

# Fundamental and social rights in the green transition - energy efficiency and energy poverty

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# 1. EXECUTIVE SUMMARY

This research consists of a desk study and an interview study. The broad context of the study is energy efficiency and energy poverty in the implementation of the green transition in Sweden with a focus on justice and groups in vulnerable situations. The interview study concerns Public Housing Sweden's (the national organisation of public housing companies) Climate Initiative. The Climate Initiative is a joint effort of collaboration and active exchange of experience to reach two goals: A fossil-free public utility by 2030 at the latest and 30 percent lower energy use by 2030 (calculated from the year 2007). The subject of the interview study gives the research a particular focus on apartment buildings and the situation of tenants, specifically groups of tenants in vulnerable situations.

A key finding of the desk study is that Swedish energy and climate policies generally suffer from a lack of ambition, specificity and concrete measures. In the context of energy efficiency, the Swedish targets are set lower than the EU standard. The government focuses on the generation of new energy at the expense of energy efficiency and justifies this by the need for electrification of the Swedish industry.

Another key finding, both from the desk study and the interview study, is that legal and policy instruments relevant to energy and climate in Sweden do not generally include fundamental rights perspectives or language. While some instruments acknowledge the need for a just transition, they do not discuss the concept in detail, nor do they specify measures to achieve a just transition. When energy and climate instruments address the issue of groups in vulnerable situations, they tend to point to the general social security system as the solution.

A third key finding is that the concept of energy poverty is not understood as relevant or used in relation to tenants in the Swedish context. Part of the reason for this is that heating and hot water is, as a rule, included in the rent in Sweden. Sweden does however have certain policies and measures to protect what is termed vulnerable energy consumers, covering both tenants and homeowners. The category of vulnerable energy consumers is protected primarily by a right to receive financial assistance for the payment of bills through the general social security system, as well as safeguards from the disconnection of services. As vulnerable energy consumers fall under the general social security system, there are currently no specific statistics on their number. Recently, the Swedish government has made efforts to define who are to be regarded as energy poor as well as to monitor energy poverty and energy vulnerability.

The interview study concerning Public Housing Sweden's Climate Initiative includes perspectives from the coordinating actor (Public Housing Sweden), implementers (public housing member companies at the local level), civil society actors (Swedish Union of Tenants at the national and local level) and other representatives of relevance to the initiative (council social welfare officer and independent expert).

A key finding from the interview study is that the Climate Initiative is a successful example of going from words to action to address climate change. The interviews and related material show that the Climate Initiative is exceeding the set climate goals and improving cooperation between partners as well as improving attention to sustainability in rent negotiations.

Another key finding is that the Climate Initiative is not designed to address groups in vulnerable situations, nor does it do so in practice. The Climate Initiative has no goals relating to justice or groups in vulnerable situations and collects no such data. It is consequently not possible to measure and draw any conclusion on the impact of the Climate Initiative on groups in vulnerable situations. In terms of access to the Climate Initiative, groups in vulnerable situations have such access more by chance than by design. It is an unintended consequence of that the public housing companies that have chosen to join the initiative also have housing stock in socioeconomically challenged areas.

A third key finding is that while the interviewees working with the Climate Initiative acknowledge perspectives of justice and groups in vulnerable situations as important, they do not apply them in their work with the Climate Initiative. While their organisations do address social issues, this is largely done separately from environmental and climate work.

A fourth key finding is that several interviewees manifest the society wide narrative that climate measures do not carry potentially negative consequences for individuals. If such effects are acknowledged, they are habitually diminished and / or rationalised. Negative effects are presented as limited to a small number of people and it is noted that negative impacts on individuals can be alleviated through the general welfare system. Negative effects in Sweden are also framed as insignificant with reference to that inequality is a comparably small problem in Sweden and Europe, compared to the Global South. It should however be noted here that civil society organisations do recognise the potential costs of climate measures for tenants in terms of rent increases.

A fifth key finding is that the interviewees, including civil society organisations, address the category of tenants in economically vulnerable situations as a homogeneous group. Only little attention is given to who those in economically vulnerable situations are in terms of factors such as gender, age, foreign background or disability. The one group in vulnerable situations that does receive some attention is persons living in housing that

has large renovation needs. The lack of problematising which groups are overrepresented among those who are economically vulnerable means that the root causes of different forms of vulnerability and systematic disprivilege remain invisible. This in turn enables the rationalisation of negative impacts of climate measures in housing on such groups as isolated incidents. Awareness of these root causes is necessary to design climate measures that do not negatively affect groups in vulnerable situations as well as to design effective mitigation measures. Such awareness is also necessary to even be able to identify negative effects and take them seriously. Furthermore, such awareness is necessary to ensure equal access to climate measures.

To conclude, the research has found that as a measure to effectively implement the green transition, the Climate Initiative can serve as inspiration to public and private actors in other countries. For such a transition to have the potential to be just, the perspective of justice, fundamental rights and groups in vulnerable situations must however be added in the planning, design, implementation and monitoring of energy and climate action.

## 2. Reaching climate targets through energy efficiency

In May 2024, the Swedish parliament adopted a Long-term Direction of the Energy Policy (*Energipolitikens långsiktiga inriktning*).<sup>1</sup> The Long-term Direction of the Energy Policy is binding for the government, which is expected to work in accordance with the established direction. The Long-term Direction of the Energy Policy states that Sweden's current energy efficiency targets should be reviewed to more clearly promote an economically efficient use of energy and an effective utilisation of the energy system that supports the green transition. The current Swedish energy efficiency target is that Sweden will have 50 percent more efficient energy use by 2030 compared to 2005 expressed in terms of energy supplied in relation to gross domestic product (GDP).

The focus of the government in relation to energy efficiency instruments is on energy and carbon taxes and emissions trading. There are also a number of other measures, programs and priorities some of which directly focus on the target of this report, housing. This includes measures and policies to enhance energy efficiency through renovation and energy performance of buildings. The instruments that exist in Sweden aimed at improving energy efficiency often stem from EU directives such as the Energy Efficiency Directive<sup>2</sup> and the Energy Performance of Buildings Directive.<sup>3</sup>

The Swedish climate policy framework was adopted in June 2017. The framework consists of climate targets, the Climate Policy Council (*Klimatpolitiska rådet*)<sup>4</sup> and the Climate Act (*Klimatlag (2017:720)*).<sup>5</sup> The purpose of the framework is to ensure the long-term conditions for business and society to implement the transition needed for Sweden to achieve its climate targets. The long-term goal of Sweden's climate policy framework is for the country to have no net emissions of greenhouse gases by 2045. The Climate Policy Council serves as an independent, interdisciplinary expert body, with a mission to evaluate how well the government's overall policy is aligned with this goal. It shall also

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<sup>1</sup> Sweden, Committee on Industry and Trade (*Näringsutskottet*) (2024) Long-term direction of the energy policy (*Energipolitikens långsiktiga inriktning*), committee report, 2023/24:NU14.

<sup>2</sup> European Union, [Council Directive 2023/1791 of 13 September 2023 on energy efficiency and amending Regulation \(EU\) 2023/955 \(recast\), OJ L 231, 20.9.2023 \(Energy Efficiency Directive\)](#).

<sup>3</sup> European Union, [Council Directive 2024/1275 of 24 April 2024 on the energy performance of buildings \(recast\), OJ L, 2024/1275, 8.5.2024 \(Energy Performance of Buildings Directive\)](#).

<sup>4</sup> Sweden, Ordinance with Instructions for the Climate Policy Council (*Förordning med instruktion för Klimatpolitiska rådet*), 7 December 2017.

<sup>5</sup> Sweden, Climate Act (*Klimatlag (2017:720)*), 22 June 2017.

evaluate the governments overall policies including the bases and methods on which they are built and foster more debate in society on climate policy.<sup>6</sup>

The 2023 Government's Climate Action Plan – All the Way to Net Zero (*Regeringens klimathandlingsplan – hela vägen till nettonoll*)<sup>7</sup> is the second climate action plan that the government, in accordance with the Climate Act, has submitted to the parliament. The government also published the updated National strategy and government action plan for climate change adaptation (*Nationell strategi och regeringens handlingsplan för klimatanpassning*) in March 2024.<sup>8</sup>

Sweden's updated National Energy and Climate Plan for 2021–2030 (*Sveriges uppdaterade nationella energi- och klimatplan för 2021–2030*) (NECP 2024)<sup>9</sup> was submitted to the European Commission in July 2024. The report is an update of the first Swedish integrated national plan submitted to the European Commission in January 2020.

Sweden's National Programme for the Just Transition Fund 2021-2027 (*Nationellt program för Fonden för en rättvis omställning 2021–2027*) focuses on three geographical regions and industries transitioning to carbon neutrality: the steel industry in Norrbotten County, the metal industry in Västerbotten County, and the mineral industry in Gotland County.<sup>10</sup> The government is also currently preparing for the implementation of the EU Social Climate Fund.<sup>11</sup>

On sum, there are several Swedish legal and policy instruments in the area of climate policy and energy efficiency policy. There is no legal requirement to conduct specific social or fundamental rights impact assessments in the drafting of national energy or climate change mitigation legislation, policy or measures.

The instruments relevant to energy and climate policy do not generally include fundamental rights language or perspectives. Swedish legal and policy instruments do

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<sup>6</sup> Sweden, Climate Policy Council (*Klimatpolitiska rådet*), '[Our mission](#)' official website, accessed 10 December 2024.

<sup>7</sup> Sweden, Government (*Regeringen*) (2023) Government's Climate Action Plan – All the Way to Net Zero ([Regeringens klimathandlingsplan – hela vägen till nettonoll](#)), government missive, 2023/24:59, 21 December 2023.

<sup>8</sup> Sweden, Government of Sweden (*Regeringen*) (2024) National strategy and government action plan for climate change adaptation ([Nationell strategi och regeringens handlingsplan för klimatanpassning](#)), government missive, 2023/24:97, 20 March 2024.

<sup>9</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan for 2021–2030 ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024.

<sup>10</sup> Sweden, Swedish Agency for Economic and Regional Growth (2021) Just Transition Fund National programme 2021-2027 ([Nationellt program för Fonden för en rättvis omställning 2021–2027](#)), p. 7.

<sup>11</sup> The government's proposal on the Social Climate Fund and an electric car subsidy can be found in: Sweden, Ministry of Finance (*Finansdepartementet*) (2024) Budget bill 2025 ([Budgetpropositionen 2025](#)), expenditure area 20, pp. 85 and 125.

not discuss in detail the concept of just transition or groups in vulnerable situations, nor do they describe concrete specific measures adopted to ensure the fulfilment of a just transition. However, some of these instruments acknowledge the need for a just transition. In this context, they note that the protection of groups in vulnerable situations is designed to be provided primarily through the general social security system.

## 2.1. Energy efficiency

### Long-term Direction of the Energy Policy

The Swedish government adopted a Long-term Direction of the Energy Policy (*Energipolitikens långsiktiga inriktning*) in May 2024. The current energy efficiency target for Sweden, to achieve 50 percent more efficient energy use by 2030 compared to 2005 expressed in terms of energy supplied in relation to gross domestic product (GDP), was adopted by the Parliament in 2018.<sup>12</sup> In the government bill preceding the adoption of the Long-term Direction of the Energy Policy, the government argues that Sweden's target for energy efficiency is not adapted to the industry's green transition through electrification or to the goal of 100 percent fossil-free electricity production by 2040.<sup>13</sup>

However, the Long-term Direction of the Energy Policy notes the importance of harmonising the Swedish targets with the stricter EU-level requirements.<sup>14</sup> While the government notes that the energy efficiency target must steer towards a socio-economically efficient use of energy and effective utilisation of the energy system, the potential consequences of the current energy efficiency target are not explored in any detail.<sup>15</sup> The emphasis is instead on the need to protect industrial establishment and transition from fossil fuel to electricity.<sup>16</sup>

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<sup>12</sup> Sweden, Committee on Industry and Trade (*Näringsutskottet*) (2024) Long-term Direction of the Energy Policy (*Energipolitikens långsiktiga inriktning*), committee report, 2023/24:NU14, p. 10.

<sup>13</sup> Sweden, Government of Sweden (*Regeringen*) (2024) Long-term direction of Swedish energy policy (*Energipolitikens långsiktiga inriktning*), government bill, 2023/24:105, 19 March 2024, p. 56.

<sup>14</sup> Sweden, Government of Sweden (*Regeringen*) (2024) Long-term direction of Swedish energy policy (*Energipolitikens långsiktiga inriktning*), government bill, 2023/24:105, 19 March 2024, p. 56.

<sup>15</sup> Sweden, Government of Sweden (2024) Long-term direction of Swedish energy policy (*Energipolitikens långsiktiga inriktning*), government bill, 2023/24:105, 19 March 2024, p. 70.

<sup>16</sup> Sweden, Government of Sweden (2024) Long-term direction of Swedish energy policy (*Energipolitikens långsiktiga inriktning*), government bill, 2023/24:105, 19 March 2024, p. 70.

The Long-term Direction of the Energy Policy focuses on the period 2030-2045 and adopts two goals. A planning goal aims for the electricity system to enable increased electrification and the green transition. A security of supply goal requires that electricity is delivered where demand exists, at the right time and in sufficient quantity, as long as it is economically efficient. Unnecessary obstacles should be removed to promote competitive energy prices. The goals will be regularly monitored from 2030 to support efficient energy use and the green transition.<sup>17</sup>

## Energy efficiency measures, programs and priorities

The government's focus in relation to energy efficiency is on taxes. However, there are also other instruments aimed at improving energy efficiency, some directly focusing on housing. These instruments often stem from EU directives, such as the Energy Efficiency Directive<sup>18</sup> and the Energy Performance of Buildings Directive.<sup>19</sup>

### Energy taxation

Sweden does not use quota obligations to reach its energy efficiency targets.<sup>20</sup> Instead, Sweden has opted for carbon taxes at a higher level than required by the Energy Taxation Directive 2003/96/EC.<sup>21</sup>

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<sup>17</sup> Sweden, Government of Sweden (2024) Long-term direction of Swedish energy policy ([Energipolitikens långsiktiga inriktning](#)), government bill, 2023/24:105, 19 March 2024.

<sup>18</sup> The Energy Efficiency Directive has been implemented in Swedish law through; Sweden, Act on Energy Metering in Buildings ([Lag \(2022:333\) om energimätning i byggnader](#)), 28 April 2022; Sweden, Ordinance on Energy Metering in Buildings ([Förordning \(2022:336\) om energimätning i byggnader](#), 28 April 2022); and Sweden, Swedish National Board of Housing, Building, and Planning (*Boverket*), Swedish National Board of Housing, Building, and Planning's regulations and general guidelines on energy metering in buildings ([Boverkets föreskrifter och allmänna råd \(2022:3\) om energimätning i byggnader](#)), BFS 2022:3.

<sup>19</sup> The Energy Performance of Buildings Directive (EPBD) has been gradually implemented in Swedish law, including through the Act on Energy Certification of Buildings; Sweden, Act on the energy certification of buildings ([Lag \(2006:985\) om energideklaration för byggnader](#)) 21 June 2006. The revised EU Directive on the Energy Performance of Buildings is to be incorporated into Swedish legislation by 29 May 2026.

<sup>20</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 146. The current Swedish energy efficiency target is that Sweden will have 50 percent more efficient energy use by 2030 compared to 2005 expressed in terms of energy supplied in relation to gross domestic product (GDP). Sweden, Committee on Industry and Trade (*Näringsutskottet*) (2024) Long-term Direction of the Energy Policy ([Energipolitikens långsiktiga inriktning](#)), committee report, 2023/24:NU14, p. 10.

<sup>21</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 146.

## Energy efficiency through renovation and energy performance of buildings

Sweden's updated National Energy and Climate Plan for 2021–2030 (*Sveriges uppdaterade nationella energi- och klimatplan för 2021–2030*) (NECP 2024) has a focus on energy efficiency through renovation.

A Swedish National Building Renovation Plan is to be reported as part of the NECP 2024, with the first submission due 31 December 2026.<sup>22</sup> The plan will mirror the updated Energy Performance of Buildings Directive by aiming for a zero-emission building stock by 2050.<sup>23</sup>

The NECP 2024 outlines several instruments to stimulate energy efficiency in renovations and new buildings in accordance with the Energy Performance of Buildings Directive and the Energy Efficiency Directive. One such instrument is the Planning and Building Act (*Plan- och bygglag (2010:900)*) which sets requirements for both new buildings and renovations.<sup>24</sup> The Act requires that planning takes environmental and climate aspects into account. In addition, the National Board of Housing, Building and Planning's Building Rules (BBR) stipulate implementing measures for the Planning and Building Act. BBR regulates design, accessibility, fire protection, hygiene, environment, waste management, noise, safety, and energy use. It requires energy management and limits on maximum permitted energy consumption.<sup>25</sup>

Another body is the National Renovation Centre (*Nationellt Renoveringscentrum*) which collaborates with industry and academia to support stakeholders by sharing knowledge and information concerning energy efficient renovation. The goal is to make existing buildings more environmentally, economically, and socially sustainable throughout their lifecycle, while meeting user and authority requirements.<sup>26</sup> In addition, the Information Centre for Sustainable Building (*Informationscentrum för hållbart byggande*), mandated

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<sup>22</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi- och klimatplan för Sverige](#)), 27 June 2024, p. 153.

<sup>23</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi- och klimatplan för Sverige](#)), 27 June 2024, p. 153.

<sup>24</sup> Sweden, Planning and Building Act ([Plan- och bygglag \(2010:900\)](#)), 1 July 2010.

<sup>25</sup> Swedish National Board of Housing, Building and Planning's statutes (BFS 2011:6, including amendments up to and including BFS 2020:4), see Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi- och klimatplan för Sverige](#)), 27 June 2024, p. 153.

<sup>26</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi- och klimatplan för Sverige](#)), 27 June 2024, pp. 154-155.

by the National Board of Housing, Building and Planning (*Boverket*), promotes energy-efficient renovation and construction with sustainable materials and low life-cycle climate impact.<sup>27</sup>

Of particular relevance for this report is the individual metering and billing of heating, cooling, and hot water. In Sweden, apartments typically use 'hot rent'. This means that tenants pay for electricity, while heating and hot water are included in rent. Following the Energy Efficiency Directive, the Act on Energy Metering in Buildings (*Lag (2022:333) om energimätning i byggnader*)<sup>28</sup> now requires poorly performing multi-dwelling buildings to install sub-metering and billing systems for heating, cooling, and hot water if technically feasible and if no energy performance improvements are planned.<sup>29</sup>

## Other instruments for energy efficiency

Outside of the areas of housing, the NECP 2024 outlines a number of other policies, measures and programmes to enhance energy efficiency. This includes information dissemination promoting the market for energy services<sup>30</sup> and information campaigns on energy use and energy efficiency improvements aimed at households, businesses and public authorities.<sup>31</sup> The NECP 2024 also includes municipal energy and climate advice to individuals, associations and small and medium sized companies,<sup>32</sup> tax reductions on the labour cost of repairs; and aid for energy efficiency in single-family houses.<sup>33</sup> There is also stakeholder cooperation in local energy efficiency nodes<sup>34</sup> and measures to

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<sup>27</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 155.

<sup>28</sup> Sweden, Act on Energy Metering in Buildings (*Lag (2022:333) om energimätning i byggnader*), 28 April 2022.

<sup>29</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 155.

<sup>30</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 156.

<sup>31</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 160.

<sup>32</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 156.

<sup>33</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 160.

<sup>34</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 159.

enhance government cooperation in the implementation and monitoring of energy efficiency measures.<sup>35</sup>

There are legal instruments in addition to the Planning and Building Act mentioned above, outlining requirements in relation to energy efficiency. This includes environmental inspections and inspection guidance under the Environmental Code (*Miljöbalk (1998:808)*);<sup>36</sup> the requirement to carry out energy audits in large companies under the Act on energy audits in large companies (*Lag (2014:266) om energikartläggning i stora företag*);<sup>37</sup> and regulations of the use of energy certificates under the Act on the energy certification of buildings (*Lag (2006:985) om energideklaration för byggnader*).<sup>38</sup>

Sweden also funds various programmes to promote energy efficiency. Examples include programmes such as the Energy Step programme (*Energisteg*),<sup>39</sup> the Climate Stride programme (*Klimatklivet*)<sup>40</sup> and the Industry Stride programme (*Industriklivet*).<sup>41</sup>

## Challenges and gaps

Despite criticism by the European Commission regarding the insufficient energy efficiency targets of the Swedish government,<sup>42</sup> these targets remain lower than the

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<sup>35</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 156.

<sup>36</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 158. [Miljöbalk \(1998:808\) | Sveriges riksdag](#)

<sup>37</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 158. [Lag \(2014:266\) om energikartläggning i stora företag | Sveriges riksdag](#)

<sup>38</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 159; Sweden, Act on the energy certification of buildings ([Lag \(2006:985\) om energideklaration för byggnader](#)), 21 June 2006.

<sup>39</sup> The Energisteg programme continued until 2020 and covered 125 million SEK (€10,701,313). The programme provided financial support to industry looking to make investments in improved energy efficiency. See e.g. Sweden, Swedish Energy Agency (*Energimyndigheten*) '[Investeringsstöd inom Energisteg](#)' official website, accessed 2 December 2024.

<sup>40</sup> The programme has since 2015 provided a total of 14.8 billion SEK (€1,263,891,880) in investment grants for projects which lower emissions. For more information see Sweden, Swedish Environment Agency (*Naturvårdsverket*) '[Klimatklivet](#)', official website, accessed 2 December 2024.

<sup>41</sup> For more information see Sweden, Swedish Energy Agency (*Energimyndigheten*) '[Industriklivet](#)', official website, accessed 2 December 2024. Both *Klimatklivet* and *Industriklivet* are financed by NextGenerationEU.

