

# **The Office of the Auditor General's investigation into the exercising of authority with a view to reducing nitrogen oxide emissions**

## **Summary**

**It is not very probable that Norway will meet its commitment under the Gothenburg Protocol to reduce emissions of nitrogen oxides by 2010. In order to meet its commitment, emissions of nitrogen oxides will have to be reduced by a further 39,000 tonnes.**

*The Office of the Auditor General's investigation into the exercising of authority with a view to reducing nitrogen oxide emissions, Document no 3:9 (2007–2008), was submitted to the Storting on 22 April 2008.*

Nitrogen oxides are an important pollution component and they are harmful to fish, vegetation and health. By signing the Gothenburg Protocol in 1999, Norway committed itself to reducing its annual emissions of nitrogen oxides to 156,000 tonnes by 2010. Emissions were reduced by 18,000 tonnes during the period 2000 to 2006. In 2006, emissions were 195,000 tonnes. Thus, if Norway is to meet its commitment under the Gothenburg Protocol, emissions must be reduced by a further 39,000 tonnes.

The interdepartmental work carried out under the leadership of the Ministry of the Environment to consider how nitrogen oxide emissions could be reduced failed to make the necessary progress and produce results. The work did not result in clear recommendations concerning the use of policy instruments, and nor did it provide an overall decision-making basis for political choices and priorities.

The investigation shows that the use of policy instruments in relation to the most important sources of emissions has led to only a limited reduction in emissions. The authorities have not exercised their right, pursuant to the Seaworthiness Act, to stipulate national emission requirements for ships. The use of the Pollution Control Act has contributed little to reducing emissions from the petroleum industry offshore and from industry on the mainland. The Office of the Auditor General also questions whether the authorities, in their consideration of plans for the development and operation of offshore installations, have made sufficient use of their right to stipulate requirements for the use of low nitrogen oxide technology in offshore power plants.

The reduction in emissions of nitrogen oxides from the year 2000 until the present is largely due to reduced emissions from road traffic. The proportion of the total emissions caused by road traffic has been reduced from 34 per cent in 1990 to slightly less than 20 per cent in 2005. This is primarily due to the incorporation into the Norwegian Motor Vehicle Regulations of increasingly stringent EU directives concerning the emission of exhaust gases.

In 2006, the Storting decided to introduce a tax on emissions of nitrogen oxides with effect from 1 January 2007. The tax was set at NOK 15 per kilo of emitted nitrogen oxides and it applies to roughly half of the Norwegian emissions of these gases. The nitrogen oxide tax rate was initially too low for it alone to ensure that the commitment to reduce emissions by 2010 would be met. 'No overall, comprehensive study has been made to assess all aspects of

the tax in relation to the other policy instruments that will be necessary in order to reach the emissions target in 2010,' says Mr Kosmo.

Agreement has been reached with 14 industry associations on the contents of an environmental agreement whereby enterprises will be exempted from the tax in return for reducing their nitrogen oxide emissions. The environmental agreement must be approved by the EFTA Surveillance Authority (ESA). The Office of the Auditor General notes that the agreement between the central government and the industry organisations has yet to be signed and that the Ministry is still working to obtain ESA's approval. Under the agreement, it is possible to implement 7,000 tonnes of the reduction in emissions by 2011.

The Ministry of the Environment recognises that it would have been easier for Norway to meet its nitrogen oxide commitment under the Gothenburg Protocol if the authorities had managed to speed up their work on policy instruments. The Ministry also points out, however, that measures and instruments aimed at reducing nitrogen oxide emissions affect many different sectors of society and sector authorities, and that the work of studying and planning policy instruments in relation to nitrogen oxides has been demanding.