Chair,  
Cabinet Environment, Energy and Climate Committee  

International climate change negotiations: New Zealand’s approach to COP24  

Proposal  

1. A new mandate is sought for New Zealand’s engagement in the United Nations (UN) climate change negotiations, including on guidelines to implement the Paris Agreement, ahead of the 30 April to 10 May 2018 negotiating session in Germany. The current mandate, approved in 2015, predates the Paris Agreement. A separate paper being developed will seek Cabinet’s agreement to overarching objectives for New Zealand’s climate change policy.  

Executive summary  

2. New Zealand has clear interests in an effective global response to climate change. New Zealand needs to be actively engaged in the UN negotiations to influence the timetable and ambition of the global response, and to ensure our national interests are not compromised.  

3. New Zealand has signalled an intention to be a global leader on climate change. Domestic action underpins our international credibility and provides the moral mandate for us to call for ambitious action by others. Our engagement in international climate change and other fora is intended to influence and advocate for issues of particular interest and relevance to New Zealand.  

4. New Zealand is one of (to date) 175 Parties to have ratified the Paris Agreement. We have committed to reduce our emissions to 30% below 2005 levels by 2030 and announced an intention to become a net-zero emissions economy by 2050.  

5. Negotiations are under way to conclude technical guidelines to flesh out and operationalise the Paris Agreement. These are due to be agreed at the 24th Conference of Parties in Katowice, Poland, in December this year (COP24). Through this paper I seek approval for a mandate to guide New Zealand’s engagement in these negotiations.  

6. I propose we seek decisions at COP24 that will ensure the environmental integrity of the Paris Agreement, comprising:
a. implementing guidelines common to all countries, developed and developing, that put parameters around their nationally determined actions;

b. elaboration of accounting principles for Parties’ NDCs, including for forestry, and the use of carbon markets towards mitigation targets;

c. application of differentiated guidelines to the provision of climate finance by developed countries to support climate change action and adaptation by developing countries; and

d. accommodation of countries’ national circumstances.

7. Direction is also required on other COP24 activities, especially the Talanoa Dialogue on collective climate change action, the Koronivia Joint Work on agriculture, and the biennial high-level dialogue on climate finance for developing countries.

8. A separate paper being developed for Cabinet consideration will seek agreement to the overarching objectives for New Zealand’s climate change policy, and highlight the key upcoming decisions for Ministers. The purpose of that paper is to align climate change objectives across a range of relevant portfolios to establish a common framework and understanding of what domestic action and global leadership might mean in practice.

9. None of the decisions sought in this paper limit options or decisions on New Zealand’s domestic policy settings, including those that will be sought in relation to the Zero Carbon Bill and Emissions Trading Scheme review later this year. However, the final agreed implementation guidelines for the Paris Agreement may impact on options for accounting for post-2030 NDCs and might inform our preferences for ETS settings. As such, the implementation guidelines may have fiscal implications for the Government, should they indirectly increase or decrease the costs of meeting our international targets.

10. The public was consulted on New Zealand’s priorities in the UN negotiations during formulation of this paper.

Background

11. The Paris Agreement was adopted in December 2015 and entered into force a year later. To date, 175 Parties (including New Zealand) have ratified the Agreement. The Agreement comprises high-level provisions creating obligations on Parties to be transparent about and accountable for actions to reduce emissions, and encouraging progressively more ambitious action, with financial and technical support for developing countries that need it. Each Party has also set a nationally determined contribution (NDC) to the global response to climate change, which includes its mitigation target (and, for many developing countries, their intended adaptation actions). Starting in 2020, Parties are required to communicate NDCs at 5-year intervals, although many NDCs, including New Zealand’s, are set for a 10-year period.
12. The existing mandate for New Zealand’s participation in the UN climate change negotiations predates the Paris Agreement and was agreed by the previous Government. In November 2017, I approved an extension of the existing mandate on an interim basis for New Zealand’s engagement at COP23. No significant binding decisions were anticipated or taken at that meeting.

13. The Paris Agreement is high-level and does not contain all the detail required to be functional. Parties have agreed that the guidelines and processes to operationalise the Agreement will be adopted at COP24. A new mandate aligned with this Government’s climate change objectives and with the current phase of the negotiations is required ahead of the 30 April to 10 May 2018 UN negotiating session taking place in Bonn, Germany.

Comment

14. Agreement on implementation guidelines for the Paris Agreement will require navigating a number of sensitive issues. The most obvious challenge will be addressing the Agreement’s modification of the Framework Convention’s principle of common but differentiated responsibilities and respective capabilities (CBDR-RC). Historically, CBDR-RC has been put into practice by having explicitly different expectations and rules for developed and developing countries.¹ For example the Kyoto Protocol was designed for application to developed countries only. Under the Paris Agreement, obligations are common but will be applied flexibly in light of Parties’ “different national circumstances”.

