

Office of the Minister for Climate Change

Chair Cabinet Business Committee (CBC)

Update to the Climate Change Negotiations Mandate

Proposal

- 1 I seek endorsement of the existing climate change negotiations mandate, approved by Cabinet in August 2019, ahead of the next Conference of Parties (COP26) to the United Nations Framework Convention on Climate Change (UNFCCC) in Glasgow (31 October-12 November 2021).

Relation to government priorities

- 2 Aotearoa New Zealand and our Pacific neighbours rely on an effective global response to climate change. Our ability to influence the global response, limit the temperature increase to 1.5 degrees and reduce the worst impacts of climate change is based upon both a strong rules-based multilateral system and all countries taking ambitious action. Alongside working for a robust and effective multilateral response through UNFCCC negotiations, New Zealand is currently facing a number of decisions (on climate finance and New Zealand's Nationally Determined Contribution) that give effect to its ambitions for climate leadership.

Executive Summary

- 3 New Zealand's engagement in the inter-governmental process that underpins the global response to climate change is guided by a negotiations mandate agreed to by Cabinet in August 2019, ahead of COP25 in Madrid (2-13 December 2019).
- 4 The annex in this paper sets out our existing negotiations mandate, approved by Cabinet in 2019 ahead of COP25. At that time, the negotiations mandate was updated from an earlier version, and it set out (1) general principles for engagement in the UNFCCC and a proposed mandate on five new issues: loss and damage, oceans, international carbon markets, the future of the Kyoto Protocol and metrics to calculate the carbon dioxide equivalence of greenhouse gases; and (2) elements of the earlier negotiation mandate that still remained valid and applicable. The existing negotiations mandate comprises the recommendations on each of these elements as contained in the minute of the Cabinet decision [CAB-19-MIN-0430 refers].
- 5 Officials have sought views from iwi and stakeholders on the outcomes New Zealand should promote in the negotiating process. Twenty-one submissions were received and these were broadly supportive of New Zealand's existing negotiations mandate. Stakeholders' substantive commentary focused on:
 - 5.1 the transparency framework and the use of metrics;
 - 5.2 climate finance, and in particular enhanced finance for adaptation and loss and damage;

- 5.3 securing credible and robust carbon markets;
 - 5.4 agriculture; and
 - 5.5 the impacts of climate change on gender, human rights, indigeneity, and other cross-cutting issues such as international trade.
- 6 More granular feedback received from some stakeholders indicated interest in a number of policy issues that either do not directly relate to the international negotiations themselves (such as New Zealand's Nationally Determined Contribution and provision of climate finance through our aid programme) or are domestically-focused (such as domestic carbon pricing, emissions trading, and sectoral-specific emissions reductions).
 - 7 Taking account of the key issues up for negotiation at COP26 and the submissions received from the public, I assess that the international climate change negotiations mandate approved in 2019 remains fit for purpose for COP26.
 - 8 As such, I seek Cabinet's endorsement of the existing mandate to confirm it remains aligned with the Government's priorities in the international climate change negotiations.

Background

- 9 The UNFCCC (and Kyoto Protocol and Paris Agreement) together set out the multilateral response to climate change. Decisions made by the governing bodies of these treaties, under the auspices of the UNFCCC, impact both New Zealand's and the global response to climate change.
- 10 The 'Paris Rulebook', the guidelines necessary to operationalise the Paris Agreement, has substantially been agreed on. Some aspects of the rules are yet to be finalised, however. Being a Party to the UNFCCC, the Kyoto Protocol and the Paris Agreement also involves New Zealand in ongoing decision making on a range of implementation and governance issues.
- 11 The climate change negotiation mandate sets out guidance for New Zealand's participation in the process, including the negotiation of the residual issues in the Paris Rulebook. It determines what New Zealand will advocate for, or resist, on specific issues; and/or the acceptable ranges for negotiators to work within. The existing negotiations mandate was approved by Cabinet in August 2019 [CAB-19-MIN-0430 refers].
- 12 Cabinet reconfirmation of the positions and approach New Zealand will take is important because:
 - 12.1 decisions taken affect New Zealand's national interests;
 - 12.2 some topics are of particular importance to segments of the New Zealand public;
 - 12.3 New Zealand's conduct will be subject to stakeholder and media scrutiny; and

- 12.4 the company we keep, and support we can give (or not) to like-minded countries, can impact on our relationships with other countries.
- 13 As a Treaty partner, in authorising the positions New Zealand takes, the Government also needs to be informed about the rights and significant interests of Māori as indigenous people regarding climate change and how the proposed positions will impact Maori interests. Engagement with Māori is ongoing, including in relation to current UNFCCC issues, to ensure that New Zealand's approach to the negotiations is informed by a proper understanding of matters that affect Māori interests. Officials will continue to strive to ensure our engagement process has integrity and value for Māori and is regular, consistent and deliberate.

Analysis

General principles of the negotiations mandate

- 14 The 2019 negotiations mandate includes overarching principles that provide general guidance on New Zealand's approach. I assess that these principles continue to reflect New Zealand's broader priorities at the climate change negotiations. The general principles are that:
- 14.1 New Zealand will advocate for Parties to the Paris Agreement and other entities to align their climate action with the objective of limiting temperature increase to 1.5 degrees Celsius above pre-industrial levels;
 - 14.2 New Zealand will participate actively and constructively in the negotiations to support the credibility and robustness of the Paris Agreement and its implementation;
 - 14.3 New Zealand will resist any development in the implementation of the Paris Agreement that undermines either the Agreement's applicability to all countries or its principles of environmental integrity, progressive ambition, and continuous improvement in transparency;
 - 14.4 New Zealand will advocate for outcomes that support the interests of Pacific Island countries, to the extent possible, in ways consistent with New Zealand's national interest;
 - 14.5 New Zealand will seek effective and efficient outcomes, including avoiding duplication of existing multilateral processes;
 - 14.6 New Zealand will seek outcomes that are consistent with the letter and spirit of the Paris Agreement and associated decisions by Parties to the Agreement.
- 15 I foresee the following headline issues culminating in decisions at COP26: finance; loss and damage; transparency; and international carbon markets. On each of these issues we have specific guidance in addition to the general principles of the mandate.

Finance

- 16 In addition to a number of governance issues relating to finance bodies, deliberations on a new collective quantified goal on climate finance for the post-2025 period will

begin at COP26. The existing mandate provides that New Zealand will participate in these deliberations and advocate that the new goal be contributed to by all Parties in a position to do so (currently only developed have an obligation to provide climate finance).

Loss and damage

- 17 The discussions on loss and damage (i.e. how we respond to permanent loss and damage from climate change in developing countries) will likely focus on the operationalisation of the Santiago Network, a network designed to help connect vulnerable developing countries with providers of technical assistance, knowledge, and resources to help them avert, minimise and address loss and damage. There remains debate on what exactly the Network will do: whether it will provide its technical assistance directly (which will need financing), or, alternatively, only link up developing countries with other agencies already doing the work on the ground and create better coherence amongst these agencies' work.
- 18 The general principles of the negotiations mandate set out that New Zealand will: seek effective and efficient outcomes; advocate for outcomes that support the interests of Pacific Island countries, to the extent possible, in ways consistent with New Zealand's national interest; and continue work to respond to the threat of climate change, particularly in the Pacific, including through the provision of climate-related support, delivered bilaterally and through regional or multilateral mechanisms.
- 19 In line with this mandate, New Zealand will be clear we recognise the importance of support for addressing loss and damage for developing countries and will advocate for an outcome on the Santiago Network that strengthens the efforts of international agencies already providing humanitarian support and technical assistance, including New Zealand's own bilateral support in the Pacific to respond to the threat of climate change, without duplication.
- 20 It is likely that calls for finance for loss and damage will continue to grow stronger at COP26, not only within the Santiago Network and discussions on the Warsaw International Mechanism on Loss and Damage, but also within the deliberations on the next collective quantified finance goal and other finance agenda items. This was also a common theme that emerged from the public consultation process.^{s9(2)(j)}

Transparency

- 21 To ensure the transparency framework will become fully operational, a decision is expected to be taken at COP26 covering: common reporting tables for greenhouse gas inventories; common tabular formats for reporting on progress towards achievement of nationally determined contributions and for reporting on support provided or received (as applicable); outlines of the biennial transparency report, national inventory document and the technical expert review report; and a training programme for technical experts participating in the technical expert review.

- 22 The existing negotiations mandate for transparency sets out that New Zealand should seek to maintain a robust and efficient transparency framework, and that, as a general principle, New Zealand will resist any development in implementation of the Paris Agreement that undermines either the Agreement's applicability to all countries or its principles of environmental integrity, progressive ambition, and continuous improvement in transparency.
- 23 New Zealand may need to intensify its efforts towards maintaining a robust and efficient transparency framework. I assess that the existing negotiations mandate for transparency provides sufficient coverage for this approach.

International carbon markets

- 24 The negotiations on rules relating to international carbon markets (i.e. how countries cooperate to reduce emissions with environmental integrity) are at a mature stage. However, reaching a conclusion will require acceptance of 'middle-ground' solutions; particularly between Parties' different appetites for transitioning previous settings (under the Kyoto Protocol) versus new settings aligned to the long-term vision set out in the Paris Agreement. Some of these 'landing zones' will likely emerge around proposals to:
 - 24.1 secure a source of adaptation finance from carbon market cooperation outside of the Article 6.4 centralised market mechanism (where adaptation finance has been previously agreed);
 - 24.2 transition some Kyoto Protocol units, and some Clean Development Mechanism (CDM) (a carbon market mechanism under the Kyoto Protocol) projects; and
 - 24.3 exempt some carbon market transfers (under the Article 6.4 centralised market mechanism) from requirements for robust accounting for a period of time.
- 25 With respect to adaptation finance, the existing mandate requires that New Zealand seeks "share of proceeds" (a particular adaptation financing mechanism) requirements that apply exclusively to Article 6.4. It is likely adaptation financing requirements applicable to carbon market cooperation outside of the Article 6.4 centralised mechanism will be differentiated from Article 6.4, either through different terminology and methodologies, or by being made voluntary.
- 26 With respect to transitioning units, the existing mandate requires that New Zealand will advocate for rules that do not recognise use of pre-2020 units. New Zealand has done so and will continue to do so, but I consider it likely that in a final compromise some Kyoto Protocol units (CERs) may be accepted for use under the Paris Agreement.^{s9(2)(j)}

Additionally, some existing CDM projects may ultimately be able to be 'brought across' into the Article 6.4 mechanism.
- 27 With respect to accounting, the existing mandate also provides New Zealand flexibility to seek rules that restrict or require accounting for transfers of mitigation sourced from outside NDCs, to address the attempts to use this avenue to double count emission reductions. While pushing for no double counting, the mandate would allow New Zealand to agree to a landing zone of a defined initial period for which the

corresponding adjustment rules do not apply to transfers of mitigation sourced from outside NDCs under the auspices of the Article 6.4 mechanism.

- 28 I assess New Zealand can seek effective and efficient outcomes on these matters within the bounds of the general principles of the existing mandate, and for this purpose engage constructively in these negotiations to maximise the environmental integrity of carbon markets to the extent possible.

Agriculture

- 29 At COP26, a decision will be made on the future of the Koronivia Joint Work on Agriculture, a programme of work established at COP23 to advance discussions on agriculture in the UNFCCC. New Zealand's position remains to maintain a platform from which Parties can encourage emissions reductions and promote discussion on agriculture and climate change.

Other issues

- 30 Other agenda items include: facilitation of implementation and compliance; global stocktake of international emissions reductions; nationally determined contributions; oceans; response measures; the technology mechanism; human rights; gender; and local communities and indigenous people. I assess the existing mandate sufficiently covers our anticipated engagement on these matters at COP26.

Financial Implications

- 31 Nil.

Legislative Implications

- 32 There are no legislative implications arising from this paper.

Impact Analysis

- 33 A detailed impact analysis will be conducted if any of the outcomes of the international climate change negotiations require legislation.

Treaty of Waitangi obligations

- 34 The proposals in this paper focus on seeking outcomes that facilitate te ao Māori perspectives in their implementation. These should better enable Māori to practise their roles as Kaitiaki. They should also recognise the importance of the natural environment and the resource-based economy to indigenous peoples and the important role indigenous peoples and their traditional knowledge (in New Zealand's case, mātauranga Māori) play in the response to climate change. Māori were consulted during the negotiation of the Paris Agreement itself, and in relation to the negotiation of implementation guidelines.
- 35 The UNFCCC agenda includes the Local Communities and Indigenous Peoples Platform. Māori were consulted on previous negotiation mandates relating to establishment of this Platform, and at the time emphasised the importance of indigenous peoples having the opportunity to be heard on climate change matters. The modalities for the Platform ensure this.

Human Rights

- 36 The proposals in this paper are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.
- 37 This paper seeks a mandate to advocate for Parties, when taking action to address climate change, to respect, promote and consider their obligations regarding, 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.
- 38 This paper seeks a mandate to encourage and facilitate the participation of women in the UNFCCC, including in leadership and decision-making roles. This reflects the fact that climate change disproportionately affects women in a manner that exacerbates gender inequalities.

Consultation

- 39 In drafting this paper the following agencies were consulted: the Ministry for the Environment, the Ministry of Primary Industries, the Ministry of Transport, Te Puni Kōkiri, Ministry of Defence, and the Treasury. The Department of the Prime Minister and Cabinet was informed.
- 40 The Ministry of Foreign Affairs and Trade sought views from iwi and business, science and environmental non-government organisations on what New Zealand should be pursuing in the upcoming UNFCCC negotiations. Responses were received by 21 organisations.
- 41 Most responses noted the need for urgent action on climate change. Other common themes that emerged included:
- 41.1 securing credible and robust international carbon markets that promote environmental integrity and uphold human rights, to help manage the economic impacts of domestic climate change policies;
 - 41.2 supporting an efficient and robust transparency framework to allow concerted, verifiable international action;
 - 41.3 having consistent and clear global standards that guide the measurement of greenhouse gas emissions, including by pursuing scientific and technical discussions on metrics for tracking greenhouse gas emissions;
 - 41.4 improving emissions efficiency of agricultural production, and ensuring any principles and approaches related to this account for different global farming systems;
 - 41.5 scaling up global finance to meet the \$100 billion goal, and more specifically, increase grant-based finance for adaptation as well as a dedicated loss and damage fund, for least-developed countries and small island developing states; and

- 41.6 strengthening the links between climate action and: human rights, including the rights of indigenous peoples and persons with disabilities; gender; health; and security, as well on cross cutting issues such as international trade.
- 42 Several responses included more granular recommendations that related mainly to climate policy issues that either do not directly relate to the international negotiations themselves (such as New Zealand's Nationally Determined Contribution and climate finance commitment) or are domestically-focused (such as domestic carbon pricing, emissions trading, and sectoral-specific emissions reductions). These do not directly impact the negotiations mandate.

Communications

- 43 No publicity of this paper is planned.

Proactive Release

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

Recommendations

- 1 **Note** the importance of a global response to climate change and New Zealand's commitment to effective multilateral action to address climate change;
- 2 **Note** the issues up for negotiation at COP26 are broadly covered by the existing negotiations mandate, approved by Cabinet in 2019;
- 3 **Note** the feedback received from stakeholders through a public consultation process was broadly supportive of the principles set out in the existing negotiations mandate;
- 4 **Agree** the existing negotiations mandate remains fit for purpose, and as such will continue to serve as a basis for which New Zealand will engage at the upcoming international climate change negotiations;
- 5 **Note** this Cabinet paper and appendices will be proactively released, subject to redactions as appropriate under the Official Information Act 1982, on the website of the Ministry of Foreign Affairs and Trade.

Authorised for lodgement

Hon James Shaw

Minister for 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.

Additional Item: COP26: Proposed New Zealand Announcements

Portfolio **Climate Change**

On 1 November 2021, Cabinet:

- 1 **noted** that it is proposed that New Zealand make a series of announcements and sign up to a number of initiatives and statements during the United Nations Framework Convention on Climate Change 26th Conference of the Parties (COP26) in Glasgow from 31 October – 12 November 2021;
- 2 **noted** that the proposed New Zealand announcements have been referred to relevant portfolio Ministers for agreement;
- 3 **authorised** the Prime Minister, the Minister of Foreign Affairs, the Minister of Energy and Resources and the Minister of Climate Change to take decisions on whether New Zealand support the proposed Declaration on Supporting the Conditions for a Just Transition Internationally.

Michael Webster
Secretary of the Cabinet



Cabinet Business Committee

Minute of Decision

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Update to the Climate Change Negotiations Mandate

Portfolio **Climate Change**

On 6 October 2021, the Cabinet Business Committee:

- 1 **noted** the importance of a global response to climate change and New Zealand's commitment to effective multilateral action to address climate change;
- 2 **noted** that in August 2019, Cabinet approved the mandate for New Zealand's participation in climate change negotiations ahead of the 2019 Conference of Parties (COP25) to the United Nations Framework Convention on Climate Change (UNFCCC) [CAB-19-MIN-0430];
- 3 **noted** that the issues up for negotiation at the next Conference of Parties (COP26) to the UNFCCC are broadly covered by the existing negotiations mandate referred to in paragraph 2 above;
- 4 **noted** that the feedback received from stakeholders through a public consultation process was broadly supportive of the principles set out in the existing negotiations mandate;
- 5 **agreed** that the existing negotiations mandate remains fit for purpose, and as such will continue to serve as a basis for which New Zealand will engage at the upcoming international climate change negotiations (COP26).

Jenny Vickers
Committee Secretary

Present:

Rt Hon Jacinda Ardern (Chair)
Hon Grant Robertson
Hon Kelvin Davis
Hon Dr Megan Woods
Hon Chris Hipkins
Hon Carmel Sepuloni
Hon Andrew Little
Hon David Parker
Hon Nanaia Mahuta
Hon Poto Williams
Hon Kris Faafoi
Hon Jan Tinetti
Hon James Shaw

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet

An aerial photograph of a coastal region. A large, dark bay or inlet is visible on the left side, with a sandy beach at the top. The surrounding land is green and hilly. On the right side, there is a prominent circular geological formation, possibly a crater or a large sinkhole, with concentric rings and a central depression. The overall scene is a mix of natural landscape and coastal features.

