



# **Climate Change Chief Executives Board**

## **Meeting papers**

**Wednesday 28 February 2024**

**10:00–11:30am**



# Karakia

## Karakia timatatanga: opening

Tuia i runga

Unite above

Tuia i raro

Unite below

Tuia i roto

Unite without

Tuia i waho

Unite within

Tuia i te here tangata

Listen to the night

Ka rongo te pō

Listen to the world

Ka rongo te ao

Now we come together

Haumi ē, Hui ē, Tāiki ē

As one.

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## Karakia whakakapi: closing

Kia whakairia te tapu

Restrictions are moved aside

Kia wātea ai te ara

So the pathway is clear

Kia turuki whakataha ai

To return to everyday activities.

Haumi ē, hui ē, tāiki ē



## Climate Change Chief Executives Board

### AGENDA

Wednesday 28 February 2024, 10:00-11:30am

Room 2.04 at MfE Offices, 8 Willis Street, Wellington / Online via MS Teams

<b>Attendees</b>	James Palmer (Chair, MfE), Audrey Sonerson (MoT), Caralee McLiesh (TSY), Carolyn Tremain (MBIE), Dave Gawn (NEMA), Paul James (DIA), Ray Smith (MPI), Aaron Martin (CL), Victoria Hallum (MFAT)
<b>In support</b>	Sam Buckle, Stephen Goodman, Katherine Wilson (MfE), Lisa Daniell, Chris Nees, Jane White, Rachael Church (Climate IEB Unit)
<b>Apologies</b>	Penny Nelson (DoC)

<b>Previous meeting: 7 February 2024</b>	<b>Current meeting: 28 February 2024</b>	<b>Next meeting: 13 March 2024 - Board strategy session</b>
<ul style="list-style-type: none"> <li>Supporting climate Ministers in the new government</li> </ul>	<ul style="list-style-type: none"> <li>Initial CPMG meeting</li> <li>Board's role and focus for 2024</li> <li>ERP2 &amp; Net Zero Strategy Adaptation framework work programme</li> <li>Report back on assessing potential adaptation indicators</li> </ul>	Proposed agenda items: <ul style="list-style-type: none"> <li>CPMG preparation</li> <li>Climate Business Advisory Group engagement (including with Sustainable Business Council reps)</li> </ul>

#### General Board governance matters

#	Time	Item	Recommended actions
<b>Chair's opening comments / karakia tīmatanga</b>			
1	15 mins 10:00-10:15	<b>Welcome / context sharing updates</b> <b>Lead:</b> Chair / All Roundtable discussion for sharing any updates on ministerial priorities or climate-related context	
2	15 mins 10:15-10:30	<b>Initial CPMG meeting (early March)</b> <b>Lead:</b> Chair / Lisa Daniell (Climate IEB Unit) <b>Key points:</b> <ul style="list-style-type: none"> <li>This item provides the Board an overview of the meeting objectives and agenda for an initial meeting of a new Climate Priorities Ministerial Group</li> <li>The proposed agenda for the initial CPMG meeting includes:               <ul style="list-style-type: none"> <li>the role and purpose of CPMG (confirming the terms of reference, and the approach to report quarterly on priorities)</li> <li>an overview of the climate change architecture, goals and targets (across mitigation and adaptation), associated legal obligations, and how to reduce legal risks, and how New Zealand is tracking in terms of meeting these goals (e.g. NDC and emissions Budgets)</li> <li>a summary of the key deliverables and decisions Ministers will need to make over the year. This will likely be A3s setting these out.</li> </ul> </li> <li>The proposed approach to quarterly progress reports to CPMG is to focus on the delivery of climate priorities across the climate work programme (orienting towards the new government's priorities, whilst also continuing to report on ERP1 and NAP1 implementation), and progress towards meeting New Zealand's climate goals and targets.</li> </ul> <b>Supporting paper:</b> 2.1 – Update for Board on ministerial governance arrangements	<ul style="list-style-type: none"> <li><b>Provide feedback</b> on the proposed purpose, functions, and priorities of the Climate Priorities Ministerial Group</li> <li><b>Discuss</b> the proposed approach to the initial establishment meeting (paragraph 8), particularly any insights on Ministers' understanding of the framework for climate change in New Zealand and the broader climate programme, alongside economic priorities</li> <li><b>Agree</b> to the proposed draft framework for quarterly reporting to CPMG on milestones and progress across the climate work programme</li> <li><b>Note</b> the Climate IEB Unit will engage with agencies on material for CPMG meetings</li> </ul>



