

Presentation of Norway's targets for emission reductions by 2020

Thank you,

- I appreciate the opportunity to present Norway's targets for emission reductions by 2020.
- In order to limit global warming to below 2 degrees, global greenhouse gas emissions must be reduced by 50-85% by 2050.
- Developed countries should reduce their emissions by 25-40% by 2020 and developing countries should have an emission trajectory about 15-30% below business as usual.
- The two workshops we have today and tomorrow are highly important in clarifying where we currently stand in terms of the global effort needed, and how ambitions can be adjusted to agreed targets.
- Norway's pledge is put forward in the context of an ambitious global agreement. We are, in this respect, flexible as to whether our pledge by the end of the day is included in a new, single agreement under the Convention, or anchored under the Kyoto Protocol as part of a balanced dual-track outcome.
- The environmental integrity of a global climate agreement is dependent on consistent and appropriate accounting of emissions. We need to know what the real emission reduction achievements are. We will therefore emphasise the need for common rules for accounting, in particular with respect to the LULUCF sector and for the use of international credits. Common rules also provide predictability for the carbon market, promoting forward-looking investments.
- In relation to the LCA, we submitted information on our quantified economy-wide emission reduction targets in 2020 in a letter to the secretariat in January 2010, in context with Norway's association with the Copenhagen Accord.
- Here, we reported that Norway will by 2020 undertake to reduce global greenhouse gas emissions by the equivalent of 30 percent of its own 1990 emissions. An aim is that about 2/3 of emission reductions in 2020 will be cuts in domestic emissions, bringing Norway on the path to become a low carbon society. The number also includes the use of flexible mechanisms.
- Furthermore, Norway will in accordance with our pledge under the Copenhagen Agreement, move to a reduction target of 40 per cent reduction by 2020, as part of a global and comprehensive agreement for the period beyond 2012 whereby major-emitting Parties agree on emission reductions in line with the objective of limiting global warming to below 2 degrees).
- In the context of an ambitious global agreement, Norway intends to cut global emissions equivalent to 100 percent of its own greenhouse gases emissions, becoming a carbon neutral nation within 2030.
- These targets are based on a broad parliamentary agreement in 2008.

- From 1990 to 2009 the total GHG emissions, excluding LULUCF, increased by 3 per cent. At the same time the GDP increased by more than 300 per cent, showing that domestic measures have been effective. The last two years the emissions declined by 7 per cent, see the figure.
- The business as usual scenario for greenhouse gas emissions in Norway, without new measures, shows a growth between 1990 and 2020 from 50 to about 59 million tonnes CO₂ equivalents, equal to 18 percent increase, mainly due to increased emissions from production of oil and gas.
- It is a long-term objective for Norway to become a low-emission society. Our target for 2020 will be part of this strategy.
- In this context we also emphasize domestic emission reductions as is shown in the graph. A parliamentary agreement on climate policy in 2008 found that a realistic target would be to reduce Norwegian emissions by 15-17 million tonnes CO₂ equivalents, relative to business as usual, when CO₂ uptake by forests is included. In this case, about two thirds of cuts in emissions would be made in Norway. This is shown in the graph.
- The domestic emission reductions of 15-17 million tonnes include an estimated removal of 3 million tonnes from activities under Article 3.3 and Article 3.4 under the Kyoto Protocol, corresponding to 6 per cent of our 1990 emissions, based on a continuation of the current accounting rules for LULUCF.
- An important part of Norwegian climate change policy is the flexible and cost-effective approach of the Kyoto Protocol. An underlying premise for Norway's emission reduction targets is the continuation of the current flexible mechanisms of the Kyoto Protocol or new mechanisms under the Convention. The negotiations on new and broader market based mechanisms under the AWG-LCA are therefore of importance to Norway. We also believe that Parties under a possible new legal agreement under the Convention should have the opportunity to use the Kyoto mechanisms.
- Market based mechanisms will facilitate a broader range of cost effective mitigation efforts, and thereby enable more ambitious targets for emission reductions. It can also be an effective way of implementing further emission reductions in developing countries, and provide opportunities for international financing of nationally appropriate mitigation actions.
- With respect to the possibility to moving to a national 40% reduction target, the work this year, of clarification of mitigation pledges as well as looking at options for increasing ambition, is important.
- In our view, an international framework with common rules for the global carbon market will enhance mitigation efforts. We therefore welcome further discussions on how to scale up efforts in cooperation with others.
- We believe that rules for accounting for emissions and removals in the LULUCF sector should be comprehensive, uncapped and the same for all countries. Hence,

accounting rules under the LCA should be harmonized with those under the Kyoto protocol, to ensure comparability.

- Rules must be set before targets are finalized, to ensure transparency in what the emission reduction commitments actually entail as well as comparability of efforts. Changes in rules can have significant implications. Different rules on the table would in Norway's case vary from zero to more than 20 per cent. Our view is that targets must be revised accordingly when the rules are finalized. This should ensure that the ambition level is preserved.
- Let us in this context repeat that our overall ambition level is set by our pledge under the Copenhagen Accord. This was based on the assumption of a continuation of the present LULUCF rules under the Kyoto Protocol to 2020.
- With changes in the LULUCF accounting rules for future commitments, as well as with all other rule changes, Norway intends to revise its commitments in accordance with these changes, with the aim of keeping the overall high ambition level unchanged compared to previous announcements..
- Norway has a long history of using different policy instruments for reducing greenhouse gas emissions, including economy wide instruments like CO₂ tax and emission trading scheme, as well as sector specific instruments like investments in projects for carbon capture and storage in the petroleum sector.
- The main policy instrument for reducing emissions in Norway is through an emission trading system. Norway participates in the EU emission trading system for reducing industrial GHG emission. About 40% of Norwegian emissions are currently covered by the system. In the period of 2013-2020 the coverage will be further increased to about 50% of our emissions. We will continue working on establishing well founded instruments and actions in non-industrial sectors.
- We are now in the process of preparing a government white paper on further policies and measures necessary to achieve the 2020 target, and for emission reductions beyond 2020.