



Climate Change
CHIEF EXECUTIVES BOARD

[IN CONFIDENCE]

Climate Change Chief Executives Board

Meeting papers

Friday 14 June 2024

12:30–2:00pm

[IN CONFIDENCE]



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.

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

Friday 14 June 2024, 12:30-2:00pm
Online via MS Teams

Attendees	James Palmer (Chair, MfE), Caralee McLiesh (TSY), Carolyn Tremain (MBIE), Dave Gawn (NEMA), Paul James (DIA), Penny Nelson (DoC), Aaron Martin (CL), Victoria Hallum (MFAT)
Delegates	Charlotte Denny (MPI)
In support	Alice Revell (MFAT), Nadeine Dommissie, Sam Buckle, Bryan Smith, Hemi Smiler, Stephen Goodman (MfE), Lisa Daniell, Amy Tisdall, Sylvia Frean, Rachael Church (CCIEB Unit)
Apologies	Audrey Sonerson (MoT), Ray Smith (MPI)

Previous meeting: 10 May 2024	Current meeting: 14 June 2024	Next meeting: 24 July 2024
<ul style="list-style-type: none"> • Adaptation Framework oral update • Review and positioning of CPMG material, including: <ul style="list-style-type: none"> ◦ Climate vision/approach ◦ Developing ERP2 ◦ Quarterly progress report to CPMG 	<ul style="list-style-type: none"> • Context sharing updates • Adaptation Framework update • ERP2 update • International Climate Strategy • Noting items: <ul style="list-style-type: none"> ◦ Upcoming reporting deliverables ◦ Corporate Health dashboard ◦ Update on MfE change proposal 	<ul style="list-style-type: none"> • ERP2 update • Adaptation priorities report back • External engagement: CBAG (tbc)

General Board matters

#	Time	Item	Recommended actions
<i>Chair's opening comments / karakia tīmatanga</i>			
1	15 mins 1230-1245	Welcome / context sharing updates – Board only time Lead: Chair / All	

Climate adaptation

2	15 mins 1245-1300	<p>Adaptation Framework update Lead: Nadeine Dommissie / Bryan Smith (MfE)</p> <p>Context: The Adaptation Framework will be the first step in the transition to a desired future state where an adaptation system is fully in place and operational, about 20 years from now. The policy and political choices made now will set the transition down a particular path.</p> <p>The development of an enduring Adaptation Framework requires broad agreement, not just across political parties, but also amongst officials and Ministers. Many of the key design choices will be judgement calls for Ministers.</p> <p>Purpose/strategic decisions for Board:</p> <ul style="list-style-type: none"> • To raise the Board's awareness of critical design choices where trade-offs or compromises may be required amongst agencies and Ministers. • To seek commitment to encourage agencies to work constructively on those trade-offs and the development of options. • To seek the Board's advice on the relative priority and framing of critical choices to smooth the eventual decisions on trade-offs and compromises. <p>Supporting paper: 2.1 <i>Initial thinking and key design choices for an adaptation framework</i></p>	<ul style="list-style-type: none"> - Provide feedback on positioning options to support decision making on the critical design choices
---	----------------------	--	--

Climate mitigation			
3	30 mins 1300-1330	<p>ERP2 update Lead: Chair / Sam Buckle (MfE)</p> <p>Context: The ERP2 Cabinet paper and discussion document will shortly progress through Ministerial consultation, with a target Cabinet Committee of 1 July.</p> <p>Purpose/strategic decisions for Board:</p> <ul style="list-style-type: none"> • Discuss how the Board can assist Ministers to make efficient decisions on ERP2, aligned to the agreed Climate Strategy. • Present the latest ENZ based modelling, including (a) projections of mitigation under different NZU prices and (b) estimated impact of new policy set. Discuss implications for the Government's climate response, from both a legal, policy and reputation perspective. <p>Supporting papers: 3.1a <i>Memo: Update on ERP sufficiency modelling</i> 3.1b <i>ETS and ERP2 policy modelling</i></p>	<ul style="list-style-type: none"> - Note the new modelling conducted using ENZ and discuss its implications for the Government's mitigation response - Discuss and agree the Chief Executives Board's role in helping Ministers to make efficient decisions on ERP2 so as to achieve statutory deadlines in 2024
4	15 mins 1330-1345	<p>International Climate Strategy Lead: Victoria Hallum (MFAT) / Sam Buckle (MfE)</p> <p>An update will be provided on New Zealand's international climate strategy, including:</p> <ul style="list-style-type: none"> • NDC1 and the biennial transparency report due in December indicating progress towards NDC1. • Plans for setting NDC2 (due February 2025). <p>This will include an overview of recent advice requested from Ministers relating to NDCs.</p> <p>Supporting paper: 4.1 <i>Memo: Nationally Determined Contribution (NDC) targets – proposed approach to progressing NDC1 and NDC2 decisions</i></p>	<ul style="list-style-type: none"> - Note the update provided and the need for a more substantive Board conversation on these issues ahead of providing advice to CPMG
Any other business / noting papers			
5	5 mins 1345-1350	<p>Upcoming reporting deliverables for the Board, including the new quarterly report on Government Target 9 Lead: Lisa Daniell / Sylvia Frean (CCIEB Unit)</p> <p>Context: There are several upcoming reports that the Board needs to deliver.</p> <p>A new reporting deliverable – Government Target 9</p> <ul style="list-style-type: none"> • In April 2024, the PM launched nine Government Targets to be delivered by 2030, and requested quarterly reports on each, with the first report due in July 2024. • Target 9 is focused on tracking progress towards meeting New Zealand's climate change goals and be delivered by the Board (working across MfE and key agencies). <p>The next Quarterly Progress Report is due in September</p> <ul style="list-style-type: none"> • Officials are preparing the September Quarterly Report to CPMG, and note its contents will consist of: <ol style="list-style-type: none"> 1. the regular update on the Government's climate priorities 2. Target 9 - how we are tracking towards our climate targets 3. a six-monthly update on the implementation of ERP1 and NAP1 actions (which will also be used for the two responses on the CCC's reports on ERP1 and NAP1 respectively (due to be tabled in Parliament by the Minister of Climate Change by 17 October and February 2025, and subsequently published). <p>Supporting paper: 5.1 <i>Updating reporting deliverables for the Board, including the new quarterly report on Government Target 9</i></p>	<p>Note that there is a new quarterly reporting deliverable – Target 9</p> <p>Note the Board will be the responsible for delivering Target 9 reports</p> <p>Note the first Target 9 report is due end of July 2024</p> <p>Note the next quarterly progress report across ERP1 and NAP1 actions is due in September. This will incorporate Target 9 reporting and be used for the proposed responses to the CCC's monitoring reports</p>