COP26

CMP 16, CMA 3, SBSTA 52-55, SBI 52-55

NON-OFFICIALS' BRIEF

Glasgow, United Kingdom

31 October – 12 November 2021

Contents

Contents	1
Delegation responsibilities	2
Overview	4
Loss and damage	6
Article 6	8
Local Communities and Indigenous Peoples	10
Gender and climate change	12
Multilateral Assessments and Facilitative Sharing of Views	14
Task Force on Climate-related Financial Disclosures Side Event	15
Agreement on Climate Change, Trade and Sustainability (ACCTS) Side Event	Error! Bookmark not defined.
Towards Sustainable Livestock Side Event	Error! Bookmark not defined.
IPCC's Sixth Assessment Report: Working Group I	16
Ambition	Error! Bookmark not defined.
Oceans (including Oceans Dialogue)	20
Domestic policy update	22
Fossil Fuel Subsidy Reform	23
Climate finance	25
Just Transition	26
Adaptation	28
Pacific climate change priorities	29
Agriculture	30
Forests and land-use	Error! Bookmark not defined.
Nature-based solutions to climate change	Error! Bookmark not defined.
Human rights and climate change	36
ANNEX	40
Useful links	47
New Zealand's emissions profile	48

Delegation responsibilities

Name/Affiliation	Responsibility
Kay Harrison MFAT	Alternate Head of Delegation Climate Change Ambassador
Peter Shackleton MFAT	Private Secretary to the Minister of Climate Change
Tiana Carter MFAT	COP26 Coordinator, Local Communities and Indigenous Peoples Platform (LCIPP), Human Rights and Gender, national statements, formal reporting, Māori liaison.
Todd Croad MFAT	Acting Lead on Article 6 (1/CP26), Mitigation, Ministerial Roundtable on Ambition, Business liaison.
Garrett Hulse MFAT	Finance
Toby Fisher MFAT	Legal Adviser, Loss and Damage (including Warsaw International Mechanism), Oceans, International Maritime Organisation, International Civil Aviation Organisation, Amendments to the convention, Kyoto Protocol, Compliance, Special circumstances, Administrative matters.
Emma Dowsett MFAT	Adequacy of the Long-Term Goal (LTG), Periodic Review, Common Timeframes, Global Stocktake, Pacific delegation liaison.
Laura Young MFAT	Adaptation, Adaptation Fund, National Adaptation Plans (NAP), Ministerial programme
Rose Burrowes MFAT	Response measures, technology, capacity building.
Laura Crone MFAT	HSW manager, office manager and SPREP liaison.
Chris Carson MPI	Agriculture (Koronivia) lead, Forestry
Helen Plume MfE	Enhanced Transparency Framework, Reporting, Methodological Issues, Technical Reviews
Emily Mathias MfE	Art. 6 Paris Agreement (carbon markets), Kyoto Protocol mechanisms (Joint Implementation and the Clean Development Mechanism), Multilateral Assessments, Facilitative Sharing of Views
Jacqueline Ruesga MfE	Art. 6 Paris Agreement (carbon markets)
Penehuro Lefale Government of Tokelau	Tokelau representative, WIM Ex Com member, Research and Systematic Observation

NON-OFFICIALS	
Craig Weise	CE, Green Investment Finance Ltd
David Woods	Deputy Chair, Green Investment Finance Ltd
David Benattar	Chief Sustainability Officer, The Warehouse Group Ltd
Alison Cole	National Iwi Chairs Forum's Climate Change Iwi Leaders Group nomination
Kera Sherwood-O'Regan	National Iwi Chairs Forum's Climate Change Iwi Leaders Group nomination
Andrea Blair	President, International Geothermal Association
Mark Casey	General Manager of Trade and Strategy and Stakeholder Affairs for Europe, Middle East and Africa, Fonterra Ltd
Dave Rouse	CEO, CarbonClick
Alex Gowen	Regional Manager for UK and Europe, Beef + Lamb NZ

Overview

1. One year on from its decision to postpone COP26 last year due to COVID-19, the UK has remained remarkably resolute that this year's conference would take place in person in Glasgow, despite persistent questions about the viability of doing so. This reflects the enormous importance that the UK Government is attaching to the UK's successful hosting of COP26, including as a response to what the UK sees as a major strategic challenge. The UK's landmark Integrated Review of Security, Defence, Development and Foreign Policy describes tackling climate change and biodiversity loss as the UK's "foremost international priority" for the decade ahead.

2. The UK has ambitious plans for the 30,000-strong conference – the largest logistical exercise globally after the Olympics. Grounded by four "pillars" (mitigation, adaptation, finance and collaboration) the UK's headline priority for the COP is to address the glaring gaps that have emerged across ambition, finance, and adaptation in order to keep the 1.5 degree temperature goal "alive".

Key issues dominating COP26

3. As the main multilateral forum for global climate action, COP26 is both a landing point for action and the critical judgment moment for whether countries are serious about meeting the goals of the Paris Agreement. It is the first test of the Agreement's ambition cycle implementation mechanism as the COP before which updated NDCs and Long Term Low Emissions Development Strategies were due. It will attract high public attention and set views on the credibility of international climate action for years.

Closing the gaps

4. A key question is what Parties will do at the COP in response to a collective failure to deliver sufficient commitments on mitigation ambition and/or climate finance. The recent IPCC AR6 WGI report has reinforced the urgency of action to halve global emissions by 2030 to keep the 1.5 degree Celsius temperature limit within reach. Its findings starkly emphasise the inadequacy of efforts on adaptation, resilience and loss and damage to date, all of which remains underfunded.

The \$100 billion goal

5. To restore trust in the multilateral process, and ensure progress in other areas of the negotiations, donor are seeking to demonstrate that the US\$100 billion climate finance commitment will be met, and as soon as possible, and how this will be achieved.

Article 6

Rules for operation of carbon markets (Article 6) remain to be concluded at COP26 for the full operationalisation of the Paris Agreement.

At COP26, New Zealand will seek to:

- Demonstrate New Zealand's full commitment to the Paris Agreement, specifically by arriving at the COP with an updated *Nationally Determined Contribution and Long*

Term Low Emissions Development Strategy, and telling the story about their alignment with New Zealand's low emissions transition and the 1.5 degree temperature increase limit. A New Zealand-led side event on Climate Risk Disclosure will enable our experience to be shared.

- *Finalise the Paris Rulebook*, including by securing an outcome on carbon markets (Art. 6) that ensures the environmental integrity of the Paris Agreement, as well as on the Transparency Reporting Tables that preserves the commonality of the reporting system.
- Advocate for outcomes that *support the interests of Pacific Island countries*, including by playing a bridge-building role between Pacific Island countries and donors on matters relating to loss and damage and finance, as well as supporting Pacific Island countries to secure continued UNFCCC attention to the oceans/climate nexus.
- Support donors' demonstration of genuine commitment to meeting the current *long term climate finance goal*, including through: communicating an updated New Zealand climate finance pledge; seeking enhanced transparency of climate finance reporting; endorsing the delivery plan for the US\$100 billion curated by donors; and contributing to the initiation of deliberations on the next climate finance goal.
- Encourage other countries to take mitigation action on *agriculture*, including by ensuring the Koronivia Joint Work on Agriculture continues, and attention to agricultural mitigation is in scope unequivocally.
- Demonstrate value of *trade in supporting climate action* by advocating for mutually-supportive trade responses to the climate crisis through bilateral discussions, leading a side event on the *Agreement on Climate Change, Trade and Sustainability (ACCTS)*, and highlighting New Zealand's leadership at the nexus of trade and environmental policy as opportunities arise.
- Ensure the *Moana Blue Pacific* spaces, funded by the New Zealand Aid Programme and managed by the Secretariat of the Pacific Regional Environment Programme (SPREP), successfully provide a hub for coordination and collaboration by Pacific delegations and a series of events to raise the profile of issues important to the Pacific.

Loss and damage

- Most countries are suffering loss and damage as a result of the impacts of climate change, including many of our neighbouring countries in the Pacific, which are particularly vulnerable.
- New Zealand strongly supports the Warsaw International Mechanism as a key global apparatus for helping Pacific Island countries address their challenges, and we continue to support the work of the Warsaw Mechanism in fulfilling its mandate. We have taken a seat on the WIM Ex Com to do what we can to support work that benefits our Pacific neighbours.
- As has been witnessed around the world this year, and is signalled by the IPCC WGI report, the need to respond to loss and damage will become increasingly acute and we need to increase levels of action, both inside and outside of the UNFCCC.
- New Zealand is working in our region with Pacific Island countries to better understand and address loss and damage, for example, through emergency preparedness, early warning systems, championing the development of international law to protect coastal state rights in the face of sea level rise, supporting regional dialogue on climate-related displacement, hazard and risk mapping and disaster risk insurance.
- In New Zealand, in addition to potential economic loss, cultural loss of Urupā, Māori burial sites, along low-lying coastlines is a real and present threat.

Background

The Warsaw International Mechanism for Loss and Damage (WIM) was established at COP 18 and the Executive Committee of the WIM (ExCom) at COP 19.

1. New Zealand's development activities tackle many of the Loss and Damage (L&D) issues listed in Article 8.4 of the Paris Agreement, including early warning systems, emergency preparedness, slow-onset events, comprehensive risk management, risk insurance facilities, non-economic losses, and resilience of communities, livelihoods and ecosystems. (For a list of relevant activities, see annex).

Pacific interests

2. Pacific Island countries are some of the most exposed in the world to the effects of climate change, with indications that adaptation limits are already approaching in some locations. While robust attribution is difficult in the region, that climate change is causing loss and damage in the region is almost certain. As extreme weather events intensify, sea level rises, and temperatures increase, the economic and non-economic costs will become increasingly apparent.

3. An emerging issue relevant to loss and damage in the Pacific is how to address climate-change induced tuna migration. Recent research has found that a high emissions scenario could lead to a US\$90 million drop in government revenue per annum by 2050 as tuna migrate into international waters. While the policy response to this issue is still

nascent, New Zealand is committed to working with the Pacific in finding an equitable solution.

4. Through New Zealand's climate-related support we take action to manage loss and damage. For example, we are working with UN agencies and other donors to deliver the Pacific Insurance and Climate Adaptation Programme. This aims to develop a range of disaster risk finance products to offset loss and damage. It focuses on the household and up to medium-sized enterprise level. We are also committed to supporting the Pacific Resilience Facility.

Proactively Released
by the Minister of Climate Change

Article 6

- New Zealand advocates for Article 6 rules that secure the greatest degree of environmental integrity in the operation of market mechanisms, as soon as possible.
- New Zealand fully recognizes the value of cooperative approaches under Article 6 in allowing Parties to deliver mitigation beyond what is otherwise possible within national borders. Cooperation under Article 6 can help Parties bridge the ambition gap and keep limiting the temperature increase to 1.5C within reach.
- It is important to New Zealand that the rules for cooperative approaches under Article 6 of the Paris Agreement have high environmental integrity, contribute to sustainable development, and deliver higher ambition.

Background

1. There are three components of Article 6:
 - a. **6.2 'cooperative approaches'** – when mitigation is transferred from one Party to another (however this is done), the participating Parties have to:
 - i. promote sustainable development,
 - ii. ensure environmental integrity and transparency, and
 - iii. apply robust accounting (including the avoidance of double counting)
 - b. **6.4 'the 6.4 mechanism'** – this is a centralised mechanism established under UNFCCC authority, to contribute to mitigation and result in emissions reductions that may be traded
 - c. **6.8 'non-market approaches'** – a framework to promote non-market cooperation between Parties. These non-market approaches aim to
 - i. Promote mitigation and adaptation action
 - ii. Enhance public and private sector participation in the implementation of NDCs; and
 - iii. Enable opportunities for coordination across instruments and relevant institutional arrangements
2. At this COP there are three deliverables, each relating to one component of the Article.
 - a. On Article 6.2 cooperative approaches, in which countries transfer mitigation outcomes, the task is to develop robust accounting guidance. We particularly need to agree how to make “corresponding adjustments” so there is no double claiming of emissions reductions or units. Negotiations will cover what Parties have to report and be reviewed on when using these approaches.

- b. Article 6.4 is about a new unit-generating mechanism through which projects to reduce mission will be approved and generate units for the market. We need to agree what the membership of the supervisory body will be, how it will run, and what rules should apply to the projects and programmes it might supervise will be. There are
 - c. Article 6.8 is about setting up a work programme on non-market approaches to cooperation that will focus on how to facilitate and coordinate these activities.
3. Key issues include: ensuring robust accounting for international transfers of mitigation in the context of different NDC types; ensuring environmental integrity through strong transparency and, in 6.4, strong mechanism design aligned with the Paris Agreement; whether elements of the Clean Development Mechanism are used; how markets can facilitate greater mitigation action; and the delivery of adaptation finance.

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Local Communities and Indigenous Peoples Platform

- New Zealand seeks to empower Māori to share their experiences of how they have shaped domestic environmental policy. We want to create opportunities for iwi Māori representatives to contribute to the discussions and workshops housed by the Platform.
- We encourage the involvement of indigenous peoples and local communities in the Platform, regardless of their countries' position on participation by these groups in domestic policy-making.
- New Zealand welcomes the ongoing operationalisation of the Platform through the establishment of a separate LCIPP website. We support a Platform that is accessible to indigenous peoples and local communities.
- We should be mindful of placing our efforts and resources efficiently to enable the Platform to have the maximum impact. For example, the web portal should be used to make the work of the Platform accessible, not to capture and disseminate traditional and local knowledge systems [if raised: we view proposals as such being challenging under the UN Declaration on the Rights of Indigenous Peoples].
- New Zealand strongly encourages the involvement of indigenous peoples and local communities in the climate response. We are pleased to contribute to the Platform, by inviting Māori, as members of our delegation, to them to share New Zealand's experiences and work with other indigenous peoples groups to strengthen indigenous perspectives in the UNFCCC process and in domestic climate action.

Background

1. The UK Presidency has put an emphasis on amplifying indigenous peoples' voices at COP26. In line with past practice, delegation members Alison Cole and Kera Sherwood-O'Regan will represent New Zealand along with officials in meetings on the Local Communities and Indigenous Peoples Platform (LCIPP).
2. The principal issue at COP26 will be adoption of the next three-year workplan for its Facilitative Working Group. The FWG has made significant progress in achieving the activities of its two-year work plan. This is despite the constraints of COVID-19 in limiting physical participation of indigenous peoples and local communities, which are particularly at risk from the effects of the pandemic.
3. The LCIPP was established pursuant to paragraph 135 of Decision 1/CP.21. It aims to facilitate local communities and indigenous peoples to exchange, with Parties, experiences and sharing of best practices on mitigation and adaptation in a holistic and integrated manner. The Marrakech Decision (COP22) decided to adopt an incremental and participatory approach to developing the Platform. The FWG is a constituted body that was established at COP24 in Katowice, December 2018 after difficult political negotiations, largely based around language on rights of indigenous peoples cutting across countries' national sovereignty.
4. The FWG was established with the objective of further operationalising the LCIPP and facilitating the implementation of its three functions related to knowledge, capacity for

engagement, and climate change policies and actions. It also collaborates with other bodies under and outside the Convention, as appropriate, to enhance the coherence of the actions of the Platform under the Convention. The UNFCCC secretariat supports and facilitates the work of the body.

5. The FWG is comprised of 14 representatives, half of which are representatives of Parties, and half of which are representatives from indigenous people's organisations. The addition of three representatives of local communities and three additional Party representatives will be considered at FWG6, as part of a broader review. New Zealand attends the FWG meetings as an "observer" but we can have input through the WEOG representative.

6. At FWG1, a two-year work plan for 2020-2021 was proposed and welcomed at SBSTA 51. The work plan contained 30 activities, which decision 2/CP.24 requested that the FWG report on its outcomes and present a draft three-year work plan. The subsequent report¹ will be presented at SBSTA52 for Parties consideration, including a draft decision for adoption at COP26.

7. MFAT officials attended the virtual fifth meeting of the FWG, which took place from 21-24 June. New chairs and co-chairs were appointed. FWG5 also formulated the second three-year work plan for 2022-2024. Confirmation of this work plan has been deferred until COP26. The work plan is not expected to be contentious nor the negotiations protracted, however, there is a chance that the work plan may be discussed during the negotiating session.

8. On the work plan, MFAT officials have emphasised a desire to see resources focused on delivering tangible events and activities deliver the most impact (rather than proposals for extensive translation of the website, and the web portal taking on an un-mandated function to collect and disseminate indigenous and local knowledge systems).

9. In developing the web portal, a subcommittee was created to ensure transparency and inclusivity. This subcommittee consisted of representatives from Indigenous Peoples Organizations (IPOs) and Parties from various regions, and was the first time Parties had worked with indigenous knowledge holders to design an online space. It acknowledged any capturing of indigenous knowledge via the web portal should be voluntary and developed with appropriate safeguards consistent with principle of Free, Prior and Informed Consent recognised in the UN Declaration on the Rights of Indigenous Peoples.

10. New Zealand continues to participate in the Platform in order to deepen ties with indigenous cultures from around the globe. We share our domestic experiences by providing insight and practical examples of how Māori, Iwi and hapū shape environmental policy at home.

11. The functions of the Platform provide opportunities to highlight to others globally indigenous peoples' engagement in domestic mitigation and adaption. For example, during consultation on the Zero Carbon Bill Discussion Document in 2018, specific hui were held with the Federation of Māori Authorities (FOMA) and Te Rūnanga o Ngāi Tahu. The Te Arawa Lakes Trust also coordinated a hui in Rotorua with members of Te Urunga o Kea (Te Arawa Climate Change Working Group). The Climate Change Commission, set up by the Zero Carbon Act, specifically considered Crown-Māori relations, iwi/Māori interests and impacts on Māori in undertaking its work and the Government's response under this framework.

¹ Report of the FWG of the LCIPP (FCCC/SBSTA/2021/1):
https://unfccc.int/sites/default/files/resource/sbsta2021_01E.pdf

Gender and climate change

- New Zealand strongly supports the integration of gender perspectives across all levels of climate change work. We were pleased to see there was an increase in female representation during the June virtual meetings, according to the recent UNFCCC gender composition report. Full, meaningful and equal participation and leadership of women in all aspects of the UNFCCC process is vital for achieving long-term climate goals.
- We are implementing the GAP by undertaking work to improve gender responsive government policy related to climate change, and strengthening how we target gender outcomes in the delivery of climate-related support in the Pacific.
- We have identified the GAP as a priority deliverable in our strategic approach to our development cooperation programme. New Zealand's Gender Action Plan 2021-2025 aims to increase New Zealand's gender principal investment to 4% Official Development Assistance (ODA). It also aims to increase our gender significant investment to 60% ODA by targeting and mainstreaming gender equality and women's empowerment across our aid programme including in climate change activities.

Background

1. The Paris Agreement decision (1.CP/21) calls for Parties to respect, promote and consider their obligations on gender equality and empowerment of women when taking action to address climate change. The decision also calls for capacity building and adaptation action to be gender responsive.
2. COP22 decided that the Lima work programme on gender should be continued for a period of three years and that a review of the work programme should be conducted at COP25. COP23 adopted a Gender Action Plan (GAP) for 2018-19 to support the implementation of gender-related decisions and mandates in the UNFCCC process. The GAP was adopted at COP23 and seeks to advance women's full and equal participation in the UNFCCC and promote gender-responsiveness in the development and implementation of climate policy.
3. At COP25, Parties agreed to a 5-year enhanced Lima work programme on gender and its GAP². New Zealand contributed to the development and implementation of the GAP, and joined the initiative on Gender as part of the UN Secretary-General's Climate Action Summit in 2019.
4. The Plan sets out, within five priority areas, the activities which will drive the achievement of its objectives. Parties, the UNFCCC and relevant organizations are invited to undertake as appropriate:
 - a) Capacity building, knowledge sharing and communication;
 - b) Gender balance, participation and women's leadership;
 - c) Coherence: to strengthen the integration of gender considerations across the UN;
 - d) Gender-responsive implementation and means of implementation;
 - e) Monitoring and reporting on gender mandates.

² Decision 3/CP.25: <https://unfccc.int/documents/210471>

5. New Zealand used the submission on the review of the GAP to show that the GAP is being effective, and provided suggestions on how it could be improved while not opening up further avenues for the duplication of similar efforts across other UN processes. At the UN Climate Action Summit, New Zealand endorsed a Gender initiative which commits us to undertake a range of actions to contribute to gender equality and women's empowerment across climate policy and implementation, as appropriate to our national processes.

New Zealand's work on gender and climate change

6. Gender balance is a traditional hallmark of New Zealand's UNFCCC delegations. At COP25, women made up 50% of NZ's delegation – officials and non-officials (compared to the average 37% in COP23 delegations), including the Head of Delegation and National Focal Point. The high level of representation of women on New Zealand's negotiating team illustrates structural gender equality. Under New Zealand's International Human Rights Action Plan (IHRAP), we have committed to taking a leadership role in and prioritising gender equality and women's empowerment globally.

