

NORWAY'S IMPLEMENTATION OF AGENDA 21

1. Changing times, changing goals

The World Commission on Environment and Development (WCED) and the resulting UNCED conference in Rio have made their marks on Norwegian national policy. Almost everyone has heard of the conventions on climate change and biodiversity, and concepts rooted in these conventions are frequently referred to in the media covering current affairs. The driving force for change is, however, a shared perception of threats and opportunities not single documents. So, although the international process has certainly made an impact on policies in Norway, we cannot easily point to specific effects and claim that these are the unique results of Agenda 21 or of the conventions. The presentation below describes national government action based on the WCED, and includes a description of the most relevant policies as they have changed over time. We have included both national processes that specifically refer to the WCED, but that were concluded before the UNCED conference, and their successors.

In this brief presentation, we have not gone into the separate processes linked to new international conventions negotiated during this period. Nor have we detailed the substantial changes in legislation on pollution, land use and protection of the cultural heritage, which are part of a general process of improvement as we gain experience. This information is available from the Ministry of the Environment at www.odin.dep.no/md. For local government, labour unions, businesses and non-governmental organisations (NGOs), there are processes that are closely related to policy decisions at the national level, but here it is much less clear what is an effect of the Rio process and what is a result of changing circumstances. We know that the contacts made at the 1972 Stockholm conference facilitated the creation of NGO networks such as Friends of the Earth International and the International Rivers Network, and strengthened national groups that became affiliated. Similar connections may have been facilitated by Rio and the UN Commission on Sustainable Development (CSD). The Norwegian NGO network ForUM (Norwegian Forum for Environment and Development) has, for example, established a broad network cooperating with the Northern Alliance for Sustainability (ANPED), the UN Environment and Development Forum in the UK (UNEDUK) and others. We assume, for example, that the adoption by Norwegian forest owners of a wood certifying scheme, the publication by the churches of a document on sustainable consumption, and the establishment of a private foundation that donates USD 100 000 each year to the best initiative promoting sustainability, are all initiatives that have been inspired by and helped along by the UN process, but we do not list these here as results.

We have chosen to keep this presentation quite brief, since most of the relevant policy documents and links to all the relevant agencies and organisations are available at the Norwegian web site www.odin.dep.no/md, that provides information about the World Summit on Sustainable Development (WSSD). More information can also be found in our annual reports to the CSD. Information on Norway is available at www.norge.no (general) and www.mistin.dep.no (environmental).

2. The national WCED/UNCED process before Rio

Norwegian policy to ensure sustainable management and use of natural resources has its roots in rules for managing water, forests and fisheries that have evolved over centuries as part of common law. Responsibility for legislation and policies to protect the environment were brought under one administration within the Ministry of the Environment in 1972. In the years just prior to this, there was a heated public debate on issues such as the detrimental effects of the growth in industrial production and the use of energy. In line with the tradition of economic planning, an attempt was made to integrate government thinking on investments and public spending with environment issues in the Long Term Programmes presented to the Storting (the Norwegian parliament) at 4-year intervals. In one of these programmes - Report No. 71 (1972-73) to the Storting on *Long-term programme 1974-1977* - detailed calculations of emissions of certain pollutants were for the first time coupled with economic data so that the environmental effects of growth in industries. Products and services could be assessed.

In the 1990s the government presented Report No. 51 (1991-92) to the Storting on *Characteristics of the development of North-South relations and Norway's cooperation with developing countries*. The report from the Commission on North-South and Aid Policies (NOU 1995:5) was a valuable contribution in the discussion on development cooperation policy. In these reports, importance is attached to "promoting sound management and utilisation of natural resources and a minimum burden on common resources (air and water)" (NOU 1995:5, p. 30). Environmental protection and resource management is among the most important elements in Report No. 19 (1995-96) to the Storting on *A changing world. The main features of Norwegian policy in relation to developing countries* and in the follow-up of international commitments in the UNCED process (Rio de Janeiro 1992) in Agenda 21.