6	5 mins 1350-1355	<p>Meeting administration: Corporate Health dashboard; update on MfE change proposal; minutes of previous meeting Lead: Lisa Daniell (CCIEB Unit)</p> <p>6.1 Quarterly update for Climate Change IEB, for period ended 31 May 2024.</p> <p>6.2 An oral update regarding the broader MfE change proposal will also be provided.</p> <p>6.3 Minutes of the previous meeting, held on 10 May 2024, to be approved.</p> <p>Supporting papers: 6.1 <i>Dashboard one-pager</i> 6.2 <i>Minutes of previous meeting and actions register as at 10 May 2024</i></p>	<ul style="list-style-type: none"> - Note the Corporate Health dashboard for the period ended May 2024 - Note the oral update regarding the MfE change proposal - Approve the minutes of the previous meeting, held on 10 May 2024
Chair's closing comments / karakia whakamutunga			



COVERSHEET: Item 2				
To	Climate Change Chief Executives Board			
Meeting date	14 June 2024			
Agenda item name	Adaptation Framework update			
Item lead	Nadeine Dommissie / Bryan Smith			
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"> To raise the Board's awareness of critical design choices where trade-offs or compromises may be required amongst agencies and Ministers. To seek the Board's commitment to encourage their agencies to work constructively on those trade-offs and the development of options. To equip the Board with information they can use to start laying the groundwork with their Ministers, to smooth the eventual decisions on trade-offs and compromises. 			
Recommendations	<ul style="list-style-type: none"> Note the critical design choices for the Adaptation Framework Agree that agencies will work constructively on developing options arising from design choices Agree to begin preparing Ministers for the Cabinet decisions on the Adaptation Framework 			
Has the Board previously considered this item, if so, when?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	10 May 2024
	An oral update was provided to the Board on 10 May, noting that: <ul style="list-style-type: none"> broad support has been publicly expressed for a bipartisan approach to the Adaptation Framework, to be landed by the end of the year; a further update will be provided to the Board in June, outlining positioning options to support decision making on critical design choices. 			
Has this item been considered/endorsed by Climate DCEs?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	24 April 2024
	DCEs endorsed the approach to strategically align the Adaptation Framework with infrastructure policy workstreams and legislative reforms that impact local government, noting that phasing and scheduling considerations of other work programmes across government need to be considered.			
Will this item be going to CPMG or Cabinet?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	s 9(2)(f)(iv) [REDACTED]

Cover note – key design choices for an adaptation framework

To: Climate Change Chief Executives Board

CC: Climate Directors

From: Ministry for the Environment

Date: 7 June 2024

1. Attached is MfE's draft advice to Minister Watts proposed to be sent on 13 June (BRF-4842). This advice outlines early thinking and design choices for the adaptation framework. It seeks the Minister's feedback on:
 - a. time horizons for the transition;
 - b. design choices to inform the adaptation framework; and
 - c. potential components of a high-level system design.
2. The adaptation framework will be the first step in the transition to a desired future state where an adaptation system is in place and fully operational. The policy and political choices made now will set the transition down a particular path. Decisions on choices will require broad consensus, not just across political parties, but also amongst officials and Ministers.
3. We are seeking your input through this discussion on:
 - a. the framing of these key design choices, and
 - b. their relative priority.
4. These questions are outlined in BRF-4842 (Appendix 1, see pages 9-11).
5. There are different options for what a high-level system could look like. We are seeking your feedback on the key choices to guide eventual decisions, trade-offs, and compromises that will be required to progress this work.
6. MfE consulted key agencies when developing this draft advice and continues to work with them to develop the Adaptation Framework.
7. Feedback from the Board can be reflected when discussed with the Minister of Climate Change during a deep dive session with MfE officials on 17 June.

Recommendations

1. We recommend that you:
 - a. **note** the attached briefing outlining the key design choices that will shape the adaptation framework
 - b. **note** that we are working with agencies to develop the design choices and the eventual options for the adaptation framework
 - c. **provide feedback** on the framing of the key design choices and your view on their relative priority.

Appendix 1: BRF-4842 Initial thinking and key design choices for an adaptation framework

Netherlands – Room for the River programme

Context: Over half of Netherlands housing is located in flood-prone areas, as such, the Netherlands has traditionally relied on hard engineering methods to protect against hazards. As the risk of flooding has increased and the capacity of flood plains and rivers to absorb water has decreased, traditional measures are no longer enough. The Room for the River programme (established in 2007) aimed to protect urban areas vulnerable to flooding by restoring natural flood plains in the areas of least impact. It involved more than 30 projects across four rivers.