7. New Zealand currently has gender relevant work programmes in a wide range of work related to climate change policy across central government, including:

- Strengthening gender-responsive policy making across government through a new gender analysis tool applicable to all new government policies, including climate policies.
- Collecting more robust sex-disaggregated data by refining national guidelines that provide for non-binary and gender fluid people.
- Actively supporting better engagement by women and girls in all their diversity with science and technology through a new directory that promotes initiatives, programmes and associations through which young girls and women can "connect, discover and learn" about science, technology and engineering.
- Investigating options for improving gender-responsive urban design, specifically low-carbon forms of transport.
- Strengthening consideration of policy initiatives and programmes on rural and remote communities, including acknowledging disproportionate impacts felt by rural and remote women and girls.
- Considering how Pacific-led gender analysis can be more effectively incorporated in the design and delivery of New Zealand's climate-related support in the Pacific, in existing projects and specifically in recently announced new funding.³
- Introduction of a progressive Trade for All Agenda which seeks to use trade policy to maximise opportunities and minimise risks for addressing global issues including climate change and gender equity.

³ One example of Pacific-led gender and climate activity is the Gov4Res activity, where Mainstreaming Climate Change in Governance Activity supported the Solomon Islands Ministry of Women head office and provincial officers to work closely with the Ministry of Agriculture and Livestock extension officers to ensure that the differing needs of women, youth and the elderly are central to the design and implementation of model farms.

Multilateral Assessments and Facilitative Sharing of Views

- Ensure New Zealand actively participates in the Multilateral Assessment (MA) process. Together with the wider International Assessment and Review (IAR) process, MA promotes transparency and holds Parties to account – to ensure they are taking the climate change action they say they are taking.
- New Zealand welcomes the opportunity to take part in the MA and thanks the country representatives for their presentations.
- Ensure New Zealand actively participates in the Facilitative Sharing of Views (FSV) to promote transparency and ensure its effectiveness without placing undue burden on developing Parties (e.g. ensure it is facilitative in nature, and supports capacity building).

Background

1. The MA process is part of the wider established IAR process for developed country Parties. The IAR comprises:
 - a. A technical review of Parties' fourth biennial reports;
 - b. A MA of the progress made by developed country Parties in implementation towards the achievement of emission reductions and removals related to their quantified economy-wide emission reduction targets.
2. Active participation promotes transparency and the effectiveness of the MA process. New Zealand has been multilaterally assessed four times. We took part in the first round of multilateral assessment at SBI 41 in Lima in December 2014 and then again in Marrakesh in 2016, Madrid in 2019, and virtually in June 2021.
3. In total, there are 10 Parties scheduled to undergo the MA at SBI52. These are:
 - a. Croatia
 - b. Iceland
 - c. Kazakhstan
 - d. Liechtenstein
 - e. Luxembourg
 - f. Monaco
 - g. Poland
 - h. Romania
 - i. Slovenia
 - j. United Kingdom
4. The date and time for the MA at COP26 is not yet available.
5. The MA includes a written question and answer period before the MA working group session under the SBI. Any Party may submit written questions to the Parties being

assessed in advance of the MA, and the Parties being assessed endeavour to respond to those questions within two months.

6. New Zealand asked a number of written questions of Parties being multilaterally assessed. We will also have the opportunity to ask oral questions in-person following Parties' presentations at COP26.

7. The FSV workshop, under the International Consultation and Analysis process for developing country Parties (non-Annex 1), is equivalent to the Multilateral Assessment (under the International Assessment and Review process) for developed countries.

8. It is important for New Zealand that the FSV (and the Multilateral Assessment for developed Parties) are effective, as it was agreed at COP24 that these will continue to serve as the basis for the modalities for the facilitative multilateral consideration of progress component of the new transparency framework.

9. There are 7 parties scheduled to undergo FSV at SBI52. These are:

- k. Cambodia
- l. Dominican Republic
- m. India
- n. Lao People's Democratic Republic
- o. Oman
- p. Tajikistan
- q. Uruguay

10. Each will give a short presentation about their national circumstances and climate change responses, based on their Biennial Update Reports (BURs). Following presentations, opportunity will be given to other Parties to ask questions. Prior to COP26, these countries also received written questions from other Parties, including New Zealand.

IPCC's Sixth Assessment Report: Working Group I

- The Working Group I: the Physical Science Basis contribution to the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC), was released on 9 August 2021.
- The underlying report and SPM underwent an extremely thorough review process and have been accepted by governments. We are therefore confident that it represents a thorough and comprehensive assessment of the science. Key findings of the report include:
 - Human influence on the climate system is unequivocal. This is a stronger statement compared to the IPCC's 5th Assessment Report (AR5) and reflects the strengthened evidence of the impact of human activities on different aspects of the climate.
 - The effects of human-induced climate change can also be seen on extreme weather events globally. Many of these events, including heatwaves, intense rainfall and droughts, have become more frequent and intense as a result of climate change and will continue to intensify.
 - Some changes to the climate system, including sea level rise and loss of glaciers, is irreversible over centuries to millennia. However, the rate and magnitude of these committed changes still depends on future greenhouse gas emissions.
 - Warming can still be limited to 1.5°C but requires net zero CO₂ emissions around 2050 and deep reductions in other greenhouse gases such as CH₄ (methane).

Background

This section highlights some of the key policy-relevant findings. The full SPM, underlying report and regional information can be found here: <https://www.ipcc.ch/report/ar6/wg1/>.

Statements on the impact of human activities are stronger than in AR5

1. It is unequivocal that human influence has warmed the atmosphere, ocean and land. Human influence has warmed the climate at a rate that is unprecedented in at least the last 2000 years. Concentrations of all greenhouse gases have continued to rise over the past decade to the point that atmospheric CO₂ concentrations are now higher than at any time in at least 2 million years.

2. Updated estimates of historical warming show that global temperatures have warmed more than previously thought. The AR6 best estimate of global surface temperature between 2011-2020 is 1.09°C higher than between 1850-1900. Of this, CO₂ emissions have caused about 0.75°C of warming and methane emissions have contributed about 0.5°C of warming (the remaining temperature impact is a net cooling effect caused by aerosols and other factors). This does not mean climate change has accelerated but represents methodological advances for estimating global temperature rise and the inclusion of new datasets.

The impacts of climate change can be seen globally

3. Human-induced climate change is already affecting many weather and climate extremes in every region across the globe. Confidence in the attribution of heatwaves to climate change has strengthened significantly, to the point that it is now “virtually certain” that heatwaves have become more frequent and intense, and there is “high confidence” that climate change is the main driver. Similarly, heavy precipitation and drought events have increased.

4. For New Zealand, increases in hot extremes and decreases in cold extremes have been observed. New Zealand glaciers are projected to continue to retreat due to irreversible changes to the climate for the coming centuries to millennia.

5. Projections of future sea level rise have increased slightly since AR5 due to improved estimates of future mass loss from the Antarctic Ice Sheet. A key advance in AR6 is the explicit recognition that sea level could fall outside the projected “likely” range, with sea level rise approaching 2 m by 2100 not ruled out under the highest emissions scenario due to considerable uncertainties regarding the processes driving sea level change.

Limiting warming to 1.5°C is still possible, but requires significant change

6. Future emissions scenarios, and their climate response, show that we can still limit warming to 1.5°C. In all assessed scenarios, the 1.5°C threshold is reached in the near term (within the 20-year period 2021-2040), with the estimated crossing time in the early to mid 2030s.

7. Limiting warming to 1.5°C requires the globe to stay within a total carbon budget. For a 50% chance of limiting warming to 1.5°C, the remaining global carbon budget is just 500 gigatonnes (Gt) CO₂ (from the start of 2020). At present, global net CO₂ emissions are about 43 Gt CO₂ per annum.

8. Although cumulative CO₂ emissions dominate warming, this carbon budget is contingent on methane emissions reducing rapidly at the same time. If methane emissions are not reduced rapidly, the remaining carbon budget will shrink considerably. Rapid and strong global reductions in methane are a critical component of limiting warming to 1.5 or 2°C.

Policy response

9. The report reconfirms and re-emphasises the need for urgent action to reduce global emissions, but does not fundamentally change the scale of global action needed to achieve the goal of limiting warming to 1.5°C.

10. The WGI did not assess the feasibility of emissions reductions or policies; this will be covered in the report by WGIII of the IPCC, due to be released in March 2022.

New Zealand Ambition

- Limiting the temperature rise to 1.5 degrees is key to New Zealand and our Pacific neighbours.
- New Zealand has strongly stepped up in its climate finance ambition. We have increased our climate finance commitment to \$1.3 billion in grant funding over the next four years (2022-2025). This is more than four times the size of our 2018 commitment of \$300m. At least half of the total climate finance commitment is to go specifically toward supporting Pacific Island countries and at least 50 percent to adaptation.
- New Zealand will bring to COP26 experience and expertise in key areas of benefit to global ambition, including in: securing a common and transparent reporting system; advocating for fossil fuel subsidy reform; highlighting the role of trade policy in supporting climate action – including through the Agreement on Climate Change, Trade and Sustainability (ACCTS); and creating opportunities for increased support for countries at risk of loss and damage.
- New Zealand is taking action to reduce global emissions, ensure a fair and equitable transition of our economy, and build climate resilience both at home and abroad. Limiting the temperature increase to 1.5 degrees is critical to New Zealand. We have put this goal at the heart of our domestic climate change policy and legislation.
- New Zealand's national circumstances and emissions profile present opportunities and challenges for reducing emissions. We have set, and will achieve, ambitious NDCs as part of New Zealand's contribution to the global effort to limit warming to 1.5°C.
- We have put in place the architecture to manage our transition to a low-emissions and climate-resilient economy. Our approach is underpinned by science, independent advice from the Climate Change Commission, a strong focus on stakeholder consultation and ensuring a fair and equitable transition.
- We have set a 2050 target based on IPCC pathways. Our 2050 target covers all gases, splitting them based on the science. This is reflected as an absolute percentage reduction for biogenic methane, and net zero for all other gases.
- New Zealand is mapping those long-term targets into short term action. By May 2022, we will have set our domestic emissions budgets out to 2035, and our first emissions reduction plan. This plan will outline tangible policies and measures that will enable us to meet our budgets and targets, with a particular focus on transport, and energy and industry.
- The emissions reduction plan will also serve as New Zealand's long-term low emissions development strategy. The first part of this sets out our national circumstances, provides the long-term strategy across key sectors and systems, and contextualises the detailed policies and strategies to be completed in May 2022.

- New Zealand has the broadest sectoral coverage of any emissions trading scheme in the world.
- New Zealand will be the first country in the world to price agricultural emissions (from 2025 at the latest). We are working in partnership with the primary sector and Māori via He Waka Eke Noa to establish the best way to do so.
- New Zealand champions research and development to reduce agricultural emissions. This includes through the Global Research Alliance on Agricultural Greenhouse Gases of which New Zealand is a founding member.
- New Zealand will demonstrate its leadership for increasing alignment of trade and climate policy development through initiatives such as Agreement on Climate Change, Trade and Sustainability (ACCTS) and ongoing advocacy for fossil fuel subsidy reform
- New Zealand is the first country to introduce legislation requiring mandatory climate related financial disclosures.
- New Zealand is also building greater climate resilience. Last year we published our first comprehensive National Climate Change Risk Assessment. This will help New Zealand identify and prioritise action. We are now in the process of developing our first National Adaptation Plan, responding to the risks outlined in the assessment.

Oceans (including Oceans Dialogue)

- New Zealand welcomes the focus on the climate-oceans nexus to drive ambitious mitigation and strengthen resilience.
- New Zealand places great importance on the conservation and sustainable use of the ocean. We are a small maritime state of the Pacific. Across the Pacific region, the ocean defines ways of life. Economies rely on the ocean environment, through fisheries and aquaculture, tourism and shipping; livelihoods are closely linked to the sustainable use of marine resources; and culture and recreation take shape around the ocean and its shores.
- In the Pacific the impacts are already being felt and will increase in intensity over time. The ocean is critical for food security, biodiversity, cultural practice and livelihoods for small island developing states ('Big Ocean States'), including in the Pacific Islands region. Adverse climate change impacts are adverse socio-economic and geopolitical impacts.
- The ocean is the world's largest carbon sink and has absorbed more than 90% of the excess heat in the atmosphere. Damage to its health is damage to our chance to prevent dangerous climate change.
- The IPCC's Sixth Assessment Report suggests that sea level rise could increase 0.98 to 1.88 metres by the end of this century if emissions remain high.
- The Pacific Islands Forum (PIF) members intend to use COP26 as a platform to promote the PIF Leaders' *Declaration on Preserving Maritime Zones in the Face of Climate Change-Related Sea-Level-Rise*. New Zealand had a significant role in the development of the *Declaration*, and its success is a priority.

Oceans work within the UNFCCC and further oceans dialogues

- New Zealand supports further work on issues that fall within the oceans/climate change nexus and are within the mandate of the UNFCCC. New Zealand sees the best prospect of success in mainstreaming relevant ocean matters across the existing agenda.
- The Ocean and Climate Change Dialogue held in December 2020 [as mandated at COP25] was an important opportunity to understand the depth and breadth of work being undertaken on the climate-oceans nexus within and outside the UNFCCC and how to further strengthen collaboration and coordination within this context.

Background

1. New Zealand attaches considerable importance to the conservation and sustainable use of the ocean. New Zealand is an island nation with a large maritime domain, and part of the Pacific region, in which countries rely heavily on the ocean for their sustainable development through fisheries, tourism and shipping, and where livelihoods are closely linked to ocean conservation and the sustainable use of marine resources.

2. Water has deep spiritual, social and economic significance for New Zealand's indigenous Māori culture. Today the ocean remains important for Māori, not just as a food source for the people but also for its enduring spiritual and whakapapa (genealogical) significance to the culture.

3. The ocean is also central to the identity, culture, and sustainable development of Tokelau, a non-self-governing territory of New Zealand. Pacific Islands Forum (PIF) Members, including New Zealand and Tokelau (as an Associate Member), take seriously their role as custodians, and their responsibility for shared stewardship, of the Blue Pacific. This role stems from many centuries of connection with and reliance on the ocean. The Pacific will be significantly affected by the physical and economic impacts of climate change policies and measures on the ocean.

4. The recent IPCC Sixth Assessment Report follows the 2019 IPCC Special Report on the Oceans and Cryosphere in a Changing Climate and adds to the growing body of scientific evidence that the ocean is warming, rising with acceleration and becoming more acidic as a result of increased greenhouse gas emissions. The AR6 stated it is virtually certain that global mean sea level will continue to rise over the 21st century in response to continued warming of the climate system, and this rise will continue to rise for centuries to millennia due to continuing deep ocean heat uptake and mass loss from ice sheets (high confidence).

Domestic policy update

Emissions Reduction Plan

1. On 31 May 2021, the Climate Change Commission provided the Government with its final advice on the first three emissions budgets (2022-2025, 2026-2030, 2031-2035) and on the policy direction for Aotearoa New Zealand's first Emissions Reduction Plan (ERP). The Government is now working to respond to this advice, set the first three emissions budgets, and publish the first ERP.

2. The first ERP will also serve as New Zealand's long-term low emissions development strategy (LT-LEDS) for the purposes of the Paris Agreement. The ERP will be published in two stages. The first stage is publishing Part I – the introduction to the emissions reduction plan. This sets out New Zealand's national circumstances, describes how the ERP fits into our wider climate response and provides the long-term strategies for each sector and system covered in the plan.

3. The second stage involves publishing the full ERP. The remaining sections (Parts II, III and IV) will be published in May 2022, following public consultation and final Government decisions. They will describe detailed policies and strategies to:

- Achieve an equitable transition, work as partners under Te Tiriti o Waitangi/the Treaty of Waitangi, and ensure businesses and communities have a leading role in the transition to low emissions (Part II).
- Align systems and cross-sector tools to enable and incentivise a low-emissions transition (Part III).
- Transition key sectors across our economy, including transport, energy and industry, building and construction, agriculture, waste, F-gases and forestry (Part IV).

National Adaptation Plan

4. Last year the New Zealand government published its first National Climate Change Risk Assessment. This Risk Assessment set out the priority and significant risks New Zealand faces from the impacts of climate change. The government is now developing a National Adaptation Plan to set out the actions the government will take to address these risks. The Plan is due to be published in August 2022, with public consultation expected in early 2022. The Climate Change Commission is required to monitor and report on the implementation and effectiveness of the NAP at least every 2 years following its publication.

Fossil Fuel Subsidy Reform

- New Zealand is a longstanding advocate for Fossil Fuel Subsidy Reform (FFSR), and has led efforts to bring attention to FFSR within the UNFCCC as well as other environmental, trade and economic institutions.
- FFSR supports the mitigation and finance objectives of the Paris Agreement. It helps remove incentives for wasteful fossil fuel consumption, and contributes to making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

Background

FFSR and the Paris Agreement

1. Every year governments spend an estimated US\$500 billion of public money to subsidise fossil fuels, four times the amount spent on renewable energy. These subsidies artificially lower the cost of production and consumption, making fossil fuels cheaper to burn and making it harder for renewable energy to compete. Other policy tools, including market mechanisms (e.g. industry levies), are often better suited to meet many of the policy objectives that fossil fuel subsidies purport to support.

2. Action on FFSR is a practical example of how trade policy can support environmental and development objectives, including under the Paris Agreement and UN Sustainable Development Goals (specifically SDG target 12c). A phase-out of fossil fuel subsidies would generate action towards holding the increase in global average temperature under 2°C above pre-industrial levels and would contribute to efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

3. FFSR could also support climate finance objectives. The significant domestic resources saved from reform could be effectively re-directed towards other objectives, including supporting Paris Agreement goals and the COVID-19 recovery.

Fossil fuel subsidy engagement at COP26

4. At the Paris COP in 2015 New Zealand led the FFSR Communiqué, which brought together 43 countries, numerous NGOs and businesses in support of action on FFSR. Last year, the Friends of Fossil Fuel Subsidy Reform, with the UK in its role as COP host, issued a five year anniversary Statement which highlighted the need for ongoing action⁴.

5. At COP26, New Zealand will continue advocating for the reform of fossil fuel subsidies at various events. As a key pillar of the Agreement on Climate Change, Trade and Sustainability (ACCTS), FFSR will be highlighted in the ACCTS side-event co-hosted by Fiji and New Zealand, and in the ACCTS Joint Ministerial Statement expected to be issued shortly afterwards. New Zealand will also promote FFSR through initiatives supported by the Friends of Fossil Fuel Subsidy Reform, the Forum on Trade, Environment and the SDGs and Trade and Climate Events organised by Clifford Chance.

New Zealand is a leading advocate for FFSR

⁴ FFSR Communiqué and five year anniversary Statement are published here [FFFsR Statements - Friends of Fossil Fuel Subsidy Reform](#)

6. New Zealand is a leading advocate for the reform of environmentally-harmful subsidies, including fossil fuel subsidies. New Zealand founded the Friends of Fossil Fuel Subsidy Reform (FFFSR), an informal group of ten⁵ non-G20 countries aiming to build political consensus on the importance of fossil fuel subsidy reform. We also advocate for reform within the UNFCCC processes and the WTO, APEC and G20.

7. Alongside advocating for reform in environment and climate-focused forums, New Zealand's long-standing objective is to advance FFSR at the WTO, specifically by building momentum towards an eventual multilateral outcome that appropriately disciplines the use of such subsidies. The WTO has existing subsidies frameworks and transparency mechanisms to be an effective forum. This choice of forum also recognises that, in addition to their obvious environmental and climate impacts, fossil fuel subsidies can affect trade and investment decisions. By lowering the cost of fossil fuels they disadvantage renewable energy and depress investment in energy efficiency, and can affect the competitive environment for energy-intensive products.