15. The effectiveness of the Agreement rests on Parties each contributing to the maximum extent they can. Recognition and accommodation of countries’ individual circumstances is vital to enable such contributions. A reintroduction of arbitrary differentiation between groups of countries will compromise the collective response to climate change, and also the current near-universal participation in the Agreement.

16. s6(a)

Nationally Determined Contributions

17. The Agreement requires each Party to account for progress with implementation of its NDC. It contains a number of principles for accounting: environmental integrity,

¹ The countries falling into these categories are defined via an Annex to the Convention, with developed countries essentially being those in the OECD in 1992.
transparency, accuracy, completeness, comparability, consistency, and the avoidance of double-counting.

18. New Zealand has a specific interest in ensuring the accounting guidelines being negotiated preserve our ability to account for emissions and removals from forestry in ways that align with our national circumstances, while also supporting the environmental integrity of our NDC. New Zealand has combined elements of existing accounting methodologies to average out the harvest cycles, peaks and troughs for those fast growing production forests established since 1990. It is highly desirable we maintain the flexibility to ensure we can take an approach to forestry accounting that reflects our national circumstances over successive NDCs.

**Proposed approach**

Given the dynamics of the negotiations on this issue, we cannot expect detailed accounting guidance for the full spectrum of NDCs to be agreed at COP24. I propose we should advocate for accounting guidelines that support national determination of accounting approaches, but require environmental integrity through principles of transparency, accuracy, completeness, comparability, consistency and ensuring the avoidance of double counting, as required by the Paris Agreement. New Zealand should support an outcome that encourages and incentivises others to apply robust accounting methodologies to their own mitigation targets.

**Common Timeframes for NDCs**

19. The Paris COP was unable to reach agreement on whether NDCs should all have the same duration, and how start dates of NDCs should be synchronised. Parties have mostly communicated either 5 or 10 year contributions (New Zealand’s NDC is over a period of 10 years, from 2021 to 2030). Parties are divided, with some (e.g. the EU) requiring a 10-year cycle to manage internal processes and provide long-term certainty to business, and others (e.g. vulnerable developing countries, including in the Pacific) wanting a 5-year cycle to maintain the momentum for ambitious action.

20. No significant national interest for a particular timeframe has been identified. Supporting the shorter timeframe would, however, help to amplify the Pacific’s voice in the negotiations. 5-year NDC duration would also facilitate greater synchronisation of countries’ responses to the 5-yearly global stocktakes, and help focus pressure for upward ambition. ‘Consideration of common timeframes of NDCs’ is part of the Agreement’s Work Programme, but without a 2018 deadline. A procedural decision is thus likely at COP 24, enabling the discussions to continue next year. A final decision on common timeframes for NDCs should be made by 2023 at the latest, to inform the communication of new NDCs required in 2025.

**Proposed approach**

I propose NZ should advocate for a 5-year timeframe for NDCs, in order to facilitate greater synchronisation of national responses to the global stocktake and maintain focused pressure on ambition. In the event a single common timeframe is not achievable, we should argue for restricting the choice for NDCs to either 5 or 10 years, and a COP24 decision committing to agree on a common timeframe for NDCs by 2023.
Carbon markets

21. While the Paris Agreement focuses on Parties reducing their own emissions, it recognises some will choose to cooperate in the implementation of their NDCs to enhance overall ambition on climate change. This cooperation is likely to occur through linking carbon markets (such as emission trading schemes), other government-to-government arrangements, and through the centralised Paris Agreement mechanism to generate emissions reduction units.

22. The Agreement requires Parties to ensure their cooperation has environmental integrity and is robustly accounted for (i.e. there is no double-counting of emissions reductions). Guidance on robust accounting for transfers between Parties is now being developed. The tension underlying the negotiation of market guidelines is essentially about the degree of UNFCCC control of transfers between Parties required to ensure environmental integrity. The Agreement further acknowledges Parties may cooperate by using non-market approaches and requires a work-plan to be developed to facilitate this.

23. Regardless of whether or not New Zealand chooses to use these markets, we can contribute valuable experience to the work to ensure they are effective, transparent, and have environmental integrity. I am not seeking decisions at this time about whether, when, or how New Zealand should use carbon markets.

Proposed approach

I propose New Zealand seeks outcomes on markets that are practicable and emphasise environmental integrity, in particular robust accounting guidance and a strong link with the transparency regime (see paragraph 25 below).

Adaptation

24. Adaptation action is specific to a country’s particular circumstances and priorities. The Agreement requires all Parties to engage in adaptation planning processes and to implement adaptation action, with full discretion as to how this is done. Nonetheless, developing countries have sought guidance on effective communication of their adaptation efforts, to support their adaptation planning, implementation and evaluation.