Investment / cost-sharing

- Infrastructure investments totalling €2.3 billion (approximately \$4.08 billion NZD) made between 2006-2018 were aimed at improving river capacity and allowing safe flooding across 30 locations and included tailor made solutions for each river.
- Measures included lowering and widening floodplains, restricting development on floodplains, strengthening protective measures, and removing obstacles.
- The €2.3 billion was allocated by the Dutch Government and the project was carried out partnership with the Dutch provinces, regional water boards and municipalities. It is unclear exactly how the funding was split across the different central and local authorities,
- The project was integrated into the wider national 'Delta Programme' following its establishment in 2010. Part of the funding was sourced from the Delta Fund, which has €27.4 billion until 2050, but has been quoted as needing €30.8 billion.
- Buy-outs: 20% of programme's budget spent on buying and relocating 200 households; paid market price and provided assistance to find new home; buy-outs compulsory.
- Significant funding for improving amenities for remaining, better protected, urban areas (eg, green spaces with bike and walking paths).
- The wider EU contributes funding to the Netherlands for flood works because it is the 'bottom of the catchment'.

Roles & responsibilities

- Implementing the Room for the River programme involved a total of 19 partners including provinces, municipalities, regional water authorities and the Ministry of Infrastructure and Water Management (Rijkswaterstaat).
- Central government – programme office to manage and monitor progress, evaluate projects, help with facilitation, provide expert knowledge.
- Regional and local – decision-making on the actual projects, formulating and deciding on plans and designs.

Insights

- The use of spatial planning enabled tradeoffs of across the PARA framework (predominately protect vs retreat) to be considered in context.
- The programme combined different purposes, such as by making an area safer to live in while also creating recreational facilities.
- Limitations of hard engineering solutions to managing increasing risk is reflected in the different approach to water taken by the programme. For example, creating room for the water instead of restricting it by continuously reinforcing dikes and making them higher.
- Land acquisition and repurposing throughout the project proved challenging. Some 'not in my backyard' reactions, especially if a dike reinforcement results in houses demolished to construct dikes. The purchase and repurposing of agricultural land was also not well received by farmers at first, but the project has gained support over time.
- A key success of the project was to make sure that the participation of municipalities and local inhabitants was taken seriously to gain local buy-in. The central government, together with Rijkswaterstaat, gave local communities the option to come up with alternative plans if they met the Room for the River goals to reduce water levels. Working with local parties and getting market parties involved at an early stage has propelled the development of new technological innovations.
- The majority of the programme's goals were completed in 2015 with work continuing to 2018 to finalise some remaining projects.
- There are ongoing maintenance costs associated with flood protection measures that are additional to the project budget, it is unclear from sources available who pays for these costs.



COVERSHEET: Item 3				
To	Climate Change Chief Executives Board			
Meeting date	14 June 2024			
Agenda item name	ERP2 update			
Item lead	Chair / Sam Buckle			
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	<p>The purpose of this item is to:</p> <ul style="list-style-type: none"> discuss how the Board can assist Ministers to make efficient decisions on ERP2, aligned to the agreed Climate Strategy present the latest ENZ based modelling, including (a) projections of mitigation under different NZU prices and (b) estimated impact of new policy set. Discuss implications for the Government's climate response, from both a legal, policy and reputation perspective 			
Recommendations	<ul style="list-style-type: none"> Note the new modelling conducted using ENZ and discuss its implications for the Government's mitigation response Discuss and agree the Chief Executives Board's role in helping Ministers to make efficient decisions on ERP2 so as to achieve statutory deadlines in 2024 			
Comments	The supporting papers for this agenda item will be circulated separately, mid-week, ahead of the Board meeting on 14 June.			

Memo: Update on ERP sufficiency modelling

To: Climate Change Chief Executives Board

From: Ministry for the Environment

Date: 13 June 2024

Purpose

- We are providing Climate Change Chief Executives with a summary of latest ENZ projections and outlining implications for ERP2 and ETS settings.

Delivering ERP2 in time

- The final ERP2 needs to be published by the end of the year. To do so, public consultation needs to begin by the middle of August 2024.
- There is a shrinking window to get a discussion document through Cabinet before the Parliament recess in July. Ministers need to take decisions at CBC committee on the 1st of July and Cabinet on the 8th of July.
- As there is no scope for slippage in timeframes to consult, Ministerial concerns should either be resolved before CBC or agreed to be worked out later as part of the final ERP2.

Latest ENZ projections

- Officials have undertaken three additional pieces of analysis to support Ministerial decision making on ERP2:
 - A revised 'baseline' projection, using the latest ENZ modelling. This baseline excludes the impact of policies proposed for ERP2.
 - Estimate of the impact of new policies being developed for ERP2.
 - A summary of the likely impact of the ETS at different auction volumes.
- The attached slide deck provides the results of this modelling. MfE intends to provide an abridged version to CPMG Ministers.
- We have estimated the potential impact of new policies proposed in ERP2, such as Electrify NZ, EV Chargers, and agricultural pricing. This has shown that that enabling policies within ERP2 could contribute:
 - 4 Mt during EB2 (approximately 1.2% of the emission budget)
 - 15 Mt during EB3 (approximately 6.2% of the emission budget).
- The modelling of ERP2 policies is preliminary. These will be refined before the final ERP2 so are likely to change before the end of the year.