In the early period of environmental protection, old industries were cleaned up, plans for new protected areas were made and all rivers were analysed and grouped into protection classes to determine where hydropower developments should be allowed. At this stage, policies were initiated to integrate sustainability concerns into all sectors, rather than just to implement isolated conservation measures. This reorientation gathered pace during the 1980s, branched out into local government initiatives and was lifted up to prime ministerial level when the World Commission on Environment and Development published its report in 1987.

The Norwegian Prime Minister, Gro Harlem Brundtland, decided that all government departments should examine their policies in the light of the WCED report. All ministries had to assess the recommendations and provide a status report on implementation. The WCED report was also distributed for comment to all local authorities, to businesses and labour unions and to the relevant non-governmental organizations.

The Ministry of the Environment led the process of putting the recommendations of the WCED report into practice, with the Ministry of Finance and the Prime Minister's Office as active partners in the process. The resulting white paper - Report No. 46 (1988-89) to the

Starting on *Environment and development. Programme for Norway 's follow-up of the report of the World Commission on Environment and Development* - contained a status review and detailed measures to be taken in all the ministries. It also summed up the responses received from organisations outside central government.

In effect the white paper was the Norwegian agenda for sustainable development produced in response to the WCED, but before Rio's Agenda 21 (A summary in English of Report No. 46 (1988-89) to the Storting follows as attachment 1). An immediate result of this policy review was that the environmental content of the budget of each ministry was presented in a "green budget" as part of the annual State budget process. AN annual debate on the environment in the Storting was also initiated.

Once the UN had decided to have a regional preparation process for UNCED, Norway offered to hold the ECE regional preparatory meeting leading up to Rio. Comprehensive preparations were made for the Bergen Conference in 1990, in which both governments and NGOs submitted documents detailing policy proposals on key issues. The work of the Norwegian government-NGO liaison committee was continued after Bergen as the " 1992" committee to prepare for Rio.

3. Government-level action after Rio

Norway had entered the Rio process with its own sustainability plan. After Rio it was natural to re-examine policies in the light of the Rio documents. This evaluation was published in December 1992 as Report No. 13 (1992-93) to the Storting on *the UN conference in Rio de Janeiro on environment and development*. This white paper included a brief description of the new conventions, the Forest Principles and the Rio declaration, and defined the main national strategies to be followed up. Separate processes were launched at a later date to implement the strategies and to inform the Storting in detail about the conventions on biodiversity and climate change.

The Norwegian evaluation of Agenda 21 stated that many of its chapters were the result of a compromise between strongly opposing interests and hence did not set out clear aims and commitments. In addition priorities between the various items were missing, the need for strong national and local action in developing countries was not always apparent and many of the recommendations were aimed at solutions to problems such as water scarcity and deforestation, which are not relevant for Norway. As a consequence this policy review did not go into as much detail as the previous assessment of the WCED report.

In relation to its gross national product (GNP), Norway already had one of the world's largest development assistance programmes in place, so Agenda 21 in itself did not give reason to initiate any review of the level of development assistance. However, a broad process of evaluation and reorientation was underway and UNCED gave impetus to further development of the Norwegian strategy for environmental development cooperation.

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In 1997 the Ministry of Foreign Affairs finalised its Strategy for Environment in Development Cooperation, based on Report No. 19 (1995-96) to the Storting, and the guidelines set out there and on the follow-up of international commitments in Agenda 21. In this connection the follow-up of the three Rio conventions is important. The strategy has since been followed, so that Norwegian development assistance is intended to enhance international cooperation in order to address the major global challenges we are facing.

A special environmental grant was introduced as early as 1984 in the budget of the Ministry of Foreign Affairs at the same time as a special gender-based grant, the women's grant. Similarly, a special grant for culture was established. These special grants were introduced as general measures, implying earmarked funding, a visible political flag, and a stimulation of management routines and strategy for these areas. The role of the special environment grant was formulated in the guidelines of 1993. The guidelines emphasised the catalytic role of the grant in integrating environmental concerns into developing countries' policies and giving priority to short-term and innovative action.

