Declaration of Intent

Ministry of Climate and Environment Norway and California Environmental Protection Agency

California and Norway are equally committed to significant climate change action and share the longterm goal of becoming low emission societies by 2050. Norway has a target to reduce emission by at least 50 percent up towards 55 percent by 2030. California has a target to achieve carbon neutrality by 2045. These targets have resulted in ambitious policies for zero emission transportation on land and sea, energy innovation, clean power generation, and zero waste initiatives;

California's increasing share of renewable energy and Norway's unique position with 99 percent renewable electricity make California and Norway natural partners to share experiences.

A strong partnership currently exists between Norway and California. This Declaration of Intent serves to formalize the partnership by pledging to strive toward measurable and complementary outcomes. This Declaration of Intent builds upon a prior declaration of intent in effect from August 2, 2017 to August 2, 2019.

Through this Declaration of Intent, Norway, through its Ministry of Climate and Environment, and California, through its Environmental Protection Agency, each of which may be referred to as a "Participant," seek to promote climate action at all levels. Our partnership builds on the following Common objectives:

- Confirm our commitment to holding the increase in global warming to well below 2°C and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.
- Undertake ambitious emission reductions based on the recognition that climate action is beneficial to the economy at large, while also building climate resilience.
- Promote the perspective that we need to implement climate action at all levels of government and involve all sectors and stakeholders.
- Support efforts to achieve necessary near- and long-term emission reductions and showcase results and experiences at all levels of government to demonstrate the benefits of ambitious partnerships and practical collaboration.
- Support the implementation of the Sustainable Development Goals, as that term is defined in the United Nation's 2030 Agenda for Sustainable Development, as the basis for sustainable, low emission and climate resilient societies, with special focus on Sustainable Development Goal 13, Climate Action.
- Promote the economic and social benefits created by the transition to low emission, climate resilient societies.
- Support a just transition that can support low emission community development and help transition workers to jobs for the zero carbon economy.
- Foster competitiveness and job creation, and promote a positive interaction between policy and low emission technology development.

To accomplish these goals and advance climate action, California and Norway will endeavour to share strategies, experiences and insights in the following priority areas:

a) Natural climate solutions

- Conserving and strengthening the carbon storage of natural ecosystems to realize the potential of providing one third of the global mitigation necessary to meet the 1.5°C target.
- Conserving, restoring and sustainably managing the world's forests to protect biodiversity, enhance wildfire resilience and ecosystem resilience, and provide long-term climate benefits and ensure economic and food security.
- Working with partners, including the Governors' Climate and Forests Task Force, to facilitate and pilot the long-term financing of, and incentives for, reduced deforestation, including through the use of state-of-the art standards that ensure social and environmental safeguards are addressed and respected.
- Working with partners in tropical countries to enhance relationships between jurisdictional forest and climate programs and the private sector, in order to promote deforestation-free supply chains at significant scale.

b) Zero emission transportation

- Providing experiences in innovation and advancing business models, policy development, and technological solutions to catalyze the transition to zero emission, efficient transportation that meet society's needs.
- Continuing to work through the Zero Emission Vehicle Alliance.
- Driving innovation on the global scale to meet the International Maritime Organization's goal of reducing emissions from international shipping by 50 percent by 2050 through:
 - Sharing experiences and analyses on policy options and policy implementation.
 - Promoting dialogue between private sector actors in the growing markets for zero emission transportation.
 - \circ $\;$ Sharing lessons learned with other governments and private sector actors.
- Employing forward-looking spatial planning to build a zero emission transport system that includes mass transit solutions and zero emission technologies for road and ship transport.
- Ensuring paired growth in renewable electricity deployment with electrification of the transport system. California's increasing share of renewable energy and Norway's unique position with 99 percent renewable electricity make California and Norway natural partners to share experiences.

c) The climate economy: carbon markets and carbon valuation

• Sharing best practices in carbon pricing and market mechanisms.