- Based on assumptions as of 12 June 2024, our latest projections indicate:
 - EB1 – our baseline emissions are between a range of 278-286 Mt with a central scenario of 282 Mt that is **better** than the budget of 290 Mt.
 - EB2 – our baseline emissions are between a range of 287-323 Mt with a central scenario of 305 Mt that is the **same** as the budget of 305 Mt. With the inclusion of key enabling ERP2 policies, the central scenario drops to 301 Mt.
 - 2030 methane target – emissions are between a range of 6-16% reduction from 2017 with a central scenario of 11% reduction that is **slightly better** than the target of 10%.
- To support Ministers to understand the possible impact of ETS settings decisions on sufficiency (via differing ETS prices), we have also modelled the impact of different ETS volume settings and price pathways they may generate. This is presented for illustrative purposes only, and these are not necessarily the options that Ministers will be asked to consider in ETS settings decisions due in August, which will reflect feedback received during consultation and the most up to date information available. Overall, ETS settings scenarios have a material impact on the delivery of EB2.

Implications for ERP2


- The CCRA requires the Minister of Climate Change to prepare an ERP that is sufficient for meeting the relevant emissions budget. s 9(2)(h) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- Based on the information we have at hand at present, our overall judgement is that the Discussion Document provides a sufficient basis for consulting on, and confirming, a final ERP2 which will meet the legal requirements of the Act in December.
- There is not much time to get a discussion document for ERP2 through Cabinet before the Parliament recess in July. Getting decisions to consult before July recess is vital to deliver the final plan by December.

Implications for ETS Settings

- Cabinet will take decisions on ETS settings in August. Settings must accord with emissions targets and budgets, but the ETS cannot *guarantee* an emissions outcome within a given time period due to the ability to bank NZUs for use at any time.
- Ministers will need to make judgements about how to manage this uncertainty to sufficiency. Advice on settings will help Ministers to understand their options and form a view on how to manage risk and uncertainty in the context of ETS settings. These decisions are therefore critical in informing the sufficiency of the final ERP2.

Managing the sufficiency risk ahead of ERP2

s 9(2)(f)(iv)





COVERSHEET: Item 4				
To	Climate Change Chief Executives Board			
Meeting date	14 June 2024			
Agenda item name	International Climate Strategy			
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	<p>An update will be provided on New Zealand's international climate strategy, including:</p> <ul style="list-style-type: none"> - NDC1 and the biennial transparency report due in December indicating progress towards NDC1 - Plans for setting NDC2 (due February 2025) <p>This will include an overview of recent advice requested from Ministers relating to NDCs.</p>			
Recommendations	<ul style="list-style-type: none"> • Note the update provided, and the need for a more substantive Board conversation on these issues ahead of providing advice to CPMG 			
Comments	<p>A more substantive discussion on New Zealand's international climate strategy will be scheduled for the July CCCEB meeting, ahead of providing advice to CPMG.</p> <p>Supporting paper to be circulated separately.</p>			



Memo: Nationally Determined Contribution (NDC) targets – proposed approach to progressing NDC1 and NDC2 decisions

To: Climate Chief Executives

From: Sam Buckle – Deputy Secretary, Climate Change Mitigation and Resource Efficiency, MfE

Victoria Hallum – Deputy Secretary, Multilateral and Legal Affairs, MFAT

Date: 12 June 2024

Purpose

This memo outlines a proposed approach for progressing decisions on Nationally Determined Contribution (NDC) targets. This includes both progress towards NDC1 and setting NDC2. We should expect increasing scrutiny on this, both domestically and internationally, over the coming months in the lead up to COP29.

Background

s 9(2)(f)(iv)

A large, solid grey rectangular box covers the majority of the page, redacting the content of the 'Background' section.



COVERSHEET: Item 5				
To	Climate Change Chief Executives Board			
Meeting date	14 June 2024			
Agenda item name	Upcoming reporting deliverables			
Item lead	Lisa Daniell / Sylvia Freat			
Lead agency	CCIEB 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	<p>A new quarterly report on Government Target 9 has been commissioned by DPMC, and the inaugural report is due to the Minister of Climate Change in early July 2024.</p> <p>The Board is proposed to be the governance body responsible for the delivery of the Target 9 report.</p> <p>The Climate IEB Unit is working closely with MfE on the data needed for the Target 9 report, and from September will synchronise reporting with the Board's regular Quarterly Progress Update provided to the Minister of Climate Change and CPMG.</p>			
Recommendations	<ul style="list-style-type: none"> Note that there is a new quarterly reporting deliverable – Target 9 Note the Board will be the responsible for delivering Target 9 reports Note the first Target 9 report is due end of July 2024 Note the next quarterly progress report across ERP1 and NAP1 actions is due in September. This will incorporate Target 9 reporting and be used for the proposed responses to the CCC's monitoring reports. 			

Upcoming reporting deliverables for the Board, including the new quarterly report on Government Target 9

Purpose

1. To advise the Climate Change Chief Executives Board on upcoming reporting deliverables, namely: the new reporting deliverable for Government Target 9, the next Quarterly Progress Report, and the two responses to the Climate Change Commission's upcoming reports on ERP1 and NAP1.