Proposed approach

I propose New Zealand should seek a high-level outcome that allows Parties sufficient discretion both to nationally determine the content of any adaptation communication and, consistent with the Agreement, to decide on the form of such a communication.
Transparency and Compliance

Transparency regime

25. The Agreement establishes a comprehensive enhanced transparency framework applicable to all Parties, addressing reporting and review of mitigation action and the provision and receipt of climate finance. Parties must report, have their reports reviewed by independent teams of experts, and then participate in a multilateral process to monitor their individual progress. The procedures and guidelines for the operation of the framework are currently under negotiation.

26. Given the non-binding nature of NDCs, this framework is critical to holding Parties accountable for their actions. Accountability is essential to building and maintaining confidence that Parties are doing what they have said they would.

27. The Agreement’s provisions for the common framework build in flexibility for developing countries that need it in light of their capacities. However, some Parties are advocating for separate ("bifurcated") rule-sets for developed and developing countries, regardless of capacity. This would undermine the framework’s common structure, and thus its effectiveness.

Proposed approach

I propose New Zealand supports a response to individual capacity constraints through capacity building and flexibility in implementation, but resists introduction of separate reporting, review, and multilateral assessment guidelines for developed versus developing countries. We should support a rationalised, slim-line review system, and an outcome in which multilateral consideration of Parties’ progress with their NDCs is not optional, but is constructive, facilitative and respectful of sovereignty.

Compliance

28. The Agreement establishes a committee to facilitate implementation of its provisions and to promote compliance. The operating procedures for the Committee are under negotiation, including the scope of its work, what will trigger a compliance process, and the kinds of measures it can use to encourage compliance and implementation.

29. This explicitly non-punitive, non-adversarial mechanism is consistent with the nationally determined, participatory approach of the Agreement. Its function is to assist countries to avoid non-compliance and be successful in implementing their obligations.
Proposed approach

I propose New Zealand supports a facilitative mechanism that applies to all provisions of the Agreement, includes comprehensive triggers for the Committee’s intervention and allows the Committee flexibility to respond to matters in ways appropriate to the national circumstances of the Party it is dealing with.

Ambition Cycle

Global Stocktake

30. The underlying premise of the Agreement is that the aggregate impact of NDCs should set the world on a trajectory towards a balance of emissions and removals ('net zero') emissions in the second half of this century. The collective obligation is for emissions to peak as soon as possible, and then rapidly decline to net zero.

31. The Agreement establishes five-yearly global stocktakes, starting in 2023, to assess implementation of the Agreement (including mitigation, adaptation and finance) and collective progress towards achieving the purposes of the Agreement and its long-term goals. The Global Stocktake is an integral component of the Agreement’s environmental integrity and ambition mechanism, and was agreed in Paris to provide assurance that collective ambition would increase over time.

Proposed approach

I propose New Zealand will seek operating modalities for the Global Stocktakes that ensure they remain manageable, effectively direct attention to the Agreement’s long-term goals, and retain a focus on collective progress and environmental integrity in implementing the Agreement.

Climate finance

32. Many developing countries have a genuine need for finance to fund their implementation of the Agreement and are concerned about the clarity and predictability of finance flows. Accommodating competing interests around the provision of climate finance will be central to securing agreement on the package of outcomes at COP24.

33. The Paris Agreement focuses on transparency of finance flows to assuage developing country concerns about sufficiency and predictability of support received. Guidelines for accounting for financial resources provided and mobilised through public interventions are under negotiation. The Agreement also expects donors to provide indicative information, as available, on expected climate finance flows, but there are sensitivities about what (and how) such information is to be provided.
34. New Zealand supports the principle of predictability of development assistance (and therefore climate finance) and endeavours to report indicative finance flows at least two years out. While New Zealand can make longer high-level multi-year development assistance commitments, as it did at the Paris COP, in practice our three-year budget and appropriations cycle dictate the structure and timeframes of specific commitments. We are reviewing our reporting and messaging on climate finance to improve transparency and forecasting. \[9(2)(j)\]

**Proposed approach**

I propose New Zealand seeks to preserve our ability to report climate finance in a way that aligns best with our domestic tracking and counting practices. We should support predictability of climate finance and advocate for as much transparency as possible within the limitations of national systems.

of finance for adaptation projects in developing countries. The Fund is more accessible, nimble and better able to finance small-scale projects than other multilateral funds – but needs to be taken beyond the Kyoto Protocol. Parties decided in 2017 that the Fund "shall serve the Paris Agreement", subject to decisions to be taken in 2018, among other things on governance and institutional arrangements and sources of funding.

**Proposed approach**

I propose New Zealand should support the Adaptation Fund serving the Paris Agreement exclusively (after a transition period) and seek practicable financing arrangements including through proceeds from the Agreement’s centralised carbon market mechanism.

