

GLOBAL ENTREPRENEURSHIP WEEK JAPAN 2009
'Globally Successful Entrepreneurism'
National Graduate Institute for Policy Studies (GRIPS)
Roppongi-Tokyo, 20 November 2009

Check against delivery

"Rhapsody in Green"

Closing address

by

Ambassador Arne Walther (Norway)

Thank you for inviting me to make some closing remarks to today's deliberations during this year's Global Entrepreneurship Week Japan. It is an honour and pleasure to do so. Not least because the day started with a focus on climate change. Ably presented by my dear colleague the Ambassador of Denmark advising on how to travel the road from Kyoto to Copenhagen 'the smart way'. Climate change is a major concern of the Government and people of Norway as well.

Professor Kurokawa has asked me to speak on Norway's vanguard position in global efforts to mitigate climate change and promote sustainable development. And to add a few words about the awarding of the Nobel Peace Prize to President Obama. To comment on whether or not the Prize might encourage President Obama to work even harder for US positions in the climate change negotiations that would guarantee a successful summit in Copenhagen.

How could a Norwegian Ambassador refuse such an opportunity? For good measure, I offered to say something also about energy security, the twin challenge of climate change. Norway's position as an environment conscious producer and exporter of energy. Our sovereign wealth fund, now the second largest in the world, and managed by ethical principles. The importance of Corporate Social Responsibility, which we are keen on too. And all this with an environmental touch.

Entrepreneur?

Ladies and Gentlemen, I owe you an explanation. The title of my remarks.

Having a broad idea of what I wanted to say to an audience of entrepreneurs, I needed a title for my address relevant to your line of work. To be sure about who I would be speaking to, I went to the dictionary and learnt that 'entrepreneur' is a term that originated in the early 1800s to denote the Director of a musical institution.

I had never spoken to a global gathering of directors of musical institutions before and thought that a music-related title would be in tune. "Symphony" sounded too classic and pretentious for the diverse, but interrelated, topics that I wanted to highlight in "green", the symbolic colour of environment. I found the more irregular "Rhapsody" more in tune and harmony with my intentions.

You might like listening to the famous American pianist and composer George Gershwin's 'Rhapsody in Blue'. It became a world hit in the 1920s and remains a classic. I quickly convinced myself that 'Rhapsody in Green' was a title that would please my distinguished

audience of musical Directors, honour George Gershwin, while highlighting the need of urgent global action to mitigate climate change.

You can imagine my confusion when receiving Professor Kurokawa's subsequent letter welcoming me as a key-note speaker and informing me that I would not be speaking to Directors of musical institutions, but to—and I quote -“global empire builders, the lone wolves, the creative savants, Japanese and foreign, male and female, the young guns and the shrewd veterans. Stakeholders from every facet of society, including government, big business, non-profits and academia’ would be there too, he wrote.

An awesome gathering of people. Was the good Professor joking? I consulted another dictionary to learn that an “entrepreneur” is “a person who sets up a business taking on financial risks in the hope of profit.” The dictionary also mentioned many synonyms, some less flattering than others. Hustler, Big shot, Wheeler-dealer, Tycoon to name a few. They are, all in all, much better than the popular and not so flattering synonyms for Ambassadors and diplomats that I have put up with.

Perhaps the best definitions come from entrepreneurs themselves. Such as from the Ambassador of the United States John Roos, who in his luncheon remarks today defined “entrepreneur” as “a young person who takes risks pursuing an idea’. I like that one and will buy it, if it also includes older people, who are still young in spirit. In any case, I put so much effort into my title of music and environment that I decided to keep it. I hope you do not mind.