Context

2. The Board currently produces quarterly progress reports for the Climate Priorities Ministerial Group (CPMG) on New Zealand's progress towards meeting its 2050 net zero climate change targets. It does this by using emissions projections to estimate future greenhouse gas emissions relative to our emissions budgets. It also tracks implementation of actions in the Government's two key (mitigation and adaptation) climate change programmes: ERP1 and NAP1. The next report to CPMG is due in September 2024.
3. The data typically called upon for the Board's quarterly progress reports can be drawn on to support: a new reporting deliverable – the Government's 'Target 9', and two responses to the Climate Change Commission's upcoming reports on ERP1 and NAP1.
4. In April 2024, the Prime Minister launched nine Government Targets, to be delivered by 2030. The PM requests quarterly reports on each of these Targets, with the first one due in July 2024.
5. Target 9 is similarly focused on tracking progress towards meeting New Zealand's climate change goals, specifically the emissions levels of emissions budgets 1 and 2:

Target 9 - Reducing net greenhouse gas emissions: On track to meet New Zealand's 2050 net zero climate change targets, with total net emissions of no more than 290 megatonnes from 2022 to 2025 and 305 megatonnes from 2026 and 2030.

6. The Board, as the governance body responsible for reporting progress on climate change to CPMG, is being asked to support sign-off for the quarterly Target 9 report to the Government.
7. In addition, the Climate Change Commission publishes reports annually on progress across New Zealand's two whole-of-economy climate change plans: ERP1 and NAP1. The Climate Change Response Act requires that the Minister of Climate Change tables a response to these reports in Parliament. The responses are due by mid-October 2024 (ERP1) and in February 2025 (NAP1).
8. As the Board currently tracks implementation of ERP1 and NAP1, the draft Government response to the Commission can be prepared by the Climate IEB Unit, working with MfE and across your relevant agencies, and then delivered by the Board.
9. This paper outlines the governance, sign-off, and content for Target 9, and how we can integrate this report with the delivery of the Quarterly Progress Reports for efficiency and streamlining purposes going forward. It also describes our proposed approach to responding to the two Commission's reports in the coming year.

Target 9 governance, sign-off, and content

Governance

10. As the lead agency for climate change and the responsible body for reporting on climate change, the Ministry for the Environment (MfE) and the Climate IEB Unit will draft the quarterly Government Target 9 reports, for approval by the Board.
11. The Climate IEB Unit will draw upon data collected and compiled by MfE, and from key agencies and Stats NZ. The data will cover progress, issues and risks to the delivery of Target 9, and the Unit will work with MfE on quality assurance of data in the report.

Sign-off

12. The Lead Minister who will approve the Target 9 report is the Minister of Climate Change (the Minister). The Board will be responsible for the delivery of the report to the Minister. We anticipate this report will also be shared with the Climate Priorities Ministerial Group (CPMG).
13. DPMC will compile a Consolidated Target Quarterly Report (containing all nine Government Target reports), for submission to the Strategy Committee and Cabinet. Post-Cabinet, DPMC will publish the final report.

Content of the Target 9 report

14. DPMC has provided reporting guidance to agencies, with the Target 9 Report to consist of 2 x A3 pages:
 - **First A3 page:** highlights performance of the target relative to the estimated trajectory and outlines progress on key timelines. It includes a 'RAG' traffic light assessment on current performance, performance trajectory, issues and risks, change vs. last quarter, performance insights, initiative(s) progress, and next steps.
 - **Second A3 page:** tells the story of overall performance using data on selected supporting indicators. This provides target breakdowns, leading indicators, commentary and system indicators.
15. The Climate IEB Unit will complete the Target 9 reporting templates, and with MfE will lead discussions with DPMC and Minister on any deviations needed due to limited data availability (for example the template asks for demographic splits of data, which is not possible currently in the case of emissions data). Annual projections will feature in Target 9 reporting, along with interim projections (utilising the ENZ model).

Integration with the Quarterly Progress Updates for CPMG

The Board already produces quarterly progress updates to Climate Ministers, and the data and content from these will be utilised for Target 9 reports

16. The Board provides quarterly progress updates to CPMG, which consist of:
 - **Section 1:** an update on the Government's stated climate priorities for adaptation and mitigation

- **Section 2:** how we are tracking towards our climate change mitigation targets and budgets, using either official projections or interim projections, and sector updates
 - **Section 3 (in every second quarterly report):** implementation of the actions in the first emissions reduction plan (ERP1) and national adaptation plan (NAP1)
17. Given the synergies in reporting content, we propose to adjust Section 2 of the Board's quarterly progress updates, to align with DPMC Target 9 reporting requirements. This will reduce duplication (and requests to agencies) and streamline the governance and sign-out process.

Timing

18. The initial Target 9 report is due to be signed by the Minister on 17 July, which falls between the Board's 'usual' May and September quarterly progress updates to CPMG. The first Target 9 report will therefore need to be prepared by the Climate IEB as a stand-alone report (drawing predominantly from the same data sources as Section 2 of the Board's May Quarterly Report).
19. From September 2024 onwards, Target 9 reporting will be included in the Board's Quarterly Progress updates.

Approach to responding to the Climate Change Commission's reports on ERP1 and NAP1

20. The September Quarterly Progress Update will also be a key input into the Government's Response to both the Climate Change Commission's ERP1 and NAP1 Monitoring Reports, required under the Climate Change Response Act to be tabled by the Minister in Parliament in October 2024, and February 2025 respectively.
21. We have tested our proposed approach to these responses with agencies taking into account resource pressures and the following approach is recommended:
- ERP1 progress report response: The September Quarterly Progress Report on ERP1 implementation will be the basis for the response, with a short covering narrative responding to specific findings and noting any plan adjustments.
 - NAP1 progress report response: NAP reports are produced less frequently (every two years). There is an opportunity through this response for the government to publicly set their strategic direction and wider Government priorities for adaptation, and to better align NAP1 actions with these priorities for the remaining four years of NAP1 implementation (the next NAP being due in 2028). The CCC response will be informed by a NAP1 updated table of actions and the September Quarterly Progress Report.
 - Climate agencies will shortly receive a request from the Climate IEB Unit to provide their input for the September Quarterly Progress Update (this is through updating a tracker of remaining actions in ERP1 and NAP1) so that the two responses to the Commission's reports can be developed.

