Session SBI61 (2024)

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Multilateral Assessment

A compilation of questions to – and answers by – **Norway**

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Question by Canada at Sunday, 08 September 2024

Category: Assumptions, conditions and methodologies related to the attainment of its quantified economy-wide emission reduction target

Type: After 07 September

Title: LULUCF: Non-forest conversion projections

Does Norway have plans to include projected emissions resulting from non-forest conversion (e.g. wetland drainage for cropland) in its LULUCF projections?

Answer by Norway

The Norwegian Institute of Bioeconomy Research is in charge of projecting emissions and removals from the LULUCF sector in Norway. The latest projections are based on data and methodology from Norway's latest National Inventory Report, submitted on March 15, 2024. The period 2009–2022 has been used as the reference period, and the projection of land use development and emissions is largely based on reported data for this time period. The projections include estimates of total areas of forest land, cropland, grassland, wetlands, settlements, other land, and land-use conversions between these categories. This includes projected emissions and removals from non-forest conversion.

Question by United States of America at Saturday, 07 September 2024

Category: Progress towards the achievement of its quantified economy-wide emission reduction target

Type: Before 07 September

Title: Nitric acid production

What was the nature of the changes in nitric acid production processes that led to significantly lower N2O emissions from 2006 onwards? Was there abatement/destruction equipment installed that facilitated this contribution towards Norway's target?

Answer by Norway

There are two plants in Norway producing nitric acid and there are now in total six production lines. In 2006, two lines were equipped with the technology – N2O decomposition by extension of the reactor chamber. Since then, all production lines have to a certain extent been equipped with this technology. The result is substantially lower implied emission factor (IEF) for N2O emissions from the production process. For further information, including a figure showing how the IEF has changed over time, see chapter 4.3.2 of Norway's National Inventory Report/Document.

Question by United States of America at Saturday, 07 September 2024

Category: Progress towards the achievement of its quantified economy-wide emission reduction target

Type: Before 07 September

Title: Carbon capture and geological storage

Norway has more experience with carbon capture and geologic storage than many other Parties. Can you share any lessons on approaches to monitoring, transparency, reporting progress, and community engagement that would be informative for projects outside of Norway?

Answer by Norway

For decades, the development and operation of CCS projects on Sleipner and Snøhvit have demonstrated safe CO2 storage in geological formations under the seabed on the Norwegian continental shelf. Monitoring programmes and reservoir simulations have been developed that have proven that CO2 storage is safe, which will benefit new projects. Knowledge and experience from petroleum activities have been essential to the development of CCS in Norway. The strong technical environments in oil companies have been a prerequisite for developing these projects and the companies have further developed their expertise through them.

Our natural advantage in the form of having a large and well-explored continental shelf with good possibilities for CO2 storage is also a decisive factor.

Question by Canada at Friday, 06 September 2024

Category: All emissions and removals related to its quantified economy-wide emission reduction target

Type: Before 07 September

Title: Publication of GHG estimates prior to submission to the UNFCCC

GHG emissions data is a key piece in setting and tracking emission reduction targets and identifying mitigation approaches. Could you please describe any institutional arrangements, or work underway to develop such arrangements, that could enable publishing GHG estimates prior to the official submission to the UNFCCC (for example, making GHG data available to the public or some key stakeholders in 2024 ahead of a submission mid-April 2025)?

Answer by Norway

The Norwegian Environment Agency is responsible for reporting the greenhouse gas (GHG) inventory to the UNFCCC. The inventory is produced in close collaboration with Statistics Norway and the Norwegian Institute of Bioeconomy Research.

For all sectors except Land Use, Land Use Change and Forestry, (LULUCF), Statistics Norway publishes official statistics regarding emissions to air, including GHG emissions, twice every year. Preliminary estimates at an aggregated level are published in late spring, while what is considered as final data at a more disaggregated level is published in November each year. The data is not

published in accordance with the IPCC source categories, instead activity based sources are used. These data are then processed for reporting to the UNFCCC at the appropriate source categories.

