



12 August 2019

195 Lambton Quay Private Bag 18–901 Wellington 6160 New Zealand

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+64 4 439 8000 +64 4 472 9596

Dear s9(2)(a)

I refer to your email of 17 June 2019 in which you request the following under the Official Information Act 1982 (OIA):

"...the full officials brief for the Bonn Climate Change Conference - June 2019"

Attached is the document relevant to your request. Some portions of the document are withheld under the following sections of the OIA:

- 6(a): to avoid prejudicing security or defence of New Zealand or the international relations of the New Zealand Government;
- 6(b): to protect the passing of information from another government on a confidential basis;
- 9(2)(a): to protect individuals' privacy;
- 9(2)(g)(i): to protect the free and frank expression of opinions by departments;
- 9(2)(f)(iv): the confidentiality of advice tendered by Ministers of the Crown and officials; and
- 9(2)(j): to avoid prejudice to negotiations.

On 15 July 2019, we extended the time for responding by 20 working days to 12 August 2019.

Please note that the information at page 209 was for the guidance of officials who attended. It was not created by officials and we cannot accept responsibility for its accuracy. A list of Party groupings can be found on the UNFCCC website.

Where the information has been withheld under section 9 of the OIA, no public interest in releasing the information has been identified that would be sufficient to override the reasons for withholding it.

Please note that this letter (with your personal details redacted) and enclosed documents may be published on the Ministry's website.

You have the right under section 28(3) of the OIA to seek a review of this response by the Ombudsman.

Yours sincerely

Wendy Adams

for Secretary of Foreign Affairs and Trade



UNFCCC Subsidiary Body (SB50) meetings

17-27 June 2019

Bonn, Germany

Officials' Briefing

Final - Printed 12/06/2019

Released under the Official Information Act, 1982

Phone Tree and Emergency Contacts

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		Helen Plume	s9(2)(a)

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	*/()		

Danny Eyre	To Call	Kate Fraser	s9(2)(a)	
		Steph Lee	s9(2)(a)	
		Alysha Bagasra	s9(2)(a)	
		Tania Chin	s9(2)(a)	
950		Nicolasa Fuller	s9(2)(a)	
Victoria Hatton	To Call	Craig Elvidge	s9(2)(a)	
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		(MPI) If required		

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Negotiating responsibilities

Name	Issues	
Kay Harrison	Head of Delegation	
MFAT		
Steph Lee	Summit Liaison	
MFAT		
Tania Chin	Legal	
MFAT	WIM Review	
	Arrangements for intergovernmental	
	meetings	
Danny Eyre	Non-negotiation finance	
MFAT	Bunkers	
	Transparency of support CTFs, outlines	
Kate Fraser	Pacific Liaison	
MFAT	Gender	
	Capacity building	
AL 1 B	LDC matters	
Alysha Bagasra	Summit Liaison	
MFAT	Response Measures	
Nicolasa Fuller	Technology	
MFAT	Delegation coordination/Office management Nairobi Work Programme	
MFAT	Periodic review/research/1.5 degree report	
	Common timeframes	
	Doha work programme	
Helen Plume	Deputy Head of Delegation	
MfE	Paris Agreement Transparency Contact Group	
	Co-Chair	
	UNFCCC MRV	
0.	Metrics	
Lindy Fursman	MLA	
MfE	FSV	
Todd Croad		
MfE	Article 6 and KP Markets	
Victoria Hatton		
MPI	Koronivia/agriculture	
Craig Elvidge	Land sector/ forestry accounting	
MPI	, 1000 and 1	
Jess Anderson		
MPI	Koronivia/agriculture	
111 2		

Useful information for Bonn

Hotel Collegium Leoninum

Nova Vita Residenz Bonn GmbH Noeggerathstrasse 34 D-53111 Bonn Tel. +49 228 6298 0

http://www.leoninum-bonn.de/en



From Frankfurt Airport to Bonn Central Station

ICE (high speed train; 45-60 minutes)

- From Frankfurt am Main Flughafen Fernbahnhof, the long distance train station at Frankfurt airport, take an ICE train to Siegburg/Bonn.
- At Siegburg/Bonn, take the tram (U-Bahn) No. 66 to reach Bonn Hauptbahnhof (Bonn central station) or taxi (+49 228 55 55 55) direct to Collegium Leoninum.

IC/EC (slower regional train; 90-120 minutes)

• A few trains go directly to Bonn Central Station (Bonn Hauptbahnhof), on others you may have to change trains in the city of Mainz.

From Cologne/Bonn Airport to Bonn Central Station

SB 60 Bus (30 minutes)

From Cologne/Bonn airport, take the shuttle bus SB 60 (departing every 30 minutes) to Hauptbahnhof. The bus stop at the Airport is located at Terminal 1. One-way tickets cost EUR 7.20, which can be purchased from the bus driver.

Train (40-60 minutes)

 Regional trains can also be taken to Siegburg/Bonn and the Bonn Hauptbahnhof, although you may have to change trains.

From Bonn Central Station to Collegium Leoninum (450m, 6 minutes)

Head northwest on Am Hauptbahnhof toward Herwarthstrasse for approximately 200m. Turn right onto Noeggerathstrasse. After approximately 30m, turn left to stay on Noeggerathstrasse. After 200m, Collegium Leoninum will be on your right.



Directions to World Conference Centre Bonn

Bus and tram stops (Haltestelle) are marked by a sign with a green H in a green circle against a yellow background. The numbers of the buses/trams that stop there are usually also listed together with their timetables. **Underground (U-Bahn) stops are marked with a blue U.**

Tickets may be purchased from vending machines on trams and underground trains and at stations, or from approximately 130 ticket offices in Bonn. On buses, tickets may also be purchased from the driver. The municipal authorities' customer centre (Cassius-Bastei, Münsterstraße 18) can provide information on the public transport system. You can obtain single tickets (Einzelfahrschein), multiple travel tickets (Mehrfahrtenkarte), weekly tickets (Wochenkarte) and monthly tickets (Monatskarte).

Purchase a City Ticket (1b) for **€2.80** per trip or **€8.30** for a 24-hour pass. All tickets must be validated when boarding. Choose **adult (Erwachsene) single trip (EinzelTicket)**, 4-trip (4erTicket), or weekly trip (Wochen Ticket) tickets.

Tickets must be validated by inserting them in the yellow time-stampers in all buses, trams, and underground trains. Single tickets, 24-hour tickets, mini group tickets, and 3-day tickets obtained from vending machines are already validated.

Public transport in Germany operates on a system of trust, but periodic spot checks are made. The fine for travelling without a valid ticket is \in 60.00.

Walking

1. Head southeast on Noeggerathstraße 220 m 2. Turn right to stay on Noeggerathstraße 30 m 3. Turn left onto Am Hauptbahnhof/Rabinstraße Continue to follow Am Hauptbahnhof 300 m Turn left onto Maximilianstraße 250 m Holmailon 5. Continue onto Kaiserstraße 650 m Turn left onto Weberstraße 300 m 7. Continue onto Zweite Fährgasse 130 m 8. Turn right onto Wilhelm-Spiritus-Ufer 1 Take the stairs 1.2 km Turn right onto Dahlmannstraße 130 m 10. Turn left onto Platz der Vereinten Nationen 1 Destination will be on the left 170 m Bonn Beethoven-Haus 📵 Alter Friedhof 🗅 O Hotel Collegium Leoninum BEUEL-MITTE Beethoven-Denkmal 🖸 Catholic Church LVR-LandesMuseum Bonn **∱ 44 min** 3.5 km **1** 43 min 3.4 km SUDSTADT Botanische Gärter LIMPERICH **∱ 43 min** 3.5 km POPPELSDORF Kanzlerbungalo World Conference

> Haus der @ Geschichte Bonn

U-Bahn

Take the **16/63/68 Stadthalle** line from the Hauptbahnhof (platform 1) to Heussallee/Museumsmeile. To return to the hotel, get the **16/63/68 Wesseling/Niehl Sebastianstrasse** line.

From Heussallee/Museumsmeile, follow Heussalle to the junction with Platz der Vereinten Nationen. Turn left onto Platz der Vereinten Nationen. The main entrance of the World Conference Centre Bonn is located on the right 100 metres down the road.

O Hotel Collegium Leoninum

Noeggerathstraße 34, 53111 Bonn, Germany

∦ Walk

About 6 min, 500 m

Use caution - may involve errors or sections not suited for walking

- 1 Head southeast on Noeggerathstraße
- Turn right to stay on Noeggerathstraße
- Turn left onto Am Hauptbahnhof/Rabinstraße
 - 1 Continue to follow Am Hauptbahnhof
 - 1 Destination will be on the right

Bonn Hbf

63 Bonn, Bad Godesberg Stadthalle

6 min (5 stops)

Service run by SWB Stadtwerke Born Verkehrs GmbH

Bonn, Universität/Markt

Bonn, Juridicum

Bonn, Bundesrechnungshof/Auswärtiges Amt

Museum Koenig

Bonn, Gronau Heussallee/Museumsmeile

∦ Walk

About 6 min, 550 m

Use caution - may involve errors or sections not suited for walking

- 🌓 Head southeast on Willy-Brandt-Allee toward Genscherallee/Heussallee
- 🕇 Turn left onto Heussallee
- Turn left onto Platz der Vereinten Nationen
 - 1 Destination will be on the right

World Conference Center Bonn

Platz der Vereinten Nationen 2, 53113 Bonn, Germany

New Zealand Embassy Berlin

Atrium 4th Floor Friedrichstrasse 60 Berlin 10117

Consular: +49 30 206 210

Duty officer out of working hours: \$\(\frac{\squares(2)(a)}{2} \)

Email: <u>nzembber@infoem.org</u>

Office hours: Mon-Fri 0930-1300 and 1400-1600 hrs

SafeTravel advice for Germany

There is **some risk** to your security in Germany due to the ongoing threat of terrorism and we advise caution.

Terrorism

There is a threat of terrorism across Europe, including in Germany.

Terrorist groups, including those based in Syria and Iraq, continue to make threats to conduct attacks in Germany. There is also a threat from domestic-based extremists, including plots that may involve foreign fighters returning to Germany and Europe from the conflicts in Syria and Iraq.

The German authorities maintain increased security measures as a precaution around the country, including at public buildings and transport hubs. German police continue to monitor a number of individuals suspected of involvement in terrorist-related activity and have disrupted a number of terror plots.

New Zealanders in Germany are advised to be vigilant and keep themselves informed of potential risks to safety and security by monitoring the media and other local information sources. We recommend following any instructions issued by the local authorities and exercising a heightened degree of vigilance in public places.

Crime

Petty crime such as bag snatching and pick pocketing occurs in Germany, particularly in and around major cities and tourist sites. We advise New Zealanders to be alert to their surroundings at all times and guard belongings carefully.

Civil unrest

Public demonstrations, protests and rallies occur in Germany. New Zealanders are advised to follow any advice issued by the local authorities and avoid all demonstrations, protests and rallies as they have the potential to turn violent.

General Information on Bonn

The Federal City of Bonn sits on the Rhine River some 24 km from Cologne, in the German state of North Rhine-Westphalia. The metropolitan population is over 320,000. Bonn is in the southernmost part of the Rhine-Ruhr region, Germany's largest metropolitan area.

Time Zone

Local time in Bonn is GMT+2. Wellington is 10 hours ahead of Bonn for the duration of the meeting.

Wellington	Bonn	Bonn	Wellington
8 am	10 pm (previous day)	8 am	6 pm (same day)
6 pm	8 am (same day)	6 pm	4 am (next day)

Weather

The average temperature in May is 19°C/9°C, with high rainfall.

Currency

NZ\$1.00 = €0.59 approx. €1.00 = NZ\$1.70 approx.

Carrying cash in Bonn is advisable, as many shops do not accept credit/debit cards.

Opening Hours

Shops are typically open from 9am to 6pm, Monday – Saturday. Supermarkets are usually open until 8 or 10pm. Most shops are closed on Sunday. Allow extra time for travel on Sunday, and if you will need food outside of the hotel or conference venue try to stock up in advance.

Public Transport

Transportation by bus, tram, metro and regional trains (RB, RE) is available in Bonn and between Bonn and Cologne, and other regional cities.

For a taxi, call **0228-555 555**.

Food Recommendations

HANS IM GLÜCK – Burgergrill	Friedenspl. 14, 53111 Bonn
Burgers	+49 228 98140759
Godesburger	Moltkepl. 2, 53173 Bonn
Burgers	+49 228 90901218
BurritoRico	Thomas-Mann-Straße 20, 53111 Bonn
Burritos	+49 228 94779130
Brauhaus Bönnsch	Sterntorbrücke 4, 53111 Bonn
German	+49 228 650610
Gasthaus Im Stiefel	Bonngasse 30, 53111 Bonn
German	+49 228 696596
El Tarascon	Clemens-August-Straße 2, 53115 Bonn
Argentinian	+49 228 658727
Mandu	Franziskanerstraße 5, 53113 Bonn
Korean	+49 228 55523953
Tuscolo Münsterblick	Gerhard-von-Are-Straße 8, 53111 Bonn
Italian	+49 228 42976605
Ristorante Da Giovanni	Friedrich-Breuer-Straße 65, 53225 Bonn
Italian	+49 228 461279
Himalayak Restaurant	Bornheimer Str. 74, 53111 Bonn
Tibetan	+49 228 96910517
Cassius Garten - Restaurant & Cafe	Maximilianstraße 28d, 53111 Bonn
Vegan/Vegetarian	+49 228 652429
Café von & zu	Bonner Talweg 77, 53113 Bonn
Vegan/Vegetarian	+49 228 41076767

Medical Providers (English speaking)

Dr. Andreas Hauke	+49(0) 228-952590
Hopmannstr. 7, 53177 Bonn (Bad Godesberg)	
Dr. Manfred Koch	+49(0) 228-631366
Münsterstr. 18, 53111 Bonn	
Dr. Jochen Kuhl	+49(0) 228-631366
Münsterstr. 18, 53111 Bonn	
Dr. Uta Schuppan	+49(0) 228-657909
Belderberg 6, 53111 Bonn	
Dr. Ansgar Struck	+49(0) 228-332088
Roentgenstr. 6, 53177 Bonn	

Agenda for the UG Strategy Day Sunday 16 June

Venue: Rheinsaal, Hotel Königshof, Adenauerallee 5, Bonn, Germany Chair: Patrick Suckling, Ambassador for the Environment, Australia

9:30 – 9:45 Tea and coffee on arrival in foyer

9:45 - 11:45 Session Overview [Australia]

Key issues (preparation for UG-EIG-EU Meeting) [Australia]

- Markets [Japan]
- Climate Finance [Canada]
- Review of the Warsaw International Mechanism [New Zealand]
- UNSG Climate Summit and COP25 [Russia]

11:45 - 12:00 Morning tea and arrival of EU delegates

12:00 - 13:30 UG-EIG-EU Meeting

- Markets [UG]
- Climate Finance [EU]
- Review of the Warsaw International Mechanism [UG]
- UNSG Climate Summit and COP25 [EU]

13:30 - 14:15 Lunch

14:15 – 15:45 Key issues (continued)

- Transparency Work Program [United States]
- Oceans [Norway]
- UNFCCC Budget [United States]

15:45 - 16:00 Afternoon tea

16:00 - 17:00 Other Business

- UG Elections [Australia]
- Bureau Update [Georg Børsting, Vladimir Uskov]
- UG engagement with other groups

Permanent Subsidiary Body meetings

Venue: WCCB/Altes Abgeordnetenhochhaus meeting room (TBC)

17:30 – 18:15 UG HoDs meeting with the SBSTA Chair

18:15 - 19:00 UG HoDs meeting with the SBI Chair

SBI50

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SBI 2. Organisational matters

c) Multilateral assessment working group session under the international assessment and review process

Objective

- Ensure New Zealand participates in the Multilateral Assessment (MA) process including by asking questions of Parties under assessment.
- Given significant turnover in the Delegation, gain a deeper understanding of the MLA process in advance of New Zealand's MLA in December 2019, noting that active participation promotes wider transparency and the effectiveness of the MA.

Key messages

• New Zealand welcomes the opportunity to take part in the MA and thanks the country representatives for their presentations.

Background

The MA process is part of the wider established international assessment and review (IAR) process for developed country Parties. The IAR comprises:

- A technical review of Parties' third biennial reports;
- 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 wider transparency and the effectiveness of the MA. This is a priority for New Zealand as it was agreed at COP24 that these will continue to serve as the basis for the modalities for the multilateral consideration component of the new transparency framework.
- 3 There are 19 Parties scheduled to undertake MA at SBI50. These are:

Australia Monaco
Croatia Norway
Denmark Poland
Finland Romania

Iceland Russian Federation

Ireland Slovenia Italy Spain Japan Sweden

Liechtenstein United Kingdom

Malta

4. The MA includes a question and answer period before the MA working group session (WGS) 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. This is followed by the working group session during SBI.

- 5. New Zealand took part in the first round of multilateral assessment at SBI 41 in Lima in December 2014 and then again in Marrakesh in 2016. In each instance, New Zealand gave a short presentation and answered a range of questions from other Parties.
- a Santiago Action Actio

d) Facilitative sharing of views under the international consultation and analysis process

Objective

- Participate in the Facilitative Sharing of Views (FSV) to promote transparency and ensure its effectiveness.
- Help build participating Parties' confidence in the process (e.g. ensure it is facilitative in nature, and supports capacity building).

Key messages

 New Zealand welcomes the opportunity to take part in the FSV Workshop and thanks the country representatives for their presentations.

Background

- 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.
- It is important for New Zealand that the FSV (and the Multilateral Assessment) are effective, as it was agreed at COP24 that these will continue to serve as the basis for the modalities for the multilateral consideration component of the new transparency framework.
- There are 9 countries scheduled to undertake FSV at SBI50. These are:

Armenia Thailand

Brazil The Republic of North Macedonia

Nigeria Uruguay Republic of Korea Vietnam

South Africa

 Each will give a short presentation about their national circumstances and climate change response, based on their Biennial Update Reports (BURs). Following presentations, opportunity will be given to other countries to ask questions.

Climate Change Directorate Ministry for the Environment May 2019

SBI 3. Reporting from and review of Parties included in Annex I to the Convention

a) Status of submission and review of seventh national communications and third biennial reports from Parties included in Annex I to the Convention

Issues/background

- COP 17 requested developed country Parties to submit full national communications every four years, and biennial reports starting in 2014 as annex to the national communications or as a separate report. Accordingly, developed countries were to submit their 7th national communications and 3rd biennial reports by 1 January 2018.
- 2 As at 4 April 2019, the secretariat had received 41 7th national communications, 41 3rd biennial reports and 41 3rd biennial reports common tabular format submissions. The secretariat has coordinated the reviews of these submissions.
- 3 The SBI will be invited to take note of the status of submission and review of the 7^{th} national communications and 3^{rd} biennial reports.
- 4 New Zealand's 7th national communication and 3rd biennial report were subject to an in-country review in February this year. The review report is still to be finalised.
- b) Compilations and syntheses of second and third biennial reports from Parties included in Annex I to the Convention

Objective

- Make every effort to conclude on this agenda item as 4th biennial reports are due by 1 January 2020.
- Ensure:
 - this exercise is not allowed to fuel assertions that developed countries have reneged on pre-2020 commitments,
 - that if 'facts' are pulled out of these reports, they are representative and consistent with the information presented by the secretariat, and avoid non-Annex I Parties 'cherry-picking' data.

Key messages

- The purpose of the compilation and synthesis reports prepared by the secretariat is to factually summarise the information presented by Annex I Parties to the Convention in their biennial reports.
- The compilation and synthesis reports by the secretariat are by their very nature a summary of the information presented in the second and third biennial reports of Annex I countries, so there is no need to reflect particular data in SBI conclusions.

The purpose of these reports is not to cast political judgement, but to make the information presented in the biennial reports accessible without having to read each individual report. We do not believe that there is any basis for the selective representation or cherry-picking of information from the reports.

- It makes no sense to continue the political point-scoring exchange on the previous compilations and syntheses, particularly as the information in the respective compilations and syntheses is now quite old.
- Conclusion of this agenda item could be done by the SBI simply "taking note" of the content of the two compilation and synthesis reports. A COP decision is not needed.

Issues/background

The secretariat prepared a compilation and synthesis report on the information reported by Annex I Parties in their 2nd biennial reports for consideration at COP 22. The consideration of the report was initiated at SBI 45 and continued at subsequent sessions without any conclusions being reached. Similarly, the secretariat also prepared a compilation and synthesis report on the information reported by Annex I Parties in their 3rd biennial reports for consideration at COP 24. At SBI 49 it was agreed to continue consideration of this matter at SBI 50.

The SBI will be invited to conclude its consideration of the compilations and syntheses of 2nd and 3rd biennial reports and to recommend a draft decision on the matter, as appropriate, for consideration and adoption by the COP.

c) Report on national greenhouse gas inventory data from Parties included in Annex I to the Convention for the period 1990-2016

Issues/background

The secretariat prepares an annual report containing the latest information on greenhouse gas inventory data submitted by Annex I Parties for consideration by the COP and its subsidiary bodies. The 2018 report covers the period 1990-2016 and was presented at SBI 49. The SBI agreed to continue its consideration of this matter at SBI Released under the Official Information 50.

The SBI will be invited to take note of the information contained in the report.

d) Revision of the modalities and procedures for international assessment and review

Objective

• Close this agenda item on the basis that we have agreed a new transparency framework for the Paris Agreement and that the current modalities and procedures for international assessment and review are fit for purpose until the new MPGs apply. [This is the same objective as for equivalent item for developing country/non-Annex I Parties – see SBI agenda item 4(e)]

Key messages

- See above.
- Priority needs to be given to completion of the work under SBSTA on reporting formats, tables, report outlines etc. for the Paris Agreement transparency framework under SBSTA agenda item 10.
- It is not efficient to dedicate time and resources to revise a process that will shortly become obsolete.

Issues/background

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SBI 46 initiated work on revising the modalities and procedures for IAR on the basis of experience in the first round of IAR and taking into account submissions from Parties. SBI 46 recognized that IAR, as part of the transparency arrangements under the Convention, forms part of the experience drawn upon for developing the modalities, procedures and guidelines for the transparency framework for action and support, in accordance with Article 13, paragraph 4, of the Paris Agreement. The SBI agreed to continue its consideration of this sub-item at SBI 50.

The SBI is invited to consider this matter with a view to recommending revised modalities and procedures for IAR for consideration and adoption by the COP.

e) Revision of the "Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part II: UNFCCC reporting guidelines on national communications"

Objective

- Given that this item has become almost obsolete 7th national communications have been submitted and with the new transparency framework under the Paris Agreement subsuming national communications – the item could be closed.
- We would be open to continued discussion if a resolution of the last outstanding issue (regarding translation of national communications into English) could occur without losing what we already have in the existing guidelines.

Key messages

- See above.
- Even if a suitable resolution were able to be found, the new guidelines would only ever be used once as the next national communications would be due in January 2022, the same time as final biennial reports under the Convention.
- We were able to prepare and report 7th national communications using the very out-dated guidelines, and could do so again if necessary. The draft guidelines are in any case useful to look at in the process of preparing a national communication.

Issues/background

COP 17 requested SBI 40 to begin revising the "Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part II: UNFCCC reporting guidelines on national communications", on the basis of experience from preparing the BR1s and other information, with a view to the revised guidelines being adopted at COP 20. SBI 45 continued consideration of the matter and agreed that consideration of the outstanding issue referred to in paragraph 71 of the draft guidelines (regarding translation of national communications into English) would continue at SBI 46. No agreement was reached and SBI 46 agreed that consideration of this matter would continue at SBI 50.

2 The SBI will be invited to conclude its consideration of the above-mentioned outstanding issue and to recommend a draft decision on the revised guidelines for consideration and adoption by the COP.

Climate Change Directorate Ministry for the Environment May 2019

SBI 4. Reporting from Parties not included in Annex I to the Convention

a) Information contained in national communications from Parties not included in Annex I to the Convention

Objective

Minimise effort required to attend to this item.

Key messages

• While decision 18/CMA.1 has changed the landscape for reporting and review for developing countries, first biennial transparency reports under the Paris Agreement are not due until December 2024. Hence retaining the possibility of having some sort of consideration of non-Annex I national communications up until then would be a helpful input to the preparations of developing countries for the new transparency system.

Issues/background

At SBI 24, some Parties proposed that, in accordance with Article 10, paragraph 2, of the Convention, the SBI consider the information communicated by non-Annex I Parties in all their NCs. There was no agreement among Parties during that session, and this agenda sub-item has been held in abeyance since SBI 25. At SBI 49 the agenda sub-item continued to be held in abeyance. On a proposal by the Chair, the SBI decided to include it on the provisional agenda for SBI 50.

- The SBI will be invited to provide guidance on how to consider the information contained in the NCs of non-Annex I Parties taking into account decision 18/CMA.1.
- 3 It is likely the item will stay in abeyance given that non-Annex I Parties seem unwilling for the information they report in their national communications to undergo "review", "technical analysis" or "consideration" of any sort. New Zealand would be comfortable with the item staying in abeyance.

b) Terms of reference of the Consultative Group of Experts

Objective

 Develop new terms of reference to reflect a capacity building role for the CGE that focuses on implementation of the transparency framework under the Paris Agreement.

Key messages

- New Zealand recognises the valuable work done by the CGE over the last few years in providing capacity building for the preparation of biennial update reports by developing country Parties, and developing a set of training materials for the technical analysis of biennial update reports, thus establishing a common "platform" for the technical analysis process.
- The capacity building role is one that will be a critical part of the capacity building necessary for full implementation of the Paris Agreement transparency system and this should be given due emphasis in the new terms of reference.
- We should not delay agreement to the new terms of reference as capacity building focussed on the Paris Agreement transparency framework needs to begin as soon as possible bearing in mind that the first biennial transparency reports are due by December 2024.

Issues/background

COP 24 decided to extend the term of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention for eight years, from 1 January 2019 to 31 December 2026, and to rename it the Consultative Group of Experts. COP 24 requested SBI 50 to review and revise the terms of reference of the CGE taking into account the functions referred to in the annex to decision 19/CP.19, the annual reports of the CGE and decision 18/CMA.1, paragraph 15.

- 2 The SBI will be invited to recommend a draft decision on this matter for consideration and adoption at COP 25 (December 2019).
- 3 Paragraph 15 of 18/CMA.1 states:
- (a) Facilitating the provision of technical advice and support to developing country Parties, as applicable, including for the preparation and submission of their biennial transparency reports and facilitating improved reporting over time;
- (b) Providing technical advice to the secretariat on the implementation of the training of the technical expert review teams referred to [...para reference].
- 4 The list of functions of the CGE in the annex to decision 19/CP.19 is more detailed than paragraph 15 of 18/CMA.1 (see paragraph 3 above). However, capacity building

necessary for a well-functioning transparency framework under the Paris Agreement would be better served with a simple and straightforward terms of reference that would not need to be too much more elaborated than what has already been agreed in decision 18/CMA.1.

c) Provision of financial and technical support

Objectives

- As appropriate, encourage recognition of the support available for non-Annex I
 Parties through existing mechanisms, such as the CBIT which is administered under
 the GEF. If appropriate, highlight New Zealand's own GEF-7 contribution.
- Encourage progressive developing countries to share positive stories about support for transparency to counter any negative narrative.

Key messages (if needed)

- New Zealand appreciates that a number of developing countries are gaining experience with the ICA process, and welcomes the summary reports prepared by the secretariat.
- However, we are concerned that a very large number of developing countries are yet to submit a BUR. Only 46 developing country Parties have submitted their first BUR, of these 26 have submitted a second BUR, and of these, four have submitted a third. This means that the majority of developing country Parties have yet to submit.
- New Zealand's view is that the SBI should encourage those developing countries that haven't yet submitted a biennial update report (BUR) to do so as soon as possible in order to benefit from the technical analysis process that is mandated to identify capacity building needs (in consultation with the Party concerned).

Background

The SBI has received updates on the support available for non-Annex I Parties to meet reporting requirements at its last few meetings and will be invited to agree on any further actions on these matters, as appropriate.

- The GEF provides financial support for the preparation of national communications and biennial update reports of developing countries. The GEF has set-aside resources so that each country can access up to \$500,000 for NCs and \$352,000 for BURs. According to the GEF's report to COP24, all requests to support NCs and BURs have been met by the GEF. In FY 2017/18, 19 non-Annex I Parties submitted their NCs and 12 non-Annex I Parties submitted their BURs to the UNFCCC.
- 3 The GEF will support developing country Parties to meet enhanced transparency requirements under the Paris Agreement through the Capacity Building Initiative for

Transparency (CBIT). New Zealand significantly increased our contribution to the GEF through its seventh replenishment round, with CBIT support a key driver for New Zealand's total contribution of over NZ\$12 million.

- 4 There is concern that despite the availability and provision of support, there has not been a good rate of non-Annex 1 Party reporting. We are keen to see reporting rates increase and counter any narrative that there is not sufficient support for this.
- New Zealand's interest in this item and work stream is fairly limited and mainly relates to our role as a contributor to the GEF and CBIT. Future funding for the CBIT was secured via the GEF 7 replenishment round which is concluding concurrently with SBI49 New Zealand increased its contribution to the GEF through this replenishment. New Zealand is also keen to engage via the GEF Council to ensure that CBIT is being administered in a way that is consistent with sustainable building of in-country capacity amongst developing country Parties.
- We also have a broader interest from the perspective of a promotor of transparency and reviews as key to ensuring the Paris Agreement is as effective as possible. We could join with others highlighting existing opportunities for technical assistance and support, which will be bolstered in the GEF through the 7th replenishment (including via our own pledge).

d) Summary reports on the technical analysis of biennial update reports of Parties not included in Annex I to the Convention

Objective

Use this item to encourage those developing countries that haven't yet submitted a biennial update report (BUR) to do so as soon as possible in order to benefit from the technical analysis process that is mandated to identify capacity building needs (in consultation with the Party concerned). Given that the majority of developing countries are yet to submit a BUR, this issue is becoming quite serious.

Key messages

[This item may be dealt with by the SBI Chair in the opening plenary where he may simply propose that the SBI notes the summary reports. That outcome would be fine, but in case informals are established, or there is any discussion in the plenary, the following bullets can be used. These key messages are also relevant to SBI agenda item 4(c) on the provision of financial and technical support].

- New Zealand appreciates that a number of developing countries are gaining experience with the ICA process, and welcomes the summary reports prepared by the secretariat.
- However, we are concerned that a very large number of developing countries are yet to submit a BUR. Only 46 developing country Parties have submitted their first BUR, of these 26 have submitted a second BUR, and of these, four have submitted a third. This means that the majority of developing country Parties have yet to submit.
- New Zealand's view is that the SBI should encourage those developing countries that haven't yet submitted a biennial update report (BUR) to do so as soon as possible in order to benefit from the technical analysis process that is mandated to identify capacity building needs (in consultation with the Party concerned).

Issues/background

The summary report on the technical analysis each biennial update report (BUR) submitted under the international consultations and analysis (ICA) process is made available on the UNFCCC website and presented to the SBI. Twelve rounds of technical analysis covering 63 BURs had been conducted as at 15 March 2019. Three rounds were organized in 2015, four rounds in 2016, two rounds in 2017, two rounds in 2018 and one in 2019, covering 14, 20, 12, 11 and 6 BURs, respectively. The thirteenth round of technical analysis will be conducted from 27 to 31 May 2019, covering BURs submitted between 1 December 2018 and 31 January 2019.

2 The SBI will be invited to take note, in its conclusions, of the summary reports finalized in the period up to 15 March 2019.

e) Revision of the modalities and guidelines for international consultation and analysis

Objective

Close this agenda item on the basis that we have agreed a new transparency framework for the Paris Agreement and that the current modalities and procedures for international consultation and analysis are fit for purpose until the new MPGs apply. [This is the same objective as for the equivalent item for developed country/Annex I Parties – see SBI agenda item 3(d)].

Key messages

- See above.
- Priority needs to be given to completion of the work under SBSTA on reporting formats, tables, report outlines etc. for the Paris Agreement transparency framework under SBSTA agenda item 10.
- It is not efficient to dedicate time and resources to revise a process that will shortly become obsolete.

Issues/background

COP 17 adopted the modalities and guidelines for ICA and decided to revise them on the basis of experience in the first round of ICA. COP 23 referred the consideration of this matter to SBI 47, which, noting that the first round of ICA was still ongoing, agreed that an item on the revision of the ICA modalities and guidelines would be included on the provisional agenda for SBI 48 with a view to the SBI reporting thereon at COP 24. SBI 48 initiated consideration of this agenda sub-item and agreed that the consideration would continue at SBI 50.

The SBI will be invited to continue its consideration of this matter with a view to making a recommendation thereon for consideration and adoption by the COP.

Climate Change Directorate Ministry for the Environment May 2019

SBI 5. Common timeframes for NDCs referred to in Article 4 (10) of the Paris Agreement

NZ messaging/position:

- New Zealand strongly encourages a common 5-year timeframe for NDCs from 2031, in order to facilitate greater synchronisation of national responses to the global stocktake and maintain clear upwards pressure on ambition.
- A decision is needed before the 2023 global stocktake.
- s9(2)(j)
- Seek clarity about what Parties with 10-year NDCs would be expected to do at the 5-year point where they don't submit a full NDC.

