Potentially environmentally harmful subsidies in Sweden

Swedish Environmental Protection Agency

Brief inventory, as a first step

- First study in 2005
- Published follow-up in 2010-2011

http://www.naturvardsverket.se/Om-Naturvardsverket/Publikationer/ISBN/6400/978-91-620-6455-6/

Focus:
***Potentially* environmentally harmful subsidies**

Approach Wide definitions

Subsidy

- Direct transfers
- Soft loans
- Tax expenses
- Polluter Pays Principle

Environmentally harmful

- Pollution to air, water
- Waste
- Noise
- Etc.

Focus

1. Purpose and structure of subsidy
2. Financial costs secondary

- Public support on state level
- Infrastructure and regional support excluded

Sources

- The budget bill
- Inventory of tax expenses, Ministry of Finance
- Tax regulation, Swedish Tax Authority
- Contacts with a large number of authorities

61 subsidies identified

- **Direct and indirect support**
- **Sectors**
  - Energy
  - Transport
  - Agriculture
  - Fisheries

Dilemmas

- The environment is complex => effects of subsidies are complex
- Lack of common definitions and method
- Many subsidies lack a clear purpose
- Correlation between level of taxes and subsidies
  - Sweden may seem to have large subsidies in an international comparison
- Unwillingness to be pointed out as environmentally harmful

The next step

- **Deeper analysis**
  - develop methodology
  - clarify purpose of support
  - examine support and the potential need for reform and the possibility of reform
- **Regular identification**

Current work

To develop a guide for mapping and analysis of *non-tax environmentally harmful subsidies,* by the end of March.

The guide will

- provide guidance for assessing the parameters that should be considered in the mapping of subsidies
- take account of international work in the area
- provide support for relevant authorities to identify and assess subsidies within their fields.

Questions?

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