



Climate Change Chief Executives Board

Meeting papers

Friday 18 October 2024

10:00am–11:30am



Karakia

Karakia timatatanga: opening

Tuia i runga

Tuia i raro

Tuia i roto

Tuia i waho

Tuia i te here tangata

Ka rongo te pō

Ka rongo te ao

Haumi ē, Hui ē, Tāiki ē

Unite above

Unite below

Unite without

Unite within

Listen to the night

Listen to the world

Now we come together

As one.

Karakia whakakapi: closing

Kia whakairia te tapu

Kia wātea ai te ara

Kia turuki whakataha ai

Haumi ē, hui ē, tāiki ē

Restrictions are moved aside

So the pathway is clear

To return to everyday activities.

Climate Change Chief Executives Board

AGENDA

Friday 18 October 2024, 10:00am–11:30am

Online via MS Teams

Attendees	James Palmer (Chair, MfE), Audrey Sonerson (MoT), Penny Nelson (DoC), Paul James (DIA), Ray Smith (MPI), Aaron Martin (CL)		
Delegates	James Beard (TSY), James Hartley (MBIE), Jenna Rogers (NEMA), Victoria Hallum (MFAT)		
In support	Jane White, Amy Tisdall, Rachael Church (CCIEB Unit), Nadeine Dommissie, Sam Buckle (MfE)		
Apologies	Bede Corry (MFAT), Carolyn Tremain (MBIE), Dave Gawn (NEMA), Struan Little (TSY)		
Previous meeting: 18 September 2024		Current meeting: 18 October 2024	Next meeting: 8 November 2024
<ul style="list-style-type: none"> • Landing the second emissions reduction plan • Noting papers (circulated separately): <ul style="list-style-type: none"> ○ Government's response to Climate Change Commission's emissions monitoring report, including ERP1 amendment ○ Data and modelling improvements to QA/QC process for ERP2 and Target 9 modelling and next steps ○ Update on New Zealand's international climate mitigation position ○ Update on final MfE (and Climate IEB) annual report 2023-24 		<ul style="list-style-type: none"> • Context sharing updates • Adaptation Framework update • NDC update • Target 9 reporting and ERP2 update • Response to CCC's NAP progress report 	<ul style="list-style-type: none"> • Context sharing updates • CPMG preparation (note scheduled for 9 December)
General Board matters			
#	Time	Item	Recommended actions
Chair's opening comments / karakia tīmatanga			
1	15 mins 1000-1015	Welcome / context sharing updates [NB: Board only] Lead: Chair / All Roundtable discussion for sharing updates on ministerial priorities or climate-related context, and Executive Director recruitment. Supporting paper: 1.1 <i>To be emailed separately by Jane White: CCIEB Unit work programme and resourcing</i>	
Climate adaptation			
2	20 mins 1015-1035	Adaptation Framework update Lead: Nadeine Dommissie (MfE) This item provides an update on the Adaptation Framework, including the approach to Cabinet decisions following a multi-Minister meeting earlier in the week. Supporting papers: 2.1 <i>Memo: Adaptation Framework update</i> 2.2 <i>Adaptation Framework – IRG proposed approach</i> 2.3 <i>Adaptation Framework – FEC summary</i> 2.4 <i>Adaptation Framework and related government workstreams</i>	<ul style="list-style-type: none"> - Note areas of alignment between Finance and Expenditure Committee and Independent Reference Group approach - Note approach to Cabinet decisions

Papers 2.2 and 2.4 are withheld in full under section 9(2)(f)(iv) of the Act.

