

## Climate Priorities Ministerial Group Meeting

### AGENDA

<b>Date</b>	25 March 2024	<b>Time</b>	7:30-9:00pm
<b>Venue</b>	Ministerial Meeting Room, Level 2 Executive Wing, Parliament Buildings		
<b>Attendees</b>	<p>Rt Hon Christopher Luxon – Prime Minister</p> <p><u>Core members</u></p> <p>Hon Simon Watts – Minister of Climate Change  Hon Nicola Willis – Minister of Finance; Associate Minister of Climate Change (first 45-60mins)  Hon Chris Bishop – Minister of Infrastructure, Minister Responsible for RMA Reform, Minister of Housing  Hon Simeon Brown – Minister for Energy, Minister of Transport, Minister of Local Government  Hon Todd McClay – Minister of Agriculture, Minister of Forestry, Minister for Trade  Rt Hon Winston Peters – Minister of Foreign Affairs</p> <p><u>High-interest members</u></p> <p>Hon Mark Mitchell, Minister for Emergency Management and Recovery  Hon Tama Potaka, Minister of Conservation, and Māori Crown Relations: Te Arawhiti;  Hon Penny Simmonds, Minister for the Environment  Hon Shane Jones, Minister for Regional Development and Resources  Hon Mark Patterson, Minister for Rural Communities.</p>		
<b>Apologies</b>			

Meeting open		
#	Time	Agenda Item
1	10 mins	<p><b>Purpose and expectations for group and portfolio ministers</b>  Lead speaker: Rt Hon Christopher Luxon / Hon Simon Watts</p>
	7:30-7:40pm	<p><b>Recommendations</b></p> <p>1.1 Note the Ministerial and portfolio responsibilities that will contribute to successfully delivering the government's climate change programme.</p> <p>1.2 Agree the purpose, scope and functions of CPMG as set out in the terms of reference for the group.</p> <p><b>Supporting document:</b></p> <ul style="list-style-type: none"> <li><i>Paper 1.1: Establishment of the Climate Priorities Ministerial Group (including terms of reference and RACI with ministerial responsibilities for climate change programme deliverables)</i></li> </ul>
2	5 mins	<p><b>Domestic and international targets, goals and obligations for climate mitigation and adaptation</b>  Lead speaker: Hon Simon Watts</p>
	7:40-7:45pm	<p><b>Recommendations</b></p> <p>2.1 Note the international commitments and the first Nationally Determined Contribution (NDC1) that New Zealand has agreed under the Paris Agreement.</p> <p>2.2 Note the Climate Change Response Act targets and requirements for mitigation and adaptation including, domestic emissions budgets, and tracking towards those and requirements to publish emissions reduction plans (ERP) and national adaptation plans (NAP).</p> <p>2.3 Note increasing climate litigation, legal obligations with respect to targets, and good decision-making processes to manage risks of challenge.</p> <p>2.4 Note the requirements for the second emissions reduction plan to be developed and published in 2024.</p>

