



New Zealand Ministry of Foreign Affairs and Trade Manatū Aorere

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OIA 30011

7 April 2025

Personal details removed for proactive release

Thank you for your email of 10 March 2025 in which you request the following under the Official Information Act 1982 (OIA):

"I request the following information regarding the Ministry of Foreign Affairs and Trade (MFAT) and New Zealand Trade and Enterprise's (NZTE) approach to ecolabelling and sustainable trade:

- 1. Implementation of Ecolabelling under the Agreement on Climate Change, Trade and Sustainability (ACCTS):
  - a. Please provide details on how MFAT/ NZTE intends to fulfil the ecolabelling components of this agreement.
  - b. Has MFAT/ NZTE actively considered leveraging Eco Choice Aotearoa (formerly Environmental Choice New Zealand) for ACCTs and in other trade and sustainability initiatives? If so, please provide the outcomes of any such considerations.
  - c. In relation to New Zealand's obligations under the Agreement on Climate Change, Trade and Sustainability (ACCTS) and/ or Sustainable Development Goal 12.7, has MFAT/ NZTE provided recommendations to Government Procurement regarding the utilisation of its procurement spending and/ or the leveraging of Eco Choice Aotearoa to fulfil these commitments?"

# 2. Sustainable Public Procurement

- a. Is MFAT/ NZTE aware that the United Nations currently assesses New Zealand as having a 'low level of implementation' regarding Sustainable Development Goal 12.7, and that the country is lagging behind numerous developing nations in this area?
- b. Is MFAT/ NZTE aware the United States' Federal Purchasing Programme has recommended Eco Choice Aotearoa certified products for many years as part of its own Sustainable Procurement Programme?
- c. Will MFAT/ NZTE liaise with Government Procurement on this issue and advocate for the explicit inclusion of Eco Choice Aotearoa in procurement?

- 3. Recognition of Eco Choice Aotearoa's International Affiliations:
  - a. Does MFAT/ NZTE understand Eco Choice Aotearoa is a founding member of the Global Ecolabelling Network (GEN), a membership of other mostly Government affiliated or owned ecolabels (including EU Ecolabel) committed to international harmonisation and green trade?
  - b. Utilisation of Existing Mutual Recognition Agreements (MRAs):
  - c. Is MFAT/ NZTE aware that Eco Choice Aotearoa has existing Memoranda of Understanding (MOUs) and Mutual Recognition Agreements (MRAs) with several countries, including India, Singapore, and China?
  - d. If so, please explain why these agreements have not been leveraged in MFAT/ NZTE's initiatives/ activities.
- 4. Exploration of New Ecolabelling Schemes:
  - a. Is MFAT/ NZTE currently exploring the development of a new ecolabel or environmental certification scheme for export purposes?
  - b. If so, please:
    - i. Provide the rationale for this, considering Eco Choice Aotearoa's existing role in this area.
    - ii. Share who has been engaged to conduct this investigation.
    - iii. Explain whether Eco Choice Aotearoa been considered or consulted during this process? And if not, why not.
    - iv. Provide the total financial cost of this investigation to date.
  - c. Is MFAT/ NZTE aware Eco Choice Aotearoa is trademarked by the Ministry for the Environment and acts as a non-regulatory tool for all of Government?
  - d. If so, has it considered a second ecolabelling/ certification scheme could be cannibalistic and a waste of funds?
  - e. Is MFAT/ NZTE aware that the Ministry for the Environment (MfE) commissioned an external review in 2024 concerning ecolabelling, global green certification, green trade, and the potential utilisation of Eco Choice Aotearoa?"

On 12 March 2025, you agreed to refine the scope of your request to be for:

- 1. "Briefings relating to ecolabelling component of the Agreement on Climate Change, Trade and Sustainability (ACCTS);
- 2. Information held on Eco Choice Aotearoa (formerly Environmental Choice New Zealand) relating to ACCTS.
- 3. Is MFAT/ NZTE currently exploring the development of a new ecolabel or environmental certification scheme for export purposes? If so, please:
  - a. Provide the rationale for this, considering Eco Choice Aotearoa's existing role in this area.
  - b. Share who has been engaged to conduct this investigation.

