

VENSTRE  
Folk først.



**THE NORWEGIAN LIBERAL PARTY'S  
DIRECTION TOWARDS  
GREEN GROWTH**

*A manifesto on green restructuring of the  
economy, as adopted by the 2015 Norwegian  
Liberal Party's General Assembly.*

**Green growth is a precondition to maintain our quality of life and personal liberty. Without a shift towards a sustainable economy, we will restrict future generations' opportunity to clean nature, safe and secure foods and basic welfare benefits. Norway has to take a leading role in the global transition to green growth and a climate-neutral economy. The Liberal Party wants to facilitate conditions for the Norwegian industrial sector to develop solutions that are required in the new green economy. This will give people easier and better daily lives as well as create new businesses and places of work that are needed in the future.**

Our overall goal is that a “green economy” within 2030 is large and profitable enough to replace the petroleum sector as the current driving force in the Norwegian economy and is likewise internationally oriented, involving among other things the following sectors and areas below:

### **A world-leading green financial sector**

The Norwegian financial community should be a world-leading contributor to green financial management and the financial industry should be developed to become one of the most important value generating industries in a Norwegian green economy. The Government Pension Fund of Norway (SPU) should lead an international phase out in investments directed fossil energies and energy productions and to increase investments in renewable sources of energy/green economy. The two-degree target is to govern the development of Norway's economic policy and financial investments.

### **Sea transportation without emissions**

Norway will set the goals of becoming the world's leading exporter of green maritime technology and vessels on sea. Norway should contribute to that zero emission technology for all types of vessels should be available on the global market by 2030. Ferries, shipping and other transportation vessels within 2030 should be of zero emission standards. To reach this goal, proper infrastructure must be facilitated, such as the establishment of charging points for shore power and terminals for LNG carriers to be put in strategic ports. Norway should set itself the goal of becoming the world's leading exporter of green maritime environmental technology and vessels and relocate more of its cargo from roads to the sea. We should use the Norwegian coast as the “incubator” for new environmentally friendly technologies and take a leading position globally in this new, green market.

### **A marine revolution: Climate friendly foods, energy and medicines from the ocean**

Norway has enormous potential to produce healthy and environmentally friendly food from the sea. Norway should set aims to boost the marine value generating income from about 50 billion NOK in 2015 to 150 billion in 2030, and further to 500 billion in 2050. This will be achieved through a combination of growth in sustainable terms of fishing and fish farming, and a strong commitment to prioritise new emerging marine industries, such as algae productions and refinement of seaweed used for medicines, cosmetics and foodstuffs.

## Renewable energy production: From national balance to green delivery

The Liberal Party will make Norway a global leader in renewable energy. One of Norway's goals should be that we produce approximately equal amounts of renewable energies as the current production of fossil energies within 2050. Through increased production of renewable energy, combined within the development of interconnectors, Norway can ensure flexibility with renewable energy to Europe while ensuring short-travelled power to the sustainable power industry that delivers products to a low-emission society in Norway. With investment support systems directed towards local biogas plants and gas-based power companies, the Liberal Party wants to increase local biogas plants. Norway should also take a special global responsibility for developing new technologies for efficient energy production offshore to solar and battery technology, areas where Norway possesses great expertise and solutions for future networks, in where Norway also is far ahead.

## The forest as a climate resource: A green biomass

The forest and timber industry stand unified behind the ambition of a sales growth to 180 billion NOK in 2045. The Liberal Party endorses this ambition and will facilitate a long-term framework for the industry in the years ahead to make it possible to reach the goal – and to ensure that Norwegian trade and industry is at the forefront internationally in a new and innovative use of biomass from the forests in the development of buildings, energy supplies, and in manufacturing processes.

## Green cities and towns

Green and environmentally friendly cities based on energy-efficient buildings, transport without emission and access to green recreational areas provide better quality of live, reduced emissions and improved utilisation of resources. The Liberal Party believes that Norway should develop models for reducing emissions to a zero for cities and towns as a whole – or even using climate scores – in an interaction between industries, research-and-development (R&D) environments and local communities. The Liberal Party wants to close city and town centres with high concentration of residents for all vehicles that do not run on environmentally friendly fuels within 2025.

