

A European Green Deal

Norwegian perspectives and contributions

1. High ambitions, collective effort and urgent action are needed to speed up the transition to a sustainable, climate neutral and environmentally friendly future.
2. Fighting climate change and promoting climate neutral growth is a defining task. Norway shares the European Commission's vision for a *European Green Deal*. We want to be a partner and contribute to its implementation.
3. Norway welcomes the willingness to put the European Green Deal at the centre of Europe's economic recovery from Covid-19. We share the aim of rebuilding a greener, fairer, and more sustainable Europe.
4. Norway fully supports the EU's leadership in promoting sustainable development, multilateralism, and climate-friendly policies across the world. Our common point of departure is a strong and unequivocal commitment to the Sustainable Development Goals (SDGs) and the Paris Agreement.

Shared values - common rules and standards

5. Norway and the EU enjoy a particularly close relationship. We share a common regulatory framework within the Single Market and Schengen, and we cooperate extensively as likeminded partners in foreign and security policy.
6. The Agreement on the European Economic Area (EEA) is the cornerstone of our cooperation. It extends Single Market rules to Norway, Iceland and Liechtenstein, and establishes common rules on competition and state aid. The Agreement also enables close cooperation in areas falling outside the four freedoms, such as environment, research, education, consumer protection and health. Both the EU and the EEA EFTA States gain from the broad scope of collaboration.
7. Given our shared values and high degree of integration, Norway and the EU have a strong common interest in promoting European competitiveness and a level playing field with high standards to protect workers, consumers, and the environment. Norway shares the EU's view that international trade and trade policy should reinforce the importance of global efforts towards achieving sustainable development. Norway therefore acknowledges the EU's policy and work to enhance the contribution of trade to sustainable development.
8. Substantial parts of the legislative proposals anticipated in the Commission Communication on the *European Green Deal* will fall within the scope of the EEA Agreement. Norway is contributing to the development of these initiatives and will seek to play an active role in the process.

A close climate partnership in Europe and beyond

9. The EU and Norway have a close climate partnership with an agreement from 2019 to cooperate to fulfil the 2030 climate targets. Our cooperation enables us to cut emissions deeper and more efficiently.
10. Norway contributes to the European effort of cutting emissions through our participation in the **EU Emissions Trading System (ETS)** and joint fulfilment of emission reductions in sectors outside the ETS. In the non-ETS sector our ambition is to reduce domestic emissions by 45%.
11. The Norwegian government submitted an updated **Nationally Determined Contribution** under the Paris Agreement in February 2020. Our new and enhanced target is to reduce greenhouse gas emissions by at least 50%, and towards 55% by 2030 (excluding carbon uptake by forests), compared to 1990 levels. We welcome the EU's decision to strengthen its 2030 target.
12. We look forward to the Commission's **Fit for 55** package and will engage in discussions as appropriate.
13. Given Norway's close relationship with the EU, we are eager to engage in a dialogue on the proposed **Carbon Border Adjustment Mechanism (CBAM)**. Norway supports efforts to incentivise stronger climate policies globally. As a small open economy that promotes open and rules-based trade, it is important for Norway that a CBAM is designed to comply with WTO-rules and other international rules. The design might determine whether the legislation will be considered EEA relevant. As Norwegian businesses participate in the EU Emission Trading System on an equal footing with EU businesses, our opinion is that Norwegian business should not be targeted by a CBAM, as there is no risk of carbon leakage between EU and Norway.
14. The **Energy Tax Directive (ETD)** harmonizes energy taxes in EU Member States, but is not binding for Norway, as taxation is outside the scope of the EEA Agreement. However, the state aid rules refer to the ETD, making the ETD relevant also for Norway. It is important that a revised ETD recognizes that CO₂ emissions from energy use could be priced through taxes or the EU ETS, and that emissions encompassed by the EU ETS could be fully exempted from carbon tax. In some cases, external effects from the use of energy products could be more precisely priced through other measures than taxes on energy product. The ETD should not limit the possibility of a more precise pricing of external effects.
15. **The Norwegian climate action** plan presents a roadmap to achieve our ambitious climate goals. The main policy instruments in the climate action plan are taxation of greenhouse gas emissions, regulatory measures, climate-related requirements in public procurement processes, information on climate-friendly options, financial support for the development of new technology, and initiatives to promote research and innovation.
16. **At the global level**, focus should be on continued European leadership to facilitate increased ambition level of nationally determined contributions, long-term net zero commitments and actions from the big global emitters, as well as delivering on the SDGs. The EU and Norway could also work on common messaging in international fora on other