Recommendations

22. We recommend that you:

- a. **Note** the Climate Change Chief Executives Board will be the governance body responsible for delivering quarterly Government Target 9 reports, with the Climate IEB Unit and MfE to work with agencies to draft the reports.
- b. **Note** that the first reporting period has started, and the Target 9 report is due with the Minister of Climate Change on 11 July, for sign-out by 17 July.
- c. **Note** that because of the timing for the first Target 9 report, it will be prepared by the Climate IEB Unit as a stand-alone report drawing on data from, and socialised and checked with MfE, agencies, and Stats NZ.
- d. **Note** that given the synergies in reporting content, the Board's future quarterly progress update reports to CPMG will be adjusted to align with DPMC Target 9 reporting requirements and timing, commencing with the September 2024 Quarterly Progress Update to CPMG.
- e. **Note** that the information provided by agencies for the Board's September Quarterly Report will also be used to support two responses to the Climate Change Commission's reports on ERP1 and NAP1 (due in October and February respectively).



COVERSHEET: Item 6				
To	Climate Change Chief Executives Board			
Meeting date	14 June 2024			
Agenda item name	Meeting administration: 6.1 Corporate Health dashboard 6.2 Update on MfE change proposal 6.3 Minutes of previous meeting; actions register as at 10 May 2024			
Item lead	Lisa Daniell			
Lead agency	CCIEB Unit			
Verbal update	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Supporting paper	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Recommendations	<ul style="list-style-type: none"> • Note the Corporate Health dashboard for the period ended 31 May 2024 • Note the oral update regarding the MfE change proposal • Approve the minutes of the previous meeting, held on 10 May 2024 			
Comments	The minutes of the previous meetings held on 7 February, 28 February, 13 March, and 3 April 2024 were circulated with the meeting papers for 10 May 2024. As no comments have been received, these have now been finalised.			

Corporate Health Dashboard, period ended 31 May 2024

Executive Director	Manager	Period ending
Lisa Daniell	Amy Tisdall	31 May 2024

Team profile	Cross agency representation	Upcoming appointments
<p>People / FTEs: 12.1 FTE (includes leadership and support staff)</p> <p>Contractors: None</p> <p>Fixed term: 2.6 FTE to October 2024</p>	<p>Seconded from MfE (Programme Management)</p>	<p>Vacancies (and forecasted start dates): Deputy Executive Director, 2x Senior Analysts, Analyst (<i>on-hold/no plans to hire</i>)</p>

Board's financial management																																																									
<p>Total appropriation including shared services: \$4.132m</p> <p>The CCIEB is forecasting a full year underspend of \$0.532m.</p> <p>This is due to management and lower use by the Unit of consultant and data/ modelling expenditure, in anticipation of savings being required. Recruitment controls to not fill roles reduced personnel costs (but these still comprise the majority of budget).</p> <p>Included in 'other' is the \$0.200m shared service recharge agreed with MfE Climate.</p>	<table border="1"> <thead> <tr> <th rowspan="2">(000's)</th> <th colspan="2">Actual</th> <th colspan="2">Forecast</th> <th rowspan="2">Total</th> </tr> <tr> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>Personnel</td> <td>434</td> <td>571</td> <td>493</td> <td>525</td> <td>2,024</td> </tr> <tr> <td>Consultants</td> <td>33</td> <td>-10</td> <td>73</td> <td>0</td> <td>96</td> </tr> <tr> <td>Data & Modelling</td> <td>400</td> <td>33</td> <td>7</td> <td>10</td> <td>451</td> </tr> <tr> <td>Other</td> <td>222</td> <td>13</td> <td>27</td> <td>26</td> <td>288</td> </tr> <tr> <td></td> <td>1,090</td> <td>607</td> <td>600</td> <td>562</td> <td>2,859</td> </tr> <tr> <td></td> <td></td> <td></td> <td colspan="2">Total Direct Budget</td> <td>3,391</td> </tr> <tr> <td></td> <td></td> <td></td> <td colspan="2">Variance</td> <td>532</td> </tr> </tbody> </table>					(000's)	Actual		Forecast		Total	Q1	Q2	Q3	Q4	Personnel	434	571	493	525	2,024	Consultants	33	-10	73	0	96	Data & Modelling	400	33	7	10	451	Other	222	13	27	26	288		1,090	607	600	562	2,859				Total Direct Budget		3,391				Variance		532
(000's)	Actual		Forecast		Total																																																				
	Q1	Q2	Q3	Q4																																																					
Personnel	434	571	493	525	2,024																																																				
Consultants	33	-10	73	0	96																																																				
Data & Modelling	400	33	7	10	451																																																				
Other	222	13	27	26	288																																																				
	1,090	607	600	562	2,859																																																				
			Total Direct Budget		3,391																																																				
			Variance		532																																																				

External engagements by the Climate IEB Unit	
Previous engagements:	Institute of Directors Chapter Zero; Aotearoa Circle; Chapman Tripp
Upcoming engagements:	Chapter Zero NZ; Silverfern Farms, KPMG, Centre for Sustainable Finance, Zespri, Mercury