		<p>2.5 Note the Climate Change Commission is due to produce its first monitoring and progress reports on the implementation and effectiveness of the Government’s ERP (due in July) and NAP (due in August). The Government is required to provide a response to these reports.</p> <p><b>Supporting document:</b></p> <ul style="list-style-type: none"> <li>• <i>Paper 2.1: Climate Change Response Act framework and requirements for climate mitigation and adaptation (A3)</i></li> </ul>
3	70 mins	<p><b>Key decisions and directions for CPMG in 2024</b></p> <p>Lead speaker: Hon Simon Watts</p>
	<p>7.45-8.30pm</p> <p>8:30-8:45pm</p> <p>8:45-8:55pm</p>	<p><b>Recommendations</b></p> <p>3.1 Note the schedule of key decisions and directions that will be brought to CPMG through 2024, across:</p> <ul style="list-style-type: none"> <li>• international mitigation (s 9(2)(f)(iv) ),</li> <li>• domestic mitigation (ERP2), and</li> <li>• adaptation (progressing the framework and directing the Government’s response to the Climate Change Commission’s report on the National Adaptation Plan).</li> </ul> <p><i>International mitigation</i></p> <p>3.2 s 9(2)(f)(iv)</p> <p><i>Domestic mitigation</i></p> <p>3.3 Agree that in April, Ministers will need to consider draft policies from all relevant portfolios for inclusion in ERP2 consultation, with an ERP2 consultation Cabinet paper to be approved in May.</p> <p><i>Climate adaptation</i></p> <p>3.4 Note the proposed scope and timeline for the adaptation framework work programme and the opportunities for strategic alignment with other relevant reform programmes.</p> <p><b>Supporting documents:</b></p> <ul style="list-style-type: none"> <li>• <i>Paper 3.1: CPMG key decisions and direction for 2024</i></li> <li>• s 9(2)(f)(iv)</li> <li>• <i>Paper 3.3: Introducing the second emissions reduction plan</i></li> <li>• <i>Paper 3.4: Delivering an adaptation framework – scope and summary timeline (A3)</i></li> </ul>
4	5 mins	<p><b>Any other business</b></p> <p>Lead speaker: Hon Simon Watts</p>
	8:55-9.00pm	<p><b>Recommendations</b></p> <p>4.1 Note the appended indicative forward agenda included below for the proposed June items.</p> <p>4.2 Note the summary of the March 2024 Quarterly Progress Report.</p> <p><b>Papers circulated for noting:</b></p> <ul style="list-style-type: none"> <li>• <i>Paper 4.1: Indicative forward agenda items for 2024</i></li> <li>• <i>Paper 4.2: Summary of Climate Change Chief Executives Board March 2024 progress report</i></li> </ul>
<p><b>Meeting close</b></p> <p><b>Next meeting date: Monday 24 June 2024</b></p>		

# Establishment of the Climate Priorities Ministerial Group

## Purpose

1. This briefing seeks Ministers' agreement to the purpose, scope and functions of a cross-Ministerial governance group for climate change (the Climate Priorities Ministerial Group, or CPMG), and associated progress reporting to CPMG on delivery of the government's climate change work programme.

## Content

### The value and purpose of the Group

2. The purpose of 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.
3. While the Minister of Climate Change has the statutory responsibility to meet climate change goals, this is held on behalf of the executive and many actions that impact this responsibility sit within other portfolios. This is a critical dynamic for which a cross-Ministerial governance approach is vital to the overall success of meeting New Zealand's climate change goals.
4. This Group will add value by tracking delivery and driving progress of the government's climate work programmes, holding Ministers to account, setting policy direction, unblocking obstacles and managing complexities and trade-offs.

### The scope of the Group's priority focus areas

5. The priority focus areas for the Group are proposed to be framed within three broad areas:
  - International mitigation (particularly New Zealand's nationally determined contribution);
  - Domestic mitigation;
  - Climate adaptation.
6. The following table outlines the 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 1 represent the areas that will be included in regular reporting to the CPMG.

*Table 1: Priority areas and work programmes for CPMG*

Priority areas	Work programme/s
1. Strengthen New Zealand's ability to adapt to the effects of climate change	<ul style="list-style-type: none"> <li>• <b>Climate Adaptation Bill</b></li> <li>• <b>Implementation of the NAP</b></li> </ul>

