



Norwegian Ministry
of Climate and Environment

Norway's National Plan

related to the Decision of the EEA Joint Committee
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1. Overview

1.1 Introduction

Norway's nationally determined contribution under the Paris Agreement is to reduce our emissions by at least 40 per cent compared to 1990 levels by 2030. Norway will cooperate with Iceland and EU to fulfil their respective emission reduction targets under the Paris Agreement.

The European Union, Iceland and Norway are committed to reduce their overall greenhouse gas emissions, in view of holding the increase in the global average temperature well below 2 degrees above pre-industrial levels, and to pursue efforts to limit the temperature increase to 1.5 degrees above pre-industrial levels.

In June 2019, the Norwegian Parliament gave its assent for the agreement with EU on a climate cooperation to fulfil the 2030 emission reduction goal.

In Decision No 269/2019 of 25 October 2019 the EU, Iceland and Norway formally agreed to extend, for period 2021-2030, the climate cooperation by including the Effort Sharing Regulation¹ and the Regulation on greenhouse gas emissions and removals from land use, land use change and forestry (the LULUCF-regulation)², into Protocol 31 of the EEA Agreement. By this decision, Iceland and Norway are taking action to fulfil our respective emission reduction targets of an at least 40 per cent reduction of greenhouse gas emissions by 2030 compared to 1990 levels.

According to the agreement, Norway will fulfil its respective greenhouse gas emission reduction target for the period 1 January 2021 to 31 December 2030 in accordance with the ETS-directive, LULUCF-Regulation and the Effort Sharing Regulation.

Under the Effort Sharing Regulation Norway will have a commitment to reduce 40 per cent of emission in the non-ETS-sectors in 2030 compared to 2005.

Under the LULUCF-regulation, Norway will have a commitment to a no-debit rule for this sector.

This document outlines existing Norwegian measures and policies as well as updated projections of emissions and removals until 2030. The Government will present a White Paper on how we plan to meet the 2030-commitments.

¹ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013

² Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry

1.2 Executive summary

The Norwegian Climate Change Act establishes by law Norway's emission reduction targets for 2030 of at least 40 per cent reduction of GHG emissions by 2030 compared with 1990, and the 2050 target to become a low emission society.

Norway has implemented several policies and measures to reduce or remove greenhouse gas emissions in all sectors.

The polluter pays principle is a cornerstone of the Norwegian policy framework on climate change. CO₂-taxes on mineral oil and petrol (alongside with a tax on emissions from petroleum extraction on the continental shelf which is included in ETS) were introduced in 1991 to cost-efficiently limit greenhouse gas emissions. CO₂ taxes on natural gas and LPG were introduced in 2010. In 2020, the *standard rate of CO₂ taxes* will amount to approximately NOK 545, corresponding to EUR 55, per tonne of CO₂ (petrol, diesel, natural gas, LPG, and mineral oil).

About 50 per cent of the present Norwegian emissions are covered by the EU Emission Trading Scheme (ETS), and more than 80 per cent of domestic greenhouse gas emissions are covered by the emissions trading scheme or/and are subject to tax on greenhouse gas emissions.

In addition, support to research on and innovation of climate-friendly technologies provide complementary support where markets do not provide the solutions. A range of public-sector funding instruments and other support schemes have been established to promote zero- and low-emission solutions.

Preliminary calculations of the gap of the commitment under the Effort Sharing regulation, i.e the difference between the projected emissions based on current policy and measures under the sectors covered by the Effort Sharing Regulation and the preliminary estimate of emission allocation, return a gap of in the magnitude of 12 million ton CO₂-eqv. for the period 2021-2030. These calculations are uncertain both regarding the final emission allocation and the assumptions underpinning the projection.

Preliminary calculations of the gap of the commitment under the LULUCF regulation, i.e of the projections of all land use categories in the LULUCF sector applying the accounting rules from the LULUCF Regulation, show that the projected net emissions are approximately 12 million tons CO₂-eqv. above the no-debit commitment for the period 2021-2030. Again, these calculations are uncertain and strongly dependent on the assumptions made for the projection of future harvesting of timber, and the deforestation rate.

These calculations indicate that the commitments are not met without additional policies and measures, or by the use of EU flexible mechanisms.

In the Government's most recent political platform (Granavolden-platform), it is stated that the government intends to reduce emissions covered by the effort sharing regulation by 45 per cent compared to 2005-levels. This will represent a fulfilment beyond the 40 percent commitment Norway will get under the Effort Sharing Regulation.

2. Current National Climate Goals and Policies

Norway ratified the UNFCCC on 9 July 1993, ratified the Kyoto Protocol on 30 May 2002, became a Party when the Kyoto Protocol entered into force on 16 February 2005, and ratified the Doha amendment in June 2014. Under the second commitment period of Kyoto Protocol, Norway is committed to emissions reduction over the period 2013 – 2020 consistent with a target of 30 per cent reduction in emissions by 2020, compared to 1990.

Norway ratified the Paris Agreement on 20 June 2016. Norway has through its National Determined Contribution (NDC) under the Paris Agreement committed to a target of at least 40 per cent by 2030 compared to 1990.

Norway's climate targets and policy are set out in various policy documents: the updated cross-party agreement on climate policy from 2012 (published as a recommendation to the Storting (Innst. 390 S (2011–2012)) in response to the White Paper on Norwegian climate policy from the same year (Meld. St. 21 (2011–2012)). *New emission commitment for Norway for 2030 – towards joint fulfilment with the EU* (Meld. St. 13 (2014–2015)) and a subsequent recommendation to the Parliament (Innst. 211 S (2014–2015)); the documents relating to the Norwegian Parliaments consent to ratification of the Paris Agreement (Innst. 407 S (2015–2016) and Prop. 115 S (2015–2016)). The targets were reiterated in the White Paper on the Government's strategy for fulfilling the 2030 climate target (Meld St. 41 (2016-2017) issued in June 2017. These targets are also described in detail in Norway's fourth biennial report under the UNFCCC, chapter 4.

In June 2017, the Norwegian Parliament adopted the Climate Change Act, which establishes by law Norway's emission reduction targets for 2030 and 2050. The purpose of the act is to promote the implementation of Norway's climate targets as a part of the transformation of Norway to a low-emissions society by 2050. The act states the Norwegian target of at least 40 per cent reduction of GHG emissions by 2030 compared with 1990, and to become a low emission society in 2050 with a reduction of greenhouse gas emissions of the order of 80-95 per cent from the level in the reference year 1990. The effect of Norway's participation in the EU Emissions Trading System is to be taken into account in assessing progress towards this target.

Under the Effort Sharing Regulation (EU) 2018/842 Norway will get a commitment to achieve a 40 per cent reduction of emissions not covered by the ETS by 2030 compared to 2005-levels.

Under the LULUCF Regulation (EU) 2018/841, Norway shall ensure that emissions do not exceed removals calculated as the sum of total emissions and total removals of the land accounting categories, according to the accounting rules and flexibilities provided.

In the Government's most recent political platform (Granavolden-platform), it is stated that the government intends to reduce emissions covered by the effort sharing regulation by 45 per cent compared to 2005-levels. This will represent a fulfilment beyond the 40 per cent commitment Norway will get under the Effort Sharing regulation and is thus not a commitment covered by Decision No 269/2019.