

20-D-01224

9(2)(a)

Dear 9(2)(a)

Thank you for your email of 1 July 2020 requesting the following under the Official Information Act 1982 (the Act):

*I'm requesting under the Official Information Act copies of any advice or estimates (including Climate Impact Assessments) supplied to Cabinet or the Climate Change Minister regarding the potential impact of post-Covid recovery spending and projects (including policies and legislation to aid the recovery) on New Zealand's emissions.*

The Ministry for the Environment has identified six documents in scope of your request. One of these documents is soon to be publicly available, and I am therefore refusing your request as it relates to that document under section 18(d) of the Act. Once published, the document will be available at <https://www.mfe.govt.nz/briefings-search>.

One document has been withheld in full, and information within two documents has been withheld, under the following sections of the Act:

- 9(2)(f)(iv) to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials.
- 9(2)(g)(i) to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any department or organisation in the course of their duty.

Two documents have information withheld as out of scope of your request.

Note there is one document in scope that requires additional necessary consultation, and we are currently finalising it for release. Please be assured this document will be provided to you within 5 working days of this response, though we will endeavour to get this to you earlier if possible.

Please also note that Document 2, as listed in the attached table, refers to a letter to be drafted on behalf of the Minister of Finance. I would like to clarify that this was in error, and reflects a misunderstanding on the part of the Ministry about what was sought.

In terms of section 9(1) of the Act, I am satisfied that, in the circumstances, the withholding of this information is not outweighed by other considerations that render it desirable to make the information available in the public interest.

You have the right to seek an investigation and review by the Office of the Ombudsman of my decision to withhold information relating to this request, in accordance with section 28(3) of the Act. The relevant details can be found on their website at: [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz).

Please note that due to the public interest in our work, the Ministry for the Environment publishes responses to requests for official information on our [OIA responses page](#) shortly after the response has been sent. If you have any queries about this, please feel free to contact our Executive Relations team: [ministerials@mfe.govt.nz](mailto:ministerials@mfe.govt.nz).

Yours sincerely



Justin Strang  
Director, Transition Strategy and Low Emissions Future

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### Document schedule

Document no.	Document date	Content	Decisions	OIA sections applied
1	01 May	Briefing 2020-B-06692 <i>Framework for aligning stimulus spending with the transition: Departmental consultation updated</i>	Released in part	'Appendix 2' withheld under 9(2)(g)(i)
2	22 May	2020-B-06749 <i>Climate Implications of Policy Assessment – draft Cabinet paper on Phase 1 and advice on Wave 3 assessments</i>	Released in part	9(2)(f)(iv) Out of scope information withheld
3	18 June 2020	2020-B-06879 <i>Report back on the Climate Implications of Policy Assessment framework Cabinet paper: Talking Points for ENV</i>	Released in part	Out of scope information withheld
4	22 May to 10 June 2020	Cabinet paper titled <i>Report back on the Climate Implications of Policy Assessment framework</i>	Refused	18(d)
5	29 June 2020	Relevant entry in <i>Weekly update - Minister for Climate Change (29 June)</i>	Withheld	9(2)(f)(iv)



## Framework for aligning stimulus spending with the transition: Departmental consultation updated

Date Submitted:	1/05/2020	Tracking #: 2020-B-06692	
Security Level	In-confidence	MfE Priority:	High

	<b>Action sought:</b>	<b>Response by:</b>
To Hon James Shaw, Minister for Climate Change	agree to the recommendations	4/05/2020

Number of appendices and attachments	Titles of appendices and attachments (ie separate attached documents): 1. Summary of agency feedback 2. Draft Cabinet paper updated with agency feedback
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### Ministry for the Environment contacts

Position	Name	Cell phone	1 <sup>st</sup> contact
Principal Author	Cassidy McLean-House		
Chief Advisor	Lindy Fursman		
Director	Mark Storey	0220 687 443	✓

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## Framework for aligning stimulus spending with the transition: Departmental consultation updated

### Key Messages

1. The purpose of this briefing is to provide you with an updated version of the *Framework for aligning stimulus spending with the transition to a clean, green, carbon neutral New Zealand* (appendix two) Cabinet paper. The paper went out for targeted departmental consultation to our key interagency contacts.
2. Many agencies were broadly supportive of the intent of the Cabinet paper. The key feedback received, for further discussion with your office, is that while each agency was supportive of win-wins for recovery and the environment, many felt the criteria would be better situated within a wider framework. There was some concern around creating multiple criteria or frameworks that all pursue different objectives. But that instead a single framework should capture a broader set of objectives and prioritise between those. A full summary of each key agency's feedback is listed in appendix one.
3. Officials would like to discuss with you further the response from both Ministers and departments on the draft Cabinet paper, to establish a way forward for ensuring decisions taken are not inconsistent with our climate (and wider environmental) obligations.