At the international level, Rio initiated important new processes on chemicals and wide ranging discussions about straddling fish stocks. Some innovations in international law, such as placing the burden of proof of safety on states wishing to deposit radioactive waste close to the marine environment, were welcomed, but the general impression was that Agenda 21 did not contribute any new elements to the national policies that were already in place. The conclusion was that the Rio results reinforced previous work but did not call for new national processes.

In the years that followed, legislation and administrative mechanisms were adapted to changing circumstances. Environmental taxes and charges began to be used in a more targeted way and emissions to air and water were systematically reduced. New curbs on trade in dangerous goods reduced, for example, the number of carcinogenic substances that could be legally sold from 3500 in 1988 to 530 in 1995.

In the spring of 1997, the review of environmental policy and measures in the 10 years since the WCED report was presented to the Storting as Report No. 58 (1996-97) to the Storting on *An environmental policy for sustainable development*. In this white paper, the Government states that each generation should not only leave the environmental capital intact for coming generations, but should also seek to ensure a more equitable global distribution of wealth. The importance of the precautionary principle was underlined and Eco-efficiency was set out as a tool. All aspects of environmental policy were covered, so that these aspects of Agenda 21 were thoroughly revisited 5 years after Rio. The integration of environmental and economic policy was already addressed in the long-term plan

presented to the Storting as Report No. 4 (1996-97) to the Storting on *Long-term programme 1998-2001*.

There are separate reports to the Storting on our implementation of the global treaties. These follow the guidelines given by the conventions. As these reports can be found at our web site, they are not summarised here.

In order to ensure full integration of environmental policies into all sectors of government, work started on formulating environmental action plans for each ministry. Plans have already been made for the Ministry of Local Government and Regional Development, the Ministry of Education, Research and Church Affairs, the Ministry of Agriculture, the Ministry of Petroleum and Energy, the Ministry of Fisheries, the Ministry of Transport and Communications, the Ministry of Defence and the Ministry of Trade and Industry. The plans have been published and are intended to be specific enough to be used as yardsticks to measure performance. The suitability of these documents as management tools is currently being evaluated.

The public sector is a huge customer of goods and services. Within the legal framework of the WTO and our treaties with the EU we have established a programme of green procurement. Both central and local government is encouraged to use advanced tender specifications ensuring that their expenditure has the minimum life-cycle impact. The programme is ongoing and is expected to save money through increased energy efficiency and better use of resources, while improving the environment and health. A special unit, the GRIP Centre for Sustainable Production and Consumption (see below) has been set up to produce the guidelines used in this programme and to give general assistance in making both the public and the private sectors more environmentally friendly.

According to the legislation, companies are required to present annual reports to the authorities detailing the impact they have on the external environment, the internal environmental conditions for their workforce and their routines to guard against the risk of fire and explosion. Recently, legislation governing company accounting has been revised and in the interests of transparency, reports on environmental performance are now required as part of the annual public accounts.

As part of the international follow-up to Rio, Norway commissioned studies hosted several international meetings and promoted an analysis of sustainable production and consumption. The results were presented to the CSD both in the form of reports and as a short video production. Norway has made funds available to the UNEP to enable it to intensify its work on cleaner production and help companies in developing countries prepare for investment in increased resource efficiency.

In relation to Eastern Europe, Norway takes an active part in the Environment for Europe process. This seeks to stimulate integrated environmental planning and investment while introducing new legislation where needed. The most recent innovation here has been the Aarhus Convention (Convention on access to information, public participation in decision-making and access to justice in environmental matters. ECE/CEP/43).

Our national and international environmental policy is regularly reviewed by the Cabinet and presented to the Storting. The most recent state of the environment report is Report No.

24 (2000-2001) to the Storting on *The Government's environmental policy and the state of the environment in Norway*, published in February 2001. Here all aspects of environmental challenges and responses are discussed.

