

The Minister

Commisioner Miguel Arias Cañete European Commission Rue de la Loi / Wetstrat 200 1049 Brussel Belgium

Your ref

Our ref

Date

15/471

19th June 2015

Norwegian comments to the consultation on the revision of the Effort Sharing Decision

Dear Commissioner Mr. Arias Cañete,

The Norwegian government is pleased to submit a written response to the Commission's public consultation relating to the Effort Sharing Decision (ESD) for the 2021-2030 period. In addition to this letter presenting Norwegian views on the revision of the ESD, we have also submitted our contribution to the online consultation questionnaire.

Norway has a goal of becoming a low emission economy by 2050. The government has adopted five priority areas for its climate policies:

- reduction of emissions in the transport sector;
- development of low-emission industrial technology and clean production technology;
- carbon capture and storage;
- strengthening Norway's role as a supplier of renewable energy;
- environmentally sound shipping.

Norwegian emissions will be reduced before 2030. Like the EU, Norway has submitted a target of at least 40 per cent reduction of greenhouse gas emissions by 2030 compared to 1990 to the UNFCCC.

We intend to fulfil this target through a collective delivery with the EU and its Member States. Through such a collective delivery, Norway will participate in the EU-wide

transition to a low emission society, from which new opportunities to share experiences and markets emerge. Norway is a part of the EU Emission Trading Scheme (ETS). With the intentions of a collective delivery between the EU and Norway for the 2030-target in mind, it will be natural for Norway to take part in the ESD in addition to the EU ETS in the period after 2020.

Norwegian participation in the EU's delivery of emissions reductions in the non-ETS sectors implies that Norway is provided with the same opportunity to use the flexibility in the ESD as comparable EU Member States. There are differences in mitigation costs and opportunities between Member States; hence, flexibility will be very important if we are to realise cost-efficient emissions reductions in non-ETS sectors. In the first and second commitment periods under the Kyoto Protocol, Norway fulfils its emissions reduction commitments partly through using available flexibility from the Kyoto mechanisms, the Clean Development Mechanism and Joint Implementation.

We therefore support increased flexibility in the ESD in the 2021-2030 period, through the establishment of a trading platform for exchanging AEAs valid for compliance under the ESD, through the auctioning of a percentage of the AEAs and through the possible establishment of project-based mechanisms under the ESD. Norway also supports the option for some states to fulfil their commitments through a reduction of the ETS allowances.

For more details when it comes to Norwegian views on the revision of the Effort Sharing Decision, we refer to our response to the online consultation questionnaire.

Yours sincerely,

Tine Sundtoff