8. New Zealand is leading the launch of a Joint Ministerial Statement on FFSR at the twelfth WTO Ministerial Conference (MC12). Cosponsors of the Statement signal their intention to improve transparency of existing subsidies and build capability among Members for identifying and reforming such subsidies. Significantly, co-sponsors commit to seek the rationalisation and phase out of inefficient fossil fuel subsidies, and to explore concrete options to advance this issue at the WTO in advance of MC13 (expected to take place in 2023). The Statement also explicitly recognises that reform efforts must account for the specific needs of developing countries and minimise adverse impacts on vulnerable sectors of society. The Statement is cosponsored by developed and developing Members, including the EU and Fiji.

Fossil fuel subsidy reform and APEC

9. FFSR is aligned with the Asia-Pacific Economic Cooperation (APEC) Putrajaya Vision 2040 and New Zealand's priority deliverables on climate action as part of our host year. New Zealand is leading efforts to explore options on a standstill on new fossil fuel subsidies as directed by Trade Ministers in June.

⁵ Friends of FFSR membership is Costa Rica, Denmark, Ethiopia, Finland, the Netherlands, New Zealand, Norway, Sweden, Switzerland and Uruguay.

Climate finance

- New Zealand remains committed, along with all other donor countries, to its financial commitments under the Paris Agreement and setting ambitious new finance goals that reflect the uplift we must see to meet our shared mitigation and adaptation goals.
- We have increased our climate finance commitment to \$1.3 billion in grant funding over four years (2022-2025). This is more than four times the size of our 2018 commitment of \$300m.
- At least half of the total climate finance commitment to go specifically toward supporting Pacific island countries and at least 50 percent to adaptation.
- This is in addition to New Zealand meeting its previous commitment (NZ\$300 million, 2019-2022) in July this year, a year and a half early.
- The donor's Delivery Plan provides the confidence developing countries have [rightly] asked for that finance is increasing, including adaptation finance, and the US\$100 billion goal will be met.

Background

1. Climate finance, along with updated Nationally Determined Contributions (NDCs), will be central to the discussions at COP26. COP26 will be the first COP since 2020, when the US\$100 billion finance goal was supposed to have been met. Deliberations on the post-2025 climate finance goal therefore will begin with criticism developed countries have not yet met the current goal.

New Zealand's current commitment

1. On 17 October, Prime Minister Ardern announced a significant new climate finance commitment of NZ\$1.3 billion dollars in grant funding over the four years 2022 to 2025, with at least 50 percent of this to be focused on the Pacific with a continued focus on adaptation. Of that commitment, \$800 million will be new funding to the aid programme.

2. New Zealand delivers on its grant-based commitments primarily through the New Zealand Aid Programme, through grant-based finance. In July this year, New Zealand met its commitment, 17 months early. While exact forecasts are uncertain due to COVID-19 implementation challenges, current projections suggest a total spend of around \$500 million over 2019-2022.

Post-2025 Finance Goal Deliberations

2. Deliberations on a new collective quantified goal on climate finance for the post-2025 period will begin at COP26. Given the deliberations will be a multi-year process (most Parties have expressed that the deadline for the goal being set was 2024 at COP29) it is expected that Parties at COP26 will agree on a structure for how the deliberations will occur over the coming years. This will include what level deliberations take place at (technical level or Ministerial level), use of workshops, official inputs, possible timelines for decision points and signalling the main issues that need to be discussed in the context of setting the next finance goal.

Just Transition

- New Zealand is committed to a just transition to a low emissions economy as an enabler for ambitious climate action. A just transition should provide collective social licence for governments and business to act decisively within the context of sustainable development.
- As part of Parties' commitments to the Paris Agreement, many countries are looking at ways to achieve their emissions reductions targets in a way that generates opportunities and minimises negative impacts on their economic development.
- New Zealand has begun its transition to a post-fossil fuel economy, and we are putting the well-being of all New Zealanders at the centre of this transition, including by measuring success beyond GDP across economic, social and environmental domains ("the Well-being Budget").
- The Just Transitions Unit, established in 2018, actively partners with affected regions to help realise a clean energy and low-emissions future. As part of this, we successfully delivered a national Just Transition Summit (held in Taranaki in May 2019) and partnered with the Taranaki region (most affected by the decision to ban further oil and gas exploration permits) to produce a 2050 transition plan for a low emissions future.
- The New Zealand Government has invested \$27 million to establish a National New-Energy Development Centre in Taranaki to position the region as a clean energy hub and advance energy innovations across New Zealand. The Government has also committed another \$20 million over four years to fund research into cutting edge energy technology.
- The Government has also committed to support a just transition for Southland following the announcement that the owners of the New Zealand Aluminium Smelter at Tiwai Point are planning to close it in December 2024. Through a just transition process for Southland, the goal is to build the region's economic, environmental and social resilience through and beyond the smelter's planned closure.
- We are also working on how we can apply our just transition approach holistically across the government's work as an enabler of managed change. We are exploring further work across our natural resource sectors, community resilience to climate impacts, and reducing emissions from the energy and transport sectors.

Background

1. New Zealand's Just Transitions programme is about partnerships between central and local government, Māori, business, workers/unions, educators and communities to:
 - Better understand how a transition might impact on different communities, regions or sectors and make choices about how we manage these impacts in a just and inclusive way;
 - Build an understanding of the potential pathways to transform our economy; and

- Identify, create and support new opportunities, new jobs, new skills and new investments that will emerge from the transition.
2. Each just transition process involves:
- Identifying suitable representatives from across the seven support pou⁶;
 - Supporting the establishment of a regional leadership group capable of driving the region's response to a shock or transition, including the development of a vision of the region's future (e.g. a low emissions economy by 2050) together with proposals for investable initiatives that will deliver that vision;
 - Making sure that nobody in any sub-group within the regional population is left behind, but that all can share equitably in the region's recovery from the shock or transition;
 - Investing in developing the leadership group's capability and capacity so that it has an enduring role in planning the region's economic, social and cultural development.
3. Rather than a fund, just transition is a process to support regional communities in planning their own response to either a sharp shock or a gradual transition – and promoting investable initiatives consistent with the vision for the region's future in order to accelerate the region's recovery or economic development.

Just transition at COP26

4. The concept of a just transition to a low emissions economy is gaining momentum internationally, including within the UNFCCC negotiations and broader climate change forums. The multilateral climate regime depends on countries' confidence that they can build and benefit from productive and sustainable economies in a low-emissions world. At the same time, it is necessary to manage the risk of the just transition concept being misused by fossil fuel dependent countries as a justification for delaying climate change action.
5. As New Zealand situates itself as a leader on climate change and pursues a just transition towards an inclusive, productive, low emissions and climate resilient economy, there is potential for New Zealand to actively contribute to learning and knowledge sharing between countries on policies and principles on how to stimulate economic transformation while managing the impacts of the transition on communities most affected by transformative change, including convergence with other aspects such as automation and digitisation.
6. New Zealand is partnering with Scotland on a just transition side event at COP26, aimed at sharing lessons learned from New Zealand's just transition processes in the Southland and Taranaki regions, and from Scotland's Just Transition Commission. Officials from New Zealand's Ministry of Business, Innovation and Employment will attend the event virtually.

⁶ Iwi Māori, business and their representative organisations, workers and unions, local and regional government, central government, education providers, community organisations/NGOs

Adaptation

- Article 7 of the Paris Agreement established the Global Goal on Adaptation (GGA):
 - enhance adaptive capacity and strengthen resilience;
 - reduce vulnerability, with a view to contributing to sustainable development; and
 - ensure an adequate adaptation response in the context of the goal of holding average global warming well below 2 degrees C and pursuing efforts to hold it below 1.5 degrees C.
- The issue is that this goal is vague, given there are no agreed metrics of 'climate resilience'. Defining and measuring vulnerability and resilience is difficult and varies by region – vulnerability in the Pacific is different to South East Asia or Africa.
- Developing countries have called to initiate a process or programme of work to define a framework for assessing progress on towards the goal, which could be used to inform the Global Stocktake.
- While there is currently no agenda item at COP26 relating to the GGA, adaptation is one of the UK's four "pillars" (along with finance, mitigation and collaboration) for COP26, and calls are growing louder about the adaptation needs of developing countries increasing and the need for adequate finance to address this. It is possible it will be added to the agenda.

Pacific climate change priorities

- With climate change posing catastrophic risks to the Pacific, significant ambition across the COP agenda is essential.
- New Zealand stands with the Pacific in the call for concluding negotiation on the Paris Rulebook, outcomes that promotes stronger transparency, efforts to limit global warming to 1.5°C, and scaled-up climate finance to meet the USD\$100 billion goal.
- Pacific Island countries have called for COP26 to advance work on integrating the ocean into the UNFCCC. New Zealand supports this, and sees the best prospect of success is through mainstreaming ocean matters across the existing agenda.
- Ensuring support is in place to manage loss and damage is a key priority for the region. New Zealand works to take a constructive approach to COP discussions on averting, minimising and addressing loss and damage, and avoiding zero-sum approaches to compensation that stifle action⁷.
- The Pacific Islands Forum (PIF) members intend to use COP26 as a platform to promote the PIF Leaders' *Declaration on Preserving Maritime Zones in the Face of Climate Change-Related Sea-Level-Rise*, which also aims to avoid loss and damage. The Declaration's success is a priority for New Zealand.

⁷ Article 8 of the Paris Agreement makes clear that the Agreement cannot be used to underpin claims for liability or compensation.

Agriculture

- New Zealand seeks to raise international ambition on agricultural greenhouse gas emissions reductions, while taking into account food and nutrition security.
- The Zero Carbon Act sets a target to reduce all long-lasting greenhouse gases to net zero by 2050 and to reduce biogenic methane emissions by 24-47% below 2017 levels by 2050 (and 10% below 2017 levels by 2030).
- New Zealand has started work in partnership with the agricultural sector and Māori to measure, manage and price agricultural greenhouse gas emissions (from biogenic methane and nitrous oxide) from 2025 onwards.
- New Zealand is a founding member of the Global Research Alliance on Agricultural Greenhouse Gases (GRA), made up of 65 member countries from all regions. Through the GRA, New Zealand has improved the capability of other nations to grow more food (and more climate-resilient food systems) without growing greenhouse gas emissions. We also collaborate on international research to support the development of more climate-focused systems.

Background

1. Agriculture makes up almost 50% New Zealand's emissions. This is significantly more than most industrialised countries due to our largely decarbonised electricity generation, and because agriculture is a key sector of New Zealand's economy.
2. Currently, there are few practical options to reduce agricultural emissions without reducing production. New Zealand's emissions profile means that we must grapple with this challenge earlier than most developed countries. However, as other countries decarbonise their energy and transport sectors, agriculture will increasingly feature in their emissions profiles, forcing them to address the challenge. This provides an opportunity to share New Zealand's leadership and expertise in agricultural production and science to reduce global agricultural emissions.
3. Effective ways to do this are to encourage membership and attract finance to the GRA to collaborate on greenhouse gas mitigation research; accelerate political will through our membership of agriculture-focused coalitions; and help to establish resilient, low-emissions food systems through our aid programme investments in partner countries.

Global Research Alliance on Agricultural Greenhouse Gases

4. New Zealand has championed international research into measuring and reducing agricultural emissions since jointly establishing the GRA in 2009. The GRA now has 65 member countries⁸ and over 3000 scientists involved in its activities. The GRA also supports capability-building across many countries to record and report on agricultural emissions.

⁸ Argentina, Australia, Bangladesh, Belgium, Benin, Bolivia, Brazil, Cameroon, Canada, Chile, China, Colombia, Costa Rica, Cote d'Ivoire, Cuba, Democratic Republic of Congo, Denmark, Dominican Republic, Ecuador, Egypt, Eswatini, Ethiopia, Finland, France, Germany, Ghana, Honduras, Indonesia, Italy, Ireland, Japan, Lithuania, Malaysia, Malawi, Mexico, Mongolia, Namibia, the Netherlands, New Zealand, Nicaragua, Nigeria, Norway, Panama, Paraguay, Peru, Philippines, Poland, Samoa, Senegal, South Africa, South Korea, Spain, Sri Lanka, Sweden, Switzerland, Thailand, Tunisia, Turkey, Uganda, the United Kingdom, United States of America, Uruguay, Viet Nam, Zambia and Zimbabwe.

5. In 2020, New Zealand committed a further \$34 million over four years to support the GRA, including hosting the Secretariat and Special Representative, leadership of the Livestock Research Group and increased capability building in developing countries.

Accelerating political will

6. New Zealand has joined the US and UAE-led "Agricultural Innovation Mission for Climate", which will be launched at COP26, to support political commitment to reducing agricultural emissions. Participation provides an avenue to highlight our domestic commitment to managing agricultural emissions and pursue our international interests (i.e. showcase expertise in capacity building and galvanise collaboration to find solutions that could assist New Zealand and other countries to reduce agriculture emissions).

7. New Zealand has participated in the UK Policy Dialogues on the Just Transition to Sustainable Agriculture through Repurposing Public Policies and Support, the outcome of which will be launched at COP26 in the form of a Policy Action Agenda and compendium of country case studies (which will include a summary of New Zealand's agricultural subsidy reforms). The Dialogues raised visibility on the land sector's important contribution to addressing climate change. New Zealand promoted the importance of improved measurement of agricultural greenhouse gases as a necessary precondition to facilitate increased mitigation ambition in agriculture and emphasised our position on the elimination of environmentally harmful agricultural subsidies.

8. At COP26, New Zealand will host a side event [see Towards Sustainable Livestock Event Brief] centred on success stories in sustainable livestock focused on improving productivity, reducing agricultural emissions and improving climate resilience.

9. We will continue to advocate and garner support for more ambitious climate action in agriculture through our participation in the Koronivia Joint Work on Agriculture and associated workshops.

Forests and land-use

- Afforestation and preventing deforestation must play a key role in climate action, alongside other measures to conserve and enhance natural carbon sinks and reduce GHG emissions.
- In New Zealand we have two key forest climate change policies:
 - Our emissions trading scheme (ETS) includes forests, and provides price incentives to encourage afforestation and discourage deforestation.
 - Our 10-year government programme to plant one billion trees by 2028 includes measures to encourage permanent forests and forests that generate water quality, adaptation, biodiversity, and Māori development co-benefits.
- Forests and forest sectors can help countries transition to low emissions economies by offsetting emissions from sectors where it will take time to reduce emissions.
- Forestry and land-use mitigation projects must have environmental integrity, this includes ensuring emission reductions and removals are additional, long-lasting, and verifiable. For forestry it also means planting “the right tree in the right place” so that it can achieve wider environmental and socio-economic co-benefits.
- New Zealand’s NDC forestry and land-use accounting approach has environmental integrity. We use UNFCCC agreed rules to accurately account for the net long-term carbon storage in our forest estate.
- New Zealand enforces regulations to maintain our indigenous forests and ensure our forests are sustainably managed and support Māori cultural interests.

Background

COP26 agenda items relevant for forests and land-use

1. There are no major forest specific Paris Agreement agenda items. However, it will be important to ensure activities relating to forestry meet a high standard of environmental integrity. NZ is interested in ensuring the eligibility and environmental integrity of forestry under the Paris Agreement to support global ambition in mitigation actions.

NZ’s NDC forest accounting approach

2. The Paris Agreement reporting guidelines enable countries to use a range of high integrity climate change accounting rules to reflect differing national circumstances. NZ’s production forests sequester a large proportion of our GHG emissions. Our NDC accounting approach enables us to accurately account for carbon stored in our production forests and wood products, by recording their net long-term carbon storage over several harvest cycles. This ensures our accounting approach recognises NZ’s additional forest mitigation actions, rather than forest carbon stock changes from normal sustainable forest management activities.

Forest climate change policy in NZ

3. Since 2008 the NZ ETS has been encouraging forest mitigation by providing units for the establishment of new forests and additional carbon storage in existing forests. It also requires units to be surrendered for deforestation. From 2022, alongside ETS changes

to encourage gross emissions reductions, we will be implementing ETS reforms to further encourage forest establishment. This includes introducing an “averaging” accounting approach (which reduces financial risk from unit surrenders for harvesting activities), and the creation of a permanent forest activity (which allows carbon traders to attract a premium for permanent forest units). Our ETS forest rules have been designed to align with our NDC forest accounting and Paris Agreement environmental integrity principles.

4. In 2018 the Government established a programme to plant one billion trees by 2028. In addition to the ETS forest reforms, the programme includes grants to landowners and partnership funding to organisations and community groups to “help plant the right tree, in the right place, for the right purpose”. One Billion Trees funding has been provided to encourage establishment of indigenous forest, forest resilience, and Māori development. It has also been provided to prevent erosion and improve water quality outcomes⁹.

5. Recently the Government has launched the “Fit For a Better World” strategy, which outlines the role of forests as part of our climate change mitigation-based COVID-19 recovery measures. In 2022 the Government will also respond to our independent Climate Change Commission’s advice through the Emissions Reduction Plan (ERP)¹⁰ on ways to leverage our forest sector to transition to a low emissions economy. This includes considering ways to secure long term natural forest sinks to offset emissions from sectors where it will take time to reduce emissions, and initiatives to transform the forestry sector to develop low emissions energy sources such as solid and liquid biofuels, and increase the production of sustainable products and timber building materials. Increasing the production of low emissions materials and energy made from wood fibre will be major focus of the Industry Transformation Plan the Government is developing for the forestry and wood processing sector.

Maintaining natural forests and sustainable forest management in New Zealand

6. New Zealand’s natural forests are protected from deforestation by our Conservation and Forests Acts. Very small amounts of indigenous forest log harvesting is only possible under strict sustainability rules and for Māori cultural purposes. Sustainable forest management practices are also required under our Resource Management Act and regulations enforced by local councils to protect waterways and biodiversity in forests. NZ also has strong institutions, regulations, and many initiatives to protect our forests from fires, pests, and biosecurity threats, which are underpinned by NZ research on forest resilience and climate change adaptation.

⁹ The One Billion Trees Partnership fund has facilitated community connection via planting days, increased employment, and the development of training pathways to build forestry industry workforce capacity. The Fund has also invested in science and innovation projects supporting an increase in native afforestation. Furthermore, the Fund enabled Māori to maximise the potential of their land through funded afforestation 3000ha of Māori owned land to be planted through 1BT.

¹⁰ The ERP is an economy-wide plan, which will set out the Government’s policies and strategies to reduce gross emissions and increase carbon removals.

Nature-based solutions to climate change

- Nature-based measures to address climate change are needed alongside rapid reductions in fossil fuel emissions to limit global warming to 1.5°C.
- Nature-based solutions to climate change have the potential to achieve biodiversity, water quality, and socio-economic co-benefits.
- It is important to ensure the right type of nature-based climate change solution is made in the right place to protect the rights of indigenous peoples and achieve wider environmental and sustainable development co-benefits.

Background

Nature events and campaigns at COP26

1. On 2 November, as part of the World Leaders' Summit, the COP26 Presidency will host a leader-level event on forests and land use. The event will provide an opportunity for leaders to announce domestic and international forest and land-use climate change mitigation and adaptation initiatives under four themes: (1) reducing deforestation and accelerating forest restoration; (2) scaling finance and investment (3) sustainable production and consumption; and (4) support for local and indigenous people and smallholders.