Overall work programme status and RAG: Green (with heavy monitoring and reporting period ahead)
<p>The Climate IEB Unit has supported the establishment of the Climate Priorities Ministerial Group, identification of its priority focus areas, and its March and May meetings.</p> <p>The Unit supported The Treasury to assess agency bids and savings initiatives on the climate implications of the Budget 2024 package.</p> <p>The Unit has worked collaboratively with agencies to develop and deliver:</p> <p>Monitoring reports: revised Board reports (cadence and areas of focus), consistent with CPMG priorities and requirements. This will evolve to meet reporting requirements for PM's Target 9. Monitoring and reporting on implementation of ERP1 and NAP1 continues, consistent with CCRA requirements and with efficiency improvements to reduce burden on agencies.</p> <p>Collective advice: response to advice needs by MCC to provide an update on the sufficiency assessment for ERP2 relevant to latest modelling results.</p>

Work programme – focus for next quarter	
Regular monitoring and reporting:	September 2024 Quarterly Report to CPMG on delivery of Government's climate priorities and implementation of ERP1 and NAP1. This report will include Quarterly Reporting required for PM Target 9 (with a separate Target 9 quarterly report also due in July 2024), and will form part of the Government's responses to the CCC monitoring reports on ERP1 and NAP1 implementation (ERP1 response due October 2024).
Integrating adaptation across the work programme:	There is an opportunity for the government to publicly set their strategic direction and outline their work programmes to deliver adaptation action through the upcoming response to the Climate Change Commission's progress monitoring report on NAP1 (due August). <i>s 9(2)(f)(iv)</i>
Collective advice:	<p>Develop advice to the Minister of Climate Change on the set of actions stopped from ERP1, the impact on EB1 and beyond (based on latest available modelling) and the legal situation re ERP1 updates.</p> <p>Finalise joint advice with MfE on the sufficiency requirements for ERP2 to be considered as adequate plan under the statute to meet EB2.</p> <p>Increased number of OIA and related requests for information on Board papers, attendance, reports, and related advice.</p>

Key risks / opportunities	
1	Supporting Ministers to take necessary decisions about direction of climate policy, namely ERP2, Adaptation Framework, and <i>s 9(2)(f)(iv)</i> . Recently agreed Climate Strategy provides a framework for these decisions, <i>s 9(2)(f)(iv)</i>
2	Emissions projections over the past year have trended closer to EB1, <i>s 9(2)(f)(iv)</i> . Will require close monitoring, in the context of <i>s 9(2)(f)(iv)</i>
3	Resourcing pressures across agencies and within CCCIEB Unit.

Key performance indicators (from current strategic intent)
Support Aotearoa New Zealand's transition as we develop a low emissions, climate resilient economy and society by monitoring our progress and advising Government on any changes needed to meet that goal.

Climate Change Chief Executives Board

MEETING MINUTES

Friday 10 May 2024, 3:00–4:00pm
Online via MS Teams

Attendees	Carolyn Tremain, Acting Chair (MBIE), Audrey Sonerson (MoT), Caralee McLiesh (TSY), Aaron Martin (CL), Victoria Hallum (MFAT)
Delegates	Jenna Rogers (NEMA), Sophia Murphy (MPI), Sam Buckle (MfE)
In support	Lisa Daniell, Amy Tisdall, Rachael Church (Climate IEB Unit) Katherine Wilson, Hemi Smiler, Stephen Goodman (MfE)
Apologies	Dave Gawn (NEMA), James Palmer (MfE), Paul James (DIA), Penny Nelson (DoC), Ray Smith (MPI)

#	Item	Actions
Welcome / karakia tīmatanga		
	<p>Opening comments Lead: Acting Chair / Lisa Daniell The Acting Chair opened the meeting and noted the apologies received and delegates attending.</p>	
1	<p>Adaptation Framework oral update Lead: Katherine Wilson (MfE)</p> <p>Context: The motion to initiate the Finance and Expenditure inquiry on adaptation was unanimously passed in the House. Broad support has been expressed publicly for a bipartisan approach to the adaptation framework, to be landed by the end of the year. A further update will be provided to the Board in June, outlining critical decisions for Ministers to take and key trade-offs.</p> <p>The Board:</p> <p>1.1 noted a further paper on the Adaptation Framework will be provided to the Board in June, outlining critical decisions for Ministers to take.</p>	
2	<p>Review and positioning of material for CPMG Lead: Chair / Lisa Daniell (Climate IEB Unit) / Sam Buckle (MfE)</p> <p>Context: The Chair noted the purpose of this discussion in positioning the information being provided to Ministers for discussion at the CPMG meeting on 20 May. There are two key items proposed (1) Climate Vision; (2) ERP2. It is proposed the Board's quarterly report be included as a noting paper.</p> <p>The climate vision is being developed in response to a request for a clear climate narrative for the public and Ministers - and to bring coalition partners together around common strategy for achieving the government's climate goals. It is an evolving document and closer to a set of actions than a strategic paper or positioning document. It is proposed that this Cabinet paper and vision precedes ERP2 consultation decisions.</p> <p>The ERP2 paper is proposed to give an update on timing for ERP2 consultation and delivery in 2024, highlighting key policies and sufficiency requirements of the final plan, including quantification challenges.</p> <p>The Board's quarterly report includes updated interim modelling projections that suggest meeting emissions targets has become more challenging. An alternative model has been used (ENZ) which can be run quite quickly compared to the annual projections which take months. The updated projections are being used to establish a starting point/baseline prior to ERP2 being developed.</p>	