Issues/background

Article 4, paragraph 9 of the Paris Agreement says that each party shall communicate a NDC every five years in accordance with 1/CP.21. Article 4, paragraph 10, adds Parties shall consider common timeframes for NDCs at its first session. At COP24, Parties considered common timeframes, and parties agreed to apply common timeframes to the NDCs to be implemented from 2031 onwards (Katowice decision – CMA.1-). The Katowice decision requests further consideration at SBI50 to make a recommendation to be adopted by the COP on the actual length of NDCs.

- While Parties have agreed to communicate NDCs every five years, most parties' (including NZ's) current NDCs are 10 years. Parties have agreed to have common time frames for communicating NDCs, but the length of time has not been decided. The upcoming negotiations should either conclude that NDCs are to be five years long, or 10 years long, or will allow both five and ten year NDCs.
- 3 Ideally, Parties will agree to have five year NDCs. This is the most logical position in keeping with 1/CP.21. This is New Zealand's preference as it allows for more frequent upward pressure on ambition and is aligned with our domestic carbon budget cycle.
- 4 Some Parties have advocated maintaining ten year NDCs. They propose the longer cycle gives greater certainty, reduces the bureaucratic load and avoids re-engaging in difficult domestic politics. However, New Zealand's concern is that longer NDCs lock in low ambition and are out of sync with Paris Agreement reporting requirements.
- If ten year NDCs are allowed there are questions as to Parties' requirements at the five year 'way point' under Article 4(9)? Will parties recommunicate the same NDC, the following ten year NDC or potentially a new five year NDC? How would potential overlapping NDCs work? Does the Art 4.3 requirement that successive NDCs show progression and highest possible ambition apply to recommunicated 10 year NDCs?

NZ will want to avoid suggestions that parties with five year NDCs are required to recommunicate them in the year prior to them entering implementation at the same time as communicating a new 5 year NDC (see table below). Setting 2020 as the date for Parties to either communicate a new (5 year) NDC or update their existing (10 year) NDC was due to the need to create initial alignment of the timing and some informational requirements of NDCs: it does not create a precedent. There is nothing in the Paris Agreement that requires a recommunication or update of 5-year NDCs on an ongoing basis post 2020. However, under Art 4.11, a party may at any time adjust its NDC with a view to enhancing its level of ambition if it chooses to do so. \$9(2)(j)

	Parties with 5 year NDCs	Parties with 10 year NDCs
2020	Recommunicate/update NDC 1 (2021-2025)	Update NDC1 (2021-2030)
	Communicate NDC2 (2026-2030)	:.O`
2025	Communicate NDC3 (2031-2035)	Communicate NDC2 (2031-2040)
	[Recommunicate NDC2 (2026-2030)]	20
2030	Communicate NDC4 (2036-2040)	Update NDC2 (2031-2040)
	[Recommunicate NDC3 (2031-2035)]	
2035	Communicate NDC5 (2041-2045)	Communicate new NDC3 (2041-
	[Recommunicate NDC4 (2026-2030)]	2050)

7 The question of how and when the progression and ambition criteria apply to NDC communication has both legal and policy implications. Discussions on this point should be noted and discussed with the delegation legal expert.

Climate Change Division
Ministry for Foreign Affairs and Trade
June 2019

SBI 6 (a) Review of the modalities for the Clean Development Mechanism

Objective

- Ensure review outcomes do not prejudge (or compromise) negotiations on the Article 6.4 mechanism.
- Support conclusion of the CDM review, and ensure the final decision:
 - o reflects what has been agreed on the review to date; and
 - o can helpfully feed into future work on Article 6 of the Paris Agreement.

Key messages

- The CDM brought the benefits of carbon markets (finance, technology transfer, capacity building and sustainable development) to Parties that host projects, and New Zealand hopes the Article 6.4 mechanism will too.
- There are lessons learnt and experience gained through the CDM which will be invaluable for the post-2020 work. For example, measures taken which have diversified the geographic coverage of the CDM such as Programmes of Activities (POAs) and standardised baselines (which have had a substantial benefit for Africa). However, while the CDM brought benefits it also has substantial flaws with questionable additionality, and not requiring host party accounting, that make it inappropriate in the Paris world.
- For any elements of the CDM to be transitioned, Parties and/or the supervisory body need to work systematically through the attributes of the CDM, and take active decisions about what is and is not going to positively contribute to the effectiveness and environmental integrity of the Article 6.4 mechanism.
- The foremost consideration for both this item and negotiations on the Article 6.4 mechanism must be ensuring environmental integrity in our new context one where all Parties make mitigation contributions that represent their highest possible ambition and these contributions become progressively more ambitious. e.g.
 - full accounting and the avoidance of double counting for all mitigation generated;
 - a coherent package regarding baselines, additionality and crediting periods:
 - e.g. best available technology approaches, avoidance of crediting against BAU, baselines that are established at the greatest level of aggregation possible, additionality defined in regard to what would have occurred in the absence of incentives from the mechanism, avoidance of retrospective crediting, conservative use of positive lists.
- IF NEEDED Once the shape of the Article 6.4 mechanism is known we will be in a position to address what the future of the CDM is in a post-2020 world, including any arrangements that need to be made to wind it down.

Issues/background

No papers available at time of writing.

There has been little incentive to make decisions on the review because the CDM is severely oversupplied. In addition, the CDM review is entangled with consideration of the Article 6.4 mechanism). s6(a)

AOSIS and the EU are the strongest voices in the CDM review room regarding the need for change to ensure environmental integrity.

- 3 It is likely that any discussion in this room will be overshadowed by PAWP negotiations on the 6.4 mechanism. For New Zealand, our primary concern at this time is to ensure the new mechanism has environmental integrity it is important that any outcome from this room does not compromise our ability to negotiate for a robust 6.4 mechanism that has environmental integrity.
- 4 s9(2)(j)

International Carbon Markets
Ministry for the Environment
June 2019

s9(2)(f)(iv)

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SBI 6 (b) Procedures, mechanisms and institutional arrangements for appeals against decisions of the Executive Board of the Clean Development Mechanism

Objective

Ensure outcomes do not prejudge (or compromise) negotiations on the Article 6.4 mechanism.

Key messages

Nil.

Issues/background

No papers available at time of writing.

- 2 There has been little incentive to make progress on this contentious item. s6(a)
- 3 Any discussion in this room will be overshadowed by PAWP negotiations on the 6.4 mechanism.

International Carbon Markets
Ministry for the Environment
June 2019

SBI 7/ SBSTA 6. Scope of the next periodic review of the longterm global goal under the convention and of overall progress towards achieving it

Objective

- Avoid duplication with the Paris Agreement's Global Stocktake.
- Support closure of the item if convergence appears strong and PICs signal no objection.
- Maintain visibility of the urgent need for action.
- Resist attempts to re-open negotiations on equity indicators and a bifurcated review process that may infect the GST.

Key messages

- New Zealand wants to avoid duplicative processes within the UNFCCC. Given the finite resources and many challenges facing us in implementing the Paris Agreement, it is important we are efficient in our work
- This means the Paris Agreement's temperature goal and our agreed process to assess the adequacy of and progress toward that are our primary focus.
- New Zealand looks forward to making sure the Global Stocktake works to fully achieve the objectives of the original periodic review.
- New Zealand agrees with those highlighting the importance of maintaining visibility of the urgent need for action. We see the Paris Agreement ambition cycle as the most effective platform for this. Closing the Periodic review discussions would send a signal that Parties are confident and united in their expectations for that process.

Issues/background

Parties are mandated to consider the scope of the next periodic review under the Convention. The periodic review is a pre-Paris process that has since been overtaken by the Paris goals and the Global Stocktake. There is likely to be resistance to closing the item by Parties that want to continue to draw attention to the insufficiency of action on climate change, s6(a)

The 2013-2015 Periodic Review of the Long-Term Temperature Goal was a useful process that brought a range of views and information together, with a strong scientific basis, to assess the:

- (1) the adequacy of the long-term global goal in the light of the ultimate objective of the Convention, and
- (2) overall progress toward achieving the long-term global goal, including a consideration of the implementation of the commitments under the Convention.

- 2. The first periodic review was the 2013-2015 review. It led to the decision (10/CP.21) on the new long-term global goal to "hold the increase in the global average temperature to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels.
- 3. Consideration of the scope of the next periodic review was due to occur at COP24, and was delayed to take into account the work and outcomes of the Global Stocktake under the Paris Agreement Work Programme and the Talanoa Dialogue. COP24 saw the inputs and modalities for the Global Stocktake agreed which will be a 5 yearly review process to take stock of the implementation of the Paris Agreement and its long term goals (Article 2.1).
- 4. At these meetings (SB June 2019), Parties will resume the consideration of the scope of the next periodic review, with a view to forwarding a recommendation to COP25.
- 5. New Zealand wants the Parties to focus on implementing the Paris Agreement and using the global stocktake as the primary process to ensure review of the Paris Agreement's long-term goals, including its temperature goal, to update and enhance countries' action and support, as well as international collaboration.
- 6. Amongst UG and EU, there is consensus that the second part of the mandate (assessing overall progress) is directly duplicative with the GST. There are differing perspectives whether to push hard to close the item or advocate for agreement that the periodic review discussions should be minimised or deferred until after the global stocktake.

7. s6(a)

8. New Zealand is sympathetic to AOSIS' desire to highlight its vulnerability, however, we believe protracted negotiations on the scope of a duplicative review and a long technical examination will be neither effective nor efficient in achieving its objectives. s6(a)

8, s6(a)

s6(a) 7.

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SBI 8/SBSTA 5. Koronivia Joint Work on Agriculture

Issue

 An SB conclusion reflecting consensus is a pre-requisite for the proposed workshop in New Zealand.

Objectives

- Demonstrate New Zealand's commitment to the work of the KJWA.
- Secure an SB conclusion reflecting consensus agreement to New Zealand's proposal to host an inter-sessional technical workshop.
- Ensure the discussion during the workshops on topics 2(b) (methods and approaches for assessing adaptation, adaptation co benefits and resilience) and 2(c) (improved soil carbon, soil health and soil fertility under grassland and cropland as well as integrated systems, including water management) is comprehensive.
- Ensure New Zealand's input on the workshop topics is captured in the workshop reports to be prepared by the Secretariat.
- To ensure the activities of the KJWA are robust, credible and the best-possible information is taken into account in the Roadmap to assist Parties with the effective implementation of the Paris Agreement by the involvement of technical experts from accredited observer organisations, and other relevant organisations like the Global Research Alliance on Agricultural Greenhouse Gases.
- Ensure discussions arising from the KJWA related to finance, capacity building and technology align with New Zealand's position on these issues.

Key messages

- New Zealand strongly supports the delivery of the KJWA Roadmap and believes outcomes from this Joint Work can play a constructive role in the effective implementation of the Paris Agreement.
- New Zealand 'welcomes' the report from Workshop 2(a) (modalities for implementation of the outcomes of the five in-session workshops on issues related to agriculture and other future topics that may arise from this work).
- We would like to thank the Secretariat for organising the Workshop at SB50 with the constituted bodies under the Convention on topic 2(b) and 2(c).
- [If appropriate, New Zealand is grateful to the Secretariat for facilitating a workshop that thoughtfully responded to the views of Parties as detailed in recent submissions. This made for an interesting and robust discussion during the workshop. We look forward to reading the workshop report the Secretariat

will produce for consideration at SB51; anticipating that this will reflect **all** the discussions that occurred].

- New Zealand thanks Parties for welcoming our SB49 proposal to host a workshop related to the Koronivia Roadmap and we look forward to continuing consideration of this matter under agenda item 5.
- Mindful of the small window of opportunity there is to reach a timely conclusion on this issue during our time in Bonn, New Zealand would like to take this opportunity to suggest a way forward for this discussion that can best support the work of the KJWA.
- New Zealand would like to propose that Parties consider using the opportunity afforded through an intersessional workshop to have a deep dive discussion on how to move Koronivia forward under the UNFCCC beyond COP26 when the current roadmap finishes. We suggest that three days spent in New Zealand will create the enabling environment for Parties to develop a shared vision for the role that agriculture will play under the KJWA post 2020.
- We consider that March 2020 is well timed for this workshop as it will allow time for the Secretariat to plan the workshop and for Parties to discuss the outcomes at SB52.
- New Zealand urges all Parties to support this proposal. The workshop would be open to all Parties and observers.
- [if required] If Parties cannot agree to this proposal than the New Zealand government will redirect the funds to support another programme of work.

Background

- The KJWA road map is an ambitious programme of work designed to deliver six workshops over a two year period in accordance with the conclusions of the KJWA at the 48th session of the Subsidiary Bodies.
- Workshops will be held during SB50 on the 2(b) (methods and approaches for assessing adaptation, adaptation co benefits and resilience) and 2(c) (improved soil carbon, soil health and soil fertility under grassland and cropland as well as integrated systems, including water management) is comprehensive and considers all possible outcomes. New Zealand made technical submissions to the KJWA for this workshopⁱ.¹
- New Zealand made a voluntary contribution to the UNFCCC of \$250,000, for an inter-sessional technical workshop as part of the KJWA road map to be hosted

¹ The 6 issues relate to 1) implementing outcomes of previous subsidiary body workshops; 2) approaches to assessing adaptation; 3) improved soils and water management; 4) improved nutrient use; 5) improved livestock management systems; and 6) socioeconomic and food security dimensions of agriculture and climate change.

and held in NZ. s9(2)(j)

2

Released under the Official Information Act 1982 https://unfccc.int/topics/land-use/workstreams/agriculture for further information.

SBI 9/SBSTA 4. Terms of Reference for the 2019 Review of the Warsaw International Mechanism For Loss and Damage

Objective

- To establish terms of reference for the review of the WIM that are focused on ensuring the WIM is fulfilling its roles in a facilitative, pragmatic, and timely fashion.
- To align with, and promote the needs and views of Pacific Island countries to the greatest extent possible.

Key messages

- Pacific Island countries are exposed to more severe cyclones and droughts, sealevel rise, salinization of fresh water and agricultural soils, impacts on coral reefs and other ecosystems critical for livelihoods and well-being, and are already experiencing internal relocation and dislocation from lands with cultural and spiritual significance. Therefore, addressing loss and damage is a critical and growing priority for Pacific Island countries.
- New Zealand strongly supports the Warsaw International Mechanism as a critical global apparatus for helping Pacific Island countries address their challenges.
- The review of the WIM should ensure it is achieving its mandate, and that it is doing so in ways that are inclusive, coordinated, pragmatic and timely.
- This may mean improving our understanding of what technical work remains to be done within the mandate of the WIM, and understanding whether the WIM has the resources to work collaboratively and deliver in a timely fashion.
- The review may also consider whether there are issues of loss and damage, within the Paris mandate, that might need to be added to the WIM's work programme to ensure it is meeting the needs of Pacific Island and other countries.
- New Zealand is willing to work with the region to identify and improve channels other than the WIM for meeting PIC needs in responding to loss and damage.

Background

The Warsaw international mechanism for loss and damage (L&D) associated with the impacts of Climate Change (the WIM) was established in 2013 under the Cancun Adaptation Framework.

The WIM's roles are to: (a) Enhance knowledge and understanding of comprehensive risk management approaches to address L&D; (b) Strengthen dialogue, coordination and synergies among stakeholders; and (c) Enhance action and support, including finance, technology and capacity-building, to address L&D, so as to enable countries to undertake actions to address L&D.

- 3 Under the Paris Agreement (article 8), Parties should enhance understanding, action and support, on a cooperative and facilitative basis, for matters including: early warning systems; emergency preparedness; slow onset events; events that involve irreversible and permanent loss and damage; comprehensive risk assessment and management; risk insurance facilities; non-economic losses' and resilience of communities, livelihoods and ecosystems.
- There is an Executive Committee of the WIM (ExCom), established to guide the functions of the WIM. The ExCom has a five-year rolling work plan. The current work streams relate to slow onset events, non-economic losses, comprehensive risk management approaches, human mobility, and action and support to address L&D. The ExCom may establish thematic expert groups to help its execute its work. The four current groups focus on: slow onset events; non-economic losses; displacement; and comprehensive risk management approaches.

Prior review

- The draft terms of reference (TOR) for the review of the WIM have not been received. The previous review, conducted by the COP in 2016, considered the mandate, structure and effectiveness of the WIM. It recommended, inter alia, that:
 - Future reviews of the WIM consider progress on the implementation of the ExCom work plan, as well as its long-term vision that guides ways in which the WIM may be enhanced and strengthened.
 - The subsidiary bodies (expert groups) finalise TOR for their reviews based on, inter alia inputs and submissions from Parties and relevant organisations.
 - A technical paper be prepared by the secretariat elaborating on sources of financial support, as provided through the Financial Mechanism, for addressing losing and damage, as well as modalities for accessing such support

Issues

6 Within the WIM's mandate (see para 2 above), there is potential for widening its work programme and, if necessary, establishing additional thematic expert groups. There may also be potential to expand the WIM's mandate.

0/035

Therefore, the scope of the review may include identification of possible new areas beyond the current mandate.

- 7 The review could prioritise assessing whether it is meeting the needs of developing country parties.
- 8 Finance is a key issue for Pacific Island and other developing countries. However, there the GCF already covers L&D as well as adaptation, and the Standing Committee on Finance assesses finance flows. Therefore, a potentially useful contribution of the WIM may be an analysis of how needs for finance for responding to L&D can be best considered within the UNFCCC system.
- 9 For the WIM to assess levels of finance required for, for example, addressing slow onset impacts, non-economic losses, or human mobility:
- Note that some developing countries believe that the WIM should have a financing arm, but the GCF already covers L&D as well as adaptation. Thus, the focus ought to be on how the WIM can inform discussions for other finance mechanisms rather than become a funding mechanism itself.
- It would be useful for the review to acknowledge and describe different views about whether the work programme is aligned with (the diverse) priorities for L&D.
- 10 There are questions about whether the WIM is working fast enough, which relate to budgets and frequency of meetings. Therefore, it makes sense that a review should ensure that the WIM is resourced to fulfil its functions in a timely manner.

Sustainable Development Sector and Thematic Division MFAT May 2019

SBI 10. Matters relating to the least developed countries

Objective

- Support the work of the Least Developed Countries Expert Group (LEG), particularly least developed countries' (LDCs) accessing Green Climate Fund (GCF) readiness funding.
- As appropriate, encourage Parties to recognise the efforts to assist with accessing finance as part of a broader set of global, regional and bilateral efforts on access from a range of actors, including from New Zealand via our Technical Assistance for Pacific Access (TAPA).

Key messages

- New Zealand welcomes the LEG's work as a useful input to better understanding and communicating the adaptation needs of developing countries, and facilitating finance flows in support of them.
- It is clear from New Zealand's work with LDCs in our region that finance best flows in support of clearly articulated country-driven priorities.

Issues/background

- 1. The LEG was established in 2001 to provide technical support and advice to LDCs on national adaptation programmes of action (NAPAs) and the LDC work programme, and technical guidance and support to the national adaptation plan (NAP) process.
- 2. The LEG meets twice a year and supports LDCs through, *inter alia*, training workshops, NAP Expos, the development of guides, tools, technical papers, publications and databases, and the review of draft NAPAs. The LEG is also mandated to provide technical guidance and advice on accessing funding from the GCF for the process to formulate and implement NAPs, in collaboration with the GCF Secretariat.
- 2 The LEG is mandated to develop a two-year rolling programme of work for consideration by the SBI at its first sessional meeting of each year and to report on its work to the SBI at each of its sessions.
- 3 35th meeting of the LEG took place from 26 February to 3 March 2019 in South Tarawa, Kiribati. At the meeting, the group developed its rolling work programme for 2019–2020. The meeting included discussions with representatives of relevant organizations, regional centres and networks on ongoing collaboration to support the LDCs on adaptation and the implementation of the LDC work programme. It also provided a venue for interaction with officials from the Government of Kiribati on their work on adaptation.
- 4 At this session the LEG will present its 2019–2020 work programme. The proposed work programme is wide-ranging, encompassing a range of training and capacity building programmes on formulating and implementing NAPs; working with the GCF to address issues re accessing funding for NAPs; engage and mobilise organizations,

regional centres and networks to enhance support provided to the LDCs and taking forward its mandated work on gaps and needs related to adaptation for LDCs that would arise from the implementation of the Paris Agreement.

- 5 SBI 48 noted the report prepared by the secretariat at the request of SBI 47, on the provisions for support and flexibility provided to the least developed countries under the Convention and the Paris Agreement and on how the provisions can assist the least developed countries in making a smooth transition from least developed country status, in the light of United Nations General Assembly resolution 67/221. The SBI agreed to continue its consideration of this matter at SBI 50 taking into account, interalia, the aforementioned report and the relevant information note prepared by the Global Environment Facility (GEF).
- 6 The SBI will be invited to consider the work of the LEG, including its 2019-2020 work Acte Ar cons

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 Released under the programme, and to conclude its consideration of the matter referred to in the above paragraph with a view to making recommendations for consideration and adoption at

SBI 11. Development and transfer of technologies: Poznan strategic programme on technology transfer

Objective

- New Zealand has limited interest in this item however it does have an interest to ensure extra avenues for funding obligations are not opened up and that duplication of work is minimised.
- We can accept the recommendations of the report.

Key messages

- New Zealand welcomes the report.
- We note the useful work done to identify lessons learnt and challenges to scaling up investments in technology transfer and encourage the GEF, CTCN and regional centres to give due consideration to these lessons.
- In particular we note that there has been less emphasis on adaptation in PSP projects. We acknowledge that there are challenges in addressing adaptation but we would welcome further exploration of how technology transfer for adaptation can be given greater emphasis by the GEF and the CTCN.

Issues/background

The TEC was mandated by the SBI to update the evaluation of the Poznan strategic programme (PSP) on technology transfer with the aim of enhancing the effectiveness of the Technology Mechanism. TORs for this updated evaluation were agreed at COP23.

- The TEC was to update its report on the evaluation of the Poznan strategic program by SBI47, it decided to continue its work into 2019 to deliver the report by SBI50. SBI50 will receive the report. The SBI is invited to consider the report with a view to determining further action as appropriate.
- 3 The Poznan Strategic Programme on Technology Transfer is run by the GEF to support technology transfer to developing countries, as they move towards a low-carbon development path, utilising the following process:
 - a) Supporting developing countries to identify what technologies are needed to mitigate and adapt to climate change. This is done through a Technology Needs Assessment (TNA).
 - b) Financing pilot projects, on the basis of the TNA, to realise the deployment, diffusion, and transfer of the technologies.
 - c) Sharing experience and environmentally sound technologies that have been successfully demonstrated.

- 3 The GEF does not set aside funding for PSP but embeds technology transfer in its programming strategies which are funded from country allocations or set asides in each funding period. There appears to be potential for overlap / duplication between the work of the CTCN and the PSP.
- 4 The GEF Secretariat continues to support the dialogue and coordination among the CTCN and the regional centres supported by the PSP, by organizing regular consultative meetings among the partners and CTCN at the margin of GEF Council meetings. This enables bodies to work synergistically, avoid duplication and ensure the most efficient use of funds.
- The evaluation of the PSP reported on the efficiency and effectiveness of the PSPs pilot regional technology transfer and finance centres and national pilot projects under the 4th replenishment of the GEF and made comment on lessons learnt. It also addressed the operations of the PSP, overlap and complementarity and synergies between the centres and pilot projects of the PSP and the Technology Mechanism.
- 6 Lessons learnt include, inter alia: the need for strong government leadership; stakeholder engagement and dialogue with government; the need for supportive regulatory and policy frameworks; flexibility in project design; the need for finance including commercial finance; and, there has been less emphasis on and more difficulty addressing adaptation.
- 7 Note New Zealand has increased its funding to GEF-7.
- The Technology Mechanisms consists of the Technology Executive Committee (TEC) and the Climate Technology Centres and Network (CTCN). NZ has a representative on the TEC.

Sustainable Development Sector and Thematic MFAT May 2019

SBI 12. Matters relating to the Adaptation Fund

Objective

- Ensure a smooth transition of the Adaptation Fund to serving the Paris Agreement.
- Ensure new Board arrangements are agreed and constituted before decisions are taken by the AF Board on issues such as revised rules of procedure, operating modalities etc.

Key messages

- New Zealand recognise the Adaptation Fund's niche role in the climate finance landscape and the value our Pacific partners see in it. We want to ensure that those aspects which see it add particular value carry over to the Fund's serving of the Paris Agreement (e.g. the direct access modality, ability to fund small scale projects and innovative funding sources).
- There is a significant amount of preparatory work to do to ensure that the governance and institutional arrangements, safeguards and operating modalities of the Adaptation Fund are adequately addressed.
- We see the logic in having a clear work plan whereby the AF Board is reconstituted to reflect the Paris Agreement membership before it takes action to update the Fund's operating modalities, institutional arrangements and safeguards.

Issues/background

The Adaptation Fund was established under the Kyoto Protocol to finance priority adaptation actions in developing countries. Its primary source of revenue was to have been 2% of Certified Emission Reduction units (CERs) but most of its funding comes from voluntary pledges. The Fund has a mobilisation target of USD 80 million per year.

- 2 At COP24, it was agreed the Adaptation Fund shall serve the Paris Agreement, effective from 1 January 2019. It will also continue to serve the Kyoto Protocol until the share of proceeds under Article 6, paragraph 4 of the Paris Agreement become available.
- 3 At COP24, it was also decided Parties to the Paris Agreement are eligible for membership of the Adaptation Fund Board (to date only Kyoto Protocol Parties have been eligible).
- The Subsidiary Body for Implementation, at its fiftieth session (June 2019), has been requested to consider the matter of Board membership / eligibility and to forward a recommendation to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for consideration at its fifteenth session (December 2019).
- 5 COP24 also requested the Adaptation Fund Board to consider the rules of procedure of the Board, the arrangements of the Adaptation Fund with respect to the Paris Agreement; to consider the implications of the Adaptation Fund receiving the share of proceeds from activities under Articles 6, 12 and 17 of the Kyoto Protocol when the Adaptation Fund serves the Paris Agreement and make recommendations to CMP15 for forwarding to CMA2.
- It is logical the new Board reflecting the decision of COP24 is constituted before decisions are taken on the matters above.

- 7 The current Adaptation Fund Board is composed of 16 members and 16 alternates currently representing Parties to the Kyoto Protocol. A majority of members (about 69 percent) represent developing countries. Representation is as follows:
 - (a) Two representatives from each of the five United Nations regional groups;
 - (b) One representative of the small island developing States;
 - (c) One representative of the least developed country Parties;
 - (d) Two other representatives from the Parties included in Annex I to the Convention (Annex I Parties); and
 - (e) Two other representatives from the Parties not included in Annex I to the Convention (non-Annex I Parties).
- This differs to the arrangements for the Green Climate Fund (GCF) (24 members and 24 alternates split evenly between developed/developing countries) but is similar to the Global Environment Facility (GEF) (32 members, 14 from developed countries, 16 from developing countries and 2 from economies in transition).
- 9 The COP24 decision did not specify how or when the new Adaptation Fund Board was to be constituted. We understand the Secretariat will provide some advice regarding this at the session. Matters that need to be resolved include:
 - The total number of Board members under new arrangements;
 - The composition of the Board (developed versus developing countries, groupings);
 - Whether developed country Board members also need to be donors to the Fund; and
 - When the new Board composition should be stood up (presumably post-COP25 since recommendations are to be made to CMP15 in December 2019).
- New Zealand announced its first voluntary contribution to the Adaptation Fund at COP24. As such, we have an interest in the effective governance and operation of the Fund. We understand New Zealand to be the only non-European donor to the Fund. As such interest in this item from other UG members might be limited.

Current board (and alternate)				
Africa	Africa	Asia-Pacific	Asia-Pacific	
Zambia (Ethiopia)	Benin (Vice-Chair)	Bangladesh (Iran)	Saudi Arabia	
	(Tunisia)		(Maldives)	
Eastern Europe	Eastern Europe	Latin	Latin	
Poland (Albania)	Armenia (Azerbaijan)	America/Caribbean	America/Caribbean	
		Argentina (Bahamas)	Dominican Republic	
			(Cuba)	
WEOG	WEOG	Small Island	Least Developed	
Italy (Vacant)	Germany (Spain)	Developing States	Countries	
		Fiji (Grenada)	Uganda (Vacant)	
Annex I Parties	Annex I Parties	Non-Annex I Parties	Non-Annex I Parties	
Belgium (Chair)	Sweden (France)	Kenya (China)	VACANT (Malawi)	
(Switzerland)				

Sustainable Development Sector and Thematic / Climate Change Divisions, May 2019

SBI 13. Matters relating to capacity building

- a) Matters relating to capacity building under the Convention, including enhancing the institutional arrangements and the review of the Paris Committee on Capacity Building
- b) Matters relating to Capacity Building under the Kyoto Protocol

Objective

- Ensure an efficient review process for the Paris Committee on Capacity Building (PCCB) that will lead to outcomes that can be used to ensure effective institutional arrangements.
- Signal to developing countries, particularly our Pacific neighbours, that we are committed to supporting them to develop capacity to implement their Paris Agreement commitments.
- Where appropriate, register the support New Zealand provides bilaterally, regionally and multilaterally (including to Capacity-building Initiative for Transparency (CBIT) via the Global Environment Facility (GEF)).

Key messages

- New Zealand recognises the importance of capacity building to the successful implementation of the Paris Agreement.
- A significant amount of support for capacity building is being provided to ensure developing country Parties have the ability to deliver on their commitments.
- New Zealand is pleased the PCCB in 2019 will continue to focus on implementation of NDCs. This will assist Parties to take action critical to the implementation of the Paris Agreement, by identifying capacity gaps and recommending ways to address them, as well as promoting dissemination of tools to implement capacity building.
- We welcome the thematic alignment between the PCCB and Durban Forum that avoids duplication and enables a focused effort to assist countries to implement the Paris Agreement.
- We also welcome the review of the PCCB. We see benefit in taking a structured approach to the review that examines issues such as progress on implementing the PCCB work plan in line with its mandate, the effectiveness of activities undertaken so far, duplication and complementarity with bodies across and outside the Convention and to provide recommendations as to whether the PCCB should be extended.
- We see merit in the outcomes of the review of PCCB, together with 4th review of Framework for Capacity Building in Developing Countries, being a component for consideration of recommendations to the CMA on initial institutional arrangements for capacity building under the Paris Agreement.

Issues/background

Capacity building is an integral to the Paris Agreement deal; developing countries see it as a quid pro quo for an applicable-to-all regime. For many, capacity constraints are a genuine barrier to their implementation of the obligations, particularly reporting obligations, in the Paris Agreement.

- 2 New Zealand recognises the importance of capacity building and is providing support targeted to activities in which New Zealand has expertise such as agriculture development, renewable energy generation and disaster risk resilience building. Our partner countries have identified specific needs and capacity gaps.
- 3 We also undertake capacity building projects aimed at facilitating developing countries' access to climate finance. New Zealand provided technical assistance to developing countries in the Pacific region to help them gain a better understanding of the funding requirements of the Green Climate Fund and to help eligible governments obtain funding for their selected climate projects.
- In addition, the constituted bodies that implement capacity building under the Convention and Kyoto Protocol (Durban Forum) and Paris Agreement (PCCB) will be meeting to discuss capacity-building activities for the implementation of NDCs. As an observer, we can only speak if called on to comment.

Paris Committee on Capacity Building

- 5 COP 21 established the PCCB, with the aim of addressing gaps and needs in implementing capacity building and further enhancing capacity building efforts. Key to achieving action in the PCCB will be cooperation and reducing duplication with other bodies. The PCCB meets annually and its first focus area was capacity building activities for the implementation of nationally determined contributions in the context of the Paris Agreement. SBI extended this focus area for 2018 and again for 2019.
- The establishment of the PCCB was a key "give" by developed countries for the Paris Agreement. The Committee was a concession because developed countries would prefer to focus on capacity building as it is required in other fora, rather than setting up a dedicated and potentially duplicative new forum. Key to achieving action in the PCCB will be cooperation and reducing duplication with other bodies.
- The PCCB meets annually under the SBI (it first met at SBI46) and oversees a work plan for the period 2016-2020. The work plan focuses on identifying capacity needs and recommends ways of addressing them, and increasing cooperation and reducing duplication between existing relevant bodies. The first focus area was capacity-building activities for the implementation of nationally determined contributions in the context of the Paris Agreement. SBI extended this focus area for 2018 and 2019.

PCCB Review

- 8 The Subsidiary Body for Implementation (SBI) is mandated to review the Paris Committee on Capacity-Building (PCCB). It initiated this review at COP24. The review will begin at SB50, with a view to successful completion at COP 25, focusing on need for an extension to the PCCB, and effectiveness and enhancement of the PCCB.
- 9 New Zealand and Japan co-sponsored an Australia submission for the review. The submission proposes steps to enable an efficient review process. The submission provides recommendations on how outcomes from the review can be used to ensure institutional arrangements are purposeful and evaluated.
- While a decision on whether the PCCB should extended will flow from the review, if Parties discuss this in SBI50 it would be useful to message that if extended, the PCCB would benefit from focusing on a well-prioritised, results-oriented and feasible work plan which clearly reflects where PCCB can best make a valuable contribution and ensure effectiveness. Should it be extended we also think valuable to conduct a review at the end of the PCCB extension to take stock of progress and consider outcomes from discussion under the PCCB including with respect to other CB building initiatives under the Convention.
- It is helpful to keep abreast of what areas developing countries feel they need assistance with in order to meet universal NDC obligations, such as transparency and accounting provisions to help guide our own development assistance programming. MRV of mitigation actions is cited as an emerging area an area to which New Zealand already provides a range of support from MRV of agricultural emissions through the GRA and support (via our contribution to the GEF) to the Capacity building Initiative for Transparency (CBIT).
- 12 Further implementation of the framework for capacity building in developing countries will take into account current and emerging areas in the context of the Convention and the Paris Agreement. This means there may be a push to include more and more areas into the framework, potentially dissipating efforts.