On top of the World

Let me start this “Rhapsody in Green” by taking you to the Arctic, which is white. To give you a climate change perspective from my part of the world, the top of the world, where we see the ice-cap, which has covered the Arctic for millennia, melting much faster than scientists predicted only a few years ago. Indeed, the most visible signs of climate change can be seen precisely at the Poles, North and South. But the impact of climate change is stronger on the people who live close to the Equator than on the some four million people who live in the Arctic. Melting of these ice caps will result among other things in major rises in sea level. Imagine that the melting of the Greenland ice sheet would increase the global sea level by about 6-7 meters. For every percentage that Antarctica melts, the global sea level will increase the sea level by 65 cm. 65 meters if all of Antarctica should melt. And the melting of sea ice is one of the key feedback processes that threaten to accelerate climate change even more.

The Arctic has emerged as an increasingly complex new frontier. Its commercial potential with regard to extracting natural resources. The opening of new sea routes. Its continued position as substantial fishing grounds. Its environmental vulnerabilities and not least the strategic outlook from a military perspective. All this adds up to increasing geo-political importance of the Arctic and consequently also to enhanced international attention. Norway welcomes the increasing co-operation we have with Japan in Arctic issues.

Norway is centre-stage in these developments as an Arctic Ocean coastal state with longstanding experience and tradition. Norway is responsible for managing vast areas in the Arctic. A responsibility we take very seriously. In fact, we regard it as our most important area of strategic focus in the years ahead, on land and on our offshore continental shelf.

Opening the North East Passage brings Norway and Japan closer, shortening substantially your sailing routes to and from Europe. Increasing utilization of the Arctic's rich endowment of valuable natural resources, living marine resources, pollution and climate change all merge in a challenge that governments, industry and other stakeholders must deal with in a way that ensures sustainable development.

Mitigating Climate Change

Since we have had elections in both Norway and Japan this autumn, let me mention that environment conscious Norway does not have a "Green Party". Unlike many other European countries. The reason is simple. We have no need. All our political parties are "green". Not only that, they compete in becoming even "greener".

Our Prime Minister Stoltenberg has made Norway's position on climate change quite clear. He calls it the major political challenge of our time. Norway is pushing for a more comprehensive and ambitious climate agreement to succeed the Kyoto Protocol. We will follow up our commitments and reduce emissions nationally and internationally. All countries must contribute by reducing emissions in order to limit humanly induced climate change.

Norway's ambition is that short- and mid-term targets be transformed into legally binding obligations for the Parties ensuring that the goals agreed upon by the global community can be reached. Necessary incentives for turning the global economy into a low carbon economy must be established. We have set ambitious targets for ourselves as we approach Copenhagen.

All developed countries should take on national emission reduction targets and support effective compliance mechanisms. They must take the lead by committing to reduce greenhouse gas emissions in a range of 25-40% below 1990 level by 2020. Norway announced last month that we will increase our reduction from our earlier 30% to the higher target of 40%. The increase is conditional on it contributing to an ambitious agreement in which the biggest emitting countries take on concrete emission reduction commitments. We will prepone Norway becoming a "carbon neutral" country to year 2030. Our earlier target was 2050. Most of Norway's 40% reduction will be in our domestic emissions. The rest will be fulfilled by financing emissions reductions abroad through market based mechanisms.

The right to economic growth and poverty eradication is fundamental for developing countries. While we do not expect the least developed countries to take on commitments, other better-off developing countries would need to move beyond the current Clean Development Mechanism and contribute to emission reductions by adopting new and flexible types of mechanisms.

The provision of necessary financial resources for climate change mitigation and adaptation in developing countries is one of the most important challenges in the ongoing negotiations. Norway has proposed that a certain amount of emission allowances be auctioned at the international level to generate new additional funds for climate change action. This could generate some USD 20 billion that would be predictable and independent of annual national budget decisions.

Carbon Capture and Storage

Let me highlight the importance that Norway attaches to Carbon Capture and Storage (CCS) technology. A potent tool to reduce global greenhouse gas emissions in a world, where fossil

fuels – oil, coal and natural gas - dominate the global energy mix today. They will remain paramount for quite some time. CCS has the potential of accounting for 25% of the emission reductions required up to the year 2050. CCS should be included as a project activity under the Clean Development Mechanism.