Climate mitigation			
3	30 mins 1035-1105	<p>NDC update (verbal update on NDC1; progress update on NDC2)</p> <p>Lead: Victoria Hallum (MFAT) / Sam Buckle (MfE)</p> <p>This item will include a verbal update on NDC1 and the approach to international climate mitigation.</p> <p>A progress update on NDC2 will also be provided, presenting a range of options for NDC2. Note that ministerial bilaterals on NDC2 are planned for the week of 23 October and MCC's office has requested a draft Cabinet paper to support these.</p> <p>This item seeks a direction on the approach to framing NDC2 choices and options for upcoming ministerial bilaterals and CPMG discussion, with initial tabling of draft slides for CPMG.</p> <p>Work on NDC2 includes analysis regarding New Zealand's position with respect to international peers.</p> <p>Supporting papers:</p> <p>3.1 <i>BRF-5347 Initial advice on NDC2 target level</i></p> <p>3.2 <i>Appendix 1: New Zealand's national circumstances for consideration when setting NDC2</i></p> <p>3.3 <i>Appendix 2: Aligning with 1.5°C and equity considerations for NDC2</i></p> <p>3.4 <i>Appendix 3: Timeline for setting NDC2</i></p>	<ul style="list-style-type: none"> - Note New Zealand's first Biennial Transparency Report will include a narrative on progress towards NDC1 - Note New Zealand's NDC2 is due with the UNFCCC by 10 February 2025 - Note initial options prepared for MCC on NDC2 - Provide feedback on how to frame NDC2 options for Ministers ahead of ministerial bilaterals, CPMG discussion, and Cabinet consideration
4	20 mins 1105-1125	<p>Target 9 and landing ERP2</p> <p>Lead: Sam Buckle (MfE), Jane White (CCIEB Unit)</p> <p>This item provides an overview of how Target 9 is progressing, supported by an A3 for 22 October STR Committee and the Quarterly Target 9 Report for period ending 30 September 2024.</p> <p>Our current assessment is the Government is on track to meet Target 9. 9(2)(g)(i) Finalisation and Cabinet approval of ERP2 will be key to achieving Target 9.</p> <p>This item provides an opportunity for CEs to discuss the likely positioning/issues that may be raised at the upcoming STR on Target 9, and how best to support Ministers for this conversation ahead of final ERP2 Cabinet decisions in November.</p> <p>Supporting papers:</p> <p>4.1 <i>Memo: Target 9 reporting and landing the second emissions reduction plan</i></p> <p>4.2 <i>A3 for STR Committee – Target 9</i></p> <p>4.3 <i>October Quarterly Progress Report for period ending September 2024</i></p>	<ul style="list-style-type: none"> - Discuss likely positioning of the discussion on the Target 9 A3, including issues you expect your Ministers to raise, and how best CEs can support Ministers for this conversation - Note the intention to take ERP2 through Cabinet in early November and support portfolio Ministers to engage with the ERP2 document to enable this - Note the October Quarterly Progress Report, which has been endorsed by Climate DCEs on the Boards' behalf and contains the quarterly Target 9 report – covering the period ending 30 September 2024.

Papers 3.1, 3.2, 3.3, and 3.4 are publicly available at: <https://environment.govt/assets/publications/Mfe-NDC2.pdf>

Paper 4.2 is publicly available at: <https://environment.govt.nz/what-government-is-doing/cabinet-papers-and-regulatory-impact-statements/target-9-reduced-net-greenhouse-gas-emissions/>

Paper 4.3 is publicly available as a separate document in this proactive release

Any other business / noting papers			
5	5 mins 1125-1130	<p>5.1 Response to the Climate Change Commission's progress report on the National Adaptation Plan Lead: Jane White (CCIEB Unit)</p> <p>The draft response to the Climate Change Commission's report on the National Adaptation plan is attached for the Board's noting. We have used the response as an opportunity to show how the Government is achieving the adaptation-related pillars of its Climate Strategy and the alignment of work programmes across Government to achieve adaptation goals.</p> <p>Supporting papers: 5.1a <i>Memo: Response to the Climate Change Commission's progress report on the National Adaptation Plan</i> 5.1b <i>Draft Government Response to the Climate Change Commission's 2024 Progress Report: National Adaptation Plan, as at 10 October 2024</i></p>	<p>- Note the attached response to the Climate Change Commission's report on NAP progress.</p>
		<p>5.2 Meeting administration Lead: Chair / Jane White (CCIEB Unit)</p> <p>The Board is asked to approve the minutes of the previous meeting, held on 18 September 2024.</p> <p>Supporting papers: 5.2a <i>Minutes of previous meeting, 18 September 2024</i> 5.2b <i>Actions register as at 20 September 2024</i></p>	<p>- Approve the minutes of the previous meeting</p> <p>- Note the open actions</p>
Chair's closing comments / karakia whakamutunga			

Paper 5.1b is publicly available at: <https://environment.govt/assets/publications/Mfe-NDC2.pdf>



COVERSHEET: Item 2

To	Climate Change Chief Executives Board			
Meeting date	18 October 2024			
Agenda item name	Adaptation Framework update			
Item lead	Nadeine Dommissie			
Lead agency	MfE			
Verbal update	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Supporting paper	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Reason for Board's consideration	This item provides an update on the Adaptation Framework, including the approach to Cabinet decisions following the multi-Minister meeting earlier in the week			
Key focus areas	Areas of alignment between the Finance and Expenditure Committee and the Independent Reference Group approach			

Recommendations	<ul style="list-style-type: none"> Note areas of alignment between Finance and Expenditure Committee and Independent Reference Group approach Note approach to Cabinet decisions
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Has the Board previously considered this item, if so, when?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	24 July 2024
	The Board received an oral update on the Adaptation Framework on 24 July and provided feedback on the work programme and proposed approach to discussing adaptation priorities with Ministers.			
Has this item been considered/endorsed by Climate DCEs?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	11 September 2024
	Climate DCEs received an oral update on the Adaptation Framework on 11 September and provided feedback on key choices and options for Ministers. DCEs noted the Adaptation team would be working with agencies to clarify the intersection between the Adaptation Framework and other work programmes.			
Will this item be going to CPMG or Cabinet?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	TBC
Relevant Cabinet decisions and dates				