For example, the GHG inventory that is due by mid-April 2025 to the UNFCCC will contain the time series 1990-2023. Preliminary estimates for 2023 were published by Statistics Norway in June 2024. In November this year, Statistics Norway will publish final 2023 figures, and recalculated time series for 1990-2022 when relevant.

For the LULUCF sector, data for 2023 is not published before it is reported to the UNFCCC.

Question by Canada at Friday, 06 September 2024

Category: All emissions and removals related to its quantified economy-wide emission reduction target

Type: Before 07 September

Title: Incorporation of atmospheric measurements in GHG inventory

Improved measurement technologies in recent years have resulted in the advancement of emissions data derived from atmospheric measurements which can be compared to emissions/removals data reported to the UNFCCC. Could you please share information about how atmospheric measurement data are considered in the development of your inventory, including any plans to incorporate such measurements into inventory methodologies?

Answer by Norway

There has not yet been sufficient data in the proper form for Norway to compare with the national estimates in Norway's GHG inventory. However, we are following the research and development of new datasets in order to use them for verification of our inventory in the future. We believe that the fluorinated gas inventory (HFC) could be a good starting point for such analysis in Norway.

Question by United Kingdom of Great Britain and Northern Ireland at Friday, 06 September 2024

Category: Progress towards the achievement of its quantified economy-wide emission reduction target

Type: Before 07 September

Title: Question to Norway on Bionova

Thank you, **Norway**, for the opportunity to comment on your 5 th Biennial Report and 8 th National Communication.

Your report touches on a new funding instrument, Bionova, which will contribute to GHG emission reductions, increase soil carbon sequestration and storage, and facilitate the transition to a more circular bioeconomy. Can you provide more information on what this funding instrument is and how it works?

Answer by Norway

Bionova was established in 2023 as a unit associated to Innovation Norway. The latter company is the Norwegian Governments most important instrument to for innovation and development of Norwegian enterprises and industry.

Bionova aims to provide different kinds of support in investments and technology to reduce GHG emissions at farm level. This includes e.g. solutions related to renewable energy and support for the development of use of technology.

It is also a goal to increase value creation through transition to a more circular bioeconomy based on renewable biological recourses from both blue and green sector. This support consists of both investment support and advisory services for all kinds of enterprises in both blue and green sector.

Bionova is in this way an example of new ways to stimulate farmers to take concrete measures at farm level that contribute to reduced GHG-emissions. For the future of sustainable farming and the transition to a more green economy, Bionova can contribute to a stronger cooperation between blue and green sector, and between primary production and the tech-industry.

Question by Japan at Friday, 06 September 2024

Category: Progress towards the achievement of its quantified economy-wide emission reduction target

Type: Before 07 September

Title: Additional measures to reduce emissions from ESR sectors

According to p.67 of the NC8, the projections of ESR emissions for the period 2021-2030 are about 13 million tonnes CO2 eq. higher than the given emission budget under the current EU legislation for the ESR sector, and the Støre-government proposes climate measures that can reduce GHG emissions. Increasing climate taxes is mentioned as the most effective measure. In Norway, the climate taxes are already widely applied, but in which specific areas does Norway envision tax increases being implemented?

Answer by Norway

The tax increase is scheduled for all almost emissions of CO_2 and all emissions of fluoride gasses (HFC, PFC, SF_6) covered by the ESR. Major sources of emissions subject to the tax increase will be road transport, domestic maritime transport, including maritime shipping to the continental shelf, construction equipment and farming machinery, waste incineration, fisheries and non-ETS industry/petroleum. Major sources inside the ESR that is not envisioned to be part of the tax increase are emissions of CH_4 and N_2O from agriculture, mainly stemming from cattle, sheep and fertilizers. Emissions from landfills are also excluded from the tax increase, since storing biological waste in landfills was forbidden in 2020.

