically nothing. A small contribution to the rewetting of drained wetlands.

As for the last question, see (in Swedish only);
<https://www.naturvardsverket.se/amnesomraden/vatmark/bidrag-som-stod-for-att-anlagga-atervata-eller-restaurera-vatmarker/>

⁴ https://ec.europa.eu/commission/presscorner/detail/en/inf_26_431

9. Special National Strategies, Programmes, and Ideas

What special strategies, regulatory programmes, and ideas—beyond those already mentioned—are being pursued nationally for climate mitigation? How do these national concepts and legal instruments relate to EU climate policy? Does a programme for carbon capture and storage exist?

As previously mentioned, the abandoning of the national targets and align them with what is regulated under EU law. This is partly due to complicated differences, and partly due to the general trend towards 'no gold plating'.

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10. Social and Regional Compensation Mechanisms

Are there national mechanisms to provide social or regional compensation for the burdens arising from climate protection measures? Is any form of “climate dividend” or “climate payment” being issued?

In the political debate, ideas have been put forward to subsidise people living in regions outside of large cities or in rural areas to compensate for climate measures, such as the 'reduction obligation' (which requires fuel suppliers to reduce emissions from petrol and diesel by blending in biofuels). The previous government also proposed reforming the outdated system for tax deductions for those who travel long distances to work and having no access to public transport. The aim of this reform was to benefit those who truly needed a car for their commute, rather than city dwellers with company-funded cars and parking spaces. However, these ideas have never gained widespread support. Instead, the government opted for general measures to 'lower the climate burden' for the whole population. One might suspect that, by doing this, the government is trusting the future to solve climate issues.

11. Adaptation

Are there national programmes for climate adaptation? How can these be briefly described? Should the EU, from a national perspective, develop climate adaptation programmes, or should this remain the responsibility of the Member States?

Information; <https://www.smhi.se/en/climate/climate-at-smhi/swedish-national-knowledge-centre-for-climate-change-adaptation>

The Swedish National Knowledge Centre for Climate Change Adaptation is a resource for everybody with a responsibility for, or interest in, Sweden's adaptation to the impacts of climate change.

The Swedish National Knowledge Centre for Climate Change Adaptation provides tools and information to help society cope with a changing climate, now and in the future. We link science, policy and practice, bringing together the decision makers, businesses, research providers and

organisations that make climate change adaptation happen. The Centre collects, develops and shares research, information from authorities and learning examples to facilitate sound decision making. The Swedish National Knowledge Centre for Climate Change Adaptation was established in 2012 and is based at the Swedish Meteorological and Hydrological Institute, SMHI.

As for funding, national (from the Naturvårdsverkets hemsida);
<https://www.naturvardsverket.se/amnesomraden/klimatanpassning/bidrag/>

Within several of the project areas within LIFE (e.g. climate mitigation and climate adaptation), funding can be sought for climate adaptation measures. The support can be sought by county councils, municipalities, organisations or authorities and can correspond to between 60–95% of the total project cost.

There are also some opportunities for municipalities to apply for funding for climate adaptation measures, such as the building of walls for the protection of flooding;
<https://klimatanpassning.se/stod-och-verktyg/finansiering/finansiering-for-kommuner>

As for funding, international. From the governments website;
<https://www.government.se/articles/2025/11/sweden-is-supporting-international-climate-transition/>

Sweden's key messages for global climate action are urgency based on science to increase the pace of work and opportunities in the form of improved competitiveness, new jobs and growth, as well as innovation and development. Sweden is also one of the world's most generous international climate finance donors, which contributes to both emissions reduction and climate adaptation.

12. New liability/compensation regime in the Air Quality Directive (2024/2881) and the amended IE Directive (2024/1784)

The new Air Quality Directive 2024/2881, art. 28. and the amended IE Directive (2024/1785) requires Member States to establish a liability/compensation regime regarding persons suffering damage to human health caused by violation of the EU-obligations under the two directives. The new EU-obligation should be seen in light of the CJEU-ruling in C-61/21 in which the CJEU rejected Member State liability for human health damage based on the (old) Air Quality Directive. The new obligations place Member States as the one who should pay compensation for the damage, but the legal implications of the new regimes are not entirely clear. How is the new obligation on liability/compensation in the new Air Quality Directive and the amended IE Directive intended to be implemented in your Member State?

Legislation in progress. Those amendments are scheduled for implementation in 2026. However, I have been informed that, as the Omnibus Environment deals with issues regulated under those directives, there may be delays to the implementation.