

Proactive Release

Date: 23 February 2022

The following Cabinet paper and related Cabinet minute have been proactively released by the Minister of Climate Change

Title	Reference
Report on Overseas Travel: Hon James Shaw	Cabinet Paper
Minute of Decision	CAB-21-MIN-0522

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the OIA). Where this is the case, the relevant sections of the OIA that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to OIA redaction codes:

- 6(a): to avoid prejudicing the security or defence of New Zealand or the international relations of the New Zealand Government;
- 6(b)(i): to protect the passing of information from another government on a confidential basis; and
- 9(2)(f)(iv): to protect the confidentiality of advice tendered by Ministers of the Crown and officials.

In Confidence

Office of the Minister for Climate Change

Chair, Cabinet

Report on Overseas Travel: Hon James Shaw

I recommend that Cabinet note this report on my travel to Glasgow, United Kingdom from 7 to 13 November 2021, for the 26th Conference of the Parties (COP26) to the United Nations Framework Convention on Climate Change (UNFCCC).

Report

1. In seeking approval to travel to COP26 [CAB-21-SUB-0376], I described Aotearoa New Zealand's main objectives as:
 - 1.1 conclude negotiations on outstanding items of the Paris Agreement, specifically rules for carbon markets that ensure environmental integrity and a transparency system that supports ambition and holds Parties to account;
 - 1.2 support developed countries to restore confidence in the climate finance process; and
 - 1.3 stand with the Pacific to amplify the voices and priorities of our region.
- 2 This paper seeks to report back against these objectives. It also offers some broader observations, and implications for future New Zealand engagement.
- 3 Overall COP26, and its final negotiated 'cover text,' known as the Glasgow Climate Pact, did move the dial on climate change. In Paris, parties agreed to seek to limit warming to well below 2C, and preferably to 1.5C. In Glasgow, it was notable how few Parties were still talking about 2C. 1.5C is becoming the de-facto goal. This is a success for Pacific countries who argued so hard for 1.5C at Paris, and who will be some of the most affected by climate change.
- 4 Parties, including Aotearoa New Zealand, brought more ambitious Nationally Determined Contributions (NDCs) to Paris. Some also brought new longer term 'net zero goals',^{56(a)} Taken together, the International Energy Agency assesses that the short and long term commitments could keep warming to 1.8C by 2100, if fully implemented. Other assessments were more downbeat, demonstrating that there is still more work to be done.
- 5 Some major coal producing and consuming countries made a successful eleventh-hour effort to water down language on coal. The text now talks about a 'phase down' instead of 'phase out'. Nevertheless, this is the first time coal has

been mentioned in a COP decision. It provides a basis to work from at future COPs.

- 6 Encouragingly, China and the United States, which are the world's two largest emitters, also made a significant announcement on working together against climate change.
- 7 In terms of Aotearoa New Zealand's specific objectives:
 - 7.1 COP26 was successful in concluding the Paris Agreement rulebook. The carbon market agreement is of relatively high quality.
 - 7.2 New Zealand's increased climate finance commitment was well received, including by the Pacific country representatives I spoke to. The US\$100bn per year of climate finance target is expected to be reached in the next two years. This will go some, though not the whole, way to easing developing country concerns in the credibility of the Paris Agreement.
 - 7.3 New Zealand provided financial support for the Moana Blue Pacific office at COP26, a space shared with New Zealand, and for a programme of Pacific-themed events. I also hosted a roundtable with Pacific representatives. The Pacific was less well represented this year due to COVID travel limitations, but those who attended were effective advocates for small island developing states.
 - 7.4 A key concern for Pacific countries was the establishment of a separate financial mechanism to respond to loss and damage caused by climate change. In the end, COP26 only agreed a process to consider working towards such a mechanism. Small islands states made clear at the closing plenary that this outcome was unsatisfactory and that they will not accept a similar outcome next year.

My engagement

- 8 I was asked to take a formal role in negotiations, by co-facilitating the ministerial engagement in the transparency workstream, alongside Minister Sir Molwyn Joseph of Antigua and Barbuda. At a technical level the workstream was co-led by New Zealand's Helen Plume, a longstanding expert in the field. As part of my contribution to the workstream, I undertook a series of meetings with countries and country groupings, aimed at identifying areas of agreement and disagreement that could be then negotiated through.
- 9 Often described as 'the backbone of the Paris Agreement', transparency is about how Parties will deliver greenhouse gas inventories and report to each other on progress towards their NDCs. Expectations were low going into the negotiations, with some countries working hard to reduce transparency. Nevertheless, negotiations successfully wrapped up a day early.
- 10 In addition to my facilitating role, I undertook a range of bilateral meetings, including with the UK, the EU, China, Canada, Ireland, Costa Rica, Fiji, and

Tuvalu. These primarily focused on the negotiating dynamics at COP, however some also identified opportunities to work more closely with other countries.^{s6(a), s6(b)(i)}

^{s6(a), s6(b)(i)}

I signed an in-principle agreement with Quebec and California that will allow for closer work together in future to reduce emissions.

- 11 I spoke at events on the importance of climate related financial disclosures, and on the value of the Agreement in Climate Change, Trade and Sustainability. I gave a number of media interviews.
- 12 I also met with members of the wider New Zealand delegation, which was smaller this year than normal. Nevertheless, it is clear that the business delegates find COP to be highly valuable to learn about best practice, network and identify market development opportunities. COP is essentially the world's biggest trade fair for the corporate sustainability sector. In my view there would be some value in exploring more structured attendance by New Zealand businesses, including potentially a New Zealand corporate pavilion.

^{s9(2)(f)(iv)}

Proactive release

- 13 I propose to release this paper proactively as per Cabinet Office Circular CO (18) 4, on the Ministry of Foreign Affairs and Trade's website. Proactive release will be subject to redaction as appropriate under the Official Information Act 1982.

Recommendation

I recommend that Cabinet note this report.

Authorised for lodgement

Hon. James Shaw

Minister of Climate Change



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Report on Overseas Travel: Hon James Shaw

Portfolio

Climate Change

On 13 December 2021, Cabinet **noted** the report from Hon James Shaw under CAB-21-SUB-0522 on his travel, from 6 to 16 November 2021, to Glasgow, Scotland, to attend the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26).

Michael Webster
Secretary of the Cabinet