

Inledningsanförande – SEI 25 år i Tallinn 9/1 2018

- It is a pleasure and honour to be here with all of you today to celebrate SEI's 25 years in service of sustainable development. I know SEI's contribution have been, and is essential. With your indulgence, I would like to focus my intervention mostly on climate change.
- But first, a few words about the importance and success of the institute – for Sweden as well as internationally. The government is proud to have established the research institute and over the years SEI has secured a place as one of the world's most highly renowned organizations, working with environment and development issues from local to global levels.
- SEI is unique in the sense that you work both in practical projects and projects on policy, combining scientific research with policy analysis. The working area of SEI is broad over a variety of environmental issues and different sciences to reach your vision "A sustainable future for all". Last year, after several years of the top ten, SEI was ranked as the world's most influential environment policy think tanks and I am confident you will stay at the top in the future!

- I am proud of Sweden's long-time commitment to science, and especially environmental- and climate related science. But on the other side of the Atlantic, science on and financial support for climate change and environment is under attack.
- This is very concerning and we are doing our best to counter this. We have further increased our support to environmental- and climate related research and we have increased our financial support to IPCC almost by four times last year. Science should always guide political decisions.
- A long time has passed since the first IPCC Assessment report in 1990 was adopted in Sweden led by IPCCs first chair Bert Bolin. Climate Change was not so much known globally then and mostly seen as a problem for future generations. The solutions also seemed very far away.
- Today we are seeing more and more effects of climate change that cause deaths, displacement of populations and damage to infrastructure and ecosystems to enormous costs.
- On the other hand, affordable solutions are finally out there. Almost two-thirds of new power capacity last year was renewable. For instance, installing wind power can be done at half to a third of the price of installing coal fired plants. Solar is cheaper than coal and gas in many places today.

Developing countries are about to surpassing the developed countries in generated renewable energy. So maybe we make it more difficult than it is?

- After over 20 years of negotiations the world's leaders finally listened to the clear science and agreed in Paris on a global framework to combat climate change. Now we must fill the agreement with concrete action.
- With only two years passed since the historic achievement in Paris, 172 parties have ratified the Paris agreement. This is unprecedented and very encouraging. No one can stop our common journey towards the goals of the Paris agreement. Laggards will lose out when others harvest the benefits of the green economy.
- The implementation of the agreement must enable keeping the 1.5-degree target within reach. A priority in the Climate negotiations is to finalize the rules and guidelines for the implementation of the Paris Agreement which should be decided at COP 24 in December. This include an enhanced transparency system and a robust global stocktake that triggers increased ambition over time in line with what science demands.

- However, the slow pace of the negotiations of the Paris rule book is concerning. Notably, questions concerning the differentiation between developed and developing countries has resurfaced in the negotiations. We have not yet come to formal negotiations and we must pick up the speed in the negotiations.
- We must also keep the balance in the Paris agreement. Support and assistance in building capacity to those with less capacity and those especially vulnerable to Climate Change have since long been a priority for us.
- Sweden is the largest per capita donor to several of the multilateral climate funds, such as the Green Climate Fund, the Global Environment Facility and the Adaptation Fund. Sweden will continue to contribute in a decisive manner to both multilateral and bilateral climate finance.
- However, public sources alone will not be enough. We need to use public finance to mobilise climate financing at scale from the private sector as well. We must make full use of existing tools as well as innovative finance. Innovative finance, such as guarantees, and policy support to create an enabling environment with conducive institutional frameworks and regulatory requirements that guide capital allocation are needed to mobilise private climate finance.

- Finance flows consistent with a pathway towards low greenhouse gas emissions are crucial. Sweden continues to work actively with international financial institutions to push the climate agenda forward, but more must be done to shift support from fossil energy to renewable energy and energy efficiency.
- There is a however a need to enhance this development through improved knowledge. My government together with SEI and the Stockholm School of Economics have recently initiated the Stockholm Sustainable Finance Centre - a hub for collaboration on research, innovation and education on sustainable finance.
- Through scientific research and innovation, sustainable finance policy, knowledge sharing and best practice between academia, financial market actors and institutions, governments and NGOs, the centre aims to increase private financing to climate smart projects and investments around the world.
- This year will be the first political moment since Paris where the world take stock on the efforts to combat Climate Change within the 2018 Facilitative dialogue/Talanoa dialogue.
- The Dialogue will be an important moment to encourage ambitious global action in line with the latest science from all

parties. Science must guide the dialogue and the upcoming IPCC special report on the 1.5 target will have central role in informing the dialogue. Your findings here at SEI should certainly feed in to the dialogue.