Through high environment and climate requirements and clever procurements for urban development, the Liberal Party believes that stimulation of technology for green cities and green transportation will become a Norwegian export industry. One of the most important measures in reducing the need for transport is by developing city environments that make it attractive to stay and live in in an urban way of manner. The Liberal Party will encourage a more integral grip in land management planning which in return provides better utilisation of spaces, ensures natural and cultivated lands, and emphasises architectonic qualities of city and town buildings.

Based on a model from British Columbia in Canada, the Liberal Party wants to introduce an arrangement whereby the government rewards municipalities for cuts in carbon emissions and energy consumption.

## **A green industrial nation**

Norway should be a preferred country of establishment for process industry and other energy-demanding industries that satisfy strict environmental requirements and that deliver technology being a part of our future zero emission society. In Norway, this industry will have access to clean, locally produced power, stable conditions, highly skilled labour and leading R&D clusters based on close interaction between public and private sectors. Norway should contribute to that zero emission processes by 2030 in all branches of industries are commercially available.

## **Green IT**

Within 2020, Norway should be a preferred country of establishment of large-scale, green data centres, have an internationally leading R&D environment and a industry based on green IT, and a transport- and climate-saving use of IT. The Liberal Party believes that green energy intensive industries that are exposed to international competition must be given equally good terms regarding el-taxations as other energy demanding industries. Here including green data centres.

## **A society of reuse: A country that abolishes waste**

By 2030, Norway should virtually regain all commodities and materials and thus abolish the greatest extent of waste as possible. The quantities of residual waste should be reduced by 80 percent, and most of all waste should be recycled providing a basis for a competitive industry based on reuse and recycling. This requires restructuring of the current waste and recycling systems and a visionary strategy for future use of waste resources.

**The Liberal Party is pointing out following political actions on an overall level that are required if the new, green industrial sectors by 2030 are to be equally profitable and important for the Norwegian economy as the petroleum sector has been for our prosperity and welfare development until now:**

## **1. A pervasive system of green taxations**

The Liberal Party wants a green tax shift, where the taxation system is actively used to stimulate labour and employment, development, investment and ownership in Norwegian industry, and to reward environmentally friendly behaviour. For the Liberal Party, the purpose of the green tax shift is to give tax cuts as a reward towards environmentally friendly choices, and is also about introducing a tax system based on stringencies to put a price label on emissions. Specifically are the implications of lowering levied taxes on labour, ownership in properties and businesses, and increased tax stimuli to act environmentally friendly and to increase environmental taxes.

The Liberal Party believes that such a shift in taxes should be in an arrangement size of 30 billion NOK over the next four years and that two-thirds of all tax cuts will be financed through a green shift.

## **2. An instrument of green policy: Green innovation – Green entrepreneurship**

The Liberal Party wishes to pursue the innovative environmentally friendly sector that facilitates green growth. Therefore, strengthening arrangements that contribute to technological development and ensuring access to venture capital for large innovative projects within the new green sectors will be of high importance. It is crucial to have mechanisms to ensure adequate financial support that goes beyond these green projects' developmental phases. Many of the issues participants of such projects have faced is not how relatively easy it is to gain financial support for the development of products and technology, but is rather connected to the burden of getting their solutions to a non-supportive market. The Liberal Party's goal is that by 2030 at least 50 percent of the capital available and granted by Investnor, Argentum and Innovation Norway is to be used on green businesses regarding green growth.

This applies especially to larger pilot projects, particularly in the field of renewable energy. The Liberal Party wants to establish a new governmental investment company, the "Norwegian Renewable AS", with the aims of investing in larger pilot projects in renewable energy development, such as offshore wind, geothermal, hydrogen, pump power plants, and wave power. The Liberal Party proposes that the company initially is supplied with an equity of 3 billion NOK.

A more strike-full policy towards the establishment of more entrepreneurs and small businesses is also an important solution of the Liberal Party's "Green Growth" strategy. Green solutions require innovation and entrepreneurship – and a society "cheering" for entrepreneurs and people with the ability of new ideas and thinking. It is therefore important to recognise and emphasise those engaged in green entrepreneurship in any way. To create a green places of work for themselves and for a few others are also measures in the green shift.