<sup>42</sup> See e.g. European Commission (2023),

, SWD(2023) 923 final, 18 December 2023, pp. 5-

common EU level targets.<sup>43</sup> As mentioned above, the Swedish government argues that the necessary electrification of industry will have to raise energy consumption.<sup>44</sup>

The 2023 Government's Climate Action Plan – All the Way to Net Zero (*Regeringens klimathandlingsplan – hela vägen till nettonoll*)<sup>45</sup> forms the basis for the government's climate policy. The Climate Policy Council (*Klimatpolitiska rådet*)<sup>46</sup> has highlighted that the Climate Action Plan does not sufficiently prioritise energy efficiency measures. According to the Climate Policy Council there is a need to strengthen Swedish energy efficiency policy to bring it in line with EU requirements, including the principle of energy efficiency first.<sup>47</sup> The Climate Policy Council holds that the current Swedish climate policy is insufficient to meet the 2030 climate targets and focuses too narrowly on the energy sector, in particular on new energy generation.<sup>48</sup>

The Institute for Human Rights (*Institutet för mänskliga rättigheter*) has expressed concern that the ambition of Swedish emission reductions in accordance with the Climate Action Plan does not appear to be in line with commitments under the United Nations Framework Convention on Climate Change<sup>49</sup> and the Paris Agreement,<sup>50</sup> the best available scientific research and the international consensus on emission reductions needed to limit warming to 1.5 degrees.<sup>51</sup>

According to the Climate Policy Council, not only is Sweden's climate policy insufficient, but it also lacks specificity and concrete measures which would align with the climate targets set up for the country. According to the Climate Policy Council, the Climate Action Plan deals with the central transition issues in largely reverse chronological order: the necessary decisions that must be taken during the current government's term in office are being put off and subjected to further inquiries, while major long-term reforms

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<sup>43</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024.

<sup>44</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024.

<sup>45</sup> Sweden, Government (*Regeringen*) (2023) Government's Climate Action Plan – All the Way to Net Zero (*Regeringens klimathandlingsplan – hela vägen till nettonoll*), government missive, 2023/24:59, 21 December 2023. See further information about the action plan in 2.2. below.

<sup>46</sup> Sweden, Climate Policy Council (*Klimatpolitiska rådet*), '[Our mission](#)' official website, accessed 10 December 2024.

<sup>47</sup> Sweden, Climate Policy Council (*Klimatpolitiska rådet*) (2024) 2024 Report of the Swedish Climate Policy Council ([Klimatpolitiska rådets rapport 2024](#)), pp. 90-91.

<sup>48</sup> Swedish Climate Policy Council (*Klimatpolitiska rådet*) (2023), 2023 Report of the Swedish Climate Policy Council ([Klimatpolitiska rådets rapport 2023](#)), pp. 7-8.

<sup>49</sup> United Nations (UN), Framework Convention on Climate Change, 1992.

<sup>50</sup> United Nations (UN), Paris Agreement, 12 December 2015.

<sup>51</sup> Sweden, Swedish Institute for Human Rights (*Institutet för mänskliga rättigheter*) (2024) Annual report 2024 ([Årsrapport 2024](#)), March 2024, p. 52.

that require investigation begin immediately in a piecemeal way, without adequate participation and impact assessments and without holistic risk analyses.<sup>52</sup>

*“The erratic nature of the policy and lack of a clear plan in itself risks increasing the socio-economic costs and thus reducing cost-effectiveness. Likewise, this might reduce acceptance for the transition, from both the business community and the population at large. [...] New inquiries relating to both the 2030 targets and how they are to be achieved create a period of uncertainty among the population, businesses, municipalities and authorities, which increases the risk that neither national nor EU targets will be achieved. Few stakeholders were invited to participate in developing the action plan, which risks further weakening engagement and increasing uncertainty about the political direction.”<sup>53</sup>*

Like the Climate Policy Council, business representatives have expressed concern about the lack of focus on energy efficiency. Business representatives have criticised the government’s Long-term Direction of the Energy Policy for having a narrow focus on energy production through nuclear energy to the detriment of other aspects of the transition, including energy efficiency. Also like the Climate Policy Council, business representatives call for measures not being postponed to the future. Their critique of the Long-term Direction of the Energy Policy includes the lack of concrete measures in the short-term.<sup>54</sup>

The Swedish Energy Agency has identified several specific challenges to achieve increased energy efficiency. These include both the need for new and improved legal and policy instruments to support the transition to better energy efficiency<sup>55</sup> and the need to address behavioural science aspects related to individuals’ decision-making.<sup>56</sup>

The above indicates a lack of prioritisation of energy efficiency in Swedish energy and climate policies. The future reform of Sweden’s current energy efficiency targets

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<sup>52</sup> Sweden, Climate Policy Council (*Klimatpolitiska rådet*) (2024) 2024 Report of the Swedish Climate Policy Council ([Klimatpolitiska rådets rapport 2024](#)), p. 15.

<sup>53</sup> Sweden, Climate Policy Council (*Klimatpolitiska rådet*) (2024) 2024 Report of the Swedish Climate Policy Council ([Klimatpolitiska rådets rapport 2024](#)), p. 16, author’s translation into English.

<sup>54</sup> See also e.g. Sweden, Federation of Swedish Innovation Companies (*Innovationsföretagen*) (2024) The government’s energy policy may become expensive and uncertain ([Regeringens energipolitik kan bli kostsam och osäker](#)), 20 March 2024.

<sup>55</sup> Sweden, Swedish Energy Agency (*Energimyndigheten*), Efficient use of energy and resources ([Effektiv användning av energi, effekt och resurser](#)), ER 2024:03, pp. 11-12.

<sup>56</sup> The report discusses the great potential for energy efficiency which could be reached through changes to individual and consumer choices, but that there may be different reasons which undermine the great potential in behaviour change. The reasons for not realising the potential can vary depending on the type of energy efficiency measures and the sector. This can be due to classic market failures such as asymmetric information and split incentives, as well as other barriers related to human behaviour or high transaction costs, such as the human tendency to avoid making decisions unless required to. See Sweden, Swedish Energy Agency (*Energimyndigheten*), Efficient use of energy and resources ([Effektiv användning av energi, effekt och resurser](#)), ER 2024:03, pp. 11-12.

foreseen by the government may allow further focus on and investment in energy efficiency in line with the EU's energy efficiency first principle. However, such measures may take time to materialise as the as the Long-term Direction of the Energy Policy focuses on the period 2030-2045.

Other challenges identified through the interviews in this study concern the implementation of the Energy Efficiency Directive and the Energy Performance of Buildings Directive in Sweden. Interviews reveal an ongoing debate in Sweden around the introduction of individual metering and billing of heating stemming from the Energy Efficiency Directive. Most interviewees highlight that it is difficult to measure individual consumption of heating as, for example, heat flow between apartments. This makes it challenging to allocate the cost fairly.<sup>57</sup> Some also express fears that this risks creating energy poverty.

## 2.2. Just transition

### Sweden's updated National Energy and Climate Plan

Sweden's updated National Energy and Climate Plan for 2021–2030 (*Sveriges uppdaterade nationella energi- och klimatplan för 2021–2030*) (NECP 2024) includes a specific section discussing the just transition. Here, it is stated that Sweden intends to ensure a just transition through the country's general welfare policy. This encompasses for instance Swedish labour market policy, including ensuring that all people able to do so have the opportunity to participate in working life, creating security and facilitating transition within the labour market.<sup>58</sup>

Sweden's labour market policy encompasses measures to get young people into work, matching job seekers and job vacancies, labour market policy programmes, unemployment insurance and the European Social Fund. A transition and skills support service is available in the form of counselling and guidance to facilitate, among other things, transition or training for employees. In 2022, a new public transition study scheme was introduced to allow workers to study and receive support equivalent to 80

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<sup>57</sup> See for example Sweden, Swedish Union of Tenants (*Hyresgästföreningen*) Individual metering and billing IMD (*Individuell mätning och debitering IMD*), official webpage, accessed 11 November 2024.

<sup>58</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan (*Sveriges uppdaterade nationella energi- och klimatplan för Sverige*), 27 June 2024, pp. 25-26.

percent of their salary for up to one year, primarily to strengthen their position in the labour market.<sup>59</sup>

Sweden's general welfare policy also provides financial security at different stages of life and includes health insurance, pensions, services and care to older persons and parental benefits. As an ultimate safety net, there is also financial assistance provided to households that have difficulty making ends meet. In addition to the general welfare policy, Sweden notes that it participates in the EU's Just Transition Fund.<sup>60</sup>

After critique from the European Commission of Sweden's 2023 draft updated NECP,<sup>61</sup> the government included an additional paragraph in relation to just transition in NECP 2024. The paragraph refers to the Climate Action Plan,<sup>62</sup> noting that the action plan "describes that the awareness of the need for a just transition, which is accepted and perceived as reasonable by broad groups over time, has been strengthened."<sup>63</sup> The government acknowledges that measures should be taken to promote a just climate transition and that they will analyse how the EU Social Climate Fund can be used to enable an ambitious climate policy and foster acceptance for climate policy instruments. The government stresses that it aims to further concretise this work in the Social Climate Plan, which is to be submitted to the European Commission by 30 June 2025.<sup>64</sup>

## Climate Action Plan

The Government's Climate Action Plan – All the Way to Net Zero (*Regeringens klimathandlingsplan – hela vägen till nettonoll*) was produced in accordance with the Climate Act.<sup>65</sup> The Climate Action Plan recognises that Sweden's efforts to become a world leader in the climate transition may bring about challenges that affect some groups more than others. It is therefore important that citizens, civil society, and

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<sup>59</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi- och klimatplan för Sverige](#)), 27 June 2024, p. 25-26.

<sup>60</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi- och klimatplan för Sverige](#)), 27 June 2024, p. 26.

<sup>61</sup> European Commission (2023),

, SWD(2023) 923 final, 18 December 2023.

<sup>62</sup> Sweden, Government (*Regeringen*) (2023) Government's Climate Action Plan – All the Way to Net Zero ([Regeringens klimathandlingsplan – hela vägen till nettonoll](#)), government missive, 2023/24:59, 21 December 2023.

<sup>63</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi- och klimatplan för Sverige](#)), 27 June 2024, p. 25.

<sup>64</sup> See further information on the Social Climate Fund below.

<sup>65</sup> Sweden, Climate Act ([Klimatlag \(2017:720\)](#)), 22 June 2017.

companies throughout the country can participate in the process and take part in the benefits of climate transition.<sup>66</sup> The Climate Action Plan emphasises that the entire country should be included in the climate transition and that this transition needs to be based on finding effective policy instruments. It should be ensured that the conditions for individuals, households, and businesses are not adversely affected, and that the entire country and all groups in society have equal opportunities in the transition.<sup>67</sup> The Climate Action Plan specifies that the government intends to analyse how the EU Social Climate Fund can best be used in Sweden to enable ambitious climate policy and create acceptance for climate policy instruments.<sup>68</sup> The government also highlights that child rights and gender equality perspectives must be mainstreamed in the work on the climate transition, and that work on children's participation in the transition will be carried out in cooperation with civil society.<sup>69</sup> In addition, the rights of Sami to be consulted on issues particularly affecting them shall be respected.<sup>70</sup>

The plan addresses the need to ensure acceptance of climate transition. It also refers to the complex financial situation regarding the government's measures to lower fuel prices, including lowering the reduction obligation and the tax on fuel.<sup>71</sup>

## National Strategy and Government's Action Plan for Climate Change Adaptation

In March 2024, the government published the updated National Strategy and Government Action Plan for Climate Change Adaptation (*Nationell strategi och regeringens handlingsplan för klimatanpassning*).<sup>72</sup> In the strategy and action plan, the

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<sup>66</sup> Sweden, Government (*Regeringen*) (2023) Government's Climate Action Plan – All the Way to Net Zero ([Regeringens klimathandlingsplan – hela vägen till nettonoll](#)), government missive, 2023/24:59, 21 December 2023, p. 58.

<sup>67</sup> Sweden, Government (*Regeringen*) (2023) Government's Climate Action Plan – All the Way to Net Zero ([Regeringens klimathandlingsplan – hela vägen till nettonoll](#)), government missive, 2023/24:59, 21 December 2023, p. 59.

<sup>68</sup> Sweden, Government (*Regeringen*) (2023) Government's Climate Action Plan – All the Way to Net Zero ([Regeringens klimathandlingsplan – hela vägen till nettonoll](#)), government missive, 2023/24:59, 21 December 2023, p. 61. See more information below on the Social Climate Fund.

<sup>69</sup> Sweden, Government (*Regeringen*) (2023) Government's Climate Action Plan – All the Way to Net Zero ([Regeringens klimathandlingsplan – hela vägen till nettonoll](#)), government missive, 2023/24:59, 21 December 2023, p. 61.

<sup>70</sup> Sweden, Government (*Regeringen*) (2023) Government's Climate Action Plan – All the Way to Net Zero ([Regeringens klimathandlingsplan – hela vägen till nettonoll](#)), government missive, 2023/24:59, 21 December 2023, p. 62.

<sup>71</sup> Sweden, Government (*Regeringen*) (2023) Government's Climate Action Plan – All the Way to Net Zero ([Regeringens klimathandlingsplan – hela vägen till nettonoll](#)), government missive, 2023/24:59, 21 December 2023, p. 59.

<sup>72</sup> Sweden, Government of Sweden (*Regeringen*) (2024) National strategy and government action plan for climate change adaptation (*Nationell strategi och regeringens handlingsplan för klimatanpassning*), government missive, 2023/24:97, 20 March 2024.

government emphasises that the responsibility for climate adaptation lies primarily at the local level, where municipalities, among others, are responsible for physical planning.<sup>73</sup> The strategy and action plan also includes specific measures aimed at municipalities, such as the possibility to apply for government grants for preventive actions and the county administrative boards' mandate to initiate, support and evaluate climate adaptation efforts locally and regionally. In the strategy and action plan, the government states that it intends to work for climate adaptation which is inclusive and does not reinforce inequality and exclusion. It refers for instance to the concept of just resilience included in the EU's climate mitigation strategy (COM(2021) 82 final) and that the situation of different groups must be considered in the formulation of climate change mitigation measures.<sup>74</sup> The strategy and action plan notes that according to the Swedish Expert Council for Climate Change Adaptation,<sup>75</sup> few municipalities are working to analyse justice and gender equality aspects in their climate change adaptation work. The government also notes the concern of the Expert Council that guidelines requiring the analysis of such aspects, without knowledge of how to do such an analysis, could make climate adaptation work more difficult. The government agrees that there is a need to provide municipalities with such knowledge. The government therefore intends to ensure that authorities contribute by providing guidance on how to conduct effective and inclusive climate adaptation work that does not reinforce inequality or exclusion and that includes the consideration of children's rights and a gender perspective.<sup>76</sup>

## EU Social Climate Fund<sup>77</sup>

In the 2025 budget bill, the government has proposed allocating SEK 10 million (€ 0,86 million) during 2025 to prepare for the implementation of the Social Climate Fund.<sup>78</sup> The

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<sup>73</sup> Sweden, Government of Sweden (*Regeringen*) (2024) National strategy and government action plan for climate change adaptation ([Nationell strategi och regeringens handlingsplan för klimatanpassning](#)), government missive, 2023/24:97, 20 March 2024, pp. 9-10.

<sup>74</sup> Sweden, Government of Sweden (*Regeringen*) (2024) National strategy and government action plan for climate change adaptation ([Nationell strategi och regeringens handlingsplan för klimatanpassning](#)), government missive, 2023/24:97, 20 March 2024. pp. 44-45.

<sup>75</sup> The Swedish Expert Council for Climate Change Adaptation is a body appointed by the government to evaluate climate adaptation and provide advice on preparing for climate change, see Sweden, National Expert Council on Climate Adaptation (*Nationella expertrådet för klimatanpassning*), [official webpage](#), accessed 10 December 2024.

<sup>76</sup> Sweden, Government of Sweden (*Regeringen*) (2024) National strategy and government action plan for climate change adaptation ([Nationell strategi och regeringens handlingsplan för klimatanpassning](#)), government missive, 2023/24:97, 20 March 2024, p. 45.

<sup>77</sup> European Union, [Council Regulation of 10 May 2023 establishing a Social Climate Fund and amending Regulation \(EU\) 2021/1060](#), L 130/1, 16.5.2023.

<sup>78</sup> The government's proposal on the Social Climate Fund and an electric car subsidy can be found in: Sweden, Ministry of Finance (*Finansdepartementet*) (2024) Budget bill 2025 ([Budgetpropositionen 2025](#)), expenditure area 20, pp. 85 and 125.

government also suggests that the Social Climate Fund's resources in Sweden be used to introduce an electric vehicle subsidy aimed at groups in need of support such as those in rural areas, starting in 2026.<sup>79</sup>

On behalf of the government, the National Institute of Economic Research (*Konjunkturinstitutet*) has been tasked with calculating the effects of price increases due to the introduction of the EU's new emissions trading system for emissions from road transport, buildings, and certain other emissions (ETS 2).<sup>80</sup> These calculations will serve as a basis for the creation of a Social Climate Plan.<sup>81</sup> The results of the Institute's analysis are discussed below in chapter 2.3.

On 4 November 2024, the Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) invited stakeholders to a consultation regarding the Social Climate Plan. The aim of the meeting was to discuss the findings of the National Institute of Economic Research, the social consequences of increased fuel and energy prices due to ETS 2, and the effectiveness of a targeted electric vehicle subsidy in addressing these consequences.<sup>82</sup>

## Sweden's National Programme for the Just Transition Fund

Sweden's National Programme for the Just Transition Fund and the Territorial Transition Plans focus on three regions, Norrbotten, Västerbotten and Gotland County and their high emission level industries. The focus of the programme is to ensure that the industrial transition to carbon neutrality takes place while maintaining the competitiveness of the industry in order to maintain economic and employment levels. This is of great importance for the regions where emission-heavy industry is located and their inhabitants. Significant investments are needed to transform these industries into

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<sup>79</sup> Sweden, Ministry of Finance and Ministry of Climate and Enterprise (*Finansdepartementet och Klimat- och näringslivsdepartementet*) Investments in electrification and green transition ([Satsningar på elektrifiering och grön omställning](#)), press release, 9 September 2024.

<sup>80</sup> Sweden, Ministry of Finance (*Finansdepartementet*) (2024) Assignment to calculate the effects of price increases due to the introduction of the EU's new emissions trading system ([Uppdrag att beräkna effekter av prishöjningar med anledning av införandet av EU:s nya utsläppshandelssystem](#)), government assignment, Fi2024/01484, 20 September 2024.

<sup>81</sup> Sweden, National Institute of Economic Research (*Konjunkturinstitutet*) (2024) Effects of price increases due to the introduction of the EU's new emissions trading system ([Effekter av prishöjningar med anledning av införandet av EU:s nya utsläppshandelssystem](#)), report, 31 October 2024.

<sup>82</sup> Sweden, Ministry of climate and enterprise (*Klimat- och näringslivsdepartementet*) Consultation on EU's Social Climate Fund, the Social Climate Plan, and the government's proposal for a targeted electric car subsidy ([Samråd om EU:s sociala klimatfond, den sociala klimatplanen och regeringens förslag om en riktad elbilspremie](#)), 11 October 2024.

low-emission or emission-neutral technologies, a process that may take several years to implement.<sup>83</sup>

Sweden's National Programme for the Just Transition Fund states that everyone, regardless of background, must be able to participate in and contribute to and influence the various parts of the programme on equal terms and have equal access to the resources offered. The programme specifies that no one may be discriminated against because of gender, gender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age. Equality, non-discrimination and accessibility must permeate the programme, and an equality perspective must be included at all stages of its implementation. The programme notes that it is important to harness the competence of the available workforce; to counteract gender-segregation in the labour market; and to carry out successful diversity and integration work in order to ensure the necessary skills in the industry's transition to carbon dioxide neutrality.<sup>84</sup> The programme does not however in detail describe how this will be done, how equality and non-discrimination will be ensured, or how the just transition principles will be monitored and assessed.

The programme recognises the rights of Sami to maintain their culture, including their traditional ways of life such as reindeer husbandry, and foresees potential conflicts between these rights and the need to construct new industrial facilities and energy infrastructure. The programme specifies that this entails a need for 'new solutions', well-functioning planning and consultation procedures, and continued analysis of the effects of the climate transition on society.<sup>85</sup> The documents do not however provide detailed information on how such analysis will be carried out, how potential conflicts will be resolved, or how Sami rights will be ensured and protected in the implementation of the programme and the territorial transition plans.

In discussing the wider social consequences of the transition, the territorial transition plans focus on employment and capacity building, specifically from the perspective of ensuring the availability of a large enough workforce to make the transition possible, and the need to train workers to respond to the changing needs of the transitioning industries.<sup>86</sup> The plans for Västerbotten and Gotland also recognise the current gender segregation of the labour market, where men to a much higher degree work in

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<sup>83</sup> Sweden, Swedish Agency for Economic and Regional Growth (2021) Just Transition Fund National programme 2021-2027 ([Nationellt program för Fonden för en rättvis omställning 2021–2027](#)), p. 7.

<sup>84</sup> Sweden, Swedish Agency for Economic and Regional Growth (2021) Just Transition Fund National programme 2021-2027 ([Nationellt program för Fonden för en rättvis omställning 2021–2027](#)), pp. 22, 30 and 38.

<sup>85</sup> Sweden, Swedish Agency for Economic and Regional Growth (2021) Just Transition Fund National programme 2021-2027 ([Nationellt program för Fonden för en rättvis omställning 2021–2027](#)), pp. 77 and 96.