3. Local-level processes before and after Rio

In Norway, the Ministry of the Environment and the Norwegian Association of Local and Regional Authorities took up the concept of integrating environmental responsibility at all levels by initiating a local environmental development programme. This was gradually expanded to include almost all of Norway's 435 municipalities. The programme included four elements that were of central importance in developing cross-sectoral responsibility for environmental protection at the local level:

- Building up expertise
Delegating authority
- Testing various political and administrative organisational models.
- Integrating environmental and natural resource planning

Local initiatives and adaptation to local conditions were considered to be very important. To facilitate this the Ministry of the Environment allocated considerable funds for training, networking and the exchange of information. The Norwegian Association of Local and Regional Authorities played an active role in the programme from the beginning, and appointed its own project coordinator in 1988. More details about the programme can be found in the report "Local-level Environmental Protection in Norway", published by the Ministry of the Environment and the Norwegian Association of Local and Regional Authorities in 1995.

The Norwegian Association of Local and Regional Authorities actively supported the establishment of the International Council for Local Environmental Initiatives (ICLEI) in 1990, and arranged the 30th International Union of Local Authorities (IULA) World Congress in Oslo in 1991, which adopted the Oslo Declaration on Environment, Health and Lifestyle. This declaration was used as a basis for efforts to include local authorities in Agenda 21, and it contributed to Chapter 28 on the local authorities' initiatives in support of Agenda 21.

After the Rio conference, the Norwegian Association of Local and Regional Authorities advocated giving priority to Local Agenda 21 (LA 21). In 1993, a committee appointed by the Association recommended that municipal efforts to draw up local environmental plans should be developed in a LA 21 process. In 1996, the national congress of the Association decided to ask all local authorities to start work on LA 21. When the local environmental development programme was completed at the end of 1996, the LA 21 process took over. Report No. 58 (1996-97) to the Storting on *An environmental policy for sustainable development* stated that the government would encourage all municipalities to draw up their own Local Agenda 21, and that these plans must be integrated into ordinary municipal master plans for land use and other matters.

This initiative was supported through intense lobbying by NGOs, foundations and other fora, which considered that Norway had been too slow in starting the Agenda 21 process. The project Alternative Framtid (Alternative Future) was at the forefront of these efforts. In

cooperation with the Ideas Bank, they reported on Local Agenda 21 and the environmental work done by Norwegian municipalities after Rio. This gave rise to a broad-based debate and put the LA 21 process on the political agenda in earnest. Professional associations like the Forum for Local Environmental Protection and the Forum for Municipal Planners, in cooperation with the Ministry of the Environment and the Norwegian Association of Local and Regional Authorities, helped with the details of these efforts.

The Sustainable Cities & Towns Campaign and the European Sustainable Cities Project have drawn up a set of common indicators for local authorities across Europe. To make it possible to measure progress towards sustainability, the indicators are integrated, meaning that each of them reflects the interactions between environmental, economic and social issues.

The approach of the authorities and NGOs to the LA 21 process has also included a discussion of indicators and criteria. LA 21 is intended as a tool and a process to enable us to achieve sustainable development locally. The Norwegian Association of Local and Regional Authorities and the Ministry of the Environment together have drawn up criteria for the content of a local Agenda 21 process and suitable modes of cooperation. A Local Agenda 21 may be a document describing a local action plan for the environment and development, but local authorities may also wish to integrate LA 21 into their ordinary municipal master plan and budget. In both cases they will incorporate the characteristic features and objectives of LA 21 and suitable measures for putting it into practice.

LA 21 activities bring together local authorities, businesses and NGOs at the local level but still require a wide range of competence, which is not always available locally. The Ministry of the Environment has built up and funded a national network providing expert support for LA 21 processes, but central government support for this is no longer earmarked, so each local administration sets its own priorities. At the county level, a regional coordinator mobilises and supports individual local programmes.

LA 21 processes have now been initiated in most municipalities. The full results of these activities will be demonstrated at a national conference called Synergy 21 to be held in Stavanger in 2001, which will emphasise the positive effects of broad participation at the local level for sustainable development. Synergy 21 will be a central part of Norway's evaluation and involvement process for the WSSD.