2. Unlock private investment and partnerships in our climate response	<ul style="list-style-type: none"> <li>• Taxonomy for green economic activity to drive green investment</li> <li>• Climate-related disclosures regime implementation</li> <li>• Climate Finance</li> </ul>
3. Take action to put and keep New Zealand on a path to meeting its climate targets	<ul style="list-style-type: none"> <li>• Emissions reduction plan: Publish the second ERP and <b>implementation of the first ERP</b></li> <li>• Nationally Determined Contribution: Meeting the first NDC, and setting the second NDC</li> <li>• NZ ETS pricing</li> <li>• <b>Agriculture: farm-level emissions measurement, pricing system and the methane target review</b></li> <li>• <b>Double the supply of renewable energy;</b></li> <li>• <b>Deliver more public EV chargers;</b></li> <li>• <b>Lower agriculture emissions through tech-led approach;</b></li> <li>• <b>Limit on farm conversion for forestry of high-quality land</b></li> <li>• <b>Build confidence in the forestry sector through stable forestry pricing</b></li> </ul>
4. Strengthening international climate change engagement and cooperation	<ul style="list-style-type: none"> <li>• International engagement</li> <li>• Trans-Tasman cooperation</li> <li>• International negotiations</li> </ul>
5. Drive a whole-of-Government approach to our climate response	<ul style="list-style-type: none"> <li>• Cross-Ministerial governance for climate programme, including progress reporting</li> <li>• Climate data system: including projections of climate impacts, emissions, and evidence-based policies.</li> </ul>

## Refreshing and improving climate change governance

7. Such a cross-Ministerial group has existed in the past for climate change. In December 2020, Cabinet agreed to establish a Climate Response Ministerial Group chaired by the Prime Minister. [CBC-20-MIN-0097 refers] That Group's role was to provide strategic direction, with Cabinet holding decision-making functions.
8. Independent commentators have highlighted the benefits of a Ministerial group in the development of the first ERP to drive strategic issues and provide cross sector advice to decision makers.<sup>1</sup>
9. In this parliamentary term, the Coalition Government will be responsible for:
  - delivering the second ERP in line with meeting the second emissions budget (2031-35),
  - the closing out of New Zealand's first emissions budget period (2022-25),
  - setting the path for meeting New Zealand's first nationally determined contribution under the Paris agreement (to be met by 2030), and
  - setting New Zealand's second NDC commitment for the period 2031-2035.

<sup>1</sup> [how-ministers-and-officials-developed-the-first-emissions-reduction-plan.pdf \(pce.parliament.nz\)](#)

10. The intention is to refresh the cross-Ministerial approach to strengthen and improve the model to better deliver results for New Zealand. This includes:

- Clear, strong political leadership for climate change, that weights up the different priorities and choices;
- 9(2)(f)(iv) [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- A tighter, more focused group to drive accountability for progress on actions and more regular reporting on delivery across the climate work programme;
- Mirroring the approach at the agency level and in cross-agency forums. The existing Climate Change Chief Executives Board (the Board) will continue as an Interdepartmental Executive Board, with the inclusion of the Ministry of Foreign Affairs and Trade. The Board will drive delivery and provide strategic cross-sector advice and reporting to Ministers;
- Meeting quarterly to enable transparency and accountability of climate action and progress.

11. A critical component of the success of cross-Ministerial governance is clear and transparent accountability for individual portfolio responsibilities alongside the collective development of advice and decision-making (see Appendix 2).

## Approach to quarterly reporting

12. As part of the Board's governance role, it monitors across 25+ agencies and reports on the delivery of the Government's climate change programme, and progress towards meeting New Zealand's climate goals and targets. The Board provides advice on risks or issues to inform Ministerial decisions on any responses required to enable domestic emissions budgets and adaptation goals to be met.

13. The Board proposes to report on a quarterly basis, to align with the meeting frequency of CPMG. Reports are proposed to be oriented towards your priorities, as outlined in Table 1 above. The March 2024 quarterly report will be circulated to CPMG Ministers, with a summary of the report to be noted under Agenda Item 4.