Sustainable Development Sector and Thematic MFAT May 2019

SBI 14/SBSTA 7. Matters relating to the forum on the impact of the implementation of response measures serving the Convention, the Kyoto Protocol and the Paris Agreement

Objective

- Ensure New Zealand is viewed as a positive and engaged contributor.
- Seek to highlight the role of the response measures forum in achieving the objectives of the Paris Agreement, including by enabling Parties to take action that reflects their highest possible ambition.
- Resist attempts to use the 6 year work-plan to carry out prescriptive work on modelling and analysis tools that hold hostage developed countries' mitigation actions to account for economic impacts on developed countries.
- Ensure the operational modalities of the Katowice Committee of Experts on the Impacts of the Implementation of Response Measures (KCI) are linked to the forum's negotiated six-year work-plan and minimise the independence of the KCI to decide its own activities and recommendations.
- Keep the discussion on trade sensible avoid attempts to undercut WTO disciplines.

Key messages

- New Zealand is pleased with the COP24 decision to re-launch the response measures work in the UNFCCC under a single forum. There is significant potential for the response measures forum, and the related work of the KCI, to contribute to achieving the objectives of the Paris Agreement, including by enabling Parties to take action that reflects their highest possible ambition.
- We were very pleased to see the themes of economic diversification and transformation, and just transition continued under the new work programme. We see much potential to contribute our experiences and lessons learned under these areas in developing national policies and methodologies that maximise the opportunities and minimise the negative impacts of mitigation actions on sustainable development.
- The activities in the six year work-plan should be well-defined and tailored to our mandate, including providing necessary guidance to the KCI to undertake its functions. We are open to discussing a range of in-session workshops, technical papers in collaboration with expert organisations, and case studies to carry out the thematic areas in our work-programme.
- [if raised] Trade policy is a lever in driving a global a low emissions, climate resilient economy, and can play a constructive role in addressing climate change. For example, reforming harmful fossil fuel subsidies can free up scarce government resources to reduce emissions and invest in transition. The forum could usefully

hold joint discussion with relevant organisations on trade policy, however, it is critical that we do not duplicate current efforts by competent bodies to establish trade disciplines and standards.

Issue/Background

"Response measures" refers to the range of actions that Parties to the Paris Agreement should undertake to reduce their greenhouse gas emissions. Developing countries are concerned about the negative impact that measures undertaken to transition to a low-carbon economy may have on their development progress, particularly the measures that developed countries undertake.

As mandated by 7/CMA.1, the response measures forum (convened as a joint SB contact group) is tasked with developing a six-year work-plan at SB50to forward to the COP for adoption. The same lines of friction are expected to be reinstated: developed countries focusing on opportunities with relation to economic diversification and lessons on developing just transitions, while blocs of developing countries 86 (a)

pushing for prescriptive economic modelling methodologies, demonstrating impacts of developed countries' response measures, and considering international trade measures. Countries will still push for developing analytical tools and enforcing trade-related measures (e.g. environmental labelling and standards)

- 3 The COP, the CMP and the CMA each adopted a decision in Katowice to relaunch the work of the forum on the impact of the implementation of response measures. All three decisions make it clear that there is a single forum that covers the work of the COP, the CMP and the CMA on all matters related to the impact of the implementation of response measures.
- 4 Those decisions identified the following four areas for the work programme:
- (a) Economic diversification and transformation;
- (b) Just transition of the workforce and the creation of decent work and quality jobs;
- (c) Assessing and analysing the impacts of the implementation of response measures;
- (d) Facilitating the development of tools and methodologies to assess the impacts of the implementation of response measures.
- 5 For New Zealand, the response measures forum decision at COP24 consisted of large gives with regards to the bloating of the functions and work programme to include more explicit language on facilitating the assessment of impacts and development of tools. s6(a)

The most significant concession was the establishment of a permanent technical body, the Katowice Committee of Experts on the Impacts of the Implementation of Response Measures (KCI).

6 However, the Forum does acknowledge there are both positive and negative impacts with measures taken in response to climate change. Just transition and economic

transformation remain important themes. The Forum will continue to be very political, particularly around recommendations to the COP.

It is still to be seen if the new forum is able to facilitate productive work on issues relevant to New Zealand, such as implementing just transitions and challenges facing agriculture-dependent economies, and we are well placed to continue to engage constructively in the negotiations to support a more positive and useful forum. There may be opportunities to have more useful working-level conversations with relevant organisations such as the WTO, ISO, ILO, OECD etc.

8 s6(a)

9 s6(a)

10 s9(2)(j)

- 11 While we are interested in future of having the trade and climate change discussion, we resist attempts to use this Forum to undercut WTO disciplines (such as undermining GATT Article XX, the right to adopt trade-related measures to protect the environment) and undermine the implementation of the Paris Agreement.
- 12 The first meeting of the KCI is to take place on 13-14 June, before the session. New Zealand will not attend as our interests will be well covered by the WEOG members on the Committee (US, EU, Australia). We support the potential of the KCE to undertake productive activities; however, these should to be delivered within the mandate of the forum and its six-year work-plan.

Climate Change Division Ministry of Foreign Affairs and Trade June 2019 SBI 15. Terms of reference for the review of the Doha work programme on Article 6 of the Convention



SBI 16. Gender and climate change

Objective

- Demonstrate how New Zealand is supporting and implementing the Gender Action
 Plan
- Ensure the Gender Action Plan remains manageable

Key messages

- New Zealand encourages the implementation of 2018-2019 Gender Action Plan, to advance women's full, equal and meaningful participation and promote gender-responsive climate policy and the mainstreaming of a gender perspective in the multilateral process.
- Our long standing prioritisation of gender equality and women's empowerment at the UN places New Zealand as a strong advocate for increased participation and leadership by women in and we endorse practical, achievable approaches to encouraging this.
- Prime Minister Jacinda Ardern is our third woman leader, Helen Clark, former Prime Minister, headed the UNDP, Kay Harrison is New Zealand's Climate Change Ambassador, and Vicky Robertson is the Chief Executive of the Ministry for the Environment. The high level of representation of women on our negotiating team has been highlighted an example of structural gender equality and something all countries should work towards.
- New Zealand provides \$2.5 million p.a. in core funding to UN Women, which works in the Pacific to assist stakeholders to respond to extreme weather events in gender sensitive ways.
- Under the Government's refreshed approach to the relationship with the Pacific, gender is a priority area of engagement. We are considering how gender can be effectively targeted in the areas of climate change and climate-related human mobility through New Zealand's development programme and where New Zealand's efforts are best placed, while recognising the unique contributions women make to development and climate.

Background

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 COP 22 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

- COP 25. COP 23 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 seeks to advance women's full, equal and meaningful participation and promote gender-responsive climate policy and the mainstreaming of a gender perspective in the implementation of the Convention and the work of Parties, the UNFCCC secretariat, UN System entities and all stakeholders. New Zealand has engaged in the development and negotiation of the Gender Action Plan.
- 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.
- All aspects of the GAP are non-binding and flexible in how actors choose to implement its activities. New Zealand already has policy processes and activities under way that we could demonstrate as part of our implementation of the GAP. The COP24 negotiations were centred on showcasing the process of the GAP so far and Parties' efforts to implement it.
- At COP24, parties welcomed reports on the Gender balance of constituted bodies and the workshop report held in the Bonn session on increasing participation of women in the UNFCCC process. New Zealand's contribution to the workshop was captured in the report (on structural equality being important in enabling meaningful woman participation in our delegation), and we made a statement on our support of the GAP and further work being done as part of the Pacific Reset. COP 24 requested SBI 50 to initiate the review of the areas of progress, areas for improvement and further work to be undertaken under the Lima work programme on gender and its gender action plan on the basis of all submissions received and reports produced under the Lima work programme and its gender action plan. et this session, t SBI will be invited to initiate the review of the Lima work programme and its gender action plan with a view to forwarding a recommendation on the outcome of the review for consideration and adoption at COP 25, and to consider the synthesis report on the submissions received under gender action plan activity E.1.
- With the review of the GAP mandated for COP25 and invited submissions, New Zealand should consider consolidating its Gender and Climate Change story to show that the GAP is being effective, while not opening up further avenues for the duplication of similar efforts across other UN processes.

- 8 We have seen high level engagement on gender and climate change issues over 2018, including Minister for Climate Change James Shaw participating in a women and climate change event, hosted by Mary Robinson at the Global Climate Action Summit, and Prime Minister Jacinda Ardern speaking to UNFCCC Executive Secretary Patricia Espinosa about empowering women. Minister for Women, Julie Anne Genter, sought advice on how New Zealand is implementing the GAP.
- 9 With the New Zealand Government's Pacific Reset, there is an increased focus on sectors of importance to New Zealand, including gender and the central role women have we a most constitution with the official inflormation of the official infl to play in climate and development. Work is continuing to assess how we can address gender's intersection with climate change and climate migration issues most effectively.

SBI 17. Arrangements for intergovernmental meetings

Objective

 Support proposals to improve the effectiveness and efficiency of the intergovernmental process for implementation of the Paris Agreement.

Key messages

- New Zealand thanks Poland for its leadership efforts and would like to express its appreciation to Chile for offering to serve as President of COP25/CMP15/CMA2.
- We support the rationalisation of agenda items to better reflect the entry into force of the Paris Agreement and substantial conclusion of the Paris rule book. We note that removal from the agenda does not prevent them being reinstated where and when appropriate.
- If required: Following the substantial conclusion of the Paris rule book, we support reducing the frequency of the sessions of the governing bodies as we shift from negotiation to implementation of the Paris Agreement. A new schedule, aligned with the inflection points of the Paris Agreement and the Paris rule book, and other delivery points in which the governing bodies provide guidance or review, would be appropriate.
- If required: New Zealand supports openness, transparency and inclusion to maximize effective participation by non-Party stakeholders in the UNFCCC. Stakeholder engagement is an important element of good governance and effective decision making at both the international and domestic levels.
- If decision making is raised: We support the objective of improving the decision-making process of the UNFCCC through constructive and forward looking engagement by all Parties. We need to ensure that our process is transparent, effective and efficient, enabling us to advance our important work.

Issues/background

The SBI is tasked with making recommendations on the organisation of and agendas for upcoming meetings. At this session, the SBI is invited to:

- a) Provide advice or recommendations to the COP, CMP and CMA on the organisation of their work at COP25;
- b) Provide advice to the Secretariat on possible elements of the provisional agendas for COP25, CMP15 and CMA2;
- c) Recommend dates for the sessional periods in 2024 for adoption at COP25;
- d) Consider the frequency and locations of the governing bodies taking place after 2020;

e) To provide guidance on opportunities to continue enhancing the effective engagement of non-Party stakeholders.

Possible elements of provisional agendas

- The secretariat has suggested rationalising the agendas of the COP and CMA to better reflect the conclusion of the majority of the Paris Rulebook. The proposals include: (i) removing items that are traditionally referred orally to the subsidiary bodies (SB) and are standing items on their agendas (e.g., capacity building under the CMP); (ii) concluding items that have been held in abeyance for several years (e.g., review of the adequacy of mitigation policies and measures under the Kyoto Protocol); (iii) concluding items that have repeatedly failed to reach consensus on an outcome (e.g., decision-making in the UNFCCC process"); and (iv) not including items that have not had matters for consideration at recent sessions (e.g., other matters referred to the [CMP] by the subsidiary bodies).
- Removing the agenda items under category (iv) is consistent with current practice whereby SBs' decisions / recommendations that have not been specifically referred to them by the CMP are considered through the relevant report of the SB.
- In principle, New Zealand supports the rationalising of agenda items to reflect the current state of negotiations, acknowledging this will not preclude future discussions where appropriate. While items listed under categories (ii) and (iii) reflect issues that are at an impasse, proponent countries are unlikely to agree to their removal as this would downgrade the status of the issue, decrease its visibility in the governing bodies, and be harder to reinstate on the agenda.

Frequency and location of sessions of governing bodies after 2020

- SBI 48 invited Parties to provide views on the frequency and organisation of sessions of the governing bodies; three submissions were received from AOSIS, AILAC and Switzerland. AILAC and AOSIS requested that consideration of this item be deferred until 2028 or after 2030 respectively. Switzerland proposed that the cycle of COP sessions should become less frequent after COP28, while still touching on key inflection points within the Framework Convention, the Paris Agreement and the review of institutions and constituted bodies by the governing bodies.
- Generally New Zealand supports decreasing the frequency of the COP cycle as Parties move towards implementation. However, there are a number of inflection points in the Paris rule book that fit best with an annual cycle and does not allow for a straightforward biennial cycle (e.g., 5 yearly global stocktake

starting in 2023). Certain review points or consideration of further CMA guidance are also tied to specific COP and CMA meetings to coincide with the 5 yearly cycle (e.g., guidance on various NDC aspects to be considered by CMA7 (2024), CMA10 (2027), and CMA 11 (2028) arguably to coincide with the resubmission of NDCs in 2030). The review of institutions and constituted bodies by governing bodies is also mandated at different periods (e.g., Financial Mechanism every four years).

- This jumble will require careful navigation to hit upon a formula for meetings that touches on all key dates. While not insuperable, it may require a re-opening of the dates negotiated as part of the Paris rule book, something Parties (including New Zealand) will be extremely reluctant to do. Detailed discussion about the frequency of meetings are likely to be more fruitful once the Paris cycle has time to "bed in".
- As a general point, New Zealand agrees that it would make more sense to have the terms of the President and the Bureau commencing at the end of each session, so that they preside over preparations for the session that they will host. We recognise that an amendment to rule 22 of the draft rules of procedure being applied would be required to enable this to occur.

Enhancing the effective engagement of observer organisations and non-Party stakeholders

- There was an in-session workshop at SBI46 looking at opportunities to enhance the effective engagement by non-Party stakeholders, with some observers proposing the exclusion of some stakeholders based upon a perceived "conflict of interest" (e.g., fossil fuel companies). SBI48 took stock of progress and invited Parties and non-Parties to identify opportunity to enhance engagement at SBI50. The secretariat is discussing with constituency focal points to facilitate continued discussion on: (i) modes of delivering statements at sessions; (ii) early dialogue between Parties, non-Party stakeholders and the incoming Presidency; and (iii) other ways of enhancing non-Party stakeholder participation.
- New Zealand supports openness, transparency and inclusion to maximize effective participation by non-Party stakeholders in the UNFCCC. Stakeholder engagement is an important element of good governance and effective decision making at both the international and domestic levels. We have long advocated for robust engagement with all types of non-Party stakeholders within the UNFCCC. Input by the widest possible range of actors and interest groups can help ensure informed and effective decision-making by UNFCCC Parties. At the UNFCCC, while Parties make decisions, that decision-making can be enriched if it

Released under the Official Information Act, 1982 is informed by a wide range of stakeholders. There will naturally be conflicts of interest between Parties and non-Parties, however in order to transition to a low

SBI 18. Administrative, financial and institutional matters

(a) Programme budget for the biennium 2020–2021;

Issues

- The SBI will be invited to consider the proposed programme budget that would increase parties' contributions. The SBI is being asked to consider a significant (20.7%) increase to the programme budget. New Zealand is not convinced that the work programme justifies such a large increase. The proposal would increase New Zealand's contribution from €158,258 to €196,903 (approximately) or an increase in almost 25%.
- The SBI will also be invited to consider the proposed budget for the international transaction log (ITL) and a methodology for the collection of its fees with a view to recommending a draft decision thereon for consideration and adoption at CMP 15.

Objective

- s9(2)(j)
- s9(2)(j)
- s9(2)(j)
- s9(2)(j)
- Maintain positive momentum working with UG and EU colleagues outside of formal sessions, and in informal meetings with the Secretariat, to drive progress.

Key messages

• We understand the substantial conclusion of the Paris Rulebook and focus on implementation will have an impact on the Secretariat's workload and that an increase in the budget is therefore necessary. But we consider the work programme should be rationalised to ensure that any budget increase is based on a clear need and reflects a streamlined work programme. And that any increases have been clearly thought through to ensure the effective implementation of the work programme.

It would be useful for the Secretariat to explain what the impacts of unpredictable cash flow will be on both the proposed, and zero growth, budgets – assuming this continues to be a problem for the Secretariat. What will the impact of this be on the delivery of core work programmes? Are there any plans in place to mitigate the impacts?

 New Zealand is grateful to the Government of Germany for paying over EUR 3.5 million for 2020-21 to the Bonn Fund, as the Host Government of the Secretariat.

Background

This is the first budget that will be agreed since the substantial completion of the Paris Rulebook. The Rulebook contains various new implementation mechanisms that mean the Secretariat must fund existing as well as new work under the Rulebook.

The activities of the secretariat are funded mainly from the following sources:

- Contributions to the Trust Fund for the Core Budget of the UNFCCC;
- Voluntary contributions to the Trust Fund for Supplementary Activities;
- Voluntary contributions to the Trust Fund for Participation in the UNFCCC Process;
- Fees collected in the Trust Fund for the Clean Development Mechanism and the Trust Fund for the International Transaction Log and with respect to Joint Implementation (JI);
- Additional contributions from the Government of Germany (Bonn Fund).
- 2. The Executive Secretary has proposed a programme budget for 2020–2021 taking into account the feedback received from other Parties at the briefing sessions and the workshop convened on 25 and 26 March 2019 by the SBI Chair with the assistance of a co-facilitator, at which work in progress on the budget was presented.
- 3. The proposed budget is a 20% increase on the current budget. New Zealand's indicative contribution would be as follows:

3. UNFCCC contribution details

- 4. **Reminder:** New Zealand's contribution is facilitated through the Ministry for the Environment, using a non-departmental allocation (NONDOC).
- **5.** New Zealand has an interest in to ensure that the core budget funds core activities (such as the intergovernmental process, reporting, and review) and resist attempts to shift these to be covered by the Trust Fund for Supplementary Activities.

6.	7. Zero nominal growth scenario: 2020/2021	9. Proposed budget: 2020/2021
O	8. (EUR)	10. (EUR)
11. Core convention	12.141,336	13.171,567
14. Kyoto Protocol	15. 20,872	16. 25,336
17. Total	18.162,208	19.196,903

- 4. The overall increase of EUR 11.8 million over two years in the proposed 2020-21 budget relates mainly to three areas:
- 5. **Correcting structural and programmatic "imbalances"** that have existed in the secretariat:
- Dedicated support to specific thematic areas (Loss and Damage, Gender and Action for Climate Empowerment);
- Oversight of work streams on cooperative implementation under the Convention and the Paris Agreement, previously funded by Kyoto Protocol fees;
- The minimum number of meetings of constituted bodies and mandated events, including the NAP Expo and the Standing Committee on Finance forum.

6. New tasks mandated in Paris and Katowice:

- A new work stream and constituted body on compliance;
- A new body for Indigenous Peoples;
- A new body for response measures (reminder: watch out for Saudi Arabia's response);
- Support to the preparation for the global stocktake.
- 7. **Statutory staff cost increases** of approximately 2.5 per cent. Neither budget suggests an increase in the number of staff posts.
- 8. Some Parties (not New Zealand) are in arrears with their contributions, and others pay at times other than that required by the Secretariat (1 January each year), resulting in significant cash shortages and uncertainties in cash flow. The Secretariat has no mandate to go into debt, so must have cash in order to progress its work. Cash flow unpredictability is causing significant issues with the Secretariat's ability to plan its work throughout the year.
- 9. This deficiency in core funding has been exacerbated by an increase in outstanding contributions. The total outstanding amount for the period 1996–2019 will be detailed in the document FCCC/SBI/2019/INF.6. At the time of writing this brief FCCC/SBI/2019/INF.6 had not been published on the UNFCCC website.
- 10. Securing an acceptable outcome is likely to require offline discussions between developed countries and the G77. The US pulled together this exercise at COP22. s6(a)

The SBI chair will be

pushing to conclude the budget item at the June session, including agreeing the draft decisions to be forwarded to the COP. If the budget is agreed in June there will be no opportunity to revisit the issue in December. The new work programme is presented as an addendum to the proposed budget. It is possible that some Parties will seek to negotiate details of the work programme, which is unlikely to be productive or appropriate. We are working with the Umbrella Group to think about language that we

Released under the Official Information Act 1982 would seek to include in the SBI conclusions that provides the appropriate context for the work plan.

(b) Other financial and budgetary matters;

Issues

• s6(a)

Objective

- Resist attempts to micromanage the Secretariat budget.
- Encourage the Secretariat to take a solutions-based approach to addressing outstanding contributions to the core budget.

Key messages

- While Parties have a governance role where it comes to the Secretariat budget, the Secretariat needs some flexibility to discharge its responsibility for management of the budget in order to make timely decisions to support the intergovernmental process and the development of the Paris rulebook over the biennium. It may be counterproductive to overly restrict the Secretariat's ability to respond to the mandate of Parties.
- We would encourage the Secretariat takes a solutions-based approach to addressing outstanding contributions to the core budget.

Background

The SBI will be invited to take note of the information contained in the documents prepared for the session and any additional relevant oral information provided by the Executive Secretary and to decide on actions that may need to be included in draft decisions on administrative and financial matters to be recommended for consideration and adoption at COP 25, CMP 15 (fifteenth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol) and CMA 2 (Second session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement).

- 12. The pre-sessional documents for this session are FCCC/SBI/2019/INF.4; FCCC/SBI/2019/INF.5; and FCCC/SBI/2019/INF.6. At the time of writing this brief the documents have not been published on the UNFCCC website.
- 13. At SBI 49 it was agreed that the SBI would continue to consider possible ways to increase the efficiency and transparency of the budget process, including options for increasing flexibility in the Trust Fund for Supplementary Activities, approaches to addressing outstanding contributions to the core budget, the level of the working capital reserve and timely funding for the Trust Fund for Participation in the UNFCCC Process.
- 14. COP 23 requested the secretariat to continue to seek efficiencies, streamline administrative services, absorb work in order to save costs in the biennium 2018–2019 and to report thereon at SBI 50. COP 24 and CMP 14 requested the Executive Secretary

Released under the Official Information Act No. to prepare, regularly update and publish before each session of the subsidiary bodies brief reports on standard costs and, if available, options for reducing the cost of activities

(c) Continuous review of the functions and operations of the secretariat;

Objective

- Ensure the UNFCCC secretariat continues to provide the services and activities required by the Parties in support of the intergovernmental climate change regime.
 Advancing this regime into the new era is critical to building trust among all Parties and ensure transparency.
- Ensure that the secretariat is appropriately resourced to deliver on the demanding work programme that was delivered at Katowice.

Key messages

- New Zealand is grateful to the UNFCCC secretariat for providing the services and activities required by the Parties in support of the intergovernmental climate change regime.
- We would encourage the Secretariat to advance this regime into the new era. This will be critical to building trust among all Parties and ensure transparency.
- We understand the substantial conclusion of the Paris Rulebook and focus on implementation will have an impact on the Secretariat's workload and that an increase in the budget is therefore necessary. But we consider the work programme should be rationalised to ensure that any budget increase is based on a clear need and reflects a streamlined work programme. And that any increases have been clearly thought through to ensure the effective implementation of the work programme.

Background

- 20. At time of writing no pre-sessional documents have been uploaded (or are expected) to support this agenda item.
- 16. SBI 21 decided that the SBI would review the functions and operations of the secretariat annually. COP 24 and CMP 14 requested the Executive Secretary to present the outcome of its review of the secretariat's operations and structure, including on the synergy and prioritization of its activities, with a view to reducing redundancies and increasing cost-efficiency, in the context of the programme budget for 2020–2021.
- 17. The secretariat will initiate an organizational change process building upon the work of the 2018 Structure Review Project which concluded in January 2019 (further information is available at https://unfccc.int/about-us/budget/review-of-the-secretariat-structure-and-operations). Its objective is to deliver on the conclusions and recommendations contained in the Structure Review Project final report, as adjusted by the management of the secretariat during the decision-making stage of the project.
- 18. The organizational change initiative, including allowing for transitioning to a new organizational structure is expected to be completed by February 2020.

(d) Annual report;

Background

SBI 49 considered the enhancements to the annual report and requested the secretariat to prepare the annual report for 2018 in line with the proposed enhancements. The SBI will be invited to take note of the annual report for 2018.

(e) Implementation of the Headquarters Agreement

Issues

• The SBI will be invited to take note of progress on this matter.

Background

- 21. SBI 46 welcomed the systematic collaboration between the Host Government, the secretariat and other relevant stakeholders on issues such as meeting and office facilities as well as enhanced services and information for meeting participants. It encouraged the Host Government and the secretariat to maintain this process of close and regular consultation. SBI 46 requested the secretariat to continue to update Parties on the UNFCCC website about these and other aspects of the implementation of the Headquarters Agreement, and invited the Host Government and the Executive Secretary to report on progress at SBI 50.
- 19. At time of writing no pre-sessional documents have been uploaded (or are expected) to support this agenda item.

Climate Change Division
MFAT
May 2019

SBSTA50

Released under the Official Information Act 1982

SBSTA 3. Nairobi work programme on impacts, vulnerability and adaptation to climate change

Objective

- Welcome the NWP's most recent report, which summarises its work between 2016 and 2018.
- Support the NWP to provide information that assists Parties to take sound decisions on adaptation, including with respect to their adaptation obligations under the Paris Agreement.

Key messages

- New Zealand welcomes the progress made in implementing the NWP work programme.
- The role of the NWP to provide information that assists Parties to take sound decisions on adaptation continues to remain relevant, including with respect to Parties' adaptation obligations under the Paris Agreement.

Issues/background

SBSTA 48 reviewed the NWP and concluded that it has successfully responded to its mandates, and encouraged it to continue enhancing its role as a knowledge-for-action hub for adaptation and resilience with a view to further improving its relevance and effectiveness in the light of the Paris Agreement.

The SBSTA will be invited to consider progress in implementing activities under the NWP drawing on the progress report prepared for the session, and to provide any further guidance. Document FCCC/SBSTA/2019/INF.1 refers but was not available at the time this brief was drafted.

Climate Change Directorate Ministry for the Environment May 2019

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Released under the Official Information Act 1982 SBI 9/SBSTA 4. Terms of Reference for the 2019 Review of the Warsaw International Mechanism For Loss and Damage.

SBI 8/SBSTA 5. Koronivia Joint Work on Agriculture



Released under the Official Information Act, 1982 SBI 7/ SBSTA 6. Scope of the next periodic review of the longterm global goal under the Convention and of overall progress

Released under the Official Information Act, 1982 SBI 14/SBSTA 7. Matters relating to the forum on the impact of the implementation of response measures serving the

SBSTA 8. Methodological issues under the Convention

- 8(a) Training programme for review experts for the technical review of greenhouse gas inventories of Parties included in Annex I to the Convention
- 8(b) Training programme for review experts for the technical review of biennial reports and national communications of Parties included in Annex I to the Convention

Objective

- Work to ensure that existing training programmes for reviewers under the Convention inform the development of the training programme for technical experts participating in technical expert review under the Paris Agreement. All Parties to the Paris Agreement need to submit greenhouse gas inventories at least once every two years, and other information required under Article 13 every two years (except where specific flexibility has been provided) and technical experts will be needed to review this information, and will need to receive training to carry out the review tasks.
- Implementation of the current training programmes should continue to 2021/22 to ensure there are sufficient qualified experts for the review of annual greenhouse gas inventories from Annex I Parties, and then merge with the training programme for technical experts participating in technical expert review under the Paris Agreement.

Key messages

- Greenhouse gas inventories are a core part of the transparency framework under the Paris Agreement and having sufficient technical reviewers with greenhouse gas inventory expertise will be a necessary part of a fully functioning review process under Article 13 of the Paris Agreement.
- The current training programmes should continue, helping inform the development of the training programme for technical experts participating in technical expert review under the Paris Agreement, and should eventually merge with the training programme for technical experts participating in technical expert review under the Paris Agreement.
 - Resources needed for developing and implementing training programmes should be used wisely, and we should strive to avoid duplication of effort.

Issues/background

COP 20 requested the secretariat to implement the training programme for review experts for the technical review of GHG inventories of Annex I Parties, and to develop and implement the training programme for review experts for the technical review of biennial reports and national communications of Annex I Parties. SBSTA 46 assessed the results of the training programme for the technical review of GHG inventories and concluded that there was no need to further develop or enhance the training materials at that time; rather, it agreed to extend the implementation of the ongoing training programme to 2020. On the training programme for review experts for the technical review of biennial reports and national communications. COP 23 requested the secretariat to enhance the materials and user interface of the training courses and to implement the courses through to 2020.

- 2 For GHG inventories the SBSTA agreed to assess the results of the training programme at SBSTA 50 with a view to making recommendations to COP 25 on the further development and enhancement of the training programme. For biennial reports and national communications, SBSTA agreed to consider the need to further extend the implementation of the training programme at SBSTA 50.
- 3 See also SBSTA agenda item 10 (on methodological issues under the Paris Agreement) which has a sub-item on development of a training programme for technical experts participating in technical expert review under the Paris Agreement, and New Zealand's submission on this topic³.

8(c) Greenhouse gas data interface

Objective

- To have a GHG data interface that contains the most recent data reported by all Parties (as per the mandate for the data interface) not just Annex I Parties.
- In updating the interface the secretariat needs to prioritise completeness and inclusiveness of information presented in the interface over improving unnecessary functionalities of the interface.
- Be mindful of budgetary implications in attempting to find constructive solutions to move forward, as the secretariat has already presented the extent of budgetary constraints for this work (i.e., it doesn't seem like the work can actually be done without additional funding).

³ https://www4.unfccc.int/sites/SubmissionsStaging/Documents/201904021347---New Zealand SBSTA submission reporting formats April 2019 FINAL 02 04 2019.pdf

Issues/background

SBSTA 38 and 39 requested the secretariat to implement any necessary technical changes to the GHG data interface following the adoption of the revised "Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part I: UNFCCC reporting guidelines on annual greenhouse gas inventories", subject to the availability of financial resources.

2 SBSTA 46 took note of the progress of the changes to the GHG data interface, noting with concern that insufficient financial resources had been received for their completion. The SBSTA agreed to continue its consideration of matters relating to the GHG data interface at SBSTA 50 with a view to determining next steps. The SBSTA will consider this matter and determine any further action.

8(d) Common metrics to calculate the carbon dioxide equivalence of greenhouse gases

Objective

- To conclude this agenda item under the Convention and have SBSTA recommend that a new agenda item be placed on the CMA agenda to take up this issue after completion of the Working Group I component of the IPCC 6th assessment report as this will contain an up-to-date scientific assessment of greenhouse gas metrics, including on 100-year time-horizon GWPs.
- It is important to have scientific and technical discussion of greenhouse gas metrics, and if this isn't possible under a future CMA agenda item, it could instead be taken up by the research dialogue under SBSTA at an appropriate future session after completion of the Working Group I component of the IPCC 6th assessment report.

Key messages

- For reporting aggregate emissions and removals of GHGs expressed in carbon dioxide equivalent, Parties to the Paris Agreement agreed in decision 18/CMA.1 to use the 100-year time-horizon GWPs from the IPCC Fifth Assessment Report, or the 100-year time-horizon global warming potential values from a subsequent IPCC assessment report as agreed upon by the CMA.
 - We note that each Party may in addition also use other metrics assessed by the IPCC to report supplemental information on aggregate emissions and removals of greenhouse gases, expressed in CO₂ equivalent.
- After the completion of the Working Group I component of the IPCC 6th assessment report it would be helpful for Parties to return to a scientific and technical discussion of greenhouse gas metrics, as presented in the IPCC 6th assessment report.

This could be done by SBSTA recommending that an item be placed on the CMA
agenda for 2022 to initiate a discussion on the latest scientific findings, or by
building this discussion into the research dialogue under SBSTA at an appropriate
future session.

Issues/background

SBSTA 34 agreed that the consideration of common metrics under the methodological issues under the Convention would continue at SBSTA 36, taking into account the report on the workshop on common metrics held on 3 and 4 April 2012. Further, common metrics were considered at SBSTA 40, 41 and 42. This included consideration of the findings on common metrics contained in the IPCC Fifth Assessment Report presented at a special event at SBSTA 40.

- 2 SBSTA 44 agreed to defer consideration of common metrics to SBSTA 46 in order to be able to take into account deliberations under the APA on the guidance for accounting for Parties' nationally determined contributions, which was to ensure that accounting is in accordance with methodologies and common metrics assessed by the IPCC. SBSTA 47 recognized that further consideration of common metrics by the APA was necessary and it was agreed to continue consideration of common metrics at SBSTA 50 in order to be able to take into account the deliberations under the APA on this matter.
- 3 The CMA decided (as part of decision 18/CMA.1) that for reporting aggregate emissions and removals of GHGs expressed in carbon dioxide equivalent, Parties will use the 100-year time-horizon GWPs from the IPCC Fifth Assessment Report, or the 100-year time-horizon global warming potential values from a subsequent IPCC assessment report as agreed upon by the CMA.
- 4 SBSTA is invited to continue and to conclude its consideration of this sub-agenda item as part of methodological issues under the Convention taking into consideration Parties' deliberations on the related matters under the Paris Agreement and the outcome on greenhouse gas metrics reflected in decision 18/CMA.1.

