

# Assessment of progress to targets and the review approaches used during the BR2 reviews

## Case of Norway

4<sup>th</sup> BRs and NCs lead reviewers meeting



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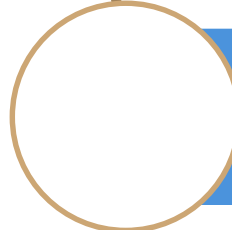
Transparency

## Outline of the presentation

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Norway's target



Norway plan to reach its target



ERT assessment



# Norway Target for 2020

	Excluding LULUCF
Base Year (1990) Emissions	1990, except for NF3
2020 Target: 30% below 1990	30% below 1990 level

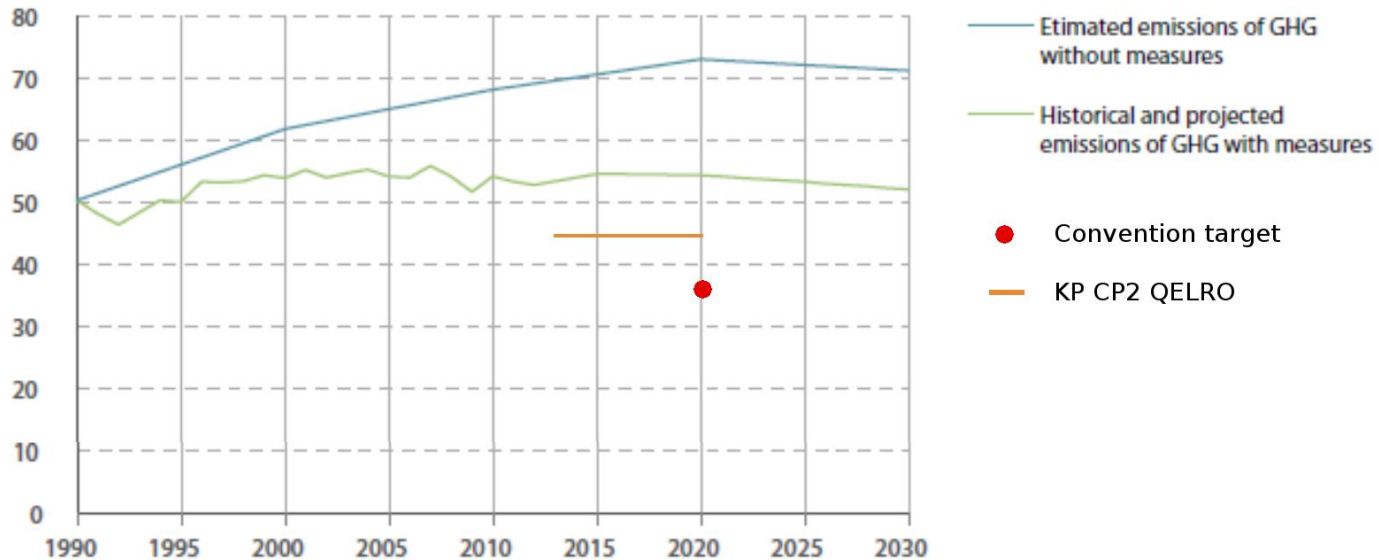
*Note:* Target « operationalised » through Norway's « legally-binding » commitment under the KP (QELRO of 84% of 1990 emissions for the period 2013-2020)

Coherency between the two targets exposed in documents submitted to the UNFCCC

Gases Covered:	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub>
Sectors Covered:	Energy, Transport, Industrial processes, Agriculture, LULUCF and Waste
GWP values:	4 <sup>th</sup> Assessment Report of the IPCC
LULUCF, included using accounting rules under the KP	Activity based approach and KP accounting Elected activities beyond ARD and FM still to be set at the time of publication of BR2
Market based mechanisms:	MBM that are not under the convention will not be used. “units from currently available market-based mechanisms, including carry-over of units may be used to attain the emission reduction target”



- Projected total GHG emissions under the WEM scenario (excl. LULUCF and NF3) :  
54,852.55 kt CO<sub>2</sub> eq in 2020, which is 5.4 per cent above the base year level.