Comments	The multi-Minister meeting is scheduled for 15 October and the update provided to the Board will primarily be a verbal download of the discussion.
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Adaptation Framework update

To: Climate Change Chief Executives Board

From: James Palmer (Ministry for the Environment)

Date: 18 October 2024

Key messages on the status of the Adaptation Framework

1. The Finance and Expenditure Committee (FEC) delivered its report on 1 October. The report provides a good foundation for further decisions on the adaptation framework. There is good alignment between the principles in the report, Cabinet's original mandate, and the advice MfE has been receiving from the Independent Reference Group.
2. A meeting between Ministers Watts, Willis, Bishop, Brown, Mitchell, Jones, and Under-Secretary Court and the IRG took place on 15 October. The purpose of this meeting was for Ministers to hear the IRG's advice on the adaptation framework. A verbal download will be provided at the Board meeting.
3. Papers provided for this meeting include an A3 summary of the IRG's recommendations, a summary of the FEC recommendations, and a diagram showing other government work that can support the objectives of the adaptation framework.
4. There are a number of cross-system initiatives underway that could help to deliver on an overall plan to reduce risk and help in preparing for the impacts of climate change. Minister Watts and Minister Willis have already expressed their interest in understanding how these initiatives can help deliver the objectives of the Adaptation Framework.
5. These connections are important to ensure that the work being delivered is as coherent, coordinated and synchronised as possible in seeking to achieve the Government's objectives. The Board has an important role to play in further supporting this connection through these discussions and in direction provided to agencies.
6. Ministers Watts will take a two-step approach to seeking Cabinet agreement on the adaptation framework.
 - i firstly, a Cabinet paper in November which will seek approval for the Government responses to both the FEC report and the Climate Change Commission's progress report on the NAP. It will also outline a pathway forward for final policy decisions and introduction of legislation.

9(2)(f)(iv)

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Paper 2 Adaptation framework meeting: FEC summary

NB: Shaded boxes= areas not covered in the May 2024 Cabinet paper: *Progressing an adaptation framework* [CAB-400 refers].

Area	FEC recommendations	Initial comments
Objectives, principles and system design	<p>Objectives:</p> <ul style="list-style-type: none"> • Minimising expected long-term costs • Ensuring that responses and funding support to property owners, if any, are predictable, principled and rules-based wherever possible • Improving information flows about climate risks and response • Addressing market failures and supporting market efficiency • Ensuring people have the incentive and ability to manage risk. 	<p>9(2)(f)(iv)</p>
	<p>Objectives <i>(continued)</i>:</p> <ul style="list-style-type: none"> • Reducing hardship and supporting an equitable approach • Upholding Te Tiriti o Waitangi • System clarity and continuity • Allowing asset prices to better reflect long-term natural hazard risk • Achieving a balance between central government leadership and community-led approaches. 	
	<p>Principles:</p> <ul style="list-style-type: none"> • National consistency • Local flexibility • Transparency and clarity • Incorporating the specific rights and interests of Māori • Fair warning • Consideration of co-benefits • Minimising moral hazard • Accountability • Evidence-based decisions • Fairness and equity • Subsidiarity. 	

Area	FEC recommendations	Initial comments
	The climate adaptation framework should include meaningful performance reporting measures that can show how the framework is performing over time and the extent to which it is achieving its intended outcomes.	9(2)(f)(iv)
Investment	Work with local government, researchers, and the private sector to compile information about what is currently being spent on climate adaptation and improve estimates of the potential future costs of adaptation.	
	Investment in climate adaptation should be paid for by applying a combination of the following principles: beneficiary pays, exacerbator pays, public pays, and ability-to-pay	
Cost-sharing	A key consideration of the adaptation framework should be to ensure there is adequate housing for people who need to relocate, including those who do not own their own property.	
	Consider the Expert Working Group on Managed Retreat's recommendations regarding the Government's role in planned relocation.	
	Consider the Expert Working Group on Managed Retreat's statement that: "avoiding hardship by structuring funding so as to provide adequate housing to those who must relocate was a key consideration. Based on the outcomes and principles for planned relocation and funding, we did not consider that preserving people's wealth or protecting property owners from the risks of property ownership were legitimate objectives of the funding system."	
	Any policy work it undertakes regarding residential property retreat or managed relocation include a focus on affected renters and people who do not own property.	
	Investigate the idea of proactive financing instruments, working alongside banks and insurance companies to do so.	