### Recommendations

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4. We recommend that you:

- a. **Agree** to discuss the updated Cabinet paper with officials.

Yes/No

Signature

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***This briefing has been electronically approved by Mark Storey, (acting) Director, Climate Change (1/05/2020).***

## Appendix one: Summary of agency feedback on the draft Cabinet paper

### *Treasury*

1. Treasury's key feedback is that the economic plan covers a range of future transitions, of which the transition to a low emissions economy is one. Others include regional development, volume to value and improved productivity, the future of work agenda, housing affordability and so on. Treasury is supportive of win-wins for the recovery and environment but criteria addressing them would be better situated within a wider framework.
2. Treasury commented that the criteria does not acknowledge other considerations including:
  - a. recovery efforts that area neutral in respect of the environment or climate, for example, social policy
  - b. the idea of a package of recovery investments that could include some initiatives with negative environmental impacts that are considered absolutely necessary and required for other reasons
  - c. the principles of fiscal sustainability
  - d. the principle of enabling economic actors to make informed decisions about investment opportunities.

### *Ministry for Business, Innovation and Employment*

3. The Ministry for Business, Innovation and Employment's (MBIE) primary comment is that they support a single set of cross-government advice on how infrastructure investments and other recovery spending is determined and prioritised. Although they comment that the focus on climate adaptation is useful, and along with not locking in high emissions technology would be a useful addition to any set of centrally produced government criteria.
4. They support sustainability and environmental priorities as an important dimension in the recovery effort. However, their view is that there is a range of other priorities (for example, social wellbeing and productivity) that MBIE (and other agencies) will want to progress in tandem with the short term economic stimulus priorities).
5. MBIE (and some other agencies who gave feedback) were concerned about being a position where there are multiple criteria or framework pursuing different objectives. MBIE's view is that the Treasury will be best placed to provide a single piece of cross-government advice on recovery priorities, with support from MBIE and other agencies.
6. Whatever form that takes, it should capture a broader set of objectives, prioritise between different objectives, manage trade-offs, and help to ensure that different recovery initiatives form a cohesive package. The letters that are currently being prepared for Grant Robertson should help to determine some of the considerations for that advice.

### *Ministry for Primary Industries*

7. The Ministry for Primary Industries' (MPI) fully endorses the intent of the paper. However, the scale of the expected economic impact doesn't seem to be fully reflected [note we have addressed this concern in the revised paper]. They also contend some of the paper should be framed in the context of international units and the NZ ETS.
8. MPI commented that as the criteria is very environmentally focused it would benefit from

including a sub-criteria around wellbeing, social cohesion and inclusiveness of the economy.

9. The paper needs to better reflect and work with RMA terminology and the RM and planning system – this includes highly productive land, transport and urban planning provisions.

*Ministry of Foreign Affairs and Trade*

10. The Ministry of Foreign Affairs and Trade (MFAT) are broadly supportive of the paper and its intent, although would like the paper to be clearer on what types of government spending would be covered within the framework (i.e. the wording suggest comprehensive coverage but the detail focuses particularly on infrastructure projects). MFAT would also like the principles to refer to economic incentives, as was suggested by the Climate Change Commission.
11. MFAT has some concern around the “do no harm” principal as they see it as potentially ruling out considering trade-offs in environmental impacts themselves. (For example, if a project had significant emissions reductions potential at the expense of a reduction in water quality, it may be worth doing still (or at least consider it on its relative merits). But the “no harm” principal would screen it out entirely. MOT, HUD and MBIE have expressed similar concerns around the weighting of different objectives and how this would work in practice).

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**Appendix two: Draft Cabinet paper on a framework for aligning stimulus spending with the transition (departmental consultation edits)**

(Attached separately with comments)

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## Climate Implications of Policy Assessment - draft Cabinet paper on Phase 1 and advice on Wave 3 assessments

Date Submitted:	22 May 2020	Tracking #: 2020-B-06749	
Security Level	In Confidence	MfE Priority:	Urgent

	<b>Action sought:</b>	<b>Response by:</b>
To Hon James Shaw, Minister for Climate Change	Respond to the recommendations	25 May 2020

Actions for Minister's Office Staff	<b>Return</b> the signed report to MfE.
Number of appendices and attachments 2	<p>Titles of appendices and attachments (ie, separate attached documents):</p> <ol style="list-style-type: none"> <li>Draft Cabinet paper – Report back on the Climate Implications of Policy Assessment Framework</li> <li>Draft letter from Minister of Finance to the Secretary to the Treasury on applying environmental and climate change criteria to “Wave 3” investments</li> </ol>