3	15 mins 10:30- 10:45	<p><b>Board's role and focus for 2024</b>  <b>Lead:</b> Chair / Lisa Daniell (Climate IEB Unit)</p> <p><b>Key points:</b></p> <ul style="list-style-type: none"> <li>• Item seeks to focus on the unique role of the Board in supporting delivery of the government's climate priorities.</li> <li>• A3 sets out the Board's proposed objectives and functions across: domestic mitigation, international mitigation, adaptation, and monitoring and reporting.</li> <li>• Feedback and direction are sought from the Board across each of these proposed areas, so that the Climate IEB Unit can ensure future agenda items are designed accordingly.</li> </ul> <p><b>Supporting paper:</b>  3.1 – Board's role and focus in 2024</p>	<ul style="list-style-type: none"> <li>- <b>Discuss and agree</b> the key functions the Board needs to deliver in 2024</li> <li>- <b>Provide direction</b> on the questions posed in the A3</li> </ul>
<b>Climate Mitigation</b>			
4	15 mins 10:45- 11:00	<p><b>ERP2 update, including update on CCC advice</b>  <b>Lead:</b> Sam Buckle / Stephen Goodman (MfE)</p> <p><b>Key points:</b></p> <ul style="list-style-type: none"> <li>• s 9(2)(f)(iv) [REDACTED]</li> <li>• Agencies will need to advise their Ministers on the Climate Change Commission's recommendations as part of their policy advice on ERP2. s 9(2)(f)(iv) [REDACTED]</li> </ul> <p><b>Supporting papers:</b>  4.1 – s 9(2)(f)(iv) [REDACTED]  4.2 - Initial Assessment of Climate Change Commission's Final Recommendations for ERP2</p>	<ul style="list-style-type: none"> <li>- s 9(2)(f)(iv) [REDACTED]</li> <li>- <b>Agree</b> to the recommendations within the CCC recommendations paper</li> </ul>
<b>Climate Adaptation</b>			
5	20 mins 11:00- 11:20	<p><b>Adaptation framework work programme</b>  <b>Lead:</b> Katherine Wilson (MfE)</p> <p><b>Key points:</b></p> <ul style="list-style-type: none"> <li>• Sets out the scope, purpose and draft objectives for the adaptation framework as directed by the Minister of Climate Change</li> <li>• Signals the intention to bring a paper to CPMG on the adaptation framework and its relationship to other relevant reform programmes</li> <li>• A verbal update will be provided from the DCE discussion on this item.</li> </ul> <p><b>Supporting paper:</b>  5.1 – Memo: Adaptation Framework work programme (including indicative timeline)</p>	<ul style="list-style-type: none"> <li>- <b>Note</b> the attached memo, which is being discussed with DCEs on 27 February</li> <li>- <b>Endorse</b> DCE decisions on the priority and sequencing of policy issues requiring cross-agency collaboration to support Ministerial decision making on the matters listed in paragraph 14 and whether any key issues are missing from that list.</li> </ul>



6	5 mins 11:20- 11:25	<p><b>Oral update: Assessing potential adaptation indicators – report back post DCEs discussion</b>  <b>Lead:</b> Jane White (Climate IEB Unit)</p> <p><b>Key points:</b></p> <ul style="list-style-type: none"> <li>Note a range of potential indicators have been identified to support the Board to assess the sufficiency of the adaptation response in addressing risk s 9(2)(f)(iv) [REDACTED]</li> <li>This item will be discussed with DCEs on 27 February and the Climate IEB Unit will provide an oral update on key decisions.</li> <li>Additional Board feedback on the proposed indicators and next steps is welcome (in meeting or via email).</li> </ul> <p><b>Supporting paper:</b>  6.1 - Memo: Analysis of potential adaptation indicators to measure sufficiency of the adaptation response.</p>	<ul style="list-style-type: none"> <li><b>Note</b> the attached memo, which is being discussed with DCEs on 27 February</li> <li><b>Note</b> the Climate IEB Unit will inform you of the outcome of the DCEs discussion and next steps</li> <li><b>Provide</b> any additional feedback on the proposed indicators and next steps</li> </ul>
<b>Any other business / noting papers</b>			
7	2 mins 11:25- 11:27	<p><b>Meeting administration</b>  <b>Lead:</b> Chair / Lisa Daniell (Climate IEB Unit)</p> <ul style="list-style-type: none"> <li>Minutes of previous meeting, held on 7 February 2024</li> </ul> <p><b>Supporting papers:</b>  7.1 Minutes of previous meeting, 7 February 2024</p>	<ul style="list-style-type: none"> <li><b>Approve</b> the minutes of the previous meeting</li> </ul>
<b>Chair's closing comments / karakia whakamutunga</b>			



<b>COVERSHEET: Item 2</b>				
<b>To</b>	Climate Change Chief Executives Board			
<b>Meeting date</b>	<b>28 February 2024</b>			
<b>Agenda item name</b>	<b>CPMG meeting preparation</b>			
<b>Item lead</b>	Chair / Lisa Daniell			
<b>Lead agency</b>	Climate IEB Unit			
<b>Verbal update</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Supporting paper</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Reason for Board's consideration</b>	<p>To discuss proposed Ministerial governance for climate change and how the Board can provide support and collective advice to such a Group.</p> <p>To consider the proposed approach to the quarterly reporting for the Board to provide to the Ministerial group (drafted by the Climate IEB Unit, with agencies).</p>			
<b>Key focus areas</b>	<ul style="list-style-type: none"> <li>This item provides the Board an overview of the meeting objectives and agenda for an initial meeting of a new Climate Priorities Ministerial Group, likely to be held in early March.</li> <li>It seeks Board feedback on key elements of establishing the Ministerial Group</li> <li>The proposed approach to quarterly progress reports to CPMG is to focus on the delivery of climate priorities across the climate work programme (orienting towards the new government's priorities, whilst also continuing to report on ERP1 and NAP1 implementation) and progress towards meeting New Zealand's climate goals and targets.</li> </ul>			
<b>Recommendations</b>	<ul style="list-style-type: none"> <li><b>Provide feedback</b> on the proposed purpose, functions, and priorities of the Climate Priorities Ministerial Group</li> <li><b>Discuss</b> the proposed approach to the initial establishment meeting, particularly any insights on Ministers' understanding of the framework for climate change in New Zealand and the broader climate programme, alongside economic priorities</li> <li><b>Agree</b> to the proposed draft framework for quarterly reporting to CPMG on milestones and progress across the climate work programme</li> <li><b>Note</b> the Climate IEB Unit will engage with agencies on material for CPMG meetings</li> </ul>			
<b>Has the Board previously considered this item, if so, when?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Date</b>	
	An earlier draft of material on the scope and functions for a Climate Priorities Ministerial Group were provided in January. The meeting subsequently cancelled.			
<b>Has this item been considered/endorsed by Climate DCEs?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Date</b>	
	Climate DCEs are providing feedback on the current draft of the Climate IEB's quarterly report at their 27 February meeting, and will likely be commissioning content from agencies on delivery progress of the government's new priorities.			
<b>Will this item be going to CPMG or Cabinet?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<b>Date</b>	Early March
	<p>This item includes reference to the draft agenda for an initial CPMG meeting and details contained in the terms of reference for the Ministerial Group</p> <p>The first quarterly progress report to CPMG will support its early April meeting. The Board will review the draft report at its end-March meeting.</p>			



# Supporting Climate Ministers in the new Government

## Purpose

1. To update you on and seek your feedback on the new climate ministerial governance group to oversee the government's climate priorities, supported by quarterly progress reports.