## Recommendations

14. It is recommended that CPMG:

- a. **Note** the key Ministerial and portfolio responsibilities that will contribute to successfully delivering the government's climate change programme
- b. **Agree** the purpose, scope and functions of CPMG as set out in the terms of reference for the group (Appendix 1)

Yes / No

# Appendix 1: Terms of reference for Climate Priorities Ministerial Group

## Terms of reference: Climate Priorities Ministerial Group

### Purpose of the Group

1. The purpose of the Climate Priorities Ministerial Group 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.

### Value and Functions of the Group

2. This group will add value by tracking delivery and results of our climate work programmes, holding Ministers to account, unblocking obstacles and managing complexities and trade-offs.
3. While the Minister of Climate Change has the statutory responsibility to meet climate change goals (including emissions budgets), this is held on behalf of the executive and many actions that impact this responsibility sit within other portfolios. This is a critical dynamic for which a cross-Ministerial governance approach is critical. Such a group has existed in the past, and has been considered vital to the overall success of ensuring New Zealand meets its climate change goals.
4. To do this, the Climate Priorities Ministerial Group has the following functions, set out in the table below.

Function	Description
Setting strategic policy direction	Setting early strategic and policy direction for implementing climate change priorities to deliver on New Zealand's domestic and international climate change commitments.
Cross-portfolio direction on key policy recommendations	Landing cross-portfolio recommendations, ahead of Cabinet decision-making, on how to progress climate-related policy with significant political, policy and economic judgements e.g. a 'policy clearing house'.
Quarterly monitoring and performance of delivery	Quarterly progress reports will provide transparency by tracking progress against climate commitments and targets and the government's stated climate policy priorities as outlined in paragraph 5 below. This includes collective accountability for overall budgets and the climate work programme.
Responding to emerging risks and opportunities	Responding to and agreeing on a collective approach to managing risks and opportunities that may impact climate action.

### Scope of the Group

5. The following priorities will be in scope of the Climate Priorities Ministerial Group and form the Government's collective climate change work programme (see Table 1 below).

**Table 1: Priority areas and work programmes for CPMG**

Priority areas	Work programme/s
1. Strengthen New Zealand's ability to adapt to the effects of climate change	<ul style="list-style-type: none"> <li>• Climate Adaptation Bill</li> <li>• Implementation of the NAP</li> </ul>

<p>2. Unlock private investment and partnerships in our climate response</p>	<ul style="list-style-type: none"> <li>• Taxonomy for green economic activity to drive green investment</li> <li>• Climate-related disclosures regime implementation</li> <li>• Climate Finance</li> </ul>
<p>3. Take action to put and keep New Zealand on a path to meeting its climate targets</p>	<ul style="list-style-type: none"> <li>• Emissions reduction plan: Publish the second ERP and implementation of the first ERP</li> <li>• Nationally Determined Contribution: Meeting the first NDC, and setting the second NDC</li> <li>• NZ ETS pricing</li> <li>• Agriculture: farm-level emissions measurement, pricing system and the methane target review</li> <li>• Double the supply of renewable energy;</li> <li>• Deliver more public EV chargers;</li> <li>• Lower agriculture emissions through tech-led approach;</li> <li>• Limit on farm conversion for high-quality land</li> <li>• Build confidence in the forestry sector through stable forestry pricing</li> </ul>
<p>4. Strengthening international climate change engagement and cooperation</p>	<ul style="list-style-type: none"> <li>• International engagement</li> <li>• Trans-Tasman cooperation</li> <li>• International negotiations</li> </ul>
<p>5. Drive a whole-of-Government approach to our climate response</p>	<ul style="list-style-type: none"> <li>• Cross-Ministerial governance for climate programme, including progress reporting</li> <li>• Climate data system: including projections of climate impacts, emissions, and evidence-based policies.</li> </ul>

6. Portfolio ministers are accountable for delivering priorities within their areas of responsibility and are responsible to CPMG for the delivery of their respective key climate change priorities. For example, the Energy Minister will be accountable for delivery of the Government’s renewable energy priority.