Area	FEC recommendations	Initial comments
	Undertake further work to identify what amendments to legislation and regulations would be required to enable residential property retreat.	9(2)(f)(iv)
Roles and responsibilities	There should be a comprehensive national framework set out in legislation that establishes a clear mandate for local and central government, and resourcing and financing arrangements, as it relates to climate adaptation. The framework should establish a system where all actors are incentivised and able to act on climate adaptation	
	All decisions about infrastructure, planning, and development must consider climate adaptation. This includes policy workstreams such as regional deals, the infrastructure pipeline, the Regional Infrastructure Fund, the replacement for the Resource Management Act, and interim planning measures that prevent development and intensification in risk-prone areas.	
	There should be a lead agency on climate adaptation that can support an all-of-government approach, partner with iwi/Māori, interact with the public and key stakeholders, and have responsibility for reporting on climate adaptation progress and the framework's performance.	
Data and information	Develop an accessible public data commons for data on natural hazard and climate risk, with the aim of improving the data's quality, consistency, and availability.	
	Prioritise funding research that seeks to improve the data on natural hazard and climate risk.	
Kaupapa Māori	The climate adaptation framework should involve bespoke arrangements for whenua Māori, recognising the different models of land ownership and the effects of climate change on that land.	
	The climate adaptation framework should recognise a role for mātauranga Māori alongside other knowledge systems.	



COVERSHEET: Item 3

To	Climate Change Chief Executives Board			
Meeting date	18 October 2024			
Agenda item name	NDC update (verbal update on NDC1; progress update on NDC2)			
Item lead	Victoria Hallum / Sam Buckle			
Lead agency	MFAT / MfE			
Verbal update	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Supporting paper	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Reason for Board's consideration	This item seeks direction on the approach to framing NDC2 choices and options for upcoming ministerial bilaterals and CPMG discussion (now scheduled for 9 December). Initial draft of slides to support discussion at CPMG will be tabled.			

Recommendations	<ul style="list-style-type: none"> Note New Zealand's first Biennial Transparency Report will include a narrative on progress towards NDC1 Note New Zealand's NDC2 is due with the UNFCCC by 10 February 2025 Note initial options prepared for MCC on NDC2 Provide feedback on how to frame NDC2 options for Ministers ahead of ministerial bilaterals, CPMG discussion, and Cabinet consideration
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Has the Board previously considered this item, if so, when?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Date	18 September 2024
	A noting paper on international climate mitigation was provided to the Board for the 18 September meeting. The Board agreed that to inform advice on NDC2, it would be useful to understand the targets and levels of ambition in countries with a similar emissions profile and their progress. MfE and MFAT were directed to develop advice for the Board's consideration.		
Has this item been considered/endorsed by Climate DCEs?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Date	
	9(2)(f)(iv)		
Will this item be going to CPMG or Cabinet?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Date	CPMG and Cabinet in December 2024
	NDC2 will be the primary focus of the December CPMG meeting. Cabinet decisions on NDC2 will be sought in December shortly after CPMG.		
Relevant Cabinet decisions and dates			

Comments	<p>Note that ministerial bilaterals on NDC2 are planned for the week of 21 October and the office of the Minister of Climate Change has requested a draft Cabinet paper to support these.</p> <p>Work underway on NDC2 includes analysis regarding New Zealand's position with respect to international peers.</p>
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COVERSHEET: Item 4				
To	Climate Change Chief Executives Board			
Meeting date	18 October 2024			
Agenda item name	Target 9 and landing ERP2			
Item lead	Jane White / Sam Buckle			
Lead agency	MfE / Climate IEB Unit			
Verbal update	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Supporting paper	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Reason for Board's consideration	To update the Board on progress towards Target 9 and discuss likely positioning / issues that may be raised at the upcoming STR on Target 9, and how best to support Ministers for this conversation ahead of final ERP2 Cabinet decisions in November.			
Recommendations	<ul style="list-style-type: none"> • Discuss likely positioning of the discussion on the Target 9 A3, including issues you expect your Ministers to raise, and how best CE's can support Ministers for this conversation • Note the intention to take ERP2 through Cabinet in early November, and support portfolio Ministers to engage with the ERP2 document to enable this • Note the October Quarterly Progress Report, which has been endorsed by the DCEs on the Boards' behalf contains the quarterly Target 9 Report for the period ending September 2024. 			
Has the Board previously considered this item, if so, when?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	24 July 2024
	The Board received an update on the Target 9 report for the period ending 30 June, at its meeting on 24 July. ERP2 has been considered by the Board throughout 2024.			
Has this item been considered/endorsed by Climate DCEs?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	4 October 2024
	DCEs received a draft of the October Quarterly Progress Report (including the Target 9 report) by email on 4 October 2024 and were invited to provide feedback and to endorse the report on behalf of the Board.			
Will this item be going to CPMG or Cabinet?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	22 October 2024
	<p>The Minister of Climate Change will be taking an A3 on Target 9 to the Strategy Committee (STR) on 22 October meeting. Note: James Palmer discussed the A3 with OSC on 11 October 2024.</p> <p>The final ERP2 document and approval to publish ERP2 will be going to Cabinet before the end of the year, currently targeting early November prior to MCC planned travel.</p>			