A high-level international conference hosted by Prime Minister Stoltenberg in May put the spotlight on CCS as a key climate technology and mitigation tool in the necessary transition to a low carbon emission society. The development and large scale commercial deployment of CCS technology has great potential to substantially reduce CO2 emissions, especially from coal-fired power plants that we will see increasing numbers of, not least in China and India as their economies continue to industrialize and grow. The global carbon emissions' footprint must be substantially reduced, are we to mitigate climate change. A great opportunity for entrepreneurship.

Forests and Shipping

Forests and shipping are two other areas for climate change mitigation, where Norway is taking a lead. Norway's Prime Minister has launched a comprehensive Forest and Climate Initiative with has an annual budget of about USD 500 million. The achievement of ambitious climate change goals will not be possible without significant reductions in CO2 emissions from deforestation and forest degradation in developing countries. These emissions account for 17% of the annual global emissions of greenhouse gases. Reduced emissions from deforestation and forest degradation must be additional to, and not a substitute for, deep cuts in the emissions from developed countries.

Greenhouse gas emissions from international shipping and aviation are currently not subject to any international climate regulation. In our view, they should be included in a new regime. Projections show continued high growth in these emissions, if further measures are not introduced.

Climate change and Energy Security

Ladies and Gentlemen, a word about the twin, interlinked challenges of increasing energy security and mitigating climate change. Measures to meet the climate change challenge should not jeopardize energy security. And policies and measures for energy security should not exacerbate climate change.

The world will need more energy for economic and social development. But it has to be cleaner energy, used in a more efficient way, accessible and affordable to a larger share of the world's population. It is unacceptable that a quarter of the world's population still lack access to modern commercial energy that would improve their lives. At the same time, the production and use of energy is at the core also of global environmental, not least climate change concern.

Economic downturn should not detract from the urgency of dealing with climate change and moving to sustainable energy future. My hope is that economic downturn not only will be short-lived, but that it also can prove to be a blessing in disguise and usher forth an environmental upturn. Where forward-looking government policies along with national rescue and restructuring packages can spark an energy revolution. A new energy era driven by entrepreneurial spirit to unleash innovative new technologies in large scale commercial deployment for environmentally better use of fossil fuels, accelerated development of

alternative, renewable sources of energy, such as solar, wind, tide, thermal and bio-fuels, all combined with improvements in energy efficiency across the board.

Environment conscious producer of oil and natural gas

Norway is an environment-conscious, reliable and long-term supplier of substantial amounts of oil and natural gas to the energy security of our trading partners. The fifth largest exporter of oil in the world and second largest exporter of natural gas. Satisfying 18% of the European Unions gas demand, we are second only to Russia as their largest supplier. Within the next decade our natural gas exports are expected to increase to some 125-140 billion cubic metres a year, equalling the present level of Russian exports of natural gas to Europe. We export ten times more energy than we use ourselves.

The petroleum sector now accounts for a quarter of Norway's GDP, half of our total exports and a third of total government income. We have established an Oil Fund, 'the Norwegian Government Pension Fund - Global', now the second largest sovereign wealth fund in the world with assets of around USD 450 billion. The Fund owns 1% of all global stocks. It is the biggest investor in Europe owning close to 2% total stocks. 60% of the Fund is invested in stocks, the rest in fixed income investments. All of this invested abroad to shield our domestic non-oil economy. 25% invested in the USA and 6% in Japan.

The Fund serves as a mechanism to smooth out the spending of volatile oil income and to help meet future pension demands of our ageing population. We want the fund not only to yield financial dividend for coming generations in Norway. But invested abroad, also yield global dividend in protecting the environment and promoting ethical business world-wide.

The Fund operates with a very high degree of transparency and follows ethical guidelines decided by the Ministry of Finance based on advice from a Special Council on Ethics. It does not make investments that would contribute to unethical acts such as severe environmental damages, violations of fundamental humanitarian principles, serious violations of human rights or gross corruption. Some thirty companies have been excluded for equity investments.