Net contribution of units to reach the QELRO under KP2

Estimated at around 90 Mt CO<sub>2</sub> eq for the period 2013-2020

Contribution of LULUCF

Close to net zero (according to answer to the ERT)

- Role of PAMs

		
Transparency	Changes of PAMs since last BR/NC highlighted in CTF table 3	WOM scenario only included in one figure of BR2, without explanation/reference in table 6b
Completeness	Clear synthetic presentation (priority given to pricing instrument : ~80% of emissions covered,...)	Only few (changes of) PAMs evaluated 3/20; with impact of 270-370 kt in 2020 4/20; with impact of 380-610 kt in 2030

- Challenges in the assessment of the use of units in the reported period :
  - Units reported in CTF table 4 are surrendered units under the ETS, not only units acquired to reach the target. Text precise that over the period 2008-2012, installations under the EU-ETS have acquired 4,1Mt more units per year than allocated by Norway
  - No precise data for the years 2013 and 2014 presented (table 4(a)) - empty due to the issue with the CRF reporting tool), but the acquisition of approx 30Mt of CERs (+30Mt in the process of being acquired) mentioned.

- Plan to reach the KP2 target appears fairly realistic:
  - Reported order of magnitude of units needed seems logical:

	Emissions (Mt eq CO <sub>2</sub> )	
Gap between Gross emissions and commitment	Base year (1990)	52
	2013	53.7
	2020 WEM	54.8
	2013-2020 linear average	54.3
	2013-2020 : gap	85 (8*(54.3-43.7))
	Contribution of LULUCF	<ul style="list-style-type: none"> <li>FM : ~14 Mt RMUs expected (threshold of 3,5% of emissions)</li> <li>ARD and other activities : 0 (uncertain : could be net reduction or a net emission)</li> </ul>
Scale of use of units	<ul style="list-style-type: none"> <li>delivery of 60 Millions of CERs targeted by the government</li> <li>Units in Norway holding accounts that could be subject to carry over : ~9Millions (+10 Millions on entity accounts)</li> </ul>	
Overall gap	<ul style="list-style-type: none"> <li>Very close to 0 Mt (85 – 60 – 14 – 9)</li> </ul>	

- Large acquisition of units started and able to cover the needs for the first years of the KP2 commitment

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Thank you!!



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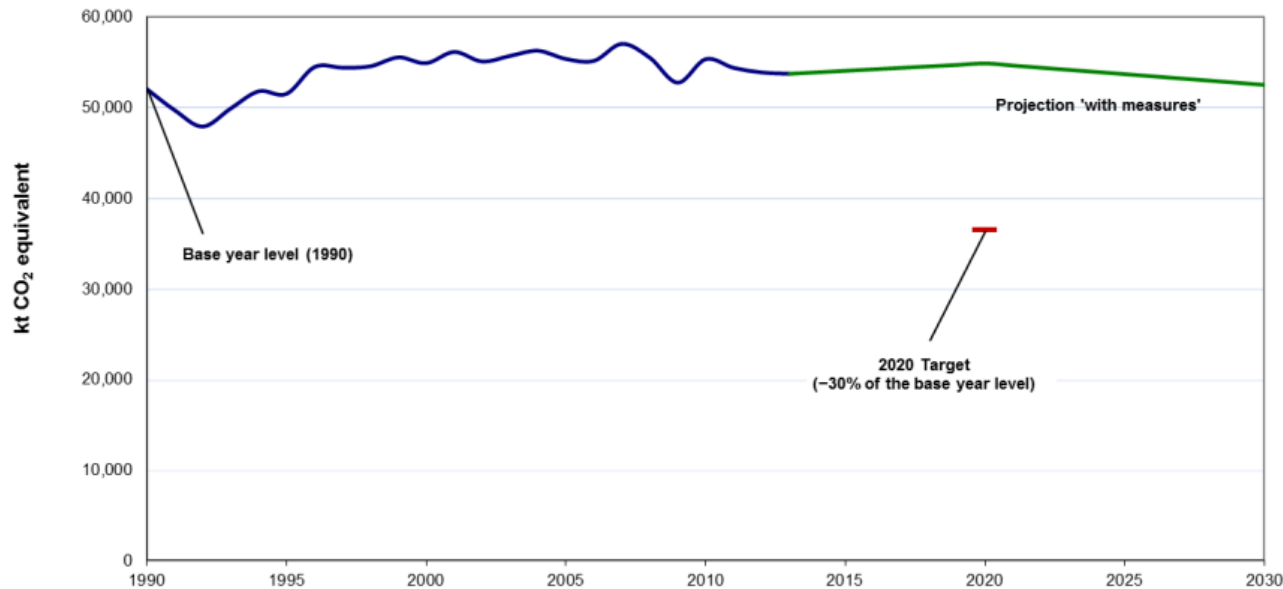
# Annex