2. On 6 November, the COP26 Presidency will host a "Nature Day", which will showcase progress and commitments made through the COP26 Nature Campaign on ecosystem protection and restoration and a transition to sustainable production and consumption. This includes progress made through the COP26 Sustainable Agriculture campaigns on the "Agricultural Innovation Mission for Climate" and the "Just Transition to Sustainable Agriculture", as well as the FACT (Forest, Agriculture and Commodity Trade) dialogues. The FACT (Forest, Agriculture and Commodity Trade) dialogues have primarily focused on the UK's efforts to encourage countries to develop "deforestation-free supply chains" by regulating companies' importation of "forest risk commodities" (such as soy, palm oil, and beef).

Nature-based solutions to climate change

3. Land, forests, and oceans are important carbon sinks and potential emissions sources¹¹. The IPCC's recent Sixth Assessment mitigation report is clear that limiting global warming to 1.5°C will require emissions reductions from the land sectors, including livestock agriculture and forests, alongside rapid reductions in fossil fuel emissions. It also highlights the potential co-benefits of nature-based climate change solutions.

4. For example, restoration of wetlands and preservation of native forests can reduce emissions and achieve biodiversity and adaptation benefits. However, not all nature-based interventions result in socioeconomic and environmental co-benefits. For example, planting forests in inappropriate locations could undermine indigenous peoples' property rights.

¹¹ Deforestation and degradation of forests accounts for 11 percent of CO2 emissions globally, while the total land sector, including livestock agriculture is responsible for almost 25% of all global emissions.

Sustainability of NZ's agriculture and forest supply chains

5. NZ does not import large quantities of soy, beef, or palm oil from developing countries. However, we do import palm kernel expeller (PKE)¹², as supplementary livestock feed to address drought-driven grass shortages. While we do not have regulations for the importation of products which could drive deforestation, our sectors take measures to provide forest sustainability assurances. Industry leaders actively encourage reduced use of PKE (through milk pricing and on-farm research) and require all suppliers of palm products to have processes in place that give effect to a "no deforestation" commitment¹³. The forest sector actively obtains forest sustainability certifications (with an estimated 69% of all plantation forests being certified). The government is also working with the forest sector to develop a national legal harvest assurance system to ensure that imported timber products are harvested in compliance with the laws of the country of origin.

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¹² PKE is a by-product of the palm oil industry, which makes up 1% of palm plantation revenue.

¹³ Pāmu/Landcorp also announced a ban on PKE on all its farms in 2017 while Synlait rewards farmers with a premium for maintaining a PKE free farm.

Human rights and climate change

- Human rights and climate change is not a formal agenda item at COP26, but it is a cross-cutting concern for many delegations.
- Climate change poses an immediate threat to people around the world and has implications for the full enjoyment of human rights. The negative impacts of climate change disproportionately affect persons already in disadvantageous situations owing to geography, poverty, gender, age, disability, or cultural or ethnic background. The current COVID-19 pandemic is worsening these negative impacts.
- New Zealand is committed to a 'just transition' to a low emissions economy. We are partnering with communities and the private sector to help realise the opportunities that will emerge from transitioning people into a low emissions economy.
- New Zealand recognises the human rights implications of our international development programming, including climate change initiatives. Non-discrimination, participation and accountability underpin and are integral to all aspects of our development work.

Background

The direct effect of climate change on human rights

1. *The right to life:* Climate change threatens the life and safety of millions of people. An increase in extreme weather-related events like storms, floods and wildfires put peoples' right to life at risk. Such events have already caused significant loss of life. Climate change is predicted to cause increased deaths from malaria, malnutrition, diarrhoea and heat stress between 2030 and 2050.¹⁴ To uphold the right to life States have an obligation to take effective measures to mitigate climate change, enhance the adaptive capacity of vulnerable populations and prevent foreseeable loss of life.¹⁵
2. *The right to self-determination:* Peoples whose homes and livelihoods are threatened by climate change risk losing their right to self-determination. The risk is particularly acute for peoples of low-lying countries (who may be forced to leave their homes as sea levels rise) and indigenous peoples.
3. *The right to development:* The Intergovernmental Panel on Climate Change (IPCC) recognises that "climate change impacts are projected to slow down economic growth, make poverty reduction more difficult, further erode food security, and prolong existing and create new poverty traps, the latter particularly in urban areas and emerging hotspots of hunger".¹⁶

¹⁴ <https://www.who.int/news-room/fact-sheets/detail/climate-change-and-health>

¹⁵ Report of the Special Rapporteur on human rights and the environment (A/74/161) at 28.

¹⁶ IPCC *Climate Change 2014: Synthesis Report: Summary for Policymakers* (2014) at 16.

4. *The right to adequate food:* Environmental changes, such as increased temperatures and changes to hydrological cycles and seasonal weather patterns, have far-reaching implications for agricultural systems. The World Bank estimates that a 2°C rise in global average temperature will put between 100 million and 400 million more people at risk of hunger.¹⁷

5. *The right to water:* Fresh water shortages are being experienced already due to changes to rainfall, increased demand for water in higher temperatures and salinization of freshwater supplies. In turn, this creates or exacerbates conditions for conflict.¹⁸

6. *The right to the highest attainable standard of physical and mental health:* The adverse health impacts of climate change include premature deaths, increased incidences of respiratory disease, cardiovascular disease, malnutrition, stunting, wasting, allergies, heat stroke, injuries, water-borne and vector-borne diseases. Climate change also erodes many of the key social and environmental determinants of health, including access to adequate food and water, clean air, culture and livelihoods. Health is also affected by climate-related displacement, migration and reduced access to health-care services.¹⁹ There are also mental health challenges in times of acute disaster and with uncertainties related to slow-onset disasters.

7. *The right to education:* Water and food shortages, acute weather disasters and other impacts of climate change lead to school closures or other reasons for children to not go to school.

8. *The right to culture:* Forced relocation can impact on the relationship between people and their natural environment, and this may impact people's sense of self and wider cultural identity.

9. *The right to be free from discrimination:* Vulnerable groups are subject to heightened risks when their families, communities and societies are under disaster-related stresses. Vulnerable groups include women and girls, children, the elderly, disabled people, indigenous people and local communities, ethnic/cultural minorities, and LGBTQIA+ people.

10. *The rights of the child:* The Convention on the Rights of the Child, in describing the right to health, explicitly requires that States act in the best interests of the child and consider "the dangers and risks of environmental pollution".²⁰ Children are particularly vulnerable to health problems exacerbated by climate change, including vector-borne diseases, malnutrition, acute respiratory infections, diarrhoea and other water-borne illnesses. Globally, over 500 million children live in extremely high-risk flood zones; 160 million live in high or extremely high drought severity zones; and 115 million are at high risk from tropical cyclones.²¹

¹⁷ The World Bank, *World Development Report 2010: Development and Climate Change* (2010) at 4–5.

¹⁸ "Climate change is exacerbating world conflict, says Red Cross president" [The Guardian](#) (21 Oct 2018).

¹⁹ Report of the Special Rapporteur on human rights and the environment (A/74/161) at 31.

²⁰ Article 24(2)(c), UN Convention on the Rights of the Child.

²¹ Report of the Special Rapporteur on human rights and the environment (A/74/161) at 41.

11. *The right to housing:* Extreme weather events are already destroying people's homes, leaving them displaced. Slower environmental change, like droughts, erosion and sea level rise, threaten the homes of millions of people.

Indirect effects of climate change action on human rights

12. Climate change mitigation and adaptation initiatives can have human rights implications. For example, the requisite transformation to a carbon neutral economy will adversely and disproportionately affect some individuals, households and communities whose economic well-being is tied to carbon-intensive industries.

13. Domestically, the New Zealand Government has committed to a 'just transition' to a low emissions economy. This commits the Government to partner with Māori, communities and the private sector to help realise the opportunities that will emerge from a low emissions economy and transitioning people into these opportunities.

14. Human rights principles of non-discrimination, participation and accountability underpin and are integral to all aspects of New Zealand's development work. All interventions consider the implications for human rights to mitigate doing harm and, where possible, promote and progress the realisation of human rights.

15. Internationally, there are variable standards of human rights protections. Weaknesses in policies and processes have, on occasion, led to climate change projects having adverse human rights outcomes.

The Human-Rights Based Approach to Climate Change Policymaking

16. A human rights-based approach (HRBA) to climate change policymaking, is being advocated for by the UN Office of the High Commissioner for Human Rights (OHCHR), among others.²²

17. The OHCHR explains the HRBA as: "a conceptual framework that is normatively based on international human rights standards and operationally directed to promoting and protecting human rights. It seeks to analyse obligations, inequalities and vulnerabilities and to redress discriminatory practices and unjust distributions of power that impede progress and undercut human rights."²³

18. The UN Human Rights Council adds that:

²² The HRBA to climate change policymaking builds on the HRBA to development, which focuses mainly on security and liberty of vulnerable people: see United Nations Development Group "How do human rights standards relate to the development programming process?" UN Practitioners' Portal on Human Rights Based Approaches to Programming <hrbaportal.org>.

²³ Office of the High Commissioner for Human Rights *Applying a Human Rights-based Approach to Climate Change Negotiations, Policies and Measures* (OHCHR, 2010). See also Mary Robinson Foundation *Incorporating Human Rights into Climate Action* (May 2016) at 5.

"human rights obligations and commitments have the potential to inform and strengthen international and national policymaking in the area of climate change, promoting policy coherence, legitimacy and sustainable outcomes".²⁴

19. In summary, the HRBA to climate change policymaking involves deploying human rights in mitigation and adaptation policies and programmes as benchmarks, objectives and success indicators.

20. According to the OHCHR, UN agencies have agreed on the following essential attributes of a HRBA to climate change policymaking:

- a) As policies and programmes are formulated, a core objective should be to fulfil human rights.
- b) A HRBA identifies rights-holders and their entitlements, and corresponding duty-bearers and their obligations. It works towards strengthening the capacities of rights-holders to make their claims of duty-bearers to meet their obligations.
- c) Principles and standards derived from international human rights treaties should guide all policies and programmes in all sectors and in all phases of the process.

21. See Local Communities and Indigenous Peoples' Platform brief for background on multilateral and domestic approaches to including indigenous peoples in climate policymaking.

²⁴ *Human rights and climate change* HRC Res 10/4 (2009) at preamble, tenth recital.

ANNEX

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Events

Task Force on Climate-related Financial Disclosures Side Event

Date: Wednesday 10 November

Time: 09.05-09.55

Venue: Shared Pavilion

Key objectives

- Provide an overview of New Zealand's process to implement a mandatory climate-related disclosures regime to encourage others to implement similar TCFD regimes.

Key participants

Hosts

- New Zealand is co-partnering with the Climate Disclosure Standards Board (CDSB) to host this event.

Delegation attendees

- Hon James Shaw, New Zealand Minister for Climate Change
- Members of the delegation are welcome to register for attendance and we will inform you once registrations are open.

Key Points

- Provide an overview of why New Zealand went for mandatory:
 - Lack of voluntary reporting
 - Market failure
 - Importance of providing better information to investors
- Describe the steps that New Zealand took to implement the regime:
 - Getting business buy in through consultation
 - Legislation change process
- Challenges:
 - Understanding the role of government to best support entities to disclose in line with the TCFD framework
 - Implementing requirements for the most appropriate groups of entities

- Weighing up quick implementation to meet the market demand and address the climate crisis against allowing businesses sufficient time to adjust
- Disclosing in line with TCFD will require a significantly different amount of work depending on businesses climate analysis maturity, size, and industry
- Tips for other countries:
 - Engage early and often with the industry
 - Continue to engage with international developments

Background

1. This session aims to share countries' different experiences and best practice in establishing TCFD based climate disclosure requirements and different approaches they have chosen to meet their local circumstances. It is aimed to demonstrate the implementation of climate related disclosure frameworks and international efforts to help build industrywide awareness, technical knowledge and capabilities.

2. The discussion should be pitched high level enough to be understandable by a broad audience but have in-depth insights to provide practical information for government officials.

3. The Minister will be given 15 minutes to speak about experiences and challenges passing the mandatory climate related disclosure regime in New Zealand.

New Zealand's climate-related disclosure regime

4. In September 2020, New Zealand was the first country in the world to announce it will mandate climate disclosure for large financial entities. This is being implemented through the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Bill. The Bill was introduced into Parliament on 12 April 2021 and at time of writing is at Committee of the Whole House. The mandatory regime will require entities to publish disclosures from financial years beginning in 2023, subject to the publication of reporting standards from New Zealand's independent accounting standard setter, the External Reporting Board.

5. Consistent with TCFD, the disclosures will predominantly be about the impact that climate change has on disclosing entities, not the other way around. It will introduce financial reporting requirements for NZX listed companies with more than NZ\$60 million market capitalisation, along with banks and insurers with assets of more than NZ\$1 billion, insurers with more than NZ\$250 million annual premium revenue and asset owners and managers with over \$1 billion in assets under management. Approximately 90 per cent of financial assets under management in New Zealand will be included within the regime.

International climate-related disclosure and UK campaign

6. Globally, climate-related disclosure is voluntary. The UK, Brazil, Singapore and Switzerland have followed New Zealand in announcing plans for mandatory disclosures and there is growing international momentum for other jurisdictions to follow

Agreement on Climate Change, Trade and Sustainability (ACCTS) Side Event

Date: Thursday 11 November

Time: 15:35-18:15

Venue: Shared Pavilion

Key objectives

- Continue momentum for the Agreement on Climate Change, Trade and Sustainability (ACCTS) initiative.
- Issue a Joint Ministerial Statement on ACCTS from Climate Ministers at COP26.
- Profile the importance of this trade initiative to a climate audience within the UNFCCC, highlighting the synergies in trade and climate change objectives.

Format

- New Zealand and Fiji are co-hosting this event.
- The event will be a hybrid event with the ACCTS Climate Ministers and other participants participating virtually and in-person. Ministers will provide a brief update and share perspectives on the ACCTS negotiations, thereby promoting momentum through a climate lens.
- The Ministers may also have a brief opportunity to respond to pre-prepared questions from the facilitator of the session.
- The side-event will require headsets and will follow the UK social distancing requirements; a maximum of 35 people can attend the event in the Pacific Space and there will be no food or drink. The event will be streamed.
- A run sheet will be provided in advance of the event.

Key participants

Hosts

- New Zealand and Fiji will co-host this event. Hon James Shaw will provide the closing remarks.
- The other participating ACCTS countries will also be represented in this side event. The details of Ministerial representation from the other participants is to be confirmed.

Delegation attendees

- Members of the delegation are welcome to attend. Registration information are to be confirmed.

Background

1. In September 2019, Prime Minister Ardern and other Leaders announced the launch of negotiations towards the 'Agreement on Climate Change, Trade and Sustainability' (ACCTS). This New Zealand-led initiative brings together a number of trade policy actions that will support and advance climate, and sustainable development objectives. Although initially a plurilateral negotiation amongst 6 countries – Costa Rica, Fiji, Iceland, New Zealand, Norway and Switzerland – the ACCTS is designed to generate momentum towards eventual multilateral outcomes. The concluded agreement will be open to any WTO Member who can meet the required standard.

2. The ACCTS supports New Zealand's enduring interests for mutually supportive trade and climate agendas. The Agreement encompasses four key pillars that are at the nexus of trade and environment and sustainable development policy. The ACCTS pillars include:

- the liberalisation of environmental goods;
- new and binding commitments for environmental services;
- disciplines to eliminate harmful fossil fuel subsidies; and
- best practice guidelines for voluntary eco-labelling programmes.

3. This event provides a platform to demonstrate how policy can support the Paris Agreement objectives. This event also provides the opportunity to showcase New Zealand's trade and climate leadership credentials.

4. While the climate-focused audience may be familiar with the initiative, this event provides the opportunity for explain how the four pillars of the ACCTS can contribute positively to the climate crisis and highlight the progress that has been made to date in the six rounds of negotiations so far.

5. Following the event, the Ministers will release a Joint Statement welcoming the progress made to date, and encouraging the countries to maintain momentum and pace of negotiations.

Towards Sustainable Livestock Side Event

Date: 10 November

Time: 13:15–14:30

Venue: Multimedia Studio 3

Key objectives

- To facilitate evidence-based discussion on sustainable livestock, present research showcasing country case studies of success in sustainable livestock and encourage cooperation and increased ambition on agricultural greenhouse gas emissions reductions.

Format

- This event is entirely virtual.
- The event will open and close with pre-recorded speeches by Ministers from New Zealand (Minister O'Connor), the Netherlands, Colombia and Kenya.
- It will take the form of a facilitated discussion between 5-6 expert panellists. Questions will be pre-prepared by the moderator, co-organisers, and there will be room for audience questions and participation.

Key participants

Hosts

- New Zealand
- The Netherlands
- Colombia
- Kenya
- International Livestock Research Institute (ILRI)
- Wageningen University & Research (WUR)

Delegation attendees

- Members of the delegation are welcome to attend. Registration information is to be confirmed.

Background

1. In 2020, Minister O'Connor and Dutch Minister of Agriculture, Nature and Food Quality, Carola Schouten, agreed to organise a COP26 side-event on sustainable agriculture and climate change to emphasise the need to tackle challenges in agriculture for sustainability, biodiversity, climate and water and to develop ways to make food systems sustainable, fair and resilient.

2. The side event will involve the presentation of a research project jointly commissioned by the Netherlands and New Zealand, and undertaken by Wageningen University & Research (WUR) and the New Zealand Agricultural Greenhouse Gas Research Centre. The project will present “success” stories in sustainable livestock from different regions and farming systems. It will include case studies on:

- Emissions efficiency in New Zealand’s sheep sector;
- Circular economy and nutrient efficiency in the Netherlands;
- The agrosilvopastoral movement in Colombia; and
- The movement to Tier 2 accounting systems for livestock in Kenya.

3. The side event is being co-organised by the Governments of New Zealand, the Netherlands, Colombia and Kenya (as countries whose case studies will be showcased) and ILRI and WUR.

4. The Netherlands is hosting two roundtable discussions on sustainable livestock farming in September and October 2021 to line up with the United Nations Food Systems Summit and the Convention on Biological Diversity (CBD) COP15. The discussions will involve agriculture and CBD negotiators from various countries and focus on the intersection between climate change, biodiversity and food security. The outcome of these Roundtable discussions will be presented by the Netherlands at the COP26 Side Event, and will be discussed by the expert panel.

5. The expert panel will consist of participants from all regions, and include a mix of researchers, policy makers, representatives from international organisations and industry.

6. We hope that the event will enhance countries’ understanding of actions that can be implemented now towards improving livestock productivity while reducing emissions intensity and improving other socio-economic and environmental outcomes.

Useful links

Register via the safe travel website: <https://www.safetravel.govt.nz/>

Information regarding COP26:

COP26 main conference page

<http://unfccc.int/cop26>

SB Chairs' scenario notes

[SBSTA scenario note](#)

[SBI scenario note](#)

Provisional agendas & annotations

[COP 26](#)

[CMP 16](#)

[CMA 3](#)

[SBSTA 52-55](#)

[SBI 52-55](#)

Programme of mandated & Presidency events

[Overview schedule](#)

Programme of side events

[SEORS side events list](#)

New Zealand's emissions profile

In 2019, the latest year of the inventory:

Gross emissions²⁵ were 82.3 million tonnes of carbon dioxide equivalent (Mt CO₂-e), 26.4 per cent higher than in 1990. The five emission sources that contributed the most to this increase were:

- enteric fermentation from an increase in the dairy cattle population (methane),
- fuel use in road transport due to traffic growth (carbon dioxide),
- fuel use in *Manufacturing industries and construction* from increased production due to economic growth (carbon dioxide),
- agricultural soils, from increased fertiliser use (nitrous oxide),
- and industrial and household refrigeration and air-conditioning systems from increased use of hydrofluorocarbon-based refrigerants that replaced ozone depleting substances (fluorinated gases).