<sup>86</sup> Sweden, Swedish Agency for Economic and Regional Growth (2021) Just Transition Fund National programme 2021-2027 ([Nationellt program för Fonden för en rättvis omställning 2021–2027](#)), pp. 78-79 and 96-98.

traditional industrial occupations while women, who are on average more highly educated, tend to work in the service industry.<sup>87</sup> The plan for Gotland therefore highlights men as a particular target group for education and capacity building efforts, considering that the male-dominated industries play an important part in the transition. However, no capacity building measures are planned for the region under the programme and the territorial transition plan. This will instead be covered by other regional development funding. Recruiting more women into these male-dominated industries is also identified as a priority by the programme and the territorial transition plans.<sup>88</sup>

## Challenges and gaps

As described in this chapter, the Swedish legal and policy instruments relevant to energy and climate issues to some extent acknowledge the need for a just transition and the importance of protecting groups in vulnerable situations. However, these instruments do not discuss in detail the concept of just transition or groups in vulnerable situations, nor outline concrete measures to ensure the fulfilment of a just transition.

Effective climate action can in itself contribute to supporting fundamental rights, including those of groups in vulnerable situations and the general Swedish social policy can be expected to counteract some of the potentially negative social and economic effects of measures adopted in the transition process. However, the lack of specific consideration of, and measures to protect and realise, the rights of groups in vulnerable situations entail a risk that such groups may be denied access to and / or be negatively affected by the green transition. To ensure the fulfilment of the justice element of the green transition, further focus on and analysis of the potential fundamental rights impact of measures is needed. This also requires safeguards to protect the rights of groups in vulnerable situations.

Several Swedish national civil society actors similarly call for an increased focus on, analysis of and adoption of measures addressing the justice element of the green transition. The Swedish Society for Nature Conservation (*Naturskyddsföreningen*)

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<sup>87</sup> Sweden, Swedish Agency for Economic and Regional Growth (2021) Just Transition Fund National programme 2021-2027 ([Nationellt program för Fonden för en rättvis omställning 2021–2027](#)), p. 97.

<sup>88</sup> Sweden, Swedish Agency for Economic and Regional Growth (2021) Just Transition Fund National programme 2021-2027 ([Nationellt program för Fonden för en rättvis omställning 2021–2027](#)), pp. 115-116.

emphasises the need to integrate diversity and youth perspectives into the planning and implementation of the green transition.<sup>89</sup>

The national association of trade unions in Sweden (*Landsorganisationen i Sverige*) has in its report on the just transition called for, *inter alia*, an equitable division of the costs of the transition; investments in housing; public transport; workforce training, including for unemployed workers; and ensuring access to necessities such as reasonably priced food and water for low-income households.<sup>90</sup>

Alliance for a just climate transition (*Allians för rättvis klimatomställning*), an initiative consisting of 47 civil society organisations, has developed 37 demands for a just transition.<sup>91</sup> Besides a faster and more effective climate transition, the Alliance demanded for instance the application of the polluter pays principle; that low-income and rural populations be compensated for the costs of the transition; that emissions be taxed and income be distributed equitably; that investment in the transition be evaluated from an intersectional gender equality perspective; that authorities be required to gather equality data to recognise the discrimination facing persons of colour, religious minorities and indigenous people and to take measures to protect their rights; and that particularly groups in vulnerable situations be considered and their access to fundamental socio-economic rights be ensured without discrimination.<sup>92</sup>

The need to critically examine and broaden the justice element of the green transition and the need for thorough analyses of who is affected and in what ways is also emphasised as key by the Climate Policy Council. In its analysis of the Swedish climate policy from a justice perspective, the Climate Policy Council bases its approach on three dimensions of justice to identify groups in vulnerable situations. These three dimensions consist of 1. redistributive justice (distribution of costs and benefits); 2. procedural justice, (right to participation in various processes); and 3. the right to recognition, (such as the rights to land of indigenous peoples).<sup>93</sup> The Climate Policy Council also emphasises the importance of social acceptance of climate policies for them to be effective. The

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<sup>89</sup> Sweden, Swedish Society for Nature Conservation (*Naturskyddsföreningen*) (2022) [Positionspapper: Naturskyddsföreningens principer för en rättvis klimatomställning](#), 1 November 2022, p. 5.

<sup>90</sup> Sweden, Landsorganisationen i Sverige (2023) [Vad krävs för en rättvis klimatomställning?](#), November 2023, pp. 7-9.

<sup>91</sup> For more information see; Sweden, Alliance for a just climate transition (*Allians för rättvis klimatomställning*) '[Civilsamhällets samlade krav till politikerna: 37 steg för snabb och rättvis klimatomställning](#)', press release, 11 May 2023.

<sup>92</sup> Sweden, Alliance for a just climate transition (*Allians för rättvis klimatomställning*) (2023) '[Så genomför vi en snabb och rättvis omställning! Civilsamhällets uppmaningar till Sveriges regering och riksdag](#)', 6 May 2023.

<sup>93</sup> See for example Sweden, Climate Policy Council (*Klimatpolitiska rådet*) (2024) 2024 Report of the Swedish Climate Policy Council ([Klimatpolitiska rådets rapport 2024](#)), pp. 110-111; and Climate Policy Council (*Klimatpolitiska rådet*) (2023) 2023 Report of the Swedish Climate Policy Council ([Klimatpolitiska rådets rapport 2023](#)), p. 79.

Climate Policy Council highlights that research shows that there are several factors<sup>94</sup> that can influence the public's acceptance of climate policy instruments. One such factor is justice, that climate measures are perceived as fair.<sup>95</sup> The Climate Policy Council has criticised the governments for not being proactive enough in inducing social acceptance and for taking too narrow a view of the concept of acceptance. In relation to the Government's Climate Action Plan, the Climate Policy Council notes that the government's main concern seems to be that the transition should not impact household costs. According to the Climate Policy Council, the action plan lacks both an analysis and a strategy for how the government intends to work to increase acceptance of climate policy instruments. The Climate Policy Council stresses that need for acceptance should not become an argument for pausing the transition.<sup>96</sup>

The newly adopted NECP 2024 is an example of the lack of concrete measures on behalf of Sweden to ensure that the green transition is just. Prior to the adoption of the NECP 2024, the European Commission noted that the 2023 draft addressed just transition in a very limited manner. According to the Commission, the 2023 draft lacked information on and quantification of the social, employment and skills impact of the climate and energy transition, including the distributional impacts on groups in vulnerable situations. In addition, the 2023 draft did not provide sufficient information for the preparation of the Social Climate Plan. The Commission specified that the 2023 draft lacked quantifiable targets, objectives, and detailed measures to address employment, education, retraining and lifelong learning in a comprehensive way. The 2023 draft included only very generic information on social measures and did not elaborate how social policies, including social protection measures, will protect vulnerable households and ensure affordable essential services for all.<sup>97</sup>

Despite the critique of the European Commission on the 2023 draft, these shortcomings are not remedied in the NECP 2024. The added paragraph on just transition in NECP 2024 quoted above does not discuss in detail the concept of just transition, nor does it describe specific measures to ensure the fulfilment of this principle.<sup>98</sup> Sami, Roma or persons with disabilities are not mentioned in relation to the socio-economic impact of climate measures in the NECP 2024.

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<sup>94</sup> According to the Climate Policy Council, important factors for acceptance of climate policy instruments are: effective; justice; consultation and participation; financial incentives; communication and information; skills development and training; problem awareness; and trust.  
[National Energy and Climate Plan of Sweden](#)

<sup>95</sup> Sweden, Climate Policy Council (*Klimatpolitiska rådet*) (2024) 2024 Report of the Swedish Climate Policy Council ([Klimatpolitiska rådets rapport 2024](#)), p. 110.

<sup>96</sup> Sweden, Climate Policy Council (*Klimatpolitiska rådet*) (2024) 2024 Report of the Swedish Climate Policy Council ([Klimatpolitiska rådets rapport 2024](#)), pp. 109-110.

<sup>97</sup> European Commission (2023),

[SWD\(2023\) 923 final](#), 18 December 2023, p. 23.

<sup>98</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, pp. 25-26.

The NECP 2024 does not include any national objectives related to the non-discriminatory participation in renewable energy.<sup>99</sup> It is also notable that since the adoption of the previous NECP 2020, the new government has changed its policy and retracted from Sweden's former feminist foreign policy,<sup>100</sup> which is reflected in the lack of gender perspectives in the updated NECP 2024.

The NECP 2024 discusses the concept of energy poverty and, among other things, recognises the need of the development of a definition of energy poverty in order to identify and monitor implicated groups.<sup>101</sup> However, the NECP 2024 does not include any specific policies or measures regarding energy poverty and its reduction. The NECP 2024 refers to some instruments supporting vulnerable households, including financial support for paying bills. However, the support to low-income households is based on the general social welfare system, as energy poverty is currently not distinguished from general poverty.<sup>102</sup> In the NECP 2024, the government stresses that it aims to further concretise this work in the Social Climate Plan, which is to be submitted to the European Commission by 30 June 2025.

While the majority of the critique of Sweden's approach to the green transition in relation to justice concerns the lack of focus, analysis and action, we note that one of the interviewees in our study critiques justice rhetoric for being used to justify measures which slow down the climate transition.

## 2.3. Energy poverty

Up until recently, the Swedish government has not distinguished energy poverty as a specific form of poverty. As a result, the concept of energy poverty has not been applied in governance and there are no targeted policies to deal with the issue.<sup>103</sup> However, with

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<sup>99</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 75.

<sup>100</sup> See e.g. The Guardian, '[Swedish government scraps country's pioneering 'feminist foreign policy'](#)', 18 October 2022.

<sup>101</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 186.

<sup>102</sup> See further information on energy poverty in chapter 2.3. below.

<sup>103</sup> Sweden, Ministry of Infrastructure (*Infrastrukturdepartementet*) (2020) [Sweden's integrated national energy and climate plan](#) (*Sveriges integrerade nationella energi- och klimatplan*), 16 January 2020, p. 75; Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2023), [Draft updated national energy and climate plan](#) (*Utkast till uppdaterad nationell energi-och klimatplan för*

EU's revised Energy Efficiency Directive, the government notes that it has become relevant to address the concept of energy poverty.<sup>104</sup> In Sweden's updated NECP 2024, the government proposes the development of a definition of energy poverty in order to identify and monitor implicated groups.<sup>105</sup>

In January 2024, the Swedish Energy Agency (*Energimyndigheten*) was tasked with implementing new EU legal requirements in the area of energy poverty. This task includes preparing material for the implementation of, *inter alia*, parts of Article 24 on Empowering and protecting vulnerable customers and alleviating energy poverty in EU's revised Energy Efficiency Directive.<sup>106</sup> The material shall include an analysis and a proposal on how the concept of energy poverty can be measured and monitored. The analysis should relate the concept of energy poverty to the concept of vulnerable customers; analyse whether various EU funding opportunities require member states to have a definition of energy poverty in order to access these funds; address indicators on energy poverty; and analyse whether there is an existing network that could meet the requirements of Article 24.4.<sup>107</sup> The Article requires that member states establish a network of experts from various sectors. The network is to develop strategies to support local and national decision makers in implementing energy efficiency improvement measures, technical assistance and financial tools aiming to alleviate energy poverty. The network of experts shall also offer advice on, among other things, national definitions, indicators and criteria for energy poverty, energy poor and vulnerable customers.

In May 2024, the government extended the task of the Swedish Energy Agency by including points 1-3 in Article 24 of the Energy Efficiency Directive. The authority shall now analyse how the effects of energy poverty can be addressed in connection with the application of the energy efficiency first principle. They shall also investigate whether existing regulations or measures can be used to implement, among other, Article 24.1–

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*Sverige*), 10 July 2023, p. 43; Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 77.

<sup>104</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) Assignment to develop background material for the implementation of Articles 8, 10, and parts of Article 24 in the revised Energy Efficiency Directive ([Uppdrag att ta fram underlag inför genomförandet av artikel 8, 10 och delar av artikel 24 i det omarbetade direktivet för energieffektivitet](#)), 11 January 2024, p. 5.

<sup>105</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 186.

<sup>106</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) Assignment to develop background material for the implementation of Articles 8, 10, and parts of Article 24 in the revised Energy Efficiency Directive ([Uppdrag att ta fram underlag inför genomförandet av artikel 8, 10 och delar av artikel 24 i det omarbetade direktivet för energieffektivitet](#)), 11 January 2024.

<sup>107</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) Assignment to develop background material for the implementation of Articles 8, 10, and parts of Article 24 in the revised Energy Efficiency Directive ([Uppdrag att ta fram underlag inför genomförandet av artikel 8, 10 och delar av artikel 24 i det omarbetade direktivet för energieffektivitet](#)), 11 January 2024, p. 2.

24.3.<sup>108</sup> Concrete measures targeting vulnerable customers will be presented in the final reports submitted in December 2024 and March 2025.<sup>109</sup>

As energy poverty is currently not distinguished from general poverty, energy poverty falls under the general social security system administered by municipalities. Under chapter 4, section 3 of the Social Services Act (*Socialtjänstlag (2001:453)*)<sup>110</sup> income support is paid to cover reasonable costs for:

- Food, clothing and footwear, play and leisure, consumables, health and hygiene, newspapers and telephone, and
- Housing, household electricity, travel to work, home insurance and membership of trade unions and unemployment funds.

Reasonable costs are calculated according to a national standard based on official price surveys of the basic consumption by different types of households. The National Board of Health and Welfare's general advice on financial assistance (SOSFS 2013:1) mentions that reasonable costs for items may be related to housing costs, including the cost of heating, and that the Social Welfare Board (*socialnämnd*) should, as a rule, accept the individual's actual costs for household electricity if the costs are reasonable.<sup>111</sup> According to the National Board of Health and Welfare (*Socialstyrelsen*), just over 10.4 billion SEK was distributed to households in 2023, which is a decrease of 3.5 percent compared to 2022. The number of financial assistance recipients in 2023 was nearly 262,300, of which 86,700 were women, 90,400 were men, and 85,200 were children. Of the total number of adult financial assistance recipients, about 60 percent were foreign-born.<sup>112</sup>

As vulnerable energy consumers are covered by the general social security system, there are no specific statistics on the number of people or households classified as such.<sup>113</sup> There are also no particular indicators used to measure the prevalence of energy

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<sup>108</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) Assignment to develop a basis for the implementation of parts of the revised EU directives on energy efficiency, the energy performance of buildings, and renewable energy ([Uppdrag att ta fram underlag för genomförandet av delar av de omarbetade EU-direktiven om energieffektivitet, byggnaders energiprestanda och förnybar energi](#)), 15 May 2024.

<sup>109</sup> Sweden, Swedish Energy Agency (*Energimyndigheten*) (2024) Background material for the implementation of parts of the revised EU directives on energy efficiency, energy performance of buildings, and renewable energy ([Underlag för genomförande av delar av de omarbetade EU-direktiven om energieffektivitet, byggnaders energiprestanda och förnybar energi](#)), 24 September 2024, p. 6.

<sup>110</sup> Sweden, Social Services Act ([Socialtjänstlag \(2001:453\)](#)), 7 June 2001.

<sup>111</sup> Sweden, National Board of Health and Welfare (*Socialstyrelsen*) (2013) The National Board of Health and Welfare: General advice on financial aid ([Socialstyrelsens allmänna råd om ekonomiskt bistånd](#)), SOSFS 2013:1, as amended 2021.

<sup>112</sup> Sweden, National Board on Health and Welfare (*Socialstyrelsen*) Statistics on financial assistance ([Statistik om ekonomiskt bistånd](#)), official webpage, accessed 11 November 2024.

<sup>113</sup> Email to author at the Swedish Energy Markets Inspectorate (*Energimarknadsinspektionen*), 16 April 2024.

poverty, nor to monitor the number or identity markers of vulnerable energy customers under the Swedish definition.<sup>114</sup>

In the NECP 2024, the government notes that the available statistics are not sufficient to provide the measurability needed to quantify and monitor energy poverty according to EU's revised Energy Efficiency Directive. Due to this lack of specific data, the government states that they are currently focusing on data collection in relation to low-income households and parameters such as the size of the home, type of housing, energy performance, household type, and factors that affect households' agency over their situation over different time frames (availability of housing, knowledge, economic conditions, interest rates, and where in the country one lives).<sup>115</sup>

The NECP 2024 refers to research showing that price increases on essential goods such as energy hit household groups with smaller economic margins harder, partly because they have less room for efficiency improvements in their consumption and have little or no overconsumption to reduce. For low-income households already living in energy-efficient homes, it is often not possible to reduce energy consumption through behavioural changes when prices increase, as they have already minimised their consumption. The government further notes that minimising energy consumption is particularly difficult for households with young children, persons who are sick, retirees or others who, for various reasons, spend a lot of time at home.<sup>116</sup>

## Vulnerable energy consumers

Sweden does have certain policies and measures to protect so-called vulnerable energy consumers. The Swedish definition of vulnerable energy consumers is set out in the Ordinance containing Instructions for the Swedish Energy Markets Inspectorate (*Förordning (2016:742) med instruktion för Energimarknadsinspektionen*). The instructions state that vulnerable customers are “persons who permanently lack the means to pay for the electricity or natural gas transmitted or delivered to them for non-business purposes”.<sup>117</sup> This category of consumer is protected on the Swedish electricity and natural gas markets primarily by a right to receive financial assistance for the

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<sup>114</sup> Email to author at the Swedish Energy Markets Inspectorate (*Energimarknadsinspektionen*), 16 April 2024.

<sup>115</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 186.

<sup>116</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 188.

<sup>117</sup> Sweden, Ordinance containing Instructions for the Swedish Energy Markets Inspectorate ([Förordning \(2016:742\) med instruktion för Energimarknadsinspektionen](#)), 16 June 2016, section 8.

payment of bills through the general social security system. In the interim report of the Swedish Energy Agency on the task of preparing material for Sweden's implementation of points 1-3 in Article 24 mentioned above, the authority proposes that district heating consumers should be included in the same way as electricity and gas consumers to align with the broader scope of the Energy Efficiency Directive.<sup>118</sup>

In addition, the Electricity Act (*Ellag (1997:857)*),<sup>119</sup> the Natural Gas Act (*Naturgaslag (2005:403)*)<sup>120</sup> and the District Heating Act (*Fjärrvärmelag (2008:263)*)<sup>121</sup> contain provisions which protect consumers at risk of being disconnected from the electricity, district heating or natural gas network for non-payment or another serious breach of their contract. These provisions require companies to follow a particular statutory procedure before disconnecting vulnerable customers from services. This includes providing the customers with accurate information, giving them the opportunity to comply without disconnecting them and notifying social services in their municipality before disconnection. Through the notification of the social services, there are opportunities to assess whether the consumer is entitled to financial assistance, thereby preventing disconnection.<sup>122</sup>

## Data collection on energy poverty and vulnerable energy consumers

The Eurostat data for 2023 shows that 5.9 percent of the Swedish population are unable to keep their home adequately warm. This is an increase with 4.2 percentage since 2021 when the number were 1.7 percent. For persons with an income situation in relation to the risk of poverty threshold, this figure is 8.4 percent.<sup>123</sup>

As mentioned above in chapter 2.2., the government has recently tasked the National Institute of Economic Research (*Konjunkturinstitutet*) with calculating the effects of

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<sup>118</sup> Sweden, Swedish Energy Agency (*Energimyndigheten*) (2024) Background material for the implementation of parts of the revised EU directives on energy efficiency, energy performance of buildings, and renewable energy (*Underlag för genomförande av delar av de omarbetade EU-direktiven om energieffektivitet, byggnadersenergi-prestanda och förnybar energi*), 24 September 2024, pp. 5 and 61.

<sup>119</sup> Sweden, Electricity Act (*Ellag (1997:857)*), 20 November 1997.

<sup>120</sup> Sweden, Natural Gas Act (*Naturgaslag (2005:403)*), 2 June 2005.

<sup>121</sup> Sweden, District Heating Act (*Fjärrvärmelag (2008:263)*), 15 May 2008.

<sup>122</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated National Energy and Climate Plan (*Sveriges uppdaterade nationella energi- och klimatplan för Sverige*), 27 June 2024, p. 185.

<sup>123</sup> European Union (EU), Eurostat, National indicator, '[Population unable to keep home adequately warm by poverty status](#)', official webpage, accessed 10 December 2024.

price increases due to the ETS 2.<sup>124</sup> The task also includes analysing the concepts of energy poverty and vulnerable households in line with EU Directive 2023/955 on the establishment of the Social Climate Fund.<sup>125</sup> The National Institute of Economic Research has identified which Swedish households, transport users, and micro-enterprises may be considered vulnerable according to the objectives of the Social Climate Fund.<sup>126</sup> The direct effects of ETS 2 on these groups have also been calculated. The analysis has focused on three areas: household heating, household transport, and transport for micro-enterprises.<sup>127</sup> The analysis indicates that the effects of ETS 2 in Sweden primarily arise within the transport sector, suggesting that measures and investments targeting vulnerable transport users and vulnerable micro-enterprises are the most relevant to examine further. However, the National Institute of Economic Research emphasises that this does not preclude certain measures from being directed toward energy-poor and transport-poor households that are not affected by ETS 2 and do not fall within the core scope of the Social Climate Fund.<sup>128</sup>

According to the Institute's analysis, households in multi-family buildings are considered to be outside of the core scope of ETS 2. However, it should be noted that the National Institute of Economic Research excludes residents of multi-family buildings from the definition of energy-poor households, primarily because of the lack of reliable data on energy consumption in multi-family buildings in Sweden. Therefore, their analysis focuses solely on energy-poor residents in single-family homes.<sup>129</sup> The National Institute of Economic Research notes that there are households in multi-family buildings that meet the definition of energy-poor. However, only a very small proportion of multi-

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<sup>124</sup> Sweden, Ministry of Finance (*Finansdepartementet*) (2024) Assignment to calculate the effects of price increases due to the introduction of the EU's new emissions trading system ([Uppdrag att beräkna effekter av prishöjningar med anledning av införandet av EU:s nya utsläppshandelssystem](#)), government assignment, Fi2024/01484, 20 September 2024.