Energy-wise, Norway is not just about oil and natural gas. Emission-free and renewable hydropower is the mainstay of Norway's domestic energy consumption. It accounts for more than 90% of our electricity generation and more than 60% of our total energy demand. Norway is the sixth largest producer of hydropower in the world. And we are paying increasing attention to other renewable alternatives. We see great potential for offshore production of clean and renewable wind-power that we will export to help meet electricity demand in Europe, a further contribution to Europe's security of energy supply and efforts to reduce CO2 emissions.

Yes, Norway is an energy nation, but an environment and climate change conscious one.

Image is Important

Ladies and Gentlemen, as successful entrepreneurs you would appreciate the importance of image. Let me introduce one of your past successful entrepreneur colleagues, who became very rich in the latter half of the 1800s. Dr. Alfred Nobel, the founder of the Nobel Peace Prize. To be clear not an entrepreneur in the original sense - the director of a musical institution, but a person who set up businesses and took on financial risks in the hope of profit.

Alfred Nobel was a chemist, engineer, innovator, armaments manufacturer and inventor. Like all successful people, admired by some, envied and hated by others. Alfred Nobel invented a powerful new explosive. He considered two names for his invention: one was "dynamit ", from the Greek word for "strength". The other was "Nobel's Safety Powder". He chose "dynamit ".

At the height of fame and fortune, Dr. Nobel got a nasty surprise one day in 1888, eight years before his death, when seeing his premature obituary in a French newspaper published by mistake. Entitled "The Merchant of Death is Dead" (*Le marchand de la mort est mort*), the obituary went on to say that "Dr. Alfred Nobel, who became rich by finding ways to kill people faster than ever before, died yesterday."

That was not the obituary that he expected or wanted in due course. He revised his will and set aside the bulk of his estate to establish the Nobel Prizes in physics, chemistry, medicine, literature and for peace. The first three awarded by the Swedish Academy. He gave the task of awarding the Peace Prize to the Norwegian Parliament, which set up a committee to award the Prize independently of the Norwegian Government and the Norwegian Parliament. Dr Nobel died in 1896 and the first Peace Prize was awarded five years later.

Today, Dr. Alfred Nobel's name is synonymous with what are the most prestigious and coveted in prizes in the World for the sciences, literature and peace. Every year, celebrating the laureates, we see how the prizes not only recognize, but also further inspire, excellence and vision, achievement and deed to improve the condition of mankind. A legacy, quite different from the sad, premature obituary that Dr. Nobel read in the French newspaper.

The Nobel Peace Prize

The Nobel Peace Prize is probably the most famous of his Prizes. Everybody has their opinion on who deserves it and who does not. For more than a century, it has been awarded to persons and institutions for efforts made and documented results. And it has also been awarded to causes and visions of people in the category of work-in-progress. The objective being to bring global attention to and to strengthen these causes and visions, enabling them to materialize in concrete results for peace. The Nobel Peace Prize is, in a word, an inspirational award.

President Barack Obama will receive the Nobel Peace Prize in Oslo on 10 December. The decision of the Norwegian Nobel Committee announced last month received more than usual attention and media discussion. The Committee cited President Obama's extraordinary efforts to strengthen international diplomacy and cooperation between peoples. Adding also the "green" perspective that thanks to President Obama's initiative, the USA is now playing a more constructive role in meeting the great climatic challenges the world is confronting. It attached special importance to his vision of and work for a world without nuclear weapons.

The Committee emphasized that only very rarely has a person to the same extent as President Obama captured the world's attention and given its people hope for a better future. It endorsed President Obama's appeal that "Now is the time for all of us to take our share of responsibility for a global response to global challenges."

Professor Kurokawa wanted me to give my opinion on whether the Nobel Peace Prize would encourage President Obama to push his environmental agenda even harder. I am in no doubt that it is doing just that. What is more, I am confident that this year's Prize, by again