Table 1. 2019 gross emissions by sector

Sector	%
Agriculture	48.1
Energy ²⁶	41.6
Industrial processes and product use	6.2
Waste	4.0

Table 2. 2019 gross emissions by gas type

Gas	%
Carbon dioxide (CO ₂)	45.5
Methane (CH ₄)	42.1
Nitrous oxide (N ₂ O)	10.2
PFCs, HFCs ²⁷ & SF ₆	2.2

Table 3. Changes in emissions between 1990 and 2019, in Mt CO₂-e.

Emissions	1990	2019	Change since 1990	% change
Energy ²	23.7	34.3	↑ 10.5	↑ 44.3
Industrial processes and product use	3.6	5.1	↑ 1.5	↑ 42.9
Agriculture	33.8	39.6	↑ 5.8	↑ 17.1
Waste	4.0	3.3	↓ -0.6	↓ -16.3
Gross emissions	65.1	82.3	↑ 17.2	↑ 26.4
LULUCF	-24.0	-27.4	↓ -3.4	↓ -14.2
Net emissions	41.1	54.9	↑ 13.8	↑ 33.5

Note: The negative signs for LULUCF (land use and forestry) are to indicate the numbers are net removals rather than emissions. Emissions from Tokelau are too small to include in the table, totalling 0.0043 Mt CO₂-e in 2019.

²⁵ Gross emissions comprise the Energy, Agriculture, Industrial Processes and Product Use & Waste sectors as well as emissions from Tokelau. Net emissions are Gross emissions plus the Land use, Land-use Change and Forestry (LULUCF) sector.

²⁶ In the inventory, emissions from transport are included in the Energy sector.

²⁷ Bulk imports of HFCs are to be phased down under the Kigali Amendment to the Montreal Protocol.

Interactive graphs of emissions from all sectors and categories in New Zealand's inventory can be accessed at <http://emissionstracker.mfe.govt.nz/>

Emissions projections:

New Zealand's gross emissions (excluding LULUCF) are currently projected to remain steady in the short term before declining through to 2030. New Zealand's net emissions (including LULUCF) are projected to increase until the mid-late 2020s before decreasing. New Zealand's planted forest estate has a large influence on its net emissions. Net emissions at any given point in time will be strongly influenced by the planting and harvesting cycles of New Zealand's planted forest in the LULUCF sector (Figure 1).

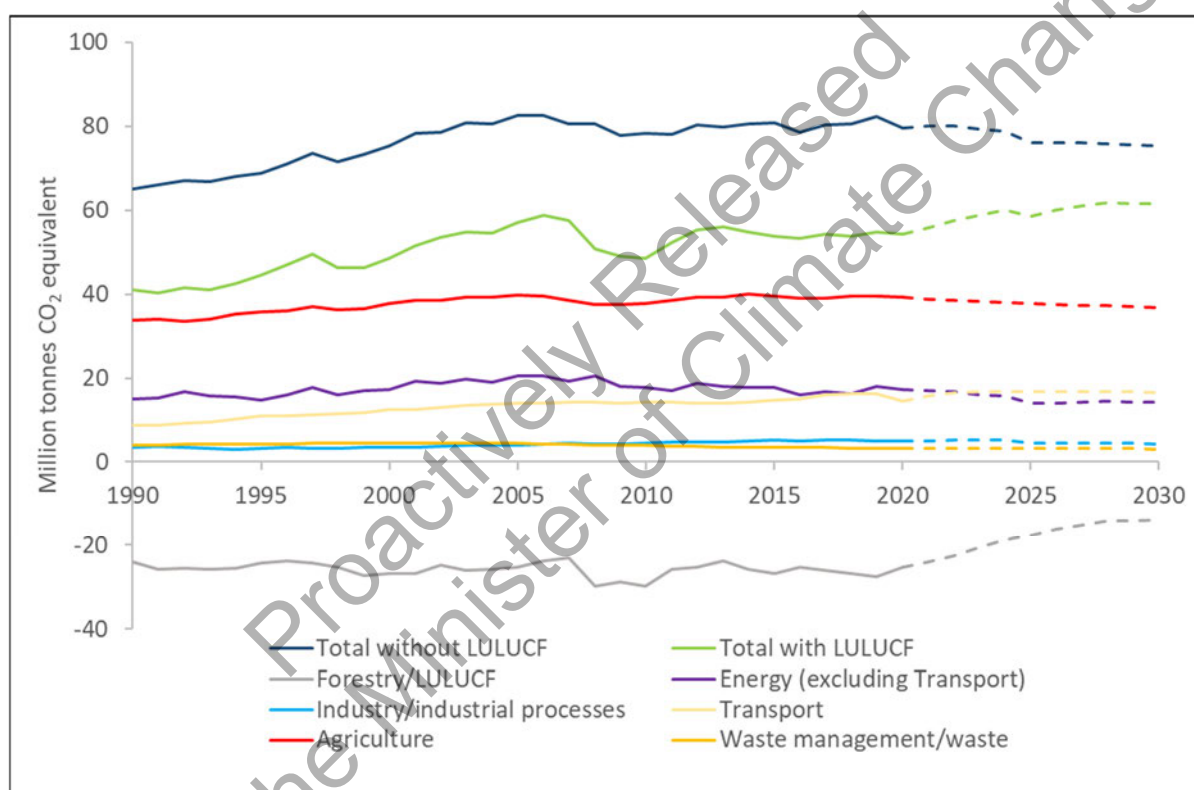


Figure 1. New Zealand's actual (solid lines) and projected (dashed lines) emissions from 1990 to 2030 under the UNFCCC (compiled June 2021).

Note: Gross emissions exclude the LULUCF sector. Transport has been separated out from the Energy sector for this graph.

Data source for the figure: update for New Zealand's Net Position report and 2030 projections. Data file available at <https://www.mfe.govt.nz/climate-change/emissions-reduction-targets/our-targets-and-emissions-projections>.

Most recent data as of June 2021

[RESTRICTED]

TOHUTOHU KAWA – HANDLING INSTRUCTIONS

MPI: Houlding, Hunt, Cameron, Opacic, Carson

MfE: Plume, Daniell, Salmon, Deblock, Davis, Mathias, Ruesga, Ryan

RĀPOPOTO – SUMMARY

- COP26 held in Glasgow, Scotland from 31 October – 12 November, concluded in overtime after two weeks of high level pageantry and intense negotiations.
- **The Glasgow Climate Pact is a “balanced” package of decisions and actions to respond to the urgency and scale of the climate action required this decade to keep the 1.5°C temperature increase limit within reach and fully operationalises the Paris Agreement.**
- Week one set the scene – over 140 heads of state and government making commitment to ambition, including scaled up finance, enhanced Nationally Determined Contributions (NDCs) and determination to conclude outstanding negotiations.
- In week two, the Paris Rulebook was finalised, including more than 150 pages of reporting and review tables and agreement on how to operationalise carbon markets.
- The 1.5°C limit remains within reach and developed countries’ \$100 billion climate finance goal will be achieved, after 2020 albeit sooner than expected rather than later.
- Agreement to the package came with a number of compromises most notably on the strength of language around coal. Nevertheless, the outcome was a shot in the arm for climate change action in the critical decade as well as for multilateralism.
- New Zealand (both MCC and technical experts) played significant roles in delivery of the “enhanced transparency framework” – the backbone of the Paris Agreement through which parties will report and show progress towards their targets.
- New Zealand was also critical in building high integrity solutions in the carbon markets negotiations and in resolving the impasse over five or ten year NDC periods.
- Providing a space and supporting a programme of events with Pacific countries helped amplify the voice of our region.
- Our ACCTS side event put the spotlight clearly on the trade/climate policy interface.
- New Zealand’s objectives were largely met.^{s9(2)(g)(i)}
allowed us to press for ambitious outcomes. Our climate finance pledge was very well received.

HOHENGĀ – ACTION

For information.

PŪRONGO – REPORT

The UK hosted the 26th Conference of the Parties (COP26) to the United Nations Framework Convention on Climate Change (UNFCCC) from 31 October – 12 November 2021 in Glasgow, Scotland. Not unexpectedly the Conference ran into overtime, concluding late on November 13. The smaller-than-usual Aotearoa New Zealand delegation to the conference was led by Minister of Climate Change James Shaw and included representatives of Tokelau, business and iwi Māori.

The COP26 context

2 The UK's challenges in mounting COP26, postponed in 2019 due to the COVID-19 pandemic, dwarfed the difficulties faced by COP25 President Chile in 2019. The lack of in-person meetings during the intervening year meant the COP work programme was vastly larger than for a normal meeting. Many of the more than 120 agenda items (22 on finance alone) started the fortnight with no draft decision text to work from.

3 Grappling with the pandemic, many countries doubted whether there could be an in-person meeting. In the months leading up to the COP the UK offered vaccines to developing country delegations and free quarantine for those coming from red list countries. Against the odds, around 40,000 attended the largest COP ever. Every delegate received daily testing kits and had to show a negative test result had been lodged to access the site. Enormous pressure was put on meeting spaces from social distancing rules and disinfection regimes. As a result, access arrangements for delegates and observers changed several times in the first week. Parties, at times, found themselves prevented from accessing negotiations rooms that were already full.

4 As incoming COP President, the UK spent the two years before the Conference in intense climate diplomacy, pressing governments around the world to enhance ambition, step up finance, get out of coal, transition transport and employ nature based solutions. The COP team envoys, special representatives and policy teams, based in the Cabinet Office, worked systematically at improving the climate action "vital statistics"^[1] of all major emitters and influential economies. The UK coordinated its efforts effectively with its role as G7 President, and with Italy's leadership of the pre-COP and G20, in the build up to COP26 itself.

5 The UK billed COP26 as its number one foreign policy issue and indeed the world's number one issue. Its overarching goal for COP26 was to "keep 1.5°C within reach". The Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and the UNFCCC synthesis report both gave weight to the Presidency's asks by showing the world was drastically off track to meeting this goal. The task was to grip up the multilateral response in the face of insufficient global ambition, and continued fossil fuel subsidies, investment and use. Supported by a very timely China – US joint declaration, the UK delivered a credible multilateral response that, while fragile, gives direction and hope.

6 In addition to the UK's focus on ambition in mitigation, adaptation and finance, the big themes of the COP were:

- finance: the shortfall in developed countries' goal of mobilising \$100 bn by 2020; discussions on the next goal; calls for 50% of financing for adaptation and connections to the other major issues;
- loss and damage: a fundamental re-litigation of the Paris outcome, with many Parties insisting on loss and damage as the "fourth pillar" requiring dedicated funding stream;
- finalising the rulebook: specifically writing the vast documentation required for reporting and review processes (transparency); agreeing the rules for carbon markets (Article 6); and settling on whether NDCs should be five or ten years in length.

7 New Zealand's priorities for the conference were:

- Demonstrating New Zealand's full commitment to the Paris Agreement by submitting our Long Term Low Emissions Development Strategy (LT-LEDS) and aligning our enhanced

^[1] NDC targets; net zero mid-century targets; coal financing; National Adaptation Plans and communications; ICE bans; use of nature based solutions; 30% protected areas by 2030; renewable electricity generation statistics etc.

Nationally Determined Contribution (NDC) to keep the 1.5 degrees temperature limit increase within reach;

- Securing successful outcomes in the UNFCCC negotiations on:
 - i. Article 6 (carbon markets) rules of high environmental integrity;
 - ii. Transparency reporting mechanisms that keep Parties accountable;
 - iii. Bridge-building between Pacific Island countries and donors on loss and damage;
 - iv. Supporting Pacific island countries interests in the oceans/climate nexus;
 - v. Continued attention to agricultural mitigation and the work of the Koronivia Joint Work on Agriculture.
- Advocating for mutually-supportive trade responses to the climate crisis through bilateral discussions and by leading a side event on the Agreement on Climate Change, Trade and Sustainability (ACCTS).
- Successfully providing a hub for coordination and collaboration for Pacific delegations alongside the Aotearoa New Zealand-Tokelau office to raise the profile of issues important to the Pacific; and
- Supporting donors' demonstration of genuine commitment to meeting the current long term climate finance goal, including through communicating an updated New Zealand climate finance pledge, seeking enhanced transparency of climate finance reporting, endorsing the delivery plan for the US\$100 billion curated by donors, and contributing to the initiation of deliberations on the next climate finance goal.

Setting the scene from the top-down

8 The World Leaders Summit (WLS) was held on 1-2 November, culminating a year of summits. Over 140 leaders flocked to Glasgow to deliver national statements that set out new commitments on climate finance and revised emission reductions targets. Leaders set a tone of ambition and high expectation to lift the results of the subsequent negotiations. The WLS saw the launch of a number of collaborative initiatives, aimed at injecting momentum into negotiations. More than 100 nations signed on to the Global Methane Pledge and the Glasgow Leaders' Declaration on Forest and Land Use, including New Zealand. A myriad of further announcements were made over the conference, including the launch of the Beyond Oil and Gas Alliance that New Zealand also joined. (See complete list annexed.)

The COP that kept 1.5°C alive

9 The 1.5°C temperature limit could only be addressed in the "cover decisions" negotiated by Parties. 1/CP.26 (like its Paris and Kyoto counterparts) is the COP "cover decision" developed by the Presidency through intensive consultations with Parties and Groups, overarching the decisions of the supreme bodies. These documents are the ultimate narrative of the COP. They take the UNFCCC and Paris Agreement forward by additional acknowledgments, actions and processes.

10 **The Glasgow Climate Pact is a "balanced" package of decisions to respond to the urgency and scale of the climate action required this decade to keep 1.5°C within reach and to fully operationalise the Paris Agreement.** The Pact acknowledges the role of multilateralism, the science, the urgency for action this decade and current implementation gaps. It seeks greater action and financing in adaptation; calls for Parties to strengthen their NDCs in line with the temperature goal; calls for developed countries to address the finance, capacity-building and loss and damage needs of

developing countries; it heralds the operationalisation of the Paris Agreement; and it calls for greater involvement of young people, indigenous peoples and civil society.

11 This is the first COP cover decision to reference fossil fuels, however a last minute push by China and India saw the language watered down from “phase out” to “phase down.”^{s9(2)(g)(i)}

Completing the Paris rule-book

12 A detailed read out on the principal negotiation items is attached.

Transparency

13 The Paris Agreement provides that action is “nationally determined.” Achievement of NDCs is not considered legally binding. But accountability is maintained through submission of with GHG inventories and Biennial Transparency Reports that show how each party is tracking towards its self-imposed targets. The COP26 battle royale was about “flexibility” for Parties that might not be ready or able to report fully. Flexibilities were provided for in earlier decisions, nevertheless, some parties continued to argue that line or whole tables could be deleted by developing countries or that GHG inventory material could be in narrative form alone.^{s9(2)(g)(i)}

Article 6 (carbon market and non-market cooperation)

14 Article 6 of the Paris Agreement enables countries to set and meet emission reduction targets greater than can be achieved within their domestic borders. COP26 agreed accounting processes for Parties cooperating in carbon markets for use in their NDCs. Parties also agreed on the rules, modalities and procedures for the Article 6.4 mechanism, a UN body for the development of projects and activities that result in measurable, real, and verified mitigation outcomes. Parties also agreed a work programme for cooperating through non-market approaches, participating in information sharing, best practice, and capacity building.

15 Reaching this agreement required compromises by all Parties. Fortunately we did not have to concede a “grace period” that would in effect have allowed some countries to “double-count” emissions reductions. We did have to concede that some Kyoto Protocol Clean Development Mechanism (CDM) activities and credits will be permitted to transition into the Paris-era. Funding for adaptation called for by developing countries remains voluntary outside the Article 6.4 mechanism. The final package is strong including key elements that deliver environmental integrity and ambition through cooperation.

Loss and Damage

16 In the face of significant and increasingly frequent climate disasters and growing costs to vulnerable economies, loss and damage ascended as a headline, critical issue over COP26. Developing countries (particularly PSIDS) pushed for the establishment of a separate financial stream for loss and damage to sit alongside those targeting adaptation and mitigation finance – a red line for many developed countries. The promise of a dedicated dialogue giving profile to loss and damage does not fully satisfy developing countries without certainty of adequate financial support to address it. In this sense the issue has been kicked down the road.^{s9(2)(j)}

s9(2)(j)

Climate finance

17 In the wake of the Paris Agreement ‘finance for action’ deal, all roads lead to finance and it was well signalled that COP26 would be no different. There were 22 different finance agenda items to negotiate. Finance issues arose across the negotiation spectrum including in relation to Loss and Damage, Article 6, Transparency and Technology. The COP sought to respond to both the non-achievement of donors’ collective US\$100bn climate finance goal and the need to structure deliberations on the next (2025) collective goal. Parties agreed establish a three year work programme of technical and ministerial dialogue and regional consultations to deliver a new goal in 2024.

18 Adaptation finance was a hot issue throughout COP26 given the low levels of finance provided for developing country adaptation compared to mitigation. This led to the final cover decision ‘urging’ developed country Parties to collectively double their adaptation finance from a baseline on 2019 by 2025. This doubling of adaptation finance was essential in the final hours getting the Article 6 package over the line with G77 + China.

19 While New Zealand’s quadrupling of climate finance was very well-received, ^{s9(2)(j)} New Zealand (along with every developed country) will continue to face pressure to provide and mobilise more. This is extenuated because the Paris Agreement’s promise of scaled up of finance from re-directed finance flows (e.g. ending harmful subsidies) making available trillions rather than billions for climate action and transition, has yet to eventuate.

Common timeframes for NDCs

20 The conference agreed to encourages Parties to communicate NDCs in 2025 for 2035, and in 2030 for NDCs for 2040. New Zealand used its convening power in the last days to rally support for the eventual compromise language bridging the gap between a ^{s6(a)} push for a 10 year timeframe and higher ambition countries support for 5 year. This result means that the NDC New Zealand submits in 2025 will be expected to cover 2031-2035.

Agriculture

21 A pre-sessional workshop of the sole agenda item covering agriculture (the Koronivia Joint Work on Agriculture) was convened prior to the COP to focus attention on strategies to scale up implementation of best practices, innovations and technologies that increase resilience and sustainable production in agricultural systems according to national circumstances. The negotiations produced decisions regarding the finalisation of outstanding reports from workshops. Work will continue at upcoming meetings (June 2022) to resolve the future of the agenda item. New Zealand was successful in ensuring the mitigation conversation remains part of future work.

Local Communities and Indigenous Peoples Platform (LCIPP)

22 New Zealand engaged actively in the pre-sessional meetings of the Facilitative Working Group (FWG) of the LCIPP and the negotiations under the SBSTA. The LCIPP was established for the exchange of experiences and sharing of best practices, and the FWG operationalises and implements the three functions of the Platform through its work plan. The Platform enables New Zealand to share internationally our domestic experience in developing national climate change policies with iwi Māori.

We supported two iwi Māori representatives to share their views on the second 3 year work plan and connect with other indigenous peoples and constituencies. The work plan was adopted. New Zealand (Carter) was also elected to represent the Western Europe and Others Group (WEOG) as a Party member of the FWG of the LCIPP.