**Matters outside the Paris Agreement Work Programme**

Climate finance matters

36. Aside from supporting completion of the finance aspects of the Paris Agreement Work Programme, a demonstration that New Zealand is delivering on its climate finance commitments and intends to continue doing so will be important for the political goodwill necessary to conclude the final package. This messaging will need to be delivered, in particular, at the biennial High-level Ministerial Dialogue on Climate Finance.

37. The Agreement expects the provision and mobilisation of climate finance will scale up beyond previous efforts. A proposed increase to New Zealand’s ODA programme by the Minister of Foreign Affairs is under consideration as part of Budget 2018. The quantum and scope of funding for climate-related support will be clearer once Budget decisions have been taken. Work will then be needed to develop a post-2020 strategy for delivering on New Zealand’s climate finance obligations under the Agreement.

**Proposed approach**

I propose New Zealand should be prepared to join with other donor countries to restate its commitment to the collective goal, agreed at the Paris COP, to mobilise USD 100 billion per year in climate finance by 2020 (until 2025) and support the initiation of a process to agree the Paris Agreement’s 2007 climate finance goal.
Agriculture

38. Agriculture contributes 10 to 12 per cent of global emissions, and forecast population growth means global food demand is expected to increase by 60 per cent by 2050. The Intergovernmental Panel on Climate Change acknowledges keeping global warming below 2°C above pre-industrial levels requires agricultural emissions to level off in coming decades, and then fall below current levels before the end of the century. Limiting the global temperature rise to 1.5°C Celsius would require a steeper fall; especially given global agricultural emissions are projected to increase by 20 to 30 percent by 2030.

39. Agriculture is relevant to a number of areas of the negotiations and a new work stream adopted in 2017 – the Koronivia Joint Work on Agriculture – as well as the Global Research Alliance on Agricultural Greenhouse Gases and other relevant initiatives, will provide opportunities for discussing how agriculture can contribute to the effective implementation of the Paris Agreement. This will support Paris Agreement implementation by providing a platform to promote our interest in encouraging emission reductions from agriculture without compromising food security. Our national economic interest (as one of the few major agricultural exporters that is accountable for its emissions from agriculture) leads us to encourage other countries to take appropriate action in agriculture, as well as to generate trade or export opportunities for New Zealand arising from an early mover advantage.

Proposed approach

I propose New Zealand should use the Koronivia Joint Work on Agriculture, and other opportunities that arise, to encourage other countries to take mitigation action on their agricultural greenhouse gas emissions.

Loss and Damage

40. Responding to permanent loss and damage from the impacts of climate change is a priority for many developing countries, including our Pacific neighbours. In 2013 the UNFCCC established the Warsaw International Mechanism for Loss and Damage (WIM) to address loss and damage to developing countries. The Paris Agreement affirms the WIM as the permanent vehicle for this purpose and further makes clear that the Agreement cannot be used to underpin claims for compensation. A mechanism for compensation would be legally and politically fraught: establishing a causal link with climate change,

3 Paragraph 51, decision 1/CP.21 of the Conference of the Parties to the UNFCCC.
determining responsibility, and apportioning shares for compensation would be impossible.

**Proposed approach**

I propose New Zealand should support the work of the WIM, s6(a), s9(2)(i).

I also propose New Zealand should continue to respond to the threat of loss and damage in the Pacific through the provision of climate-related support, delivered bilaterally and to regional organisations.

**Response Measures Forum**

41. Fossil fuel-based economies have repeatedly called for the burden of their transition to a low-emissions future to be shared. Parties must now determine the functions, modalities and work programme of a forum established to consider the impact of the implementation of response measures (the Forum). The work programme, which is coalescing around themes of just transition and economic diversification, has the potential to produce informative outputs for New Zealand.

**Proposed approach**

I propose New Zealand should seek to maintain a focus on economic diversification and just transition for all countries, s6(a).

**Human rights and Gender**

42. The preamble of the Paris Agreement calls for Parties, when taking action to address climate change, to respect, promote and consider their obligations on, amongst other things, human rights, and the rights of indigenous peoples, local communities, persons with disabilities and people in vulnerable situations, as well as on gender equality and the empowerment of women. To operationalise part of the preamble, a Gender Action Plan was agreed at COP23. Its goal is to support and enhance the implementation of the gender-related decisions and mandates so far adopted in the UNFCCC process through a set of specific activities to be conducted within the next two years.

**Proposed approach**

I propose New Zealand engages constructively with the UNFCCC’s work on gender and seeks outcomes that encourage and facilitate the participation of women in the UNFCCC, including in leadership and decision-making roles within the process.