Encouraging public participation and society's response

The follow up of the UN World Commission's report coincided with a series of initiatives to strengthen the role of NGOs in Norway. The NGOs are an important part of a thriving democracy: they contribute to shaping public perceptions and to making policy acceptable. Traditionally, large groups such as labour unions and business associations have been invited to voice their opinions before policy has been finalised. In the national preparations for Rio, scientific organisations, and NGOs in the fields of labour, industry, and environment and development were invited to propose policy. They were all invited to participate in the forum that discussed the Bergen Conference Agenda for Action in 1990. Afterwards, Norway continued to support global NGOs working with environment and development, as well as national groups. In relation to the Rio process, the NGO umbrella

organisation, "Felleskampanjen for Miljø og Utvikling" (Campaign for Environment and Development) provided input to the national preparatory committee for Rio before 1992.

After Rio the "Felleskampanjen" was transformed into ForUM (Forum for utvikling og miljø /Norwegian Forum for Environment and Development) which has the same role in relation to preparations for the CSD and the global negotiation processes.

At the government level, ForUM, the Research Council of Norway, the Church of Norway National Council, the Norwegian Society for the Conservation of Nature, the Norwegian Confederation of Trade Unions, the Confederation of Norwegian Business and Industry and the Norwegian Association of Local and Regional Authorities participate in a consultative committee chaired by the Minister of the Environment. In addition to the minister, civil servants from the Ministries of Foreign Affairs, Finance, Transport and Communications, Agriculture and Fisheries take part. This committee, the National Committee for International Environmental Issues, supplemented by some new members, will be the liaison group where preparations for CSD10 and WSSD will be discussed.

A number of institutions have sprung up inspired by enthusiasm for the combination of environmental aims and changing the course of the economy to ensure better living conditions. Some, like the Development Fund and the Norwegian branch of the Rainforest Foundation International had their roots in earlier initiatives, others were established after Rio. Universities and research institutes have also responded with targeted research and programmes.

The Environmental Home Guard was established just before UNCED to mobilize NGOs and families in support of sustainable development. It aims to inspire ordinary people to make the transition from spectators to participants in the struggle to protect the environment. Today, the Environmental Home Guard has developed into the largest green consumer network in Norway. About 20 of the major NGOs are affiliated through their membership in the Advisory Committee. Since it was launched in October 1991, 90 000 people have signed up as individual participants in the movement and committed themselves to changes in their everyday behaviour and consumption patterns.

The Ideas Bank (Stiftelsen Idébanken) is a private foundation devoted to laying the foundations for futures in which sustainability, global equity, democracy and a spirit of community will prevail. The Ideas Bank has three main strategies: 1. To disseminate good examples of social innovations that could be building blocks for a sustainable, just and liveable futures. The emphasis here is on innovation in the sense of practice, rather than pure ideas, and social innovation rather than technical innovation. 2. To promote and assist creative discussion and dialogue about futures: the futures of local communities, firms, organizations or other kinds of groups. 3. To use futures studies, i.e. descriptions of how futures may be and/or paths towards them, to promote thinking and debate about the future.

The Aarhus Convention has led to a re-examination of Norwegian legislation in this field. This has been reinforced by a proposed addition to the Norwegian Constitution of a paragraph on the right to access to information on environmental issues.

It is not only the traditional environmental NGOs that have become involved. Many businesses have seen the potential of eco-efficiency as a tool to lower costs, and environmental management has become integrated in business management.

Norway has many small companies, so the number of companies achieving full EMAS and/or ISO 14001 certification is limited (75 EMAS and 227 ISO certifications). In proportion to GDP, we have more registrations than Germany, Austria and the Netherlands, but fewer than the other Scandinavian countries. In order to make it easier for small businesses to get started with a lower investment, the "Environmental Lighthouse" system has been developed. The municipalities operate this certification system in order to motivate local small businesses.