top priority items, such as climate finance, adaptation and the link between the ocean and climate change. These will be important themes for COP26.

17. Norway provides substantial finance for climate and biodiversity through **multilateral organizations and processes**. Norway will also work closely with the EU to mobilize international climate financing and ensure that climate and biodiversity are prioritized in relevant organizations.
18. We agree with the EU that climate change has important security implications. The topic of **climate and security** is one of our key priorities as an elected member of the UN Security Council in 2021-2022. We coordinate our work closely with the other EU Member States on the Council.
19. The **Norwegian Climate and Forest Initiative** supports developing countries to help reduce emissions from deforestation and forest degradation. This experience can be used, *inter alia*, in the development of the EU's new due diligence regulations regarding commodities that cause deforestation, and in the forthcoming Forest Partnerships.
20. **Adaptation to climate change** is a priority for Norway and a new strategy for scaling up support to climate adaptation, preparedness and fighting hunger in Norwegian international cooperation was presented this spring.

A supplier of clean, affordable and secure energy

21. As an advanced and **reliable producer of energy** we can make Europe greener while at the same time contributing to Europe's **energy security**.
22. A successful decarbonisation of the European energy market requires integration, interconnectivity, and a technology neutral approach. Market based solutions and efficient energy markets are important preconditions. A well-functioning ETS, which provides credible long-term incentives for market actors, is crucial for a successful climate policy.
23. Norway has over 100 years of experience with its big renewable power sector, mainly built on **hydropower**. The share of renewables in Norway currently exceeds 70%, whereas the share of renewables in electricity production is at appr. 98%.
24. Cross border trade of electricity enables efficient use of our resources and energy systems. **Interconnectors** also increase the security of supply and allow further integration of renewable energy, supporting climate objectives. A more integrated grid also reduces the combined spatial footprint of new production capacity. The Norwegian electricity market is part of the successfully integrated Nordic electricity market. We have recently finished the construction of an interconnector to Germany and a cable to the UK is under construction.
25. Increasing **offshore wind production** is important. We have opened areas for offshore wind production in the North Sea. As members of the North Seas Energy Cooperation, Norway welcomes the recent "EU strategy to harness the potential of offshore renewable energy for a climate neutral future". Our offshore wind industry has much experience and a proven track-record in challenging marine operations.

26. **Hydrogen** could be an effective way to decarbonise the energy sector. Norway welcomes the EU strategies on energy system integration and on **hydrogen**. Norway supports and takes note of a market based and technology neutral approach. Norway joined the European IPCEI (Important Project for Common European Interest) initiative on hydrogen in December 2020.
27. Norway adopted a hydrogen strategy in June 2020. Norway has the capacity to produce both renewable and low-carbon hydrogen. Large-scale production of **low-carbon hydrogen** requires natural gas with Carbon, Capture and Storage (CCS). A hydrogen value chain could utilise existing gas infrastructure, thus reducing requirements for new investments in infrastructure.
28. Norway is a secure and reliable provider of natural gas to the EU. Natural gas may function as an important back up for intermittent renewable energy and can be, combined with CCS, a source for clean hydrogen.