4 Response measures are the range of actions Parties undertake to reduce their greenhouse gas emissions.
43. In 2015 the UNFCCC established a Local Communities and Indigenous Peoples’ Platform (LCIPP) to facilitate the exchange of experiences of best practices on mitigation and adaptation by local communities and indigenous peoples. Parties’ ambition for the LCIPP varies widely; some are keen to limit its impact due to national sovereignty sensitivities or to preserve the Party-driven intergovernmental nature of the UNFCCC, while others have sought an expansive mandate, including proposals to give local communities and indigenous peoples voting rights in the decision-making process.

44. In light of the relative maturity of the Crown-Maori engagement on climate change policy matters, the Pou Taiao (Natural Resources) Iwi Leaders’ Group has indicated it will prioritise local climate change outcomes, but where possible support the ongoing work of the LCIPP. The Group wholeheartedly supports the establishment of the LCIPP and considers the depth of New Zealand’s experience positions us well to make a constructive contribution. The LCIPP is being developed in an incremental and iterative manner and consultation will continue with all interested Māori groups to ensure New Zealand’s approach best reflects indigenous interests.

Proposed approach

I propose New Zealand should support further operationalisation of the Local Communities and Indigenous Peoples Platform, and advocate for indigenous peoples and local communities to exchange experience, best practice and knowledge, and build their capacity to engage in the UNFCCC process. The Platform should encourage respect for indigenous peoples’ rights and interests in international and national actions, programmes and policies. We should contribute lessons from New Zealand’s experiences as opportunities arise.

Technology Mechanism

45. The Technology Mechanism was established in 2010 in response to developing countries’ concern that finance and capacity limitations prevent them from accessing low-emissions technologies. COP24 will take decisions on the technology framework, established to provide strategic guidance to the mechanism, and on the process for periodic review of the effectiveness of the Technology Mechanism.

Proposed approach

I propose New Zealand supports non-duplicative institutional architecture for the Technology Mechanism that will ensure it can focus on promoting the development and transfer of environmentally sound technologies to developing countries.

COP 24 events
Pre-2020 implementation

46. To help successfully conclude the Paris work programme, developed countries will need to show their commitment to implementing pre-2020 obligations. Developing countries see meeting the US$100 billion 2020 finance goal and ratification of the Doha Amendment to the Kyoto Protocol (to bring into force the Protocol’s second commitment period) as key indicators of developed countries’ good faith in the negotiation.

47. COP24 will see pre-2020 implementation raised in several contexts: The Talanoa Dialogue (see below) will consider collective efforts in the pre-2020 period; a dedicated stocktake will consider, among other things, mitigation efforts and the provision of support by Parties in the pre-2020 period; and, a biennial High-Level Dialogue on Finance will focus on progress toward the US$100 billion goal.

Proposed approach

I propose New Zealand approaches the pre-2020 issues as an opportunity to reiterate our good faith in the process and point to the action being taken to enhance our mitigation and climate finance efforts.

Talanoa Dialogue

48. In Paris, Parties agreed to conduct a dialogue in 2018 to address the acknowledged ‘ambition gap’ between the Agreement’s long-term temperature goals\(^5\) and intended nationally determined contributions. As COP23 President, Fiji sought to cast the Dialogue in an inclusive, positive and neutral light, and officially named it the ‘Talanoa Dialogue’, drawing on the Fijian concept of story-telling. The Talanoa Dialogue will begin by collecting and collating input from Party and non-Party participants. Political engagement at COP24 will bring Ministers together to take stock of collective progress towards the long-term goals of the Paris Agreement. The outcome of the Talanoa Dialogue is expected to inform the (re)communication of NDCs (in 2020).

49. The Dialogue also seeks to support enhanced ambition and implementation of NDCs, including through better communication of domestic action and policy preparedness to achieve emissions reductions. Views differ on the extent to which countries’ individual responses to the Dialogue’s outcome can be prescribed. Vulnerable countries, including some in the Pacific, seek reassurance all Parties will respond by increasing their targets when recomunicating their NDCs in 2020, if not sooner. Others are wary of a focus only on headline numbers (given current signals that very few Parties will be in a position to increase their targets), or are simply unable to contemplate having

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5 Article 2(1)(a) of the Paris Agreement states that the Agreement aims to strengthen the global response to the threat of climate changes, including by, “holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change”.

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to reprise the complex domestic processes that produced their NDC in 2015. The Government’s focus on achieving New Zealand’s NDC primarily through domestic action already represents enhanced ambition and our proposed zero carbon legislation will facilitate more ambitious targets in the long-term. It is important others recognise this effort.

**Proposed approach**

I propose New Zealand seeks to ensure the Talanoa Dialogue results in each Party giving active and genuine consideration to available opportunities to increase the ambition of its contribution to the Agreement, while resisting any overly narrow definition of ambition.