- c. Explain whether Eco Choice Aotearoa been considered or consulted during this process? And if not, why not.
- d. Provide the total financial cost of this investigation to date."

On 26 March 2025, the following parts of your request were transferred under section 14(b) of the OIA to Ministry for Primary Industries for response:

- 3. "Is NZTE currently exploring the development of a new ecolabel or environmental certification scheme for export purposes? If so, please:
  - a. Provide the rationale for this, considering Eco Choice Aotearoa's existing role in this area.
  - b. Share who has been engaged to conduct this investigation.
  - c. Explain whether Eco Choice Aotearoa been considered or consulted during this process? And if not, why not.
  - d. Provide the total financial cost of this investigation to date."

# Response to your request

Please see the following table for a list of documents in scope of part one of your request:

#	Title	Date
1.	Aide Memoire on the Agreement on Climate Change, Trade and Sustainability 'Guidelines to inform the development and implementation of voluntary eco- labelling programmes and mechanisms'	23 April 2021
2.	Email from Environmental Choice New Zealand to the Ministry of Foreign Affairs and Trade	12 December 2022
3.	Brief for Meeting with CEO of Environmental Choice New Zealand, X-X , Wednesday 15 February 2023	14 February 2023

Some information is withheld under section 6(b)(i) of the OIA, to protect the passing of information from another government on a confidential basis.

The below documents are publicly available on the Ministry of Foreign Affairs and Trade's website. Accordingly, this part of your request is refused under section 18(d) of the OIA:

- Cabinet Paper titled "Agreement on Climate Change Trade and Sustainability:
   Initial Negotiating Mandate" dated 2 June 2020:
   <a href="https://www.mfat.govt.nz/en/media-and-resources/proactive-release-cabinet-paper-on-the-agreement-on-climate-change-trade-and-sustainability-initial-negotiations">https://www.mfat.govt.nz/en/media-and-resources/proactive-release-cabinet-paper-on-the-agreement-on-climate-change-trade-and-sustainability-initial-negotiations</a>
- Cabinet Paper titled "Agreement on Climate Change, Trade and Sustainability (ACCTS): Authority to Sign, Undertake Parliamentary Treaty Examination, and Ratify the Agreement" dated 25 September 2024:
   <a href="https://www.mfat.govt.nz/en/media-and-resources/agreement-on-climate-change-trade-and-sustainability-accts-authority-to-sign-undertake-parliamentary-treaty-examination-and-ratify-the-agreement-cab-24-min-0381</a>

 "Agreement on Climate Change, Trade and Sustainability: National Interest Analysis", dated 15 November 2024 <a href="https://www.mfat.govt.nz/assets/Trade-agreements/ACCTS/ACCTS-NIA-draft-contents-outline-15-November-2024.pdf">https://www.mfat.govt.nz/assets/Trade-agreements/ACCTS/ACCTS-NIA-draft-contents-outline-15-November-2024.pdf</a>

Please note that it is our policy to proactively release our responses to official information requests where possible. Therefore, our response to your request (with your personal information removed) may be published on the Ministry website:

www.mfat.govt.nz/en/about-us/contact-us/official-information-act-responses/

If you have any questions about this decision, you can contact us by email at: <a href="mailto:DM-ESD@mfat.govt.nz">DM-ESD@mfat.govt.nz</a>. You have the right to seek an investigation and review by the Ombudsman of this decision by contacting <a href="www.ombudsman.parliament.nz">www.ombudsman.parliament.nz</a> or freephone 0800 802 602.

Nāku noa, nā

Sarah Corbett

for Secretary of Foreign Affairs and Trade

Aide Memoire on the Agreement on Climate Change, Trade and Sustainability 'Guidelines to inform the development and implementation of voluntary eco-labelling programmes and mechanisms'

# <u>Purpose</u>

• The purpose of this note is to respond to a request from the Office of the Minister for Climate Change to provide further background information on the eco-labelling pillar of the negotiations towards an 'Agreement on Climate Change, Trade and Sustainability' (ACCTS).