Being a partner for the industrial sector for a clean and circular economy

29. **Carbon Capture and Storage (CCS)** is a key technology to decarbonize Europe's energy intensive industries. Norway has 25 years of experience of safely capturing and storing CO₂ under our seabed and is a frontrunner in developing CCS technologies.
30. Norway has recently decided to invest substantially in "Longship", **a full-scale demonstration project for CCS**. Longship leads to emissions reductions, a just transition, job creation, and technological and market development in Europe. The project includes carbon capture from cement production and waste incineration, transport via ship and pipeline to a geological formation beneath the seabed in the North Sea for safe and permanent storage. The storage site will have capacity for additional CO₂-volumes, thus creating opportunities for other European CCS-projects. Waste incineration with CCS could give "negative emissions", as much of the waste is biomass (BECCS).
31. For CCS to be a successful climate solution for the future, other countries must start using this technology. Longship and following European CCS-projects are necessary instruments for Europe to reach its emission targets. CCS has been welcomed by the European Commission as an essential climate measure. **Sufficient incentives in the EU and at the national level are vital**. The upcoming legislative revisions should further incentivise the development and deployment of these technologies.
32. We are keen to help ensure that products, materials and resources are used as efficiently as possible, for as long as possible. We believe that digitalization and advanced technologies are key drivers for the transition to a **circular economy**, as demonstrated by cutting-edge sorting facilities and the innovative and growing market for battery recycling, which we foresee will grow further with the new legislative proposal on batteries. Furthermore, we believe that policy measures can enable and encourage both consumers and producers to make more circular choices. We will work together with the EU to ensure that our common frameworks and regulations facilitate increased circularity in both the EU and Norway.
33. Norway is an important supplier of components and metals that are essential for **battery production, solar panel production, and the production of low- and zero-emission**

mobility. Our industry is based on renewable power and is a frontrunner when it comes to competence, technology, resource-efficiency and low-emission.

34. Our green energy combined with a good optical fibre infrastructure, world leading 4G and an ambitious 5G plan, make Norway a good location for **green data centres**.
35. Our green energy as well as industry producing components and metals make us a good location for **battery production**. We are picking up speed on investments in battery production and recycling capacity. We welcome the new legislative proposal on batteries, setting new standards for circular and green batteries in the European market.
36. We will work to ensure that Norway continues to be **an attractive host for green value chains**, and that companies and investors across Europe will find possibilities for green value creation and investment in Norway. We will actively seek to connect our industrial clusters in Norway with relevant industrial clusters in the EU.

Building and renovating in an energy and resource efficient way

37. An **energy efficient economy** is of crucial importance to reach our shared goals. New technology and digitalisation present opportunities for energy efficiency measures in buildings and industry, demand side flexibility and local production to play a part in the transformation.
38. Norway is at the forefront when it comes to **energy efficiency and climate friendly energy use in buildings**, with strict energy efficiency requirements and a ban on installing heating installations for fossil fuels. Regarding greenhouse gas emissions from the construction industry, it is therefore more relevant for Norway to contribute to promoting circular principles throughout the life cycle of buildings. Better use of existing buildings, reduced use of materials, use of materials with low climate gas emissions and more reuse and recycling of building materials will help reduce the building sector's greenhouse gas emissions, and contribute to more efficient use of resources. Revision of the Construction Products Regulation in line with the principles in the Green Deal, can make it easier to reuse building materials, and help create a European market for these.

Providing solutions for sustainable and smart mobility

39. **Sustainable mobility** will contribute to our aim of halving the greenhouse gas emissions from the transport sector by 2030, compared to 2005. To be successful, we rely on technological development, ambitious European legislation on CO2 standards and active national and local policies for a cleaner transport sector in Europe.
40. In 2020 around 55% of the new registered **passenger cars were fully battery electric**. Our parliament's ambition is that all new passenger cars and light vans sold from 2025 should be zero emission vehicles. All new urban buses sold in 2025 should be zero emitters or use biogas. By 2030, all new heavy-duty vehicles, 75% of new long-distance coaches and 50% of new trucks should be zero emission vehicles.
41. European emission requirements for cars, vans and heavy vehicles are very important tools for Norway to reach our goals of reducing emissions from the road transport sector. We

support the emissions requirements that are set and encourage the new upcoming standards to be as strict as possible.