<sup>125</sup> Sweden, Ministry of Finance (*Finansdepartementet*) (2024) Assignment to calculate the effects of price increases due to the introduction of the EU's new emissions trading system ([Uppdrag att beräkna effekter av prishöjningar med anledning av införandet av EU:s nya utsläppshandelssystem](#)), government assignment, Fi2024/01484, 20 September 2024.

<sup>126</sup> Sweden, National Institute of Economic Research (*Konjunkturinstitutet*) (2024) Effects of price increases due to the introduction of the EU's new emissions trading system ([Effekter av prishöjningar med anledning av införandet av EU:s nya utsläppshandelssystem](#)), report, 31 October 2024.

<sup>127</sup> Sweden, National Institute of Economic Research (*Konjunkturinstitutet*) (2024) Effects of price increases due to the introduction of the EU's new emissions trading system ([Effekter av prishöjningar med anledning av införandet av EU:s nya utsläppshandelssystem](#)), report, 31 October 2024, p. 52.

<sup>128</sup> Sweden, National Institute of Economic Research (*Konjunkturinstitutet*) (2024) Effects of price increases due to the introduction of the EU's new emissions trading system ([Effekter av prishöjningar med anledning av införandet av EU:s nya utsläppshandelssystem](#)), report, 31 October 2024, p. 54.

<sup>129</sup> Sweden, National Institute of Economic Research (*Konjunkturinstitutet*) (2024) Effects of price increases due to the introduction of the EU's new emissions trading system ([Effekter av prishöjningar med anledning av införandet av EU:s nya utsläppshandelssystem](#)), report, 31 October 2024, p. 15.

family buildings use fossil fuels for heating, meaning that only few would be significantly affected by ETS 2.<sup>130</sup>

In relation to single-family households, the National Institute of Economic Research uses two alternative thresholds for energy poverty in their calculations: households with low economic standards that have higher energy costs relative to disposable income than 75 or 90 percent of households living in single family houses. According to these calculations, approximately 120,000 or 80,000 single-family households, respectively, are considered energy-poor. Among energy-poor households, those with oil or gas-heated homes, older residents, and rural households are overrepresented.<sup>131</sup> According to the Institute, vulnerable households are either energy poor or have below-average incomes, while being significantly affected by ETS 2 and lacking the financial means to counteract its effects through energy efficiency improvements in their homes. Thus, vulnerable households are those with an income below 80 percent of the average economic standard, residing in households using fossil fuels (oil or gas) and with high energy costs in terms of percentage of disposable income.<sup>132</sup> The group of vulnerable households partially overlaps with the group of energy-poor households.<sup>133</sup> The National Institute of Economic Research finds that approximately 0.6 percent of single-family houses are vulnerable and significantly affected by ETS 2. Most individuals in this group are older, and there is a clear regional overrepresentation in southern Sweden, where many oil and gas-heated houses are located.<sup>134</sup>

## Challenges and gaps

The very recent attention to the concept of energy poverty by the government is clearly driven by EU requirements. Mirroring this, the concept is not yet widely understood or used in Sweden. This fact is corroborated by the interviews in the study.

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<sup>130</sup> The National Institute of Economic Research refers to: Sweden, Swedish Energy Agency (*Energimyndigheten*) (2017) Energy statistics for multi-dwelling buildings 2016 (*Energistatistik för flerbostadshus 2016*), report, ES 2017:4.

<sup>131</sup> Sweden, National Institute of Economic Research (*Konjunkturinstitutet*) (2024) Effects of price increases due to the introduction of the EU's new emissions trading system (*Effekter av prishöjningar med anledning av införandet av EU:s nya utsläppshandelssystem*), report, 31 October 2024, pp. 52-53.

<sup>132</sup> Sweden, National Institute of Economic Research (*Konjunkturinstitutet*) (2024) Effects of price increases due to the introduction of the EU's new emissions trading system (*Effekter av prishöjningar med anledning av införandet av EU:s nya utsläppshandelssystem*), report, 31 October 2024, pp. 14-15.

<sup>134</sup> Sweden, National Institute of Economic Research (*Konjunkturinstitutet*) (2024) Effects of price increases due to the introduction of the EU's new emissions trading system (*Effekter av prishöjningar med anledning av införandet av EU:s nya utsläppshandelssystem*), report, 31 October 2024, p. 53.

Furthermore, the lack of a concept of energy poverty has entailed a lack of statistics on this phenomenon, including a lack of monitoring of its impact on different groups.<sup>135</sup> This has made it difficult to monitor the effects of the climate transition on energy poverty and on groups in vulnerable situations. These issues were recognised by the government in the updated NECP 2024. Steps have also recently been taken through government assignments, including those to the Swedish Energy Agency and the National Institute of Economic Research mentioned above.

While there is now work underway to conceptualise and monitor energy poverty, there are as of yet no measures in relation to energy poverty targeting specifically groups in vulnerable situations. Earlier measures by the Swedish government to address sharp increases in energy costs has not included a focus on groups in vulnerable situations. One example of this is the 2022 *ad hoc* measures to balance out the sudden rise in energy costs. These were implemented without regard to financial need or energy cost. Instead, they were based solely on consumption. This meant that customers with fixed electricity prices (tied to long contracts with low prices) and customers in price areas in the north of Sweden with low electricity prices, received as much financial support as those most affected by the sharp increase in prices.<sup>136</sup> In addition, the financial support was the same for every household, irrespective of financial circumstances.

The late attention to energy poverty by the government is mirrored by the interviewees in this study. It is clear from the findings of the interviews that the concept of energy poverty is still not understood as one that is relevant in a Swedish context. This is mainly because so called ‘cold rents’ are only rarely used in Sweden, which means that the cost for heating is usually included in the rent. In this context it is notable, however, that some of the interviewees mentioned that even though energy poverty is not prevalent among tenants living in public housing apartments, it might be so among house owners as a result of the rising energy costs.

*“Energy poverty has been completely unknown to us [...]. I’ve never heard anyone talking about energy poverty, that tenants are sitting and freezing because they can’t afford it. It’s not like in England or other places where they have gas meters and such. I mean, it’s an entirely unknown concept in Sweden.”*

Even though some of the interviewees were familiar with the concept of energy poverty, they expressed that they did not use it in the context of their work. The interviewees highlighted that energy poverty is discussed on the European level, again connecting it to the much higher prevalence of ‘cold rents’ in other European countries.

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<sup>135</sup> Email to author at the Swedish Energy Markets Inspectorate (*Energimarknadsinspektionen*), 16 April 2024.

<sup>136</sup> Nordic Energy Research (2024), [Energy poverty in the Nordic countries](#), p. 82.

Some of the interviewees, however, were concerned about the pace at which rents and living costs seem to spiral in Sweden. One interviewee underscored that energy poverty might become an issue in Sweden due to the rising heating costs and energy prices as well as the prospect of individual metering and billing.

*"[...] In Sweden, we don't quite relate to [energy poverty] in the same way. We talk more about electricity prices and the fact that energy prices are definitely going up, but it's not something that has directly affected tenants so far. However, my assessment [...] is that it's becoming an increasingly likely issue. Partly because we have rising heating costs and energy prices, and they don't look like they'll decrease anytime soon. This increase is largely due to fuel prices, but we also see that many district heating companies face significant reinvestment needs for their facilities and networks. And that comes with costs that need to be covered. So, we see a risk that heating one's home will become increasingly expensive. Additionally, if some form of individual metering and billing is introduced, it will make the cost very apparent for people, and it might even become an extra bill they choose to deprioritise, noticing just how much more expensive it has become. If someone has to prioritise among their expenses, there's a risk that they might have to decide between heating their home and, say, putting food on the table. This situation is not something we want to end up in. It's been somewhat of a luxury here in Sweden that we have largely been able to live in warm homes."*

Another interviewee emphasised the need for defining energy poverty and contextualising it in Sweden so that policies and practice to mitigate and alleviate the impact on groups in vulnerable situations can be developed.

## 2.4. Fundamental rights impact assessment

### Legal framework

There is no specific legal requirement to conduct social or fundamental rights impact assessments in the drafting of national energy or climate change mitigation legislation. A related obligation is however the requirement in the Instrument of Government (*Regeringsformen*) that the government ensures that necessary information and opinions are obtained from the relevant authorities, municipalities, associations and individuals before adopting legislation.<sup>137</sup> This means that inquiry reports including

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<sup>137</sup> Sweden, Instrument of Government ([Regeringsformen](#)), 28 February 1974, chapter 7, section 2.

legislative proposals are often circulated to these actors for comments, which can include social or fundamental rights impact assessments concerning certain groups.<sup>138</sup> Due to shortcomings in the government's reporting of human rights implications of legislative proposals, the Swedish Institute for Human Rights (*Institutet för mänskliga rättigheter*) has emphasised the need for an additional regulation regarding impact assessments on how legislative proposals relate to Sweden's obligations in the area of human rights.<sup>139</sup>

Like in relation to legislation, there is no general requirement to conduct specific social and fundamental rights impact assessments in the development of policy measures, nor is there any specific requirement to do so in relation to climate-related measures. Authorities are required, under the Ordinance on regulatory impact assessment (*Förordning (2024:183) om konsekvensutredningar*), to conduct impact assessments in relation to their decision-making.<sup>140</sup> However, the Ordinance does not include a specific requirement to assess the social or fundamental rights impacts of decisions. These assessments tend to focus on the budget implications and general effects of decisions and regulations.<sup>141</sup> Recently, as part of its task to prepare material for Sweden's implementation of the revised Energy Efficiency Directive,<sup>142</sup> the Swedish Energy Agency proposes to supplement the Ordinance with a requirement to describe relevant distributional effects in order to be able to address any potential impacts of the energy efficiency first principle on energy poverty.<sup>143</sup>

## Challenges and gaps

As discussed in chapter 2.2. above, the concepts of just transition, fundamental rights and groups in vulnerable situations are only mentioned briefly in the NECP 2024, which does not include detailed impact assessments or considerations regarding rights.

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<sup>138</sup> Sweden, Government Offices (*Regeringskansliet*) Inquiry's proposal is presented ([Utredningens förslag presenteras](#)), official webpage, accessed 25 March 2023.

<sup>139</sup> Sweden, Swedish Institute for Human Rights (*Institutet för mänskliga rättigheter*) (2024) Annual report 2024 ([Årsrapport 2024](#)), March 2024, p. 87.

<sup>140</sup> Sweden, Government of Sweden (*Regeringen*), Ordinance on regulatory impact assessment ([Förordning \(2024:13\) om konsekvensutredning](#)), 27 March 2024.

<sup>141</sup> See e.g. Sweden, Swedish Environmental Agency (*Naturvårdsverket*) Guidance in socioeconomic analysis ([Handledning i samhällsekonomisk analys](#)), official webpage accessed 11 November 2024.

<sup>142</sup> See under chapter 2.3 above.

<sup>143</sup> Sweden, Swedish Energy Agency (*Energimyndigheten*) (2024) Background material for the implementation of parts of the revised EU directives on energy efficiency, energy performance of buildings, and renewable energy (*Underlag för genomförande av delar av de omarbetade EU-direktiverna om energieffektivitet, byggnadersenergiprestanda och förnybar energi*), 24 September 2024, pp. 52-53.

The problem of lacking rights-based impact assessments in Swedish climate policy is illustrated for instance by the Climate Action Plan.<sup>144</sup> In its assessment of the plan, the Climate Policy Council noted that the Climate Action Plan states that there is a conflict between the rights of Sami, in particular in regard to their land rights related to traditional reindeer husbandry, and the state's and industry's land needs for activities related to the climate transition. Despite this general recognition, the action plan bypasses the interest of Sami by seeking to streamline environmental decision-making, potentially risking procedural rights in the process.<sup>145</sup> The Institute for Human Rights has highlighted that Sami are at heightened risk of harm due to climate change, but that their rights also risk being undermined through large scale development taking place in the name of the climate transition.<sup>146</sup>

In addition, the Climate Action Plan was criticised for insufficient consultation and participation from societal groups, as in practice almost only representatives of the business community were invited for dialogue.<sup>147</sup>

The Climate Action Plan also lacks an analysis of the planned policies' effect on household finances or on groups in vulnerable situations. Instead, the government only refers to EU's Social Climate Fund and the requirement that Social Climate Plans be presented by 2025.<sup>148</sup> The Climate Policy Council highlights the negative effects of this lack of analysis in relation to the government's decisions to lower fuel costs. The Council states that this benefits some societal groups, including men, older populations and high-earners, over women, young people and lower-earners, who are more likely to use and rely on public transport. The Climate Policy Council therefore considers it important that future analyses of the transition from fossil fuels include wider distributional political analyses and make clear which groups benefit and which are disadvantaged by political decisions.<sup>149</sup>

A high-profile lawsuit on climate change and human rights is underway in Sweden. Young people associated with the non-profit organisation Aurora have filed a lawsuit against the state claiming that the lack of action to mitigate climate change violates the

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<sup>144</sup> Sweden, Government (*Regeringen*) (2023) Government's Climate Action Plan – All the Way to Net Zero (*Regeringens klimathandlingsplan – hela vägen till nettonoll*), government missive, 2023/24:59, 21 December 2023.

<sup>145</sup> Sweden, Climate Policy Council (*Klimatpolitiska rådet*) (2024) 2024 Report of the Swedish Climate Policy Council (*Klimatpolitiska rådets rapport 2024*), p. 110.

<sup>146</sup> Sweden, Swedish Institute for Human Rights (*Institutet för mänskliga rättigheter*) (2024) Annual report 2024 (*Årsrapport 2024*), March 2024, pp. 58-59.

<sup>147</sup> Sweden, Climate Policy Council (*Klimatpolitiska rådet*) (2024) 2024 Report of the Swedish Climate Policy Council (*Klimatpolitiska rådets rapport 2024*), pp. 112-113.

<sup>148</sup> See chapter 2.2. above.

<sup>149</sup> Sweden, Climate Policy Council (*Klimatpolitiska rådet*) (2024) 2024 Report of the Swedish Climate Policy Council (*Klimatpolitiska rådets rapport 2024*), p. 111.

European Convention on Human Rights.<sup>150</sup> The District Court submitted the question of admissibility of such a case to the Supreme Court in autumn 2023. The Supreme Court granted leave of appeal on 25 April 2024 and the case is currently being processed with the case number Ö 7177-23.<sup>151</sup> In May 2024, the Swedish Institute for Human Rights submitted an amicus curiae brief to the Supreme Court in the case, aiming to highlight the case's significance for human rights.<sup>152</sup>

In its two reports, A climate policy framework for Sweden (*Ett klimatpolitiskt ramverk för Sverige*)<sup>153</sup> and A climate and air pollution control strategy for Sweden (*En klimat- och luftvårdsstrategi för Sverige*),<sup>154</sup> the Environmental Objectives Committee<sup>155</sup> compiled a number of estimates of the socio-economic consequences of achieving the milestone climate targets for 2030 and 2040, the milestone target for the transport sector, and the long-term emissions target. These estimates were obtained using different models which have different points of focus and are based on different assumptions, meaning the results of the model calculations are not directly comparable with one another. However, they can help create an overall picture of the socio-economic consequences of the climate transition.<sup>156</sup> These assessments are however heavily focused on the financial effects of the proposals and do not adopt a rights-based analysis.

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<sup>150</sup> Sweden, Nacka District Court (*Nacka tingsrätt*), Case no. T 8304–22; and, Sweden, Swedish Institute for Human Rights (*Institutet för mänskliga rättigheter*) (2024) Annual report 2024 ([Årsrapport 2024](#)), March 2024, p. 54.

<sup>151</sup> Sweden, Supreme Court (*Högsta domstolen*), 'The Supreme Court grants leave of appeal in the matter of whether the claim in the so called Aurora-case can be tried in court' ([Högsta domstolen meddelar prövningstillstånd i frågan om den talan som väckts i det s.k. Auroramålet kan prövas i domstol](#)), press release, 25 April 2024.

<sup>152</sup> Sweden, Swedish Institute for Human Rights (*Institutet för mänskliga rättigheter*) (2024) Amicus curiae brief to the Supreme Court in the Aurora case ([Amicus curiae-yttrande till Högsta domstolen i Auroramålet](#)), 21 May 2024.

<sup>153</sup> Sweden, Environmental Objectives Committee (*Miljömålsberedningen*) (2016), [Ett klimatpolitiskt ramverk för Sverige](#), report, SOU 2016:21, chapter 9.

<sup>154</sup> Sweden, Environmental Objectives Committee (*Miljömålsberedningen*) (2016), [En klimat- och luftvårdsstrategi för Sverige](#), report, SOU 2016:47, chapter 12.

<sup>155</sup> The Environmental Objectives Committee was established by the government in July 2010 to achieve broad political consensus on various environmental issues. The committee's task is to propose how the environmental quality objectives can be achieved through politically anchored strategies with interim targets, policy instruments, and measures, see Sweden, Swedish environmental objectives (*Sveriges miljömål*), Environmental Objectives Committee ([Miljömålsberedningen](#)), official webpage, accessed 10 December 2024.

<sup>156</sup> Sweden, Ministry of Infrastructure (*Infrastrukturdepartementet*) (2020) [Sweden's integrated national energy and climate plan](#) (*Sveriges integrerade nationella energi- och klimatplan*), 16 January 2020, p. 174.

### 3. Addressing different aspects of energy efficiency and energy poverty: Public Housing Sweden's Climate Initiative

#### General information about the Climate Initiative

In autumn 2018, Public Housing Sweden's Climate Initiative (*Allmännyttans Klimatinitiativ*) (Climate Initiative)<sup>157</sup> started as a joint call for public housing companies to reduce emissions of greenhouse gases.<sup>158</sup> The Climate Initiative, which is built on voluntary and cost-free membership with peer-to-peer learning and pressure, has thus far engaged 194 companies around Sweden.

Public housing companies with a shared aim of reducing greenhouse gas emissions through ambitious goals, collaboration and active exchange of experience together shaped the initiative coordinated by Public Housing Sweden (*Sveriges allmännyttan*). According to the description of the Climate Initiative, the housing companies are believed to make the transition faster by inspiring and encouraging each other. Public housing companies carry out different initiatives such as installations for efficient and climate-smart energy systems, awareness campaigns for water and energy saving and other climate-smart solutions.

The starting point is that everyone can contribute. The idea is to leverage the collective strength of the public utility (*allmännyttan*) as a large purchaser that can set requirements and drive the climate transition.<sup>159</sup> The Climate Initiative has two overarching goals:

1. A fossil-free public utility by 2030 at the latest; and
2. 30 percent lower energy use by 2030 (calculated from the year 2007).

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<sup>157</sup> Sweden, Public Housing Sweden (*Sveriges allmännyttan*), Public Housing Sweden's Climate Initiative (*Allmännyttans Klimatinitiativ*), official webpage, accessed 11 November 2024.

<sup>158</sup> The Climate Initiative was developed in collaboration with IVL Swedish Environmental Research Institute, an independent research institute specialising in environmental and sustainability issues.

<sup>159</sup> Sweden, Public Housing Sweden (*Sveriges allmännyttan*), Public Housing Sweden's Climate Initiative (*Allmännyttans Klimatinitiativ*), official webpage, accessed 11 November 2024.

There are three focus areas where housing companies can work on their carbon dioxide emissions:

1. Power peaks and renewable energy;
2. Climate requirements for suppliers; and
3. Climate-smart living.

The idea is that the focus areas should contribute to gearing up the work for green transition and driving the development.<sup>160</sup>

The goals of the initiative are linked to the ambitions and timeframe of NECP 2024<sup>161</sup> drawing from targets such as a fossil-fuel-free vehicle fleet. Public Housing Sweden has, however, explained that the initiative can be seen as only partially linked to the overarching climate goals as the initiative includes both an energy efficiency goal and a fossil-free goal. As the priorities and overarching goals have changed since 2018, Public Housing Sweden has also underscored that it is updating the goals accordingly.<sup>162</sup>

As a member of the Climate Initiative, companies voluntarily commit to the two overarching goals and to submit data in the annual survey (web based) to Public Housing Sweden. Guidelines and methods for the submission of data have been developed. The reporting related to climate is categorised into areas according to the international Greenhouse Gas Protocol standards, adapted to the Swedish housing sector. The data is compiled into a company-specific climate and energy report, which is distributed to each company. The companies can view their own statistics and track their progress on goal achievement as well as the overall results showing how the entire Climate Initiative is progressing. The overall results are presented at Public Housing Sweden's annual climate and energy conference.<sup>163</sup>

The Climate Initiative does not report to any external parties, except in the form of marketing and communication primarily directed towards members participating in the initiative. Here, Public Housing Sweden presents results at an aggregated level in newsletters and on its website.<sup>164</sup>

The Climate Initiative is financed by the purchasing function of Public Housing Sweden (*HVB - allmännyttans inköpsfunktion*) and the Swedish Union of Tenants (*Hyresgästföreningen*). Both parties contribute 400,000 SEK (€ 36,000) each year. This

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<sup>160</sup> Sweden, Public Housing Sweden (*Sveriges allmännytta*), Public Housing Sweden's Climate Initiative (*Allmännyttans Klimatinitiativ*), official webpage, accessed 11 November 2024.

<sup>161</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated national energy and climate plan (*Sveriges uppdaterade nationella energi-och klimatplan för Sverige*), 27 June 2024.

<sup>162</sup> Interview with representative of the Climate Initiative at Public Housing Sweden (INT1).

<sup>163</sup> Interview with representative of the Climate Initiative at Public Housing Sweden (INT2).