## Context

- The principles-based guidelines for voluntary eco-labelling is one of the four pillars of the plurilateral 'Agreement on Climate Change, Trade and Sustainability' ("ACCTS") negotiations. The ACCTS aims to demonstrate how trade rules can support climate and broader environmental objectives while generating momentum towards an eventual multilateral set of solutions. The initial ACCTS participants comprise of Costa Rica, Fiji, Iceland, New Zealand, Norway and Switzerland.
- From New Zealand's perspective, there are two broad overarching objectives for this pillar of the ACCTS:
  - To establish <u>a set of high level, principles-based guidelines</u> to inform the development and implementation of voluntary eco-labelling; and
  - To <u>establish appropriate institutional mechanisms</u> that will support and encourage the promotion and application of the guidelines, support collaboration and provide an avenue for cooperat on and consultation.
- As per the Cabinet mandate, New Zealand will seek guidelines that focus on the importance of transparency, non discrimination and best practice to inform the development and implementation of eco-labelling. More broadly, it is hoped that collaboration on robust, principles-based guidelines will assist in ensuring that eco-labelling is more transparent and effective, sending clearer and more reliable signals to consumers/users on the environmental impact of a good or service, in turn supporting more sustainable trade.
- It is important to note that while New Zealand is seeking a broad definitional scope for this chapter of the ACCTS with no sector prima facie excluded, <u>any labelling pursuant to mandatory requirements is not within the scope of ACCTS</u> (which will only provide guidance for "voluntary" eco-labels). This means that any labelling content that is required or governed by regulation (or statute) will not be covered by ACCTS p ovisions. Under international trade law, mandatory labelling is covered by World Trade Organisation (WTO) rules.
- In terms of the content of the principles-based guidelines, the public submissions process for the ACCTS and consultation with industry stakeholders provides useful input. In addition, the WTO Technical Barriers to Trade (TBT) Agreement, OECD ecolabelling work and the Comprehensive and Progressive Trans Pacific Partnership (CPTPP) provisions in relation to voluntary mechanisms provide, inter alia, useful sources to draw from. The ACCTS guidelines will not endorse or 'dock onto' any existing private schemes.

### Page 2 of 2

- In addition to the Ministry of Foreign Affairs and Trade (MFAT), the Ministry for Primary Industries (MPI), the Ministry of Business, Innovation and Employment (MBIE) and the Ministry for the Environment (MfE) are involved in the ACCTS ecolabelling pillar negotiations.
- As drawn from New Zealand's non-paper to the ACCTS participants, officials consider that the guidelines should provide that eco-labelling should:
  - Be truthful, not misleading and take into account robust scientific and technical information;
  - Follow a <u>least-trade restrictive</u> approach avoid the creation of unnecessary barriers to trade;
  - Where available and appropriate, be aligned with relevant <u>international standards</u>, recommendations or guidelines, support harmonisation and <u>best practices (including</u> where appropriate, life cycle analysis);
  - Avoid duplication or overlap where appropriate;
  - Not treat a product or service less favourably on the basis of origin ("non-discrimination");
  - Be developed and applied using <u>fair and transparent processes</u>, and <u>ensure that</u> relevant information is made freely available in an accessible manner;
  - Ensure that <u>interested stakeholders</u> have appropriate opportunities to participate in and provide input to the process; and
  - Foster improvement and better practices.
- As per our Cabinet mandate, officials will also seek supporting institutional mechanisms that <u>establish a national contact point in order to facilitate cooperation and consultation between the parties;</u> and commitments to promote the guidelines to business/NGOs. In addition, the aim is that the institutional mechanisms will establish information and consultation requirements should there be an alleged non-observance of the Guidelines.
- New Zealand will <u>seek institutional mechanisms that are effective but as least resource intensive as possible</u>, both in relation to maintaining the guidelines, promoting them and dealing with any issues that are raised.
- Ultimately the aim is that the ACCTS eco-labelling provisions will help support the development of high integrity eco-labels that are transparent in their criteria and meaningful to users. Well designed and implemented voluntary eco-labelling schemes have an important role to play in providing reliable and accurate information on the environmental credentials of tradeable goods and services. This in turn supports the achievement of broader climate and sustainable development objectives. Conversely, it is also hoped that the guidelines will assist in mitigating the risk of voluntary ecolabels being developed or used in a discriminatory, trade-restrictive, or non-transparent manner.