Memo: Target 9 and landing ERP2

To The Climate Change Chief Executives Board

From Jane White, Acting Executive Director, Climate IEB Unit
Sam Buckle, DCE, Ministry for the Environment

Date 15 October 2024

Purpose

1. To update the Board on progress towards Target 9, as reported in:
 - an A3 for the Cabinet Strategy Committee (STR) on 22 October 2024; and
 - the Board's Quarterly Progress Report, which includes the Target 9 report for the period ending 30 September 2024.
2. This item provides an opportunity for CEs to discuss likely positioning and issues that may be raised at the upcoming STR on Target 9, and how best to support Ministers for this conversation ahead of Cabinet decisions on the final ERP2.

Context

3. In April 2024, nine Government Targets were approved by Cabinet, with reports for the Prime Minister and Cabinet required on a quarterly basis. Target 9 relates to reducing greenhouse gas emissions. It has the headline goal of being on track to meet New Zealand's 2050 net zero targets, with a focus on meeting New Zealand's first and second emissions budgets (EB1 and EB2).
4. The Lead Minister for Target 9 is the Minister of Climate Change. The Board has previously agreed to govern Target 9, and for the quarterly Target 9 reports to form part of the Board's Quarterly Progress Reports to CPMG.
5. The Target 9 report for the period ending 30 September 2024 is included in the Board's October Progress Report to CPMG. The October Report has been endorsed by DCEs on behalf of the Board and has been submitted to Minister Watts with the recommendation he share it with CPMG colleagues.
6. Target 9 more broadly is being considered by STR on 22 October. The Climate IEB Unit has prepared an overview A3 of progress towards Target 9, and key risks to manage. This will be lodged on behalf of the Minister of Climate Change on 16 October.

How we are tracking towards Target 9

7. The A3 and Quarterly Target 9 report both outline the current assessment that the Government is on track to meet Target 9. New Zealand is projected to achieve its EB1 target (with a 5.5 Mt CO₂-e overachievement) and is on track for EB2, by a projected margin of 1.3 Mt CO₂-e, 9(2)(g)(i).
8. Although outside of Target 9, our ability to meet our other climate targets is more uncertain. New Zealand is currently projected to exceed the EB3 target by 12 Mt CO₂-e and is not on track to achieve NDC1. In addition, NDC2 needs to be set by February 2025.
9. The 23 September CPMG discussed an additional three emissions reduction opportunities. Ministers directed officials to include these in ERP2 as further areas to explore, to help achieve the EB2 target - and close the gap for EB3.

Progressing ERP2 will be key

10. To meet CCRA deadlines, ERP2 must be tabled before the House rises in the week of 16th December. The draft final ERP2 is currently tracking for Cabinet approval in early November and the Minister of Climate Change will need to table it before the House rises in the week of 16 December. CEs will play a vital role in supporting Ministers to confirm ERP2, and this will assist with keeping the Government on track for Target 9.

Recommendations

11. It is recommended the Board:
 - **Discuss** likely positioning of the discussion on the Target 9 A3, including issues you expect your Ministers to raise, and how best CEs can support Ministers for this conversation
 - **Note** the intention to take ERP2 through Cabinet in early November and support portfolio Ministers to engage with the ERP2 document to enable this
 - **Note** the October Quarterly Progress Report, which has been endorsed by Climate DCEs on the Boards' behalf and contains the quarterly Target 9 report – covering the period ending 30 September 2024.



COVERSHEET: Item 5.1				
To	Climate Change Chief Executives Board			
Meeting date	18 October 2024			
Agenda item name	Response to the Climate Change Commission's 2024 progress report on the National Adaptation Plan			
Item lead	Jane White			
Lead agency	Climate IEB Unit			
Verbal update	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Supporting paper	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Reason for Board's consideration	The draft response to the Climate Change Commission's report on the National Adaptation plan is attached for the Board's noting. We have used the response as an opportunity to show how the Government is achieving the adaptation-related pillars of its Climate Strategy.			
Recommendations	<ul style="list-style-type: none"> Note the attached response to the Climate Change Commission's report on NAP progress 			
Has the Board previously considered this item, if so, when?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	24 July 2024
	The Climate Change Commission provided a high-level overview of the key findings of their report on the NAP at the Board's July meeting.			
Has this item been considered/endorsed by Climate DCEs?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	22 August 2024
	DCEs provided feedback on the draft response to the Commission's progress report on the NAP and endorsed the updated papers being circulated to the Board for noting.			
Will this item be going to CPMG or Cabinet?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	18 November 2024.
	The final draft will be appended to the Cabinet paper that sets out the Government's response to the FEC inquiry into climate adaptation, which is currently scheduled for ECO on 13 November.			
Comments				