### Ministry for the Environment contacts

Position	Name	Cell phone	1 <sup>st</sup> contact
Principal Author	Samantha Hill		
Responsible Manager	Rachel Ward	0273853046	✓
Director	Mark Storey	0220687443	

# Climate Implications of Policy Assessment - draft Cabinet paper on Phase 1 and advice on Wave 3 assessments

1) This briefing provides:

- a draft Cabinet paper proposing longer-term changes to the Climate Implications of Policy Assessment (CIPA) framework, as discussed in briefing note 2020-B-06531
- advice on an immediate opportunity to apply requirements to make sure that “Wave 3” submissions for funding through the COVID-19 Response and Recovery Fund (CRRF) are assessed for both their emissions-reduction and their resilience implications.

s9(2)(f)(iv)

out of scope

3) We propose a discussion on applying a version of CIPA s9(2)(f)(iv) to Wave 3 CRRF bids at the officials’ meeting on Monday 25 May 2020.

## Context

- 4) We have recently provided advice on the planned report back to Cabinet on Phase 1 of CIPA [2020-B-06531 refers], including a recommendation to lower the threshold for emissions impact and advice on progressing a climate resilience tool to sit alongside the CIPA for emissions impacts.
- 5) There is also an immediate opportunity to include climate change and environmental criteria in the guidance and assessment framework for Wave 3 submissions for funding. We are discussing with the Treasury the best way to input into this process, including whether versions of CIPA could be included to assess emissions and resilience implications.
- 6) Wave 3 of the Government’s plan to respond and recover from COVID-19 has been described as “resetting and revitalising the economy” (supporting significant and long-term change). Budget 2020 allocated funding for Wave 3 initiatives. The Treasury is developing templates and guidance for preparing and assessing submissions for funding.
- 7) We expect that Ministers will be taking decisions before July 2020 on these initiatives, including “shovel-ready” infrastructure projects, so the coming weeks will be critical for establishing the assessment process. We recommend that it includes a balanced set of environmental and climate criteria.

## Analysis and Advice

*Report back on Phase 1 of CIPA*

out of scope

out of scope

*Extending the scope of CIPA to Wave 3 proposals*

- 16) It is important that major investment decisions are compatible with our climate change goals (both to reduce emissions and to improve resilience to the effects of climate change), as well as other environmental outcomes.
- 17) If these matters are considered, economic stimulus spending could be a significant driver in the transition to a low-emissions and climate-resilient economy.
- 18) However, if they are not considered, there is a risk that investments could “lock in” future emissions or vulnerabilities to climate change, or that investment will be made into assets that later become stranded (either because of the transition toward a low-emissions economy or because of the direct effects of climate change).
- 19) There is an opportunity now to have climate change and environmental criteria included in the assessment framework and the guidance being developed for initiatives to be considered as part of Wave 3 of the COVID-19 recovery plan.

*A short-form assessment of climate implications would be suitable*

- 20) The key outcome of an assessment for emissions and resilience impacts would be to identify and disclose the likely climate implications of proposals, so that Ministers have the information to make trade-offs in a transparent way. Any assessment tool for emissions or resilience impacts also needs to be simple enough to be applied by those submitting funding submissions in the time available.
- 21) For this purpose, we consider that funding submissions could undergo a less detailed assessment than the CIPA that is currently being used for policy proposals.
- 22) The existing CIPA framework for assessing the emissions impacts of policy proposals is appropriate for assessing the emissions impacts of investment decisions on a case-by-case basis, and a short version of this assessment could be used to assess proposals for Wave 3 projects.
- 23) As noted, a full evaluation framework for resilience is still under development. However, a short version could be produced to assess Wave 3 budget bids, and act as a precursor to the full resilience CIPA that is expected later. This short-form assessment would necessarily be limited in the scope of impacts it considers, but could still provide useful information to inform investment decisions.
- 24) Work on developing the resilience and emission-reduction evaluations we are considering for inclusion in the Wave 3 guidance is underway.
- 25) As discussed in a meeting with officials on Friday 22 May, to progress this approach, you could discuss with the Minister of Finance ways to ensure that a climate and environment lens is included in the Wave 3 process, in advance of Cabinet's consideration of the CIPA threshold.
- 26) Following your conversation, the Minister of Finance may wish to send a letter to the Treasury outlining his expectations that Wave 3 investments are assessed against environmental and climate change criteria. A draft letter which the Minister of Finance could use for this purpose is attached for your review (Attachment 2).
- 27) MfE officials will also continue to work with the Treasury on their advice on guidance and assessment criteria for Wave 3 submissions. Direction from Ministers would help to ensure that a range of criteria is included in this process.

s9(2)(f)(iv)

s9(2)(f)(iv)

### Next Steps

out of scope

- 32) We will continue to work with the Treasury next week to include environmental and climate change considerations in the draft guidance for Wave 3 proposals.
- 33) We would like to discuss this opportunity and next steps at the officials' meeting on Monday 25 May.