# SHAW, Kayana (ESD)

From: Laura Gemmell < laura@environmentalchoice.org.nz>

Sent: Monday, 12 December 2022 3:59 pm

To: FRATER, Charlotte (MEA); MAIDMENT, Rachel (AKL)

Cc: RISSEL, Catherine (GVA); THORN, Jessica (EUR); WICKENS-MURRAY, Sam (PACMM)

**Subject:** Re: ACCCTS

Thanks very much for your prompt reply, Charlotte.

Kia ora, Cath & Jess - I look forward to speaking with you both. Please let me know when would suit.

Given the absolute plethora of ecolabels out there, many of which lack transparency and do not consider the full environmental or social impact of a product or service, the Government must truly set the bar high. Otherwise, the initiative could present a significant risk and reputation issue to Aotearoa, and unintentionally create even more confusion in a crowded market.

We would strongly urge the team to use the Global Ecolabelling Network (GEN) and its members (all Type I, which have been peer-audited for independence and transparency) as a minimum standard. Type I certification guarantees all products and services (imported/ exported) have ISO 14001, have undergone yearly audits (bi-annual onsite) and a life-cycle analysis. Further, it ensures health and safety requirements have been met (during manufacturing, and for end-users) and modern slavery and social accountability checks have been done too. GEN members are regarded as the gold standard globally.

It would be interesting to understand if Nordic Swan has been engaged at all? NS is our sister-label, and like Environmental Choice, has been around for 30 years. It was set up by the Nordic Council of Ministers (uses the same Swan motif) and is used as tool by member countries to set the standard for environmentally-preferable products and services, guide sustainable public procurement and to foster a greener marketplace. Environmental Choice exists for the same reason, and I want to ensure MfE's own, not for-profit ecolabeling scheme is sufficiently utilised (rather than the Government inadvertently encouraging the development of more labels).

I realise this feedback is coming very late, but I am relatively new to my role at Environmental Choice and have found no previous record of the organisation engaging on this initiative.

Ngā mihi nui,



## aura Gemmell

Chief Executive

M. 021 609 768

E. laura@environmentalchoice.org.nz

W. www.environmentalchoice.org.nz

Learn more about ecolabeling and sustainable business

Office 503, 48 Grevs Avenue Auckland 1010

From: FRATER, Charlotte (TPND) < Charlotte.Frater@mfat.govt.nz>

Date: Monday, 12 December 2022 at 1:17 PM

To: Laura Gemmell < laura@environmentalchoice.org.nz>, MAIDMENT, Rachel (AKL)

<Rachel.Maidment@mfat.govt.nz>

Cc: RISSEL, Catherine (TPND) < Catherine. Rissel@mfat.govt.nz>, THORN, Jessica (TPND) <Jessica.Thorn@mfat.govt.nz>, WICKENS-MURRAY, Sam (TPND) <Samantha.Wickens-</pre>

Murray@mfat.govt.nz> **Subject:** RE: ACCCTS

[UNCLASSIFIED]

Hi Laura

Glad to hear of your interest, it is very helpful to us to understand the interests of those who will be affected by our work. You are right that one of the ACCTS' four key work streams is on eco-labelling and that negotiations are well advanced. (We are almost at the end of Round 11 of negotiations). You might be interested in some of the background available here - Agreement on Climate Change, Trade and Sustainability (ACCTS) negotiations | New Zealand Ministry of Foreign Affairs and Trade (mfat.govt.nz). However, it may be helpful for me to clarify up front that we are not seeking to endorse individual eco-labels per se, but rather develop best-practice guidelines for the design of voluntary eco-labels.

I am also copying in Cath and Jess who lead our eco-labelling work and are best placed to talk to you about the negotiations.