### 3. A national research-and-development (R&D) strategy for low emissions and future green industries

If we are to gear Norway for the future, we need a significant effort in the research sector to develop the green industries of tomorrow and to achieve transition to a low carbon society. Norwegian research environments must be able to meet international competition and to maintain an internationally high level. The Norwegian industrial structure gives indication of needs for stronger public stimulation to make even more sectors and businesses more research-based, while encouraging them to prioritise R&D-related work. In addition, companies must be stimulated further to R&D in markets governed by policies with great risks of distortions in certificated or quota markets that can provide energy and climate friendly technology.

The education system must facilitate the development of skills across subjects, disciplines and country borders. The Norwegian government needs a strategy for attracting international talents and skilful competence.

If the Norwegian goal of one percent of publically funded research is to be reached, there is still the need of increasing research funding to about 1 billion NOK in 2016. The Liberal Party believes that the entire increase of funding should be earmarked as part of an R&D strategy for the transition to a low-emission society and for future green industries.

### 4. Green public acquisitions and purchases

Norwegian state and local authorities purchase goods and services for more than 200 billion a year. The zero-emission society is only a cycle of investment away in Norway. This gives the state and municipalities tremendous power to impose stricter climate and environmental standards for suppliers of goods and services, which will motivate businesses to develop new technologies and sustainable solutions. The pre-requirement is that public acquisitions shift from getting the cheapest solution to the best solution for the future (the cycle-of-life thinking). State and local authorities must shift the processes of public acquisitions and purchases. Early on, the authorities should open a dialogue with involved businesses when it comes to the possibility of new technologies that are environmentally friendly solutions, which is in accordance to the Confederation of Norwegian Enterprise's "National Program for Supplier Development", and by this to develop early markets for suppliers so that they get to test immature technology. Learning through use will contribute to reducing the cost of products and open new possibilities for export.

To succeed, we must ensure incentive mechanisms that are relative to the size of the market and the existing potential to allow the public sector to be a pursuer of green innovation for the private sector. The Liberal Party proposes to establish a subsidy program of at least 500 million NOK directed towards green innovative public acquisitions that will provide public enterprises the opportunity to apply for extraordinary public funds in order to undertake green innovative acquisitions. A support criterion, for example, can be consultative aid to the correct (and green) specification relating to purchasing/announcement of tenders.

## 5. Green city planning: Densification in towns and cities with zero emission visions

Concentrated settlement, short distances and easy access to public transport results in lower emissions and lower energy consumption. Better urban planning and government stimulus related to public transport are important elements to achieve green growth. In attractive cities and towns, the car recedes and gives way to green spaces and to people who primarily walk, cycles or uses public transport as their way of transport. Such vibrant centres that put people first will stimulate culture, academia, innovation and sustainable businesses. It is important to focus on meeting places for people and on efficient and rapid transport thoroughfares for pedestrians, cyclists and users of public transportation. Simultaneously, it should be introduced restrictions on automobile use, restrictions that at least must have the same effect on car-based shopping centres outside the cities and towns.

The Liberal Party wants to strengthen and develop government packages regarding urban environment to also encompass urban planning, localising decisions and strengthen incentives to choose solutions that ensure lowest emissions as possible. The government must provide all municipalities support for planning and development in making green urban and local areas.

The Liberal Party wants a government high scale infrastructure investment for walking and cycling. This means a sharp increase in earmarked funds in the National Transport Plan and urban environment packages.

## 6. Divestment – Green investments

Today, most banks, pension funds and investors invest big money in the production of coal, oil and gas. Are we to avoid more than two-degrees of global warming, the money must change hands – from coals, oil and gas to sustainable alternatives like solar, collective solutions and biological productions. The Government Pension of Norway (SPU) alone has currently 362 billion invested in coal, oil, and gas. In addition, there are many municipal pension funds that have invested part of their portfolio in fossil energy and energy production. The Liberal Party wishes to see that SPU phases out all investments in coal companies and the most polluting oil and gas companies, simultaneously increasing investments in renewable energy in a significant way. The Liberal Party also wants to allow that SPU can invest in renewable infrastructure.