**Long term low emissions development strategies**

**50.** The Paris Agreement calls for Parties to communicate long-term low emissions development strategies, with Parties invited to communicate mid-century strategies by 2020. Some Parties have already communicated strategies, with others also beginning to develop such plans. I consider New Zealand should commence work on a strategy, particularly as the Zero Carbon Bill will introduce a new 2050 emissions reduction target in legislation. To signal a clear pathway toward the target and create a stable policy environment to enable its achievement, articulating how the target will be met is a natural extension of this work-stream.

**Proposed approach**

I propose New Zealand confirms its intention to develop and communicate a long-term low emissions development strategy before 2020.

**Side events**

**51.** At COP 24, a number of events and initiatives outside the formal negotiations provide opportunities to maintain international momentum towards the Paris Agreement’s goal of reducing emissions, and high profile opportunities for New Zealand to demonstrate global leadership.

**Proposed approach**

Following a successful New Zealand-hosted “precision agriculture” event at COP23, I propose New Zealand hosts a agriculture and climate change event at COP24 that demonstrates New Zealand leadership and expertise on agriculture and climate change, encourages New Zealand Agri-business to engage in climate change issues and encourages agricultural mitigation in NDCs. I also propose New Zealand hosts a fossil fuel subsidy reform event, building on our recent work in that area.

6 These include Canada, Germany, Mexico, France, the Czech Republic and Benin.
Next steps

52. The next negotiating session will occur in Bonn, Germany, from 30 April - 10 May 2018. An additional session is likely in the second half of the year prior to COP24. Officials will be guided in these sessions by the mandate Cabinet agrees. The Implementation Guidelines are expected to be adopted at COP24 in December. Decisions taken by the Conference may specify start dates for specific obligations but will apply to New Zealand from the time of adoption without any subsequent domestic approval being required.

53. If the negotiating sessions throughout the year raise any significant policy decisions or proposed trade-offs not covered by the agreed mandate or the delegated authorities proposed below, I will return to Cabinet for further guidance.

54. I will report back to Cabinet following COP24.

Decision Making

55. I propose that Cabinet establish the following delegations of authority:

*Decisions made within Cabinet guidance*

56. Decisions on climate-related financial support for developing countries to be made jointly by the Prime Minister, Minister of Foreign Affairs and Minister for Climate Change.

57. Decisions on all other issues to be made by the Minister for Climate Change and, if appropriate, relevant portfolio minister/s.

*Decisions made outside of Cabinet guidance*

58. Decisions on climate-related financial support for developing countries to be made by Cabinet; or, if not possible e.g. because of fast-moving developments and time constraints, then by the Prime Minister, Minister of Foreign Affairs, Minister of Finance and the Minister for Climate Change.

59. Decisions on other issues to be made by Cabinet; or, if not possible, e.g. because of fast-moving developments and time constraints, then by the Prime Minister, the Minister of Finance, the Minister for Climate Change, and relevant portfolio minister/s.

Consultation

60. The following Departments and Agencies have been consulted in the preparation of this paper and agree with its contents: the Ministry for the Environment, the Ministry for Primary Industries, the Treasury, the Ministry of Transport, the Ministry for Business, Innovation and Employment, the Ministry for Women, Te Puni Kōkiri, the Crown Law Office, and the Department of the Prime Minister and Cabinet (PAG).
61. The Ministry of Foreign Affairs and Trade (MFAT) held public consultations from 14 March to 3 April on New Zealand priorities for the international negotiations. MFAT promoted the consultations via social media and direct engagement with key partners from business, agriculture, environmental NGOs, the Iwi Chairs Forum and the Federation of Māori Authorities. Key priorities from submissions included: strengthened nationally determined contributions, avoiding bifurcated targets and timeframes; efficient carbon markets characterised by a clear international carbon price and well-defined industry exemptions; the inclusion of agriculture in negotiations, with some calling for an equitable balance between reciprocity and vulnerability; and climate finance, through ODA programs and other mechanisms. Most stakeholders, including Māori leaders, strongly supported active participation in the Indigenous Peoples Platform. Suggestions from public submissions are reflected in this paper’s proposals.

Financial implications

62. This paper has no direct financial implications; however the implementation guidelines may have fiscal implications for the Government, by indirectly increasing or decreasing the costs of meeting our climate targets.

Human rights

63. The paper does not create any inconsistencies with the Human Rights Act 1993 and New Zealand Bill of Rights Act 1990.

Legislative implications

64. This paper has no legislative implications. Further advice will be provided if any arise.

Regulatory impact analysis

65. A detailed regulatory impact analysis will be undertaken if any of the guidelines adopted are implemented through primary or secondary legislation.

Gender implications

66. Climate change disproportionately affects women and exacerbates existing gender inequalities. Women play a critical role in the response to climate change, and serve as agents of mitigation and adaptation in promoting sustainable development.