## Governance of the climate work programme

2. The Board highlighted in its Briefing to the Incoming Minister the value of collective leadership when it comes to governing the Government's climate change priorities. The Minister of Climate Change has since shared his intention to establish a cross-portfolio Ministerial group (proposed to be called the Climate Priorities Ministerial Group – or CPMG) to lead and monitor the government's delivery of its climate priorities.
3. The proposed purpose of the CPMG is to drive delivery and results across the Government's climate change work programme to ensure we achieve New Zealand's international and domestic mitigation commitments, and adaptation goals. This group will add value by tracking delivery and results of our climate work programmes, driving accountability, unblocking obstacles, and managing complexities and trade-offs.
4. The membership of the CPMG is proposed to consist of a core standing group, and with other portfolio Ministers with a high interest in climate change to be invited to attend meetings as needed (see table 1 below).

*Table 1: proposed membership for the Climate Priorities Ministerial Group*

<b>Standing members</b>
<ul style="list-style-type: none"> <li>• <b>Chairperson:</b> Minister of Climate Change (tbc)</li> <li>• <b>Deputy Chair:</b> Associate Minister of Climate Change; and Minister of Finance</li> <li>• Minister for Infrastructure; Minister Responsible for RMA Reform; and Minister of Housing</li> <li>• Minister for Energy; Minister of Transport; and Minister of Local Government</li> <li>• Minister of Agriculture; and Minister of Forestry</li> <li>• Minister of Foreign Affairs</li> </ul>
<b>High interest members, invited as needed:</b>
<ul style="list-style-type: none"> <li>• Minister for Resources</li> <li>• Minister for the Environment</li> <li>• Minister of Conservation; Minister for Māori Crown Relations: Te Arawhiti; and Minister for Māori Development</li> <li>• Minister for Trade</li> <li>• Minister for Emergency Management and Recovery</li> <li>• Minister for Rural Communities</li> </ul>



## Scope of the Ministerial group

5. The following table outlines the topic areas proposed to be in scope of the CPMG and will form the Government’s collective climate change work programme. The **bolded work programmes** in table 2 represent the areas that will be included in regular reporting to the CPMG (discussed later in this paper).

*Table 2: Topics and associated work programme/s for the Climate Priorities Ministerial Group*

Topic areas	Work programme/s
Climate Adaptation	<ul style="list-style-type: none"> <li>• <b>Introducing adaptation legislation in Q1 2025</b></li> <li>• Gathering and sharing information about climate related risks to support informed decision making</li> <li>• <b>Track implementation progress of the first NAP</b></li> </ul>
International mitigation	<ul style="list-style-type: none"> <li>• s 9(2)(f)(iv)</li> <li>• Set NDC2</li> </ul>
Domestic mitigation	<ul style="list-style-type: none"> <li>• Deliver a Net Zero strategy to 2050</li> <li>• Publish the second ERP, including <b>delivery of key Government policies to:</b> <ul style="list-style-type: none"> <li>○ <b>Double the supply of affordable, clean energy</b></li> <li>○ <b>Deliver 10,000 public EV chargers</b></li> <li>○ <b>Eliminate the need for resource consents for EV charging points</b></li> <li>○ <b>Enable the development of sustainable aviation and marine biofuels</b></li> <li>○ <b>Give farmers the tools they need to reduce emissions (tech-led)</b></li> <li>○ <b>Fair and sustainable pricing of on-farm emissions by 2030</b></li> <li>○ <b>Build confidence in the forestry sector by restoring confidence in ETS</b></li> <li>○ <b>Limits of farm conversion for forestry of high-quality land from 2024</b></li> </ul> </li> <li>• NZ ETS pricing</li> <li>• Unlock private investment in our climate response, including through climate finance and disclosures</li> <li>• <b>Track implementation progress of the first ERP</b></li> <li>• <b>Improve climate data system: including projections of climate impacts, emissions, and evidence-based policies.</b></li> </ul>

## Setting up the meeting cadence

6. The CPMG is proposed to meet quarterly. It is intended there be an initial ‘establishment’ meeting of the CPMG in early March, attended by the standing Ministerial members. We understand the Minister of Climate Change will invite the Prime Minister to attend this meeting, if available, so the Prime Minister can set expectations for the group and the need for a whole-of government approach to deliver the climate priorities.
7. The first formal quarterly meeting would follow, likely in early April, with attendance extended as relevant to the agenda items for that meeting. The Climate IEB Unit will undertake to manage the agendas, minutes and papers for the CPMG meetings, ensuring these are shared across Board agencies as they are developed.
8. The initial establishment meeting is proposed to focus on the following to position Ministers with the context they for what will come to future meetings and to Cabinet:



- the role and purpose of CPMG (confirming the terms of reference, and the approach to reporting quarterly on priorities)
  - an overview of the climate change architecture, goals and targets (across mitigation and adaptation), associated legal obligations, and how to reduce legal risks, and how New Zealand is tracking in terms of meeting these goals (e.g. NDC and emissions Budgets)
  - a summary of the key deliverables and decisions Ministers will need to make over the year. This will likely be A3s setting these out and includes:
    - International commitments s 9(2)(f)(iv)
    - s 9(2)(f)(iv) and a second ERP (including public consultation)
    - Adaptation –s 9(2)(f)(iv)
9. Once the approach and date for CPMG is confirmed, the Climate IEB Unit will work with agencies to share the more detailed agenda and papers required for the establishment meeting and the first quarterly meeting.