Best wishes,

Ngā mihi

Charlotte

Charlotte Frater (she/her); +64 21 614 837

Unit Manager /Pou Whakahaere: Services, Investment and Digita Trade Unit Chief Negotiator: Agreement on Climate Change, Trade and Sustainability

From: Laura Gemmell < laura@environmentalchoice.org.nz>

Sent: Monday, 12 December 2022 12:50 pm

To: MAIDMENT, Rachel (AKL) < Rachel. Maidment@mfat.govt nz>; FRATER, Charlotte (TPND)

<Charlotte.Frater@mfat.govt.nz>

**Subject:** Re: ACCCTS

Thank you very much indeed, Rachel!

Hi there, Charlotte. Could you please let me know your availability for a call? I realise my timing is... impeccable! Thanks and apologies!



# Laura Gemmell

Chief Executive

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Learn more about ecolabeling and sustainable business

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From: MAIDMENT, Rachel (AKL) < Rachel. Maidment@mfat.govt.nz>

Date: Monday, 12 December 2022 at 12:34 PM

**To:** Laura Gemmell < <u>laura@environmentalchoice.org.nz</u>>, FRATER, Charlotte (TPND)

<Charlotte.Frater@mfat.govt.nz>

**Subject:** RE: ACCCTS

[UNCLASSIFIED]

Kia ora Laura,

Thanks for your email. I've copied Charlotte Frater (our Chief Negotiator for ACCCTS) into this email, who can respond direct.

Nga mihi,

Rachel

From: Laura Gemmell < laura@environmentalchoice.org.nz >

Sent: Monday, 12 December 2022 12:10 pm

To: MAIDMENT, Rachel (AKL) < <a href="mailto:Rachel.Maidment@mfat.govt.nz">Rachel.Maidment@mfat.govt.nz</a>>

**Subject:** ACCCTS

Hi Rachel,

My name is Laura Gemmell and I've recently (ish) joined MFE owned ecolabel Environmental Choice as its CEO.

My email today is regarding the ACCCTS which I believe is to be signed very soon.

I met Minister Shaw a few weeks ago at an event and he suggested I get in contact with his office/ MFAT, quickly regarding the deal, given one of its pillars is around ecolabelling

It would be a real shame if the government's own ecolabel, and a Type I ecolabel at that missed the board on this! Especially, given Nordic Swan is our sister-label.

I'm unsure if Environmental Choice joined the con ultation process (I can find no record of it having done so) but I was hoping to speak to someone about ensuring we're able to add value. Is there any chance you can please help?

Thank you very much in advance!



Laura Gemmell Chief Executive

M. 021 609 768

E. laura@environmentalchoice.org.nzW. www.environmentalchoice.org.nz

Learn more about ecolabeling and sustainable business Office 503, 48 Greys Avenue Auckland 1010

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#### IN CONFIDENCE

Brief for Meeting with CEO of Environmental Choice New Zealand, X-X, Wednesday 15 February 2023

Commented [TJ(1]: Time to be confirmed by MCC's office.

# Whāinga - Objective

 Exchange views with Environmental Choice New Zealand on how they can support and inform the Agreement on Climate Change, Trade and Sustainability.

#### Meeting Attendees



Laura Gemmell is Chief Executive of Environmental Choice New Zealand, New Zealand's official ecolabel. Laura has recently completed a post-graduate course in Business Sustainability Management at the University of Cambridge. Laura is a former director of Global Public Engagement Partnerships at World Vision International, and has spent time as journalist at RNZ and NZME.

## **Key Messages**

- Thank Environmental Choice for their close engagement in the ACCTS negotiations. Their
  ongoing feedback and expertise has been valuable, coming from the 'gold standard' of
  New Zealand's eco-labelling programme.
- Note that eleven rounds of the ACCTS negotiations have taken place, with the twelfth kicking
  off this week with both virtual and in-person elements. As instructed by Ministers, participants
  are aiming for substantive conclusion of negotiations "as soon as possible" (i.e. in 2023).
- Update that the eco-labelling Chapter is well advanced, with officials seeking to stabilise the principles-based Guidelines this round.
- Note that the ACCTS will not endorse individual eco-labels (like Environmental Choice), but rather develop principles-based guidelines to support the development of high integrity voluntary eco-labels. This will support broader climate and sustainable development objectives, and assist in mitigating the risk of voluntary eco-labels becoming a barrier to trade.
- Note that, like Environmental Choice, we are keen to ensure a high bar is set for the guidelines. New Zealand has sought to ensure they are based on best practices and have broad sectoral coverage. We want them to convey the importance of transparency and non-discrimination, and to provide meaningful information to consumers to make better environmental choices.
- Suggest that for Environmental Choice follow up with MTEG or MFAT officials for more detail.

