

From: [Jacqui Ruesga](#)
To: [Nicky Lynch \[EXTERNAL\] \(Treasury\)](#); [Simon Mandal-Johnson](#)
Cc: [Callum Lo \[TSY\]](#)
Subject: Re: [IN-CONFIDENCE]RE: Report for your visibility/thoughts
Date: Friday, 16 February 2024 10:18:08 am
Attachments: [image001.png](#)

Thank you Nicky for sharing the paper, it made for very interesting reading.

I only have two small comments for consideration. One is a slight concern that there seems to be a deterrent to the development of an NDC plan given it may provide some of the details that could trigger a liability. I wonder if there is anything to be said to mitigate this? Does it boil down to the level of specificity around the plan?

The other, as Simon said, is a technical one on onselling. Could we be more explicit that the rules of the PA *allow* for onselling? Any prohibition of onselling would need to be agreed to in a cooperation arrangement, and we would not need to agree if not beneficial to us. I also am not aware of any party requesting this, so I hesitate to put equal weight to that option if it's unlikely.

Ngā mihi and happy Friday

Jacqui

From: Nicky Lynch [TSY] <Nicky.Lynch@treasury.govt.nz>
Sent: Friday, February 16, 2024 09:20
To: Simon Mandal-Johnson <Simon.Mandal-Johnson@mfe.govt.nz>; Jacqui Ruesga <Jacqueline.Ruesga@mfe.govt.nz>; Jacqui Ruesga <Jacqueline.Ruesga@mfe.govt.nz>
Cc: Callum Lo [TSY] <Callum.Lo@treasury.govt.nz>
Subject: RE: [IN-CONFIDENCE]RE: Report for your visibility/thoughts

Yeah thanks. In reality that is unfortunately the situation- there isn't a really clear trigger and it will be a matter of judgement taking into account the totality of the circumstances. It's a tricky area and that is as definitive as our accountants can be unfortunately. If we try to be too definitive on what it looks like we run the risk of giving them a false sense of how it could play out, which is probably worse in the long run if we later need to make a judgement that doesn't perfectly match our example.

Thanks
Nicky

From: Simon Mandal-Johnson <Simon.Mandal-Johnson@mfe.govt.nz>
Sent: Friday, February 16, 2024 9:17 AM
To: Nicky Lynch [TSY] <Nicky.Lynch@treasury.govt.nz>; Jacqui Ruesga <Jacqueline.Ruesga@mfe.govt.nz>; Jacqui Ruesga <Jacqueline.Ruesga@mfe.govt.nz>
Cc: Callum Lo [TSY] <Callum.Lo@treasury.govt.nz>
Subject: [IN-CONFIDENCE]RE: Report for your visibility/thoughts

Thanks Nicky. Appreciate the sight over this. I agree with your comment in the margin: I thought the paper would benefit from a closer engagement with the arguments being put forward by Christina et al, even if you ultimately disagree with them. I'd see real merit in exploring 'constructive obligation' more closely, which seems to be the nub of the issue. I think our Minister would particularly appreciate that given his professional background.

General comment: 9(2)(g)(i)

Can you strengthen p17-20 to be clearer on what would trigger a change in approach?

[@Jacqui Ruesga](#) had a technical nuance on the NDC point which I will leave her to share.

Thanks again for the sight of this.

Simon Mandal-Johnson (he/him)

Manager Climate Strategy | Kaiwhakahaere Rautaki Āhuarangi

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Ministry staff work flexibly by default. For me, this means that I do not normally work on Wednesdays and work outside standard hours on other days.

From: Nicky Lynch [TSY] <Nicky.Lynch@treasury.govt.nz>

Sent: Thursday, February 15, 2024 4:29 PM

To: Jacqui Ruesga <Jacqueline.Ruesga@mfe.govt.nz>; Simon Mandal-Johnson <Simon.Mandal-Johnson@mfe.govt.nz>

Cc: Callum Lo [TSY] <Callum.Lo@treasury.govt.nz>

Subject: Report for your visibility/thoughts

[IN-CONFIDENCE]

Hi MFE folks,

As promised earlier in the week, here is a draft of our report on accounting for the NDC- both for your visibility and any thoughts you may have. Our office wants it on Tuesday next week, so appreciate any thoughts by Monday lunchtime.

You'll notice there's not really any strategy advice or drawing out of implications for policy in here- that's a bit deliberate- because these issues of accounting can be quite tricky in terms of who gets to decide what, we like to play a very straight bat on them, so really wanted in this piece just to give Ministers the information they need to understand our current judgements and how that could change as things evolve, so that they are aware of the potential for Treasury to make a different judgement in future (potentially the near future, depending on how specific the plan gets). We will of course no doubt provide much additional advice in due course on what it may be wise to decide when!

You'll see there's a note in there where we need to add some content addressing the

McGuinness institute's arguments better- if you have views on appropriate interpretation of the Paris agreement and CCRA obligations etc very welcome.

Thanks

Nicky



Nicky Lynch (she/her) | Manager, Climate Change | Te Tai Ōhanga – The Treasury

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