- Equivalence between the KP2 target and the Convention target convincing :
  - a) Linear trajectory between the KP1 target in 2010 (+1%) and Convention target in 2020 correspond to a KP2 QELRO of 84% of the base year (except that it does not integrate the voluntary overachievement of 10% of KP1 (13% with RMU cancellation and voluntary cancellation of units for governmental employe))
  - b) Carry-over of units integrated in the description of the Convention target.

- Projected total GHG emissions under the WEM scenario (excl. LULUCF and NF3) : 54,852.55 kt CO<sub>2</sub> eq in 2020, which is 5.4 per cent above the base year level.



- The net contribution of units through the mechanisms estimated at about 90 million tonnes for the whole 2013-2020 period. Norway in the process of purchasing approximately 60 million units from market-based mechanisms at the time of the submission of the BR2.

 <p>Net contribution of units to reach the QELRO under the KP</p>	<p>Estimated at around 90 Mt CO<sub>2</sub> eq for the period 2013-2020</p>
<p>Sectors Covered:</p>	<p>Energy, Transport, Industrial processes, Agriculture, LULUCF and</p>

- The ERT noted the [characteristics of the target and its consistency with the commitment under the KP].

Should the ERT follow more closely the position of the Party and include in its report : « the ERT notes that the [Party stated that its] Convention target is made operational through its legally binding commitment under the KP » ?

Should the ERT have highlighted that the activities that will be included were yet to be settled ?

- The ERT also noted that projected total GHG emissions under the ‘with measures’ (WEM) scenario has a *moderately increasing trend* and in 2020 is expected to be 5.4 per cent above the base year level [from +3,3% in 2013].

Should the ERT avoid wording such as « moderately increasing trend » when the difference between the 2020 projection and last values is within the range of interannual variations over the previous years

- The ERT noted that Norway *is making progress towards its emission reduction target by implementing mitigation actions* [e.g. more than 80 per cent of domestic GHG emissions are covered either by the EU ETS or CO2 taxation]; however, [...] the ERT also noted that the *Party may face challenges* in the achievement of its target under the Convention and the Kyoto Protocol, and *would need to further strengthen domestic mitigation actions and/or acquire units from market-based mechanisms* in the period 2013–2020. In this regard, Norway reported in its BR2 that it is in the process of purchasing approximately 60 million units from market-based mechanisms [...].

According to the GPG (§120), the ERT could have used a more synthetic language. Which approach should be preferred ?

In the longer option, is it the correct approach to start by noting that party is making progress (based on the assessments of individual measures) even when emissions are increasing overall ?

- A) Norway reported in CTF table 4 information on units surrendered by the installations in Norway that are covered by the EU ETS, and transferred to its retirement account and explained its interpretation of the guideline in its BR1.
- This was likely not the interpretation of the secretariat under the term **acquired** used in the RPG<sup>2</sup>.

When the Party explicitly precise its understanding of the guidelines, should the ERT stick to it as we did, or take back the interpretation layed in the RPG when the later appears to be slightly different ?

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• <sup>2</sup> [http://unfccc.int/files/national\\_reports/biennial\\_reports\\_and\\_iar/application/pdf/review\\_practice\\_guidance\\_2016\\_background\\_paper\\_rev\\_26\\_feb.pdf](http://unfccc.int/files/national_reports/biennial_reports_and_iar/application/pdf/review_practice_guidance_2016_background_paper_rev_26_feb.pdf)