# Papamuri - Background

1. Environmental Choice is owned and endorsed by the New Zealand government, although operating as an independent organisation. It adheres to internationally recognised standards and is a member of the Global Ecolabelling Network, with sister labels in key import and export markets. Environmental Choice will celebrate its 30th anniversary in March 2023.

### The Agreement on Climate Change, Trade and Sustainability (ACCTS)

 The 'ACCTS' initiative is being negotiated by Costa Rica, Fiji, Iceland, New Zealand, Norway and Switzerland and is intended to demonstrate how trade rules and architecture can be used to



#### IN CONFIDENCE

support environmental and broader sustainable development objectives. Once concluded, the deal will be open to other WTO members to join. ACCTS is also intended be a living agreement, and New Zealand is seeking review provisions to allow other issues to be considered in the future.

- 3. The development of principles-based guidelines for voluntary eco-labelling is one of the four pillars of the ACCTS negotiations<sup>1</sup>. As the negotiations enter their twelfth round, the Eco-Labelling Chapter remains one of the most advanced. Officials anticipate that the Chapter can be largely stabilised this round, with only outstanding issues of scope remaining, which will need to be resolved as part of the broader trade-offs in the negotiations. As instructed by ACCTS Ministers in the statement issued after the meeting you hosted in the margins of COP27, participants are working to conclude negotiations "as soon as possible", with New Zealand pushing for delivery in 2023.
- 4. The eco-labelling pillar has been an area of the ACCTS that has attracted interest from external stakeholders. Public consultation with stakeholders has resulted in useful input for the principles-based guidelines. Environmental Choice have been an active part of this process and are in egular touch with negotiators (with Laura Gemmell last reaching out to MFAT officials in December 2022).
- 5. Previously Environmental Choice's main concerns have centred on:
  - 5.1. Encouraging a high bar for the ecolabel guidelines, given the plethora of ecolabels out there, some which Environmental Choice note lack transparency and do not consider the full environmental or social impact of a product or service.
  - 5.2. Urging the use of the Global Ecolabelling Network and its standards. In their view this would mean products and services covered have been peer audited for independence and transparency, and have met health, safety and social accountability checks

#### **Eco-labelling in ACCTS**

- 6. The inclusion of the eco-labelling recognises that, when designed well, co-labels can be a powerful tool in promoting trade in more environmentally friendly products. It also acknowledges the risk that voluntary eco-labels can become barriers to trade and seeks o put in place best practice guidance to help avoid this.
- 7. It is important to note that any labelling pursuant to mandatory requirements is not within the **scope** of ACCTS (which will only prov de guidance for "vo untary" eco-labels, like Environmental Choice). s6(b)(i)

This issue is not expected to

be resolved until later in the negotiations when the landing zone for other chapters is also clearer.

- 8. New Zealand is seeking **guidelines that are principles-based** and focused on the importance of transparency, non-discrimination and best practice. The guidelines will not endorse specific eco-labels or 'dock onto' any existing private schemes. Useful sources in informing these guidelines have been domestic consultation, as well as the WTO Technical Barriers to Trade Agreement, OECD eco-labeling work and the CPTPP.
- 9. In terms of **institutional mechanisms**, New Zealand is seeking mechanisms that are effective but also least resource intensive, including through the establishment of a national contact point to facilitate cooperation between parties.

Trade Policy and Negotiations Division, February 2023

<sup>1</sup> The other initial negotiating pillars are the liberalisation of environmental goods and services, and disciplines to eliminate harmful fossil fuel subsidies.