### Climate Priorities Ministerial Group membership

7. The priority areas of the Group relate to a range of portfolio Ministers. To drive focused, action-orientated discussion and direction for the government’s climate programme the Ministerial Group will run with a standing core group of Ministers, and an identified group of relevant Ministers with a high interest in the climate change programme, to be invited to meetings as needed for relevant agenda items.
8. The membership of the Group is:

Standing members
<ul style="list-style-type: none"> <li>• <b>Chairperson:</b> Minister of Climate Change</li> <li>• <b>Deputy Chairperson:</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>

High interest members, invited as needed
<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>



9. Membership of the Group may be updated as needed to reflect the priorities and changing context of the priorities and work programme of the Group. The Chairperson may also agree to invite external guests to the meeting where this would help to inform the discussion and decisions to be made.

## Role of the Chairperson

10. The Chairperson is responsible for:

- ensuring all members are undertaking their climate responsibilities within their portfolios.
- managing any conflicts that may arise.
- ensuring the Group operates in a manner that enables it to undertake its role and functions.

11. Should the Chairperson not be available, the Deputy Chairperson shall perform the Chairperson responsibilities for that meeting/time period.

## Meeting requirements

12. The CPMG will meet quarterly, with its first meeting scheduled for the end of March 2024. Out-of-cycle meetings may occur for specific deliverables using a sub-group of Ministers as appropriate.

13. The Chair, or Deputy Chairperson must be present at a meeting. A minimum of four members (including the Chair or Deputy Chairperson) must be present to form a quorum.

14. Agendas and papers will be circulated to all members the week before the scheduled meeting. Agenda format will reflect the priority areas as relevant for that quarter and will include a discussion of quarterly progress.

## Officials support of the Climate Priorities Ministerial Group

15. The Climate Change Chief Executives Board (the Board) is set up under the Public Service Act 2020 to align and coordinate cross-departmental action to deliver the government's climate plans and to provide strategic advice to the government on its climate change response.

16. The Board will provide support to CPMG. In addition to providing collective advice and quarterly reporting, this will include management of agendas, minutes and papers and will play an oversight and coordination role across agencies to support the Group.

17. Meeting agendas and papers will be proactively released every three months, pending necessary redactions in accordance with the Official Information Act 1982, beginning in June 2024 for the three months to March 2024.

## Appendix 2: Climate change programme Ministerial accountabilities

Climate work programme priorities		Climate Priorities Ministerial Group (core CPMG members)											
		Prime Minister	Minister of Climate Change	Minister of Finance	Minister for Energy	Minister of Transport	Minister of Agriculture	Minister of Forestry	Minister of Foreign Affairs	Minister for Infrastructure	Minister of Local Government	Minister Responsible for RMA reform	Minister of Housing
INTERNATIONAL MITIGATION	s 9(2)(f)(iv)	I	A	R	C	C	C	C	R	I	I	I	I
	• Set NDC 2 (Q1, 2025)	I	A	R	C	C	C	C	R	I	I	I	I
DOMESTIC MITIGATION	Net Zero Strategy to 2050	I	A	R	R	R	R	R	C	I	I	I	I
	Deliver second Emissions Reduction Plan	I	A	C	C	C	C	C	C	I	I	I	I
	<i>Energy: core policy</i>												
	• Double the supply of affordable, clean energy by 2050 by changing consenting rules to drive investment in renewable generation	I	C	C	R	C	C	C	I	C	I	C	I
	<i>Transport: core policies</i>												
	• Deliver 10,000 public EV chargers by 2030 • Eliminate the need for resource consents for EV charging points • Enable the development of sustainable aviation and marine biofuels	I	C	C	C	R	C	C	I	I	I	C	I
	<i>Agriculture: core policies</i>												
	• Give farmers the tools they need to reduce emissions (tech-led) • Fair and sustainable pricing of on-farm emissions by 2030	I	C	C	C	C	R	C	I	I	I	I	I
<i>Forestry: core policies</i>													
• Build confidence in the forestry sector by restoring confidence in ETS • Limits of farm conversion for forestry of high-quality land from 2024	I	C	C	C	C	C	C	R	I	I	I	I	
ADAPTATION	Adaptation Framework												
	• Build-bipartisan support for a rational, informed decision-making framework that is fair, and which minimises, for society overall, the losses from climate change plus the cost of investments in asset protection and managed retreat • Gather and <a href="#">share information</a> about climate-related risks to support informed decision-making	I	A	R	C	C	C	C	I	R	R	R	C