The Liberal Party wants to undertake initiatives in all municipalities where the Liberal Party gains representation after the local elections in 2015. These initiatives should restrict municipalities from attaining any assets invested in coal companies, a minimal of funds invested in fossil energy and that a minimum of 10 percent will be invested in green bonds.

## 7. The public sector as a contracting client for buildings

The public sector is an enormous builder, which in its extent should and can be met with increased environmental satisfying and climate friendly requirements. The goal must be that most building developments lead to zero emission buildings through among other things as proper use of materials, area and energy solutions. The Liberal Party wants requirements to be in place for all rehabilitations and new constructions under supervision of governmental building agencies, such as the Norwegian Directorate of Public Construction of Norway and Norwegian Defence Estates Agency, and let them at any time use the most environmentally friendly solutions. The Liberal Party wants to take initiative for the new government quarter in Oslo to be built as zero emission buildings.

The Liberal Party wished to enable municipal and county authorities through their ownerships to take initiative that KLP Eiendom, which manages approximately 1.6 million sqm office/commercial premises, shopping centres, hotels, residences, etc., develops a corresponding environmental strategy as part of its role as a builder and property developer.

## 8. Tax policies for the petroleum industry

In its latest report, the Intergovernmental Panel on Climate Change (IPCC) states that one of the prerequisites for the success of the green shift is that fossil energy subsidies are cut sharply. The tax regulations regarding the Norwegian petroleum sector are very favourable to the industry, even more favourable than to other industries. It is difficult to achieve a green shift if the fossil industry is granted a far more advantageous taxation structure than environmentally friendly industries.

As a consequence, the Liberal Party wants to implement changes in tax benefits related to exploration activities and investments on the Norwegian continental shelf in order to ensure that unprofitable petroleum fields are not being developed. Uplift should be reduced, but favourable rates for energy conservations measures should be retained. It should be carried out a report, investigating the impact that the exploration support has and how the support effects cost levels and explorative operations on the Norwegian shelf. The Liberal Party wants to increase CO<sub>2</sub> taxes on petroleum activity.

The Liberal Party also wants to gradually decrease the state's own exploration activities through the State's Direct Financial Interest (SDFI). There is little or no reason why more petroleum areas than are already active or open due to approval should be used for petroleum activity.

## 9. Efficient and sustainable use of resources

In a green economy, the consumption of natural resources and environmental costs are valued and integrated into the economy as a whole. We need to facilitate a "cycle thinking", where all production is part of a cycle where excess resources from one process is used in another, and that all products will be reused or recycled.

This means that we must facilitate good solutions for the recycling of waste, zero emission buildings and sustainable rehabilitation, the utilisation of waste from agricultural and fishery industries, and similar efforts to organise society in a way that optimises the use of resources



in all sectors. The Liberal Party wants to contribute to the development of laws and regulations that support the demand of sustainability.

The Liberal Party wants Norwegian agricultural sector to take a more active role in green innovation, especially to see the potential of using municipal and local waste. Food production from livestock must be encouraged by lesser use of concentrates and reducing fuel consumptions. Good animal welfare must be ensured. Environmentally friendly food production based on good animal welfare contributes to green consumption.

The Liberal Party will therefore stimulate research and R&D programs related to better and more efficient utilisation of resources. This can be done through improving the SkatteFunn R&D Tax arrangement by providing higher limits to programs that provide support for R&D projects that causes environmental and climate effects, like the research programs ENERGIX and MILJØ2015.

## 10. A green shift for the supplier industry

An important element of the green shift is to discover environmentally friendly markets and products for the large and technologically leading Norwegian industry, which currently are suppliers of products, technology and expertise to the oil and gas sector. The most contiguous solution is to develop industries and businesses related to renewable energy.

A kick-starter for such a shift, based on the Liberal Party's vision, is to introduce a governmental venture capital fund for Norwegian companies investing in offshore wind, solar power, geothermal power, wave and tidal power, and solutions regarding waste. The relevant markets involve the car, bus, truck, boat, airplane, household, and industry markets. The Fund should generally concentrate investments in upscale projects, typically when new technology is to be tested on a full-scale level.