



Riksrevisjonen

Office of the Auditor General of Norway

The flexible mechanisms and goal achievement in the climate policy

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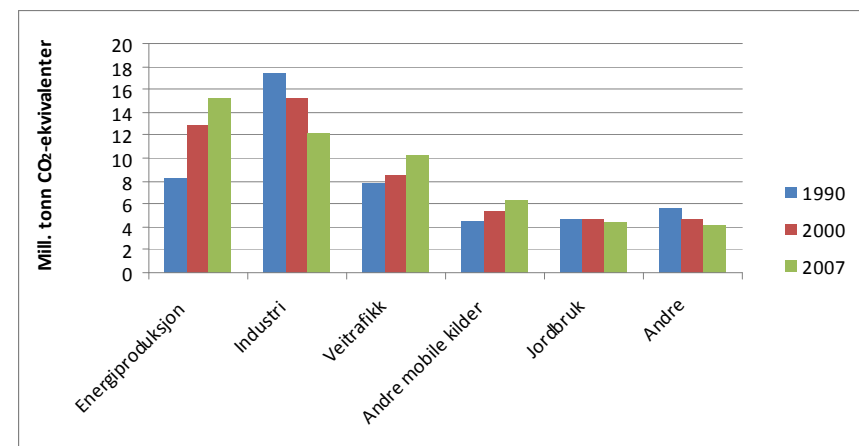
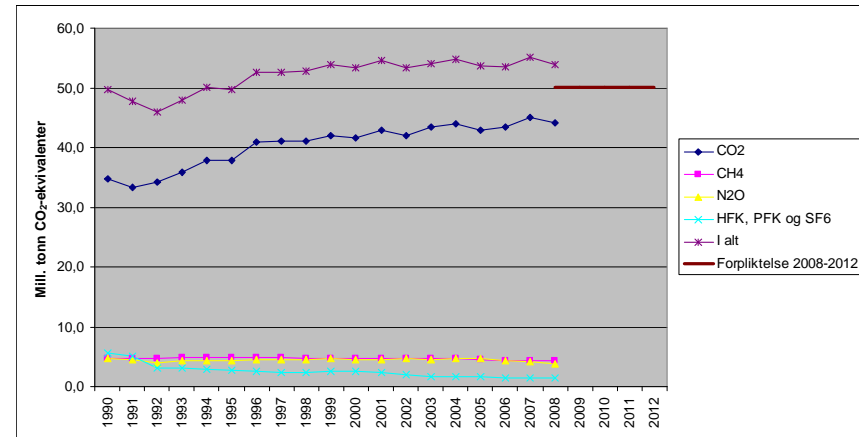
Overview

- Role in the national climate policy
- The issue of complementarity
- The national emission trading scheme
- The clean development mechanism

- Audit report on “goal achievement in the climate policy” will be public April 15

Role in the national climate policy

- A steady increase in GHG emissions
- A deficit of 6 mill. tonnes of allowances annually to meet the Kyoto commitment
- Need another 6 mill. tonnes to meet the Parliament objective to strengthen the commitment by 10 percentage points

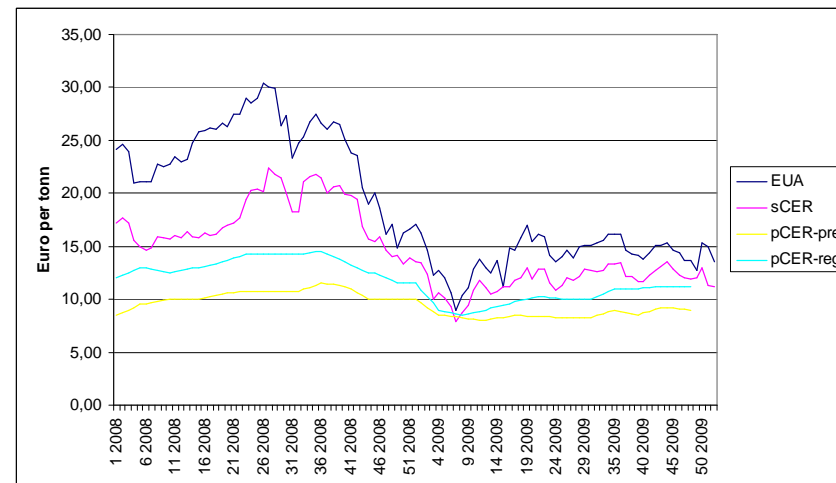
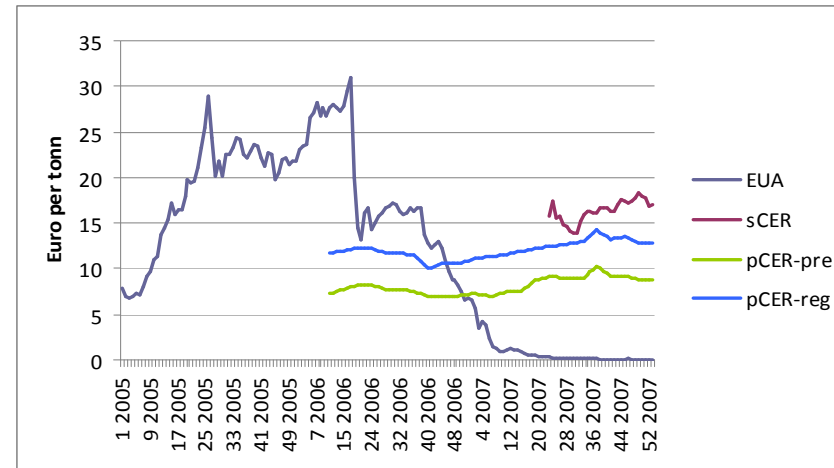


Supplementarity

- Use of the flexible mechanisms should be supplemental to domestic action
- Not quantified by the parties to the protocol, nor the Parliament
- A challenge to identify the results of domestic action
 - The results of individual implemented policy measures = counterfactual
- Therefore also becomes an audit challenge

The national emission trading scheme

- Part of EU ETS
- The ETS has replaced regulation by tax in some sectors
 - No free allowances in the oil industry
- We have analysed the incentives to reduce GHG emissions
 - Reports & research
 - Compared to tax level
- Closely linked to the whole European scheme and the allocation plan



The green development mechanism

- Reduce emissions and contribute to sustainable development
- How government works to achieve contracts and the results
- Whether the mechanism contributes to stated objectives

- Interviews
- Extensive general literature review

The green development mechanism

- Additionality is a key issue
- Contribution to sustainable development
- The role of the CDM Executive Board and a climate agreement
- The picture may gradually change

Lessons learned

- Touching research questions
- Link to short and long-term targets
- Emission trading is a European (and global) issue
- Goal achievement in other countries is a challenge to auditors