

Press release NOU 2023: 25 The transition to low emissions – climate policy choices towards 2050

By 2050, virtually all greenhouse gas emissions must be eliminated for good. To do this, we must pursue a longer term, broader and more systematic approach.

Today, the Climate Committee 2050 presented the Norwegian Official Report (NOU) *'The transition to low emissions – climate policy choices towards 2050'*. The report shows what it will take for Norway to achieve the goal of becoming a low-emission society by 2050.

'In a low-emission society, virtually all emissions have been eliminated for good. Policy must be based on this objective. The question is not which emissions should be reduced, but which minor emissions remain in 2050. Everything else must go,' says Chair of the Committee Martin Skancke.

The climate goals must be achieved alongside other important societal goals. Policy objectives in other areas must therefore be aligned with the goal of a low-emission society. Much of what needs to be done to achieve the climate goals is wise to do for other reasons as well. Preserving nature, switching to a healthier, more plant-based diet and achieving a more circular economy are beneficial for many reasons. We need to think in a longer-term perspective and take a more cross-sectoral approach. In its report, the Committee recommends how the framework for all policies should be adjusted and aligned in order to achieve the goals.

'Becoming a low-emission society depends on many minor and major decisions, in both the public and private sectors. These decisions must be based on where we want to be in 2050. It is from this perspective that we must find good solutions to today's challenges,' says Skancke.

The Committee points out that the transition to a low-emission society will require resources such as power, land, natural resources and labour and expertise. All these resources are scarce. The solutions must therefore be resource-efficient, and the use of resources in different sectors must be weighed against each other. All economic activity must take place within planetary boundaries.

The transition to a low-emission society depends on the decisions made today. Postponing the transition could lead to a more expensive, abrupt and demanding transition at a later stage. The Committee therefore proposes measures to strengthen the way in which we design and implement climate policy. The purpose is to provide greater predictability and regularity in assessments of climate policy and ensure more comprehensive assessments across areas of society. This will strengthen the credibility of climate policy.

Putting a price on greenhouse gas emissions has been and should continue to be important in Norwegian climate policy. But pricing does not work for all emissions when the goal is to eliminate virtually all emissions for good. The Committee is therefore of the opinion that more complex packages of policy instruments should be used. Educational measures, taxes, subsidies, obligations and bans all have a role to play in achieving a good transition. This demonstrates that the transition is about society, not about emissions.

'The transition to low emissions is about more than just emissions. It entails a broad societal transition that must start now,' says Skancke.

1. *Appendix press release*

a. The Committee's main recommendations

The Committee is of the opinion that...	... and have the following recommendations:
<p>...all decisions made today must be based on the objective that virtually all greenhouse gas emissions in Norway must be eliminated for good by 2050. Norwegian climate policy must emphasise a permanent transition to zero emissions, and the pace of the transition must be increased.</p>	<ul style="list-style-type: none"> • specify Norway's climate goals for 2050 to include a reduction in emissions from Norwegian territory by 90–95 per cent compared with 1990, without including emissions and uptake from the forestry sector and other land use. • set separate climate targets for carbon emissions, uptake and sequestration in the forestry and land use sectors. The targets should be seen in the context of national biodiversity goals and international nature commitments. • base the transition to a low-emission society on existing emissions being eliminated or substantially reduced through reduced activity levels, changed behaviour and the use of zero-emission technology. • the development and implementation of direct air capture technology is important, but must not be relied upon as an alternative to reducing emissions. • develop a transition policy for the agricultural sector beyond the current level of ambition. • prepare a strategy for the final phase of Norwegian petroleum activities, and present it to the Storting as soon as possible. The Committee recommends not granting any further licences for development and operation (PDO) or installation and operation (PIO) until such a strategy has been completed.
<p>...all policies and decisions must be based on the fact that all resources are scarce.</p>	<ul style="list-style-type: none"> • all economic activity must take place within planetary boundaries, and the economy must become more circular. • give priority to solutions that reduce the use of scarce resources such as power, land and minerals and metals. • introduce stronger energy efficiency measures at the same time as the production of renewable energy is increased to ensure access to sufficient energy as a replacement for fossil energy. • not set low energy prices as the main objective of energy policy. Energy prices must reflect the costs to society of facilitating new forms of power. • give priority to measures that reduce demand for transport, both of goods and of people. • prioritise biomass, which is a scarce resource, for purposes other than energy. • reduce the level of activity in the petroleum industry beyond the expected level towards 2050, in order to prevent the sector from laying claim to scarce resources such as power and expertise, thereby making the transition to a low-emission society more difficult. The Committee recommends permanent cessation of exploration activities without a