### Recommendations

34) We recommend that you:

out of scope

- c. **agree** to discuss with the Minister of Finance ways (such as a letter to the Treasury) to ensure that a climate and environment lens is included in the Wave 3 process in advance of Cabinet's consideration of the CIPA threshold.

s9(2)(f)(iv)

Yes/No

- d. **provide feedback** on the draft letter (Attachment 2) at the officials' meeting on Monday 25 May.

Yes/No

**Signature**

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*Electronically signed by Mark Storey, Acting Director – **Climate Change Policy***

Hon James Shaw  
**Minister for Climate Change**

**Date**

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**Attachment 1: Draft Cabinet paper – Report back on the Climate Implications of Policy Assessment Framework**

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**Attachment 2: Draft letter from Minister of Finance to the Secretary to the Treasury on assessing Wave 3 investments against environmental and climate change criteria**

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## Report back on the Climate Implications of Policy Assessment framework Cabinet paper: Talking Points for ENV

Date Submitted:	18/06/2020	Tracking #: 2020-B-06879	
Security Level	In confidence	MfE Priority:	Non-Urgent
		<b>Action sought:</b> match to recommendations	<b>Response by:</b>
To Hon James Shaw, Minister for Climate Change		Read before ENV meeting on 25 June	
Actions for Minister's Office Staff	Return the signed report to MfE.		
Number of appendices and attachments	Titles of appendices and attachments (i.e. separate attached documents): 1. Talking points for ENV on the Report back on the Climate Implications of Policy Assessment framework Cabinet paper		

### Ministry for the Environment contacts

Position	Name	Cell phone	1 <sup>st</sup> contact
Principal Author	Jamie Higgison		
Responsible Manager	Rachel Ward	0273853046	✓
Director	Mark Storey	0220687443	

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# Report back on the Climate Implications of Policy Assessment framework Cabinet paper: Talking Points for ENV

- 1. This briefing note provides you with talking points to support you at the (ENV) Cabinet Environment, Energy and Climate Committee meeting on Thursday 25 June, where you will be discussing the report back on the climate implications of policy assessment framework (CIPA), and proposal to lower the emissions threshold for CIPA to apply.
- 2. The talking points in Appendix 1 cover a brief summary of the Cabinet paper, and further related context around the proposal to lower the emissions threshold for CIPA and future work.

## Recommendations

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- 3. We recommend that you:
  - a. **Read** the talking points in Appendix 1 prior to presenting the *Report back on the Climate Implications of Policy Assessment framework* Cabinet paper at ENV on 25 June

Yes/No

## Signature

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*Electronically approved by Mark Storey, Acting Director – Climate Change Policy*

Hon James Shaw  
**Minister for Climate Change**

**Date 18/06/2020**

out of scope



*What are agencies doing to ensure climate change is considered in the COVID-19 response and recovery?*

17. MfE officials have developed a draft 'CIPA lite' process which will be used to provide advice on the climate change impacts of projects once the *COVID-19 Recovery (Fast-track Consenting) Bill* is enacted (i.e. projects coming through track 3).

18. My officials are also working with the Treasury to input directly into processes informing decisions on further COVID-19 Response and Recovery Fund investments. The 'CIPA lite' process could also potentially help inform this.

19. MfE is leading interagency discussions at the Chief Executive level on integrating climate change and sustainability into the COVID-19 economic recovery.

out of scope

**Climate Implications of Policy Assessments (CIPA)**

The CIPA requirement came into force on 1 November 2019. The following table sets out current CIPAs that we are working with agencies on, where the CIPA requirements apply.

Paper name	Agency	Committee	Our advice on the GHG analysis
s 9(2)(f)(iv)			
COVID-19 Recovery (Fast Track Consenting) Bill 2020: Approval for introduction	MfE	LEG – Legislation	<p>The CIPA requirements do not apply to this Cabinet paper. This is because the emissions impacts of the ten listed projects are unable to be determined in quantitative terms due to a lack of information. However, we expect that overall the projects listed in the legislation will likely contribute to a long term net reduction in emissions through encouraging a shift to lower emissions transport and higher density housing.</p> <p>The likely extent of emissions impacts of projects confirmed by Orders in Council under the fast-track consenting process will be dependent on the details of each project. Where emissions impacts may be significant and information is available, a fast-tracked CIPA process will be applied in order to quantify the emissions impact so that these impacts are able to be accurately disclosed to decision makers.</p>

Out of Scope