The tax increase mentioned in NC8 is not scheduled to apply to emissions inside the EU ETS. The exception being for maritime transport, which is covered by the ESR as well as being a part of the ETS. The government has announced that the taxes will be adjusted so that the total carbon price

will reach 2 400 2025-NOK (2 000 2020-NOK) in 2030 for maritime shipping covered by both the ESR and the ETS.

As part of the budget proposal for 2025 the Støre government also announced that the they plan to adjust the taxes for petroleum activities on the continental shelf so that the total carbon price (ETS+tax) emission under the ETS from these activities is increased to 2 400 2025-NOK (2 000 2020-NOK) in 2030. This was not reported in the NC8.

Question by Japan at Friday, 06 September 2024

Category: Progress towards the achievement of its quantified economy-wide emission reduction target

Type: Before 07 September

Title: Annual climate status and plan

According to Box 4.2 of the NC8, the climate status and plan will be updated annually and summarises the government's climate policy. Could Nowway elaborate how this updated information will be utilized?

Answer by Norway

The Government's annual Climate Status and Plan presents an overview of the status for climate policy development as well as compliance with climate targets. The status update is used to assess to what extent Norway is on track to achieve its climate targets, and if the climate plan needs adjustments in order to enable compliance. This is presented transparently in the annual Climate Status and Plan, thus enabling Parliament and stakeholders to engage and discuss both current status and proposed plan.

In addition to complying with the reporting requirements of the Climate Change Act, the Government's Climate Status and Plan first presented a Climate Governance System in 2022. The purpose of the climate governance system is to facilitate the achievement of Norway's climate targets. The system aims to provide processes improved coordination for informed decisions, implementation, and reporting. It establishes annual routines and milestones for the design, follow-up, and reporting as well as milestones for further development of climate policies. Some decision-making milestones are coordinated with the Government's internal budgetary processes, enabling budgetary decisions as well as decisions on other climate policies to be informed by their estimated effect on emissions and the achievement of climate targets. The government's annual Climate Status and Plan and in regular white papers to the Storting present updates on climate policy developments and plans as well as progress towards meeting climate goals. Policies developed for purposes other than climate mitigation but still affecting greenhouse emissions are developed across sectors and presented in different white papers, action plans, and strategies. The system is being developed further.

Question by Australia at Friday, 06 September 2024

Category: Assumptions, conditions and methodologies related to the attainment of its quantified economy-wide emission reduction target

Type: Before 07 September

Title: Q2

What lessons learned can Norway share from its experience with carbon capture and storage? In particular, what incentives were required to help the industry take off in Norway, and what governance structures have been most useful? (Reference: pg95-98 of BR5/NC8)

Answer by Norway

The first CO2 storage project was at the Sleipner gas field, which started in 1996. The CO2 tax implemented on the Norwegian Continental Shelf in 1991 was an important driver for the field operators' decision to separate and permanently store the excess CO2, instead of releasing it to the atmosphere. The world's largest and most flexible test centre for CO2 capture technology, Technology Centre Mongstad, started up in 2012, heavily backed by public funding, through direct ownership. The Longship project, with start of capture in 2025, is the world's first open-source commercial capture and storage project for emissions from hard-to-abate industries. The Longship project is developed with cost-based grants and tailor-made state aid agreements, where the government has taken the value chain risk. The Norwegian government is currently assessing the policy toolset for future CO2 capture in Norwegian industry. One of the key objectives for the Norwegian government's CCS policy has been to contribute to kick starting a market for CCS and contribute to developing CCS technology as a cost-efficient tool to meet climate targets.