Climate Change Directorate Ministry for the Environment May 2019

SBSTA 8 (e) Emissions from fuel used for international aviation and maritime transport

Issues

 This standing item may be discussed briefly at the UNFCCC Subsidiary body meetings (SB50), Bonn (17-27 June 2019).

Objectives

- Keep pressure on the International Civil Aviation Organization (ICAO) and International Maritime Organization (IMO) to effectively address international aviation and shipping greenhouse gas emissions, through issuing a decision commending progress and emphasising the importance of progress in Bonn, while resisting any language calling for bifurcated outcomes in ICAO or IMO.
- Resist efforts by some delegations to relitigate IMO and ICAO decisions in the UNFCCC.

Key messages

- The recent IPCC 1.5°C report makes it clear that limiting warming to 1.5°C will require ambitious action by all countries and across all sectors. Reducing international transport emissions, which represent about four percent of overall global carbon emissions, is an important part of the global response.
- The adoption of the resolution for the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) at the 39th ICAO Assembly is an important step towards addressing emissions from international aviation. But it is important that the environmental integrity of CORSIA is maintained as it is developed and implemented by aeroplane operators, States and ICAO. This includes careful consideration of the relationship between CORSIA and the Paris Agreement to avoid double counting.
- The adoption of the Initial IMO Strategy (MEPC 73, April 2018) and subsequent work towards implementation demonstrates the IMO's seriousness about meaningful and sustained emissions reductions from the sector. These are important steps, but difficult work remains ahead to ensure that measures that will be adopted are sufficient to meet the levels of ambition (reduction of greenhouse gas emissions by 50 percent by 2050 compared to 2008 levels) set out in the Strategy.
- We encourage the IMO to establish permanent working arrangements at MEPC75 to develop measures to reduce GHG emissions from ships. This would enable work to progress more quickly and be an important sign to the international community of the IMO's commitment to reduce emissions.
 - Climate negotiators should maintain visibility of these parallel processes, and consider the opportunity to recognise the progress made by IMO and ICAO.

Background

Historically, UNFCCC Parties have expressed concern about slow progress made by ICAO and IMO in addressing greenhouse gas emissions. The progress made to date will need to be sustained to hold off pressure for the UNFCCC to seek to regulate international aviation and maritime emissions. The 2018 Talanoa Dialogue received inputs from the shipping sector to help assess progress toward the Paris Agreement's temperature-limit goal, including from the IMO on its Initial Strategy, and from the Clean Shipping Coalition. This provided an opportunity for progress made by the IMO and ICAO to be recognised.

IMO

- 2 The Initial IMO Strategy on Reduction of GHG Emissions from Ships was adopted at MEPC72 (April 2018). The Strategy sets out short-, medium- and long-term levels of ambition:
 - To review with the aim to strengthen the energy efficiency design requirements for ships with the percentage improvement for each phase to be determined for each ship type, as appropriate,
 - To reduce CO₂ emissions per transport work, as an average across international shipping, by at least 40 percent by 2030, pursuing efforts towards 70 percent by 2050, compared to 2008; and
 - To peak GHG emissions from international shipping as soon as possible and to reduce the total annual GHG emissions by at least 50 percent by 2050 compared to 2008 whilst pursuing efforts towards phasing them out as called for in the Vision as a point on a pathway of CO₂ emissions reduction consistent with the Paris Agreement temperature goals.
- 3 The Strategy included candidate measures, but did not include any agreement on which measures should be pursued.
- 4 MEPC74 in May 2019 agreed a resolution on port based co-operation to reduce emissions and reached agreement on the important supporting actions of a process for assessing the impact on states of any measure, and the terms of reference for the 4th IMO Greenhouse Gas Study.
- There was also agreement to undertake further consideration of concrete proposals to improve the operational energy efficiency of existing ships, language which covers operational improvements, some technical measures, and speed. There will be difficult discussions on options for introducing speed reduction (a proven measure for reducing CO_2 emissions but one which has particular implications for exporters distant from their markets such as New Zealand). A large number of states spoke against mandatory speed reduction, but there was widespread support for a goal-based measure to reduce emissions, where speed management could be a component.
- MEPC74 failed, however, to approve permanent working arrangements to progress at pace candidate measures. This will be necessary if the IMO is to adopt short-term measures capable of reducing CO_2 emissions per transport work by 2030. An interim solution was agreed at MEPC74 to hold an additional week-long intersessional meeting, and it is likely that permanent arrangements

will be agreed at MEPC75 in April 2020. This item on the SB agenda is an opportunity to build pressure for permanent working arrangements.

- Several delegations to the IMO meetings have been stressing the need for medium- and long-term measures to encourage uptake of low and zero carbon fuels but there has been no serious discussion of market-based measures in the wake of the initial Strategy.
- 8 New Zealand's objectives for engaging on the strategy (agreed by Cabinet) are:
- a) Support the global effort to meet the goals of the Paris Agreement, maintain New Zealand's credentials as a responsible and ambitious contributor to the global effort, and protect New Zealand's interests.
- b) Ensure that New Zealand's trade sectors are not materially disadvantaged by any measures agreed.
- c) Ensure that measures do not place a disproportionate burden on New Zealand, including its maritime and energy sectors.
- d) Support the integrity of the IMO as the authority for international shipping and the multilateral approach to global trade and environmental issues.
- e) Develop relationships with key stakeholders, including likeminded IMO Member States and industry organisations, to further our objectives for the Strategy and New Zealand's climate change objectives generally.
- f) Promote supportive measures, capacity building and technical cooperation to address impacts of measures on states, particularly Pacific Island states, while addressing the IMO principles of non-discrimination and no more favourable treatment for ships.
- g) Ensure that associated research and development complements the levels of ambition New Zealand seeks, and is not used as a means to delay quantifiable targets or measures.
- h) Ensure active consideration of developments external to the IMO that drive the need to respond to climate change, particularly scientific updates provided by the IPCC and related responses by the UNFCCC.
- 9 Addressing these objectives, and supporting a common international regulatory framework for shipping, is important to New Zealand as a trading nation, distant from international markets, which relies on foreign registered vessels to carry our goods.
- 10 Decisions made on GHG emissions in ICAO and IMO are sometimes reached by voting rather than consensus. Countries that do not agree with outcomes reached in these bodies have avenues through which they can distance themselves from the outcomes. These countries tend to be sensitive about reporting to the UNFCCC by the ICAO and IMO Secretariat that does not acknowledge their positions. In the past these sensitivities have given rise to procedural wrangling around receiving these bodies' reports, which in turn have been used as platforms for the countries involved to criticise the decisions taken and in some respects to reinterpret/relitigate them. These developments are unhelpful for maintaining the relevant sectors' confidence in the durability of the

ICAO an IMO measures. Supporting the SBSTA Chair to manage these risks is a useful way for New Zealand to contribute to the integrity of IMO and ICAO regulation of GHG emissions.

ICAO

- On 5 October 2016, at its 39th Assembly, ICAO adopted a resolution for the CORSIA to address international aviation emissions. CORSIA will commence with a voluntary period from 2021 and be mandatory from 2027. New Zealand will participate from 2021 alongside 80 other States, representing 76.63 percent of international aviation activity⁴.
- ICAO has adopted a medium-term aspirational goal to keep global net CO_2 emissions from international aviation from 2020 at the same level (carbon neutral growth from 2020). CORSIA requires emissions in excess of 2020 levels to be offset by purchasing emissions units that represent emissions reductions outside the aviation sector.
- 13 The ICAO Council adopted the standards and recommended practices for the CORSIA on 27 June 2018. These became effective from 22 October 2018.
- On 5 March 2019, ICAO approved the emissions unit criteria that will support the purchase of appropriate units. ICAO's Committee on Aviation Environment Protection (CAEP) has been testing the applicability of the emissions unit criteria to identify and test projects/programmes that generate units. This work will continue under the recently established Technical Advisory Body (TAB), who will make recommendations to the ICAO Council on eligible units for use by the CORSIA. The list of approved emissions unit providers will be published later this year.
- 15 While ICAO has developed emissions unit criteria for CORSIA to avoid double counting, there are some concerns about the environmental integrity of the scheme (if low quality units will pass the criteria) and the relationship between CORSIA and the Paris Agreement (and how to ensure that a corresponding adjustment is made where a country sells a unit under CORSIA).
- 16 The CORSIA is one of a basket of measures to reduce CO_2 emissions from international aviation. Other measures include new aircraft technologies, operational improvements and sustainable alternative fuels.

Ministry of Transport May 2019

As at 27 May 2019. This may be subject to change, please refer to website: https://www.icao.int/environmental-protection/CORSIA/Pages/state-pairs.aspx

SBSTA 9. Methodological issues under the Kyoto Protocol.

(a) Implications of the inclusion of reforestation of lands with forest in exhaustion as afforestation and reforestation clean development mechanism project activities

Objective

- Seek to close this long-running item, which has exceeded its mandate.
- Do not agree to redefine 'reforestation' under the Kyoto Protocol CDM rules to allow credits for the replanting of forests in exhaustion, as the new replanting is unlikely to constitute additional new forest area and could negatively impact on the international credibility of reforestation offset units.
- Ensure that 'forests in exhaustion' is also not agreed as a 'new' LULUCF activity under the CDM without rigorous additionality criteria, and clarity on how it relates to Forest Management activity under the Kyoto Protocol, and the 'enhancement of carbon stocks' under REDD+.
- Ensure that any technical solution has coherence with the broader mitigation and markets framework under the Paris Agreement, including to avoid double counting between different scales of NDC action (project, sectoral and national) within individual countries.

Key messages

- New Zealand supports efforts to reforest areas which have previously been deforested, and would like to see sensible and effective rules which encourage all Parties to manage their forests in a sustainable way.
- However, it is also vital we ensure the overall coherence and integrity of the current and future mitigation and markets regimes.
- The original proposal under this item to change to the eligibility of reforestation lands to address "forests in exhaustion" was inconsistent with the meaning of "reforestation" as contained in decision 16/CMP.1. As such, we believe it would have created a significant risk to the additionality of new reforestation activities, and therefore to the environmental integrity of reforestation projects under the Kyoto Protocol.
- Over recent years, it has become clear that the activity now being discussed is in fact one of forest management, not reforestation. As this is not an eligible activity under the CDM, we believe that the mandate for this item has now been fully addressed, and is now expired. We would therefore support closing this item

Issues/background

s6(a)

2. s6(a)

- angly ar 'A 3" Most developed countries and NGOs have been strongly against the proposal from the start. Parties' 2011 submissions on it, invited at SBSTA 33 in 2011, are contained in http://unfccc.int/documentation/documents/advanced summary report search/items/6911.php?priref=600006479. Nor are there any active supporters amongst developing countries.
- This proposal has been rejected on the grounds that it is not even a Reforestation proposal, but a Forest management activity (which ineligible under the CDM). On this basis the mandate has now arguably expired, and we supported the item's closure.

International Environment MPI June 2019 20/03/50/

b) Implications of the inclusion of reforestation of lands with forest in exhaustion as afforestation and reforestation clean development mechanism project activities

Objective

- Seek to close this long-running item, which has exceeded its mandate.
- Do not agree to redefine 'reforestation' under the Kyoto Protocol CDM rules to allow credits for the replanting of forests in exhaustion, as the new replanting is unlikely to constitute additional new forest area and could negatively impact on the international credibility of reforestation offset units.
- Ensure that 'forests in exhaustion' is also not agreed as a 'new' LULUCF activity under the CDM without rigorous additionality criteria, and clarity on how it relates to Forest Management activity under the Kyoto Protocol, and the 'enhancement of carbon stocks' under REDD+.
- Ensure that any technical solution has coherence with the broader mitigation and markets framework under the Paris Agreement, including avoiding double counting between different scales of NDC action (project, sectoral and national) within individual countries.

Key messages

- New Zealand supports efforts to reforest areas which have previously been deforested, and would like to see sensible and effective rules which encourage all Parties to manage their forests in a sustainable way.
- However, it is also vital we ensure the overall coherence and integrity of the current and future mitigation and markets regimes.
- The original proposal under this item to change to the eligibility of reforestation lands to address "forests in exhaustion" was inconsistent with the meaning of "reforestation" as contained in decision 16/CMP.1. As such, we believe it would have created a significant risk to the additionality of new reforestation activities, and therefore to the environmental integrity of reforestation projects under the Kyoto Protocol.
- Over recent years, it has become clear that the activity now being discussed is in fact one of forest management, not reforestation. As this is not an eligible activity under the CDM, we believe that the mandate for this item has now been fully addressed, and is now expired. We would therefore support closing this item

Issues/background

s6(a)

s6(a)

2 s6(a)

- 3 Most developed countries and NGOs have been strongly against the proposal from the start. Parties' 2011 submissions on it, invited at SBSTA 33 in 2011, are contained in the summary report at: http://unfccc.int/documentation/documents/advanced_search/items/6911.php?priref=600006479. Nor are there any active supporters amongst developing countries.
- 4 This proposal has been rejected on the grounds that it is not even a Reforestation proposal, but a Forest management activity (which ineligible under the CDM). On this basis the mandate has now arguably expired, and we supported the item's closure.

International Environment
MPI
May 2019

SBSTA 10. Methodological issues under the Paris Agreement

a) Common reporting tables for the electronic reporting of the information in the national inventory reports of anthropogenic emissions by sources and removals by sinks of greenhouse gases

Objective

To initiate this work in a way that acknowledges the existing Common Reporting Format (CRF) Reporter software used by Annex I Parties to report annual greenhouse gas inventories is fit for purpose (or at least is a very solid starting point) for the use by all Parties under the Paris Agreement.

Key messages

- New Zealand notes that there has been considerable investment in the updated CRF Reporter software, and that this update took into account the 2006 IPCC Guidelines.
- The CRF Reporter software already provides the inventory sector breakdown agreed in decision 18/CMA.1 and its annex and retaining the existing software will also provide continuity for the Parties that are already using it.
- The CRF Reporter software is fit for purpose (or at least is a very solid starting point) for the use by all Parties under the Paris Agreement.
- New Zealand acknowledges that future updates of the CRF Reporter software might be necessary to take into account any subsequent version or refinement of the IPCC guidelines agreed upon by the CMA including the current 2019 Refinement of the 2006 IPCC Guidelines.
- New Zealand acknowledges that those national greenhouse gas inventory compilers that have not used the CRF Reporter will likely need training in order to become familiar with the software tool. That training will need to be backed up by on-going support as new users become more accustomed to its application.

b) Common tabular formats for the electronic reporting of the information necessary to track progress made in implementing and achieving nationally determined contributions under Article 4 of the Paris Agreement

Objective

To initiate this work in a way that acknowledges that the common tabular format (CTF) used by developed country Parties as part of their biennial reports (BR) under the Convention can inform the development of the tabular formats for the "tracking progress" information, but the BR-CTF tables for reporting progress are not directly comparable/compatible.

Key messages

- New Zealand considers that the development of the common tabular formats for the electronic reporting of the information necessary to track progress made in implementing and achieving nationally determined contributions under Article 4 of the Paris Agreement is of high priority.
- From the Katowice decision (18/CMA.1), we recall that each Party is to report the information necessary to track progress made in implementing and achieving its nationally determined contribution (NDC) under Article 4 of the Paris Agreement in a narrative and common tabular format, as applicable. Paragraphs 65 to 78 of the annex to decision 18/CMA.1 specify what that information is, with some aspects being particularly amenable to a tabular presentation, for example, the structured summary (paragraph 77) and the emissions balance (paragraph 77 (d) (ii)).
- The structured summary must include all elements of paragraph 77. Development of the common tabular format for the electronic reporting of the information necessary to track progress does not need to wait for any future decisions of the CMA, including in relation to Article 6 of the Paris Agreement.
- Some of the existing tables in the BR-CTF can, and should, be used as a starting point for the provision of some of the other information necessary for tracking progress. For example, the BR-CTF table 1 on summary information on greenhouse gas emissions and removals, and BR-CTF table 5 and tables 6(a) and 6(b) on projections of greenhouse gas emissions and removals.

c) Common tabular formats for the electronic reporting of the 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

Objective

- To initiate this work in a way that acknowledges that the common tabular format used by developed country Parties as part of their biennial reports (BR-CTF) under the Convention can inform the development of the tabular formats for the electronic reporting of the information on financial, technology development and transfer and capacity-building support provided and mobilised.
- To initiate the work on tabular formats for the electronic reporting of information on support needed and received that uses the elements presented in paragraphs 133, 134, 136, 138, 140, 142 and 144 of the annex to decision 18/CMA.1 as the starting points for each of the tables.
- It is essential that the new CTFs should be designed so that non-inclusion of information that is not "applicable" or "available" (where relevant) does not appear to be a deficiency in a Party's reporting.

Key messages

- Existing BR-CTF tables 7, 7a, 7b, 8 and 9 provide a good starting point for designing reporting tables under Chapter V of the enhanced transparency framework.
- The Modalities, procedures, guidelines (MPGs) for the enhanced transparency framework include new elements that will need to be reflected in the tables as appropriate.
- The elements presented in paragraphs 133, 134, 136, 138, 140, 142 and 144 of the annex to decision 18/CMA.1 should be used as the starting points for each of the tables needed for the electronic reporting of information on support needed and received.
- New Zealand considers that it is essential that the new CTFs should be designed so that non-inclusion of information that is not "applicable" or "available" (where relevant) does not appear to be a deficiency in a Party's reporting.

d) Outlines of the biennial transparency report, national inventory document and technical expert review report pursuant to the modalities, procedures and guidelines for the transparency framework for action and support

Objective

- To initiate this work in a way that acknowledges the existing experiences with reporting under the Convention e.g. by drawing from existing outlines for national communications and national inventory reports, and from experiences with technical expert review and technical analysis processes.
- For the outline of the technical expert review report, pursue a streamlined and efficient approach, the application of which would limit burdens on Parties, the technical expert reviewers, and the Secretariat.

Key messages

- Developing outlines for the biennial transparency report, national inventory document should be a straightforward exercise, following the reporting requirements as agreed in the annex to decision 18/CMA.1.
- Developing the outline for the technical expert review report provides an opportunity to simplify the type of report produced from the review process using more of a checklist approach rather than a lengthy narrative that repeats a lot of the information from the biennial transparency report itself.
- Review reports need to be useful for the Party concerned and thus, in line with paragraph 146 of the annex to decision 18/CMA.1, should focus on:
 - The consistency of the submitted information with the MPGs, taking into account the flexibility accorded under Article 13.7 of the Paris Agreement;
 - Consideration of the Party's implementation and achievement of its NDC;
 - Consideration of support provided (as relevant);

- Identification of areas of improvement; and
- Assistance in identifying capacity building needed (as appropriate).
- A checklist approach would help ensure consistency and comparability between review reports from all Parties, and from year to year for each Party, providing a mechanism for tracking responses to recommendations, facilitating improved reporting and transparency over time.
- Careful design can ensure the critical information and conclusions (recommendations, encouragements, identification of capacity building needs as appropriate) are able to be included in such a format without the need for lengthy narrative.
- A checklist approach could lead to a much more efficient review process, enabling each technical expert review report to be completed well within specified timeframes, with the potential to be completed/finalised during the review week, ready to go to the Party concerned.
- A checklist approach would be more attractive to expert reviewers (and their employers) if the expectation is that the review report would be completed/finalised during the review week. Experts may be more willing to be involved, and their employers more willing to make their employees' time available to the international process if this "gift of time" were finite and only a week in duration.
- We acknowledge that the lead reviewers (and possibly other members of the expert review team) would need to allow for some time availability once comments on the draft report have been received from the Party concerned. However, it should be easier for the Party to review a draft report in checklist format (which needs to have a logical flow to it), and reduce the time input necessary to finalise the technical expert review report.

e) Training programme for technical experts participating in the technical expert review

Objective

To initiate this work by the SBSTA requesting the Secretariat to design a training programme (drawing from existing training programmes) and come back to the next SBSTA session with a draft proposal for the consideration of Parties.

Key messages

• A training programme for technical experts participating in the technical expert review is a fundamental building block of a well-functioning review process.

The integrity of the technical expert review system under the Paris Agreement rests upon having well trained technical experts that are able to demonstrate their proficiency through on-line (or other) testing. Parties need to feel confident that reviewers are qualified to do the task, particularly regarding the in-depth review of greenhouse gas inventories, as this is a highly specialised task.

- The design of training programmes for technical experts participating in the technical expert review under Article 13 of the Paris Agreement can be based on current training programmes for review and technical analysis.
- New Zealand suggests the Secretariat be asked, on the basis of the existing training programmes, to put together a proposed training programme for the consideration of Parties at SBSTA 51. In undertaking this task of designing training programmes for experts participating in the technical expert review under Article 13, the secretariat should seek input from the current cohort of Lead Reviewers.

Issues/background

- 1 The CMA has requested the SBSTA to develop, pursuant to the MPGs for the transparency framework for action and support, for consideration and adoption at CMA3 (November 2020):
- Common reporting tables for the electronic reporting of the information in the national inventory reports of anthropogenic emissions by sources and removals by sinks of GHGs, taking into account the existing common reporting formats;
- Common tabular formats for the electronic reporting of the information necessary to track progress in implementing and achieving nationally determined contributions under Article 4 of the Paris Agreement;
- Common tabular formats for the electronic reporting of the information on financial, technology development and transfer and capacity-building support provided and mobilized as well as needed and received under Articles 9–11 of the PA;
- Outlines of the biennial transparency report, national inventory document and technical expert review report; and
- A training programme for technical experts participating in the technical expert review.
- 2 SBSTA 50 will initiate its work in the above-mentioned areas.
- 3 Parties were invited to submit their views on this work by 31 March 2019. New Zealand's submission⁵ provides further context and can be drawn from for additional talking points if needed.
- 4 AILAC (Costa Rica), South Africa, LDCs (Bhutan), United States, Norway, China, and the EU also made submissions. There is a reasonable amount of alignment (e.g. regarding using what we already have as a basis for initiating the work) with developing countries stressing that they will need capacity building for using reporting tools that thus far have only been in the domain of developed country reporting (e.g. the CRF Reported software). New Zealand agrees.

Climate Change Directorate, Ministry for the Environment May 2019

https://www4.unfccc.int/sites/SubmissionsStaging/Documents/201904021347---New Zealand SBSTA submission reporting formats April 2019 FINAL 02 04 2019.pdf



Submission to the Subsidiary Body for Scientific and Technological advice (SBSTA) on the development of reporting tables and formats, document outlines and training for technical expert review

April 2019

Context

- 1. At its first session (December 2018) the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) invited Parties to submit their views on:
- (a) Common reporting tables for the electronic reporting of the information referred to in chapter II, and common tabular formats for the electronic reporting of the information referred to in chapters III, V and VI of the annex⁶, taking into account the existing common tabular formats and common reporting formats;
- (b) Outlines of the biennial transparency report, national inventory document and technical expert review report, pursuant to the modalities, procedures and guidelines contained in the annex; and
- (c) A training programme for technical experts participating in the technical expert review.
- 2. This submission will address each of the above elements of this part of SBSTA's work noting that timely completion of this work is important, particularly in relation to electronic tables and formats that by their nature need sufficient lead-time for development and testing prior to use by Parties.

Common reporting tables and common tabular formats

3. As per (a) above, there are existing common tabular formats (CTFs) and common reporting formats (CRFs) that have been developed and are already in use by Parties for the electronic reporting of greenhouse gas inventory and other information under the Convention. These represent a good starting point for the CTFs now to be developed under the Paris Agreement's transparency framework, noting that the Paris system provides for enhanced transparency and will see many developing countries reporting some of the required information for the first time.

Chapter II – greenhouse gas inventory data

4. Regarding chapter II of the annex (National inventory report of anthropogenic emissions by sources and removals by sinks), and the need to submit a national inventory document and common reporting tables, New Zealand notes that there has been considerable investment in the updated CRF Reporter software. It is New Zealand's view that the CRF Reporter software is fit for purpose and should be used by all Parties as the common reporting tables for the electronic reporting of greenhouse gas inventory

The annex to decision 18/CMA.1 Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement.

information under Article 13 of the Paris Agreement. The CMA has decided that all Parties will use the 2006 IPCC Guidelines for their national inventory reports under the Paris Agreement (paragraph 20 of the annex to decision 18/CMA.1 refers) and we note that the development of the CRF Reporter software took into account the 2006 IPCC Guidelines. The CRF Reporter software already provides the inventory sector breakdown agreed in decision 18/CMA.1 and its annex (i.e. agriculture and LULUCF are separate sectors, not AFOLU) and retaining the existing software will also provide continuity for the Parties that are already using it.

5. New Zealand acknowledges that future updates of the CRF Reporter software might be necessary to take into account any subsequent version or refinement of the IPCC guidelines agreed upon by the CMA (in line with paragraph 20 of the annex to decision 18/CMA.1) including the current 2019 Refinement of the 2006 IPCC Guidelines. We also acknowledge that those national greenhouse gas inventory compilers that have not used the CRF Reporter will likely need training in order to become familiar with the software tool, and that the training will need to be backed up by on-going support (perhaps through a help-desk) as new users become more accustomed to its application.

Chapter III Section C – tracking progress

- 6. According to paragraph 79 of the annex, each Party is to report the information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4 of the Paris Agreement in a narrative and common tabular format, as applicable. Paragraphs 65 to 78 of the annex specify what that information is, with some aspects being particularly amenable to a tabular presentation e.g. the structured summary (paragraph 77 refers) and the emissions balance described in paragraph 77(d)(ii).
- 7. The CTF for biennial reports under the Convention can inform the development of the tabular format for the chapter III information, but the BR-CTF tables for reporting progress are not directly comparable/compatible. It will be necessary to go through each information element in paragraphs 65 to 78 of the annex in order to construct appropriate tables. The secretariat could prepare draft tables using this approach for Parties to use as a basis for discussions under SBSTA.

Chapter III Section D - mitigation policies and measures

8. In developing the tabular format referred to in paragraph 80 of the annex for providing information on mitigation policies and measures, Table 3 of the BR-CTF should be used as the basis.

Chapter III Section E – summary of greenhouse gas emissions and removals

9. The CRF Reporter contains tables that provide summary information of greenhouse gas emissions and removals which contain the information required in paragraph 91 of the annex. It is unnecessary to develop a new tabular format for provision of this information under Article 13 of the Paris Agreement. See paragraphs 4 and 5 above. We further note that in developing the BR-CTF, the set of tables 1 in the BR-CTF were directly imported from the summary tables produced by the CRF Reporter.

Chapter III Section F – projections of greenhouse gas emissions and removals

10. According to paragraph 101 of the annex, projections are to be presented in both graphical and tabular formats. Table 5 and tables 6(a) and 6(b) in the BR-CTF provide a good basis for the tabular formats for information on projections of greenhouse gas emissions and removals. New Zealand's view is that providing information on key variables and assumptions used to construct projections of greenhouse gas emissions and removals is an essential part of transparency and Table 5 of the BR-CTF addresses this.

Chapter V – Information on financial, technology development and transfer and capacity building support provided and mobilized

- 11. Existing BR-CTF tables 7, 7a, 7b, 8 and 9 provide a good starting point for designing reporting tables under Chapter V of the enhanced transparency framework. The MPGs for the enhanced transparency framework include new elements which will need to be reflected in the tables as appropriate. All of the aspects of sections C, D and E of Chapter V that are described as to be reflected in tabular format should feature in the new tables. Information in sections A and B of Chapter V (national circumstances and underlying assumptions, definitions and methodologies) lends itself to explanation through an accompanying textual narrative. For information to be reported in tabular format, additional columns could be included for new reporting parameters such as sector/sub-sector, more granular information regarding multilateral support (e.g. allowing for reporting on a voluntary basis of the climate-specific share of multilateral contributions and multilateral outflows). However the CTFs should be designed so that non-inclusion of information that is not "applicable" or "available" (where relevant) does not appear to be a deficiency in a Party's reporting.
- 12. Information on finance mobilised through public interventions is to be provided in textual and/or tabular format. To assist Parties who wish and are able to report in a tabular format, an optional table could be prepared covering the reporting elements. This will be important for countries like New Zealand whose mobilisation efforts are nascent and who may not immediately be able to report in full tabular format. Development of CTFs under the UNFCCC for mobilisation of finance could usefully draw lessons from experience on tracking climate finance mobilised under other initiatives, such as the OECD Research Collaborative on Tracking Private Climate Finance, and from the experiences of Parties.

Chapter VI – Information on financial, technology development and transfer and capacity building support needed and received

13. Design of the common tabular formats for the reporting of information on financial, technology development and transfer and capacity building support needed and received should use the elements presented in paragraphs 133, 134, 136, 138, 140, 142 and 144 as the starting points for each of the tables. As in paragraph 11 above, the CTFs should be designed so that non-inclusion of information that is not "applicable" or "available" (where relevant) does not appear to be a deficiency in a Party's reporting.

Outlines of the biennial transparency report, national inventory document and technical expert review report

14. Having agreed outlines for both the biennial transparency report and the national inventory document assists Parties to provide complete reports, and assists with efficient review of the content.

Biennial transparency report

- 15. At a very high level, in New Zealand's view the outline for the biennial transparency report should follow the content of paragraph 10 of the annex to decision 18/CMA.1. Thus, the outline for the biennial transparency report would contain sections on:
- (a) The national inventory report
- (b) Information necessary to track NDC progress (implementing and achieving)
- (c) Information on climate change impacts and adaptation
- (d) Information on financial, technology development and transfer and capacity building support provided and mobilized

(e) Information on financial, technology transfer and capacity building support needed and received

We would further note that (a) and (b) apply to all Parties as mandatory requirements and that (d) is only mandatory for developed country Parties - the outline will need to reflect this.

National inventory document

16. Whether or not the national inventory report is nested within the biennial transparency report, or is submitted as a standalone report, Parties will need to provide the same information, therefore only one outline needs to be developed. Paragraph 38 of the annex to decision 18/CMA.1 states that "the national inventory report consists of a national inventory document and the common reporting tables". The outline for the national inventory document should follow the reporting requirements as decided in decision 18/CMA.1 and its annex, noting that the outline will need to reflect the associated flexibilities that have been agreed in decision 18/CMA.1 and its annex.

Technical expert review report

- 17. It has long been New Zealand's view that we need a practical and efficient system for transparency of action and support that avoids placing an undue burden on Parties and the secretariat. Decision 18/CMA.1 and its annex go a long way towards realising such a system with its emphasis on provision of information in tabular formats where appropriate. We would also suggest that this approach be carried through into the design of the technical expert review report, with the review report using a checklist format.
- 18. There are several reasons for such an approach:
- The "customer" for the technical expert review report is the Party concerned, and this should be of highest priority in deciding the outline for the technical expert review report.
- Long narrative review reports that essentially present a lot of the information that can be found in the report under review serve little purpose for the Party concerned the Party already knows the content of its own report.
- If there is a need to take into account a possible wider audience the technical expert review report can provide an electronic link to the Party's relevant report(s) [NIR/BTR].
- It would help ensure consistency and comparability between review reports from all Parties, and from year to year for each Party, providing a mechanism for tracking responses to recommendations, facilitating improved reporting and transparency over time.
- Careful design can ensure the critical information and conclusions (recommendations, encouragements, identification of capacity building needs as appropriate) are able to be included in such a format without the need for lengthy narrative.
- It could lead to a much more efficient review process, enabling each technical expert review report to be completed well within specified timeframes, with the potential to be completed/finalised during the review week, ready to go to the Party concerned.
- It would be more attractive to expert reviewers (and their employers) if the expectation is that the review report would be completed/finalised during the review week. Experts may be more willing to be involved, and their employers more willing to make their employees time available to the international process if

this "gift of time" were finite and only a week in duration.

- We acknowledge that the lead reviewers (and possibly other members of the expert review team) would need to allow for some time availability once comments on the draft report have been received from the Party concerned. However, it should be easier for the Party to review a draft report in checklist format (which needs to have a logical flow to it), and reduce the time input necessary to finalise the technical expert review report.
- 19. Examples of checklists already exist in the materials and tools that are used in the current "review" processes under the UNFCCC. These can help inform the development of a checklist format for the TER report under Article 13 of the Paris Agreement e.g. the tables in Annex I of the summary reports of the technical analysis of BURs. New Zealand also provided a suggested checklist approach for review reports in two of its submissions to the APA (on Article 13 and Article 15) late in 2017. These are available via the following links:

https://www4.unfccc.int/sites/SubmissionsStaging/Documents/55 360 131517082976716789-

 $\frac{\text{New}\%20\text{Zealand}\%20\text{APA}\%20\text{submission}\%20\text{Article}\%2015\%20\text{FINAL}\%20\text{September}\%}{202017.pdf}$

and

https://www4.unfccc.int/sites/SubmissionsStaging/Documents/55 360 1315 17082976716789-New%20Zealand%20APA%20submission %20Article%2015%20FINAL%20September%202017.pdf

Training programme for technical experts participating in the technical expert review

- 20. It is New Zealand's view that the integrity of the technical expert review system under the Paris Agreement rests upon having well trained technical experts that are able to demonstrate their proficiency through on-line (or other) testing. Parties need to feel confident that reviewers are qualified to do the task, particularly regarding the indepth review of greenhouse gas inventories which is a highly specialised task.
- 21. The design of training programmes for technical experts participating in the technical expert review under Article 13 of the Paris Agreement can be based on current training programmes for review and technical analysis. To inform the discussions on this topic at SBSTA 50 (June 2019) the secretariat could prepare a summary of the current training programmes as this may not be widely known or understood by Parties. New Zealand suggests the secretariat also be asked, on the basis of the existing training programmes, to put together a proposed training programme for the consideration of Parties at SBSTA 51. In undertaking this task of designing training programmes for experts participating in the technical expert review under Article 13, the secretariat should also seek input to from the current cohort of Lead Reviewers.

