



LEFT OUT IN THE COLD: NORWAY

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Over one third, or US\$11 billion, of Norway's COVID-19 recovery package will support the oil and gas industry, hindering its net-zero transition. These oil and gas measures dwarf the small-scale green policies that Norway proposed in its 2021 budget, which also features measures that target northern Norway.ⁱ National measures with direct Arctic impact include funding to support green research and increase placements at northern universities. Policies that affect the fishery and energy industries and address marine and plastic pollution could have large Arctic impacts.ⁱⁱ



**NOK \$277B
(US\$30.4B)**
TOTAL VALUE OF
NATIONAL STIMULUSⁱⁱⁱ



8%
NATIONAL STIMULUS
VALUE AS % OF GDP

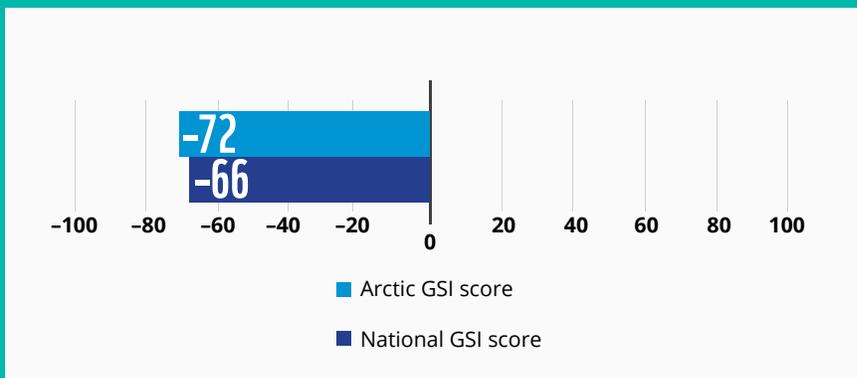


4.3%
QUANTIFIED NATIONAL GREEN
STIMULUS AS % OF TOTAL



0.3%
QUANTIFIED ARCTIC GREEN
STIMULUS AS % OF TOTAL

NORWAY'S NATIONAL AND ARCTIC GSI SCORES^{iv}



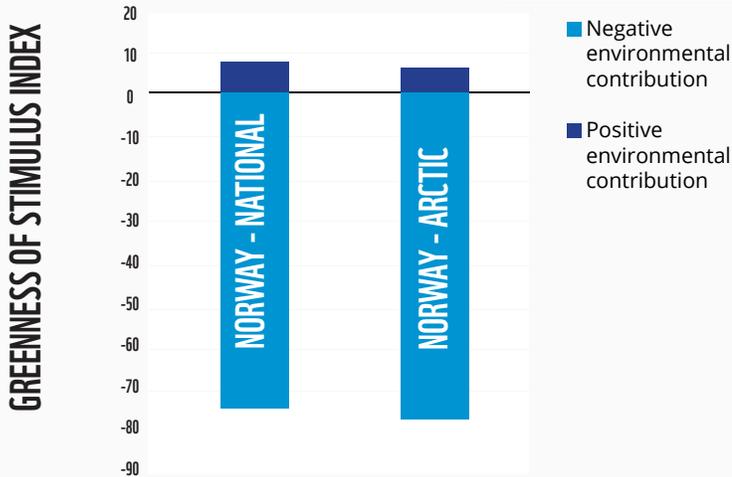
Greenness of Stimulus (GSI) scores^v indicate countries' net impacts on climate and the environment due to COVID-19 stimulus measures.^{vi}

GREEN STIMULUS IN NORWAY:

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Figure 1:

Positive and negative impacts of stimulus packages



- **Norway's negative Greenness of Stimulus (GSI) score is driven by its US\$11 billion support for the oil and gas sector,^{vii} which the US\$396 million Recovery and Green Transition Package and the latest green measures in the 2021 budget proposal cannot offset.^{viii} Some environmentally positive measures do not apply to the Arctic, which also lowers the Arctic GSI score.**