## Board support and reporting to the ministerial group

10. The Board will provide the core support to the CPMG, providing collective advice and driving cross-agency work programmes across international and domestic mitigation, and climate adaptation.
11. A key component of the Board's role will be providing quarterly reports to CPMG on progress across the government's climate change work programme (see bolded programmes in Table 2 above), and progress towards meeting New Zealand's climate goals and targets. The proposed approach for quarterly reporting is set out in Table 3 below.

Table 3: Proposed reporting structure

Section of report	Every quarterly report	Additional for every 2 <sup>nd</sup> quarterly report (March and September)
1. Delivering the Government's climate priorities	<ul style="list-style-type: none"> <li>• Snapshot of progress across the Government's climate priorities, addressing:               <ul style="list-style-type: none"> <li>- milestones for the current and upcoming reporting period</li> <li>- summary of successes, insights, risks and opportunities for the quarter and</li> <li>- RAG status</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly content updated</li> </ul>
2. Progress towards goals over the reporting period	<ul style="list-style-type: none"> <li>• Quarterly provisional gross and net emissions to date (in relation to the current emissions targets and budgets<sup>1</sup>), by sector and gas</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly content updated AND</li> </ul>

<sup>1</sup> Current emissions targets and budgets include the first NDC, the 2030 biogenic methane target, the net zero (other emissions) target, the first emissions budget, and related sector sub-targets

	<ul style="list-style-type: none"> <li>• Updates in adaptation data and trends that indicate the sufficiency of the adaptation response in addressing risk (if available)</li> <li>• Advice on meeting any shortfalls, and on the currency of the plans 'as-a-whole' to achieve the Government's mitigation and adaptation outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>• Six monthly emissions projections showing where we expect to land in relation to our NDC, domestic targets and first three emissions budgets</li> </ul>
3. Implementation progress on all actions in the two statutory climate plans: the ERP and NAP		<ul style="list-style-type: none"> <li>• A summary of progress across actions in the first ERP and NAP</li> <li>• Identification of key programme-level issues/risks/opportunities.</li> </ul>

12. The broader scope every second quarter will enable reporting on a greater suite of climate actions. There is a balance to be struck between orienting reporting to the new government's priorities (which will also be articulated through ERP2) and tracking delivery of the existing Plans. Maintaining oversight across the full set of actions contributing to meeting New Zealand's climate goals is necessary to ensure any risks can be managed relating to the Government's obligations under the Climate Change Response Act, including in the context of increasing climate litigation. In addition, the Government will need to respond to the Climate Change Commission's ERP1 and NAP1 implementation reports (and the Commission will rely on this monitoring data as an input to its reports).
13. The report for the first quarterly meeting is aligned with the third column in the table above (i.e. the more substantive report). A draft is currently with Interagency DCEs for feedback and will be provided to the Board at its next meeting, for endorsement.

## Recommendations

14. The Climate IEB Unit recommends that you:
- Provide feedback** on the proposed purpose, functions, and priorities of the Climate Priorities Ministerial Group
  - Discuss** the proposed approach to the initial establishment meeting (paragraph 8), particularly any insights on Ministers' understanding of the framework for climate change in New Zealand and the broader climate programme, alongside economic priorities
  - Agree** to the proposed draft framework for quarterly reporting to CPMG on milestones and progress across the climate work programme
- Yes / No**
- Note** the Climate IEB Unit will engage with agencies on material for CPMG meetings.





COVERSHEET: Item 3				
To	Climate Change Chief Executives Board			
Meeting date	28 February 2024			
Agenda item name	Board's role and focus for 2024			
Item lead	Chair / Lisa Daniell			
Lead agency	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	<ul style="list-style-type: none"> <li>This paper is to support a Board discussion on its priorities for 2024.</li> <li>A3 sets out the Board's unique role across domestic mitigation, international mitigation, adaptation, and monitoring and reporting.</li> <li>Feedback and direction are sought from the Board across each of these areas to confirm the Board's unique functions. This will enable the Climate IEB Unit to develop future Board agendas focused on these objectives and functions.</li> </ul>			
Key focus areas	<ul style="list-style-type: none"> <li>Areas of collective effort to drive cross-agency collaboration and delivery</li> <li>How to generate momentum to deliver the deeper reductions in emissions needed for 2030s</li> <li>The Board's new role in international mitigation and the most challenging aspects to navigate</li> <li>Whether the Board (and then CPMG) should discuss other adaptation priorities it needs to focus on (in addition to the adaptation framework) to ensure long-term resilience is incorporated into other government work programmes and to prepare for the Climate Change Commission's report on NAP effectiveness</li> <li>Share insights from Ministers about what they will likely need from the new quarterly reporting approach</li> </ul>			
Recommendations	<ul style="list-style-type: none"> <li><b>Discuss and agree</b> the unique objectives and functions of the Board for 2024</li> <li><b>Provide direction</b> on the questions posed in the A3 to help drive future agendas and papers</li> </ul>			
Has the Board previously considered this item, if so, when?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Date	
This builds upon previous discussions at strategy sessions. Considered timely to check in now in order to ensure Board priorities are delivered.				
Has this item been considered/endorsed by Climate DCEs?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Date	
Will this item be going to CPMG or Cabinet?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Date	
Relevant Cabinet decisions and dates				







COVERSHEET: Item 4				
To	Climate Change Chief Executives Board			
Meeting date	28 February 2024			
Agenda item name	ERP2 update, including update on Net Zero Strategy and CCC advice			
Item lead	Sam Buckle / Stephen Goodman			
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	<ul style="list-style-type: none"> <li>s 9(2)(f)(iv) [REDACTED]</li> <li>Agencies will need to advise their Ministers on the Climate Change Commission's recommendations as part of their policy advice on ERP2. s 9(2)(f)(iv) [REDACTED]</li> </ul>			
Recommendations	<ul style="list-style-type: none"> <li><b>Agree</b> to the recommendations within the Net Zero Strategy paper</li> <li><b>Agree</b> to the recommendations within the CCC recommendations paper</li> </ul>			
Has the Board previously considered this item, if so, when?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Date	
Has this item been considered/endorsed by Climate DCEs?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	27 February 2024
DCEs will discuss this item at their meeting on 27 February and an update will be provided at the Board meeting.				
Will this item be going to CPMG or Cabinet?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Date	TBC





















