<sup>164</sup> See for example: Sweden, Public Housing Sweden (*Sveriges allmännytta*), Current Developments in the Climate Initiative (*Aktuellt inom Klimatinitiativet*), official webpage, accessed 11 December 2024.

makes it possible for the initiative to be free of charge for Public Housing Sweden's member companies. However, there is a cost to participate in various activities (network meetings, conferences, training) organised within the framework of the Climate Initiative. In addition, members carry the costs of their individual initiatives themselves.

At the turn of the year 2024/2025, funding from both the purchasing function of Public Housing Sweden and the Swedish Union of Tenants will end. Public Housing Sweden will then incorporate the work of the Climate Initiative into its daily operations, financed through general membership fees and training fees.<sup>165</sup>

## Legal framework of relevance to the Climate Initiative

The Climate Initiative does not directly link itself to a specific legal instrument or framework. Energy and climate measures within the Climate Initiative carried out by the public housing member companies around the country, however, relate to a range of different EU Directives and national laws and regulations. The most relevant ones identified by this research are the Energy Efficiency Directive and the Energy Performance of Buildings Directive. The Energy Efficiency Directive has been implemented in Swedish law through the Act and Ordinance on Energy Metering in Buildings (*Lag (2022:333) om energimätning i byggnader; Förordning (2022:336) om energimätning i byggnader*)<sup>166</sup> and in the Swedish National Board of Housing, Building, and Planning's regulations and general guidelines on energy metering in buildings.<sup>167</sup> The Energy Performance of Buildings Directive has been gradually implemented in Swedish law, including through the Act on Energy Certification of Buildings (*Lag (2006:985) om energideklaration för byggnader*).<sup>168</sup> The revised EU Directive on the Energy Performance of Buildings is to be incorporated into Swedish legislation by 29 May 2026. Furthermore, the EU Corporate Sustainability Reporting Directive has been implemented into Swedish law through amendments to the Annual Accounts Act (*Årsredovisningslag (1995:1554)*).<sup>169</sup> These amendments came into effect on 1 July 2024.

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<sup>165</sup> Interview with representative of the Climate Initiative at Public Housing Sweden (INT1).

<sup>166</sup> Sweden, Act on Energy Metering in Buildings (*Lag (2022:333) om energimätning i byggnader*), 28 April 2022; and, Sweden, Ordinance on Energy Metering in Buildings (*Förordning (2022:336) om energimätning i byggnader*), 28 April 2022.

<sup>167</sup> Sweden, Swedish National Board of Housing, Building, and Planning (*Boverket*), Swedish National Board of Housing, Building, and Planning's regulations and general guidelines on energy metering in buildings (*Boverkets föreskrifter och allmänna råd (2022:3) om energimätning i byggnader*), BFS 2022:3.

<sup>168</sup> Sweden, Act on the energy certification of buildings (*Lag (2006:985) om energideklaration för byggnader*), 21 June 2006.

<sup>169</sup> Sweden, Annual Accounts Act (*Årsredovisningslag (1995:1554)*), 14 December 1995.

## Public housing companies and Public Housing Sweden's role in the Climate Initiative

More than three out of ten million Swedes live in rented accommodation. Over half of these live in public housing, i.e. municipally owned rental housing. This means that Swedish public housing companies account for almost 20 percent of Sweden's housing stock.<sup>170</sup> There are one or more public housing companies in 93 percent of Swedish municipalities (269 out of 290 municipalities in total).<sup>171</sup>

Under the Act on Public Utility Municipal Housing Companies (*Lag (2010:879) om allmännyttiga kommunala bostadsaktiebolag*), public housing companies in Sweden have a clear social responsibility linked to the municipality's housing supply obligations. Public housing companies manage municipally owned properties with rental apartments as part of their operations. Their social responsibility entails an obligation to promote housing supply in the municipality, including housing for individuals for whom the municipality has a particular responsibility, such as older persons, persons with disabilities and persons newly arrived in Sweden. Public housing companies must also offer tenants opportunities to have influence over their housing as well as within the local public housing company.<sup>172</sup> At the same time, public housing companies must, under the Act on Public Utility Municipal Housing Companies, be managed according to commercial principles to avoid distorting competition.<sup>173</sup> This means that public housing companies must combine their social responsibility with a business-like approach.

Public housing in Sweden is therefore open for all and is not solely catering for low-income households. The municipality owned companies can have housing stock for all income categories, also the more high-end. This also means that Sweden does not have so-called social housing.

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<sup>170</sup> Sweden, Public Housing Sweden (*Sveriges allmännytta*), [Public Housing Sweden](#), official webpage, accessed 11 November 2024.

<sup>171</sup> Sweden, Swedish National Board of Housing, Building, and Planning (*Boverket*), Public housing companies exist in most municipalities (*Allmännyttiga bostadsföretag finns i de flesta Kommuner*), official webpage, accessed 1 December 2024.

<sup>172</sup> Sweden, Act on Public Utility Municipal Housing Companies (*Lag (2010:879) om allmännyttiga kommunala bostadsaktiebolag*), 23 June 2010, section 1.

<sup>173</sup> Sweden, Act on Public Utility Municipal Housing Companies (*Lag (2010:879) om allmännyttiga kommunala bostadsaktiebolag*), 23 June 2010, section 2.

Public Housing Sweden is a national organisation, consisting of the municipally owned housing companies as well as long-term private housing companies that contribute to the public interest in Sweden.<sup>174</sup>

In total, Public Housing Sweden represents more than 950,000 apartments and over 300 companies in Sweden.<sup>175</sup> The organisation, therefore, plays a pivotal role in many areas of relevance to rental housing, not least in annual rent negotiations. The so called 'tripartite agreement' (*Trepartsöverenskommelsen*) between the three major actors in rental housing in Sweden – the Swedish Union of Tenants, Public Housing Sweden, and the Property Owners Association (*Fastighetsägarna*)<sup>176</sup> (private companies) – establishes a common framework for rent negotiations by agreed guidelines for rent-setting based on rent adjustments, renovations, or new constructions. This agreement forms the basis for the annual rent negotiations between the Swedish Union of Tenants and Public Housing Sweden.<sup>177</sup>

## Swedish Union of Tenants' role in the Climate Initiative

The Swedish Union of Tenants is one of the key partners in the Climate Initiative. Apart from co-financing the initiative, their involvement has focused on taking an active role in joint development projects within the area of climate-smart living. This includes communicating the collective knowledge and results of the Climate Initiative to its members and elected representatives locally as well as advocating for legislative changes to reduce climate impact. Internally, within their own nationwide organisation, their involvement has also meant a commitment to implement climate-related actions.

The Swedish Union of Tenants' active involvement and co-financing of the Climate Initiative can be linked directly to their overall commitment to promote sustainable housing in the rental market in Sweden. The Swedish Union of Tenants has a ten-point program<sup>178</sup> for a sustainable housing policy, which encompasses all steps from planning and construction to housing brokerage and renovation. The program is based on the principle that people's needs shall set the pace for housing construction - not the

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<sup>174</sup> Sweden, Public Housing Sweden (*Sveriges allmännyttan*), [Public Housing Sweden](#), official webpage, accessed 11 November 2024.

<sup>175</sup> Sweden, Public Housing Sweden (*Sveriges allmännyttan*), [Public Housing Sweden](#), official webpage, accessed 11 November 2024.

<sup>176</sup> Sweden, Property Owners Association (*Fastighetsägarna*) We are the Property Owners Association (*Vi är Fastighetsägarna*), official webpage, accessed 11 November 2024.

<sup>177</sup> Sweden, Swedish Union of Tenants (*Hyresgästföreningen*) Tripartite agreement (*Trepartsöverenskommelsen*), official webpage, accessed 1 December 2024.

<sup>178</sup> Sweden, Swedish Union of Tenants (*Hyresgästföreningen*) 10-point program for a sustainable housing policy (*10-punktsprogram för en hållbar bostadspolitik*), official webpage, accessed 11 November 2024.

market's short-term profit interests. Point six in the ten-point program is dedicated to ecological sustainability and energy.<sup>179</sup> It is summarised by the Swedish Union of Tenants in English:

*“Our homes both affect and are affected by climate change. Sustainable housing of the future requires the greenhouse gas emissions generated by our homes to be minimised, while at the same time our buildings and communities must be adapted to the new conditions that climate change brings. The housing sector, like all sectors of society, must do everything it can to minimise its climate emissions.”<sup>180</sup>*

## Selection of project and interviewees

Public Housing Sweden's Climate Initiative was chosen for this research based on its potential to be a promising example of how public housing companies can take more active responsibility and concrete climate action, both as individual companies and together as members of Public Housing Sweden.

Many of the voluntary local initiatives carried out by the public housing company members have proven successful in terms of energy efficiency, water saving and climate-smart constructions. They have a potential to be scaled up and both public and private housing companies can learn from them.

The Climate Initiative's two overarching goals (a fossil-free public utility and 30 percent lower energy use by 2030) and focus areas (power peaks and renewable energy, requirements for suppliers, and climate-smart living) are in line with the ambitions and timeframe of Sweden's updated NECP 2024.<sup>181</sup>

The interviewees were chosen to secure a variety of voices representing both Public Housing Sweden and the local implementers of the initiative as well as actors with perspectives from civil society, social welfare services and independent expert bodies. The different actors complement each other, and their combination is believed to provide both broad and in-depth understanding of a just green transition and public housing at the national and local level.

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<sup>179</sup> Sweden, Swedish Union of Tenants (*Hyresgästföreningen*) Ecological sustainability and energy ([Ekologisk hållbarhet och energi](#)), official webpage, accessed 11 November 2024.

<sup>180</sup> Sweden, Swedish Union of Tenants (*Hyresgästföreningen*) Ecological sustainability and energy ([Ekologisk hållbarhet och energi](#)), official webpage, accessed 11 November 2024.

<sup>181</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated national energy and climate plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024.

## 3.1. Leaving no one behind – target groups, eligibility, accessibility, equality

### Accessing public housing in Sweden

As the Climate Initiative targets public housing, accessing public housing is a precondition for accessing the Climate Initiative. It is common for tenants in public housing in Sweden to have to meet certain criteria, such as income level in relation to rent<sup>182</sup> to be able to get a rental contract. Other common criteria include a minimum age of 18 years, being free from debt to the housing company or the Enforcement Authority (*Kronofogden*) (bailiff) and not being reported for disturbances in previous housing. Different types of income, such as social welfare support, pension or study loan, can also potentially make it more difficult to get a rental contract. However, the current trend is that public housing companies are becoming more flexible regarding what types of income they accept.<sup>183</sup>

Public Housing Sweden has developed general guidelines for companies to draft clear policies on rental criteria,<sup>184</sup> including protection against any form of discrimination. The guidelines refer to the Discrimination Act (*Diskrimineringslag (2008:567)*)<sup>185</sup> as being directly applicable to the housing companies' work with letting apartments.

*“[The Discrimination Act] stipulates that the working methods, rules and criteria used by the housing company must not be directly or indirectly discriminatory against anyone based on gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age.”*<sup>186</sup>

Other listed factors for public housing companies to consider when setting rents are for example local circumstances (demand and needs), commuting opportunities to nearby

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<sup>182</sup> Sweden, Public Housing Sweden (*Sveriges allmännyttta*) (2023) Public Housing Sweden's social responsibility, summary of annual survey 2023 ([Allmännyttans bostadssociala ansvar, sammanställning av årets enkät 2023](#)), 2023.

<sup>183</sup> Sweden, Public Housing Sweden (*Sveriges allmännyttta*) (2023) Public Housing Sweden's social responsibility, summary of annual survey 2023 ([Allmännyttans bostadssociala ansvar, sammanställning av årets enkät 2023](#)), 2023.

<sup>184</sup> Sweden, Property Owners Association (*Fastighetsägarna*) and Public Housing Sweden (*Sveriges Allmännyttta*) (2018) Access Requirements for Rental Housing – A Guide from the Property Owners Association and Public Housing Sweden ([Tillträdeskrav vid uthyrning av bostäder – en vägledning från Fastighetsägarna och Sveriges Allmännyttta](#)), p. 4.

<sup>185</sup> Sweden, Discrimination Act (*Diskrimineringslag (2008:567)*), 5 June 2008.

<sup>186</sup> Sweden, Property Owners Association (*Fastighetsägarna*) and Public Housing Sweden (*Sveriges Allmännyttta*) (2018) Access Requirements for Rental Housing – A Guide from the Property Owners Association and Public Housing Sweden ([Tillträdeskrav vid uthyrning av bostäder – en vägledning från Fastighetsägarna och Sveriges Allmännyttta](#)), p. 4.

towns and the situation on the local labour market. The guidelines also underscore issues of transparency and clear communication. This is reflected in the need to guarantee that housing applicants can understand how the entire process works.

While the guidelines include general advice to all companies, they also underscore that *“individual companies have a great responsibility to design their own business in the best way possible based on their own requirements, an active social responsibility and local conditions.”*<sup>187</sup>

The guidelines also state that *“the rental policy must be a living document that is constantly used by employees who work with rental issues. It should be reviewed regularly, for example once a year, and revised if necessary. Laws and regulations do not specify how rental apartments should be distributed.”*<sup>188</sup>

The general recommendation from Public Housing Sweden regarding income is that incomes should be assessed with reference to guaranteed space for other basic living costs<sup>189</sup> after the rent is paid, rather than a requirement for an income amounting to a fixed number of times the monthly rent. The reason is that the latter way of assessment carries a risk that people who actually have sufficient ability to pay will be prevented from renting a home with a higher rent.<sup>190</sup>

Two of the three public housing companies included in this study assess income in relation to rent. However, these two companies accept most forms of income or assets.

The Swedish approach to housing does not include the concept of social housing. Public Housing Sweden is opposed to social housing and explains their views in the following way: *“For society, it would be expensive to subsidise the housing, and it also requires an extensive regulatory framework and a control apparatus. Individuals and families risk being singled out as poor persons who cannot support themselves. Income caps can also have lock-in effects. It is not a desirable development in the Swedish housing market.*

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<sup>187</sup> Sweden, Property Owners Association (*Fastighetsägarna*) and Public Housing Sweden (*Sveriges Allmännytta*) (2018) Access Requirements for Rental Housing – A Guide from the Property Owners Association and Public Housing Sweden ([Tillträdeskrav vid uthyrning av bostäder – en vägledning från Fastighetsägarna och Sveriges Allmännytta](#)), p. 4.

<sup>188</sup> Sweden, Property Owners Association (*Fastighetsägarna*) and Public Housing Sweden (*Sveriges Allmännytta*) (2018) Access Requirements for Rental Housing – A Guide from the Property Owners Association and Public Housing Sweden ([Tillträdeskrav vid uthyrning av bostäder – en vägledning från Fastighetsägarna och Sveriges Allmännytta](#)), p. 4.

<sup>189</sup> Using a national guideline such as: Sweden, the Enforcement Authority (*Kronofogden*) ‘[Beräkna ditt förbehållsbelopp](#)’, official webpage, accessed 11 November 2024; Sweden, Swedish Consumer Agency (*Konsumentverket*) ‘[Beräknade hushållskostnader](#)’, official webpage, accessed 11 November 2024; and Sweden, National Board of Health and Welfare (*Socialstyrelsen*) ‘[Riksnormen för försörjningsstöd](#)’, official webpage, accessed 11 November 2024.

<sup>190</sup> Sweden, Public Housing Sweden (*Sveriges allmännytta*) (2023) Public Housing Sweden’s social responsibility, summary of annual survey 2023 ([Allmännyttans bostadssociala ansvar, sammanställning av årets enkät 2023](#)), 2023.

*Society's support for low-income households to enable them to request suitable housing should instead be provided through an increased housing allowance. Then more people can have a better opportunity to request housing they want.”<sup>191</sup>*

Public Housing Sweden exemplifies measures aimed at people who find it difficult to obtain housing on the market with housing allowance, housing supplement, housing adaptation allowance, livelihood support, social contracts<sup>192</sup> and priority in the queue.<sup>193</sup>

## Climate Initiative target groups and accessing the Climate Initiative

The Climate Initiative has two target groups: public housing companies as well as the tenants living in the apartment buildings and houses owned by the public housing companies.

The interviewees engage at different levels of the Climate Initiative or related activities, as representatives of Public Housing Sweden, as implementers of the initiative and as voices from other perspectives such as civil society, social welfare services and independent experts. The interviewed implementers carry out different initiatives for more efficient and climate-smart energy systems, water saving and climate-smart constructions, all in line with the overarching focus areas and objectives of the Climate Initiative, as described above in the chapter on general information about the Climate Initiative.

There are no eligibility criteria for the public housing companies to participate in the Climate Initiative. An interviewee from Public Housing Sweden mentions that the public housing companies' stock covers all of Sweden, all areas of different socio-economic status, and all rent levels. The same interviewee notes that compared to private housing companies, public housing companies own more properties, and therefore have more tenants in socioeconomically challenged areas.<sup>194</sup> Consequently, measures under the Climate Initiative reach tenants broadly as they are spread over the entire country and

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<sup>191</sup> Sweden, Public Housing Sweden (*Sveriges allmännytt*) A housing policy for all ([En bostadspolitik för alla](#)), official webpage, accessed 11 November 2024.

<sup>192</sup> On social contracts, see Sweden, Swedish National Board of Housing, Building and Planning (*Boverket*) Kommunernas särskilda boendelösningar ([The municipalities' specific housing solutions](#)), official webpage, accessed 11 November 2024.

<sup>193</sup> Sweden, Public Housing Sweden (*Sveriges allmännytt*) A housing policy for all ([En bostadspolitik för alla](#)), official webpage, accessed 11 November 2024.

<sup>194</sup> M. Grander 'Den kommunala allmännyttan - Fyra motsägelser och vägval för framtidens bostadsförsörjning', *Bostad2030*, p. 9.

target different socio-economic areas as well as rent levels. Implementers confirm that measures taken as part of the Climate Initiative target entire apartment buildings. When probed, one interviewee noted that, for technical reasons, the district heating provided under the Climate Initiative did not reach a small number of tenants who in addition are individually billed for their heating.

*“[...] We don’t see that we have that problem since we only have three people this winter who will pay for their own heating—out of 6100. So, we don’t see that risk as long as people accept 21 degrees, then we deliver. As I said, it’s only a few.”*

Interviewees also noted unequal access to charging stations for electric cars. Areas where many persons request such stations are prioritised. This means that persons who live in areas where fewer people can afford an electric car are left behind this development under the Climate Initiative.

It is notable that two interviewees from Public Housing Sweden and implementers bring up that those who are the most vulnerable to energy poverty and thus in need for measures relating to climate smart housing are homeowners, a group not included in the Climate Initiative. This is so as they, as opposed to the absolute majority of tenants in apartment buildings, are individually billed for heating. One of these interviewees highlights here the particularly vulnerable situation of retirees and people living alone. As mentioned above, the practice of ‘warm rent’ means that tenants, as long as they pay the rent, do not risk living in cold apartments. However, higher energy prices are reflected in higher rent levels, making it harder for those in economically vulnerable situation to afford housing as such.

## Attention to individuals and groups in vulnerable situations

All interviewees engaged in the Climate Initiative, both representatives of Public Housing Sweden and implementers, are concordant in that the work in the Climate Initiative does not systematically take the situation of tenants in particularly vulnerable situations into account. Interviewees refer to other colleagues and parts of their organisations where social questions are placed and note that the Climate Initiative is not connected to this work.

When probed about groups in vulnerable situations, all interviewees mention those who have difficulties affording the rent. All interviewees, save one from the category of independent experts, approach those in economically vulnerable situations as a homogenous category. No further reflection is volunteered which groups are subject to such vulnerability and to what extent they might be subject to additional risks of disadvantage in general and on the housing market in particular. Interviewees from civil

society, when probed about tenants in economically vulnerable situations, approach tenants in general as a vulnerable group, given the unequal power relations of tenants vis-à-vis housing companies.

Interviewees from all categories note that any higher rents due to environmental sustainability measures by property owners, such as changing the heating system of an apartment building, would hit those in economically vulnerable situations the hardest. Interviewees from all categories also agree that neither the households nor the property owners have the means to finance such measures. Interviewees from both the category of civil society and Public Housing Sweden emphasise in that the government must contribute to the costs of climate and environment renovations. Here, an interviewee from the category of civil society emphasises that measures to support and mitigate the consequences for tenants in an economically vulnerable situation primarily involve the organisation applying political pressure in questions such as energy efficiency, highlighting that the resulting costs should not fall directly on tenants.

Interviewees both from civil society and Public Housing Sweden bring up the question of utility value as an issue where modes of renovation connected to the climate and the environment become problematic in relation to rent levels. The utility value system is connected to the tripartite agreement, a constellation in which rents are negotiated between the Swedish Union of Tenants, Public Housing Sweden and the Property Owners Association.<sup>195</sup> The utility value system means that the rent is based on the apartment's standard, quality and services. Within the utility value system, it has been agreed that certain improvements are considered standard-raising and justify rent increases, while others do not.<sup>196</sup> Here, it should be noted that a rent increase due to energy efficiency measures could conflict with the Swedish utility value system. Energy efficiency improvements are typically regarded as maintenance rather than standard upgrades that warrant a rent increase.<sup>197</sup>

One of the core questions is to which extent reuse warrants rent increases. While the Swedish Union of Tenants' perspective is that tenants should not face significant financial burdens related to climate and environmental measures, housing companies argue that they need to be compensated for their efforts. An interviewee from Public Housing Sweden notes that using reused materials in renovations still costs a lot of money. As a consequence, it is not economically feasible to deny housing companies the opportunity to increase rent when renovating with reused material. At the same time,

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<sup>195</sup> See above under introduction to this chapter.