	<p>direct connection to existing infrastructure, and that no decisions are made to build new infrastructure that locks us to emissions towards and beyond 2050.</p> <ul style="list-style-type: none"> • as a general rule, avoid using power from shore as an emission reduction measure for offshore installations.
...land use policy must limit loss of nature and contribute to the conservation of natural carbon sinks.	<ul style="list-style-type: none"> • significantly limit the degradation of natural areas, and ensure that a more comprehensible and binding national framework is established for the use of land. • increase the national protection of ecosystems. • develop binding, comprehensive plans for marine areas.
...the cost of emissions must be increased.	<ul style="list-style-type: none"> • apply carbon pricing as far as possible, and draw up a binding plan for a gradual increase of the carbon tax that is applicable also after 2030. • use other means such as regulatory and educational instruments when carbon pricing is not sufficient, possible or effective. • consider using revenues from emissions trading and funds allocated to the CO₂ compensation scheme towards net zero transitions in industries that have an obligation to surrender allowances. • manage undesirable distributional effects through the tax system and welfare schemes as a general rule.
...a broad approach must be taken to the use of policy instruments, including the use of legal, economic and educational measures.	<ul style="list-style-type: none"> • place emphasis on ensuring that climate policy instruments are predictable and reduce undesirable path dependence. • combine policy instruments to enable rapid transition and increased support for climate policy. • use legal instruments such as requirements, obligations and bans to a greater extent, and consider on a continuous basis whether it is useful to announce future bans on emissions from various sources. • climate considerations are prioritised in legislation through requirements for assessing climate impacts or placing emphasis on climate considerations. • always consider whether other policy instruments, such as public procurement and educational instruments, can be effective.
...plans and decision-making systems must be based on the premise that Norway will be a low-emission society by 2050.	<ul style="list-style-type: none"> • establish an enhanced climate governance system in Norway that contributes to the fulfilment of climate goals. • base all key governance and policy documents, such as the annual budget documents, the National Transport Plan and the white paper on long-term perspectives on the Norwegian economy, on the climate goals. • submit comprehensive climate and energy plans to the Storting every other year, and work to achieve broad and ambitious climate agreements in the Storting. • more effectively involve the Sami population in official decisions on climate policy. • establish a climate panel tasked with contributing to a scientific basis for climate policy and identifying opportunities and challenges. • the municipalities are given a clear statutory responsibility to contribute to Norway's transition to a low-emission society, and the government must take steps to enable municipalities to pursue an ambitious climate policy.

	<ul style="list-style-type: none"> • through cooperation and dialogue between employers, employees, the education sector and political authorities, pursue a structured approach to continuing and further education in order to meet the skills needs of the low-emission society.
<p>...how Norwegian policy affects other countries' ability to transition to a greener economy must be taken into account in a more systematic way.</p>	<ul style="list-style-type: none"> • step up efforts in Norway to reduce emissions in other countries. This effort must come in addition to meeting Norway's climate goals. • establish a national goal to reduce greenhouse gas emissions in other countries from consumption in Norway in accordance with the goals of the Paris Agreement. • consider how Norway can include emissions from foreign aviation and shipping relating to Norway in our own territorial climate goals. • develop trade policy as an instrument in the transition to a low-emission society and a circular economy.
<p>...Norway is reliant on continued close cooperation with the EU on climate policy.</p>	<ul style="list-style-type: none"> • continue Norway's climate cooperation with the EU and implement the EU's climate regulations leading up to 2050. • implement EU transition regulations at a faster pace.