Memo: Responding to the Climate Change Commission's progress report on the National Adaptation Plan

To Climate Change Chief Executives Board

From Jane White, Acting Executive Director, Climate IEB Unit

Date 15 October 2024

Purpose

1. Attached is the Government's response to the Climate Change Commission's (the Commission) first report on the implementation and effectiveness of the National Adaptation Plan (NAP progress report) for your noting.
2. The response will be provided to the Minister of Climate Change on Wednesday 18th October, following feedback from Climate DCEs. The final draft will be appended to the Cabinet paper that sets out the Government's response to the FEC inquiry into climate adaptation, which is currently scheduled for ECO on 13 November.

Background

3. The Minister of Climate Change received the Commission's NAP progress report on 2 August 2024 and tabled it in Parliament on 16 August 2024. Under section 5ZV of the Climate Change Response Act (CCRA) the Minister is required to publish the Government's response to the NAP progress report by 2 February 2025.
4. The Minister confirmed the response to the NAP progress report should be high-level, strategic, and focus primarily on the Government's Climate Change Strategy.

Discussion

5. The key finding of the report is that NAP1 is not driving adaptation to climate change at the scale and pace needed and that action to create a strong foundation for ongoing adaptation is urgently needed.
6. These areas are framed as six broader challenges for adaptation and barriers to the effectiveness of NAP1 with a corresponding nine recommendations.
7. The first seven recommendations relate to specific institutional and policy settings needed to deliver adaptation outcomes. These recommendations are primarily being addressed through the adaptation framework work programme and the response sets out details of what the adaptation framework is intending to deliver.

8. The Commission also provides a recommendation for the development of future NAPs, including adding more specific and timebound targets, and clearer communication of how the package of actions will address risks and align with adaptation principles. The ninth recommendation suggests improvements that can be made to national adaptation planning to support effective monitoring, including a process to update the NAP table of actions (discussed further below).
9. The response notes that the Climate Change Chief Executives Board will consider the Commission's recommendations when delivering future monitoring reports to provide Ministers with advice that focuses on opportunities to address the most significant risks and to provide insights about the progress that is being made. The Commission's recommendations will also inform the development of future national adaptation plans.

The response focuses on the Government's climate strategy

10. The Government's response is an opportunity to demonstrate how the Government is delivering the adaptation-relevant pillars of the Government's Climate Strategy and how the Government is embedding adaptation across its work programme.
11. Climate DCEs discussed the approach to the draft response on 14 August 2024 and agreed to focus on 3-4 key areas across the Government's work programme that relate to the adaptation-relevant pillars. The response focuses on the following three pillars of the Government's climate strategy and associated work programmes:
 - a. **Infrastructure is resilient and communities are well prepared:** focusing on the critical infrastructure resilience work programme, the Resilient Infrastructure Fund, and Local Water Done Well. *[Note added in March 2025: the Critical Infrastructure Resilience Programme was rescoped resulting in a narrower focus towards national security risks only, and not natural hazard risk.]*
 - b. **Credible markets support the climate transition:** focusing on the adaptation framework, improved access to quality data hazard data (natural hazard information on LIMs, the Natural Hazards Portal¹ and the all-of-government Climate Data Infrastructure Initiative), new national direction on natural hazards and the resilience of the emergency management system.
 - c. **Nature-based solutions address climate change:** focusing on opportunities related to wetland restoration (to increase water holding capacity), upper catchment afforestation (to reduce peak flows in major events and reduce sediment infilling riverbeds and across floodplains); room-for-river and re-wilding areas to increase permeability and water holding capacity.

We have updated the NAP table of actions....

12. When published, NAP1 contained 127 actions, with 30 government agencies responsible for delivery. As the Commission notes, actions are being delivered in a dynamic environment, and there are several that are on hold due to changing priorities, or that no longer align with the Government's priorities.

¹ [Natural Hazards Portal: Home](#)

13. As part of delivering this response, we have worked with agencies to update the table of NAP1 actions to incorporate recent changes. This has resulted in four new actions, 17 adjusted actions, five additional completed actions, and 12 additional discontinued actions. Note that eight of these are sub-actions where the overarching action has been revised. The revised table of actions is attached as an Appendix to the Government's response.

[Note added in March 2025: The rescoping of the CIRP (as noted above in paragraph 11) meant that a proposed new action was not progressed. As a result, the tally of actions in the published Government response refers to three new actions. This is consistent with the published revised table of actions, included as appendix 1.]