42. **Green shipping** is a priority for us. Our ambition is to reduce GHG-emissions from domestic shipping and fisheries by half by 2030. We support the European green shipping initiatives. Norway follows closely the current debate of including shipping in the EU ETS and is in principle positive to such a proposal. Norway underlines the importance of continued cooperation at the International Maritime Organization (IMO) to achieve ambitious cuts in greenhouse gas emissions from international shipping.
43. Our advanced maritime sector is an important driver of technological progress, through early development and adaptation of zero- and low-emission solutions. By the end of 2021 we will have close to 80 electric and hybrid ferries in operation on the Norwegian coast. The first hydrogen ferry will be operative from 2021, and the first ammonia fuel cell pilot project on an offshore operations vessel is expected to begin operations in 2022. These technological advancements can be of importance in meeting European ambitions for developing green shipping
44. To further the implementation of low- and zero-emission solutions, the Norwegian government has announced future requirements for several new shipping segments and in public procurement processes.

Designing a fair, healthy, and environmentally friendly food system

45. Norway welcomes the **Farm to Fork Strategy** for a fair, healthy and environmentally friendly food system. Norway will continue as a constructive partner in the regulatory processes as regards EEA relevant legislative initiatives under the Farm to Fork Strategy. Any regulatory initiatives must be thoroughly and holistically assessed with regards to impacts on food systems, environmental impacts and overall societal objectives.
46. Norway has recently launched an action plan on **sustainable food systems** in our foreign and development policy. Our efforts to ensure sufficient, safe and healthy food for all people, and sustainable diets with low impacts on the climate and the environment and positive impacts on public health, will be strengthened and further developed.
47. Norway shares the commitment to halve **food loss and waste** by 2030, and the Norwegian Government and representatives from food sector business organizations have signed an agreement to reduce food waste in Norway by 50% by 2030.
48. The Norwegian Government has signed a letter of intent with the agricultural organizations and will use this as a basis for **climate-related work in the agricultural** sector.
49. To reach the goal of zero hunger by 2030, a fundamental change to our **food systems** is needed. Safe and healthy foods from the oceans provided by sustainable fisheries and aquaculture can play a key role here.
50. The Norwegian government will put forward an aquaculture strategy to increase the sustainable production of **secure and healthy seafood**.

51. Norway will join the EU in promoting a global transition to sustainable food systems in international standardization bodies and relevant multilateral fora, including the cooperation to promote safe food, reduced carbon and environmental footprints, animal welfare and the fight against antimicrobial resistance.

Preserving and restoring ecosystems and biodiversity

52. Norway welcomes the Commission's **Biodiversity** strategy for 2030 with ambitious actions to halt biodiversity loss. Together with the EU, Norway will work to achieve an ambitious and effective global framework to halt and reverse biodiversity loss as the outcome of the next meeting of the Conference of the Parties to the Convention on biodiversity.
53. There is a strong link between **biodiversity loss** and the climate crisis. Norwegian policies highlight synergies, and Norway has included nature-based solutions in national legislation for planning, as a tool for climate adaptation.
54. **Sustainable management of the ocean** is key for the transition to a climate neutral future and to protect and restore marine ecosystems and biodiversity. Norway is a consistent international partner in the promotion of ocean-based climate action such as renewable energy, investment in blue forest, green shipping and carbon capture and storage.
55. The **High Level Panel for a Sustainable Ocean Economy**, co-chaired by the Norwegian Prime Minister, Ms Erna Solberg, launched a set of recommendations in December 2020. Norway wants to cooperate with the EU in the implementation of the transformative action agenda of the Ocean Panel, and in particular on the realization of the ambition to sustainably manage 100% of the ocean area under national jurisdiction by 2030. We would welcome deepening our cooperation on implementation of the suggested action agenda, both with the EU and with EU Members States.
56. Norway supports the Commission's zero-tolerance approach to **illegal, unreported and unregulated fishing**. Both Norway and the EU are parties to FAO's Port States Measures Agreement (PSMA) and contribute with substantial funding to FAO for the implementation of PSMA and capacity development programme for developing countries participation and implementation of the PSMA. Norway also calls on the EU to actively contribute to reaching an agreement on the elimination of harmful fisheries subsidies in the current WTO negotiations.