COVERSHEET: Item 5				
To	Climate Change Chief Executives Board			
Meeting date	28 February 2024			
Agenda item name	Adaptation framework work programme			
Item lead	Katherine Wilson			
Lead agency	MfE			
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	To provide an update on the adaptation framework and seek feedback on how to prioritise and sequence key policy issues where interagency collaboration is required.			
Key focus areas	<p>The information in the paper and appendices regarding the scope, timing and objectives of the adaptation framework are provided to keep the Board abreast with the latest direction from Minister Watts, rather than seeking feedback from the Board on those elements.</p> <p>Board views are particularly sought on the policy issues noted in paragraph 14.</p>			
Recommendations	<ul style="list-style-type: none"> <li><b>Note</b> the attached memo, which is being discussed with DCEs on 27 February</li> <li><b>Endorse</b> DCE decisions on the priority and sequencing of policy issues requiring cross-agency collaboration to support Ministerial decision making on the matters listed in paragraph 14 and whether any key issues are missing from that list.</li> </ul>			
Has the Board previously considered this item, if so, when?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	12 October 2023
Has this item been considered/endorsed by Climate DCEs?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	27 February 2024
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	s 9(2)(f)(iv)			

















COVERSHEET: Item 6				
To	Climate Change Chief Executives Board			
Meeting date	28 February 2024			
Agenda item name	Report back on assessing potential adaptation indicators			
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 Board commissioned the Climate IEB Unit to consider a potential set of adaptation indicators to help the Board assess the sufficiency of the adaptation response in addressing the most significant risks in the National Climate Change Risk Assessment. The Board was clear that any analysis undertaken is pragmatic and not a lengthy theoretical exercise.			
Key focus areas	The memo is being discussed with DCEs on 27 February, and we will update you on the outcome of the that discussion, including whether DCEs agreed to the recommendations in the memo. Board feedback and endorsement of the proposed indicators is also sought so we can ensure they will help the Board to start to assess the sufficiency of the adaptation response, noting that adaptation data is in its early stages of development and needs to be built up over time.			

Recommendations	<ul style="list-style-type: none"> <li>• <b>Note</b> the attached memo, which is being discussed with DCEs on 27 February.</li> <li>• <b>Note</b> the Climate IEB Unit will inform you of the summary/outcome of the DCE discussion and next steps.</li> <li>• <b>Provide any additional feedback</b> on the proposed indicators and recommendations.</li> </ul>
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Has the Board previously considered this item, if so, when?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Date	
Has this item been considered/endorsed by Climate DCEs?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	27 February 2024
Will this item be going to CPMG or Cabinet?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Date	
Relevant Cabinet decisions and dates	Although we may use some of the indicators in future quarterly reports to CPMG.			

Comments	<p>s 9(2)(f)(iv)</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>
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# Memo: Analysis of potential adaptation indicators to measure sufficiency of the adaptation response

**To** Climate Change DCEs  
**CC** Climate Change Chief Executives Board  
**From** Hettie Morrison (Senior Advisor) and Jane White (Chief Advisor),  
Climate IEB Unit  
**Date** 22 February 2024

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## Purpose

1. This memo seeks your agreement (ahead of a discussion with the Climate Change Chief Executives Board on 28 February) to the proposed next steps for developing adaptation indicators to enable the Board to start to assess the sufficiency of the adaptation response as set out in the first National Adaptation Plan (NAP1).

## Background

2. The Board commissioned the Climate IEB Unit to consider a potential set of indicators to help the Board assess the sufficiency of the adaptation response in addressing the risks in the National Climate Change Risk Assessment (NCCRA). The Board was clear that any analysis undertaken is pragmatic, and not a lengthy and theoretical exercise.
3. In undertaking this analysis, we have reviewed what is being done internationally and met with several government agencies and Crown Research Institutes to better understand the available data and how other agencies are measuring the impacts of their policies on adaptation outcomes.<sup>1</sup>
4. s 9(2)(f)(iv)  
[Redacted]  
[Redacted]  
[Redacted]

## Discussion

### Why are we doing this?

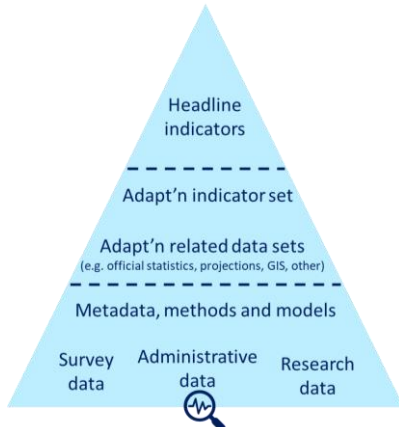
5. The Board has a cabinet-mandated role to report every two years on the overall sufficiency of actions in addressing risks within the scope of the NAP [CAB-22-MIN-0287]. The Climate Change Response Act 2002 (s5ZS(2)(e)) also requires a NAP to set out measures and indicators that will enable regular monitoring and reporting on the implementation of the strategies, policies and proposals in the NAP.

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<sup>1</sup> MfE and the Climate IEB Unit also commissioned Tonkin and Taylor to undertake a stock take of adaptation data in central and local government. They identified uncertainties related to funding and ownership and inconsistencies in data collection, storage and quality. They found that most government organisations have little information and data on climate change risk and future impacts.