14. The revised table of actions includes details of the changes made for the Minister's benefit. This will be removed when published on the Ministry's website.

...and assessed the impact of the changes on the sufficiency of NAP1 in addressing climate risk

15. The Commission's report also highlights gaps in how effectively NAP1 addresses the National Climate Change Risk Assessment's (NCCRA) most significant risks, and high-priority areas where action is needed to set the foundations for effective climate adaptation.
16. We consider their finding is in part a result of being two years into a six-year plan. The Adaptation Framework will go some way to addressing the risks they identify, and actions were still being updated when the Commission wrote their report.
17. Overall, we consider the updates to actions are appropriate and do not impact the overall sufficiency of NAP1. The remaining and adjusted actions will continue to address the risks identified in the NCCRA and meets the requirements of the CCRA.
18. NAP1 actions were intended to be reviewed and adjusted as needed as part of the adaptation cycle. The long-term adaptation goals and priorities of NAP1 remain unchanged and will continue to drive adaptation action. We plan to recommend the Minister seeks Cabinet endorsement of the NAP goals and priorities to ensure we continue to have the authorising environment to deliver NAP1 over the remaining four years.

Next steps

19. An adaptation-focused ministerial meeting is scheduled for 15 October with Ministers Watts, Willis, Bishop, Mitchell, Brown, Jones, and Parliamentary Under-Secretary Court. The key purpose of this meeting is for Ministers to hear from the Independent Reference Group on its recommendations for the adaptation framework, and to consider the report of the Finance and Expenditure Committee (FEC). The Minister of Climate Change may also mention the response to the Commission's report at this meeting.
20. The draft response will be provided to the Minister of Climate Change around 16 October and Ministers will be consulted the week of 23 October. Cabinet approval of the response to the Commission's report will be sought through the cabinet paper that also sets out the Government's response to the FEC inquiry into climate adaptation. This is currently expected to be considered by ECO on 13 November.

Consultation

21. The Climate IEB Unit has developed the draft response in collaboration with the Ministry for the Environment, and also worked closely with the Department of the Prime Minister and Cabinet, the Treasury, Te Waihanga, and the Department of Internal Affairs on the strategic narrative part of the response.

Recommendations

22. We recommended the CCIEB:
- a. **Note** the proposed response to the Climate Change Commission's report on NAP progress, which has been endorsed by Climate DCEs.
 - b. **Note** that the response will be provided to the Minister of Climate Change around the 16 October, with Ministerial consultation occurring the week of 23 October.
 - c. **Note** the Government response to the Commission's NAP progress report will be submitted for Cabinet approval alongside the response to the Finance and Expenditure Committee's inquiry into climate adaptation.

Appendices

Appendix 1: Draft Government response to the Climate Change Commission's 2024 Progress Report: National Adaptation Plan (attached.)



COVERSHEET: Item 5.2	
To	Climate Change Chief Executives Board
Meeting date	18 October 2024
Agenda item name	Meeting administration
Item lead	Chair / Jane White
Key focus areas	<ul style="list-style-type: none">• Minutes of the previous meeting, held on 18 September 2024• Register of open actions, as at 20 September 2024
Recommendations	<ul style="list-style-type: none">• Approve the minutes of the previous meeting• Note the actions register

Climate Change Chief Executives Board MEETING MINUTES

Wednesday 18 September 2024, 1:45-2:45pm
Online via MS Teams

Attendees	James Palmer (Chair, MfE), Audrey Sonerson (MoT), Paul James (DIA), Penny Nelson (DoC), Ray Smith (MPI), Aaron Martin (CL)
Delegates	James Beard (TSY), Jenna Rogers (NEMA), Paul Stocks (MBIE), Victoria Hallum (MFAT)
In support	Lisa Daniell, Jane White, Amy Tisdall, Rachael Church (CCIEB Unit), Sam Buckle, Nicolette Butler, Stephen Goodman, Tim Denne (MfE)
Apologies	Carolyn Tremain (MBIE), Dave Gawn (NEMA)