Supporting a zero-pollution ambition for a toxic-free environment

57. We should aim for **improved air quality**, both indoor and outdoor, in line with the World Health Organization's (WHO) Air Quality Guidelines. Norway has supported work on **air pollution and health** in a development policy context for many years, including through the WHO. We suggest closer cooperation with the EU on improving air quality internationally, including as a part of the work on non-communicable diseases, since air pollution is a major risk factor for human health.
58. Norway is a strong supporter of moving towards a **toxic-free environment** and is a partner in the promotion of ambitious international standards for the sound management of chemicals. Norway welcomes the Commission's Chemical Strategy for Sustainability and will contribute to the follow-up actions to make the EU chemical policy fit for the

next decade. Phasing out the use of perfluorinated substances, restricting more hazardous substances faster, and identifying and phasing out hazardous substances in plastics are our key priorities.

59. Norway welcomes the zero-pollution ambition as an integral element of a toxic-free environment. Renewed efforts are needed to better prevent and remedy pollution from air, water, soil, and from consumer products, at the European level.
60. **Marine litter and microplastics** are growing environmental concerns. Norway appreciates the leading role of the EU in the endeavours to establish a global agreement on marine litter and microplastics and will continue to work closely with the EU to this end.

Pursuing green finance and ensuring a just transition

61. All countries must mobilise resources to enable the green transition, be that through investments, human resources, innovation, technology development, demonstration projects and pilots, as well as through efforts to promote cohesion. The transition must be done in a cost-effective way to maximise the effects of used resources.
62. Through the **EEA and Norway Grants**, Norway supports social and economic cohesion in Europe. A substantial share of the funds is aimed at protecting the environment and developing innovative green and blue economies in the beneficiary states.
63. For the next financing period of the Grants, Norway intends to emphasise even further on interventions that can underpin the core objectives of the *European Green Deal*.
64. The EU leadership on **sustainable finance** is important. Regional and global coordination is key to promote green cross-border capital flows. We have endorsed the objectives of the sustainable finance action plan launched in 2018, and Norway supports and participates in initiatives such as the International Platform on Sustainable Finance.
65. The **EU taxonomy** can help channel private capital flows to the environmentally sustainable investments that are needed to set Europe on a pathway towards a climate-neutral and climate-resilient economy.
66. Norway follows the EU's work on the taxonomy closely. In our dialogue with the Commission, Norway has emphasised that ambitious, science-based, and usable criteria are necessary for the taxonomy to be fit for purpose. We have also suggested some amendments to the criteria. We believe that technical screening criteria for all kinds of renewable energy production should provide for an evaluation on equal terms, including hydropower.

Greening national budgets and sending the right price signals

67. Norway's climate action plan includes a gradual **increase in the carbon tax**. The Norwegian Government proposes to gradually raise taxes on greenhouse gas emissions from NOK 590 per ton CO₂-equivalents (ca. € 55) to about 2000 NOK (ca. € 190) by 2030. This will progressively increase the cost of emitting CO₂ and give stronger incentives to reduce emissions.

68. Norway will include climate-related requirements in more **public procurement processes**, for example in the transport sector. We also intend to facilitate a transition to fossil-free construction sites in the transport sector by 2025.

Mobilising research and education and fostering innovation

69. Our common ambitions can only become reality if we intensify our joint efforts to develop a fair and prosperous society based on competitive, zero-emission circular and nature-based solutions to the benefit of the economy, our society, and citizens. A broad, knowledge-based approach is needed.
70. We welcome the emphasis on the green and digital transitions in the European Research Area, the European Education Area and in **Horizon Europe**. It carries great potential for the exchange and sharing of knowledge through the mobility of students and even closer cooperation between Norwegian researchers, businesses and municipalities and their partners from EU Member States.
71. Continuous and accurate monitoring of nature and climate is instrumental for the green transition and we look forward to cooperating closely with the EU in the next era of environmental data policy by participation in the **European Union Space Programme and Digital Europe**.

Oslo, 20 April 2021