Conclusion

22. New Zealand looks forward to discussion at SBSTA 50 on the issues covered in this submission in order to make progress on the task given to SBSTA by the CMA. Timely completion of this work is important to ensure all the elements of the reporting and review system are in place well in advance of Parties beginning the preparation of their biennial transparency reports under the Paris Agreement.

Annex: New Zealand approach to items under Agenda item 10(c): Information on financial, technology development and transfer and capacity-building support provided and mobilized under Articles 9–11 of the Paris Agreement

Information on financial support provided and mobilized under Article 9 of the Paris Agreement

1. Bilateral, regional and other channels

Relevant information, in a tabular format, for the previous two reporting years without overlapping with the previous reporting periods, on bilateral and regional financial support provided, specifying:

reporting periods, on bilateral and regional infancial support provided, specifying.		
Information agreed to be provided	New Zealand practice relevant to how this information should be provided	
Year (calendar year, fiscal year)	Currently provided in CTF. New Zealand can provide both calendar and FY year data. Table format needs to provide option for both	
Amount (in United States dollars and domestic currency) (the face value and, on a voluntary basis, the grant-equivalent value)	Currently provide in CTF. We can provide amount in USD as well as NZD. New Zealand only provides grants, so 'grant-equivalent' is not applicable in our context. It is important for the US and many larger European donors, as well as PIC recipients.	
Recipient, including, to the extent possible, information on the recipient region or country and the title of the project, programme, activity or other (specify)	Currently provide recipient country or region in CTF. We also provide title of project.	
Status (disbursed, committed)	Currently provide status in CTF. New Zealand only reports on disbursed funds, not committed funds.	
Channel (bilateral, regional, multi-bilateral, other (specify))	We currently provide this in CTF	

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Funding source (ODA, OOF, other (specify))	We current provide this in CTF.
Financial instrument (e.g. grant, concessional loan, non-concessional loan, equity, guarantee, insurance, other (specify))	We currently provide this in CTF. New Zealand only provides grants; we do not provide concessional loans, equity, etc. Key interest is therefore to ensure format does not give impression of inadequacy if no entry
The type of support (e.g. adaptation, mitigation or cross-cutting)	We currently provide this information in CTF
Sector (e.g. energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting, other (specify))	Can do this – but need consistency – preferable approach already in use e.g. DAC CRS codes
Subsector, as available	As above – need consistency if to be useful; therefore, use already accepted approaches
Additional information, as available (such as project/programme details, implementing agency and, to the extent possible, link to relevant project/programme documentation)	This is an "as available" – and potentially as long as a piece of string. Need to be much more specific about what additional information would be required, what details etc.
Whether it contributes to capacity-building and/or technology development and transfer objectives, as available	We currently provide TT and CB information in other tables. We can do this – not sure if it is intended to be in the same table or separate table– issue is whether the tables become unwieldy

2. Multilateral channels

Relevant information, in a tabular format, for the previous two reporting years without overlapping with the previous reporting periods, on financial support provided through multilateral channels, specifying:

Information agreed to be provided	New Zealand practice relevant to how this information
50	should be provided

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Year (calendar year, fiscal year)	Currently provide in CFF. New Zealand provides calendar year data.
Institution (e.g. multilateral fund, the operating entities of the Financial Mechanism, entities of the Technology Mechanism, multilateral financial institution, international organization, other (specify))	Currently provide this in CTF
Amount (in United States dollars and domestic currency) (the face value and, on a voluntary basis, the grant-equivalent value)	Currently provide in CTF. New Zealand only provides grants, so 'grant-equivalent' is not applicable in our context.
Core-general or climate-specific, as applicable	We only report climate-specific if it is for a climate-specific fund e.g. GCF, or clearly tagged as such. Most multilateral not tagged so we report it as core-general. This didn't seem to get picked up in our review this year even though significant amount of climate spend. Have raise with review team to understand why not.
Inflows and/or outflows, as applicable	Currently unable to report on outflows easily so want to make sure not reporting outflows is not seen as non-compliance. Needs to be able to be an NA entry or some such.
Recipient (e.g. country, region, global, project, programme, activity, other (specify)), as applicable, as available	This is difficult to provide for our multilateral contributions. Need to ensure not reporting is not seen as non-compliance
Status (disbursed, committed)	Current CTF (based on inflow not outflow)
Channel (multilateral, multi-bilateral)	Current CTF
Funding source (ODA, OOF, other (specify))	Current CTF
Financial instrument (e.g. grant, concessional loan, non-	Current CTF

concessional loan, equity, guarantee, insurance, other (specify))	N N N N N N N N N N N N N N N N N N N
Type of support (e.g. adaptation, mitigation or cross-cutting), as available	Difficult to report for our multilateral. Need make sure not reporting not seen as non-compliant
Sector (e.g. energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting, other (specify)), as available	Difficult to report for our multilateral. Need make sure not reporting not seen as non-compliant
Subsector, as available	Difficult to report for our multilateral. Need make sure not reporting not seen as non-compliant
Whether it contributes to capacity-building and/or technology development and transfer objectives, as applicable, as available	Difficult to report for our multilateral. Need make sure not reporting not seen as non-compliant

3. Information on finance mobilized through public interventions

Relevant information, in textual and/or tabular format, for the previous two reporting years without overlapping with the previous reporting periods, on financial support mobilized through public interventions through bilateral, regional and multilateral channels, including the operating entities of the Financial Mechanism and entities of the Technology Mechanism, as applicable and to the extent possible:

General note: We do not have a way of counting this (and there is not a clear definition of what "mobilised" means. Since it is <u>as applicable</u> and to the extent possible, not reporting in tabular format should not be seen as non-compliance (we will do as much as we can). So if using tables for this we need to make sure it is clearly optional and that narrative reporting is seen as equally valid.

Information agreed to be provided	New Zealand practice relevant to how this information should be provided
Year (calendar year, fiscal year)	Could provide by CTF
Amount (in United States dollars and domestic currency) (the face value and, on a voluntary basis, the grant-equivalent value,	Tricky part – how to know how much support mobilised. Sometimes it is clear and sometimes not. If we have this we

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if applicable)	could generally report the rest of the information below in table form as well but we do little direct mobilisation so it would be a short table.
Amount of resources used to mobilize the support (in USD and domestic))	
Type of public intervention used (e.g. grant, concessional loan, non-concessional loan, equity, guarantee, insurance, policy intervention, capacity-building, technology development and transfer, technical assistance)	KOILUSIT
Recipient (country, region, global, project, programme, activity, other)	
Channel (bilateral, regional, multilateral)	
The type of support (e.g. adaptation, mitigation or cross-cutting)	
Sector (e.g. energy, transport, industry, agriculture, forestry, water and sanitation, cross-cutting, other (specify))	
Subsector	
Additional information	

SBSTA 11. Article 6 of the Paris Agreement – cross cutting

Objective

- Substantive work at this session that enables delivery at COP 25.
- New Zealand wants an outcome on all three items under Article 6 that facilitates cooperation between countries, with environmental integrity.
- Retain both:
 - \circ s9(2)(j)
 - New Zealand position as trusted leaders on markets and environmental integrity, in order to allow New Zealand to potentially play and end-game role via facilitating this item at COP 25.

Key messages

- We support issues based discussions rather than procedural discussions about which Katowice text should be a starting point.
- We welcome the engagement of the SBSTA Chair and HoDs. We support the Chair's proposed way forward.
- We want to resolve issues of substance, to allow a robust outcome on all components of Article 6 at COP25. At this session we want to focus on issues, and have clarity on the intersessional work that will lead to us beginning COP 25 with an agreed basis for textual negotiations.

Issues/background

Article 6 was the only item of the PAWP to not conclude at COP 24. Parties have been given until COP 25 to conclude on these three items. We have to deliver three things:

- o 6.2 guidance on cooperative approaches;
- o 6.4 rules, modalities and procedures for the mechanism; and
- 6.8 a decision on a work programme.
- 2 Parties failed to deliver an outcome at COP 24 in two ways:
 - genuinely political issues were not resolved e.g. share of proceeds, double counting, CDM transition
 - technical work wasn't developed enough to sufficiently narrow choices, leading to compromises that may have unintended impacts – e.g. menu approaches to single-year NDC market accounting.
- 3 New Zealand being a co-facilitating minister at Katowice, potentially gives us a clearer view of the interests of all Parties that participated in Katowice.

- The last L-Docs produced by the Polish Presidency contain unpalatable elements, but they are a fair reflection of where Parties had reached. The documents are:
 - o 6.2 FCCC/CP/2018/L.24
 - o 6.4 FCCC/CP/2018/L.25
 - o 6.8 FCCC/CP/2018/L.26
- 5 8/CMA.1 recalls two different and earlier sets of texts. The end of week 1 SBSTA drafts, and a set of Presidency options texts.
- 6 The unresolved nature of the item, the proliferation of texts, and the time pressure means that a procedural discussion is likely, but a prolong discussion is ill-advised. We want, and need, to work on substance.
- 7 The SBSTA chair has proposed a mode of work which will see contact groups facilitated by him aimed at HoDs, with technical informals and spin-offs. The Chair will be responsible for preparing the conclusions.
- 8 Improving the quality of HoDs engagement will be critical. Working s6(a) to articulate technical issues in terms of their strategic risk (e.g. to environmental integrity) will be important to accomplishing this. s9(2)(j)
- 9 As the only element of the PAWP that was unresolved at Katowice, substantive work on markets at this session is likely to be relatively technical. For this reason the high-level summary on markets from our mandate has been excerpted and is overleaf.

International Carbon Markets
Ministry for the Environment
June 2019

s9(2)(f)(iv)

Released under the Official Information Act, 1982.

SBSTA 11 (a) Guidance on cooperative approaches referred to in Article 6, paragraph 2 of the Paris Agreement

Objective

- Substantive work at this session that enables delivery at COP 25, including consideration of intersessional work and a process for developing a textual starting point for COP 25.
- A COP 25 outcome that:
 - promotes environmental integrity through robust accounting, the avoidance of double counting, and strong transparency.
 - o does not sanction the use of pre-2020 mitigation;
 - is consistent with the Paris Agreement (i.e. no mandatory SOPs or OMGE for 6.2); and
 - o s9(2)(j)

Key messages

Note: substantive discussion on Article 6 at this session is likely to be technical and/or textual. The background material provides guidance on specific points. General key messages on Article 6.2 are below.

- New Zealand supports robust accounting and transparency requirements to ensure that cooperative approaches have environmental integrity and contribute to the global goal.
- Article 6.2 accounting applies to international transfers of mitigation regardless of the mechanism that generated the mitigation – 6.2 accounting applies to the 6.4 mechanism.
- We need to 'grip-up' the transparency framework to enable scrutiny of the Article 6.2 'shalls'. This is exactly the kind of functionality that the framework is intended for to 'build mutual trust and confidence and to promote effective implementation.'
- Some of the things Parties are calling for were deliberately NOT included in the PA e.g. share of proceeds for 6.2. We're unlikely to resolve this technically. What we must do is finding common ground on the matters that we agree need to be addressed i.e. making sure our accounting system is robust and ensuring cooperative approaches have environmental integrity.
- We understand that the issue of inside/outside NDCs is not one of straight environmental integrity. At the extreme we might potentially deter needed mitigation action on the basis of where it might occur, on the other potentially disincentivising the move towards multi-year economy-wide targets. It makes sense to explore options that reduce the scope of mitigation that can be sourced

from outside of NDCs (for example, using a time-limit) and/or require it to be fully accounted for.

Issues/background

Nature of ITMOs – There is concerted pressure to prevent any rules that appear to preclude specific NDC types from cooperative approaches under 6.2. It would be preferable to exclude or quarantine non-CO2e trade. Parties understand tCO2e, it is reliable and it should be our starting point. Discussion of things other than tCO2e should be brought back to, is it really mitigation?

2 **Environmental integrity** – the mandate for 6.2 is to deliver guidance for robust accounting not on what constitutes environmental integrity or any guidance on it. Parties should be required, however, to report and be reviewed on this "shall" and to that end some guidance would be useful. Material developed by the Ministerial Declaration group of countries provides a middle ground between ex-ante prescription and an absence of any clarity about this shall requirement.

3 Corresponding adjustments -

- a) Basis should be effected by calculation of an ITMO-adjusted inventory emissions figure (aka accounting balance). 77(d) supports this approach. We should resist other approaches including menu-based approaches.
- b) Timing there needs to be transparency about what ITMOs are created and where they are going. Most important, however, is that the host country or seller makes the adjustment so that it will clearly not use the tonne towards its own NDC. \$9(2)(j)

- 4 **Single and multi-year** The way corresponding adjustments are effected for those with single year targets should be "reflective" of the transfer activity over the period of the NDC. The simplest way to achieve this is with a simple average. It is important to note that all proposed approaches have different benefits in different situations minimisation of gaming is desirable (e.g. through resisting menu-based approaches or requiring cooperating Parties to select (and stick with) an approach upfront).
- 5 **Inside/outside** Inside-outside is not a straight environmental integrity issue. We note that the purpose of a corresponding adjustment is to avoid double counting. We also recognise that being able to monetise mitigation from outside the NDC (particularly if this is not accounted for) may disincentivise Parties from taking economy-wide targets in the future. Many Parties that seek market systems that have environmental integrity,

and which are likely to be early movers on markets, favour rules that would either reduce the scope of mitigation that can be sourced from outside of NDCs (e.g. using a timelimit) and/or require it to be fully accounted for. New Zealand is sympathetic to this view.

- Infrastructure We don't envisage any centralised linked registry function, or ex-ante steps that may hamper the diversity of approaches envisaged. We have a preference for a central database containing Parties' tables from their BRs where the recording of Corresponding Adjustments can be seen in both Parties' records.
- 7 **Centralised governance** Article 6.2 activities are "bottom up" and we need to accommodate them being conducted through sub-national jurisdictions. We should avoid rules for participation in Cooperative Approaches that can only be satisfied by country-Parties. Cooperative Approaches used towards NDCs can be scrutinised (governance, environmental integrity etc.) through the ETF without need for a separate supervisory body or ex ante approvals.
- 8 **Reporting, review and A15** Reporting, review and the A15 committee provide the essential vehicles for Parties to demonstrate and be accountable for the requirements on them when using cooperative approaches. Our objective is to secure a "shall" report requirement in the A6.2 guidance. Common tabular formats being developed under the ETF will need to (eventually) accommodate ITMO trade.

9 Share of proceeds -s6(a)

. SOP for 6.2 was specifically rejected by Parties in Paris and there is no legal hook for it in the Agreement. Many UG countries have stated that requiring a 6.2 SOPs is a re-opening the Treaty and re-ratification issue for them. Article 6 is not the vehicle to deliver climate finance and there is now a timeline for the negotiation of a new long-term finance goal. There are practical challenges to delivering a SOP e.g. from ETSs operating sub-nationally. Widely recognised as political, this issue may be parked at this session.

Overall mitigation of global emissions – primarily an AOSIS ask, an OMGE in 6.2 has no legal hook in the Paris Agreement – and as such, can't be compelled in implementation guidelines. For diverse 6.2 approaches it also has the same implementation challenges as SOPs.

International Carbon Markets Ministry for the Environment June 2019

SBSTA 11 (b) Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4 of the Paris Agreement

Objective

- Substantive work at this session that enables delivery at COP 25, including consideration of intersessional work and a process for developing a textual starting point for COP 25.
- A COP 25 outcome that:
 - o begins the operationalisation of the 6.4 mechanism;
 - has environmental integrity (particularly regarding the avoidance of double counting; and baselines and additionality);
 - o does not sanction the use of pre-2020 mitigation; and
 - o is consistent with the Paris Agreement (i.e. no mandatory OMGE)

Key messages

Note: substantive discussion on Article 6 at this session is likely to be technical and/or textual. The background material provides guidance on specific points. General key messages on Article 6.4 are below.

- Mitigation generated by the 6.4 mechanism and internationally transferred is an internationally transferred mitigation outcome and must be accounted for as such.
- 6.2 provides accounting guidance and shalls for international transfers of mitigation outcomes 6.4 establishes a specific mechanism under UNFCCC guidance.
 - There are not two mechanisms.
 - And this is reflected in our tasks under 6.2 we're developing accounting guidance, under 6.4 we're developing the rules modalities and procedures necessary to run a specific mechanism, with environmental integrity, under the UNFCCC banner.

ON CDM

- There is no transition of any elements of the CDM into the new 6.4 mechanism unless Parties agree to it. We have a mandate to learn lessons from the CDM not transition it, if Parties wanted the CDM transitioned they would have said so in the Paris Agreement rather than establish a new mechanism.
- There are valuable lessons from the CDM for example operational improvements that improve the geographic representation of the CDM e.g. POAs and standardised baseline approaches.
- However, the foremost consideration for both this item is ensuring environmental integrity in our new context – one where all Parties make mitigation contributions

that represent their highest possible ambition and these contributions become progressively more ambitious. e.g.

- full accounting and the avoidance of double counting for all mitigation generated;
- a coherent package regarding baselines, additionality and crediting periods:
 - e.g. best available technology approaches, avoidance of crediting against BAU, baselines that are established at the greatest level of aggregation possible, additionality defined in regard to what would have occurred in the absence of incentives from the mechanism, avoidance of retrospective crediting, conservative use of positive lists.

ON TRANSITION OF KP UNITS

New Zealand does not, and will not support sanctioning the use of KP units towards NDCs. Regardless of the dubious environmental integrity of many of these units – it is anothema to the mitigation goal of the agreement to suggest diluting real mitigation action in the 2020s with existing units. It is doubly so, when we the face value of collective NDCs does not lead us to a 1.5 or even a 2 degree world.

Issues/background

Robust accounting – 6.4 credits must be fully accounted for under Article 6.2 accounting guidance. 6.2 is an umbrella – accounting guidance for internationally transferred mitigation outcomes. It applies regardless of how those mitigation outcomes were created – crediting, ETS linkages, or the 6.4 mechanism.

- Double counting (and double claiming) of 6.4 mitigation (e.g. between host country and user) would undermine the environmental integrity of the mechanism and its effectiveness in delivering mitigation action.
- For both hosts and end-users this would undermine the usefulness of the mechanism. For end-users it would impact on the credibility of the mechanism as a source of supply. For hosts it would impact on the likelihood and scale of investment.
- A fundamental flaw such as this may be a severe blow to our social licence for the use of market approaches (noting the sensitivity of this due to the perception of KP markets).
- **Baselines and additionality** It has been shown ex-post that the KP mechanisms resulted in the crediting of, and issuing of units for many actions that were not additional (i.e. lack environmental integrity). Parties should learn from this in designing the new mechanism's rules. The Paris Agreement context is also new with all Parties working towards global net zero. This raises concerns of long-crediting periods; crediting against BAU emissions levels (when all NDCs should already represent a departure from BAU);

crediting against historical baselines; or 'locking-in' incentives (e.g. financing technology that has been overtaken by events).

- Technical rules to reduce these risks could take a number of forms (for example better additionality testing may reduce the likelihood of non-additional action being credited, whereas short crediting periods would reduce the consequence of non-additional action being credited). There are many permutations instructions to develop rules could take, but in line with the above they should contain references to: best available technology; avoidance of lock-in; avoidance of historic or BAU; short-crediting periods; and the review of mitigation activities for environmental integrity / changes in context if crediting periods can be renewed.
- 4 s9(2)(j)
- Transition of KP mechanisms The KP mechanisms were created in an entirely different context to the Paris Agreement (e.g. developing countries not having targets), and have been shown to have major flaws (e.g. regarding additionality). It is entirely inappropriate to consider copy-and-pasting these mechanisms over. While the new mechanism may, in the end, largely resemble its KP predecessors, there will need to be significant changes in the detail of how it operates.
 - We may consider and allow the reassessment of CDM methodologies and standards, and the reassessment and potential requalification of CDM projects, in line with the new approach to environmental integrity.
 - The use of KP units against targets in the Paris era will dilute real action in the 2020s – potentially by multi-Gt amounts. In theory this is a general mitigation/accounting issue, however the recognition of CDM/JI units is being called for explicitly in the 6.4 room. New Zealand opposes the explicit sanctioning of the use of such units and the dilution of mitigation action.
- 6 **Share of proceeds** We agree that a SOP is applied to the 6.4 mechanism and that this needs to be operationalised. It has a legal hook in the Agreement (very distinctly from 6.2).
- Regardless of the destination, a share of proceeds is essentially a 'virtue-tax' taxing mitigation action that occurs through markets.s9(2)(j)

Calls for SOP have centred around

2-5%. For reference, the CDM has a SOP for adaptation of 2%.

- 8 Levying the SOP early (at issuance (preferred) or first transfer rather than at use) is desirable from the perspective of simplicity, market function, and allowing early monetisation.
- Overall mitigation of global emissions We understand an OMGE to be markets contributing to mitigation beyond that required by the NDCs of cooperating parties. s6(a) We do not agree s6(a) that an OMGE must or should be operationalised in a compulsory manner, or with s6(a) specific proposals to do so.
- 10 New Zealand looks for pragmatic approaches that enable (rather than compel) overall mitigation to be achieved under the central mechanism best reflect the Paris Agreement's intent (i.e. 'shall aim to deliver' rather than 'shall/must deliver'). Previously we have mooted that this could be done through enabling properly accounted for voluntary cancellation of 6.4 units, along with promotion of this to non-Party actors.
- 11 **Governance** New Zealand has advocated for a non-bifurcated supervisory body (and has proposed the regionally based Art 15 and PCCB bodies as the model to follow). At Katowice there was a growing acceptance of a non-bifurcated body as a landing ground (in various permutations). We will also have to decide on a process for determining rules of procedure and how decisions are to be taken by the body when it is stood up. Article 15 provides a useful starting point, while CDM and JI provide useful subject matter references.
- 7 For some countries, s6(a) decisions about when to stand up the supervisory body and what to task it with, depend on their level of comfort with the guidance given to the body s6(a) consider it inappropriate for the body to be making large policy calls about environmental integrity. We are sympathetic to this and flexible about where and how this work gets done, as long as the process will be transparent and lead to outcomes with environmental integrity. We are also mindful that the purpose of a supervisory body is to conduct technical and operational management, and that at some point we have to trust in the institution we set up, and hand over to them. We are also mindful that delays to conducting quality work, delay both the mitigation that will be delivered by the mechanism, the investment associated with it, and the delivery of a SOP to the Adaptation fund.
- 12 **Post-COP25 work** Even in the case of an extremely favourable COP24 outcome, considerable work will need to be done to make the mechanism operational. Tasking could be given, as appropriate, to the body, to SBSTA or the Secretariat (bearing in mind the discussion of some of the sensitivities above). We expect this discussion to evolve throughout the year, however it will be important that tasks are allocated to the body best suited to deliver them.
- 13 Notes on Parties s6(a)

Released under the Official Information Act, 1982 s6(a) The EU and AOSIS are proponents for not replicating the KP mechanisms - specifically regarding environmental integrity and

SBSTA 11 (c) Work programme under the framework for nonmarket approaches referred to in Article 6, paragraph 8 of the Paris Agreement

Objective

- Substantive work at this session that enables delivery at COP 25, including consideration of intersessional work and a process for developing a textual starting point for COP 25.
- A COP 25 outcome that:
 - begins the work programme;
 - allows useful, but not over-elaborated, exploration of non-market approaches; and
 - o does not delay the implementation of 6.2 or 6.4

Key messages

Note: substantive discussion on Article 6 at this session is likely to be technical and/or textual. The background material provides guidance on specific points. General key messages on Article 6.8 are below.

- The New Zealand economy largely runs on market principles, and often our public policy solutions are market based. This does not mean that we are blind to the opportunity of non-market approaches. Just like cooperation resulting in the international transfer of mitigation outcomes, cooperation on non-market approaches may be a valuable tool in reaching our collective climate change goals.
- The framework for non-market approaches is an integral part of Article 6 and the Paris Agreement. We support a decision establishing a work-programme under the framework for non-market approaches to
 - identify opportunities to enhance linkages and create synergy between, inter alia, mitigation, adaptation, finance, technology transfer and capacity-building; and
 - to consider how to facilitate the implementation and coordination of nonmarket approaches
- Broadly speaking it makes sense to begin with an initial phase to explore the tasks above the modalities should be the full normal suite: call for submissions, secretariat report, workshop, and a report on the workshop. This work programme should be an initial one, with a view to elaborating the work programme in future years (as was the case for the GAP) with an end date (or for Parties to make recs on it to the CMA at COP27).

6.2 provides accounting

Issues/background

6.8 was the most developed item in the Article 6 package at Katowice (in no small part due to the efforts of NZ in convening interested parties). It is realistic to say that work under the work programme could have been happening this year, if not for 6.2 and 6.4 pulling down 6.8 with them (all along the three elements of Article 6 have been treated as a package). This is unfortunate.

- 3 The Katowice approach would see the work-programme begun, with an initial and time-limited exploration of non-market approaches. This could then form the basis of recommendations to the CMA on, in particular,
 - · how to enhance linkages and create synergies
 - how to facilitate coordination and implementation of NMAs
 - how to enhance support
- 4 Completing the mandate for 6.8 requires only recommending a draft decision on a work programme. s9(2)(j); s6(a)

. s9(2)(j); s6(a)

A credible and substantive work programme for should be agreed to satisfy this aspect of the Article 6 package. The modalities should be the usual: call for submissions, secretariat report, workshop, and a report on the workshop. This should be an initial WP with a view to elaborating the WP in future years (as was the case for the GAP) with an end date (or for Parties to make recs on it to the CMA at COP27). \$9(2)(j)

The Framework is already established. Nevertheless, the work programme has to happen somewhere.

International Carbon Markets Ministry for the Environment June 2019

SBSTA 12 (a)(b)(c) Market and non-market mechanisms under the Convention

Objective

 Support the Chair in deferring consideration of these items until SB 52. This may be done in the opening plenary.

Key messages

 New Zealand supports the proposed approach of deferring consideration of these items until SB 52. The original rationale, of deferring consideration until the outcome of the PAWP on Article 6 was known, still stands.

Issues/background

SBSTA has conducted work programmes on these three items on market and non-market mechanisms under the Convention for a number of years in accordance with the mandates given by COP 18 to elaborate a framework for various approaches, a new market-based mechanisms, and non-market based approaches.

- At SBSTA 44 Parties decided to postpone further consideration of these items until SBSTA 50 (i.e. until the first session following the expected conclusion of PAWP negotiations on Article 6). As Article 6 negotiations are now expected to conclude at COP25 it is appropriate to continue this deferment until SBSTA 52.
- 3 New Zealand prefers to defer rather than conclude these items at this time. It is unlikely that all Parties will want to conclude this item now with some deliberately wanting it held open until they see the result of Article 6 negotiations.
- The major focus of markets rooms should be on ensuring the robustness of the new regime under the Paris Agreement; and the substance of these items is largely covered by Article 6. However, these items provide a unique place to discuss market-based double counting pre-2021 (in particular, regarding the CDM, KP targets and Cancun Pledges) and while the priority is now on Article 6 and it is extremely late into a nominal CP2; if the Doha Amendment enters into force there may be increased appetite/need to revisit this point.

International Carbon Markets Ministry for the Environment June 2019

SBSTA 13. Cooperation with other international organisations

Objective

Emphasise the importance of effective cooperation between SBSTA and other UN organs.

Key messages

- Climate change presents the single biggest threat to sustainable development everywhere. It is therefore important this body cooperates effectively with other international organisations, especially the work related to the Sustainable Development Goals.
- New Zealand is closely engaged in both the High Level Political Forum and the UNSG's Climate Action Summit.
- We therefore welcome the Chair's increased focus on cooperation this year, and commend the special briefing held on Tuesday.

Background

- 1 Under this agenda item, the Secretariat reports its cooperation with the wider UN system. Normally this consists of SBSTA adopting pro forma a report prepared by the Secretariat. This year, the Chair wants to give greater visibility to this work, particularly given intense climate change activity within the broader UN system. This includes:
 - a) the High Level Political Forum (HLPF) will undertake an in-depth review of Sustainable Development Goal 13 (Climate Action), 9-18 July; and
 - b) the Secretary-General's Climate Action Summit, 24-45 September.

To that end, the Secretariat will hold a special briefing on its interagency activities and relevant activities planned throughout 2019, at lunchtime on Tuesday 18 June 2019. The Chair will then seek comments on draft conclusions on this item.

2 New Zealand is active in both these events. New Zealand co-hosting with the FAO an event at the HLPF on "SIDS, food security and nutrition", and is also supporting an OECD-led event on "Climate, Growth and Well-being to achieve the SDGs". New Zealand also co-leading the Nature-Based Solutions pillar of the UNSG's Climate Action Summit.

Climate Change Division May 2019

818358

MANDATED EVENTS

Released under the Official Information Act, 1982

The first meeting of the Facilitative Working Group of the Local Communities and Indigenous Peoples Platform

Objective

- Note: New Zealand is attending this meeting with "observer" status.
- Opportunity to register New Zealand support the "further operationalisation" of the Platform.

Key messages

- New Zealand continues to support the "further operationalisation" of the Platform, particularly in relation to the development of the first two-year work plan of the Facilitative Working Group.
- New Zealand is grateful to Mr Elias Abourizk as the Western Europe and Others group (WEOG) Representative Member of the Local Communities and Indigenous Peoples Platform (LCIPP) Facilitative Working Group (FWG).
- It is important, when thinking about the modalities of the work plan, to consider financing parameters. We recognise the constraints of the UNFCCC's core budget. As such, it's key to allow supplementary voluntary contributions, by both developed and developing Parties. We don't support obligatory financial contributions.
- New Zealand supports a Platform that is accessible to Indigenous Peoples regardless of their countries position/involvement.
- New Zealand can make a contribution to the Platform, by sharing our domestic experiences and by providing insight and practical examples of how Māori and Iwi shape environmental policy at home.

Issues/background

- 22. The Local Communities and Indigenous Peoples Platform (LCIPP) will not be on the agenda of SBSTA 50, but a number of important activities related to the LCIPP will take place in conjunction with the session.
- In particular, the first meeting of the Facilitative Working Group (FWG) of the LCIPP will meet 14 to 16 June 2019. This first milestone meeting will address, among other things, the development of the first two-year work plan of the group. This will be considered at SBSTA 51.
- 3 At the time of writing this brief a draft agenda for the FWG has not been published.
- The LCIPP FWG is a constituted body that was established at COP 24 in Katowice, December 2018.
- 5 The body 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 will also collaborate 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.

- The FWG is comprised of 14 representatives, half of which are representatives of Parties, and half of which are representatives from indigenous peoples organisations. The addition of three representatives of local communities and three additional Party representatives will be considered in 2021, as part of a broader review. See "membership" below for more information.
- New Zealand supported Canada's nomination (Mr Elias Abourizk) as the Western Europe and Others group (WEOG) Representative Member of the LCIPP FWG. There are two vacant positions available to WEOG members (Representative and Alternative). The EU nominated Henna Haapala (Finland) for the other seat.
- The modalities of the work plan must be realistic, affordable and achievable. We are unsure how much the UNFCCC Secretariat has put aside for the LCIPP over the years 2020-2021. To top up the core budget, New Zealand should support allowing voluntary supplementary contributions, by both developed and developing Parties.
- 9 Support for the full extent of activities envisaged by the LCIPP FWG (as well as Adaptation Committee, Least Developed Countries Expert Group, and WIM Executive Committee) is covered in the Budget "Overview of projects and funding requirements from the Trust Fund for Supplementary Activities for the biennium 2020–2021", see project number SB200-001.
- 10 We continue to register New Zealand is willing to make contribution to the Platform, by sharing our domestic experiences and by providing insight and practical examples of how Māori, Iwi and hapū shape environmental policy at home.

Climate Change Division MFAT May 2018

6163286

Gender Dialogue

Objective

 Engage constructively within the UNFCCC's work on gender, keeping activities coherent and avoid duplication.

Key messages

Refer to SBI50 agenda item 16.