- Rest assure that the IPCC report will show that we must decrease the emission further and faster. Currently, as shown by the UNEP gap-report, only a third of the measures needed to reach even the two-degree target have been presented. This is all too little, we all need to do more- countries, regions, cities and business now all need to move further faster and together step up and move beyond commitments in the Paris agreement. Otherwise we will fail to reach our joint global goal.
- We believe that all parties should consider their ambition in the light of the results from the Facilitative dialogue. The EU as the global leader in combating climate change must seek all possible ways to increase its own ambition.
- However, if the dialogue shall result in real action we need to reach outside the Climate convention. Within our presidency of the Nordic council of ministers we are planning for a dialogue meeting between Nordic minsters and the Nordic business society on how we together can contribute to a higher ambition as an input to the dialogue.

- But I believe the dialogue as well as the IPCC 1.5 report will show us that it is possible and easier than we think. We should weigh in the possibilities and positive co-benefits that comes with the transformation to a carbon neutral society.
- However, the IPCC special report on the connection between climate change and the oceans must also be taken into account. Marine biodiversity is crucial for the climate and to manage negative climate effects. Thus, this issue needs to be given greater consideration in the Climate negotiations and especially in the implementation of the agreement.
- It is crucial that the EU reinforces its leadership on combating climate change issue. In an EU context, we encourage and support the Commission in drawing up an ambitious long term low emission strategy based on the latest science, at the latest in early 2019. The EU needs to prepare for an increased ambition already before 2020 and well ahead of the first Global stocktake in 2023.
- It is our firm belief that setting clear and ambitious long-term targets will not only improve our impact on climate change, but also lead to new jobs, better health and social and economic development.
- Furthermore, I want to underline the need to establish sustainable production and consumption patterns in line

with the SDGs as soon as possible, as it is a pre-requisite for truly green development.

- Sweden has certainly not been waiting to do its part. Sweden put a tax on carbon in the early 1990s and since then, Greenhouse gas emissions have gone down by around 25 percent, while economic development has remained solid, with GDP increasing some 75 percent. This shows that reducing domestic emissions can be combined with long-term economic development and prosperity.
- Our aim is that Sweden shall become one of the world's first fossil-free welfare nations. We show leadership through concrete measures at home. In doing so we hope to inspire and spur others. Building our green society will strengthen our competitiveness and create jobs all over Sweden.
- Recently we decided on a climate policy framework for Sweden with new climate goals, a Climate Act and a climate policy council.
- Our Climate policy framework is based on a cross-party Committee proposal and agreed by the Swedish parliament that assures a durable agreement to guide current and future governments.

- By 2045, Sweden will have net zero emissions of greenhouse gases into the atmosphere and should thereafter achieve negative emissions. Furthermore, emissions from domestic transport, excluding domestic aviation, will be reduced by at least 70 per cent by 2030 compared with 2010.
- We will be implementing a so-called Bonus/Malus system whereby more environmentally friendly vehicles will be taxed less, while more polluting vehicles will have a heavier tax burden.
- Several additional measures are in place or are being developed. Reducing transport emissions will require a spectrum of measures for instance large scale electrification. We are currently supporting the establishment of charging points. We are also supporting electric busses and examining the possibility of electrified highways.
- Another effective instrument used in Stockholm and Gothenburg is the congestion tax which has improved both the accessibility and the environment in the city centres.

- Our Budget Bill for 2018 sets the largest ever investment in climate and the environment. 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 also be necessary. The Budget initiatives cover a large number of measures that include country-wide investments to reduce emissions of greenhouse gases and in renewable energy. Investments in sustainability as natural part of everyday activities, for instance support for investments in solar cells, charging points and electric bikes.
- I look forward to discussing this further in the panel this afternoon. Thank you.