<sup>196</sup> The utility value system is designed to ensure equal rents for equivalent housing, for more information, see: Sweden, Swedish Union of Tenants (*Hyresgästföreningen*) What is included in the rent? ([Vad ingår i hyran?](#)), official webpage, accessed 12 December 2024; and Sweden, Swedish Union of Tenants (*Hyresgästföreningen*) What is utility value rent? ([Vad är bruksvärdeshyra?](#)) official webpage, accessed 12 December 2024.

<sup>197</sup> Sweden, Swedish Energy Agency (*Energimyndigheten*), Efficient use of energy and resources ([Effektiv användning av energi, effekt och resurser](#)), ER 2024:03, pp. 98-99.

the interviewee notes that from a business perspective it is not feasible that the costs are put on tenants either, as they cannot afford this. This point is underscored by interviewees from civil society, noting in addition that a used item may not be valued as highly as a new item by tenants. One interviewee from the category of civil society emphasises that is an area where a greater political understanding of the challenges related to sustainability is needed.

An interviewee from the category of implementers notes that although there are costs in the short term, from a long terms perspective climate and environment measures are necessary. The interviewee also notes that the current level of cost is connected to that the industry is developing new ways of building.

*"Yes, but like this: I mean, you can see that the green transition demands quite a lot from us, especially now when we need to build climate-neutral. There is a bit of a hurdle in that too, as we have to learn to build in a new way, and the industry isn't quite ready for it, which means that, yes, initially there are things that cost more. [W]e obviously don't want the rents to skyrocket. But we still have to make the green transition, and I also think that we're making this green transition so that we can sustain ourselves in the long term. Because we need to secure our buildings, really, so they can be part of the transition, and not fall behind. [...]"*

When probed about how the measure and policies connected to the Climate Initiative in a more detailed way may impact different groups in vulnerable situations, the awareness among the category of implementers is low. Over and above the impetus to reach as many as possible to influence their behaviour so that they contribute to the environmental goal of the Climate Initiative, interviewees from this category do not systematically consider groups in vulnerable situations. For example, when emphasising that individual metering and billing of water affords agency to tenants, giving them power over their energy use, interviewees from the category of implementers do not problematise that there, for example, is a limit to how much can be saved in an apartment with many people. In addition, the focus on implications for buildings, such as that overcrowding<sup>198</sup> damages bathrooms and that individual metering and billing of heating may lead to tenants lowering the heat and causing mold, emerged as closer to mind for one interviewee from the category of implementers than the implications for tenants in vulnerable situations. The only exception to this lack of attention was when another interviewee from the category of implementers, when explicitly probed about tenants in vulnerable situations, notes that the heating is set higher for older persons and persons with physical disabilities.

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<sup>198</sup> The degree of overcrowding varies between different groups and ages in the population. It is particularly widespread among children and people born outside Europe. A household is categorised as overcrowded if there are more than two persons per bedroom. Sweden, Swedish Union for Tenants (*Hysesgästföreningen*) Overcrowding ([Trångboddhet](#)), official webpage accessed 11 November 2024.

Like interviewees from the category of implementers, those from Public Housing Sweden have their focus on the primary target of environmental, rather than social, sustainability. When probed about groups in vulnerable situations, an interviewee from Public Housing Sweden mentions locations with low socioeconomic status. The interviewee states that no connection has been made between these areas and climate issues within the Climate Initiative. Notably, the interviewee is clear that they do not think the concept of 'climate justice' is relevant in Europe, as the situation is not bad enough to amount to injustice for anyone, including tenants in economically vulnerable situations. They furthermore note that the concept is sometimes misused for protectionist purposes, to slow down environmental efforts.

The tendency of primarily focusing on environmental, rather than social, sustainability is noted by interviewees from the category of civil society. One interviewee notes that the housing sector is somewhat stressed about the need to implement climate measures. This results in a too narrow focus on climate measures where the effects of such measures on tenants are overlooked.

*"[...] Sometimes [the housing sector] push back at us, focusing solely on climate — that they need to implement climate measures, which cost a lot of money, and they need to be compensated, meaning tenants should pay. But then they overlook this social aspect, which is so incredibly important. So, I'd want to say to them: 'No, you're not really thinking about sustainability, you're thinking about climate, but not sustainability. Sustainability involves multiple perspectives, and above all, it's not sustainable if the residents don't benefit from it in some positive way.'"*

An interviewee from the category of civil society, when probed about tenants in vulnerable situations, mentions persons who are economically vulnerable and live in overcrowding conditions<sup>199</sup> in buildings with less energy efficient solutions and large renovations needs. They note that properties in so-called 'Million Programs' (*Miljonprogram*) built in the 60's-70's as part of a large public housing stock, now decades later often have significant renovation needs, including inefficient energy solutions.<sup>200</sup> The interviewee emphasises that these buildings are often good housing options due to their low rents. The interviewee notes that high energy costs hit those living in less energy-efficient buildings the hardest, who often are those with the lowest incomes. Also, the interviewee mentions that renovations of these buildings are often not environmentally conscious. A sustainability perspective is often lacking when they are renovated, as everything old is cleared out and replaced with new materials, which results in higher rents. The interviewee stresses that tenants in economically vulnerable

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<sup>199</sup> Sweden, Swedish Union for Tenants (*Hyresgästföreningen*) Overcrowding ([Trångboddhet](#)), official webpage accessed 11 November 2024.

<sup>200</sup> These areas were built to ensure the availability of affordable, high-quality housing at a variety of income levels. Today lower-income households, often consisting of foreign-born tenants, are overrepresented in these areas.

are consequently those who stand to suffer the most if the transition is not implemented.

*"[Tenants in vulnerable situations] are also the ones at the greatest risk of being negatively impacted if the transition doesn't happen. A very clear example of this is energy efficiency, where we see that high costs associated with energy use impact those living in homes that aren't energy-efficient. At the same time, those are likely the homes with the lowest rents and where the people struggling the most, with the lowest incomes, live. This kind of injustice really escalates when people with higher incomes have a greater ability to shield themselves from higher costs due to, for example, increasing energy prices or whatever it may be. [...]."*

Relating to those whose buildings will be subject to renovations, another interviewee from the category of civil society emphasises the procedural vulnerability of tenants with demolition contracts. A demolition contract is when tenants only have the right to an apartment until property owners decide to demolish or renovate the building. Such tenants are afraid to voice concerns about a coming renovation, including both environmental sustainability and cost concerns, for fear of not securing a permanent contract from the property owner subsequent to renovation or rebuilding.

A key question in relation to groups in vulnerable situations is who bears the cost of climate measures and who can afford to pay for them. In the property owner-tenant relationship, shared incentives often arise, particularly regarding energy efficiency measures.<sup>201</sup> However, the interviews indicate that the question of incentives needs to be examined in detail. For example, one interviewee from the category of civil society stresses that if heating costs are transferred to the tenant, the incentive for property owners to maintain energy-efficient buildings diminishes.<sup>202</sup> In addition, another interviewee from the category of civil society argues that the incentive to save water is primarily economic which might entail that tenants with higher economic margins do not decrease their consumption in the same way as tenants in economically vulnerable situations.

*"[...] people really have to save [water], and one could argue that's good for the environment, but at the same time, those who have plenty of money won't save [water]. They will keep on living as usual, [...]. And then there's this additional aspect that, well, it's poor people who are affected. It doesn't affect anyone else, really—it's those living on the edge who are impacted, and they become even more vulnerable than they already are [...]."*

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<sup>201</sup> Sweden, Swedish Energy Agency (*Energimyndigheten*), Efficient use of energy and resources (*Effektiv användning av energi, effekt och resurser*), ER 2024:03, pp. 98-99.

<sup>202</sup> See for example Sweden, Swedish Union of Tenants (*Hyresgästföreningen*) Individual metering and billing IMD (*Individuell mätning och debitering IMD*), official webpage, accessed 11 November 2024.

The only interviewee displaying an immediate and systematic focus on groups in vulnerable situations is from the category of independent experts. They strongly emphasise the importance of analysing the situation of various groups in vulnerable situations, both in terms of access to and impact of environmental and climate measures. They display awareness of the accessibility and impact of climate and environmental measures on particular groups such as women, foreign-born persons and persons living in rural areas. They also underscore that analysis of the accessibility and impact on groups in vulnerable situations are key not only for the legitimacy of climate and environmental measures, but also for their efficiency. They note that this perspective has been very weak so far in Swedish national policy.

To conclude, the situation of tenants in vulnerable situations is not taken into account by the Climate Initiative. When probed, interviewees acknowledge the difficult situation of those in economically vulnerable situations. However, with the exception of the interviewee from the category of independent experts, interviewees largely approach this group as homogenous. This lack of attention to groups in vulnerable situations mirrors the findings of Swedish law and policy in the previous chapter.

## Mitigation of negative effects on individuals and groups in vulnerable situations

In relation to measures taken to prevent or counter unequal access to or negative effects of climate measures, no interviewee involved in the Climate Initiative was able to provide information on such measures. One interviewee from the category of implementers explicitly did not see the need for mitigating measures for large families (understood as predominately families with foreign background) in relation to the potential negative impact of individual metering and billing of hot water. This was so as individual metering and billing in relation to hot water was 'fair'. The reasons given for this was that individual metering and billing is beneficial for the environment and even though it was detrimental for large families it was beneficial for retirees, who they identified as a group in vulnerable situations.

*"[...] On the other hand, there are overcrowded families where the water cost is based on the number of rooms. So, if you have three rooms and a kitchen, a certain number of cubic meters are included each month. So, the billing is shaped after a normal sized family in the apartment, or a normal number of persons. If a household has more people than the normal family, they'll exceed that water allowance and will have to pay more than what is now included in the rent, and that's a challenge we're grappling with internally and must consider. But from a fairness perspective, we still believe it's the right approach. By having some portion of their housing costs tied to water use, residents at*

*least have the opportunity to reduce their expenses by making active choices. And if you make very active choices, you can save a lot. They don't have that opportunity today with a fixed monthly rent."*

Another interviewee from the category of implementers noted some mitigating measures as potentially detrimental to environmental work.

*"[...] Additionally, if someone has, for example, income support, I'm not fully familiar with the details, but there's a certain amount of coverage for these types of costs [energy costs] through income support. The incentive to save can understandably decrease if the costs are covered, as there may not be as much motivation to save it either sort of."*

By contrast, the interviewee from the category of independent experts underscored the utmost importance of identifying and mitigating discriminatory effects of environment and climate measures. They also pointed out that some existing mitigation measures do not rest on a systematic analysis of who is actually disadvantaged. For example, the interviewee notes that high fuel prices have led to mitigation of effects for those who drive cars, with a particular focus on those living in rural areas. However, fuel prices also drive up the cost of public transportation, which affects women to a significantly larger extent than men. The interviewee stresses that gender considerations must be taken into account in the green transition, highlighting that women are a large group that has hitherto been overlooked in the Swedish environmental and climate policy work.

*"[...] And here [...] there's a bit of a gap, so to speak, when it comes to gender equality issues and such. Women use public transportation much more than men, for example, and haven't really been compensated for that. As prices rise and public transport expansion is quite limited, women are a large group that, in my view, is fairly invisible—even in the Swedish context. It's as if there's this idea that we're equal in Sweden, so people don't talk much about gender issues anymore, but within the whole green transition, there's a real need, especially when considering issues like energy poverty and transport poverty, to bring in the gender perspective. You can't just talk about equality in general; you have to be willing to look specifically at women and men, I think."*

## 3.2. Impact

The core of the Climate Initiative is to collect data to measure progress towards the objective of the initiative (a fossil-free public utility and 30 percent lower energy use by 2030). Housing companies participating in the initiative fill out a survey annually with information on, among other things, water consumption, electricity usage, district

heating, fuel, household waste and mobility. The Climate Initiative is progressing as planned towards reaching its overarching goals and has now achieved a 22 percent improvement in energy efficiency and is 97 percent fossil-fuel free. As local environmental goals have both been formulated and exceeded, the initiative is a successful example of going from words to action in addressing climate change.

Another key impact brought up by interviewees is increased interest and engagement in, as well as knowledge of, climate issues among the participating housing companies.

*"Well, I would say, aside from the tangible results showing that we are exactly on track to meet the overarching goals, the major outcome of the Climate Initiative is the increased knowledge among [the] member companies. It's about ensuring an understanding of the issue and how to work with it, creating a kind of engagement. [...] So, I would say the key result is bringing the issue to the agenda overall within [the] member companies, both small and large. So, yes, raising knowledge is a key part and creating interest and engagement around the issue."*

As described in the previous chapter, the Climate Initiative does not have a focus on social sustainability, justice or groups in vulnerable situations. Those involved in the initiative display a low awareness of these issues and their importance. The Climate Initiative does not measure, and largely does not reflect on, the impact of the initiative on social sustainability, justice or groups in vulnerable situations. Consequently, it is not possible to draw any conclusions concerning the positive or negative features of access to and impacts of the Climate Initiative on groups in vulnerable situations.

The local initiatives covered by this research concerned the change to energy efficient heating, water saving and climate-smart constructions. Those involved in the Climate Initiative regarded these as a clear win-win for the environment and tenants, partly as the initiatives did not incur increased cost for the individual. The water saving Climate Initiative was done in anticipation of individual metering and billing, but did not in itself introduce individual metering and billing. The two other initiatives had benefitted from government grants and had, according to the implementers interviewed, not raised the rent for tenants. One interviewee from Public Housing Sweden furthermore notes the limited opportunity for the property owners to raise rents in correspondence with increased costs for, *inter alia*, climate related measures.<sup>203</sup> Here, the interviewee describes the system of negotiating rents in Sweden, where property owners and tenant organisations negotiate rent levels.

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<sup>203</sup> As mentioned in chapter 3.1 above, it should be noted that a rent increase due to energy efficiency measures could conflict with the Swedish utility value system. Energy efficiency improvements are typically regarded as maintenance rather than standard upgrades that warrant a rent increase; see Sweden, Swedish Energy Agency (*Energimyndigheten*), Efficient use of energy and resources (*Effektiv användning av energi, effekt och resurser*), ER 2024:03, pp. 98-99.

*"[...] in Sweden, we have a negotiated rent-setting system. So we can't just take on any costs we want and then charge whatever rent we like. That's not how it works here; rent is negotiated with the Swedish Union of Tenants, which can act as a constraint on certain things, holding back certain measures. Here, it's about finding ways forward together within the Swedish model of consensus and negotiation. This really ties into the Swedish context, with social movements like the Swedish Union of Tenants, just like the trade unions, working to balance the interests of current residents with those of future generations, in this case, for example, [...]."*

The, at least at face value and to the minds of the interviewees, apparent win-win character of these initiatives does not change the fact that all categories of interviewees, except for the independent expert, displayed a low awareness of and importance accorded to potential negative impacts of climate measures on groups in vulnerable situations. It may however partly explain why the few potential negative impacts which were identified by the interviewees, except for the independent expert, concerned measures external to the initiative.

### 3.3. Information, communication and social acceptability

#### Information and communication

Five interviewees from Public Housing Sweden, civil society and independent experts work on the national level and provide information to and communicate with local parts of their organisation and / or housing companies members of Public Housing Sweden, including those part of the Climate Initiative.

Communication efforts by Public Housing Sweden are according to interviewees from this category done almost exclusively in Swedish. One exception is mentioned; an occasion when Public Housing Sweden provided public housing companies with material on energy saving in seven languages, for such companies to distribute among tenants. This was not a part of the Climate Initiative. Interviewees from the category of civil society note that the organisation has adopted a policy of plain language for publications and information materials. One interviewee raises, however, that this is not always implemented in practice. The same interviewee notes that information materials about the organisation is provided in a number of different languages, but they are not very actively working with multiple languages. In regard to information about research and policy evaluation conducted on the national level, the interviewee from the category of

independent experts notes that this is provided in English and Swedish. The same interviewee also mentions, when probed, that they find it difficult to make their research and analysis reach younger persons, foreign-born persons and persons in rural settings.

Several interviewees from different categories emphasise the importance of information in printed form, as opposed to only electronic. One interviewee from the category of implementers notes that their information campaign conducted under the Climate Initiative is available online and in social media as well as printed leaflets through each tenant's letter box and in the entrance to the apartment buildings. While one interviewee from the category of implementers notes that tenants prefer information in printed form posted in stairwells or in the letterbox and that this is the most effective means of communication, another interviewee from the same category underscores that digitalisation is the future and problematises the double work entailed in using the two channels.

The interviewees working on environmental and climate issues share very few examples of communication in other languages than Swedish. In contrast, the interviewee from the category of implementers who work on social issues notes that their section has a broad competency in different languages and that they also utilise interpreters when needed. Correspondingly, one of the interviewees from the category of implementers who works with environmental issues referred to their colleagues working on social issues when asked about targeting groups in vulnerable situations and / or groups that were perceived as difficult to reach. The following quote from an interviewee from the category of implementer mirrors this lack of awareness among those focusing on environmental issues of the circumstances and requirements of groups in vulnerable situation in relation to language. Here, the position that everyone should learn Swedish is prioritised before the need of non-Swedish speakers for information regarding their housing.

*“The language question, yes, that’s something that comes up now and then. I’m not sure where the policy is decided, but within [the housing company], there are no other languages in marketing or information materials other than Swedish. I don’t know what the basis for that is, but I imagine they want to encourage people to learn Swedish. And also, if you start adapting, you would end up excluding quite a few groups as well. So, there are probably several reasons for the decision to stick to Swedish in marketing materials. Therefore, we didn’t have any materials in other languages for the [initiative].”*

It should be noted that many interviewees from the category of implementers underscore, on a general level, that information and communication is important in the case of renovations, to make these runs smoothly. They note that the acceptability of actions such as renovations depends on making it clear to tenants why measures are

taken. One example of information and communication brought up, again conducted by a part of the organisation with a social rather than an environmental focus, is the so-called renovation coordinators. Renovation coordinators focus solely on tenant matters and are in contact with every tenant involved in a renovation project. Communication is central to achieve the tenants' acceptance of measures taken, including measures driven by concern for the environment and the climate.

*"[...] We have two people who solely focus on tenant matters. They are called renovation coordinators. So, they are the ones who have direct contact with the tenants. Every tenant involved in a renovation project has contact with them, our renovation coordinators."*

## **Social acceptability of climate and environment work**

Several interviewees from Public Housing Sweden, implementers and civil society report that most tenants are positive to the environmental and climate work by property owners. Actors from civil society quotes a that a recent survey indicates that as many as 89 percent of tenants believe that property owners should have an active environmental program. They note that according to the survey, this include tenants being positive to work in the form of reuse of materials. Actors from civil society also state that some tenants are willing to pay a higher rent if the property owner has a focus on sustainability. One interviewee from this category notes that some tenants remain ideologically opposed to terms such as environmental justice and climate work, as they can seem intellectual and complex. The interviewee suggests that some of this opposition can be navigated by using terms such as 'just measures', rather than environment or climate measures, to ensure broader engagement. The same interviewee as well as others recognise that the willingness to pay a higher rent for environmental and climate measures by property owners depends on the economic situation of the individual tenant.

*"[...] [Tenants] have all kinds of political views, backgrounds, and ideologies. Some might feel like this whole climate issue is exaggerated. But if you put it like, 'You, who are struggling to pay your electric or heating bills, you who are just trying to make ends meet—would support for you be helpful?' They probably wouldn't oppose it. I think just talking about it that way, without it sounding so intellectual or complicated, might create less resistance in some circles. [...]."*

One interviewee from Public Housing Sweden mentions the question of social acceptance in the context of mobility solutions such as alternatives to car transportation. The interviewee notes that parking fees are currently too low, resulting

in other tenants effectively subsidising parking through their rent. The interviewee emphasises that raising parking fees is not socially accepted, but if successful, it could fund mobility solutions that benefit everyone. The interviewee underscores that, in their perspective, these issues are not about vulnerable groups but rather the acceptance and behaviour of privileged groups related to the green transition and social acceptance.

The same interviewee also mentions that environmental measures sometimes get blamed for costs incurred by other measures.

*"[...] We haven't seen that climate measures are driving rent increases or anything like that. But we have had cases where our companies have had to undertake major reconstructions – for example, [...] a few years ago, there was a project where major reconstructions were necessary, so to speak. They also received EU funding to work on climate measures, which was on top of that. And then it appeared as if it was done for climate reasons, and climate work took the blame for rent increases and such. But it was really about necessary renovations, and then there was funding to do additional climate improvements."*

The interviewee from the category of independent experts addresses public perception and social acceptability from a wider perspective, in relation to the general public. The interviewee holds that social acceptance is crucial for the effectiveness of environmental and climate policies.

It should be remembered that since interviewees have noted that, as a rule, they have difficulties in reaching some groups in vulnerable situation. In light of this, the indication above on the high acceptance of environmental and climate measures even when coming with a cost may be skewed towards groups not in a vulnerable situation.

### 3.4. Stakeholder engagement and participation

Most interviewees from the category of implementers do not attach much importance to stakeholder engagement and participation in the implementation of the Climate Initiative at the local level. One interviewee from this category notes explicitly that there has been no stakeholder engagement in their implementation of the Climate Initiative. Another interviewee conveyed that they perceived the need for participation and stakeholder engagement as somewhat diminished as their implementation of the Climate Initiative was a clear win-win for the company and the tenants. They also note

that stakeholder engagement of participation is handled by those working with 'social issues'. In contrast, one interviewee notes that they send out a yearly digital survey to their tenants which includes climate and environmental questions. They have also developed a pilot survey aimed at children.

The interviewees from Public Housing Sweden state that they do not engage with individual tenants or other local stakeholders. One interviewee from this category notes that they provide general survey material to local housing companies, sometimes including climate and environmental issues. The companies in turn distribute these surveys to their tenants, sometimes adding their own questions about climate and environmental issues. These surveys do not target in particular the local housing companies participating in the Climate Initiative. The other interviewee from Public Housing Sweden notes that participation and engagement of stakeholders is done in the implementation of the Climate Initiative at the local level. Judging from the mixed responses from the category of implementers above, this is however not always the case.