Issues/background

- 23. This three day workshop on the impact of the Lima Work Programme on Gender (LWPG) and its Gender Action Plan (GAP) will be held during the SB 50 in Bonn, Germany with the below objectives:
- Provide data and information on the successes and challenges in implementing the Lima Work Programme on Gender (LWPG) and its Gender Action Plan (GAP), the short- and long-term impacts, as an input to the review of the LWGP and GAP to be initiated at SBI 50.
- Provide an opportunity for those Parties and entities who have invested or participated in activities in support of the LWGP and GAP to showcase their action and share experiences.
- Other key in-session events related to gender and climate change at Bonn include a presentation of the National Gender and Climate Change Focal Point (NGCCFP) collaboration space (17 June, TBC); an in-session thematic workshop of the Local Communities and Indigenous Peoples Platform (19 June); 7th Dialogue on Action for Climate Empowerment Day I (19 and 24 June); 8th Durban Forum on Capacity-building (20 June); and building capacity for integrating human rights into climate action: An event organized by the PCCB and OHCHR (26 June).

Climate Change Division MFAT May 2019

8th Durban Forum on Capacity-building

Purpose of the event

 To provide a platform for information sharing, key learnings for developing countries and providers of capacity-building on how to facilitate NDC implementation, and to inform the related discussions in the Paris Committee on Capacity-building (PCCB).

Objective

- To keep track of calls by developing countries' as to their needs to effectively implement the Paris Agreement, especially around enhanced transparency/measurement, reporting and verification (MRV).
- Keep a watching brief on the scope of work of the Durban Forum and the messaging coming from it.

Key messages

Refer to SBI50 agenda item 13.

Issues/background

The Durban Forum on Capacity-building is an annual, in-session event organised under the auspices of the SBI that brings together stakeholders involved in building the capacity of developing countries to mitigate and adapt to climate change.

- 2. Its meetings are a means to improve the monitoring and review of the effectiveness of capacity-building within the intergovernmental climate change process. Because of capacity-building's cross-cutting nature, information on related activities tends to be fragmented and not readily available. The Durban Forum attempts to fill in the information gaps by providing an overview of the capacity-building support being provided to developing countries.
- 3. The organisation of this year's Durban Forum took into consideration the COP decision which requests SBI to thematically align future meetings of the Durban Forum with the annual focus area of the Paris Committee on Capacity-building, taking note of the recommendation of the Committee contained in its 2018 technical progress report. In addition, the 8th Durban Forum builds on previous years' discussions of the forum on capacity-building in developing countries in relation to NDCs.
- 4. Overarching topic: Strengthening institutions at the national level to support capacity-building activities for the implementation of NDCs in developing countries.

24.5. Draft programme outline:

- Opening
- Special address

- Panel discussion and Q&A
- Discussion scope:
 - How to better engage academia, research institutions and other-Party stakeholders in strengthening and retaining capacities,
 - Challenges and opportunities for enhancing coherence and coordination in the design and implementation of capacity building activities
 - What needs to be done to better monitor and assess the impact of capacity- building activities
 - What type of support is needed for strengthening national institutions to support capacity-building activities
- Breakout group discussions
- Report back by discussion leaders of breakout groups
- Wrap-up and closing by co-facilitators.
- 6. NDCs is a broad area and it will be useful to explore various aspects of capacity building relating to NDCs in more depth. For the 8th Durban Forum some useful areas of discussion could include:
 - a. Enhancement of peer-to-peer learning among countries, for sharing information, experiences and strengthened ownership;
 - b. Enhancing the network on capacity-building with non-Party stakeholders including those of civil society, the private sector, financial institutions, cities and other sub-national authorities; and,
 - c. Enhancement of sharing information and building best practice on evaluation and impact of capacity building to maximise its effectiveness.

Climate Change Division MFAT May 2019

81835

Technical Examination Meeting on Mitigation (TEM-M)

Objective

 Encourage a shared understanding of how all actors with the agri-food supply chain can contribute to reaching the Paris Agreements goals.

Key messages

- There are significant opportunities globally to reduce emissions from agriculture, especially in countries where small scale agriculture forms a major sector of the economy. The ideas presented at this TEM-M provide many useful examples of these opportunities, which we will consider in our own national context.
- New Zealand seeks to encourage others to work with us to find solutions for reducing emissions at scale, for example, through our flagship investment in the Global Research Alliance on Agricultural Greenhouse Gases (GRA), and our engagement in other collaborative agriculture/climate change initiatives such as the Climate and Clean Air Coalition (CCAC) and the Powering Past Coal Alliance (PPCA).
- New Zealand is co-leading, with China, the Nature-Based Solutions (NBS) pillar for September's UNSG Climate Action Summit. We are interested in engaging countries, businesses, indigenous peoples and local communities to support transformative initiatives, especially in the agri-food sectors.
- New Zealand, with other partners, has submitted a proposal for agricultural initiative focused on changing the global food system into an emissions-efficient, climate-resilient, productive and sustainable system. This includes commitments to reduce emissions in our supply chains in the food sector. We would be happy to discuss this further.
- New Zealand generates almost half of its greenhouse gas (GHG) emissions in the agricultural sector. We are in the midst of grappling with the challenge of reducing agricultural emissions to meet ambitious absolute economy-wide emission reduction targets, while seeking to maintain a productive and resilient sector and strong economy.
- The Government has introduced a Zero Carbon Bill that will establish an enduring architecture to drive New Zealand's domestic economic transformation to a low-emissions economy. Gross emissions of biogenic methane will be reduced to 10% below 2017 levels by 2030, and reduced to a range of 24-47% below 2017 levels by 2050. The target for biogenic methane has been specifically chosen for consistency with reductions in global agricultural emissions required to hold the increase in global average temperature to 1.5°C.

Background

The technical examination process on mitigation (TEP-M) is a formal process under the UNFCCC. It provides a forum to explore high-potential mitigation policies, practices and

technologies with significant sustainable development co-benefits that could increase the mitigation ambition of pre-2020 climate action.

- 2 The topic for 2019 is "Off-grid and decentralized energy solutions for smart energy and water use in the agri-food chain". It was two objectives: identify and explore innovative solutions for securing clean energy and water access for the agri-food chain, including related off-grid renewable power systems, storage technology and energy-efficient solutions; and explore ways forward and necessary actions to be taken by Parties and non-Party stakeholders to replicate and upscale identified innovative solutions.
- 3 Overall the TEM-M is about decarbonising the agri-food system but it focuses mainly on electricity and water. The first and second sessions focus on decarbonising primary- and post-production. This appears to align with the challenges and leadership of New Zealand in addressing emissions from our agricultural sector (See thematic brief). The TEM-M provides an opportunity to engage with other countries and encourage their ambition on addressing agricultural emissions including possible consideration of the NBS pillar at the UNSG Climate Action Summit (See thematic brief).

Climate Change Division
MFAT
May 2019

BACKGROUND BRIEFS

Released under the Official Information Act, 1982

Domestic update – Climate Change Response (Zero Carbon) Amendment Bill, NZ ETS, Agriculture

Key messages

Zero Carbon Bill

- On 8 May, the Government introduced the Climate Change Response (Zero Carbon)
 Amendment Bill to the House of Representatives.
- The purpose of the Bill is to provide a framework by which New Zealand can develop and implement clear and stable climate change policies that contribute to the global effort under the Paris Agreement to limit the global average temperature increase to 1.5° Celsius above pre-industrial levels.
- The Bill will do four key things:
 - Set a new greenhouse gas emissions reduction target to:
 - reduce all greenhouse gases (except biogenic methane) to net zero by 2050;
 - reduce emissions of biogenic methane within the range of 24–47 per cent below 2017 levels by 2050 including to 10 per cent below 2017 levels by 2030;
 - Require the Government to set a series of emissions budgets to act as stepping stones towards the long-term target;
 - Require the Government to develop and implement policies for climate change adaptation and mitigation; and
 - Establish a new, independent Climate Change Commission to provide expert advice and monitoring to help keep successive governments on track to meeting long-term goals.
- The Bill has been referred to the Environment Select Committee. The Committee is accepting public submissions on the Bill until mid-July.
- New Zealand's current Nationally Determined Contribution (NDC) under the Paris Agreement is to reduce emissions of all greenhouse gases, including methane, by 30% below 2005 levels by 2030.
- The domestic targets reflect New Zealand's plans for its domestic economic transition to a low emissions future. These support our contribution to the global environmental effort, but are distinct from the targets we will continue to set under the Paris Agreement through our NDCs, consistent with the expectations of developed countries.
- New Zealand remains fully committed to our obligations under the Paris Agreement.

- Cabinet has recently approved amendments to the Climate Change Response Act that will improve the NZ ETS and support the implementation of the Paris Agreement.
- A new unit supply framework will be established for the NZ ETS. This will enable the Government to put a cap on the number of NZUs supplied to the NZ ETS, and to manage these decisions over five yearly periods. Key elements of this framework include:
 - Introducing auctioning to the NZ ETS;
 - Limiting participant's use of international units, if the NZ ETS reopens to high integrity international carbon markets;
 - Replacing the current price ceiling with a cost containment reserve;
 - Changes to the penalties regime in the NZ ETS, and important operational and technical improvements;
 - Improving the NZ ETS market governance framework; and
 - o Phasing down industrial allocation.
- At the same time, improvements will be made to the way forestry is treated in the NZ ETS. These changes are important to promote additional forest planting in New Zealand.
- The changes to the NZ ETS will provide more consistent and transparent decisionmaking around unit supply, ensure a reliable carbon price that provides the incentive to reduce emissions and plant new trees, and support New Zealand to meet its emission reduction targets.

Agriculture

- The split target approach reflects long-standing science, including the IPCC's latest assessment of how to limit the global average temperature increase to 1.5°C. Evidence shows that different greenhouse gases have different warming effects on the climate, due to different lifetimes in the atmosphere and potency as greenhouse gases.
- This means the transition pathways for these gases in our transition to a low emissions future will be different. The 2050 target range for methane is informed by scenarios in the IPCC's 1.5°C report which limit warming to 1.5°C with little or no overshoot.
- Agriculture makes up half of New Zealand's total emissions and setting a biogenic methane target shows we are taking our commitment to reducing emissions in this sector seriously. The target for biogenic methane has been specifically chosen for consistency with reductions in global agricultural emissions required to hold the increase in global average temperature to 1.5°C.
- New Zealand is leading the world in undertaking the required scientific research to find solutions for livestock emissions, including technology and best practice,

- including through founding the Global Research Alliance on Agricultural Greenhouse Gases which now has 56 members.
- In April last year, we set up the Interim Climate Change Committee, an independent Ministerial advisory group, to look at options to reduce agricultural emissions including whether agricultural emission should be accounted for in the New Zealand Emission Trading Scheme.
- The Interim Climate Change Committee delivered its report with recommendation to Government on 30 April. We are currently assessing their recommendations before consultation on government policy options.

Background/Issues

New Zealand's current Nationally Determined Contribution (NDC) under the Paris Agreement is to reduce emissions of all greenhouse gases, including methane, by 30% below 2005 levels by 2030. The Paris Agreement requires Parties to communicate successive NDCs that are a progression on existing NDCs and reflecting highest possible ambition in light of national circumstances. Developed countries are expected to take the lead by undertaking economy-wide absolute emission reduction targets.

2 s9(2)(g)(i)

s6(a)

- In fact, the ZCB 2050 target does not in any way alter our commitments to communicating and achieving successive Nationally Determined Contributions under the Paris Agreement. The target, and the ZCB package overall, are designed to effect New Zealand's domestic economic transition to a low emissions future. The targets provide guidance on the direction of travel for this. By contrast, targets set under the Paris Agreement represent our national contribution to the global environmental effort, and are not constrained to domestic action (i.e. can be supplemented by use of international carbon markets).
- The Bill is an important part of New Zealand's climate change response, and when passed will represent a significant step forward in our leadership on climate change. While it is important that we effectively explain New Zealand's policy approach to drive our domestic economic transformation to a low-emissions future and ongoing commitment to the Paris regime, it is important that we do not lose sight of the landmark achievement of the Bill that establishes a framework that commits successive governments to climate action.

Climate Change Directorate
Ministry for the Environment, 30 May 2019

Just transition

Objective

- Showcase New Zealand's approach to just transition to a low emissions economy, including the Just Transition Summit in May, as a key aspect of our leadership.
- Explore avenues and gather information on other actors' plans to highlight just transition at the UNSG's Climate Action Summit.

Key messages

- 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.
- Now that we have moved into planning and delivering the implementation of the Paris Agreement, many countries are looking at ways to achieve their NDCs and creating long-term low emissions development strategies, in a way that generates opportunities and minimises negative impacts.
- New Zealand is eager to share our experiences with others as we all develop transition policies that unlock social and economic opportunities in a way that is fair to affected and vulnerable groups. We are also supporting our Pacific neighbours in managing their own just transition.
- We were pleased to support Poland's Solidarity and Just Transition Silesia Declaration that highlighted ambitious climate action can deliver opportunities for society as a whole.
- New Zealand has begun its transition to a net-zero emissions economy by 2050. We have banned new permits for offshore oil & gas exploration, and have set up a Just Transitions Unit that actively partnering with affected regions to help realise a clean energy and low emissions future. These policies support the Zero Carbon Bill that is setting enduring architecture to drive our domestic economic transformation, aligning with the objective of supporting a limit in global temperature increase to 1.5°C.
- We were pleased to host the Just Transition Summit in May 2019 in the Taranaki region, which saw valuable contributions from international experts. Key themes included the importance of innovation and economic diversification, and the role of foreign investment in accelerating this; shared responsibility by all to deliver a just transition, and co-creating solutions, especially with Māori and workers.
- New Zealand is interested in plans to profile just transition at the UNSG's Climate Action Summit in September. We would welcome more information.

Issues/background

The concept of a just transition to a low emissions economy is gaining momentum internationally, including within the UNFCCC negotiations and broader climate change and economic 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. New Zealand has actively engaged on just transition, as an element of our international leadership, to highlight the role of international knowledge sharing on policies and principles on how to stimulate opportunities from the economic transformation while managing the impacts of the transition on communities most affected. At COP24, New Zealand (at Prime Minister level) endorsed Poland's Solidarity and Just Transition Silesia Declaration to orient the framing of the issues as a way to enable ambitious climate action.
- 3 Domestically, we are taking steps to transition to a net-zero emissions economy by 2050. In April 2018, the Government banned new permits for offshore oil & gas exploration and set up a Just Transition Unit to focus on the impacts of major climate change policy decisions, and look at opportunities created by the transition and how the Government can assist. These policy processes support the Zero Carbon Bill that is setting enduring architecture to drive our domestic economic transformation, aligning with the objective of supporting a limit in global temperature increase to 1.5°C.
- 4 The successful delivery of the Just Transition Summit in Taranaki in May confirmed Government's commitment to ensure climate action is fair and inclusive. The Summit hosted international practitioners, and affirmed that New Zealand is well placed to shape international thinking and bring ideas and investment back into New Zealand to assist us with this transition.
- 5 Key themes from the Summit where innovation and economic diversification; shared responsibility by all social actors, including government; co-creating solutions, especially with Māori and workers; greening the financial system. Green hydrogen was identified as a key opportunity, and the future of agriculture and food was more debated.
- 6 Domestically, New Zealand is framing an approach to a just transition in a way that is about:
- Understanding the different pathways we have to transform our economy to one that is more productive, sustainable and inclusive.
- Partnering with Māori/Iwi, local government, business, communities and workers to identify, create and support new opportunities, new skills and new investments that will emerge from transition

- Understanding how impacts of transition are distributed across the economy and making choices about how we manage these in an equitable and inclusive way
- Building the social licence necessary to be ambitious in our approach to transforming the New Zealand economy.
- Released under the Official Information Researce of The Official Information Research (The Official Information Researce of The Official Information Researce o It is expected that just transition will be a prominent theme at the UNSG's Climate Action Summit. It is currently being explored by Peru and Spain who are co-leading the Social and Political Drivers pillar. We would like to find out more about their plans to

Pacific Issues

Objectives

- Underscore New Zealand's firm commitment to standing with the Pacific on international climate change matters and deepening our mutual understanding of our respective priorities.
- Emphasise New Zealand's view Pacific regionalism plays a critical role in addressing regional challenges such as climate change, and our willingness to support this, including on the international stage.
- Test interest and encourage in collaboration across a range of areas such as holding a technical dialogue ahead of key meetings; convening a workshop on international carbon markets; building on last year's Pacific Pavilion at COP24; and providing support for economic modelling of potential IMO emissions reduction measures.
- Explore other areas of support PICS might find useful.
- Demonstrate the priority New Zealand attaches to building Pacific resilience.
- [If required] Underscore New Zealand's recognition Pacific peoples do not want to be compelled by the impacts of climate change to leave their countries.

Key messages

- New Zealand is committed to working with the Pacific on climate change. We'll be
 delivering at least NZ\$300 million in climate-related support by 2022. At least two
 thirds of that funding will be spent in Pacific countries.
- We look forward to continuing to work closely together over 2019 and strengthening our collaboration with the Pacific in pursuit of urgent and ambitious action on climate change.
- The Katowice COP saw agreement on most aspects of the Paris Agreement Rule book but this does not signal the end of multilateral engagement on climate change. The technical discussions, and Paris reporting regime are getting more and more detailed, pushing up against capacity constraints for many. New Zealand wants to help with this.
- We are keen to explore areas of alignment and find ways to promote these on the international stage. Some of our ideas include:
 - holding annual pre-COP technical dialogues between New Zealand and regional negotiators ahead of key meetings;
 - building on last year's successful Pacific and Koronivia Pavilion at Katowice with a shared presence (i.e. Pavilion) at this year's COP;
 - establishing a common approach to recommunication of nationally determined contributions, (use of ICTU (information to facilitate clarity, transparency and undertaking of NDCs);

- providing technical assistance to assist PICS with GHG inventories and use of ICTU:
- Convening a workshop on international carbon markets;
- Convening a regional dialogue on loss and damage; and
- Supporting economic modelling of the impacts of potential IMO emission reduction measures.
- New Zealand understands loss and damage caused by climate change is a significant concern for many Pacific island countries. We want to support the Pacific's priorities in accessing support for dealing with all aspects of loss and damage. We're not sanguine the UNFCCC can play an exclusive role in this. We see value in a regional discussion on loss and damage, and what regional and bilateral activity can take the Pacific's response forward.

[If asked] Climate change-related human mobility

- New Zealand has a broad climate change development programme, which is focused on supporting communities to remain *in situ* through climate adaptation.
- We are working to deepen understanding of relocation risks to help with policy-making, and we are keen to hear Pacific countries' priorities.

[If asked] Tuvalu displacement proposal

We understand the concerns behind the development of the proposal and look forward to seeing the text of the Resolution progress. New Zealand has offered technical support regarding the substance of the draft resolution and our mission in New York has offered support for Tuvalu's New York mission with outreach.

Issues/background

Pacific in the UNFCCC

- The Katowice COP saw agreement on most aspects of the Paris Agreement Rule book but this does not signal the end of multilateral engagement on climate change. The COPs, the IMO and ICAO are continuing to make decisions that have enormous implications for the Pacific.
- The PIC voice has had big impact in getting us where we are, with the Paris Agreement (including acknowledgement of 1.5 degrees) and the rulebook. PICs still have an important role to play in pushing major emitters to take action. But the technical discussions, and Paris reporting regime are getting more and more detailed, pushing up against capacity constraints for many, including in the Pacific. New Zealand wants to help with this.
- At the Pacific leaders roundtable hosted by Minister Shaw and Minister Sio at COP23, Deputy Prime Minister of Samoa, Hon Fiame Naomi Mata'afa made a strong statement about the need for greater clarity and coherence in the region's engagement on the international climate change stage and sought New Zealand's contribution to that.

• s6(a)

We are keen to explore the feasibility of technical exchanges in advance of key meetings so as to better equip us to understand and advocate for Pacific interests.

- s6(a)
 - . We are interested in building on the success of last year's Pacific and Koronivia pavilion by supporting a Pacific regional pavilion at COP25. It would be useful to test the response to this idea.
- We are working to deepen New Zealand's engagement with Pacific countries on climate change, promoting and supporting Pacific priorities within the United Nations process where we can. We also leverage these efforts to seek support from Pacific island countries for New Zealand objectives in international negotiations.
- Pacific leadership will be important, providing moral and practical impetus to strengthening global commitment to the Paris Agreement. Participation by the Pacific and other SIDS had a visible impact on aspects of the Paris deal, including the inclusion of the aspirational 1.5°C goal alongside the 2°C primary goal.
- Fiji used its Presidency of COP23 in November 2017 to highlight challenges faced by Pacific Island countries. While Fiji successfully achieved its objectives for the meeting, s6(a)

We walk a careful line on these issues, empathising with Pacific interests while reiterating the importance of respecting the terms of the Paris Agreement.

• s6(a)

Loss and Damage and New Zealand's approach - UNFCCC

- New Zealand understands loss and damage caused by climate change is a significant concern for many Pacific Island countries, whether caused by extreme weather events, slow onset events or giving rise to questions around disaster risk insurance, and migration and displacement.
- New Zealand seeks to support the Pacific's priorities in accessing support for dealing with all aspects of loss and damage. We're not sanguine the UNFCCC can play an exclusive role in this. We see value in a regional discussion on loss and damage, and what regional and bilateral activity can take the Pacific's response forward.
- s6(a)

- New Zealand is active in the Pacific in emergency preparedness (and response), early warning systems, slow onset events like sea-level rise and displacement, and disaster risk insurance.
- s9(2)(j)
- At COP24, L&D formed a significant strand of our engagement with the PICs in the negotiations, and New Zealand's efforts to broker an outcome acceptable to all were noted. AOSIS was successful in securing the visibility of L&D in the enhanced transparency framework under information climate change impacts and adaptation. That information will then feed into the five-yearly global stocktake. However, AOSIS will continue looking for ways to increase the visibility of loss and damage in the Paris regime.
- We are developing principles to guide New Zealand's engagement on L&D at the UNFCCC to ensure a consistent and legally robust approach. This will also support New Zealand taking up a seat on the WIM Executive Committee in 2020 (a deal struck with Japan at COP24).
- The review of the Warsaw International Mechanism (WIM) will be the principal L&D issue in the negotiating agenda in 2019 and is mandated to consider the Executive Committee's (ExCom) work plan with a view to enhance the WIM. It is likely discussions will centre on the scope of the WIM, and whether this needs to be expanded to ensure that financial support is a bigger part of its role.

New Zealand support

- The Paris Agreement has potential to change the future. New Zealand will support our Pacific neighbours to put it in place. We will help build implementation capacity. We're making a \$1.5m contribution to the Pacific regional NDC Hub, to help PICS enhance and implement their NDCs, for example.
- We've put money into the Global Environment Facility (GEF), and the Green Climate Fund (GCF), and because PICs told us it was important, the Adaptation Fund. We need to stay in touch on how this works for the countries in the region.
- Our current assistance targets stronger and more resilient infrastructure, strengthening disaster preparedness, and low-carbon economic growth, improving access to clean, efficient and affordable energy.
- We are expanding our support programme to focus on practical action, particularly adaptation. We want to invest in things like water security; building resilient ecosystems; access to information and science; access to climate finance; and supporting low carbon climate resilient development. Our support is driven by partner country priorities.

Pacific Climate Change Centre

The Pacific Climate Change Centre is intended as "globally respected Centre of Excellence, providing information, support and training to address the adaptation and mitigation priorities of Pacific communities."

25. New Zealand has NZ\$3.53m to the PCCC over three years, with the aim of supporting the aims and goals of the Centre; supporting regional approaches to climate change action; and promoting cooperation with JICA in the Pacific. SPREP have initiated hire of the PCCC Manager, and we will continue to engage with them on governance questions over the coming months.

ICTU - Article 4.8 of the Paris Agreement requires all parties to provide information to facilitate the clarity transparency and understanding their NDC.

- 26. New Zealand supports Pacific in a range of activities deemed relevant to loss and damage by the Paris Agreement. For example, emergency preparedness, early warning systems, slow onset events like sea-level rise and displacement, and disaster risk insurance.
- 27. Meaningful results for the Pacific on addressing L&D are unlikely to be delivered through the UNFCCC. Such outcomes are more likely to flow from targeted regional and bilateral conversations that avoid the political and moral undertones of the issue. To the extent PICs are eager to have a regional conversation about these issues, New Zealand would be open to participating. (The Cook Islands has raised the possibility of hosting a regional forum in 2019.)

Climate change-related human mobility

- 28. Pacific people have expressed a desire not to be compelled to leave their homes or countries due to climate change. Therefore, the first climate-related human mobility is likely to be internal, i.e. within country.
- 29. New Zealand's approach is guided by our understanding of Pacific aspirations. One aspect of New Zealand's climate change development assistance programme is the Action Plan on Pacific Climate Change-Related Human Mobility, which aims to:
- Use official development assistance to avert, delay and prepare for climate mobility;
- Facilitate a regional dialogue and explore a regional approach to climate mobility;

Strengthen international language and frameworks through multilateral action;

- Champion the progressive development of international law, particularly regarding the protection of coastal states rights in respect of maritime zones; and
- Commission research to support relevant planning and policy-making.
- 30. Those actions will occur relative to core values:

- Honour Pacific leaders' recognition of the importance of retaining the Pacific's social and cultural identity, and the desire of Pacific peoples to live in their own countries where possible;
- Respect and uphold Pacific Island countries' sovereignty and the right to selfdetermination; and
- Encourage transparent and inclusive dialogue domestically, regionally and internationally.
- 31. In March, a group of UN agencies launched a project, "Enhancing protection and empowerment of migrants and communities affected by climate change and disasters in the Pacific region". We are in discussions to see how we may partner into the project.

Tuvalu proposal on displacement

32. Tuvalu has advised its plans to start negotiations on a UN General Assembly (UNGA) resolution, "Providing Legal Protection for Persons Displaced by Climate Change". We have seen an initial draft of the text. While we understand the concerns underpinning the development of the proposal, we think it is currently technically weak. It also seems unlikely it will have sufficient support to proceed. Tuvalu had hoped to get this through in the 73rd session of the UNGA, i.e. before September but has delayed it until the 74th Session giving more time for them to negotiate support.

Climate Change Division, Sustainable Development Sector and Thematic Division MFAT May 2019

Snapshot of New Zealand's climate-related support to Pacific island countries in 2019

At UNGA in September 2018, New Zealand announced an increase in its commitment to climate change finance to **\$300 million over 4 years** (2019-2022), most of which will benefit the Pacific. Along with our significant renewable energy portfolio, we will focus on practical action that will help Pacific countries adapt to climate change and build resilience. We will invest in improving water security, protecting our oceans and enhancing the resilience of ecosystems; we will improve access to climate science to support decision making and we will explore innovative options to finance the transition to low-carbon climate resilient development pathways. A significant amount of activity is under design which will move into implementation later 2019 or early 2020. This table provides a brief <u>snapshot</u> of the Pacific climate-related support <u>currently</u> managed by the Ministry of Foreign Affairs and Trade's Pacific and Development Group.

Climate-related support to Pacific island countries during 2019 - snapshot

Cook Islands

The Cook Islands are anticipated to be at 'great risk' as climate change progresses. This is due to sea level rise, extreme rainfall events (noting a major problem on many atolls is a lack of water), storm surges, strong winds and extreme high air temperatures. These changes are expected to adversely affect coastal and coral reefs, agriculture, food security and diet, marine resources, water resources, and biodiversity. A significant issue is a lack of adequate legislation covering key areas such as resource management, water supply, hazardous waste disposal, and sanitation (treatment and disposal of liquid and solid wastes).

To assist in addressing these challenges, New Zealand is addressing key infrastructure needs:

• Water Partnership (Te Mato Vai) – this partnership between Cook Islands, New Zealand and the Peoples Republic of China will deliver a reliable source of potable water to the population of Rarotonga. The network is due to be completed in late 2019, with commissioning likely to take place in early 2020. Reliable access to quality drinking water will be increasingly important under climate change scenarios.

Fiji

Climate change is expected to affect Fiji's coastal areas through sea level rise, and ocean acidification is threatening coral reef ecosystems. Tropical cyclones are expected to become more intense, which will put the ageing and poorly maintained service utilities and infrastructure under further pressure. Climate change issues are often not considered in urban, landuse and coastal zone planning and infrastructure development. In addition, uncontrolled and unregulated clearing of vulnerable terrestrial areas has reduced the ability of ecosystems to buffer from the impacts of climate change.

To assist in addressing these challenges, New Zealand is providing the following climate-related support:

• Fiji NDMO Disaster Risk Reduction and Response Initiative - this project is increasing public awareness of

Disaster Risk Reduction & Response (DRR) in Fiji, and is seeking to improve capacity and capability for Fiji authorities to respond, through the provision of technical support to the NDMO and upgrade of disaster response warehouses.

- **Habitat Training for Disaster Risk Reduction in Fiji** This activity began in October 2018. It is focused on building and training on resilient building methods for disaster risk reduction and sustainability in Fiji.
- Enhancing Community Resilience through Agriculture and Food Security in Fiji Working with Save the Children to improve resilience of communities and children's well-being through increased income and food security.

Kiribati

Kiribati's low lying atolls (in many places no more than 2m above mean sea level) are subject to long-term sea level rise, and are exposed to coastal erosion and inundation during high tides, storm surges and strong winds. This is resulting in increasing salinity of the water lenses and damage to buildings and infrastructure. Climate change is expected to reduce water availability over time due to increasing droughts and shrinkage of the water lens.

To assist in addressing these challenges, New Zealand is providing the following climate-related support:

- **Kiritimati Island Energy Sector project** this joint New Zealand and European Union initiative is upgrading the electricity network on Kiritimati Island (population 6,500). New generators are being installed and improvements are being made to the distribution network. A solar photovoltaic system supplying 15 percent of the electricity demand will also be added to the grid. These initiatives will help to reduce diesel consumption and are aligned with the emphasis on renewable energy in the Kiribati Joint Implementation Plan for Climate Change and Disaster Risk Management.
- Water, Sanitation and Hygiene programme In recent years, New Zealand has invested in (1) production of water for South Tarawa through desalination, and (2) rainwater harvesting systems for South Tarawa's community buildings and refurbished water and sanitation systems in the two hospitals. For the future we are currently scoping a significant investment in improved sanitation for South Tarawa (population 56,000+), and about to invest in initiatives to (1) monitor and provide public education on water quality in South Tarawa, and (2) demonstrate a new (to Kiribati) solar water still.
- **Temaiku Land and Urban Development project** Kiribati and New Zealand have co-created a project proposal to use lagoon sediment to elevate approximately 300 hectares of tidally-influenced land, located at Temaiku adjacent to the airport on South Tarawa, to around 2 metres above current highest sea level. If completed, this would increase South Tarawa's total land area by over 20 percent and provide around 70 percent more land for residential use. Detailed feasibility and design work on the project has now been completed. The Kiribati Government has indicated that it wishes to pursue the concept and New Zealand is helping with this by engaging proactively with potential donors to elicit their support.
- Solid Waste Management programme has been implemented on South Tarawa and Kiritimati Island since 2011.

The programme is in its second phase, which will end in 2021. The containment of plastics, used oil and other pollutants, and collection and export of bulky waste, is improving marine water quality and the health of ecosystems in Kiribati. With economic growth in Kiribati's outer islands, there will be a need to expand solid waste collection and disposal, and waste minimisation initiatives.

Nauru

Being a small island with coastal populations, Nauru is vulnerable to the impacts of climate change including sea level rise, drought, and the damaging effect that increased ocean acidification will have on coral reef ecosystems. Most people on Nauru live in low-lying coastal areas, given that land away from the coast (approximately 80% of the total land) is currently uninhabitable due to extensive phosphate mining. Transitioning away from a dependency on imported diesel to a local supply of renewable energy is a top priority for the government of Nauru to become more resilient and to mitigate further climate risks.

To assist in addressing these challenges, New Zealand is providing the following climate-related support:

• **Nauru Renewable Energy Initiative** – this supports the Government of Nauru's goal to increase renewable energy production, reduce reliance on fossil fuels and increase equitable access to affordable energy. This initiative, to construct and commission of a 1MWp solar photovoltaic farm moved to construction in mid-2018.

Niue

Changes in the abundance and health of fish stocks, marine resources and increases in extreme weather events associated with climate change are likely to negatively impact subsistence production in Niue. Capacity to address these issues is also a challenge.

To assist in addressing these challenges, New Zealand is providing the following climate-related support:

• **Niue Renewable Energy Phase 1** – this activity will ensure improved grid stability through remediation of existing generation as well as the installation solar photovoltaic panels and battery energy storage systems. These initiatives will increase Niue's renewable energy generation from 13 percent to over 40 percent. The project was completed in early 2019 and the newly integrated systems are now fully functional and performing to expectations.

North Pacific: Federated States of Micronesia, Republic of Marshall Islands and Palau

The countries of the North Pacific are all susceptible to the impacts of climate change. The capital of the Republic of Marshall Islands, Majuro, is low-lying and often overwhelmed by high tides and waves which cause widespread flooding. Extreme droughts have also affected both the outer islands and the capital of the Republic of Marshall Islands, causing a state of emergency to be declared in 2016.

Both the Federated States of Micronesia and Palau are made up of a number of islands. A number of these countries low-

lying coral atolls are highly susceptible to cyclones during the season and to rising sea levels. Droughts are becoming an increasing issue in the Federated States of Micronesia.