- The 2021 budget includes funding to develop carbon capture and storage; increase green land use and restore seascapes; support climate-adapted, sustainable food production; remediate contaminated sediments at Hammerfest port; prevent oil spills and improve response technologies; and identify illegal catch and poaching in fisheries.^{ix}
- More than a third of Norway's total COVID-19 fiscal stimulus is support for oil and gas. Tax system changes provide US\$11 billion to finance oil and gas projects and incentivize investments.^x This will have a significant detrimental impact on the Arctic because the package is expected to finance new oil projects in highly vulnerable Arctic areas.^{xi}
- The five economic packages that Norway introduced during the COVID-19 pandemic also feature a compensation scheme for businesses (US\$5.5 billion),^{xii} support for the aviation sector (US\$660 million)^{xiii} and support for tourism (US\$250 million).^{xiv}
- Funding for green transitions in fisheries and energy will have a large impact in northern Norway.^{xv} Norway allocated US\$40 million for green shipping research and measures and US\$13.75 million to support low-emissions technology and green change in municipalities.^{xvi}
- Norway is providing US\$6.6 million for avalanche and landslide protection in Svalbard and US\$3.3 million to remediate contaminated sediments in Hammerfest port. It also pledged US\$1.43 million to improve oil spill response technologies in the Lofoten Islands.^{xvii}

- The 2021 budget also sets aside US\$3.3 million for seabed mineral extraction and measures to expand petroleum research in the Arctic^{xviii} and US\$5.5 million for the forestry sector.^{xix}
- Norway provided substantial support for the Saami communities and reindeer herders: it eased border and quarantining restrictions^{xx} and provided US\$2.2 million to procure and deliver supplemental reindeer feed^{xxi} as well as US\$1.1 million to create a Saami resource centre.^{xxii}

Figure 2 shows the stimulus measures announced in Norway (both environmentally positive and negative) and the sectors into which the stimulus money will flow.

Figure 2: Policy measures announced in Norway, split by environmentally relevant sectors

	POLICY MEASURE	AGRICULTURE & LAND USE	ENERGY	INDUSTRY	TRANSPORT	WASTE
POSITIVE	Bailouts with green strings attached	-	-	-	-	-
	Green infrastructure investments	✓❄️	✓❄️	✓❄️	✓❄️	-
	Green R&D subsidies	-	✓❄️	✓❄️	✓❄️	-
	Subsidies or tax reductions for green products	N/A	-	-	✓	-
	Nature-based solutions	✓❄️	N/A	N/A	N/A	N/A
	Conservation and wildlife protection programmes	✓❄️	N/A	N/A	N/A	N/A
NEGATIVE	Subsidies for environmentally harmful activities	✗	-	-	-	-
	Environmentally harmful infrastructure investments	-	✗❄️	-	-	-
	Deregulation of environmental standards	-	-	-	-	-
	Environmentally related bailouts without green strings	-	-	✗❄️	✗❄️	-
	Subsidies or tax reductions for environmentally harmful products	-	✗❄️	✗❄️	✗	-

Note: The ❄️ indicates policies that are expected to have an impact on the Arctic.



GREEN JOBS IN NORWAY

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Norway's plethora of small-scale green initiatives and funding for green research and innovation will lead to (Arctic) green job creation across the agriculture and land use, energy, industry and transportation sectors. However, estimates suggest that oil and gas sector funding could create 2.6 to 4.7 jobs per US\$1 million invested.^{xxiii} This means Norway's US\$11 billion oil and gas sector investment could create 28,600 to 51,700 unsustainable jobs.^{xxiv}

 **282 TO 760**
NUMBER OF GREEN JOBS IN THE ARCTIC THAT CURRENT STIMULUS MEASURES MAY CREATE

- The number of green jobs set out here includes those created by quantified stimulus measures. Norway also implemented several unquantified measures, but these are unlikely to create direct new green jobs in the Arctic because they relate to deregulation. Funding to prevent oil spills and strengthen fishery controls will also create jobs.
- The policies that have the greatest potential to create more green jobs in Norway's Arctic are industry and transport bailouts with green strings attached and investments to make the fishing and tourism industries more sustainable.

Figure 3 shows the applicable green policy measures per sector in Norway and their job creation potential as well as the country's performance on three other criteria: the extent to which funding is shovel-ready (i.e., its timeliness); the potential for long-term economic transformation; and the extent to which the measure is likely to remain viable if stimulus funding is curtailed (i.e., transitionality).

Figure 3: Applicable policy measures per sector in Norway and the extent to which they fulfil the criteria

	Applicable green policy measures	Job creation potential – in number of jobs per US\$1million	Timeliness – the extent to which funding is shovel-ready	Potential for long-term economic transformation	Transitionality – the extent to which the measure remains viable if stimulus funding is curtailed
AGRICULTURE AND LAND USE	Green infrastructure investments	5 to 20	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	Nature-based solutions	5 to 20	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Conservation and wildlife protection programmes	0 to 10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ENERGY	Green infrastructure investments	3 to 15	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
	Subsidies or tax reductions for green products	3 to 8	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
INDUSTRY	Green infrastructure investments	10 to 15	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Green R&D subsidies	3 to 8	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
TRANSPORT	Green infrastructure investments	5 to 20	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
	Green R&D subsidies	5 to 20	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Subsidies or tax reductions for green products	10 to 20	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>

Note: Only the policy measures that apply to Norway are displayed here.