6. Adaptation indicators may be qualitative or quantitative and should help the Board assess the extent to which adaptation actions are reducing the risks identified in the NCCRA. The Auditor General has recently commented on the need for government agencies to be clear about what they are achieving for New Zealanders and not just report on milestones. And through the Australia and New Zealand Finance and Climate Ministers meeting (2+2) there was a commitment for our two countries to "work together to develop adaptation indicators and monitoring frameworks".<sup>2</sup>
7. Good adaptation indicators will help the Board to:
- Monitor progress of implementation of NAP actions,
  - Assess whether adaptation outcomes are being achieved, and
  - Communicate adaptation priorities to Ministers.
8. s 9(2)(f)(iv) [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] Indicators are only a flag of a potential change or issue. Key learnings and necessary actions required are determined from a deeper dive into the data and broader context the indicator sits within. Figure 1 shows where indicators sit within the broader information pyramid.

Figure 1: Information pyramid from which indicators can be identified



## We developed a framework for assessing possible indicators

9. We developed a framework (see Appendix 1) to test whether there are indicators that would enable the Board to assess the overall climate hazard and the sufficiency of actions in reducing exposure or vulnerability (sensitivity) to climate risk or improving adaptive capacity. This is consistent with the risk-based approach to developing indicators being undertaken in many jurisdictions.<sup>3</sup> This included indicators that may or may not yet exist.

<sup>2</sup> As agreed between the previous Hon Grant Robertson, previous Minister of Finance (New Zealand) and the Hon James Shaw, previous Minister of Climate Change (New Zealand). Minister Watts has indicated he would like to continue with the 2+2 relationship with Australia.

<sup>3</sup> For example, Scotland has taken a risk-based approach to setting adaptation indicators, focusing on indicators that show whether risks are being reduced and opportunities for change are maximised, as well as potentially identifying areas of conflict between sectors. Scotland has come up with 105 indicators across



10. To keep the analysis manageable at the outset, we only focused on the 10 most significant risks in the NCCRA, rather than all 43 risks. This means the indicators considered do not account for risks to culture and heritage for example. Over time the analysis could expand to look at other risks.
11. We then assessed the suitability of the potential indicators against criteria<sup>4</sup> to group the indicators into three categories:
  - Suitable for use as an indicator
  - Potential to become an indicator as data exists but needs refining or developing
  - No relevant data exists for this indicator. Need to determine if work should be commissioned to identify possible data sources or to generate the data.

### **We have identified a handful of potential indicators that may help to assess risk and adaptive capacity**

12. Table 3 in Appendix 2 provides a list of the potential indicators we have identified that provide a measure of climate hazard, exposure and vulnerability to climate change and adaptive capacity. These metrics met the criteria for a suitable indicator, although not all can be directly attributed to climate change. For some of the measures there may be multiple contributors of significance amongst the climate effect. Attribution is difficult given the cascading, complex nature of risks and the need for multiple actions and policy responses to address a risk.
13. Unsurprisingly, it has not been possible to identify a group of indicators that fully assess the overall sufficiency of the adaptation response. The metrics we have identified provide a reasonable indication of the climate hazard, but data is only available until 2022 at the latest so do not account for the most recent severe-weather events.
14. The metrics do not on their own provide a complete assessment of exposure (primarily focused on water security and insurance claims) or vulnerability (primarily focused on uptake of insurance, indigenous ecosystems and Māori communities in high-risk areas). Measures of adaptive capacity have focused on the extent to which homeowners and businesses are accounting for climate change risk and implementing actions to address those risks.
15. These metrics need to be considered within the broader context within which they exist to understand what is driving the change in these metrics. What may appear to be a positive metric may not always be the case (for example, a reduction in the cost of insurance payments may be because there is an increase in the number of people uninsured rather than because payments for weather-related damage has decreased).

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different domains and 13 narratives. The UK has developed 118 focusing on vulnerability, exposure and adaptation actions. Canada has developed indicators across systems, but they are quite broad and it may be difficult to determine the extent to which adaptation efforts are contributing the impact being measured.

<sup>4</sup> Criteria: readily available data at reasonable cost, provides strong evidence of the risk increasing or decreasing, can effectively and efficiently collect the data, able to measure consistently over time, clear (we are sure whether an increase is good or bad), useful (for decision making, accountability and learning), owned (stakeholders agree this indicator makes sense to use), precise (stakeholders agree on what the indicators measures).

These criteria were based on the criteria used by the Adaptation Fund – a Fund established by Parties to the UN Framework Convention on Climate Change.

16. s 9(2)(f)(iv) [Redacted]

[Redacted]

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

[Redacted], to consider not only indicators of current resilience but indicators of future resilience.

**We need a coordinated cross-government approach to addressing gaps in adaptation data**

19. s 9(2)(f)(iv) [Redacted]

[Redacted]

21. We recommend that an adaptation data plan be incorporated into the Climate Data Initiative being led by MfE. This would set out the current state of play and key gaps to be addressed, with a plan for prioritising and addressing the gaps. It would need to be developed in collaboration with government agencies and other key stakeholders and experts. Agencies we consulted with (including MfE) were very supportive of this approach and welcomed the opportunity to take a collaborative cross-agency approach to setting out the current state of play and identifying key gaps.

### Linking indicators to adaptation actions in NAP1

22. s 9(2)(f)(iv) [Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]

### Next Steps

24. We will discuss the results of the analysis of possible adaptation indicators and the options for building the adaptation data system with Interagency DCEs on 27 February, with a summary of recommendations to be provided to the Board on 28 February. We have received feedback from the Data Information and Guidance cross-agency group and agencies were supportive of the approach taken and keen to continue collaborating on this work.
25. If agreed, we will provide a report to the Board on what the initial set of indicators tell us about the sufficiency of the adaptation response in addressing risk and building adaptive capacity, and further analysis of the strengths and weaknesses of the indicators.
26. Any additional work on indicators and broader adaptation data will continue to be undertaken in close collaboration with the Climate Change Commission and government agencies.