Small but mighty – New Zealand’s commitment to multilateralism and the Pacific

New commitments

23 In addition to the Global Methane Pledge and the Glasgow Leaders’ Declaration on Forests and Land Use, New Zealand also joined a number of high profile declarations and coalitions. These the High Ambition Coalition Statement, the Beyond Oil and Gas Coalition and the Clydebank Declaration. Our support for collaborative initiatives demonstrates our commitment to plurilateral pathways to greater multilateral ambition, and aligning out domestic and international action with the goal of the Paris Agreement. Stakeholder responses to this form of engagement was generally positive.

s9(2)(g)(i)

High-level engagement

24 Prime Minister Ardern’s keynote addresses at the Confederation of British Industry dinner and video for the Women Leading on Climate Initiative were well received. Minister Shaw facilitated the transparency negotiations alongside Hon Sir Molwyn Joseph Environment Minister of Antigua and Barbuda. MCC was able to engage closely with the UK Presidency, a range of Parties in his role as co-facilitator including China, EU, India, Brazil and broader negotiating blocs. He (successfully) pressed for the application of reporting requirements for all and support to developing countries going forward.

25 MCC also met bilaterally with China, UK, EU, Canada, Ireland, Costa Rica, Fiji, and Tuvalu (file notes available on request) and conducted media engagements with a range of both domestic and international outlets, including Sky News, the BBC World Service, ITV (Good Morning Britain) and Times Radio. Engagements provided an important opportunity to highlight to both international and domestic media New Zealand’s global climate change leadership and key domestic priorities – including our increased climate finance commitment, our updated NDC and our work in supporting the Pacific. Minister Shaw delivered our national statement during the resumed High-Level Segment in Week 2. The statement was published to the Beehive website [here](#).

Side events

26 New Zealand held three side events at COP26, with the aim of sharing our experience and leadership in agriculture, climate risk disclosures and the climate change-trade nexus:

- **“Towards Sustainable Livestock Systems”**, an agriculture sector panel event to discuss actions that can be taken now for adaption, mitigation and development. The followed a Global Research Alliance event, “Contemplating the Co-Benefits: An exploration of their evidence-base to accelerate climate action”, hosted by Australia as GRA chair.
- **“Mandating Climate-Related Financial Disclosures”** a discussion led by Minister Shaw with representatives from Brazil and the UK on experiences relating to mandated climate disclosure.
- **“Agreement on Climate Change, Trade and Sustainability”**, attended by 5 of the 6 ACCTS countries allowing an exchange of views on the need to recognise the nexus between trade and climate change and how the Agreement can deliver transformative solutions.

Pacific Engagement

27 Our standing with the Pacific was enhanced through the COP26 Moana Blue Pacific space (office) and event programme managed by the Secretariat for the Pacific Regional Environmental Programme (SPREP) and funded by the NZ Aid Programme. The office was co-located with New Zealand's, including shared meeting and reception facilities. The arrangements enabled excellent opportunities for engagement with Pacific negotiators. The space was well-utilised throughout the conference by Pacific delegations, observers and media. The delegation also supported and spoke at SPREP and PIF and other Pacific-run events.

28 Our annual COP **Pacific Ministerial Roundtable** took place on 10 November, focused on "Stewarding the Blue Pacific at COP and Beyond". The exchange was positive and substantive. MCC chaired, with participation by Ministers from the Marshall Islands, Tuvalu and Papua New Guinea, as well as representatives of Palau, Tokelau and Niue. Issues such as loss and damage, and oceans, were discussed.

TĀKUPU – COMMENT

29 For all its hype, COP26 delivered a genuine shift in international climate change ambition. This may be put down to number of factors: Parties have been unable to meet in-person for almost 2 years; recent science delivering a stark message that, without significant action this decade, we are heading for a catastrophic future; the severe impacts of climate variability and events experienced across the globe this year; and not least, the UK's effectiveness as COP President. The COP26 outcome, like any multilateral product, is naturally borne of compromise. But we can positively state that ambition was raised, the Paris Rulebook was completed and for the first time the role that fossil fuels play in the climate crisis was acknowledged in a COP decision – even if the language was not as ambitious as Parties would have hoped. As we move into the implementation phase of the Paris Agreement, the Glasgow Pact should provide a plan for Parties to keep 1.5 degrees within reach.

30 s6(a)

31 The COP was also a success for New Zealand. We delivered on our objectives, demonstrated commitment to the Paris Agreement, and showed leadership in championing multilateralism and our values throughout the COP. We strengthened our bilateral relationships with the UK, the Pacific and reaffirmed our reputation as a constructive, engaged contributor to the global climate change effort.

MUTU - ENDS

RESTRICTED



NEW ZEALAND
FOREIGN AFFAIRS & TRADE



30 September 2021

Minister of Climate Change

For action by

4 October 2021

Climate Change: UNFCCC COP26: Objectives and Priorities

BRIEFING General Purpose

PURPOSE This briefing proposes New Zealand's priorities and objectives for COP26 for your agreement.

Taipitopito whakapā – Pito matua Contact details

NAME	ROLE	DIVISION	WORK PHONE	MOBILE PHONE
Kay Harrison	Divisional Manager	Climate Change Division		s9(2)(a)
Anna Broadhurst	Climate Change Adviser	Climate Change Division		

Mā te Tari Minita e whakakī – Minister's Office to complete

☐ Approved

☐ Noted

☐ Referred

☐ Needs amendment

☐ Declined

☐ Withdrawn

☐ Overtaken by events

☐ See Minister's notes

Comments

Climate Change: UNFCCC COP26: Objectives and Priorities

Pito matua – Key points

- The United Kingdom is hosting the United Nations Framework Convention on Climate Change (UNFCCC), 26th Conference of the Parties (COP26), 31 October-12 November 2021. New Zealand will participate in the negotiations, co-host the “Pacific Space” and a programme of events on issues of regional interest, and engage in thematic events over the two weeks in Glasgow, Scotland.
- Cabinet will consider New Zealand’s existing climate change negotiations mandate CAB-19-MIN-0430 [refers] on 18 October 2021, and has been invited to endorse its application to COP26 [refers]. The mandate, and the 2021 International Climate Change Engagement Plan more generally, will be implemented through the proposed COP26 activities set out in Annex I.
- We propose the weight of the delegation’s effort at COP26 should fall on:
 1. demonstrating New Zealand’s continued commitment to full implementation of the Paris Agreement and support for action sufficient to keep the 1.5 degree temperature limit within reach;
 2. successful negotiations on carbon markets (art. 6) and transparency (art.13); building a bridge between Pacific countries and donors in COP deliberations on loss and damage;
 3. use of the Pacific Space to raise the profile of the region’s concerns and achievements; and
 4. supporting credible progress with donors’ collective efforts to meet the \$100bn climate finance goal.
- You will attend the COP for its second week. The High Level Segment will contain a number of meetings and events at which ministerial attendance is expected, including finding landing zones on political issues in the negotiations.
- In addition to these commitments, we anticipate you will deliver the New Zealand national statement, co-host (potentially with Fiji) an event to showcase progress on the Agreement on Climate Change, Trade and Sustainability (ACCTS) trade initiative, lead an event on Climate Risk Disclosure, hold a roundtable with Pacific Ministers, and have bilateral meetings to take forward New Zealand priorities as identified in the 2021 International Climate Change Engagement Plan.
- We recommend ^{s6(a)}
 _{s6(a)} be prioritised for bilateral meetings. If you agree, we will register interest in setting up these meetings through the relevant MFAT Posts.
- Going forward, your office will receive regular programme updates and be advised of further decisions required.



Victoria Hallum
for Secretary of Foreign Affairs and Trade

Climate Change: UNFCCC COP26: Objectives and Priorities Tūtohu – Recommendations

It is recommended that you:

- 1 **Agree** to the objectives for COP26 set out in Annex I. Yes / No ☒ Yes ☒ No
- 2 **Agree** that the outcomes set out in paragraph 3 of this report will be the focus of New Zealand's engagement at COP26. Yes / No ☒ Yes ☒ No
- 3 **Agree** officials should seek bilateral meetings with ^{s6(a)} Yes / No ☒ Yes ☒ No
- 4 **Agree** officials may explore seek speaking commitments for you in addition to those noted in this paper. Yes / No ☒ Yes ☒ No
- 5 **Agree** this submission will be proactively released on the MFAT website. Yes / No ☒ Yes ☒ No



Hon James Shaw
Minister for Climate Change

Date: 3 / 10 / 21

Climate Change: UNFCCC COP26: Objectives and Priorities Pūrongo – Report

New Zealand objectives and priorities

1. New Zealand's overarching objectives for the 26th Conference of the Parties (COP26) to the United Nations Framework Convention on Climate Change (UNFCCC), drawn from the 2021 International Climate Change Engagement Plan are set out in Annex I to this paper. We seek your agreement to these objectives, and the priorities set out below, to inform stakeholder and delegation briefing and the overall COP26 communications plan.
2. We propose New Zealand's engagement at COP26 focuses on the following priorities:
 - a) *Demonstrating New Zealand's full commitment to the Paris Agreement:* specifically by arriving at the COP with an updated NDC and Long Term Low Emissions Development Strategy and telling the story about their alignment with New Zealand's low emissions transition and the 1.5 degree temperature increase limit as opportunities arise. A New Zealand-led side event on Climate Risk Disclosure will enable our experience to be shared.
 - b) *UNFCCC Negotiations:* securing an outcome on carbon markets (Art. 6) that ensures the environmental integrity of the Paris Agreement, including:
 - I. working with like-minded countries on potential plurilateral initiatives to reinforce the multilateral outcome (for example through the San Jose Principles Group);
 - II. an outcome on the Transparency Reporting Tables that preserves the commonality of the reporting system; bridge-building between Pacific island countries and donors on matters relating to loss and damage, to ensure the interests of Pacific island countries are served as well as possible;
 - III. supporting Pacific island countries to secure continued UNFCCC attention to the oceans/climate nexus in 2020;
 - IV. and ensuring the Koronivia Joint Work on Agriculture continues, and attention to agricultural mitigation is in scope unequivocally.
 - c) *Demonstrate value of trade in supporting climate action:* advocating for mutually-supportive trade responses to the climate crisis through bilateral discussions and by leading a side event on the *Agreement on Climate Change, Trade and Sustainability (ACCTS)* and highlight New Zealand's leadership at the nexus of trade and environmental policy as opportunities arise.
 - d) *Pacific Space:* ensuring the Pacific Space, funded by the New Zealand Aid Programme and managed by the Secretariat of the Pacific Regional Environment Programme (SPREP), successfully provides a hub for coordination and collaboration by Pacific delegations and holds a series of events to raise the profile of issues important to the Pacific. New Zealand-hosted events will address climate risk disclosure (TCFD) and highlight the

Climate Change: UNFCCC COP26: Objectives and Priorities

value of the New Zealand-led trade response to the climate challenge through the *Agreement on Climate Change Trade and Sustainability* (ACCTS).

- e) *Climate Finance*: supporting donors' demonstration of genuine commitment to meeting the current long term climate finance goal, including through communicating an updated New Zealand climate finance pledge, seeking enhanced transparency of climate finance reporting, endorsing the delivery plan for the US\$100 billion curated by donors, and contributing to the initiation of deliberations on the next climate finance goal. We will look to scope other donors' interest in fair share approaches to the next goal.
- 3. The composition of the delegation will be finalised once MIQ arrangements are resolved. As you have agreed, we are planning to include a small number of non-officials from iwi Māori and business. We expect non-officials to engage actively at COP, identifying potential opportunities for New Zealand to advance its interests and telling New Zealand's climate change story from their various perspectives. Amongst other things, this will enable the delegation to promote consideration of the interests of indigenous peoples. This will be achieved through participation in side events, engagement with organisations and in consideration of the work plan of the Facilitative Working Group for the Local Communities and Indigenous People's Platform.
- 4. Due to social distancing measures to be in place to manage COVID-19 risks, this COP will offer fewer opportunities than usual for informal engagements amongst participants, and much more limited options for New Zealand hospitality events. For example, the delegation will be unable to bring New Zealand stakeholders at the COP together in person for daily briefings. On the other hand, the co-location of the Aotearoa New Zealand/Tokelau and Pacific offices are intended to enable more informal collaboration between our respective delegations.

Proposed ministerial focus

- 5. The United Kingdom has confirmed that ministers are expected to participate in negotiations on the outstanding political issues during the second week of the COP. It is clear from past experience that ministerial representation is critical for any country to have a voice in these end game negotiations. Attending the COP on 7-12 November will enable you to represent New Zealand's interests in this process.
- 6. You will have an opportunity to deliver New Zealand's National Statement, which is the key vehicle offered by the COP for communicating New Zealand's international and domestic climate change priorities and developments. This will be of interest to both domestic and international audiences.
- 7. We will recommend you again host a climate change policy round table with Pacific Ministers while in Glasgow, to discuss how New Zealand and the Pacific can work together on shared priorities, including through the final hours of the negotiations. Work is under way to scope potential discussion themes.

Climate Change: UNFCCC COP26: Objectives and Priorities

8. We continue to receive a steady stream of invitations for you to attend and speak at other events. We will assess these and make recommendations to you on the elements of your programme via a further submission in mid-October.
9. A further submission is also being prepared on New Zealand's announcements at the COP. This includes statements and declarations New Zealand will join, some of which will be launched at events you may wish to include in your programme.
10. Given the expected presence of many of your counterparts, we propose you take up the opportunity to meet bilaterally with ministers from the countries identified in the 2021 International Climate Change Engagement Plan as most important for New Zealand's objectives. If you agree, we will take initial soundings on the availability of ministers from ^{s6(a)}

Next steps

11. In coming weeks we expect to receive additional information about UK and other countries' plans for the COP. We will seek your direction on the core elements of your programme through a submission around mid-October. Thereafter, your office will receive regular programme updates and be advised of further decisions required for discussion at officials' meetings.
12. Advice on the make-up of New Zealand's package of announcements at the COP will be provided to you for agreement also in mid-October. The table in Annex I shows only initiatives New Zealand has already decided to join. Several others remain under consideration.
13. A briefing for COP26 will be delivered to your office by Friday 29 October. We propose suggested inputs to the New Zealand national statement are provided at the same time. Officials can provide briefing on issues arising from the brief at the officials' meetings prior to your departure.
14. Once COP26 is under way, the delegation will report back on significant developments, including to your office. A Formal Message will summarise key developments at the end of the first week, and you will be briefed on arrival.

Climate Change: UNFCCC COP26: Objectives and Priorities

Annex I: Priorities and Objectives Table

Objective	Priority	Success Factor	COP 26 activity
<div> Key Initiative Event Ministerial Negotiation Domestic </div>	Contribute to, and foster, effective global ambition	Actively share climate related disclosure implementation with others	TCFD statement and event
		Deliver NZ's enhanced NDC and LT-LEDs	National statement Updated NDC and LT-LEDs
		Support COP26 outcomes that substantively narrow ambition gap	Negotiate completion of Paris rulebook Negotiate comprehensive climate finance agenda
		International cooperation supports clean energy & transport decarbonisation, tech, R&D and innovation	Aviation Declaration
		s9(2)(j)	Joint statement with WCI
		Public finance aligned with climate resilience	Export Credit Declaration (EU)
	Drive the agenda on agricultural mitigation & support sustainable global food systems and land use	Lead on agriculture and sustainable forestry	Negotiate for continuation of KJWA
		Advance the work of the GRA	GRA side event (Australia)
Support NZ's transition	Influence climate action through trade policies and instruments	Bilateral engagement and business to business links support NZ access to transition technologies and services	Ministerial bilateral meetings Attendance by business delegation
		Value of utilising trade rules and practices to achieve mutually supportive economic and environmental outcomes.	ACCTS side event
	Just transition		Just Transition side event (Scotland) Transition to sustainable agriculture case study (UK)
Stand with the Pacific	Enhance the mobilisation of climate finance	NZ meets existing climate finance commitments and has new principles based commitment	NZ climate finance commitment
		Scale up global climate finance to meet USD\$100bn goal	Support Donor roadmap Biennial high-level ministerial dialogue on climate finance
	Lead and invest in a resilient and empowered Pacific transition	Policy leadership on sea level rise, climate migration and loss and damage	Pacific Ministerial Policy Roundtable
		COP26 is inclusive for Pacific and other SIDS and Pacific Space ensures visibility of Pacific issues	Pacific Space/programme of events

Technical report on COP26 negotiations, November 2021

Contents

Article 6	2
Loss and damage	3
Climate finance:	5
New Collective Quantified Goal on Climate Finance	5
Long Term Finance	6
Finance Reporting Tables	6
Reports and Guidance to Funds	6
Periodic review	6
Budget	8
Koronivia Joint Work on Agriculture (KJWA)	8
Facilitative Working Group of the Local Communities and Indigenous Peoples Platform (LCIPP)	9
Response measures	10
Gender and climate change	11
Other issues	11
Oceans	11
Human rights	11

Article 6

Ambition and Environmental Integrity:

- Accounting of Article 6 cooperative approaches is largely operational and accounts for varying types of NDCs.
- The text requires and provides for method for the application of corresponding adjustments on transferred ITMOs, therefore, ensuring the avoidance of double counting.
- The accounting framework also provides for the quantification of various NDC metrics into GHGs.
- Robust reporting and review requirements ensure no net increase in global emissions results from cooperation between Parties.
- The 6.4 mechanism is designed to require ambitious activity methodologies (baselines and additionality)
- Host Parties are provided with the autonomy to authorize for use towards NDCs or other international mitigation purposes the transfer of mitigation outcomes resulting from projects and activities set up through the 6.4 mechanism. This authorization triggers the 6.2 accounting, reporting, and review for 6.4 emissions reductions units (A6.4ERs).
- While the text does not explicitly provide for the use of non-authorized 6.4ERs, the 6.4 mechanism can be used to generate this type of mitigation which would count towards a host party's NDC. This provides a signal for Host Parties to use such emissions reductions to support achievement of their own NDCs through domestic compliance schemes and results-based finance.
- The voluntary carbon market can also access both authorized and non-authorized mitigation outcomes and use them according to the guidance provided in Article 6. This provides greater clarity to the market on the permissible claims dependent on how mitigation outcomes are used.
- The text enables Parties, activity participants and the voluntary market to cancel authorised 6.4ERs to contribute to a further mitigation of global emissions
- The text also provides safeguards against negative social, economic, and environmental impacts, as well as the respect of human rights, the rights of Indigenous peoples, and gender considerations.

Concessions

- Proponents of the Clean Development Mechanism (CDM) saw success in the transition of CDM activities into the Paris-era, with less restrictions than hoped for by New Zealand and other ambitious, like-minded Parties.
- Similarly, the use of CERs in the Paris-era is permitted for own use (cannot be transferred as ITMOs). This restriction will limit their harmful impact.
- Advocates of adaptation finance also saw a win in a mandatory 5% share of proceeds as part of transfers in the 6.4 mechanism. This is also accompanied by a mandatory 2% cancellation towards OMGE. These provisions are voluntary under 6.2 cooperative approaches.
- s9(2)(j)

Given these concessions, some high integrity Parties in the San Jose Principles Coalition have released a Declaration reiterating commitment to the principles and noting they will not avail themselves to engage in cooperative approaches with Parties who do not uphold these same commitments. Among other pledges, the Declaration notes they will not use pre-2020 units for any purpose, and will encourage the voluntary carbon market to use authorized units. To date Costa Rica, Colombia, and Finland have signed on. New Zealand is considering.