A full overview of the report’s findings, methodology and additional country profiles can be viewed online [here](#).

Endnotes:

- i Government of Norway (2020). https://www.regjeringen.no/en/aktuelt/focus_north/id2768595/
- ii Stakeholder interviews.
- iii This report uses an exchange rate of 1 NOK to 0.11 US\$. Stakeholder interviews.
- iv For more information on the definition of “Arctic” and the underlying methodology for this work, please see the Methodology document.
- v The Greenness of Stimulus Index (GSI) is constructed by combining the flow of stimulus into five key sectors (agriculture and land use, energy, industry, waste and transport) with an indicator of each sector’s environmental impact; this impact captures both historical trends and specific measures taken under the country’s stimulus.
- vi Greenness of Stimulus Index (2020). https://www.vivideconomics.com/wp-content/uploads/2020/09/GSI_924.pdf
- vii Government of Norway (2020). <https://www.regjeringen.no/en/aktuelt/package-of-measures-to-support-the-oil-and-gas-industry-and-the-supply-industry/id2700656/>
- viii Government of Norway (2020). <https://www.regjeringen.no/no/aktuelt/ny-side5/id2704503/> and <https://www.regjeringen.no/no/statsbudsjett/2021/statsbudsjettet-2021-a-til-a/id2765698/?expand=2767778>
- ix Government of Norway (2020). <https://www.regjeringen.no/no/statsbudsjett/2021/statsbudsjettet-2021-a-til-a/id2765698/?expand=2767794>
- x Government of Norway (2020). <https://www.regjeringen.no/en/aktuelt/package-of-measures-to-support-the-oil-and-gas-industry-and-the-supply-industry/id2700656/>
- xi Stakeholder interviews.
- xii Government of Norway (2020). <https://www.regjeringen.no/en/aktuelt/additional-financial-measures-to-mitigate-the-economic-effects-of-the-coronavirus-crisis/id2696548/>
- xiii IMF Policy Tracker (2020). <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>
- xiv ADB COVID-19 Policy Database (2020). <https://covid19policy.adb.org/policy-measures/NOR>
- xv Stakeholder interviews.
- xvi Government of Norway (2020). <https://www.regjeringen.no/no/aktuelt/ny-side5/id2704503/>
- xvii Government of Norway (2020). https://www.regjeringen.no/en/aktuelt/focus_north/id2768595/
- xviii Government of Norway (2020). <https://www.regjeringen.no/no/statsbudsjett/2021/statsbudsjettet-2021-a-til-a/id2765698/?expand=2767794>
- xix Government of Norway (2020). <https://www.regjeringen.no/no/aktuelt/ekstraordinar-tiltakspakke-for-skogbruket-pa-50-millioner-kroner/id2701168/>
- xx Arctic Council (2020). <https://arctic-council.org/en/news/the-impact-of-covid-19-on-saami-communities/>
- xxi Government of Norway (2020). <https://www.regjeringen.no/en/aktuelt/additional-financial-measures-to-mitigate-the-economic-effects-of-the-coronavirus-crisis/id2696548/>
- xxii Government of Norway (2020). <https://www.regjeringen.no/no/statsbudsjett/2021/statsbudsjettet-2021-a-til-a/id2765698/?expand=2767778>
- xxiii The United Nation’s Policy Brief 13 (2018) estimates that per dollar of investment, renewable energy will produce nearly 70% more jobs than fossil fuels. The IEA’s Sustainable Recovery report (2020) estimates that, on average, 8.1 jobs per million invested are produced by renewable energy, leading to an estimated 4.7 jobs per million being produced by fossil fuels.
- xxiv Garrett-Peltier, Heidi (2017). <https://www.sciencedirect.com/science/article/abs/pii/S026499931630709X>; WWF’s A Green and Just Recovery, A Case for Change (2020) (part of the WWF COVID-19 response campaign); United Nations Policy Brief 13 (2018). <https://sustainabledevelopment.un.org/content/documents/17495PB13.pdf>; IEA (2020). <https://www.iea.org/reports/sustainable-recovery/evaluation-of-possible-recovery-measures>



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