#	Item	Actions
Chair's opening comments / karakia tīmatanga		
1	<p>Board-only time / context sharing</p> <p>The Chair opened the meeting and noted the apologies received.</p> <p>The Chair noted that Lisa Daniell had resigned from the position of Executive Director of the Climate IEB Unit to take up a role at the Department of the Prime Minister and Cabinet. Interim arrangements for the Executive Director role in the Climate IEB Unit are being confirmed. The Board expressed their appreciation to Lisa for her excellent interagency support as Executive Director.</p> <p>Context updates were provided, including ministerial priorities, and IEB Unit recruitment intentions.</p> <p><i>[Further minutes were not taken in Board-only time]</i></p>	
2	<p>Landing the second emissions reduction plan Lead: Sam Buckle (MfE)</p> <p>The Board discussed the papers and upcoming Climate Priorities Ministerial Group (CPMG) meeting on 23 September. The Minister will provide an update on the sufficiency of ERP2 at the CPMG meeting. Numbers are still moving but things are on track (based on the central projection) to meet the second emissions budget (EB2).</p> <p>There are three key risks for Ministers to note:</p> <ul style="list-style-type: none"> • risk that economic changes result in higher emissions than forecast; • risk to meeting EB3, which is still significantly offtrack and will require further effort; • risk to meeting the nationally determined contribution (NDC) 2030 targets, noting that New Zealand's next NDC will need to be tabled in Parliament by February 2025. <p>Ministers need to decide whether further policies should be included and what additional options could be explored to provide more flexibility if headwinds occur, and to support longer term targets.</p> <p>Discussion points:</p> <p>The Board discussed the content of the supporting slides prepared for CPMG, including feedback on:</p> <ul style="list-style-type: none"> • Slide 6 – strategic opportunity areas to manage ongoing sufficiency: <ul style="list-style-type: none"> ◦ Agriculture sector: the description needs to be adjusted. AgriZero has published a strategic plan that has more ambitious targets than the government's for reducing agricultural emissions – useful signal that private sector and industry have ambition for further reductions. 	<p>MfE/IEB Unit to adjust wording on reducing agricultural emissions, noting AgriZero's published strategic plan. Lead: MfE and IEB (with MPI)</p>

- Energy and industry sector: wording on regulatory settings needs to be more specific about whether this is focused on removing regulatory barriers (as opposed to new regulation or funding)

9(2)(f)(iv)

- Evidence to support contingency planning will be critical, including evidence supporting policies and robustness of modelling.

The Board:

- 2.1 **noted** the supporting material provided ahead of CPMG, outlining proposed policies for ERP2;
- 2.2 **provided feedback** on the wording of the draft CPMG material, to enable Ministers to have the right discussion at CPMG and move towards approving ERP2 this year;
- 2.3 **endorsed** the policy package and positioning of advice ahead of CPMG, subject to amendment of slides as per the feedback provided;
- 2.4 **noted** the Minister will take the second emissions reduction plan to Cabinet for final approval in early November 2024.

3 Any other business / noting papers

Lead: Chair

The Chair noted the following key points regarding the noting papers:

- the draft response to the Climate Change Commission's emissions reduction monitoring report is going to the Cabinet Business Committee and Cabinet shortly;
- DCEs and interagency Directors have been working on a process to improve cross-agency climate emissions data, quality assurance and quality control; the Board noted its appreciation for the work being done by the IEB Unit to improve the quality of modelling – noting that the focus presently is ERP2 modelling with further options to improve governance, independent reviews and further QA/QC to be considered by DCEs in early 2025;
- the Board will discuss international climate mitigation at a future meeting, as NDC2 needs to be tabled in early 2025; this will be a discussion item at the final CPMG meeting this year.

	<p>Discussion points:</p> <ul style="list-style-type: none"> • To inform advice on NDC2, it would be useful for the Board to understand the targets and levels of ambition in countries with a similar emissions profile and their progress. This could build on information provided to the Board by the CCIEB Unit in March on progress towards NDCs. • Countries are preparing their biennial transparency reports ahead of COP29, which will provide an indication of international progress on NDC targets – this is likely to be available as New Zealand's NDC2 is being finalised. • Pre-COP meetings will also provide a helpful indication of other countries' progress in meeting their NDCs. 	<p>MFE and MFAT to develop advice for the Board's to consider and to inform advice to Ministers on NDC2 summarising NZ's position with respect to international peers, including: current and intended NDCs; domestic targets and progress in reducing domestic emissions; sectoral emissions profiles; and international purchasing (including those being explored and completed).</p> <p>Lead: MfE / MFAT</p>
<p>Chair's closing comments / karakia whakamutunga</p>		
<p>The minutes of the previous meeting held on 24 July 2024 will be formally approved, subject to any feedback received by email.</p>		

Climate Change Chief Executives Board - actions register

Paper 5.2b

Action #	Meeting Date	Discussion item	Minutes	Action	Responsible	Status
08-5	17/08/2023	Draft six-monthly ERP and NAP progress report	The Board noted that a one-page diagram to show how the Board's role fits alongside other government architecture for resilience, response and recovery work would be useful	IEB Unit to coordinate an outline showing how the Board's role fits alongside other government architecture for resilience, response, and recovery work	IEB Unit	Open
24-22	18/9/24	Noting papers - Update on New Zealand's international climate mitigation position	It was noted that to inform work on NDC2, it would be useful to understand the levels of ambition and targets in countries with a similar emissions profile	MfE and MFAT to work on building a profile of other countries' emissions targets	MfE / MFAT	Open