### Recommendations

27. It is recommended that DCEs and the Board:
  - a. **Note** the Board commissioned the Climate IEB Unit to develop analysis around a potential set of pragmatic indicators to help the Board undertake its Cabinet-mandated role to assess the sufficiency of the adaptation response in addressing the risks in the National Climate Change Risk Assessment (NCCRA).
  - b. **Note** that adaptation indicators are being developed internationally, Australia and NZ have committed to working together to develop adaptation indicators, s 9(2)(f)(iv) [Redacted]  
[Redacted]  
[Redacted]
  - c. **Provide feedback** on the framework and approach taken to identifying indicators.

- d. s 9(2)(f)(iv) [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
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**Attachments**

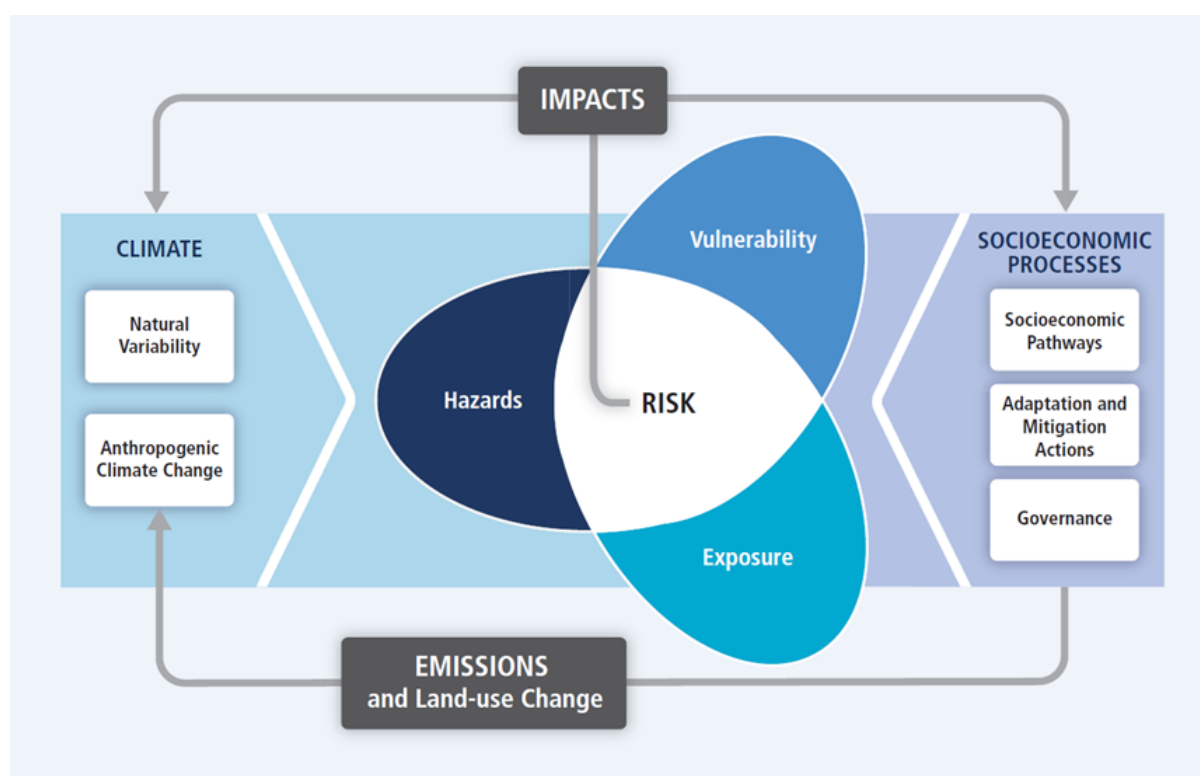
Appendix 1: Adaptation Indicators Framework

Appendix 2: Proposed indicators (those that meet the criteria)

## Appendix 1: Adaptation Indicators Framework

28. We recommend using the Intergovernmental Panel on Climate Change Fifth Assessment Report (AR5) diagram of climate interactions and trends as the basis for the framework, with a particular focus on eliminating or reducing risk (defined as the overlap between climate hazards, vulnerability and exposure), and adapting to climate change (building adaptive capacity and taking action). This is an internationally recognised and accepted framework for thinking about the adaptation response.

Figure 1: Schematic of the interaction among the physical climate system, exposure and vulnerability risk.



\*Source: Oppenheimer et al 2014, Chapter 19 Emergent risks and key vulnerabilities. In: *Impacts, Adaptation and Vulnerability, IPCC 5<sup>th</sup> Assessment Report*.

29. The follow table shows the framework we used to develop possible indicators to assess exposure, vulnerability and adaptive capacity.

*Table 1: Proposed framework for identifying potential indicators using domains from the NAP1 and reference to the most significant risks in NZ's National Climate Change Risk Assessment*

Domain	Most significant risks	Indicators of risk			Indicator of adaptive capacity
		Hazard (climate impact upon the system)	Exposure (level of climate stress upon the system)	Vulnerability (degree to which the system is susceptible or, or unable to cope with, adverse effects of CC)	Adaptation action (responses that exploit opportunities of CC or adjustments to help society and environment cope)
System-wide risks	G1, G2, B1, B2, H1				
Outcome domains:					
Natural environment	N1, N2				
Homes, buildings and places	B2				
Infrastructure	B1				
Communities	H1, H2				
Economy and financial system	E1, E2				

*Table 2: Description of risks from NZ's National Climate Change Risk Assessment*