- Continuing to share lessons learned, experiences and analytical insights from the development and application of market-based programs, carbon pricing instruments in different sectors, and the added perspectives from updating and improving estimates of the social cost of carbon.
- Sharing experiences from implementation of California's Cap-and-Trade Program and Norway's participation in the European Union Emissions Trading System and supplementary carbon pricing instruments, to provide insights that may assist in the assessment of market mechanisms in other venues.

d) Achieving a carbon neutral economy

- Analyzing approaches to reduce consumption of fossil fuels to achieve a carbon neutral economy.
- Fostering research, innovation, and collaboration to support the development of new solutions that aim to help Norway and California achieve their low emission goals.
- Sharing best practices to foster connections between employers, workers, and communities to identify the best areas for economic and workforce development for a carbon neutral economy.
- Continuing expert dialogue, shared information and experiences in developing and implementing carbon capture and sequestration.

Points of contact, responsibilities, and revision of the Declaration of Intent

For each year of this Declaration of Intent, the Participants will develop an annual work plan ("Work Plan") identifying activities for that year. These activities could include, among other things, plans for exchanges and information sharing, training, and events.

An annual working level meeting will assess the status of implementation of most current Work Plan. This Declaration of Intent is effective from the date that it is fully executed and will remain in effect for a period of two years. The Participants agree that, at least six months prior to the expiration of this Declaration of Intent, they will meet in good faith to discuss whether to extend or enter into a new declaration of intent.

For Norway, the Climate and Environment Counselor at Norway's embassy to the US will be the point of contact for this Declaration of Intent.

For California, the Deputy Secretary for Climate Policy at the California Environmental Protection Agency will be the point of contact for this Declaration of Intent.

The designated points of contact will facilitate expert dialogue, information sharing, facilitate visits if applicable, and otherwise serve as partners in promoting the intents of cooperation between Norway and California on climate change.

This Declaration of Intent is a voluntary initiative. It does not create any legally binding rights or obligations and creates no legally cognizable or enforceable rights or remedies, legal or equitable, in any form whatsoever. In addition, the pledges in this Declaration of Intent are not conditioned upon

reciprocal actions by other Participants; each Participant retains full discretion over implementation of its pledges in light of the Participant's individual circumstances, laws, and policies.

This Declaration of Intent does not involve the exchange of funds, nor does it represent any obligation of funds by either Participant. All costs that may arise from activities covered by, mentioned in, or pursuant to this Declaration of Intent will be assumed by the Participant who incurs them, unless otherwise expressly agreed in a future written arrangement in accordance with applicable laws. All activities undertaken pursuant to this Declaration of Intent are subject to the availability of funds, personnel and other resources of each Participant.

The personnel designated by a party for the execution of this Declaration of Intent will work under the orders and responsibility of that party and any other organization or institution to which the personnel already belongs, at all times maintaining any preexisting employment relationship only with that party and organization or institution, and not with any other Participant.

This Declaration of Intent shall be construed consistent with all applicable laws, and activities undertaken in connection with this Declaration of Intent shall be subject to, and shall be undertaken in a manner consistent with, all otherwise-applicable laws.

Any difference that may arise in relation to the interpretation or application of this Declaration of Intent will be resolved through consultations between the Participants, who will endeavor in good faith to resolve such differences.

This Declaration of Intent may be modified at any time by mutual consent of the Participants. Any modification shall be made in writing and specify the date on which such modification is to become effective.

Either Participant may, at any time, withdraw from this Declaration of Intent by providing a written notice to the other Participant. A Participant who intends to withdraw from this Declaration of Intent shall endeavor to provide notice of such withdrawal to the other Participant 30 days in advance. The termination of this Declaration of Intent shall not affect when activities initiated while this Declaration of Intent is in effect shall conclude, unless the Participants mutually decide otherwise.

Sacramento, California, August 25, 2021

Norwegian Ministry of Climate and Environment

California Environmental Protection Agency