Certification alone is no solution without competence in environmental management. The Ministry of the Environment established the GRIP Centre for Sustainable Production and Consumption in 1995 to support the implementation of Chapter 4 of Agenda 21. GRIP's strategy is based on helping businesses to understand the commercial advantages of environmental management, and developing tools and outreach activities that will motivate the business sector to implement environmental measures with as low an investment as possible. GRIP has mainly worked with business sectors that are not subject to governmental emission control. The building, retailing, tourism, public procurement and bank/finance sectors have recently been priority areas.

Procurement policies are a key part of environmental management systems. GRIP has based most of its work on using the set of criteria and the certification systems developed by the Nordic Ecolabelling Board. This Nordic collaboration now has ecolabelling criteria for over 75 product categories and has licensed over 250 products, so that the organization is now mainly self-financing.

Business is dependent on working capital through loans or equity. A major source of equity comes from funds controlled by pension and insurance companies. These have now started to examine their portfolios in the light of negative trends connected to climate change and other global environment problems. They also see indications that eco-efficient companies, and companies that have eco-management systems in place, often have a good track record on the capital market. During the past few years we have therefore seen an increasing interest in funds that use environmental criteria in the portfolio management. From being "niche" products in the early 1990s, these have become mainstream products now, getting attention even in the popular press.

A major obstacle in relation to environmental funds has been to obtain comparative data on their environmental performance. A consortium of interests has therefore launched a prize for environmental reporting that is awarded every year for the best reports in each business sector. This has led to both increased interest in environmental reporting and clarification of the criteria for environmental reporting - work that is now being carried further internationally in UNEP's Global Reporting Initiative and the CSD's environmental management accounting activities. In Norway, it has also led to the Norwegian Pollution Control Authority making information available to everyone on the Internet on permits and emissions at the company level.

As a result of all these activities it has become apparent that many businesses lack a basic understanding of the ecological foundation for their continued existence. Some younger employees have gained a basic understanding of ecology at school, but often there is little understanding - especially among top management - of the need for margins of safety due to the cyclic nature of ecosystems, of the problems of unlimited exponential growth, or even of the basic laws of thermodynamics or mass balance. Therefore many new training packages on ecology and its relation to successful business management have been produced, including courses, teaching material and internet-based training and testing. Norway contributed some of the start-up funding to the World Business Council for Sustainable Development's foundation for environmental education. The foundation is located in Norway, and provides educational packages over the Internet (www.wbcsd.ch).

Accomplishments and obstacles

The final results of Norwegian efforts over the past few years will have to be judged by posterity. Ten to fifteen years is too brief a period to see the long-term effects of global sustainability and Norway is too small for its impact alone to be reliably measured.

However, the following facts are encouraging:

- Norway ranks highly in its general contribution to development assistance and its support to the UNEP, the World Bank's facility for less developed countries, the IDA and the GEF, both in relation to our GNP and per capita. If used within an appropriate framework in the recipient countries, these transfers can help secure the basic private and public investments needed to combat poverty and ensure sustainable use of natural resources.

One example is the so-called "Asia grant," that was established in 1995 as a separate item on the environment budget to promote cooperation on the environment between Norway and countries in Asia. This grant had the double objective of improving environmental conditions in rapidly developing countries such as China and Indonesia, and at the same time promoting relations between Norwegian companies and institutions with competence in the field of the environment and environmental technologies. In the years 1995 - 1997, the Asia grant became a central vehicle for the much broader Asia Plan for increased economic cooperation with Asian countries. The Asia grant was later named the Action for extended Environmental Cooperation, and from 2000 the grant was merged with the original special grant. The new government in 1997 gave more focus to poverty eradication and less focus to tying Norwegian development cooperation to Norwegian industry, with a greater focus on Africa.

- Norwegians have a higher sense of social responsibility for the environment and are willing to pay a higher price to protect the environment than people in most other countries. The State provides free education, health services, paid sick leave, paid maternity leave, disability pensions and old - age pensions. The level of taxes and charges to pay for these services and to ensure redistribution of wealth is generally

accepted. High standards for the working environment, measures to ensure that the air and water are clean and protection of biodiversity impose extra costs on companies and citizens. The effect of these measures, however, is to make Norway a better place to live and to provide a skilled and confident workforce and a secure base for business. By most indicators, social conditions have increased over the years, with increased wealth, low unemployment, and longer life expectancy. This is reflected both in Norway's ratings in the UNDP human development indicators and in our ranking in the World Economic Forum.