To address these challenges New Zealand is providing the following climate-related support:

- Federated States of Micronesia Energy Initiative: This activity began in November 2018. The key outputs for the Activity are: 1) Extension of the solar PV system on Pohnepei; 2) Technical assistance to support for Pohnepei Utilities Corporation (PUC) to improve operations and to purchase network analysis equipment and train staff in its use.
- **Development of RMI Energy Roadmap:** The aim of this Roadmap is to provide RMI with a full understanding of what steps are required if they are to meet their renewable energy goals. New Zealand has helped to develop a Roadmap and is also funding an energy advisor role in the Energy Planning Division to assist with coordination of donor funding and energy sector planning. This person will assist with the coordination of donor funding and energy sector planning. The role will provide additional input into the long-term roadmap and assist with the organising of a donor roundtable meeting in Majuro. RMI Roadmap was delivered in November 2018 and jointly launched by NZ Minister of Climate Change (Minister James Shaw) and RMI's Minister in Assistance to the President (Vice President equivalent, Senator David Paul) at COP24 in Katowice, December 2019.
- **Solar rooftop system in RMI:** There is a modest hardware component which is the installation of a 100kW solar rooftop system on the Marshalls Energy Company warehouse in Majuro. This is due for completion this calendar year.
- **Solar mini-grid in Palau:** We have agreed with the Government of Palau to fund a solar mini-grid system on the outer island of Kayangel. We are aiming to complete the project by the end of the calendar year. In addition we are funding a small rooftop system in Koror at the Palau Community College. This is due for completion this calendar year.

Papua New Guinea

Eighty-five percent of Papua New Guinea's population depends on traditional agriculture and fishing for their livelihoods. Subsistence farming and fishing are being threatened by the loss of wetlands, saltwater intrusion into the freshwater lens, changes in the abundance and health of marine resources including through increasing ocean acidification, and an increase in the intensity and frequency of extreme rainfall, heat and drought. Climate change also threatens the formal economy because agricultural crops provide a major source of revenue for the country.

To assist in addressing these challenges, New Zealand is providing the following climate-related support:

- **Rural on Grid Extension Project** extending the Port Moresby Grid by 86km to bring electricity from a hydro-plant to approximately 27,500 direct beneficiaries.
- Papua New Guinea Partnership a programme implemented by the IFC to build a stronger environment for private sector development. The programme includes promoting renewable energy solutions, identifies and supports firms that

can deliver improved clean energy access in PNG, and supports businesses to integrate renewable energy and energy efficient solutions in order to reduce operating costs and improve productivity and competitiveness

• Increasing Access to Electricity for Rural Communities Project – an ADB managed project in three provinces (Oro, West New Britain, and Bougainville) constructing 280 km of lines to extend local grids and connect 5,000 households. Electricity is generated hydro sources.

Samoa

Samoa is highly vulnerable to climate change with 70 percent of the population and infrastructure located on low-lying coastal areas. By 2050 sea level is expected to increase by 36 cm; rainfall by 1.2%; extreme wind gusts by 7%; and maximum temperatures by 0.7 C. The 2014-2025 tropical cyclone outlook for Samoa elevates risk by 41% on previous years.

To assist in addressing these challenges, New Zealand is providing the following climate-related support:

• Samoa Renewable Energy Partnership – New Zealand, the European Union and Samoa partnered to deliver three solar photovoltaic installations in Samoa, including a large solar array at the Faleata Racecourse in Apia contributing 4.5 percent of Samoa's total electricity needs. New Zealand co-financed with the Asian Development Bank three rehabilitated and three new hydro-power plants, and to the provision of technical assistance to support asset management and capacity building. Phase 2 is ongoing with consultants providing direct support to the Samoan utility on a range of issues on an on-call basis.

Solomon Islands

Ranked among the least developed countries in the world, Solomon Islands has a history of extreme climatic extreme events and these are increasingly becoming the norm. Floods, king tides, excessive rainfall and storm surges will continue to be an issue in both rural and urban areas. Support was also provided to assist with the clean-up of the oil spill from the MV Solomon Trader near Rennell Island.

To assist in addressing these challenges, New Zealand is providing the following climate-related support:

- **Sustainable Forestry** New Zealand is developing a business case for a carbon trading initiative in partnership with New Zealand based organisation EKOS. This proposed activity will support the protection of forests and the ecosystem services they provide, through delivery of alternative source of revenue to logging for landowners, initially in Temotu province, and potentially further.
- **Solomon Islands Fisheries Development** this will build resilience to climate change in marine ecosystems and fish stocks through improved management of fisheries resources.
- Solomon Islands Renewable Energy Activity: This activity will expand access to affordable, reliable and clean energy by constructing four solar-diesel hybrid mini grids in four rural settings: Hauhui in Malaita Province, Vonunu in Western Province, Sasamunga in Choiseul Province and Namugha in Makira Province. MFAT has signed a Grant

Funding Arrangement with electricity utility Solomon Power to implement the Activity.

Tokelau

Tokelau is a nation of three atolls, which have low relief, tiny land mass and are surrounded by deep ocean. These atolls are highly susceptible to climate change impacts and hydro-meteorological disasters such as floods, droughts, over-wash and tsunami. Tokelau is experiencing higher temperatures and it is expected that climate change will lead to longer spells of hot weather, more frequent severe weather and longer periods of little or no rainfall. Tokelau's atolls have negligible groundwater resources for potable use, and communities and households rely almost exclusively on rainwater harvesting for their water needs. Coral bleaching is degrading the coral reefs both within and beyond the lagoons. Tokelau's primary source of revenue is selling access to fishing grounds in the Tokelau Exclusive Economic Zone.

Disaster Resilience: In 2018 emergency supplies were purchased and delivered to each village in Tokelau by New Zealand. Technical assistance is being provided to Tokelau's National Disaster Management Officer and Climate Change Programme Manager to provide training and drills in all villages to improve preparedness for natural disasters, and to update Tokelau's emergency management legislation and procedures.

Coastal Hazards: Action to increase coastal resilience is prioritised in Tokelau's national Climate Change Adaptation strategy. MFAT has contracted an international firm to collect and analyse a wide range of data on coastal hazards, and to work closely with representatives of the village and national governments, and MFAT, to develop a comprehensive plan to reduce coastal hazards. New Zealand has voiced its intention to assist Tokelau with financing coastal resilience work because Tokelau, a territory of New Zealand, is not able to access the Green Climate Fund.

Water Security: Tokelau is participating in a five-year water security programme funded by MFAT and delivered by SPC. This has resulted in a Water Security Officer being installed in Tokelau to assess resources, raise awareness, build capacity, develop drought response plans, and implement practical water security interventions.

Renewable Energy: After installation in 2012, Tokelau's solar photovoltaic panel and battery systems supplied over 90% of its electricity, a remarkable achievement at the time. Tokelau is now looking to acquire the latest technology with proven durability in atoll conditions, and it has committed \$3 million to its renewable energy infrastructure. The upgrade is necessary to meet rising demand for electricity over the next decade. New Zealand has confirmed that it will contribute \$6 million to the \$9 million upgrade, once plans for the long-term sustainability of these assets are mutually agreed.

Resilient infrastructure: New Zealand has committed over \$16 million to the \$20 million reconstruction of four wharves

and reef passages on Tokelau. The infrastructure is being built to a high standard to be resilient to extreme weather. Works have been completed on two of the four locations. In 2018/19 New Zealand provided a \$2.5 million supplement to its budget support to the Government of Tokelau to replace critical infrastructure. Both of these investments improve public safety and community resilience.

Tonga

Projected decreases in dry season rainfall, increases in wet season rainfall and in extreme rainfall days, along with more intense tropical cyclones could adversely impact Tonga's agricultural sector (which makes up two thirds of Tonga's total exports). Some low lying areas are vulnerable to sea-level rise which will likely modify the ecosystem structure and functioning of coastal areas, limiting the availability of subsistence fishing.

To assist in addressing these challenges, New Zealand is providing the following climate-related support:

- Tonga Village Network Upgrade Project this project was implemented by Tonga Power Limited (TPL) and has concluded. The project strengthened and improved safety, efficiency and reliability of electricity supply to 55 rural villages on Tongatapu. As a result of this project, line losses to upgraded villages were reduced from an estimated average of 18-22 percent to 5 percent and network faults were reduced by 83 percent. This activity is now complete and in the process of being reviewed.
- **Nuku'alofa Power Network Upgrade Project** Following the above, Tonga Power Limited has begun implementing a similar project in urban areas. New Zealand's NZ \$11 million grant contribution to the first stage of the five year plan will benefit 2,138 households and businesses in 12 villages in Nuku'alofa.

Tuvalu

Tuvalu is highly vulnerable to climate change. Continued sea level rise potentially threatens the long-term survival of the nation. Salt water intrusion is an increasing problem in terms of access to fresh water. Days of extreme heat and extreme rainfall are expected to increase and ocean acidification is projected to continue, providing significant challenges to Tuvalu's economy which is dominated by subsistence farming and fishing activities.

To assist in addressing these challenges, New Zealand is providing the following climate-related support:

- Tuvalu Renewable Energy Projects as part of the European Union and New Zealand Pacific Energy Access Partnership New Zealand has installed hybrid mini-grid systems on the Northern Islands of Nanumaga (195kW), Nanumea (195kW) Niutao (232kW), and Vaitupu (410kW) in the Central Islands. These installations are reducing greenhouse gas emissions and reliance on diesel fuel. New Zealand also funded the installation of grid-connected solar photovoltaic arrays on two public buildings in Funafuti
- **New Zealand** also supported the Borrow Pits remediation, which expanded Funafuti's available land by 8% and improved resilience to storm surges and sea level rise

 New Zealand's ongoing support to **Tuvalu's sovereign wealth** – through the Tuvalu Trust Fund, fisheries licencing, and boosting revenue from contract negotiation, MFAT is supporting Tuvalu to be more economically resilient to climate change.

Vanuatu

Vanuatu is vulnerable to climate change. Air and sea surface temperatures are projected to increase; as are ocean acidification and mean sea-level. More intense and frequent extreme rainfall days are expected.

To assist in addressing these challenges, New Zealand is providing the following climate-related support:

- **Vanuatu Tourism Infrastructure Project** this project is now complete and aimed to strengthen areas of the Port Vila Seafront Precinct to withstand storm surges.
- Vanuatu Rural Electrification Project as a contributor to this World Bank-led initiative, New Zealand supported Phase I of this project which was the distribution of solar home systems to off-grid households in rural areas to replace the use of petroleum for light and power. This helps reduce mineral contamination and carbon emissions. Phase II will see the establishment of solar mini-grids.
- **Tourism Assistance Programme** this programme is incorporating climate change adaptation principles into the design and building of new tourism destinations.
- **Wan Smolbag** this activity is helping educate communities on climate change adaptation and mitigation principles. Environmental activities carried out by Wan Smolbag aim to promote environmental sustainability and good community resource management.
- Vanuatu Water Sector Partnership is focused on improving sustainable and equitable access to safe water that leads to a healthier and more economically productive and resilient population. This includes the establishment of a national water-related information base; implementation of the National Infrastructure Plan and Climate Action Plan; and a strengthened urban water supply.
- Water and Sanitation programming: Through the Partnerships Fund, New Zealand invests in WASH promotion and resilience building in Sanma and Penama provinces. In the past 5 years New Zealand has supported UNICEF, ADRA, World Vision and Oxfam to implement WASH projects across Vanuatu to deliver water supply infrastructure and sanitation facilities.
- **Takara Geothermal Support** this activity has now ended but provided expert technical assistance to Vanuatu's Department of Energy regarding the use of the Takara geothermal resource for the purposes of future electricity generation on Efate.

Other regional and multi-country climate-related support provided in the 2018/2019 financial year

Accessing climate finance is a significant issue for Pacific island countries and a key priority for New Zealand is to ensure that the Green Climate Fund delivers effective outcomes for the Pacific. We have provided targeted technical assistance to help Pacific island countries to access climate finance (the Technical Assistance for Pacific Access programme). We have provided direct assistance on project proposals; we have also supported Kiribati and Niue to access readiness funding from the Green Climate Fund; and, are providing support to regional agencies (SPC and SPREP) to help countries develop project proposals. We have also made a commitment of \$3m to the Adaptation Fund.

Pacific regional agencies and climate change - New Zealand also provides considerable core funding to the Pacific Community (SPC) (\$21.5 million over 2017-2019), the Secretariat of the Pacific Regional Environment Programme (\$1.5 million annually), the Pacific Islands Forum Secretariat (\$3.36 million annually) and to other regional and multilateral agencies for which climate change is integral to their strategic approaches. New Zealand will be assisting SPREP and the Japan in the creation of the Pacific Climate Change centre based on the SPREP campus in Apia that is now under construction. The centre will operate as a regional hub and centre for excellence on climate change issues assisting with climate finance access, capacity building, knowledge sharing and technical assistance. (\$3.5 million over the next three years towards human resourcing and capacity development). At COP24 we also announced a \$1.5m contribution to the Pacific Regional NDC Hub to support PICS implement and enhance their NDCs.

Biodiversity – New Zealand has made **a \$1 million commitment** to the French led Pacific Initiative. Other donors include Australia, France, the EU, and Canada. The fund will pool resources to: (i) increase the capacity of SIDs to adapt to the impacts of climate change; and (ii) protect and restore biodiversity in order to strengthen resilience in socio-ecological systems.

Ocean acidification – this project provided **\$2.1 million** over four years (2015-2019) to help build resilience to ocean acidification in the Pacific. Ocean acidification is likely to have negative impacts on the health of corals reefs, shellfish and potentially on regional tuna fisheries and tourism. The programme will be extended for a further year to 2020, with cost to be met within the initial funding baseline. SPREP, in collaboration with SPC and USP, is leading on this work. SPREP with SPC have conducted a regional vulnerability analysis, as well as detailed scientific work on the impacts of ocean acidification. SPREP have also completed in-depth ecological and social assessments of sites in Fiji, and have similar assessments under way in Kiribati and Tokelau. This work has been completed alongside relevant government departments, and will lead to specific adaptation actions at each site. Specific activities are still being selected in partner countries.

Water security in atolls – New Zealand is funding the Pacific Community (SPC) to deliver a **\$5 million** project over five years to strengthen water security in five drought prone Pacific island countries (Tuvalu, Tokelau, Kiribati, Cook Islands and the Republic of Marshall Islands). This project began in November of 2018. The goal is to ensure access to safe and reliable drinking water supplies for vulnerable Pacific island communities (including during periods of drought). To achieve this, a suite of practical measures or tools have been developed and implemented, which target the two major barriers to protecting water security: (a) the capacity to anticipate, prepare for and respond to drought, and (b) the ability to effectively and efficiently use and maintain existing infrastructure.

Disaster Risk Management in the Pacific - via the New Zealand Ministry of Civil Defence and Emergency Management we are supporting National Disaster Management Offices in Samoa, Tonga, Niue, Tokelau and the Cook Islands. This support will strengthen their preparedness for, and responses to, natural disasters. **(\$3.2 million).**

DST, Climate Change and Environment 2019

Climate Finance

Objective

- On pre-2020 finance, continue to maintain a constructive dynamic focused on progress made and developed country Parties' commitment on long-term finance, drawing on those Parties' Biennial Submissions;
- On post-2020 finance, emphasise the importance of learning from the current period before commencing deliberations on setting a new collective quantified goal, and well as expanding the donor pool as agreed by the Paris Agreement; and
- Profile New Zealand's climate finance support, particularly in the Pacific.

Background/Issues

This brief covers outstanding finance items as well as New Zealand's general approach to climate finance. The Paris Rulebook settled most finance items. Looking ahead to 2020, climate finance work will include:

- Concluding the details for the Paris Agreement's transparency framework, including common reporting formats (CTFs) for finance reporting;
- Delivering first Article 9.5 submissions (developed countries only);
- Commencing, in 2020, deliberations of the post-2025 finance goal;
- Considering mandated products of the Standing Committee on Finance (SCF):
 - Assessment of needs of developing countries (a new product mandated at COP24); and
 - The 2020 Biennial Assessment of Finance Flows (including Article 2.1.c).
- 2 CTFs are on the SBSTA agenda (see separate brief). The remaining items will progress in the side lines of SB50.

Deliberating on a post-2025 Finance goal

- 3 14/CMA.1 decided to "initiate at its third session (November 2020) ... deliberations on setting a new collective quantified goal from a floor of USD 100 billion". The decision requires those deliberations to consider the goal contained in Article 2.1.c of the Paris Agreement of "making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development." The former gives confidence to developing countries there will be a new collective goal, while the latter is important for current donors that the goal will include all finance sources, not just public finance. Some countries, s6(a) strongly resisted the notion of 'broadening the donor base', which is implicit in Article 9.3's reference to 'as part of a global effort'.
- 4 New Zealand has two main interests: ensuring the donor pool expands to include emerging economies; and ensuring it the role of private finance is appropriately reflected. This benefits both current donors and all recipients as it will increase the overall finance available. This is also the understanding in the Paris Agreement itself: Article 9.2's encouragement for developing countries to provide support voluntarily and

Article 9.3's reference to 'a global effort'. Middle income countries' contributions would also help create social licence to contribute domestically in some developed countries.

5 Some in the UG are concerned that countries may push for discussions to begin before 2020, and turn it into a negotiation, to build coin to spend elsewhere. This would set a poor precedent: we should resist efforts to roll back agreements made (in this case on dates).

Talking points

- The CMA decision provides certainty on deliberations for a new collective quantified finance goal, post-2025, including with the floor of USD 100 billion.
- It also sends a clear signal to the private sector on the need for investment flows to be consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.
- There is still important work to be completed in the pre-2020 period, which will be important inputs to those deliberations. For instance, we need to build on the experience of supporting country-driven strategies. This approach will be complemented by 'needs assessment' reporting under the Standing Committee on Finance, and agreeing common tabular formats for climate finance.
- Progress on these areas will strengthen understanding among all countries on the most effective ways to provide and mobilise climate finance.
- This will also help to broaden the donor pool to include all possible sources, public and private, existing and new donors. This is in all of our interests donor and recipient countries alike.

Mandated products of the Standing Committee on Finance (SCF)

- 6 At COP, SCF was mandated to "prepare, every four years, a report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement". The COP and CMA will consider the reports, starting at COP26. This was a major push from developing countries across the finance work streams and was successfully contained to this one item. The parameters of the needs assessment report (NDR) now need to be determined.
- 7 The SCF had its first meeting on this in March 2019 on this. The NDR will follow a similar approach to the Biennial Assessment. The SCF will hold a technical workshop at SB50. There are 5 UG seats; Australia usually attends rather than New Zealand.
- 8 The NDR is largely a question on which it would be useful to get developing country input. New Zealand comment should focus on ensuring the report is both credible (derives from a range of reliable sources that overall represent a balanced view) and useful (will serve the needs of climate finance recipients who requested the report be produced).

Talking points

• Country partnerships are at the heart of New Zealand's development approach. We agree joint commitments for development with our partners, which are based on partner countries' national plans and identified needs. These national plans are fundamental to how we approach development assistance.

- The needs assessment under the SCF can be a useful supplement to this bilateral approach. It is important to ensure it responds to the needs of partner countries, and is useful for both donors and recipients, consistent with Article 9.2.3.
- Any discussion on needs must be contextualized in the real-world factors and the significant role of private investment in bringing about the global transition.

Other issues

Narrative roadmap to US\$100 billion - OECD Addendum

- 9 UG HODs will need to decide whether to proceed with work on an OECD Addendum on mobilising private sector climate finance. This would be a follow up to an OECD report on public climate finance flows in 2017, launched at COP24.
- 10 In 2016, developed countries created a roadmap on how to achieve the 2010 collective climate finance goal. Recognising the desire for a sense of progress toward the goal, a group of developed countries commissioned a report on public climate finance flows in 2017. The report shows Parties are broadly on track to achieve the \$100 billion goal. As there was not enough time prior to COP24 to collate data on private finance flows, the OECD is developing a further report on private finance mobilised in 2017. This has been delayed due to issues receiving accurate data from some large private donors.
- 11 The OECD will provide an update on 20 June on receipt of data. If data is poor, it may be unhelpful to the narrative demonstrating effective public <u>and</u> private climate finance. However this should be balanced against the desire to complete the work commissioned of the OECD, which was to create an overview of all finance flows in 2017. Leaving the report as referring to 2017 public finance only (as the 2018 OECD report does) potentially creates an imbalanced picture that overemphasises the role of public finance and incomplete data that creates the impression that we are not on track to achieve the \$100b goal.
- 12 New Zealand is not a major player in mobilising private finance, although we have had some specific successes such as in the energy sector for the Pacific. It may be useful to note the OECD reports are intended as a factual accounting of fulfilment of existing pledges. It does not deny or go to the question of whether there are unmet development needs (including within the Pacific region) just pushing back on arguments (made mainly by LMDCs) that developed countries have failed to deliver what they said.

Talking points

- The OCED report tells a story about donors' fulfilment of existing pledges for public finance. This addendum is important to provide the full picture of public and private finance.
- We know mobilising private finance is essential to achieve Article 2.1.c. The
 addendum needs to be accurate, however, if it is to build trust and confidence in
 delivery of climate finance.
- New Zealand is not denying there may unmet need for assistance, but the nature of these reports is about delivering on pledges, not a needs assessment, which is being addressed under the SCF.

New Zealand's climate finance

- New Zealand is committed to supporting developing countries to address the impacts of climate change and take climate action, with a particular focus on the Pacific.
- New Zealand has committed to delivering at least \$300 million in climate-related support from 2019 to 2022, with at least two thirds of that funding being provided to Pacific island countries.
- This represents a 50% increase on the previous four year commitment, made in 2015, to deliver \$200 million in climate-related support for 2015-19. We are well on track to deliver that commitment.

Country partnership approach

- Country partnerships are at the heart of New Zealand's aid approach. We agree joint commitments for development with our partners, which are based on partner countries' national plans and identified needs.
- In response to our partners' communicated needs and priorities, we expect this
 additional funding will focus on practical action to adapt to climate change and build
 resilience. We aim for at least half of our total support being adaptation focused.
- New investments will complement ongoing support for building stronger and more resilient infrastructure, strengthening disaster preparedness, and supporting lowcarbon economic growth in the Pacific region, including through our contribution to improving access to clean, efficient and affordable energy.
- Through the delivery of a set of focused investments we aim to: ensure Pacific island countries are able to lead their climate change response; promote greater global action to reduce greenhouse gas emissions; increase Pacific resilience through on-the-ground adaptation activities; and support the Pacific region to avert, delay and prepare for climate change-related human mobility.

Multilateral climate finance

• In addition to our bilateral and regional support, New Zealand contributes to multilateral funds with a strategic focus on climate change, including the Global Environment Facility (GEF), the Green Climate Fund (GCF) and the Adaptation Fund (AF). We significantly increased our commitment to the GEF through the GEF-7 replenishment and are engaging in the GCF replenishment discussions.

Capacity building

New Zealand is committed to supporting developing countries, particularly our Pacific neighbours, to build capacity to implement their Paris Agreement commitments. The Paris Agreement recognises countries start in different places and we know some countries will need support to build their capacity to implement it over time.

- Countries' own reporting on support needed under the transparency framework will provide useful information to help us direct our efforts.
- We recognise that Pacific island countries face challenges in accessing finance from funds such as the GCF and the GEF. Our 'Technical Assistance for Pacific Access' (TAPA) programme has supported capacity building workshops and provides technical assistance for the preparation of project proposals.

Pacific champion

- We also support Pacific island partners' international engagement in climate-related forums, such as the COP, to raise the profile of Pacific climate issues internationally and help the region to contribute to a global response to climate change.
- We are also advancing policy discussions on important issues for the region. For example, we are instigating collaborative action on Pacific climate-related human mobility, a real and pressing concern in the region. That includes not only contributing to regional and international conversations about climate-related human mobility, but also planning to utilise Official Development Assistance to support Pacific partners to avert or delay climate-related displacement.

Broader finance flows: Article 2.1.c

- New Zealand is also focused on achieving the Paris Agreement goal of making all finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development (Article 2.1 c).
- We are eager to build on the >\$2 billion in finance we were able to mobilise through our 2013 and 2016 Pacific Energy Conferences co-hosted with the EU. We aim to engage constructively in developing Pacific climate financing solutions that leverage funding from a variety of sources, such the Pacific Resilience Facility.
- We have established the New Zealand Green Investment Finance Ltd, which will
 focus on stimulating investment into domestic low emissions projects. A \$NZ100m
 capital injection from Government will kick-start NZGIF with a view to it becoming
 self-sustaining by mobilising private finance and investing on a commercial basis.
- The Government is also considering how best to build on the existing momentum created by our private sector leaders in implementing Article 2.1.c. New Zealand's Superannuation Fund was named as one of the top 25 most responsible asset allocators. It is a founding member of the One Planet Sovereign Wealth Fund Working Group. Other leaders are the Auckland Council, which raised \$200 million from a green bond share issue in mid-2018, and Contact Energy, which launched a \$1.8 billion green borrowing programme to fund geothermal assets.
- The Aotearoa Circle, a new initiative of leaders from across the public and private sectors in pursuit of sustainable prosperity, has launched a Sustainable Finance Forum. The Forum is tasked with designing a roadmap to help NZ shift to a financial system that supports economic, social and environmental outcomes. We're looking to learn from the experiences of other countries who have taken similar paths.

Climate Change Division, May 2019

United Nations Secretary-General Climate Action Summit

Objective

- Raise the profile of New Zealand's involvement in the Summit as an example of our climate leadership.
- Advocate for engagement in the NBS action area and raise interest in the New Zealand-led agriculture proposal.
- Call on countries and non-state actors to engage in the Summit and assist by giving informational insights and expectations on the process.
- Manage messaging around NDC enhancement and long-term low emissions development strategies.

Key messages

- New Zealand is looking forward to the Climate Action Summit. The world needs to harness momentum from COP24 and accelerate climate action to keep the 1.5°C temperature goal within reach.
- We strongly support the Secretary-General's intention to use the Summit to bring leaders together to launch concrete initiatives that can have transformative impact and take us beyond the current level of ambition in NDCs.
- To be "summitable" these proposals need to be replicable, scalable and implementable. Time frames for action are 2020, 2030 and 2050.
- This Summit offers an opportunity to accelerate, deepen and build confidence in the feasibility of the transformational change that is needed, enabling countries to recommunicate enhanced NDCs in 2020.
- Now that the negotiations have largely concluded, the Summit offers a demonstration of what multilateral implementation looks like. We encourage all countries, as well as civil society organisations and private sector actors, to think about how they will use this opportunity and contribute to this global effort.
- We were pleased to host the UN Secretary-General in New Zealand during his visit to the South Pacific in May, where he engaged with youth climate leaders and learned about an indigenous approach to managing agricultural emissions.

Nature-Based Solutions co-leadership

- New Zealand will support the outcomes of the Summit, across the agenda. At the forefront, we are proud to be co-leading the action area on Nature-Based Solutions (NBS) with China.
- Nature-based solutions are effective, long-term, cost-efficient and globally scalable approach for climate action, with potential to remove up to 12 GT of greenhouse gasses per year, build climate resilience in various sectors and regions, add an

- additional US\$2.3 trillion in productive growth to the global economy, while supporting vital ecosystem services.
- The NBS action area received over 120 proposals across natural systems, including forests, oceans, agriculture and biodiversity. Many of these have significant potential to be transformative and contribute to other co-benefits linked to the 2030 Agenda for sustainable development (such as biodiversity, poverty reduction, food security and health).
- We have been working with the NBS coalition members (which includes countries, NGOs, business) to analyse and refine these further into an "NBS proposition" or package of initiatives, including how these can be integrated with recommunicated NDCs.
- Please feel free to get in touch with New Zealand's team in Bonn:
 - Project Lead Steph Lee (<u>Stephanie.Lee@mfat.govt.nz</u>; \$9(2)(a) ; in Bonn 24-28 June.
 - Policy Adviser Alysha Bagasra (<u>Alysha.Bagasra@mfat.govt.nz</u>; s9(2)(a)
 ; in Bonn 17 28 June.

[IF RAISED] Working with China

- Our engagement with the China has been constructive and productive. We are both committed to an ambitious outcome that maximises the contribution of NBS to climate action.
- On harmonious co-existence: New Zealand has not endorsed all of the language used and has advocated for neutral and factual language. The Summit is about climate action and does not have a negotiated outcome. Any framing used will not be binding on Parties or other participants.

New Zealand's agriculture proposal

- New Zealand has proposed an agriculture initiative to enable the global food system to move to an emissions-efficient and climate-resilient state. We are currently working with the World Resources Institute, Climate and Clean Air Coalition, FAO and others.
- The initiative will seek commitments and investments by public and private actors to specific policies and practices that are currently overlooked and under-funded to lead to major system improvement.
- This includes the quantification of agricultural emissions (for example, improving greenhouse gas inventories to measure agricultural emissions) and emissions mitigation research (for example, the Global Research Alliance on Agricultural Greenhouse Gases).

Wider Summit engagement

• New Zealand is exploring engagement across all pillars of the Summit to contribute our expertise and support for outcomes that benefit the Pacific region.

 Areas of particular interest include Fossil Fuel Subsidy Reform under the Energy Transition pillar, climate resilient financial systems under the Resilience and Adaptation pillar, and Just Transition under the Social and Political Drivers pillar.

Abu Dhabi

- A high level preparatory meeting will be held in Abu Dhabi on 30 June 1 July to short-list the most transformative initiatives across all the thematic areas and identify synergies between them for maximum coverage and impact. New Zealand's delegation will be led by the Climate Change Ambassador.
- We expect the meeting in Abu Dhabi to provide high level guidance on direction of our efforts and the build political buy-in for the concrete initiatives. We expect to short-list the most high impact proposals according to the criteria established by the ambition advisory group.
- There will also be work to identify synergies between proposals from other action areas in order to build cross-cutting initiatives to deliver maximum systemic change.
- We expect the shortlisted initiatives to be worked on further, particularly in gathering support and commitments from a range of public and private actors, as well as quantification and monitoring plans to assess the impact of the initiative.
- For those initiatives that are not short-listed for the Summit day, there will be opportunities to showcase these, garner support and launch them in the margins of UNGA, as well as other key events over the year including the CBD COP and COP25.

Pacific priorities

- During his visit to the Pacific, the Secretary-General went to Fiji, Tuvalu and Vanuatu where he was able to witness first-hand the existential threat climate change poses to many Pacific Island countries, but commended their determination to find solutions. The Summit provides an opportunity to deliver tangible outcomes, including for the PICs.
- We are pleased that Fiji is a coalition member leading on the Oceans theme of NBS, and are keen to discuss what Fiji's aspirations are for this theme.
- We welcome RMI's co-leadership (with Ireland) of the Youth and Mobilisation action area. This is a pillar of interest for New Zealand as we consider broader involvement and we'd be interested in finding out more about RMI's priorities and plans for this pillar.
 - New Zealand is exploring opportunities to engage across the pillars to contribute New Zealand's expertise and support outcomes that benefit the Pacific region. We would welcome remaining in close contact over the next months. Any contacts working on the Summit would be useful.
- In particular, the Resilience and adaptation pillar, co-led by United Kingdom and Egypt, offers opportunities to insert Pacific experiences on 'resilient people' and

how climate risk can be taken be taken into account in financial policy and decision making. We would welcome PICs' views on this.

NDC enhancement and Long-term low emissions development strategies (LT-LEDs)

- The UNSG is looking for countries to enhance their NDCs ahead of the deadline to submit recommunicated NDCs by 2020. The Paris outcome also invites us to submit our LT-LEDs next year.
- Headline NDC numbers are one important aspect of ambition, and long-term strategies also need to be positioned as a key element of a greater ambition package. From these firm transition pathways, we can back-cast to the medium and short term and to a re-assessment of our NDCs.
- New Zealand hopes to have an announcement on our 2050 long-term strategy at the Summit.
- We are also looking at how to contribute the momentum and learnings of the Carbon Neutrality Coalition to normalise carbon neutrality to encourage countries to improve their short term target on the basis of this long term ambition.
- [if needed] Enhancing NDCs can take a number of forms:
 - We could reduce the uncertainty bars if Parties volunteered to use the agreed ICTU (information for clarity, transparency and understanding, agreed at Katowice)
 - We can link NDCs into longer-term pathways, giving greater certainty that they will be achieved and are on the right path
 - After seeing all the initiatives at the Summit, Parties may consider adding further sectors to their NDC
 - We can encourage those who have not yet submitted an NDC to do so by the Summit

Role of COP25

- The political buy-in and tangible actions generated from the Climate Action Summit in September should drive countries to enhance their NDCs and communicate ambitious emissions reduction pathways in 2020. COP25 is an important milestone, as a key post-Summit opportunity for countries to signal they have heard and are responding to this challenge.
 - It is not yet clear what intentions are for COP25 and the UNFCCC more generally to play a role in following up outcomes from the Summit. This should be discussed by parties in Bonn.

Issues/background

The United Nations Secretary-General will host a Climate Action Summit on 23 September in New York on the first day of UNGA74. The stated purpose of the Summit is to: (i) mobilise political will towards achievement of the Paris Agreement goals, and (ii) to demonstrate that transformative action is possible and is taking place.

- The Secretary-General wants to use the Summit for leaders to launch bold, concrete action-oriented initiatives and proposals, aiming to collectively increase global ambition and enable enhancement of Nationally Determined Contributions under the Paris Agreement in line with reducing greenhouse gas emissions by 45 per cent over the next decade, and to net zero emissions by 2050.
- 3 Recent informal meetings have demonstrated the challenge of moving the multilateral climate change regime from negotiations to an implementation phase. Many are relying on the UNSG's Climate Action Summit to serve as an early demonstration of what multilateral implementation looks like.