The interviewees from the category of civil society note that they do not engage with tenants through their work with the Climate Initiative. However, they all note that they engage with tenants in other contexts, and two interviewees refer to engagement and participation of tenants by the regional and local levels of their work. They emphasise the importance of involving tenants throughout processes when implementing environmental and sustainability measures. One interviewee provides a successful example of a company that invested in early communication and dialogue with tenants, resulting in tenants not needing to move out during the renovation, as they preferred to stay. This created ownership over the tenant's own living situation.

The interviewees from the category of civil society also mention that they conduct surveys that include information on living conditions and demographic profiles, tenants' experiences of living in rental properties and their opinions on housing policy. The interviewees from civil society all mention that they conduct specific surveys on environmental issues, including among tenants. These surveys cover perspectives on various environmental topics, property owners' environmental work, the use of recycled materials, and ranking the most important environmental issues. When probed, one interviewee mentions that they survey how experiences differ between men and women.<sup>204</sup>

When probed about categories of persons that they as an organisation find hard to reach, one interviewee from the category of civil society mentions foreign-born residents, older persons and tenants living under demolition contracts. Another

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<sup>204</sup> See for example; Sweden, Swedish Union of Tenants (*Hyresgästföreningen*) (2024) Cold facts about how we live (*Kalla fakta om hur vi bor*), 2024; and Sweden, Swedish Union of Tenants (*Hyresgästföreningen*) (2024) The tenants status report (*Hyresgästernas lägesrapport*), 2024.

interviewee from the same category refers to property owners' observations that tenants in areas with high levels of vulnerability or insecurity are often harder to reach. The interviewee emphasises that these tenants are frequently not engaged with the local branch of the Swedish Union of Tenants. The interviewee mentions as a promising example a public housing company establishing physical presence in an area to improve outreach. This approach allowed them to reach this group of tenants and establish a dialogue simply by adjusting their method from sending out surveys to having a physical presence.

The interviewee from the category of independent experts, who is not directly involved in the Climate Initiative, underscores the crucial importance of participation and stakeholder engagement at all stages for both the efficiency and the justice of climate and environment work.

## 3.5. Governance and accountability, data and monitoring

### Data and monitoring

The interviewees from Public Housing Sweden state that the core of the action is to collect data to measure progress towards the objective of the initiative (a fossil-free public utility and 30 percent lower energy use by 2030). Housing companies participating in the initiative report comprehensively each year to the Climate Initiative. When members join the Climate Initiative, they fill out a baseline survey where they choose which base year they want to use (between 2007 and 2018). Thereafter, members fill out a survey annually with information on, among other things, water consumption, electricity usage, district heating, fuel, household waste and mobility. The last two areas are optional. The Climate Initiative conducts a quality check of the data to the extent their resources, as well as the systems of implementing partners, allow. The data is compiled into a company-specific climate and energy report, which is distributed to each company. Companies can view their own statistics and track their level of goal achievement as well as the overall results showing how the entire Climate Initiative is progressing. The results of the report are presented at Public Housing Sweden's annual climate and energy conference.<sup>205</sup> When probed, one interviewee

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<sup>205</sup> The reports are not available at Public Housing Sweden's website. However, information about the best climate initiatives for each year is published, see; Sweden, Public Housing Sweden (*Sveriges allmännytt*), The winners of the competition for the best climate initiatives of 2023 ([Vinnarna i tävlingen om bästa klimatinitiativen 2023](#)), official webpage, accessed 13 December 2024.

from Public Housing Sweden states that they have not seen a need to conduct any gender or equality analysis within the framework of the Climate Initiative, but that such work is done by Public Housing Sweden's team working with housing-related social issues. The other interviewee corroborates that there is no collection of data under the Climate Initiative related to the tenants' situation or the social impact of climate- and energy measures.

Interviewees from the category of implementers emphasise that they are able to collect data on progress towards the objective of the Climate Initiative on a great level of detail through advanced and sophisticated technical equipment. One interviewee notes in relation to individual metering and billing that they can measure water usage at the level of buildings and even apartments. The same interviewee, when probed, explains that the evaluation only addresses water usage and no other effects on tenants in terms of fundamental rights and social impact. The other interviewee notes that they can collect data on energy efficiency as well as costs for the tenants. When probed about monitoring of fundamental rights and social impacts of the measure, the interviewee emphasises the monitoring of and control over temperature in the apartments as an important social question.

## Governance and accountability

The interviewees from Public Housing Sweden confirm that the initiative is not subject to external monitoring. When probed about the possibility for tenants to file complaints about environmental and climate measures taken under the initiative, interviewees from the category of implementers state that there are no such systems particular to the Climate Initiative. Interviewees from this category emphasise that they have a well-developed system for tenants to raise day to day concerns about their housing situation and to have these remedied. In addition, interviewees from the categories of implementers, civil society and independent experts all refer to the Swedish Union of Tenants and the Rent Tribunal.<sup>206</sup> One interviewee from the category of civil society elaborates that the Swedish Union of Tenants offers an advisory service which provides advice and assesses whether a case can be pursued legally or not, either by the Union or by the tenant. The interviewee notes that the first step is usually a dialogue with the property owner, even when the intention is to bring the matter to the Rent Tribunal as a legal case.

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<sup>206</sup> The Rent Tribunal is an administrative authority with court-like duties. Around Sweden there are eight rent tribunals, and their main task is to try tenancy disputes in their respective regions.

## 4. Conclusions and key recommendations

### Conclusions on the Swedish legal and policy framework for energy efficiency in housing and groups in vulnerable situations

In Sweden, there are several laws and policies targeting energy efficiency in the area of housing. For example, legal instruments outline requirements in relation to energy efficiency of buildings. Policies include those aiming to enhance energy efficiency by improving the energy performance of buildings, both through renovation and new construction.

While Sweden does have certain policies and measures to protect what is termed vulnerable energy consumers,<sup>207</sup> legal and policy instruments relevant to energy efficiency do not generally include fundamental rights language or perspectives of groups in vulnerable situations. Instead, this protection is designed to be provided primarily through the general social security system administered by municipalities. In the updated NECP 2024, the government includes a new paragraph relating to the impact on groups in vulnerable situations of energy and climate policy. The paragraph refers to the Government's Climate Action Plan,<sup>208</sup> in which it "*describes that the awareness of the need for a just transition, which is accepted and perceived as reasonable by broad groups over time, has been strengthened.*"<sup>209</sup> The NECP 2024 does not, however, discuss in detail the concept of just transition or groups in vulnerable situations, or describe specific measures adopted to ensure the fulfilment of just transition.<sup>210</sup> In the NECP 2024, the government stresses that it aims to further concretise this work in the Social Climate Plan, which is to be submitted to the European Commission by 30 June 2025. The National Institute of Economic Research (*Konjunkturinstitutet*), has calculated the effects of price increases due to the

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<sup>207</sup> Sweden, Ordinance containing Instructions for the Swedish Energy Markets Inspectorate ([Förordning \(2016:742\) med instruktion för Energimarknadsinspektionen](#)), 16 June 2016, section 8.

<sup>208</sup> Sweden, Government (*Regeringen*) (2023) Government's Climate Action Plan – All the Way to Net Zero ([Regeringens klimathandlingsplan – hela vägen till nettonoll](#)), government missive, 2023/24:59, 21 December 2023.

<sup>209</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated national energy and climate plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, p. 25.

<sup>210</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden's updated national energy and climate plan ([Sveriges uppdaterade nationella energi-och klimatplan för Sverige](#)), 27 June 2024, pp. 25-26.

introduction of the EU's new emissions trading system for emissions from road transport, buildings, and certain other emissions (ETS 2),<sup>211</sup> which will serve as a basis for the Social Climate Plan.<sup>212</sup> In its report of 31 October 2024, the authority has identified vulnerable households, transport users, and micro-enterprises and calculated the direct effects of ETS 2 on these groups in three areas: household heating, household transport, and transport for micro-enterprises.<sup>213</sup> The analysis indicates that the effects of ETS 2 in Sweden are primarily visible in the transport sector, suggesting that measures and investments targeting vulnerable transport users and vulnerable micro-enterprises are of most relevance for the future Social Climate Plan. However, the National Institute of Economic Research emphasises that this does not preclude certain measures from being directed toward energy-poor and transport-poor households that are not affected by ETS 2, even if these do not fall within the core scope of the Social Climate Fund.<sup>214</sup> According to the Institute's analysis, households in multi-family buildings are considered to be outside of the core scope of ETS 2. The Institute notes that there are households in multi-family buildings that meet the definition of energy-poor. However, only a very small proportion of multi-family buildings use fossil fuels for heating, meaning that only few would be significantly affected by ETS 2.<sup>215</sup>

To conclude, the perspective of just transition and the access to and impact on groups in vulnerable situations of climate and environment measures is still largely absent from laws and policies on energy efficiency and climate in Sweden. However, the government has acknowledged the need for the green transition to be just and states that this perspective will be investigated, concretised and operationalised in laws and policy on energy efficiency and the climate.

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<sup>211</sup> Sweden, Ministry of Finance (*Finansdepartementet*) (2024) Assignment to calculate the effects of price increases due to the introduction of the EU's new emissions trading system ([Uppdrag att beräkna effekter av prishöjningar med anledning av införandet av EU:s nya utsläppshandelssystem](#)), government assignment, Fi2024/01484, 20 September 2024.

<sup>212</sup> Sweden, National Institute of Economic Research (*Konjunkturinstitutet*) (2024) Effects of price increases due to the introduction of the EU's new emissions trading system ([Effekter av prishöjningar med anledning av införandet av EU:s nya utsläppshandelssystem](#)), report, 31 October 2024.

<sup>213</sup> Sweden, National Institute of Economic Research (*Konjunkturinstitutet*) (2024) Effects of price increases due to the introduction of the EU's new emissions trading system ([Effekter av prishöjningar med anledning av införandet av EU:s nya utsläppshandelssystem](#)), report, 31 October 2024, p. 52.

<sup>214</sup> Sweden, National Institute of Economic Research (*Konjunkturinstitutet*) (2024) Effects of price increases due to the introduction of the EU's new emissions trading system ([Effekter av prishöjningar med anledning av införandet av EU:s nya utsläppshandelssystem](#)), report, 31 October 2024, p. 54.

<sup>215</sup> Sweden, National Institute of Economic Research (*Konjunkturinstitutet*) (2024) Effects of price increases due to the introduction of the EU's new emissions trading system ([Effekter av prishöjningar med anledning av införandet av EU:s nya utsläppshandelssystem](#)), report, 31 October 2024, p. 15.

## Conclusion on the Climate Initiative and groups in vulnerable situations

The interviews show that the key results of the Climate Initiative are fulfilling and even exceeding the set climate goals, improving cooperation between partners and improving attention to climate and the environment in rent negotiations. As local environmental goals have both been formulated and exceeded, the initiative is a successful example of going from words to action in addressing climate change.

The Climate Initiative is, however, not a strong example in terms of addressing the access to and impact of climate measures on groups in vulnerable situations. The initiative has no such explicit goals or even ambitions. There is no attention to this perspective in designing and implementing the initiative or in measuring its results. The responses from Public Housing Sweden, implementers of local initiatives and civil society are unequivocal on this point. Additional information gathered by this research corroborates this conclusion.

Groups in vulnerable situations have access to the initiative more by chance than by design. This is because the Climate Initiative is open to all public housing companies and many of the companies that have chosen to join the initiative, from different municipalities, have housing stock in areas with a high percentage of households in socio-economically vulnerable situations.

It is not possible to measure and draw any conclusion on the impact of the Climate Initiative on groups in vulnerable situation as it is implemented by local housing companies and no such data is collected under the initiative. The indications from the interviews are that no category of interviewees involved in the initiative systematically have this perspective in their work. On a general level the majority of interviewees acknowledge that this perspective is important. They also volunteer that work on the situation of groups in vulnerable situations in relation to housing is managed by other roles / other parts of the organisation. When probed, it is acknowledged by all categories of interviewees that this is as a rule not connected to the environment and climate work done by the interviewees. Social work and environmental and climate work are thus done in silos, rather than being integrated. An important observation here is that interviewees from Public Housing Sweden have the impressions that this work is integrated on the implementation level. In reality, the implementers also divide environmental and social sustainability work.

All categories of interviewees directly engaged in the Climate Initiative manifest the society wide narrative that climate measures are always inherently good for everyone and do not entail potentially negative effects for the individual. Civil society organisations nuance this position through a focus on the potential impact of climate

measures on tenants in terms of rent increases. When probed, it is acknowledged that this would affect those in economically vulnerable situations the most. However, even when probed, there is little analysis offered on who those in economically vulnerable situations are in terms of factors such as foreign background, gender, age, or disability. When examples are given, they concern the fact that foreign-born persons are overrepresented in housing that has large renovation needs, which may result in economic pressure on an already economically vulnerable group.

Interviewees directly engaged in the Climate Initiative from all categories display a tendency to, in as much as any potential negative impact on groups in vulnerable situations is acknowledged, rationalise this impact as unavoidable, insignificant or fair. Climate measures and potential effects are presented as unavoidable, as they are demanded by law as well as necessary for the planet. Negative effects are presented as limited to a small number of people and it is emphasised that negative impacts on individuals can be alleviated through the general welfare system. Negative effects in Sweden are also framed as insignificant with reference to that inequality is a comparably small problem in Sweden and Europe, compared to the Global South. This tendency to diminish the negative impact of climate measures on groups in vulnerable situations in Sweden is also visible through an inter-European comparison, noting for example that inequality is worse in the United Kingdom.

Some interviewees also displayed a tendency to rationalise negative impacts of climate measures by pitting groups in vulnerable situations against each other. In one effort to rationalise the acknowledged negative impacts of individual metering and billing of water on families with many children in overcrowded housing<sup>216</sup> in socioeconomically challenged areas, the potential positive impact on retiree single households was presented as one of the reasons that the measure was still perceived as just.

Several interviewees from all categories expressed general concern about the high pace at which rents and living costs seem to spiral in Sweden. They particularly emphasised that, should individual metering and billing on heating be introduced in Sweden, energy poverty could be a reality here like it already is in other parts of Europe. Due to the current practice of 'warm rent' in apartment buildings in Sweden, this is the only context the concept of energy poverty was recognised by the interviewees as potentially relevant for tenants in the Swedish context.

The lack of problematising which groups are overrepresented among those who are economically vulnerable means that such groups remain invisible. This invisibility extends both to their access to climate measures and to the way they are negatively

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<sup>216</sup> A household is considered overcrowded when there is more than two persons per bedroom. Housing overcrowding varies between different groups and ages in the population. It is particularly common among children and persons born outside Europe. Sweden, Swedish Union for Tenants (*Hyresgästföreningen*) Overcrowding ([Trångboddhet](#)), official webpage accessed 11 November 2024.

impacted by climate measures. This means that negative impact is not understood in the context of underprivileged groups in Swedish society such as women, foreign-born persons, persons with disabilities, older persons and children. This in turn enables the rationalisation of negative impacts on such groups in the area of climate measures in housing as isolated incidents. The lack of problematising which groups are overrepresented among those who are economically vulnerable also means that the root causes of different forms of vulnerability and of systematic disprivilege remain invisible. Awareness of these root causes is necessary to design climate measures that do not negatively affect groups in vulnerable situations as well as to design effective mitigation measures. Such awareness is also necessary to even be able to identify negative effects and take them seriously.

To conclude, the Climate Initiative has been measured and proven highly successful in terms of the project's climate goal fulfilment and could therefore from that perspective serve as an inspiration for public and private housing actors in other countries. However, as a consequence of the lack of recognition, as well as the rationalisation, of potential negative impacts of the Climate Initiative on groups in vulnerable situations, such impacts are not monitored and can thus not be measured. Taken that the perspective of groups in vulnerable situations is largely absent from both the design and the implementation of the Climate Initiative, no real preconditions to prevent or mitigate such impacts are created within the initiative. As a consequence, the initiative runs the risk of aggravating rather than alleviating the vulnerable situation of disprivileged groups in Swedish society. If this would be adjusted in the future in the Climate Initiative, or any similar initiative, it would stand a good chance to be a promising example and serve as inspiration for concrete action for just green transition. Finally, the lack of perspective and concrete action to ensure that the green transition is a just one in the Climate Initiative mirrors similar shortcomings in national law and policy.

## 4.1. Main effects

The Climate Initiative is progressing as planned towards reaching its overarching goals and has now achieved a 22 percent improvement in energy efficiency and is 97 percent fossil-fuel free. As shown by the interviews, the Climate Initiative has increased interest and engagement in as well as knowledge of climate issues among the participating housing companies. Many member companies' climate measures are ambitious and extensive and are achieving results in environmental terms.

Through the Climate Initiative, Public Housing Sweden now appears to have a leading role in guiding the housing sector in the right direction in relation to climate issues, providing support and advice as well as sharing examples within the sector. Thus, networking is a main benefit of the Climate Initiative, highlighting the opportunity to exchange experiences with other housing companies within the three focus areas of the initiative (power peaks and renewable energy, climate requirements for suppliers and climate-smart living).

It is notable that the interviewees almost exclusively speak about the main effects of the Climate Initiative in relation to environmental and climate progress. When referring to tenants, the concept is used as a homogenous category and the interviewees rarely analyse accessibility of the measures taken or how, or even that, impacts will vary between groups of tenants, including groups in vulnerable situations.

## 4.2. Challenges and gaps

The climate issue in general tends to be seen as abstract, relatively invisible, and costly by many of the important actors. Consequently, it is always a challenge to secure and maintain engagement from different actors.

An overarching challenge relates to financing climate measures. Financial grants appear to be a precondition for much environmental and climate work as neither property owners nor the tenants are in a position to withstand the cost. This is partly due to that it takes considerable time to earn back the investment in financial terms. According to the interviewees, there are difficulties both in accessing grants and in the current lower availability of grants.

*"[...] but making significant investments might cost closer to a million SEK. And you can't get a loan on that investment if you're only saving 3,000 SEK [€ 273] annually. That calculation just doesn't add up. But there are people who believe it, that it's self-financing. It isn't. Quite the opposite. That's why some things don't get done, but they can if there's financial support available."*

The cost of new-built housing in Sweden is high, partly due to land prices and building material costs. Thus, it remains difficult to construct new buildings with affordable rents, and nearly impossible to achieve low rents.<sup>217</sup> In addition, the current big increases in electricity network charges, district heating, and water and sewage costs is a

contemporary challenge. The average increase in the costs for water and sewage is 2-4 percent per year but in 2024 the increase is approximately 14 percent.<sup>218</sup> This trend is consistent across all sectors, including electricity networks; district heating; and water and sewage. As a consequence, energy poverty could become a more poignant issue in the future.

In general, the financing of the green transition will undoubtedly impact social issues and energy poverty linked to the societal shift toward greener practices. The way EU directives are implemented will affect tenants, and it is therefore of main importance to monitor these issues at EU level and advocate financial support.

Another challenge for the Climate Initiative is the lack of data, both for Public Housing Sweden and their member companies. Examples mentioned by the interviewees includes district heating companies that do not report data to the energy companies, which in turn makes it impossible for Public Housing Sweden to obtain emission figures from the energy companies. Other data collection challenges are e.g. the lack of certain technical equipment such as submeters making it impossible to measure hot water usage. For the comparably smaller housing companies in the Climate Initiative, the allocation of work hours for reporting is also a challenge. Furthermore, Public Housing Sweden does not have access to the companies' internal systems, thus limiting its ability to perform quality checks. Finally, from a more overarching perspective on challenges related to just transition it is likely that the focus on justice issues will grow, both in politics and on a smaller scale within the Climate Policy Council. Justice / equality is part of the Council's ongoing development work and there is a need to research and contextualise concepts like energy and transport poverty in Sweden.<sup>219</sup> The interviewee from an independent expert body also mentioned the need to include regional and local climate work in future analyses since this is where national policies take effect. Housing and construction, in general, are also increasingly relevant at the regional and local levels.

*"[...] First and foremost, the focus on the issue of justice / fairness is only going to grow. It needs to be given much more space, obviously, especially in politics, but also within our own work. So, working on this in every possible way and in all our thematic deep dives is an ongoing developmental effort, and we're working on it intensively. When we begin addressing energy poverty and transport poverty more analytically—which I am completely convinced we will—it could even be that we touch on the concept of energy poverty, especially in relation to agricultural issues; that's not unlikely. [...] It will be very important for us to understand what is meant, what's being aimed for, what might be*

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<sup>218</sup> Sweden, Aftonbladet (2024) '[Priset på kranvatten rusar – bara början](#)', 9 October 2024.

<sup>219</sup> Sweden, Climate Policy Council (*Klimatpolitiska rådet*) (2024) 2024 Report of the Swedish Climate Policy Council ([Klimatpolitiska rådets rapport 2024](#)), p. 112.

*missing, and how we can approach it. We want to align this with the actual policies coming from the government and also consider other levels”.*

This research indicates lacking awareness, knowledge and action regarding justice questions in general and the situation of groups in vulnerable positions in particular in relation to the green transition on all levels of environmental work. Remedying this is a massive challenge that, initially, requires a changed mindset.

### 4.3. Lessons learned and good practices

At the present stage of the Climate Initiative, the lessons learned and good practices are not so much focused on groups in vulnerable situations. Rather the lessons learned mentioned by the interviewees focus on the importance of information, collaboration and capacity building to advance climate efforts. As described in the report, the Climate Initiative is progressing beyond expectation when it comes to its environmental goals. As some of the interviewees mentioned, the Climate Initiative is so successful in this respect that it needs to set more ambitious goals.