Question by Australia at Friday, 06 September 2024

Category: Assumptions, conditions and methodologies related to the attainment of its quantified economy-wide emission reduction target

Type: Before 07 September

Title: Q1

Norway's national climate change adaptation strategy includes a framework to facilitate the development of adaptation strategies and identify effective adaptation measures across sectors and administrative levels. **Can Norway outline ways in which the framework achieves this?** (Reference: pg 190 of BR5/NC8)

Answer by Norway

Since the release of Norway's 8th National Communication in December 2022, Norway has adopted a new climate change adaptation strategy. The strategy was presented by the government to the parliament in a white paper in June 2023: "A changing climate – united for a climate-resilient society" (Meld. St. 26, 2022–2023), https://www.regjeringen.no/en/dokumenter/meld.-st.-26-20222023/id2985027/

An important objective of the white paper is to establish a better governance system for national adaptation efforts. The governance system is based on climate change adaptation being a continuous and iterative process. It has a cyclical approach with procedures for developing national climate vulnerability analyses, updating climate change adaptation policy, reporting and regular evaluation of the efforts.

The Government will prepare a national climate change vulnerability analysis at least every four years. The Norwegian Environment Agency is responsible for developing the analyses, in cooperation with relevant sector authorities and other actors. In addition, the Government has appointed an expert committee which will obtain more knowledge about the socio-economic consequences of climate change and identify priority areas where there is good potential to reduce climate-related risk. Findings from the climate change vulnerability analysis and the expert committee will be crucial foundations for policy development, helping to prioritize efforts and measures. The analyses will also be relevant for municipalities, businesses, NGOs and others.

The Government will present updated policy on climate change adaptation to the parliament every four year, in white papers. The Ministry of Climate and Environment will coordinate the work, and the work will be carried out in collaboration with the sector ministries which are responsible for addressing climate change in their respective areas.

In addition, The Government's annual climate status and plan provide an account of the status of the work on climate change adaptation in the sectors, including reporting on how the plan for national climate change adaptation work (also presented in the white paper) is followed up. It will also contain an overview of the ministries' plans for the work on climate change adaptation in the future.

Question by New Zealand at Thursday, 05 September 2024

Category: Progress towards the achievement of its quantified economy-wide emission reduction target

Type: Before 07 September

Title: Update on road transport emissions

In its Eighth National Communication, Norway described how its emissions from road transport had decreased since 2015. This was attributed to the implementation of a number of cross-sector and sector-specific measures such as the CO_2 tax and vehicle tax policy. New Zealand is interested in hearing about progress in this area, what milestones have been reached and what challenges have been presented when implementing these measures.

Answer by Norway

Emissions from road transport in Norway are continuing to decrease, and the reduction is one of the biggest drivers behind the total reduction in Norway's emissions. The preliminary numbers for 2023 shows that total emissions from road transport was around 8 million tons GHG equivalents. This is a reduction of 8 percent from 2022, and a significant reduction from the top year of 10.2 million tons in 2015. Estimates tell us that with the adopted policies the reduction will continue in the coming years, reaching 5.3 million tons by the turn of the decade.

The historic reduction is mainly caused by the electrification in light vehicles. Norway has over the last decades implemented several measures in order to shift people from fossil fuel cars to low- and zero emission vehicles (ZEVs). In 2023 more than 80 percent of new sales of light vehicles were ZEVs, and in the entire fleet the share surpassed 20 percent. Our estimates tell us that without further climate policies, all new sales will be ZEVs by 2027.

Although public opinion largely has been in favor of our ZEV measures, they have come with some costs. The tax revenues from car purchases and car use have declined in line with the growth in ZEVs. We introduced several of these measures when the ZEV share was insignificant, and thereby also the tax revenue loss insignificant. The increased losses in tax revenues and toll revenues have been a growing concern. In part because of this, we have now started to scale back some of the ZEV advantages. We have among other steps introduced VAT for light vehicles over 500kg and reduced the ZEV discount in toll roads. When starting to scale back ZEV advantages, it is important that we don't move to fast. We still want ZEV to be the natural choice for people when buying a new car. We also see that strong measures are still needed for heavier vehicles, as the de-carbonization has not come as far in those segments. The focus in the coming years will therefore be to increase the effort on the heavier vehicles and try to scale back the advantages for lighter vehicles when the market has matured sufficiently.

Session SBI61 (2024)

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UNFCCC - LAST PAGE OF EXPORT