- Norwegian businesses and government at all levels have accepted that eco-efficiency is an important aim. Management practices are being evolved to reap the economic and social benefits that follow from strong policies to control the use of natural resources and the impact on the environment. New business opportunities have already been taken and attention to eco-efficiency has had positive ripple effects in other fields.
- Green taxes and deposit - return schemes have been expanded and systems of electronic road pricing have been introduced in the largest cities. Income from green taxes is in principle temporary: a steering tax is used in order to minimize a social ill. Beyond that, both taxes to reduce emissions and the more permanent green charges to pay for services reduce the need put the burden for paying for environmental damage on the ordinary tax base. Deposit - return schemes for electrical goods, bottles and cans are also in operation, run by the business associations concerned, while the deposit - return system for cars is run by the State. These systems facilitate recycling, ensure safe handling of wastes and reduce the amount of litter.

On the other hand there are several serious challenges to be faced.

Just as the European Environment Agency has found, growth in consumption is so rapid that environmental regulations are not keeping pace. This is especially the case for emissions, noise and physical obstacles from the increased use of motor vehicles, but also the case for the generation of waste and land use encroaching on biologically valuable areas.

It is difficult to enact further costly unilateral measures in sectors exposed to competition. Norway's markets are almost entirely open to industrial products: the average duty level already down to 0.5%; and our economy has a large component of exports. This means that some initiatives have to be synchronized with our main trading partners. Since Norway is a party to the EEA Agreement, most EU directives apply to us, and we use the provisions of the EEA to participate in shaping new directives.

Our offshore oil fields supply a substantial part of the European oil and gas markets, but emissions of CO₂ from this activity are included in the Norwegian greenhouse gas inventory, and it is the growth in petroleum extraction that has caused the large growth in emissions over the past 10 years. Renewable and emission free hydropower accounts for 99 per cent of the electricity generated in Norway, and for 65 per cent of the stationary energy

use. This means that the Climate Change Convention will have a strong impact on our ordinary onshore activities. For example, if the Kyoto Protocol had not created opportunities for shouldering our share of this burden through investment in other countries through Joint Implementation and the Clean Development Mechanism (CDM), we could have immobilized all cars in the entire country and still not have been able to meet our obligations to reduce the level of CO₂ emissions.

International challenges

Norwegian aims for the WSSD will be formulated through a process involving all relevant ministries, local governments, trade unions, businesses, churches and NGOs. This process is not finished, so it is too early yet to provide any details about the results. However, from the perspective of the national government we see that there are some issues that will need to be addressed by the international community, but will come back to this during the preparatory process.

- **Poverty alleviation:** the most pressing need is to achieve an acceptable minimum standard of living throughout the world. This is a question of national reforms as much as an issue of international action, but governments can cooperate to support the work that needs to be done. To ensure continuing popular support in donor countries, developing countries should make sure that wealthier people in their countries carry a similar burden to that of people in a comparable situation in donor countries.
- **International environmental treaties** need to be strengthened. While the principle of differentiated responsibilities according to economic capability must be respected, universal commitments should be sought. In particular, companies should not be able to reap unfair environmental subsidies by breaching the polluter pays principle. International treaties also need stronger mechanisms for technical support, monitoring and conflict resolution. Ideally, global environment activities should be financed by assessed contributions on the model of the UN scale, but measures to strengthen company social responsibility and reporting should also be considered.
- **Internalising the costs of environmental damage** in the price of products and services is economically effective, at the same time as it serves to lay the greatest burden of payment on those who have the highest consumption. Unfortunately green taxes that are effective in steering resource use may also distort trade if only a few countries implement them. This calls for international agreement on a degree of synchronisation of green taxation. Taxes on jet fuel, taxes on CO₂ and some persistent organic pollutants may serve as examples.