NCCRA risk code	Description of risk
<b>G1</b>	Risk of maladaptation across all domains, due to the application of practices, processes and tools that do not account for uncertainty and change over long timeframes
<b>G2</b>	Risk that climate change impacts across all domains will be exacerbated because current institutional arrangements are not fit for climate change adaptation.
<b>B1</b>	Risk to potable water supplies (availability and quality) due to changes in rainfall, temperature, drought, extreme weather events and ongoing sea-level rise
<b>B2</b>	Risks to buildings due to extreme weather events, drought, increased fire weather and ongoing sea level rise
<b>H1</b>	Risks to social cohesion and community wellbeing from displacement of individuals, families and communities, due to climate change impacts
<b>H2</b>	Risks of exacerbating inequities and creating new and additional inequities, due to differential distribution of climate change impacts
<b>N1</b>	Risks to coastal ecosystems, including the intertidal zone, estuaries, dunes, coastal lakes and wetlands, due to ongoing sea-level rise and extreme weather events
<b>N2</b>	Risks to indigenous ecosystems and species from the enhanced spread, survival and establishment of invasive species due to climate change
<b>E1</b>	Risks to governments from economic costs associated with lost productivity, disaster relief expenditure and unfunded contingent liabilities due to extreme weather events and ongoing, gradual changes
<b>E2</b>	Risks to the financial system from instability, due to extreme weather events and ongoing, gradual changes









COVERSHEET: Item 7				
To	Climate Change Chief Executives Board			
Meeting date	28 February 2024			
Agenda item name	Meeting administration			
Lead agency	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"/>
Recommendations	<ul style="list-style-type: none"><li>• Approve the minutes of the previous meeting, held on 7 February 2024</li></ul>			
Comments	The Board's next meeting is a strategy session, to be held on 13 March 2024. The next monthly Board meeting is scheduled for 27 March 2024.			

\*Note there was no meeting pack for this meeting

## Climate Change Chief Executives Board

### MEETING MINUTES

7 February 2024, 11:30am–12:00pm  
 Online via MS Teams

<b>Attendees</b>	James Palmer (Chair, MfE), Audrey Sonerson (MoT), Caralee McLiesh (TSY), Carolyn Tremain (MBIE), Dave Gawn (NEMA), Penny Nelson (DoC), Aaron Martin (CL)
<b>In support</b>	Sam Buckle (MfE), Lisa Daniell, Chris Nees, Amy Tisdall, Jane White, Rachael Church (IEB Unit)
<b>Agency attendees</b>	Victoria Hallum (MFAT), Charlotte Denny (MPI delegate), Paul Barker (DIA delegate)
<b>Apologies</b>	Paul James (DIA), Ray Smith (MPI)

#	Item	Actions
<b>Chair's opening comments</b>		
1	<p>The Chair opened the meeting, noting the purpose of the discussion was to ensure the Board is clearly sighted on the government's climate change priorities.</p> <p><b>Key points:</b></p> <ul style="list-style-type: none"> <li>The Minister of Climate Change has been having bilateral meetings with ministerial colleagues to discuss aspects of climate programme requiring delivery support.</li> <li>The Prime Minister has indicated support for convening a ministerial group to meet on a quarterly basis.</li> <li>Ministers have indicated their commitment to meeting targets and international obligations.</li> <li>The Chair noted the timeline for meeting ERP2 by the end of 2024, which will require decisions in coming months to consult and to meet emissions budget commitments.</li> </ul>	
2	<p><b>Roundtable discussion: Supporting climate Ministers in the new government</b>  <b>Lead:</b> Chair / All</p> <p>Board members shared climate-related updates from early ministerial meetings.</p> <p><b>Key points:</b></p> <ul style="list-style-type: none"> <li>s 9(2)(f)(iv) <span style="background-color: #cccccc; display: inline-block; width: 200px; height: 1.2em; vertical-align: middle;"></span></li> <li>The new government is focused on having measurable targets with regular reporting on progress (quarterly, which Board will need to produce/endorse); a conversation on Board/public sector accountability for delivery of any overarching emissions target will be needed.</li> <li>Noting the challenges associated with projections reporting and aspects that are not influenced by policy impact, MfE, the IEB Unit, and MPI agreed to meet offline to discuss any overarching target for emissions reporting.</li> <li>The Climate Change Commission will be reporting on the NAP as well as the ERP this year. The IEB Unit is presently collecting data across all actions and future reporting will be refined to reflect the new government's priorities.</li> </ul>	<p>Item to be added to Board's forward agenda for a discussion on the adaptation framework  <b>Lead: IEB Unit</b></p> <p>Item to be added to the Board's forward agenda for a discussion on Board accountability for delivery of measurable targets and progress reporting  <b>Lead: IEB Unit</b></p> <p>MfE, the IEB Unit, and MPI to meet and discuss a proposed/overarching target for emissions  <b>Lead: MfE/IEB Unit/MPI</b></p>

3	<p><b>The Board:</b></p> <p>2.1 s 9(2)(f)(iv)</p> <p>2.2 <b>Noted</b> that a discussion on Board accountability for delivery of any overarching emissions target and focus of progress reporting will be added to the forward agenda.</p> <p>2.3 <b>Noted</b> that MfE, the IEB Unit, and MPI directors will separately discuss an overarching target for emissions.</p>	
	<p><b>Meeting administration</b>  <b>Lead:</b> Chair / Lisa Daniell (IEB Unit)</p> <p><b>The Board:</b></p> <p>3.1 <b>Approved</b> the minutes of the previous meeting, held on 5 December 2023.</p>	
<b>Chair's closing comments</b>		
	<p>The Chair noted that Board meeting agendas will be divided into adaptation and mitigation sections to enable Chief Executives to prioritise which meeting items to attend.</p> <p>It was noted that the IEB Unit will ensure a Board meeting is held prior to the first ministerial meeting, which may be late February.</p> <p>The meeting closed at 12:03pm.</p> <p><b>Next scheduled meeting:</b> 28 February 2024</p>	<p>Board meeting agendas to be more clearly divided into adaptation and mitigation sections to enable Chief Executive attendance for priority items</p> <p><b>Lead: IEB Unit</b></p>