Nature-Based Solutions (NBS) co-leadership

- A New Zealand accepted the UNSG's invitation to co-lead the action area on Nature-Based Solutions with China. The focus is on how natural systems and human interactions with them can contribute to reducing greenhouse gas emissions and support adaptation to climate change, covering biodiversity & ecosystem restoration, agriculture, forests, oceans, rural communities and food and water systems. It also considers other sustainable development co-benefits. Progress is being regularly updated on the UN website: https://www.un.org/en/climatechange/climate-action-areas.shtml.
- The 'NBS coalition' consists of the co-leads, a UN facilitation team, a small group of countries expressing interest in driving sub-areas [Norway and Costa Rica (forests); Fiji and Portugal (Oceans); Tajikistan (water)], and a broad range of supporting countries and organisations.
- The NBS was the only action area to put out a global solicitation for proposals. More than 120 proposals were received and have been grouped into 4 bundles:
 - Forests and land-based ecosystems
 - Freshwater and Ocean systems
 - Agriculture and food systems
 - Integrating nature's systemic role in development and policy instruments
- The NBS coalition is now accelerating work to refine and merge high quality proposals to collate a "package" to take forward to the short-listing and consolidation exercise that will happen in Abu Dhabi. We are having weekly co-leads calls and regular coalition meetings hosted by the New Zealand and Chinese missions in New York.

s6(a)

- s6(a) 8
- s6(a) 9

s6(a) 10

·ficial Information Act 1982 New Zealand's agriculture proposal

- New Zealand (led by MPI) has developed a proposal for an agriculture 11 initiative ("Leading the way to a sustainable food future") with the Climate and Clean Air Coalition, World Resources Institute, CCAFS, and GRA. The framing of the proposal has been pitched to serve as the overarching narrative for how the NBS puts forward concrete activities to address climate change in agriculture and food systems.
- MPI and MFAT are now working to narrow the proposal in order to make it more consistent with New Zealand's mandate, domestic climate and agriculture politics, and recent funding announcements (e.g. The GRA, Aid Programme, domestic research). We intend to focus New Zealand's contribution to measuring agricultural emissions (most countries do not have this data); and investing in scalable mitigation research.

Wider Summit engagement

13 We are exploring opportunities for New Zealand engagement and profile across the breadth of the Summit, including making national announcements and associating with initiatives under other pillars. We hope to have an announcement on New Zealand's long-term low emissions development strategy at the Summit, as well as promote the Carbon Neutrality Coalition (that NZ co-leads), fossil fuel subsidy reform, Pacific interests in resilience and oceans, agricultural emissions, youth, indigenous and business leadership, just transition, green financial and economic systems, including trade.

14 We have particular interest in the resilience pillar (the UK and Egypt); energy transition pillar (Denmark and Ethiopia); social and political drivers pillar (Spain and Peru), the mobilisation pillar (Marshall Islands and Ireland). In the lead up to Abu Dhabi, we are working to identify high value initiatives for New Zealand across the pillars.

Abu Dhabi

- 15 The high level preparatory meeting will be held in Abu Dhabi on 30 June 1 July to short-list the most transformative initiatives across all the thematic areas and identify synergies between them for maximum coverage and impact. We did not see the value add of sending ministers. The New Zealand delegation will be led by Kay Harrison, Climate Change Ambassador. We will also not have youth and/or other civil society delegate at Abu Dhabi, instead looking to have this representation at the Summit in New York.
- 16 It will be important to come out of Abu Dhabi with a set of high impact initiatives to develop further and conduct diplomatic outreach on, as well as a clear plan on processes heading into the Summit day.
- 17 There will also need to be comfort provided to initiatives that are not short-listed that there will still be opportunities for them to be showcased and launched at other key events. This may include in the margins of UNGA, the HLPF on Sustainable Development, CBD COP and COP25.

Pacific priorities

- The UN Secretary-General visited the Pacific region in May 2019, seeking insights for his preparations for the Summit. He was struck by the existential threat climate change posed to many Pacific Island countries, and has since reinforced his call to leaders of large emitters to bring political will transform policies across sectors.
- 19 Pacific Island Forum countries called on the UNSG to amplify their voices, particularly in the lead up to his Climate Action Summit in New York in September. We are still struggling to identify where PICs are thinking of engaging on substance, and assist in this regard in line with New Zealand's objectives to assist delivery of positive outcomes for the Pacific. Any contacts working on the Summit would be useful.
- 20 RMI has made clear its expectations are major economies coming forward with signals they would commit to more ambitious emission reduction targets under the Paris Agreement, details of long term strategies for low emissions development, and concrete

proposals that would enhance vulnerable countries' resilience. It is not clear to us the extent to which this reflects views common to other PICs.

21 We understand that the UNSG is not seeking to highlight the problems of climate change but rather actions and solutions, which may squeeze out Pacific aspirations. So too may his focus on transformation and scaling up, and the heavy weighting of mitigation actions over adaptation. But there are success stories in the Pacific, from those countries which have led the way by revising their NDCs to activities in areas such agriculture and mangroves which may have broader applicability. There may be potential to draw such threads together under one of the pillars or in a cross-cutting manner.

NDC enhancement and Long-term low emissions development strategies (LT-LEDs)

- A key aspect of the UNSG's expectations is that countries should use the initiatives and political will delivered at the Summit to enhance their NDCs ahead of the 2020 NDC recommunication. This has been reinforced by a joint appeal from the UN system that asks states to "raise ambition in their nationally determined contributions to reduce greenhouse gas emissions by 45 per cent by 2030 and reach the goal of zero net emissions in 2050".
- 23 New Zealand is seeking to raise understanding internationally that ambition doesn't solely rest on the headline number. We are exploring other ways to show increased ambition in our NDC. Alongside this, we are underlining the importance of developing long-term low emissions development strategies that underpin close-term targets and actually deliver the emissions reduction committed.

24 s9(2)(g)(i)

We are continuing to work with the Secretary-General's office to understand expectations around national announcements by leaders at the Summit.

COP25

25 Chile wants to ensure COP25 is seen to conclusively take forward the outputs of the UNSG's Climate Summit. s9(2)(j)

Climate Change Division Ministry of Foreign Affairs and Trade June 2019

Fossil Fuel Subsidy Reform

Objective

- Maintain New Zealand's leadership on Fossil Fuel Subsidy Reform (FFSR) and work (especially with Friends and GSI) to bring attention to FFSR within the UNFCCC, including using side events and the transparency process.
- Advocate the crucial role FFSR should play at the UNSG Climate Action Summit, and gather information on which countries may be able to take on commitments.
- Highlight the continued scale and size of existing fossil fuel subsidies and need for reform given increased ambition and findings from the IPCC 1.5 Special Report.
- Raise awareness of New Zealand's intention to develop a Ministerial Statement for the 12th WTO Ministerial Conference (MC12) in 2020 that aims to bring FFSR into the WTO as a trade discipline.
- Encourage endorsement of the planned Ministerial Statement at MC12 as a key tool to supporting climate and sustainable development objectives.

Key messages

- Fossil Fuel Subsidy Reform supports the objectives of the Paris Agreement; in particular making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.
- Every year governments spend more than US\$425 billion to subsidise fossil fuels, four times the amount spent on renewable energy. The significant domestic resources saved from fossil fuel subsidy reform can be effectively re-directed towards other objectives, including supporting contributions under the Paris Agreement.
- Around 50 countries have committed to phase out inefficient fossil fuel subsidies under G7, G20 and APEC; over 40 have reduced subsidies over the last years, often while bringing down emissions and boosting public expenditure on other development priorities. But a lot more still needs to be done.
- New Zealand is a long-standing champion of FFSR and a leading member of the Friends of Fossil Fuel Subsidy Reform group (the Friends). Persistent advocacy by the Friends has encouraged world leaders to make commitments to reform under the auspices of the UN Framework Convention on Climate Change (UNFCCC) and in the G20 and G7. Leaders have also committed to reform in the Sustainable Development Goals: Goal 12 ('Responsible Consumption and Production') target C rationalisation of inefficient fossil fuel subsidies.
- At SB50, we have co-sponsored a side event on "Delivering Ambition in NDCs from fossil fuel subsidy reform" which will take place on 20 June, 16:45-18:15. It will show compelling modelling and case studies from over 20 countries on how phasing

out fossil fuels resulted in emissions reductions and re-investment in low-carbon energy.

- During his visit to the Pacific in May, the UN Secretary-General emphasised that taxpayers' money must not be used to boost hurricanes and he urged governments to stop subsidising fossil fuels. He will want to see this topic highlighted at his Climate Action Summit in September.
- New Zealand is very keen to see a transformative initiative on FFSR at the Climate Action Summit. If countries and organisations could commit to a target date to phase out harmful fossil fuel subsidies, and show this ambition in their NDCs, it would have a significant impact on the atmosphere and the patterns of finance away from grey growth and towards green growth.
- We are working with Denmark, as a Friend of FFSR and the co-lead of the Energy Transition action area, and other organisations such as the Global Subsidies Initiative, to explore these ideas further. We would welcome interest from others in terms of what they could commit to.

We are also focused on delivering a renewed Ministerial Statement at the next WTO Ministerial Conference (MC12) to be held in June 2020. The renewed statement will build on the New Zealand-led statement at MC11 which was signed by 11 other Members. We are working intensively between now and June 2020 to generate endorsement of a statement by a wider range of WTO members, and that sets out more defined actions to enable a discussion on FFSR in the WTO in the future.

Issues/background

Fossil fuel subsidies distort global markets, creating inefficiencies and unfair competition, including stunting growth in renewable energy. Fossil fuel subsidies were estimated at USD425 billion in 2015 – equivalent to 20 percent of the value of internationally traded fuels. Inefficient fossil fuel subsidies encourage wasteful consumption and disadvantage renewable energy. Addressing such subsidies will deliver trade, economic, social and environmental benefits. Reform would also make a significant contribution to climate change mitigation efforts. A partial phase-out of subsidies would provide an estimated 12 percent of total abatement needed by 2020 to keep the increase in global average temperature under 2°C above pre-industrial levels.

- New Zealand has been a long-standing leader and advocate for Fossil Fuel Subsidy Reform, including by working in the Friends of FFSR group. At COP24, the Friends launched a Friends' Network, an ongoing virtual dialogue around the phase out of fossil fuel subsidies that encourage the wasteful consumption of fossil fuels and contribute towards climate change, along with a "how to" brochure. We also made FFSR a dominant thread in our Talanoa Dialogue process.
- 4 While there has been significant progress on FFSR, and world leaders have made commitments to reform in forums including APEC, the G20, and G7, the global momentum has been recently slowing. Recent calls by the Friends this year on G20 countries has revealed genuine recognition that subsidisation of fossil fuels is inefficient

and not desirable in the long-term. However, political sensitivities across the development spectrum (e.g. phasing out all subsidies by 2025) is preventing concrete actions and commitments on the issue. Nonetheless, FFSR peer reviews remain a more palatable action due to their voluntary nature. Canada and Argentina have recently announced their commitment to G20 peer reviews and Brunei to an APEC peer review. New Zealand is actively engaged in supporting these peer reviews, including offering up experts for some of the peer review panels.

- 5 Against this backdrop, New Zealand is increasing its resourcing toward FFSR advocacy, including through an effort to align trade and climate policy. MFAT has proposed a bid to campaign to raise awareness and support for advancing FFSR disciplines in the WTO context. s6(a); s9(2)(j)
- To support those objectives, New Zealand is actively exploring ways to significantly advance work on FFSR as part of a transformative initiative under the UNSG's Climate Action Summit. We are working with Denmark, as Energy Transition pillar co-lead, but also through GSI and the UK, to identify the nature of commitments that countries and businesses would be willing to make. The UNSG's visit to the Pacific saw FFSR highlighted as a key theme for him, and the Bonn session will be a key opportunity for outreach and advocacy to build on this momentum on FFSR coming from the SG himself.
- New Zealand led a Ministerial statement in FFSR at the WTO's 11th Ministerial conference in December 2017, with 12 WTO members endorsing it. The statement seeks to advance discussion in the WTO aimed at achieving ambitious and effective disciplines on inefficient fossil fuel subsidies that encourage wasteful consumption, including through enhanced WTO transparency and reporting that will enable the evaluation of the trade and resource effects of fossil fuel subsidies programmes. New Zealand aims to achieve further endorsements at the next Ministerial Conference in 2020.

Climate Change and Trade Negotiations Divisions Ministry of Foreign Affairs and Trade June 2019

Oceans

Objective

- Keep abreast of oceans discussions in the margins of the conference and convey New Zealand's ambitious agenda for climate change mitigation and adaptation at home and in the region, emphasising alignment with Pacific Island countries' ambitions to safeguard the ocean from the effects of climate change and adapt to increasing threats from the ocean as a result of climate change.
- seek to ensure that action on oceans and climate change is meaningful while upholding the existing international legal frameworks governing oceans and Antarctic issues;
- seek to ensure robust science underpins mitigation claims and accounting practices relating to oceans initiatives where needed to safeguard the environmental integrity of the Paris Agreement;
- seek to ensure the UNFCCC takes a precautionary approach to proposals for ocean based solutions to climate change;

Key messages

- New Zealand supports initiatives that draw attention to the nexus between climate change and oceans, to drive more ambitious climate action, especially for our Pacific partners, where the ocean and marine resources underpin economies.
- New Zealand is looking forward to the 'blue' COP25, as it is an opportunity to showcase ambitious work on oceans and give greater awareness to oceans issues.
- New Zealand has several work streams under way to achieve this in our region:
 - New Zealand is committed to preserving coastal States' maritime zones in the face of sea-level rise. This is a matter of regional security for Pacific Island Forum leaders.
 - New Zealand provides funding support to key agencies in the Pacific with a focus on regional approaches to sustainable development, management and conservation of the ocean. Recent funding is targeted at science and information for evidence based decision making for Pacific oceans.
 - New Zealand also supports a regional ocean acidification initiative aiming to build Pacific resilience to ocean acidification through practical adaptation actions, capacity building and awareness raising, as well as research and monitoring.

Issues/background

New Zealand is informally part of Fiji's Oceans Pathway Partnership, launched at COP23, and co-chaired by Sweden. The Partnership also launched the "Because the Oceans" declaration; New Zealand has signed two iterations of this. In Bonn 2019, there will be

two side events hosted by the Oceans Pathway Partnership, and New Zealand delegates will attend. Last month (8-9 May 2019) Climate Change Ambassador Harrison attended an Ocean Negotiators Symposium in Suva, on climate change and oceans hosted by the COP23 Presidency Fiji.

- 33. The environmental integrity of the Paris Agreement must be protected. New Zealand is fully engaged in international efforts to encourage greater global ambition and assist countries to meet their NDCs under the Paris Agreement; however we are cautious about the integration of ocean issues into the UNFCCC.
- 34. Chile is pitching COP25 as a "blue" COP focusing on oceans and Antarctica. Introducing oceans (and Antarctic) issues into the UNFCCC will need to be carefully managed to align with New Zealand's interests, ensure the absorptive capacity of the oceans (carbon sink) is not used to undermine the ambition of NDCs, and avoid transferring discussion of Antarctic governance issues to the UNFCCC context. The inclusion of the oceans into the UNFCCC would need to increase global ambition.
- 35. To avoid frustrating genuine progress, it is important efforts to address oceans matters in UNFCCC processes do not create overlaps and duplication with other international frameworks, such as United Nations Convention on the Law of the Sea (UNCLOS). The latter is the international legal framework within which all activities in the oceans and seas are carried out. New Zealand is engaged in International Maritime Organization (IMO) efforts to reduce emissions from shipping, and similarly consider this is the appropriate place for these efforts.
- 36. Conversely, COP25's recognition of oceans issues is an opportunity to support the Pacific region. Highlighting the negative effects of climate change on oceans is important, especially to increase global ambition. New Zealand will follow these discussions closely, and is looking forward to seeing this theme develop in the lead to COP25.
- 37. s6(a)
- 38. New Zealand is working to develop international law to preserve coastal States' maritime zones in the face of sea-level rise. The project is gauging international consensus and begins with encouraging Pacific states to formally measure their maritime zones.
- 39. In the Pacific we provide core funding for key agencies, including: the Office of the Pacific Ocean Commissioner, who leads the coordination of oceans governance across the Pacific Islands region; the Secretariat of the Pacific Community and the Pacific Regional Environment Programme (SPREP); the Forum Fisheries Agency, which implements programmes on fisheries management, and the Pacific Community (SPC) who are the lead scientific and technical agency in the Pacific, working on island and oceanic ecosystems, invasive species, marine pollution and waste, and fisheries and oceanic science.

- 40. New Zealand is investing in science and information for evidence based decision making in the Pacific. Key projects implemented through SPC include: Support for the Pacific Community Centre for Oceans Science and the Pacific Data Hub.
- New Zealand is active in international efforts to understand and adapt to ocean 41. acidification. We lead the Commonwealth Blue Charter Action Group on Ocean Acidification, and hosted several Pacific officials for a workshop in February 2019. We are Released under the Official Information A also involved in the New Zealand Pacific Partnership on Ocean Acidification and International Alliance to Combat Ocean Acidification. We are in the process of developing a domestic Ocean Acidification action plan together with the domestic science community

Intergovernmental Panel on Climate Change (IPCC)

Key messages

- The IPCC Special Report on global warming of 1.5°C was completed in October 2018. It concludes that limiting global warming to 1.5°C "would require rapid and far-reaching transitions" in most human activities. "These systems transitions are unprecedented in terms of scale, but not necessarily in terms of speed, and imply deep emissions reductions in all sectors, a wide portfolio of mitigation options and a significant upscaling of investments in those options". The report provided significant evidence to inform the emissions targets in New Zealand's Zero Carbon Bill, introduced to Parliament in May 2019.
- In May the IPCC completed its work on the 2019 Refinement of the IPCC 2006 Guidelines for national greenhouse gas inventories. The guidance is structured so that any country, regardless of experience or resources, should be able to produce reliable estimates of their emissions and removals of these gases. The approval was not a completely smooth process with a handful of oil-producing states, led by Saudi Arabia, holding up acceptance and expressing reservations with the report.
- The IPCC has an ambitious work programme of an Assessment Report and four smaller reports before 2022. Two reports are complete (above) and two further Special Reports are due for completion this year: the Special Report on Climate Change and Land (August), and the Special Report on the oceans and the cryosphere in the context of climate change (September).
- There is increasing interest in investigating the inclusion of aerosol climate forcers (particularly black carbon) in greenhouse gas inventories. A work programme will hold further expert meetings over the next two years, and development of a methodology report early in the AR7 cycle.

Background

The Intergovernmental Panel on Climate Change (IPCC) is the leading international body for the assessment of climate change, its potential impacts, and options for adaption and mitigation. 195 countries are members of the IPCC, including all United Nations and World Meteorological Organization Member States.

- At the invitation from the UNFCCC at COP-21, the IPCC produced a *Special Report* on global warming of 1.5°C, completed in October 2018. One NZ-based author contributed. The report concludes that limiting global warming to 1.5°C "would require rapid and far-reaching transitions" in most human activities. "These systems transitions are unprecedented in terms of scale, but not necessarily in terms of speed, and imply deep emissions reductions in all sectors, a wide portfolio of mitigation options and a significant upscaling of investments in those options". The report provided significant evidence to inform the emissions targets in New Zealand's Zero Carbon Bill.
- 3 The IPCC plenary held in Kyoto from 8-12 May completed its work on the 2019 Refinement of the IPCC 2006 Guidelines for national greenhouse gas inventories. This

was not a completely smooth process with a handful of oil-producing states, s6(a)

- 4 The IPCC will produce two further Special Reports in 2019: Climate change and land-related issues (August); and Climate change and oceans and the cryosphere (September). Two NZ-based authors are contributing to each report. The IPCC will produce its Sixth Assessment Report (AR6) in 2022; 15 NZ-based authors are contributing. New Zealand's priorities lie in the chapter on impacts, adaptation and vulnerability in Australasia (Working Group 2), and in the chapter on mitigation in the land sector (Working Group 3).
- There is increasing interest in including aerosol climate forcers, particularly black carbon (soot), in greenhouse gas inventories. The term Short-Lived Climate Forcers (SLCF) is often used, but SLCFs that are gases (such as methane) are already included in inventories. This issue is technically complex, and is being driven mainly by countries such as Mexico that have included black carbon in their previous inventories or NDCs. An expert meeting was held in May 2018, and the Panel recently decided that further expert meetings will be held over the next two years, but the scoping for an IPCC methodology report will not take place until 2021, after completion of the AR6 working group reports. Development of the methodology report would then take place early in the AR7 cycle.
- Travel costs for NZ-based authors contributing to IPCC reports have been met by the Government. MBIE decided in 2017 to discontinue through the fund "linking science into international environmental policy initiatives" (LSIP), but provided funding for FY 2017/18 and 2018/19. MfE and MBIE are discussing a longer-term arrangement.

Climate Change Directorate
Ministry for the Environment
May 2019

s9(2)(j)

Released under the Official Information Act, 1982.

POLI-386-3160

s9(2)(j)

Released under the Official Information Act, 1982

s9(2)(j)

Released under the Official Information Act 1982 POLI-386-3160

EXTRA MATERIAL

Released under the Official Information Act 1982

Briefing for High Ambition Coalition Ministers Meeting – Petersberg Dialogue 2019

Objective

 Affirm New Zealand's place as a valuable member of the Coalition by showcasing our climate change leadership credentials and commitment to maximising ambition on climate action in pursuit of the objectives of the Paris Agreement.

Key messages

Agenda item 1 - The United Nations Secretary General's Climate Action Summit

How are HAC countries preparing for the Summit? Are HAC countries intending to make announcements of enhanced ambition at the Summit? Are there major existing sectoral initiatives that the HAC could collectively promote in support of the Summit's objectives?

- We are looking forward to the Climate Action Summit. Clearly we need to grow momentum on climate action to keep the 1.5°C temperature goal within reach. This Summit offers an opportunity to accelerate, deepen and build confidence in the feasibility of the transformational change that is needed.
- We understand the Secretary-General's intention to be to use the Summit to bring leaders together to launch concrete initiatives with transformative potential, and to put the spotlight on the potential scale up of existing initiatives. This is hoped to provide assurance the global economic transition is irreversibly underway, giving countries confidence they can do more, and reflect this in the NDCs recommunicated in 2020.
- New Zealand is proud to be co-leading the pillar on Nature Based Solutions (NBS), with China. We have met several times now and planning is going well. Because of the vulnerability of natural systems, we are steering the pillar toward having significant potential impact on both mitigation and adaptation ambition. We also expect to draw out co-benefits linked to the 2030 Agenda for sustainable development (such as poverty reduction, food security and health).
- Selection of the best initiatives for launch at the Summit is under way. New Zealand has proposed an agriculture initiative focused on moving the global food system into an emissions-efficient, climate-resilient, productive and sustainable state. The initiative will seek commitments and investments by public and private actors to specific policies and practices make a significant and measurable contribution to the global effort. Introductions to key officials working on this can be made.
- As more information comes to light, New Zealand is exploring engagement across all pillars of the Summit. We're keen to contribute our expertise and support for outcomes that benefit the Pacific region. Potential touchpoints in this regard comprise Fossil Fuel Subsidy Reform under the Energy Transition pillar, climate resilient financial systems under the Resilience and Adaptation pillar, and Just Transition under the Social and Political Drivers pillar.

What could the HAC do in advance of or at the Summit to help create the geopolitical conditions for enhanced ambition? [Note: This is where our intervention on the Zero Carbon Bill should be made]

Zero Carbon legislation

- Last year's IPCC Special Report on 1.5°C reiterated the abundantly clear case for all countries to enhance their climate change action.
- New Zealand is fully committed to playing its part. The Prime Minister announced on 8 May that Zero Carbon legislation is being introduced to Parliament to establish enduring architecture to drive our domestic economic transformation, aligning with the objective of supporting a limit in global temperature increase to 1.5°C.
- It puts in place the core building blocks to give certainty to New Zealanders there will be a long-term approach to climate change, irrespective of what government is in power. A planned transition over time gives us the best chance of minimising the impact on our jobs and livelihoods so it is just and fair for all New Zealand communities and regions.

Zero Carbon Bill - Methane target

 This Zero Carbon Bill is the first in the world to have an emissions reduction target for agricultural (biogenic) methane. Agriculture makes up half of our total emissions and this shows we are taking our domestic commitments seriously.

Relationship with international commitments

The domestic legislation sets 2050 targets that guide our domestic economic transition. These are complementary to our contributions to the global environmental effort under the Paris Agreement, but not a substitute. We remain fully committed to all of our Paris Agreement responsibilities.

What role could the Summit play as a milestone towards COP25 & COP26 and the critical ambition year of 2020?

- The political buy-in and tangible actions generated from the Climate Action Summit in September should drive countries to enhance their NDCs and communicate ambitious emissions reduction pathways in 2020.
- COP25 is an important milestone, as a key post-Summit opportunity for countries to signal they have heard and are responding to this challenge.

Agenda item 2 - Coal & Energy Transition

As the greatest barrier to staying within the 1.5°C limit of the Paris Agreement, what can the HAC do to support the global energy transition away from fossil fuels?

• If we are to meet the Paris Agreement goals, we need collective action. That's why New Zealand joined the Powering Past Coal Alliance and welcomes its efforts to its membership and lead by example in phasing out coal.

- For its part, New Zealand is acutely conscious of the need for rapid decarbonisation of the global energy mix and is determined to remove coal from its energy mix over time.
- We have also ceased new permits for offshore oil and gas exploration; and the operator of the only major power station in New Zealand that still uses coal as part of its energy production mix has announced its intention to phase out its use of coal by 2025.

Acknowledging the development of the PPCA by HAC countries, are there other major existing sectoral initiatives that the HAC could collectively promote in support of the transition to clean energy?

AND

What are the ways of incentivizing the shift of public and private finance away from fossil fuels and towards sustainable assets? What role could HAC countries play in this?

- New Zealand has long championed the power of Fossil Fuel Subsidy Reform in being an effective tool to incentivise the transition to clean energy. These subsidies encourage wasteful production and consumption, and make investments in renewable energies less attractive.
- Every year, governments spend over US\$425 billion subsidising fossil fuels (four times the amount spent on renewable energy). Reforming these subsidies supports the Paris Agreement's objective of making finance flows consistent with a pathway towards low greenhouse gas emissions
- We continue to advocate, within the Friends group, for the removal of harmful inefficient fossil fuels subsidies by highlighting on the economic, development, and environmental benefits of removing these. We would welcome the participation of other HAC members.
- We hope to cement FFSR firmly onto the WTO agenda to achieve ambitious and effective disciplines on Fossil Fuel subsidies. We consider that the WTO has existing rules, transparency and notification mechanisms, as well as breadth of Membership, for effective action. We would welcome support from other HAC members.

Agenda item 3 - Other High Ambition Coalition Priorities for the year

Apart from the UNSG Summit, what are the other areas that the HAC could focus on this year and next?

• We see the principle value proposition of the Coalition lying in its advocacy for all countries to set and achieve NDCs and long term strategies that reflect maximum possible ambition. Clearly no country can define its ambition in isolation from the rest of the world, so there's an important role for the Coalition in facilitating development of an international context where greater ambition is possible. This

work might be catalysing collective ambition in specific sectors, or removing barriers like subsidies.

- **FFSR** is could be a useful focus for the HAC this year. There's growing acceptance we need to shift the global trade and economic system to align with our climate targets if we are going to limit warming to 1.5°C. Bringing FFSR into the WTO as a trade discipline would be a powerful tool to help achieve this, for example.
- **Long-term strategies** need to be positioned as a key element of a greater ambition package. In addition to short-term targets, long-term structural change is what ensures ambitious and transformative action can be attained. The HAC can continue to carry this message forward.
- It was disappointing that COP24 could not welcome the **IPCC Special Report on 1.5°C**, and it did the process no credit.
 - The IPCC's Special Report on the Ocean and Cryosphere, and special report on Climate Change and Land, due to be released in September and August respectively, will need to be addressed as important landmarks to highlight the urgency of action.
- The HAC will need to continue to support ambitious outcomes in the ongoing **IMO** and **ICAO** negotiations. There's a real risk to manage that the IMO process will get so bound up in debating processes to discern potential impacts, or striving for perfection in available data, that it agrees to do nothing at all before 2020. In parallel, the ICAO negotiations present risks of cheap, low quality carbon credits being deemed eligible for use for offsetting. The HAC should remain vigilant political compromises in these fora actually support progress toward the Paris Agreement goals overall.
- [if the Kyoto Protocol is raised] New Zealand was among the first countries to ratify the **Doha Amendment** [second commitment period of the Kyoto Protocol] to the Kyoto Protocol in November 2015. While our Government of the day elected for New Zealand's target not to be inscribed in the Amendment, we continue to apply Kyoto rules. New Zealand is on track to fulfilling its pre-2020 commitments and delivered on our Kyoto Protocol and Convention pre-2020 targets.
 - New Zealand has an unconditional responsibility target 5% below 1990 levels by 2020 taken under the UN Framework Convention.
 - New Zealand met its Kyoto Protocol first commitment period target of 0% on 1990 levels.

[only if raised] New Zealand recognises averting, minimising and addressing **loss** and damage associated with the adverse effects of climate change is a priority to for the Pacific.

• We will support the Pacific in meeting its needs to deal with the challenges of climate change, and recognise the fragmentation of fora generating support for dealing with loss and damage is a potential irritant. We see there is a role for the UNFCCC to play in the terms set out in the Paris Agreement, and are willing work to improve coherence of related

- processes. We don't see the UNFCCC providing an uber solution however. One-size-fits-all processes can never substitute for specialist local and regional approaches on the ground.
- The review of the Warsaw International Mechanism on Loss and Damage at COP25 will be an important milestone in the ongoing operation of this key body, which has undertaken some ground-breaking work over the last 2 years e.g. on displacement and risk transfer. Given the current polarity of perspectives amongst, we do not think this is a useful focus for the HAC's advocacy work.

Background

The High Ambition Coalition was formed in the lead-up to the Paris Agreement, eventually amassing a large following in the final days of the negotiation. The core group of countries is based around the Marshall Islands and European member states. Variants have sprung up in the margins of other negotiations – e.g. the High Ambition Coalition for Shipping in the IMO.

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Zero Carbon Bill

The Zero Carbon Bill looks to:

- set a greenhouse gas emissions reduction <u>target</u> in legislation and establish a new institutional framework to achieve this commitment.
- create a new <u>Climate Change Commission</u> to provide independent, expert advice and help hold successive governments to account for progress towards our long term goals
- put an <u>obligation on governments to produce plans</u> setting out how we as a country will reduce our emissions and address the risks posed by a changing climate.

Table of Negotiating Groups (*Observers)

Cartagena	Dialogue		AOSIS
Antigua and		Antigua and	Singapore
Barbuda	Kenya	Barbuda	
Australia	Lebanon	Bahamas	Seychelles
Bangladesh	Maldives	Barbados	Solomon Islands
Chile	Mexico	Belize	St. Kitts and Nevis
Colombia	Netherlands	Cape Verde	St Lucia
Costa Rica	New Zealand	Comoros	St. Vincent and the Grenadines
Denmark	Norway	Cuba	São Tomé and Príncipe
Dominican Republic	Palau	Dominica	Suriname
Ethiopia	Panama	Dominican Republic	Seychelles
Federated States of Micronesia	Peru	Fiji	Timor-Leste
	Republic of the	Federated States	Tonga
France	Marshall Islands	of Micronesia	rongu
The Gambia	Spain	Grenada	Trinidad and Tobago
Georgia	St Lucia	Guinea-Bissau	Vanuatu
Germany	Sweden	Guyana	American Samoa*
Ghana	Switzerland	Haiti	Netherlands Antilles*
Grenada	Trinidad and Tobago	Jamaica	Guam*
Guatemala	United Arab Emirates	Maldives	U.S. Virgin Islands*
Indonesia	United Kingdom	Marshall Islands	Outside the G77
EIG	UG	Mauritius	Cook Islands
Liechtenstein	Australia	Nauru	Tuvalu
Mexico	Canada	Papua New Guinea	Palau
Monaco	Japan 💮	Puerto Rico	Niue
Republic of Korea	Kazakhstan	Samoa	Kiribati
Switzerland	New Zealand	LMDG	(OPEC)
ALBA	Norway	Bolivia	Algeria
Antigua and Barbuda	Russia	Nicaragua	Nigeria
Bolivia	Ukraine	El Salvador	Libya
Cuba	United States	Dominica	Angola
Dominica	Israel	Cuba	Iran
Ecuador	Iceland	Thailand	Iraq
Saint Vincent and the Grenadines	Belarus*	Mali	Kuwait
Nicaragua	Switzerland*	Sudan	Saudi Arabia
Venezuela	AILAC	Congo, Democratic	Venezuela
BASIC	Chile	Egypt	Ecuador
Brazil	Colombia	Malaysia	Pakistan
South Africa	Costa Rica	India	Philippines
India	Dominican Republic	China	Sri Lanka
China	Guatemala	European Union	
	Peru	LDCs	
G77	African Group		CACAM

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