67. The paper proposes that New Zealand engages constructively with the UNFCCC’s work on gender and seeks outcomes that encourage and facilitate the participation of women, particularly in leadership and decision-making roles within the UNFCCC process. Women, especially rural women in developing countries, will directly benefit from ambitious action on climate change mitigation and adaptation. Tangible action on climate change is expected to have positive impacts for women in New Zealand and globally.
Treaty of Waitangi

68. The mandate proposed in this paper is designed to elaborate on the provisions of the Paris Agreement. Māori were consulted during the negotiation of the Agreement itself, and engagement is ongoing to ensure informed decisions are taken in respect of New Zealand’s approach to the negotiation of the technical implementing guidelines on matters that affect Māori interests. The adoption of technical guidelines under the UNFCCC will not foreclose the Crown’s ability to engage with and protect Māori interests in developing and implementing domestic climate change policy.

Proactive release

69. I intend to proactively release this paper, subject to redactions as appropriate under the Official Information Act 1982, on the website of the Ministry of Foreign Affairs and Trade.

Recommendations

70. The Minister of Climate Change recommends that the Committee:

Background

1. Note international negotiations on implementation guidelines to ensure the Paris Agreement on climate change is functional are scheduled to conclude in December 2018;

2. Note none of the decisions sought in this Cabinet paper limit or preclude options or decisions on New Zealand’s domestic policy settings, including those that will be sought in relation to the Zero Carbon Bill and ETS review later this year, but that the final agreed implementation guidelines for the Paris Agreement may impact on options for accounting for post-2030 Nationally Determined Contributions and will inform our preferences for domestic ETS settings;

3. Note the implementation guidelines may have fiscal implications for the Government, by indirectly increasing or decreasing the costs of meeting our climate targets;

Approach to the Negotiations

4. Agree New Zealand should participate actively and constructively in the international negotiations with a view to supporting a credible and robust Paris Agreement with implementation guidelines designed to ensure the environmental integrity of actions taken and reported;

5. Agree New Zealand will resist any guidance that de jure or de facto undermines either the Agreement’s applicability to all countries or its principles (of environmental integrity, progressive ambition, and continuous improvement in transparency);
6. **Agree** New Zealand will advocate for outcomes that support the interests of Pacific Island countries, to the extent possible, where such outcomes are aligned with our national interests;

*Nationally determined contributions*

7. **Note** the nature and level of each Party’s mitigation target is nationally defined and not legally binding, but provisions of the Paris Agreement require each Party to periodically account for its nationally determined contribution in accordance, with reporting guidance and accounting that is transparent, accurate, complete, consistent, comparable, and avoids double counting;

8. **Note** accounting guidance adopted in 2018 will be voluntary for each Party’s first NDC, but it will be mandatory to apply the guidance to second and subsequent NDCs;

9. **Agree** New Zealand will advocate for guidelines on information and accounting for mitigation targets that:
   a. allow each Party to declare and nationally determine its approach to accounting for its nationally determined contribution;
   b. in addition, require each Party to demonstrate how its approach to accounting for its NDC is consistent with promoting environmental integrity, transparency, accuracy, completeness, comparability, consistency and ensuring the avoidance of double counting, as required by the Paris Agreement;
   c. create the conditions that will encourage and incentivise countries to agree and apply robust accounting methodologies to their own mitigation targets in the future; and
   d. maintain New Zealand’s ability to apply its preferred accounting rules for forestry and land-use, as set out in its NDC;

10. **Agree** New Zealand should advocate for:
    a. a common 5-year timeframe for NDCs, in order to facilitate greater synchronisation of national responses to the global stocktake and maintain clear upwards pressure on ambition;
    b. in the event a single common timeframe does not appear achievable, agreement on restricting NDCs to either 5 or 10 years (in preference to complete national determination);
    c. a decision at COP24 recording Parties’ intention to agree on a common timeframe for NDCs by 2023;

*Agriculture*

11. **Agree**, in the Koronivia Joint Work on Agriculture, and in other relevant fora, New Zealand will encourage other countries to take mitigation action on agriculture, including by improving the emissions efficiency of the sector as a transition towards the effective implementation of the Paris Agreement;
Carbon Markets

12. Agree New Zealand will seek guidelines for the use of carbon markets that promote environmental integrity through robust accounting (including the avoidance of double counting) and strong transparency (reporting and review);

Adaptation

13. Agree New Zealand will seek guidelines that allow each Party to nationally determine the content of any adaptation communication it chooses to make and to retain a choice of channel through which that communication is made;

Transparency

14. Agree New Zealand should pursue a robust and efficient transparency framework that applies equally to all Parties, with the exception of developed country reporting on the provision of support to developing countries, and that has in-built flexibility for those developing countries that need it in light of capacity constraints;

Compliance

15. Agree New Zealand will seek to ensure the compliance mechanism is effective, and includes a comprehensive set of triggers for facilitative intervention, balanced by flexibility of the Committee to respond to matters in ways appropriate to the national circumstances of the Party it is dealing with, including on the measures it can apply in cases of non-compliance;