The relatively new focus on collecting and compiling data enables the participating actors to analyse, for example, areas of high energy and water consumption and take well informed decisions and make adjustments. The use of smaller pilot projects where the results before and after the implementation can be measured is a good way to verify the effects. Consequently, the projects within the Climate Initiative are anchored in reality and allow the participants to try different methods and to run tests in practice rather than use theoretical models. A specific good practice forwarded is the so-called renovation coordinators that solely focus on tenant matters and are in contact with every tenant involved in a renovation project, presented above under chapter 3.3. Another good practice, highlighted above under chapter 3.4, is the establishment of physical presence in certain geographical areas with high levels of vulnerability and insecurity, allowing public housing companies to improve their outreach.

Given the lack of focus on justice / equality and groups in vulnerable situations, the Climate Initiative cannot be used as good practice when it comes to these parts of the green transition. However, it is important to note that the initiative is a good example of how an EU framework can further the understanding of the need to address issues like energy and transport poverty in relation to different groups. The day-to-day work within the wider EU framework appear to force actors at different levels to expand their thinking and analysis to include social justice issues, even though the Climate Initiative – and indeed also the Swedish climate policy as a whole – have not problematised these

issues in relation to the green transition before. Accordingly, even though the practical implementation of the Climate Initiative mainly related to the environmental aspects of the green transition, it can function as an entry point for more comprehensive approaches in the near future.

*"I also think it's a matter of timing. In 2019, no one was really talking about climate justice in that way; it's only been in the past two years or so that people have started discussing it. And that's when we also began talking about it in this way. But it's still a relatively new term, in a sense, so yes, it probably would have been good to have an even clearer framing around climate justice. But I'm not sure if it would have been possible—I don't really know if the conditions were there back then. Still, I feel that we've come a long way together."*

## 4.4. Recommendations

It is necessary to start critically examining and broadening the justice aspect in climate and sustainability initiatives, starting with the policy documents at national level. There is a need for thorough analyses of who is affected by the green transition and in what ways. To reach this goal, it is important to stop working in silos to create synergies between social, economic, and environmental sustainability.

*"Yes, to summarise, it's really about problematising the justice aspect and broadening it, looking at different variables. We need thorough analyses of who is affected and in what ways, and we have to work on participation and anchoring, and so on. This applies regardless of whether we're talking about public housing or other areas. I also think it's important to work on finding synergies and move away from silo thinking altogether. This applies to the different pillars of sustainability—social, economic, and environmental—. [...]"*

New organisational approaches are overall needed to erase the risk that social and environmental sustainability strategies and work are not fully integrated, as one is dependent on the other to guarantee sustainability where no one is left behind.

It seems necessary that more joint efforts are developed to influence the national level to address unsustainable effects of dramatically increased rents and living costs, especially to avoid these disproportionately falling on tenants in already economically vulnerable situations.

It is also recommended that identified gaps in environment and climate related legislation, policy and actions such as the Climate Initiative are addressed to include

clear and detailed attention, goals and measures related to the impact on groups in vulnerable situations. There is an immediate need to develop all actors' thinking, understanding, planning, actions and monitoring when it comes to environmental justice.

If not, there is a risk that legislation, policy and actions will complicate and aggravate the situation for disprivileged groups simply because of lacking awareness of potential risks.

To enable accurate mapping of affected households or households in risk of energy poverty, efforts must be made to research and contextualise this concept in Sweden. It is key that such efforts go beyond general categories such as 'tenants' or 'economically vulnerable households'. It must be ascertained how these general categories are made up of groups subjected to systemic discrimination in Swedish society. This way, acknowledgement and knowledge of the patterns of such discrimination can aid the identification of how discrimination manifests itself in the context of the green transition. This will in turn allow for innovative ways to avoid unjust access to and negative effects of the green transition, as well as for measures to mitigate such negative effects.

Taking the above into account in relation to the Climate Initiative and the context in which it is carried out, a continuation of the work could benefit from a review with the aim to integrate a clear social sustainability perspective, rooted in fundamental and social rights and gender equality. This would significantly strengthen the capacity of the project to not only collect important data to measure actual impact and progress for groups in vulnerable situations, but also to review and develop rights-based processes to set relevant just transition goals. Rights-based processes would need to guarantee involvement of target groups, especially those who may currently be excluded from the green transition narrative.

# Annexes

## Annex I. Design of the action

Information about the action	
<p><b>Objective</b></p> <p><i>Please include:</i></p> <ul style="list-style-type: none"> <li>• Objective</li> <li>• Area of contribution</li> <li>• Explicit focus</li> </ul>	<p>The Public Housing Sweden's Climate Initiative (<i>Allmännyttans Klimatinitiativ</i>) (Climate Initiative) has two overarching goals:</p> <ul style="list-style-type: none"> <li>• A fossil-free public utility by 2030 at the latest.</li> <li>• 30 percent lower energy use by 2030 (calculated from the year 2007).</li> </ul> <p>To strengthen the climate work further, there are three focus areas where housing companies can work on their carbon dioxide emissions:</p> <ul style="list-style-type: none"> <li>• Power peaks and renewable energy</li> <li>• Climate requirements for suppliers</li> <li>• Climate-smart living</li> </ul> <p>The areas have been chosen based on how much opportunity housing companies have to make a difference and how big the actual climate impact within the area is.</p> <p>The idea is that the focus areas should contribute to gearing up the work and driving development within each of these areas. Companies contribute with good examples and have the opportunity to be part of networks within their respective focus areas.</p> <p>Participation in the focus areas is not static – companies can choose to step on and off the</p>

	<p>areas during the course of the climate journey.<sup>220</sup></p> <p>The goals are linked to the ambitions and timeframe of Sweden’s updated National Energy and Climate Plan 2024.<sup>221</sup> drawing from targets such as a fossil-fuel-free vehicle fleet.</p> <p>Public Housing Sweden has, however, explained that the initiative can be seen as only partially linked to the overarching climate goals as the initiative includes both an energy efficiency goal and a fossil-free goal. As the priorities and overarching goals have changed since 2018, Public Housing Sweden has also underscored that they are updating the goals accordingly. The latest changes are described below, in relation to Timeline.<sup>222</sup></p>
<p><b>Background</b></p> <p><i>Please include:</i></p> <ul style="list-style-type: none"> <li>• Starting date</li> <li>• Origin and development</li> <li>• Rationale</li> <li>• Stakeholders involved</li> </ul>	<p>In autumn 2018, the Climate Initiative started as a joint call for public housing companies to reduce emissions of greenhouse gases.<sup>223</sup> Public housing companies with a shared aim of reducing greenhouse gas emissions through ambitious goals, collaboration and active exchange of experience together shaped the initiative coordinated by Public Housing Sweden.</p> <p>By inspiring and encouraging each other, the housing companies are believed to make the transition faster than each one individually. The starting point is that everyone can contribute. The idea is to make use of the common power</p>

<sup>220</sup> Sweden, Public Housing Sweden (*Sveriges allmännytta*), Public Housing Sweden's Climate Initiative (*Allmännyttans Klimatinitiativ*), official webpage, accessed 11 November 2024; Sweden, Public Housing Sweden (*Sveriges allmännytta*), [Public Housing Sweden](#), official webpage, accessed 11 November 2024.

<sup>221</sup> Sweden, Ministry of Climate and Enterprise (*Klimat- och näringslivsdepartementet*) (2024) Sweden’s updated national energy and climate plan (*Sveriges uppdaterade nationella energi-och klimatplan för Sverige*), 27 June 2024.

<sup>222</sup> Interview with representative of the Climate Initiative at Public Housing Sweden (INT1).

<sup>223</sup> The Climate Initiative was developed in collaboration with IVL Swedish Environmental Research Institute, an independent research institute specialising in environmental and sustainability issues.

of the public utility in the capacity of a large client that can set demands and drive climate transition.<sup>224</sup>

The predecessor to the Climate Initiative was the 'Skåne Initiative',<sup>225</sup> launched in 2007 by Public Housing Sweden. The Skåne Initiative concluded in 2016, achieving a 17 percent reduction in energy consumption. It laid the foundation for the more ambitious climate goals in the Climate Initiative.<sup>226</sup>

### **Public housing in Sweden**

Public Housing Sweden (*Sveriges allmännytt*) is an organisation of municipally owned housing companies and long-term private housing companies that contribute to the public interest in Sweden. Public Housing Sweden represents more than 950 000 apartments and over 300 companies in Sweden.<sup>227</sup> More than 3 out of 10 million Swedes live in rented accommodation. Over half of these live in public housing, i.e. municipally owned rental housing. This means that Swedish public housing companies account for almost 20 percent of Sweden's housing stock.<sup>228</sup> In total, 312 public housing companies are members of Public Housing Sweden. Of these, 193 are members of the Climate Initiative.<sup>229</sup>

In Sweden, public housing companies manage municipally owned properties with rental apartments as part of its operations, promote housing supply in the municipality and offer

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<sup>224</sup> Sweden, Public Housing Sweden (*Sveriges allmännytt*), Public Housing Sweden's Climate Initiative (*Allmännyttans Klimatinitiativ*), official webpage, accessed 11 November 2024.

<sup>225</sup> Skåne is a County in Sweden.

<sup>226</sup> Interview with representative of the Climate Initiative at Public Housing Sweden (INT2).

<sup>227</sup> Sweden, Public Housing Sweden (*Sveriges allmännytt*), [Public Housing Sweden](#), official webpage, accessed 11 November 2024.

<sup>228</sup> Sweden, Public Housing Sweden (*Sveriges allmännytt*), [Public Housing Sweden](#), official webpage, accessed 11 November 2024.

<sup>229</sup> Interview with representative of the Climate Initiative at Public Housing Sweden (INT2).

	<p>tenants opportunities to have influence over their housing and within the local public housing company.<sup>230</sup></p> <p>Public housing companies have a clear social responsibility. At the same time, public housing companies are expected to be managed on commercial principles to avoid distorting competition.<sup>231</sup> This means that public housing companies have to combine their social responsibility with a business-like approach.</p> <p>Public housing in Sweden is therefore open for all and is not solely catering for low-income households. The municipality owned companies can have housing stock for all income categories, also the more high-end. This also means that Sweden does not have so-called social housing.</p> <p>The so called ‘tripartite agreement’ between the three major actors in rental housing – the Swedish Union of Tenants, Public Housing Sweden, and the Property Owners Association<sup>232</sup> (private companies) – establishes a common framework for rent negotiations by agreed guidelines for rent-setting based on rent adjustments, renovations, and new constructions. This agreement forms the basis for the annual rent negotiations between the Swedish Union of Tenants and Public Housing Sweden.<sup>233</sup></p>
<b>Timeline</b>	2018 – 2030

<sup>230</sup> Sweden, Act on Public Utility Municipal Housing Companies ([Lag \(2010:879\) om allmännyttiga kommunala bostadsaktiebolag](#)), 23 June 2010, section 1.

<sup>231</sup> Sweden, Act on Public Utility Municipal Housing Companies ([Lag \(2010:879\) om allmännyttiga kommunala bostadsaktiebolag](#)), 23 June 2010, section 2.

<sup>232</sup> Sweden, Property Owners Association (*Fastighetsägarna*) We are the Property Owners Association ([Vi är Fastighetsägarna](#)), official webpage, accessed 11 November 2024.

<sup>233</sup> Sweden, Swedish Union of Tenants (*Hyresgästföreningen*) Tripartite agreement ([Trepartsöverenskommelsen](#)), official webpage, accessed 1 December 2024.

<p><i>Please include:</i></p> <ul style="list-style-type: none"> <li>• Timeline and duration</li> <li>• Milestones, reviews, amendments planned</li> </ul>	<p>Key milestones for the initiative are:</p> <ul style="list-style-type: none"> <li>- A fossil-free public utility by 2030 at the latest.</li> <li>- 30 percent lower energy use by 2030 (calculated from the year 2007).</li> </ul> <p>Currently, the initiative's goals are also being updated with the intent to incorporate a greenhouse gas reduction target. This is necessary due to significant legislative developments since the initiative started in 2018. Among other things, the new targets need to align with EU legislation on sustainability reporting, the European Climate Law, and the Paris Agreement.<sup>234</sup></p> <p>After the end of 2024, when the joint funding ends, the initiative becomes an integral part of Public Housing Sweden’s ordinary work.</p>
<p><b>Scope and development</b></p> <p><i>Please include:</i></p> <ul style="list-style-type: none"> <li>• Activities included</li> <li>• Planned developments, phases, repetitions or other</li> <li>• Project continuation in the future</li> </ul>	<p>There are a total of 312 public housing member companies in Public Housing Sweden and 193 of these have joined the Climate Initiative. Of these 193, 4-5 are so called ‘associate companies’ (or members). Associate members refer to private companies that operate based on public housing principles.<sup>235</sup></p> <p>Within the Climate Initiative, member companies are divided into size groups based on the number of apartments: 1-499; 500-999; 1000-1999; 2000-4999; 5000-9999, and; 10,000 apartments and over. The majority of the member companies have fewer than 1,000 apartments, and are classified as small.<sup>236</sup></p> <p>Since 2018, and over the first years, active outreach was prioritised to engage public housing companies. It is still possible to join the</p>

<sup>234</sup> Interview with representative of the Climate Initiative at Public Housing Sweden (INT1).

<sup>235</sup> Interview with representative of the Climate Initiative at Public Housing Sweden (INT2).

<sup>236</sup> Interview with representative of the Climate Initiative at Public Housing Sweden (INT2).

	<p>Climate Initiative, but Public Housing Sweden is not actively working to recruit new members anymore. All of the medium and large companies are according to Public Housing Sweden now members of the initiative. Those that have not joined yet are according to Public Housing Sweden smaller companies, often without enough capacity to participate.<sup>237</sup></p> <p>Main activities within the Climate Initiative include collecting statistics from member companies and providing training for members companies. Twice a year, voluntary so-called focus meetings are held in different municipalities and cities.</p> <p>As a member of the Climate Initiative companies commit to the two overarching goals of the initiative and to submit data in the annual survey (web based) to Public Housing Sweden. Guidelines and methods for the submission of data has been developed.</p> <p>When members join the Climate Initiative, they fill out a baseline survey, where they choose which base year they want to use (between 2007 and 2018). Thereafter, members fill out a survey annually with data on, among other things, water consumption, electricity usage, district heating, fuel, household waste, and mobility. The last two areas are optional.</p> <p>The reporting related to climate is categorised into scopes according to the international Greenhouse Gas Protocol standards, adapted to the Swedish housing sector. Public Housing Sweden then conducts a quality check of the data to the extent their resources allow.</p> <p>The data is collected in Public Housing Sweden's database, where it is processed in an</p>
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<sup>237</sup> Interview with representative of the Climate Initiative at Public Housing Sweden (INT2).

	<p>Excel program. The data is compiled into a company-specific climate and energy report, which is distributed to each company. The companies can view their own statistics and track their progress on goal achievement (including carbon dioxide emissions, even though there is no specific target in this area) as well as the overall results (aggregated statistics), showing how the entire Climate Initiative is progressing.</p> <p>The results of the overall report are presented at Public Housing Sweden's annual climate and energy conference.<sup>238</sup> At these annual meetings where results are presented, individual company initiatives also compete in different categories. Small and mid-size and large companies, respectively, can enter and nominate themselves. The contributions in 2024 will focus on energy efficiency, freedom from fossil fuels, power peaks, renewable energy, climate requirements on suppliers, climate-smart living and climate adaptation.</p> <p>The contributions are assessed, and winners are chosen by both an internal and an external jury with experts from Sweden's public housing in the areas of energy, climate, environment and management.</p>
<p><b>Internal governance</b></p> <p><i>Please include:</i></p> <ul style="list-style-type: none"> <li>• Legal basis</li> <li>• Bodies/units responsible for management, implementation, monitoring</li> <li>• Organigram (please attach if available)</li> <li>• Persons working on the action</li> </ul>	<p>The Climate Initiative does not directly link itself to a specific legal instrument or framework. Energy and climate measures within the Climate Initiative carried out by the public housing member companies around the country, however, relate to a range of different EU Directives and national laws and regulations. The Energy Efficiency Directive has been implemented in Swedish law through the Act and Ordinance on Energy Metering in</p>

<sup>238</sup> Interview with representative of the Climate Initiative at Public Housing Sweden (INT2).

	<p>Buildings<sup>239</sup> and in the Swedish National Board of Housing, Building, and Planning's regulations and general guidelines on energy metering in buildings.<sup>240</sup> The Energy Performance of Buildings Directive has been gradually implemented in Swedish law, including through the Act on Energy Certification of Buildings.<sup>241</sup> The revised EU Directive on the Energy Performance of Buildings is to be incorporated into Swedish legislation by 29 May 2026. Furthermore, the Corporate Sustainability Reporting Directive (CSRD) has been implemented into Swedish law through amendments to the Annual Accounts Act.<sup>242</sup> These amendments came into effect on 1 July 2024.</p> <p>The Climate Initiative is part of Public Housing Sweden's agenda and approved by the Board. The current agenda spans four years. The work on the Climate Initiative falls under the Department of Property and Sustainability.</p> <p>Within the department, there is a climate and sustainability expert, an environmental expert, an energy expert, a project manager, two social housing experts, a new construction expert, a property management expert, a digital strategist and a head of department.</p> <p>The climate and sustainability expert is strategically responsible for the Climate Initiative. The results of the Climate Initiative are reported to the Head of the Department of</p>
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<sup>239</sup> Sweden, Act on Energy Metering in Buildings ([Lag \(2022:333\) om energimätning i byggnader](#)), 28 April 2022; and, Sweden, Ordinance on Energy Metering in Buildings ([Förordning \(2022:336\) om energimätning i byggnader](#)), 28 April 2022.

<sup>240</sup> Sweden, Swedish National Board of Housing, Building, and Planning (*Boverket*), Swedish National Board of Housing, Building, and Planning's regulations and general guidelines on energy metering in buildings ([Boverkets föreskrifter och allmänna råd \(2022:3\) om energimätning i byggnader](#)), BFS 2022:3.

<sup>241</sup> Sweden, Act on the energy certification of buildings ([Lag \(2006:985\) om energideklaration för byggnader](#)), 21 June 2006.

<sup>242</sup> Sweden, Annual Accounts Act ([Årsredovisningslag \(1995:1554\)](#)), 14 December 1995.

	<p>Property and Sustainability and subsequently to Public Housing Sweden’s CEO and Board.<sup>243</sup></p> <p>There is also a steering group for the Climate Initiative, which includes the CEO of Public Housing Sweden, the Head of Communications, and the Head of the Property and Sustainability Department.<sup>244</sup></p>
<p><b>External governance</b></p> <p><i>Please include:</i></p> <ul style="list-style-type: none"> <li>• Reporting obligations</li> <li>• Accountability</li> <li>• Partnerships</li> <li>• Collaborations</li> </ul>	<p>Public Housing Sweden invites its public housing member companies to join by following the steps listed below:</p> <ul style="list-style-type: none"> <li>• The company decides that it wants to accept the challenge and participate in the Climate Initiative.</li> <li>• The CEO and chairman of the Board sign the letter of intent.</li> <li>• The CEO and chairman of the Board take a picture together and hold up the signed letter of intent. The picture and a copy of the signed declaration of intent are emailed and the company's name and the submitted image are published on sabo.se.</li> </ul> <p>Further steps include signing up for one or more focus areas:</p> <ul style="list-style-type: none"> <li>• Power peaks and renewable energy</li> <li>• Requirements for suppliers</li> <li>• Climate-smart accommodation</li> </ul> <p>Methods for measuring progress are not fixed but being developed continuously. For the purpose of transparency and comprehensive follow up of results, members get a specific guidance material Method – calculations and input (<i>Metod – beräkningar och indata, 2022</i>)</p>

<sup>243</sup> Interview with representative of the Climate Initiative at Public Housing Sweden (INT2).

<sup>244</sup> Interview with representative of the Climate Initiative at Public Housing Sweden (INT2).

	<p>as support to measure and report progress to the Public Housing Sweden annually.</p> <p>External partners to the Climate Initiative are:</p> <ul style="list-style-type: none"> <li>- HBV - the purchasing function of Public Housing Sweden (<i>Allmännyttans inköpsfunktion</i>),</li> <li>- Swedish Union of Tenants (<i>Hyresgästföreningen</i>), and</li> <li>- Kommuninvest Cooperative Society - a voluntary membership organisation with the municipalities and regions.</li> </ul> <p>The Climate Initiative does not report to any external parties, except in the form of marketing and communication primarily directed towards members participating in the initiative. In these communications, Public Housing Sweden presents results at an aggregated level in newsletters and on its website.<sup>245</sup></p>
<p><b>Funds</b></p> <p><i>Please include:</i></p> <ul style="list-style-type: none"> <li>• Budget available for the action</li> <li>• Funding sources, (including administrative level)</li> <li>• Information on fundamental rights conditionalities if any</li> </ul>	<p>The Climate Initiative is free of charge for Swedish Public Housing member companies. However, there is a cost to participate in various activities (network meetings, conferences, training) organised within the framework of the Climate Initiative. Members carry the costs of their individual initiatives themselves.</p> <p>The financiers of the Climate Initiative are: Public Housing Sweden, HBV - the purchasing function of Public Housing Sweden, and the Swedish Union of Tenants. All parties contribute 400,000 SEK (€ 36,000) each year.</p> <p>At the turn of the year 2024/2025, funding from both the purchasing function of Public Housing Sweden and the Swedish Union of Tenants will end. Public Housing Sweden will</p>

<sup>245</sup> Interview with representative of the Climate Initiative at Public Housing Sweden (INT2 and INT1).

	then incorporate the work of the Climate Initiative into its daily operations, financed through general membership fees and training fees. <sup>246</sup>
Other aspects to be considered	

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<sup>246</sup> Interview with representative of the Climate Initiative at Public Housing Sweden (INT1).