<p>Discussion points:</p> <ul style="list-style-type: none"> • The climate vision will outline the government’s direction. It will be distinct from the ERP2 consultation document, which will be more detailed. • The climate vision is a useful outline for the New Zealand public and signals the government’s direction. The vision needs to be framed clearly to show that it is separate from an action plan. • At the previous CPMG meeting, Ministers discussed the NDC and the importance of an international narrative. It could be useful to consider whether the vision needs to be a document that can be positioned in international discussions. • The reference to an international audience in the Cabinet paper needs amending to better cater for international audiences. • Discussions at the March CPMG meeting noted that emphasis is needed on the preeminence of the ETS as the centre-piece for emissions reduction policy – so suggest that this could be up-weighted. • The ERP2 paper and consultation document needs to allow space to include suggestions from the public to be incorporated. • s 9(2)(h) • Updates to the modelling status of some policies noted in the ERP2 paper are needed (e.g. Transport policies shown as <i>‘working on it’</i> will need to be amended to <i>not currently possible</i> as the climate impact of these policies is not able to be modelled reliably). The sufficiency content of ERP2 will need to be consistent and at a much more technical level. • The increased risk to meeting emissions budgets (demonstrated through the interim projections) should be highlighted to Ministers; this is a change from the previous advice and is likely to become more challenging due to various headwinds. • Future advice should clearly outline the challenges of modelling and the statutory framework, with options for Ministers to consider. • s 9(2)(g)(i) • It will be important to provide assurance around the modelling, including responses to peer review questions and being prepared to explain the methodological changes in detail. <p>The Board:</p> <ol style="list-style-type: none"> 2.1 noted the draft CPMG papers and provided feedback on the interim projections and associated risks, including that legal obligations and risk elements should be clearly outlined in the quarterly report; 2.2 agreed that numbers interim projections should be included in advice being provided to Ministers; 2.3 agreed that quality assurance of modelling (potentially including peer review/independent modelling for which cost may need to be put to ministers) should be undertaken to show credibility of the approach used. 	<p>MfE to discuss with the Minister the international reference in the Cabinet paper, economic opportunities, and positioning of ETS. Lead: MfE</p> <p>Legal obligations and risk elements to be clearly outlined in the sufficiency advice to Ministers, with numbers/interim projections to be included. Lead: MfE / CCIEB Unit</p> <p>Peer review of the modelling to be arranged with a contracted party. Lead: MfE / CCIEB Unit</p>
<p>Closing comments / karakia whakamutunga</p>	
<p>The Acting Chair noted that the previous meeting minutes would be circulated by round-robin, for Chief Executives to provide any amendments or confirm agreement by email to the Climate IEB Unit.</p> <p>The meeting closed at 4:05pm.</p>	

Climate Change Chief Executives Board - actions register

Paper 6.2

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
24-2	7/02/2024	Supporting climate Ministers in the new government	The Board noted 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	Item to be added to the Board's forward agenda for a discussion on Board accountability for delivery of measurable targets and progress reporting	IEB Unit	Open
24-6	28/02/2024	Board's role and focus for 2024	The Board noted the proposed objectives and functions that the Board needs to deliver in 2024 and provided feedback on the proposed areas; agreed that decision-making needs to be streamlined between the Board, Climate Deputy Chief Executives Group, and Interagency Climate Directors Group to ensure that decisions are made by the most appropriate group	Decision-making is to be streamlined between the Board, DCEs, and Directors to avoid decisions being cascaded	IEB Unit	Completed - roles and responsibilities paper shared with interagency Directors; seeking to use Directors to frame up key questions for DCEs and Board
24-8	3/04/2024	Context sharing / CPMG debrief	The Board delegated to Climate DCEs to drive and oversee the work to deliver the mid-year NDC Cabinet paper and agree to prioritise resources to support delivery within the required timeframes.	Climate DCEs to drive and oversee mid-year NDC Cabinet paper and agree to prioritise resources to support delivery within the required timeframes. I think put "Dormant - paper did not proceed on original timeframes"	IEB Unit / MfE (with agencies)	Ongoing - action closed
24-9	3/04/2024	External engagement - RBNZ	The Board noted that the Climate IEB Unit will arrange further engagement with the Reserve Bank of New Zealand	Climate IEB Unit to arrange further engagement with RBNZ at a later date - suggest annual	IEB Unit	Added to forward agenda - action closed

Climate Change Chief Executives Board - actions register

Paper 6.2

Action #	Meeting Date	Discussion item	Minutes	Action	Responsible	Status
24-10	3/04/2024	External engagement - CBAG	The Board noted that the Climate IEB Unit will arrange further engagement with the Climate Business Advisory Group following finalisation of the Sapere report	Climate IEB Unit to arrange further engagement with the CBAG following finalisation of the Sapere report	IEB Unit	Sapere report to be circulated to Board, then action complete
24-11	10/05/2024	Review and positioning of material for CPMG		MfE to discuss with the Minister the international reference in the Cabinet paper, economic opportunities, and positioning of ETS	MfE	Completed - action closed
24-12	10/05/2024	Review and positioning of material for CPMG	The Board noted the draft CPMG papers and provided feedback on the interim projections and associated risks, including that legal obligations and risk elements should be clearly outlined	Legal obligations and risk elements to be clearly outlined in the sufficiency advice to Ministers, with numbers to be included in interim projections	MfE / IEB Unit	Completed - action closed
24-13	10/05/2024	Review and positioning of material for CPMG	The Board agreed that quality assurance of modelling (potentially including peer review/independent modelling for which cost may need to be put to Ministers) should be undertaken to show credibility of the approach used	Peer review of the modelling to be arranged with a contracted party	MfE / IEB Unit	Open