Global Stocktake

16. Agree New Zealand will seek manageable operating modalities for the global stocktakes that effectively direct attention to the Agreement’s long-term goals and retain a focus on collective progress and environmental integrity in implementing the Agreement;

Climate Finance

17. Agree New Zealand will seek an outcome on reporting climate finance that preserves our ability to report climate finance in line with our domestic tracking and counting practices;

18. Agree New Zealand will advocate for as much transparency and predictability of climate finance as possible within the limitations of national systems;

19. Agree New Zealand can join with other donor countries to restate the shared commitment to delivering on the collective goal to mobilise USD 100 billion per year in climate finance until 2025 from a variety of public and private sources in the context of meaningful mitigation action and transparent implementation by developing countries;

Adaptation Fund

20. Agree New Zealand will seek an outcome that allows for the Adaptation Fund to serve the Paris Agreement exclusively (after a transition period during which it will also continue to serve the Kyoto Protocol);
**Loss and Damage**

21. **Agree** New Zealand will support the work of the Warsaw International Mechanism on Loss and Damage in fulfilling its objective to address loss and damage in developing countries, but resist efforts to pursue development of compensation mechanisms;

**Response Measures**

22. **Agree** New Zealand will seek to maintain a focus of discussion on economic diversification and a just transition for all countries, s6(a)

**Human Rights and Gender**

23. **Agree** New Zealand will support calls for Parties, when taking action to address climate change, to respect, promote and consider their obligations on, amongst other things, human rights, and the rights of indigenous peoples, local communities, persons with disabilities and people in vulnerable situations, as well as on gender equality and the empowerment of women;

24. **Agree** New Zealand will seek an outcome that encourages and facilitates the participation of women in the UNFCCC, including in leadership and decision-making roles within the process;

**Local Communities and Indigenous Peoples Platform**

25. **Agree** New Zealand will support further operationalisation of the Local Communities and Indigenous Peoples Platform and advocate for an outcome that enables indigenous peoples and local communities to exchange experience, best practice and knowledge, builds their capacity to engage in the UNFCCC process, and encourages respect for their rights and interests in international and national actions, programmes and policies;

**Technology Mechanism**

26. **Agree** New Zealand will support development of non-duplicative institutional architecture to maximise the effectiveness of the UNFCCC Technology Mechanism, focused on promoting and enhancing the development and transfer of environmentally sound technologies to developing countries;

**COP24**

27. **Agree** New Zealand will participate actively in the Talanoa Dialogue and will seek to ensure it encourages all Parties to consider available opportunities to increase the ambition of their NDCs (including through full and effective implementation) without prescribing how they should do so;

28. **Agree** at COP24 New Zealand will confirm its intention to develop and communicate a long-term low emissions development strategy by 2020;

29. **Note** that New Zealand will seek to convene an agriculture and climate change event at COP24 to demonstrate New Zealand's leadership and expertise in
agriculture and climate change, and will also look to host an event on fossil fuel subsidy reform;

Delegations

Within bounds of Cabinet guidance

30. Authorise the Prime Minister, Minister of Foreign Affairs and Minister for Climate Change to take together any final decisions, consistent with Cabinet’s decisions, on climate-related financial support for developing countries;

31. Authorise the Minister for Climate Change and, where appropriate, relevant portfolio Minister/s to take any final decisions on other issues in the negotiations;

Outside bounds of Cabinet Guidance

32. Note that, should the negotiations move outside the bounds of existing Cabinet decisions, any final decisions with regards to New Zealand’s international climate change position would, where possible, be considered by Cabinet;

33. Note that where there are fast-moving developments in the negotiations and time constraints, it may not be possible to convene Cabinet to take final decisions;

34. Authorise, in such situations, the Prime Minister, Minister of Foreign Affairs, Minister of Finance and the Minister for Climate Change to take together any final decision on climate-related financial support for developing countries;

35. Authorise, in such situations, the Prime Minister, the Minister of Finance, the Minister for Climate Change, and relevant portfolio Minister/s, to take together any final decisions on other issues in the negotiations;

Next steps

36. Note that the guidelines will take immediate effect for Parties to the Paris Agreement following their adoption with no separate domestic approval process required;

37. Note that a separate Cabinet paper seeking agreement on the overarching objectives for New Zealand’s climate change policy is currently being developed;

38. Note that the Minister for Climate Change may return to Cabinet for additional guidance on the negotiation mandate before COP 24, if warranted in light of developments in the interim, and will report back to Cabinet on the outcomes of COP 24; and

39. Note that the Minister for Climate Change intends to proactively release this paper, subject to redactions as appropriate under the Official Information Act 1982, on the website of the Ministry of Foreign Affairs and Trade.