New Zealand played an active and constructive role in the negotiation process securing outcomes aligned with our mandate. New Zealand was able to deliver:

- Text on baselines and additionality for the 6.4 mechanism, ensuring all projects and activities deliver measurable, real, and verified mitigation outcomes. This was drafted along with the EU and supported by almost all Parties and Groups.
- Text on OMGE. In support of our partners in the Pacific, New Zealand worked with AOSIS to develop a bridging proposal that advanced the interest of small island states. The final text delivered a 2% mandatory OMGE for the 6.4 mechanism, requiring corresponding adjustments. New Zealand also ensured the inclusion of an option for the voluntary carbon market to cancel units for the benefit of the atmosphere.
- Text on human rights and the rights of indigenous people in Article 6.8 non-market approaches. Working with the U.S and the Group of Like-minded Developing Countries (LMDCs), New Zealand was able to secure rights text consistent across all three Article 6 items. This was a key ask of stakeholders.
- New Zealand was also successful in working with like-minded to avoid the inclusion of quantitative limits on the transfer of ITMOS within the guidance that would have resulted in severe restrictions to the number of emissions reductions units permissible per NDC period, thus hindering New Zealand's ability to meet our NDC.

Loss and damage

Loss and Damage became a critical issue during the course of this COP and was the subject of difficult negotiations. On the positive side of the ledger, Parties agreed the functions of the Santiago Network and set a process to ensure it becomes fully operational by COP27. It is hoped that the Santiago Network will provide better coordination, direction and prioritisation to the work of existing organisations, bodies and experts delivering technical assistance to developing countries to avert, minimise and address loss and damage.

s6(a)

While it is common ground that there is a need to scale up and mobilise finance for loss and damage, the demand for a dedicated facility is currently unacceptable to most developed countries as it raises the spectre of compensation and liability for the losses suffered by developing countries as a result of historical emissions.^{s6(a)}

The G77 + China, with strong support from PSIDs and AOSIS, pressed^{s6(a)} strongly in the second week of negotiations. The compromise solution to establish a dialogue to discuss the funding arrangements for loss and damage pleased no-one. At the closing plenary, many developing countries expressed disappointment and regret for the failure of developed countries to support loss and damage finance at this COP. This is an issue that will run and run,^{s9(2)(j)}

Transparency

For the most part work at the technical level proceeded smoothly, with most Parties working hard to find solutions that would remain true to the requirements and flexibility provisions as set out in the annex to decision 18/CMA.1 (containing the modalities, procedures and guidelines (MPGs) for the enhanced transparency framework), and at the same time address particular concerns of some developing countries, including regarding publication of data.

The cover decision is accompanied by several annexes fulfilling the mandate given to the SBSTA by the CMA as part of decision 18/CMA.1:

- Annex I containing common reporting tables for the electronic reporting of greenhouse gas inventories;
- Annex II containing common tabular formats for the electronic reporting of the information necessary to track progress made in implementing and achieving NDCs under Article 4 of the Paris Agreement;
- Annex III containing common tabular formats the electronic reporting information on financial, technology development and transfer and capacity-building support provided and mobilized, as well as support needed and received, under Articles 9–11 of the Paris Agreement;
- Annex IV containing the outline for biennial transparency reports;
- Annex V containing the outline for national inventory documents;
- Annex VI containing the outline for technical expert review reports;
- Annex VII on the training programme for technical experts participating in the technical expert review of biennial transparency reports.

The big issues going into the meeting were:

- (a) the call from some developing countries for flexibilities in the enhanced transparency framework that go beyond the specific flexibilities agreed in the MPGs which would undermine both the Paris Agreement and decision 18/CMA.1;
- (b) how requirements to report on Article 6 activities would be included in the tracking progress tables;
- (c) the provision of capacity building support for developing countries in implementing the requirements of the enhanced transparency framework;
- (d) the provision of financial support for reporting, primarily through the Global Environment Fund (GEF).

For the most part the flexibility issue was resolved through careful wording in the cover decision (Decision X/CMA.3) as well as incorporating various notes in the reporting tables on the reporting of

confidential information. s9(2)(g)(i)

the combination of the cover decision and notes to the tables preserves the integrity of decision 18/CMA.1 and its annex.

The tracking progress tables regarding the provision of information on the use of internationally transferred mitigation outcomes (ITMOs) reflect the outcome on Article 6.

The critical element of support for developing countries to implement the requirements of the enhanced transparency framework is covered in the CMA decision that provides guidance to the GEF from the CMA (decision X/CMA.3) inter alia requesting/encouraging the GEF to streamline its processes and enhance the adequacy and effectiveness of support provided, including via the Capacity-building Initiative for Transparency (CBIT). This decision also encourages the GEF, Parties and implementing agencies to work collaboratively to ensure that financing for national inventory reports and biennial transparency reports is delivered in a timely manner. The GEF is to provide regular reports back to the CMA on actions taken to implement the guidance from the CMA.

Two new agenda items have been established via decision X/CMA.3 (Transparency). One for the CMA agenda "Reporting and review pursuant to Article 13 of the Paris Agreement: provision of financial and technical support to developing countries for reporting and capacity building" (as up until now there has only been such an agenda item under the Convention). The other new agenda item is to look at the options for conducting voluntary reviews of information submitted by developing countries on adaptation under chapter IV of the MPGs. For developed countries this information is already subject to review as part of national communication review, and developing countries are asking for some kind of review to help them improve their reporting in this area.

The development of the reporting software has a tight timeframe s9(2)(j), s9(2)(b)(ii)

has no budget It is critical that the software be available well in advance of submission of first biennial transparency reports (due by 31 December 2024), and s6(b)(ii), s9(2)(j)

work needs to start immediately as any delay will cause a delay in submission of biennial transparency reports.

Climate finance:

New Collective Quantified Goal on Climate Finance

After long negotiations with some Parties requesting the establishment of new technical committees and ad hoc working groups, agreement was found to establish an ad hoc work programme, including developed and developing country co-chairs, technical expert dialogues, engagement with civil society and the private sector over the next 3 years prior to a decision in 2024 on the next finance goal. The co-chairs will report progress on deliberations each year. There was inclusion of references to the goal's contribution to the 1.5 °C goal and that deliberations will include discussion on the needs of developing country Parties, making finance flows consistent with a low greenhouse gas pathway and climate resilient development, as well as quality, quantity and access. While this provides further clarity on what will be discussed, the decision does not in any way prejudge what

can be discussed or the eventual outcome of the deliberations in 2024. This leaves the discussion open on contentious issues such as who contributes to the goal, loss and damage under the goal and a discussion on broader finance flows (i.e. fossil fuel subsidies).

Long Term Finance

As per decisions at COP24 in Katowice, the work programme related to the Long Term Finance agenda item which was established in 2011 under the Convention was to conclude at COP26 and finance discussions and work programme was to transfer to the 9.5 agenda item under the Paris Agreement (CMA). However, given the non-achievement of the US\$100bn goal in 2020, developing country parties called for the extension of the LTF and a formal mechanism established under the UNFCCC to report on progress towards the \$100bn goal. After some push back, Parties agreed to an extension of the LTF agenda under the Convention until 2027. The decision also includes a request for the Standing Committee on Finance to produce a report on progress towards the US\$100bn goal in 2022. Although not decided it is likely that this will continue until the closing of the Long Term Finance agenda in 2027.

Finance Reporting Tables

As part of the transparency package, reporting tables for financial support provided, received and needs were agreed upon. The deliberations focused upon the finance provided tables, and specifically on how to incorporate the voluntary reporting of grant equivalency and whether to refer to loss and damage in the tables (which is not included in the Modalities, Procedures, and Guidelines agreed at COP24 in Katowice). In the final tables, there is a separate grant equivalency column which cannot be removed, and a footnote in the tables requesting Parties to “Report, to the extent possible, information on the project/programme and implementing agency and provide a link to any relevant documentation and as appropriate, support to activities related to averting, minimizing and addressing loss and damage associated with the adverse effects of climate change”. There is no specific drop down option for loss and damage within the tables so it is up to Parties to decide how they may report any loss and damage finance, including using the “additional information” box or using the narrative section of the report.

Reports and Guidance to Funds

The reports from and guidance to the Green Climate Fund (GCF), the GEF and the Adaptation Fund all went through with relatively low drama. Of note, ^{s6(a)} were able to get agreement in the Adaptation Fund guidance that Parties to the Paris Agreement are eligible to be appointed to the Adaptation Fund Board (neither are Parties to the Kyoto Protocol but at COP26 made contributions to the Adaptation Fund. The Adaptation Fund is yet to exclusively serve the Paris Agreement as Article 6.4 share of proceeds are yet to be available).

Matters relating to science and review:

Periodic review

Procedural conclusions were agreed for the Periodic Review of the long-term global goal (LTGG), welcoming the holding of Part I and Part II of the 2nd Meeting of the Structured Expert Dialogue (SED) under the Second Periodic Review (PR2 – SED2) in Glasgow, and reaffirmed that the 3rd meeting of the SED would take place during the first sessional period in 2022.

There was consensus among Parties that a key aspect of the Second Periodic Review was the importance of ensuring an inclusive, transparent and balanced process. This included maintaining a balance between the two themes (international and regional) and ensuring presentations were of a high quality, followed by science-based discussion.^{s6(a)}

During negotiations there was robust debate on how to recall the 2nd SED and the presentations made. Most UG and EIG members were comfortable with the draft text proposed by the co-facilitators, noting they found the exchange with scientists and technical experts to be useful and constructive. However,^{s6(a)} as well as a number of developing countries, raised concerns at the lack of focus on equity and reference to pre-2020 commitments by Annex 1 countries. As there was no consensus on these issues, they were ultimately not reflected in the final text.^{s6(a)}

Global Stocktake

Global Stocktake (GST) achieved largely procedural, compromised text. Parties agreed that at this stage no further sources of input should be added to GST. To address developing countries' concerns that inputs be balanced, language was added that reiterates the non-exhaustive nature of the list. Language was included that input from relevant constituted bodies and forums and other institutional arrangements under the CMA can be prepared for the technical assessment. This avoided the need for a contentious discussion on all other sources of input that should be included in the conclusions^{s6(a)}

A few discussion areas were ultimately not reflected in the final text, including^{s6(a)} concerns that the GST would not be consistent with common but differentiated responsibilities (CBDR) and the focus would be on least cost pathways to decarbonisation, with the latter "not a foundational principle of the convention". Another key issue not picked up in the text was developing countries question of how participation of non-Party stakeholders would be ensured, with suggestions of more financial support. As a compromise there is a reference to providing "assistance to high-level champions to support the GST".

The deadline for input into the GST is February 2022 and work is underway on the synthesis reports. The UNFCCC Secretariat has offered to carry out webinars to explain methodologies on how information in the synthesis report will be developed and answer some pre-sessional information. The co-facilitators will provide an information note prior to each Technical Dialogue (TD), and produce a summary report. Following the third TD, a short synthesis report will be produced.

The co-facilitators sought the views of Parties on the process and modalities for the TD, with the hope that the TDs will be a developing and inclusive process rather than three distinct dialogues. They would also consider organising a regional preparatory process. It would be important ahead of each TD to ensure enough time prior to prepare for a meaningful exchange (including be sharing presentations in advance). The co-facilitators were aware that time management during the TDs

would be important, and would advocate to the Subsidiary Body (SB) chairs that enough time was allocated. In terms of themes and process, they recognised it would be equity based with best available science, but ambition was also a key aspect of this. There would also be discussion on loss and damage and response measures. The co-facilitators also welcome feedback on guiding questions to SBs.

Adaptation

The key deliverable from adaptation discussions was agreement to the Glasgow-Sharm el-Sheikh Declaration on the Global Goal on Adaptation (GGA). Importantly for New Zealand, the decision recalls that adaptation should be gender-responsive, participatory and fully transparent – and in addition to being guided by the best available science, as appropriate, can draw in a range of other factors – including knowledge of indigenous systems. This work programme was particularly important for the African Group of Negotiators (AGN) group. Perhaps the most contentious part of the work programme was the question about what role, if any, the Presidency should play. In the end a compromise was reached, which invites the SBs to carry out the work programme, but with contributions from the current and incoming Presidencies.

National Adaptation Plans (NAPS) proved less contentious – but ultimately lacked much in the way of ambition. Two procedural decisions were agreed by the Subsidiary Body for Implementation (SBI), with the more controversial elements added to an annex and sets out more detail about how the development of NAPS could be improved, including through support from the Secretariat.

Common timeframes

Common Time Frames landed on text “encouraging” Parties to submit 5 year NDCs in 2025 and 2030, and every five years thereafter. The landing zone proposed by the Presidency was a positive step forward, moving towards 5 year common time for all (a position supported by the vast majority of Parties, including New Zealand), rather than providing the flexibility of either 5 or 10-year NDCs

s6(a) However, to achieve this, the operative verb was weakened from “requests” – the formulation supported by New Zealand, s6(a)

Budget

The budget was agreed for the biennium period of 2022-2023.

Koronivia Joint Work on Agriculture (KJWA)

A pre-session Koronivia Joint Work on Agriculture (KJWA) workshop took place on “strategies and modalities to scale up implementation of best practices, innovations and technologies that increase resilience and sustainable production in agricultural systems according to national circumstances”. This workshop was part funded by New Zealand, Ireland and the Food and Agriculture Organisation (FAO) – but is often referred to as the “New Zealand workshop”.

The broad and constructive discussion recognised the potential to encourage the uptake of practices that will reduce net emissions and facilitate adaptation while maintaining food security. It was recognised that there was no one size fits all solution to sustainable agriculture and livestock systems, but every country had room to ensure improved productivity and an enhanced ability to sequester carbon in systems.

Negotiations on KJWA started with the ^{s9(2)(g)(i)} intention of 1) finalising outstanding reports from a number of workshops on issues such as livestock and nutrient management, and including the pre-COP workshop; 2) developing a report back to COP synthesising outcomes from the whole Koronivia roadmap to date; and 3) making recommendations on the future of the KJWA. At the end of the day, only the first element was completed – almost. The SBSTA/SBI conclusions adopted cover all the outstanding workshops except the most recent one – and good progress, which is effectively annexed to the decision, was made on that workshop (these were sometimes referred to as the “New Zealand paras”, although they incorporate the views of all Parties). The SBSTA/SBI conclusions call for work to continue at SB56 in June 2022 and the full package, including recommendations for the future, to be presented for adoption at COP27.

While we would have like to progress further, limited time and difficult conditions were a challenge. Nevertheless, several parties commented that more had been able to be agreed in this session than in previous ones. During COP26 there were a number of references to COP27 being the agriculture or food security COP, ^{s6(a), s9(2)(j)}

Normal developing (adaptation) versus developing (mitigation) tensions were evident throughout the process and will culminate next year with likely calls for the establishment of a new constituted body or permanent working group on agriculture, and a dedicated finance stream with a very strong or sole focus on adaptation. The agriculture sector (including its methane emissions) is becoming of increasing importance in the climate change debate as other emissions decline – a number of COP26 statements referred to this, including the final cover decision and the Joint US-China statement released prior to the closing of COP. While the Koronivia process is not perfect, it is at least a means to highlight issues and opportunities for the sector. COP27 will be important in setting the forward agenda.

Facilitative Working Group of the Local Communities and Indigenous Peoples Platform (LCIPP)

New Zealand engaged activity in the pre-session sixth meeting of the Facilitative Working Group (FWG) of the Local Communities and Indigenous Peoples Platform (LCIPP) held 28-30 October, and the SBSTA negotiations on the LCIPP. Two iwi Māori representatives attended the FWG meetings as non-officials on the delegation and participated in mandated events.

The second three-year work plan of the LCIPP was adopted mostly without issues, speaking to its success in achieving all but one of the activities outlined in its first work plan. The next work plan, developed jointly between IPs and Parties, builds on these achievements to further implement the functions of the Platform. Particular attention was paid to mainstreaming and increasing indigenous participation across both UNFCCC processes and in national climate policy. We heard the collective call from IPs to ensure rights-based language is incorporated in the work plan and draft text, which

the^{s6(a)}
compromises made on the draft text.

and small

The other issue up for consideration was the addition of three members to the FWG representing local communities as per 2/CP.24.^{s6(a)}

A
related issue was how “balance” might be achieved between IPs, LCs and Parties if 3 additional Party representatives are appointed. The issue may be revisited at the next June intersessional.

Finally, New Zealand elected its first WEOG representative to the FWG and the formal election was finalised in the closing Plenary.

Technology development and transfer

The key contentious issues in the technology negotiations were the second review of the Climate Technology Centre and Network (CTCN) – i.e. financing/linkages to financial mechanisms, the review of the Advisory Board (AB) of the CTCN, and references to the United Nations Industrial Development Organization (UNIDO).

The second review of the CTCN was managed by compromised language on “continuing working with the operating entities of the Finance Mechanism to further strengthen their linkages with the aim of scaling up the CTCN’s provisions of technical support to developing countries”. On the AB, we were able to secure seats for NGOs/youth/indigenous on the AB in exchange for “equal representation” of government representatives from Annex I Parties and non-Annex I Parties, and ensuring equitable representation of the United Nations regional groups. Parties were also able to find compromised language on cooperation with UNIDO as co-host of the CTCN, and aligned the periodicity of the periodic assessment of the Technology Mechanism and independent review of the CTCN.

Response measures

The key issues in the response measure negotiations were the number of [regional] workshops on the impact/implementation of response measures to be undertaken (with developing countries arguing the need to secure more workshops to make up for lost time); and who/how/when/what would be fed into the first global stocktake (with some developing countries arguing that the “forum”, i.e. the technology working group at each COP, should contribute).

The negotiated outcome was to secure some gender language in exchange for a “two-day workshop in conjunction with SB56” to make up for lost time during the COVID-19 pandemic; and that both Parties and observers would be invited “to submit via the submission portal by April 2022 their views on the elements of the midterm review of the work plan of the forum and its Katowice Committee on Impacts and request the secretariat to prepare a summary based on the submissions with a view to informing Parties’ discussion on the midterm review” at SB56.

s6(a), s9(2)(g)(i)

s6(a), s9(2)(g)(i)

In this room as well as in technology, cooperation with UG colleagues was critical.

Capacity-building

Capacity-building was one of the least contentious and most constructive rooms. Decision were made relatively swiftly on capacity-building under the Convention, Kyoto Protocol, and Paris Agreement. The decisions are largely high level, welcoming progress to date and encouraging further coordination, engagement, and information sharing/best practice to address ongoing gaps and needs.

Gender and climate change

Negotiations on gender mainly centred on how to proceed with the mid-term review of the Enhanced Lima work plan of the Gender Action Plan (GAP) and the role of the National Gender and Climate Change Focal Point (NGCCFP). Two in-session workshops were convened on the NGCCFP, adding to the discussions from the virtual workshop completed earlier in the year. Multiple sessions were convened to discuss the draft text tabled in the second informal session, focused on the politically-charged preambular text that developing countries, s6(a) proposed on the impacts of the pandemic on gender-responsive climate change policies. s6(a)

The other issues concerned describing how the workshops on the role of the NGCCFP would report back and the level of prescription of the role. s9(2)(g)(i)

s6(a)

Other issues

Oceans

A major development at this COP was the establishment of a regular dialogue on the oceans-climate nexus from COP27 onwards. This development was widely supported, including by New Zealand, and will ensure that appropriate oceans issues (i.e. not those that are properly addressed in other fora) are incorporated in the existing work programmes of the constituted bodies of the COP and CMA.

Human rights

Human rights received significant attention at COP26, with human rights language cutting across a number of agenda items including Article 6, loss and damage, climate finance and gender and climate change, as well as the cover decision. New Zealand advocated for the inclusion of human rights references within the negotiation framework. ENGOs (including Te Ara Whatu) were strongly lobbying for greater references to human rights and the rights of indigenous peoples in the draft texts. Elements of human rights language was included in the cover decision and Article 6 mechanisms.