New Zealand's climate goals and targets	
Minister of Climate Change is accountable, on behalf of the Executive	
INTERNATIONAL MITIGATION	Nationally Determined Contribution: 'Reduce net emissions to 50 per cent below gross 2005 levels by 2030'
DOMESTIC MITIGATION	• Net zero emissions of all GHG gas emissions other than biogenic methane by 2050 • 10 per cent reduction below 2017 biogenic methane emissions by 2030, and 24 to 47 per cent reduction below 2017 biogenic methane emissions by 2050 • Achieving our emissions budgets
ADAPTATION	Delivering the National Adaptation Plan and meeting global adaptation goals





# Climate Change key decisions and directions for 2024

Priority area	Decision or deliverable	Due
<i>Tracking to NZ's international emissions reductions targets</i>	<ul style="list-style-type: none"> <li>• s 9(2)(f)(iv)</li> </ul>	s 9(2)(f)(iv)
	<ul style="list-style-type: none"> <li>• Submit the first Biennial Transparency Report on progress towards first NDC</li> </ul>	In 2024
	<ul style="list-style-type: none"> <li>• Approach to setting the second NDC</li> </ul>	(NDC2 due early 2025)
<i>Meeting domestic emissions targets and budgets</i>	<ul style="list-style-type: none"> <li>• Publish the Emissions Reduction Plan for the second emissions budget (2026-30)</li> </ul>	By end of 2024
	<ul style="list-style-type: none"> <li>• Take action to stay on track for the first emissions budget (2022-25)</li> <li>• Respond to July 2024 Climate Change Commission public report on implementation and adequacy of ERP1</li> </ul>	<ul style="list-style-type: none"> <li>• As required in response to CCIEB quarterly monitoring reports</li> <li>• By 17 October 2024</li> </ul>
<i>Adapting to the effects of climate change</i>	<ul style="list-style-type: none"> <li>• s 9(2)(f)(iv)</li> </ul>	• s 9(2)(f)(iv)
	<ul style="list-style-type: none"> <li>• Take action to stay on track to address the risks identified in the first national adaptation plan</li> <li>• Prepare to respond to Climate Change Commission public report on implementation of NAP1 and its effectiveness in addressing the NCCRA risks</li> </ul>	<ul style="list-style-type: none"> <li>• As required in response to CCIEB quarterly monitoring reports</li> <li>• By February 2025 (CCC report published in August 2024, s 9(2)(f)(iv))</li> </ul>
	<ul style="list-style-type: none"> <li>• s 9(2)(f)(iv)</li> </ul>	• s 9(2)(f)(iv)
<i>International engagement and cooperation</i>	<ul style="list-style-type: none"> <li>• Attend COP29 in Azerbaijan</li> </ul>	<ul style="list-style-type: none"> <li>• 11-24 Nov 2024</li> </ul>

# Climate Change key decisions and directions for 2024

Indicative schedule for work coming to CPMG quarterly meetings				
Priority area	First quarter (March)	Second quarter (June)	Third quarter (September)	Fourth quarter (December)
<i>Tracking to NZ's international emissions reductions targets</i>	<ul style="list-style-type: none"> <li>• s 9(2)(f)(iv)</li> </ul>	<ul style="list-style-type: none"> <li>• s 9(2)(f)(iv)</li> </ul>	<ul style="list-style-type: none"> <li>• s 9(2)(f)(iv)</li> </ul>	<ul style="list-style-type: none"> <li>• s 9(2)(f)(iv)</li> </ul>
<i>Meeting domestic emissions targets and budgets</i>	<ul style="list-style-type: none"> <li>• Direction on the material for public consultation on ERP2</li> </ul>	<ul style="list-style-type: none"> <li>• Update on the launch of ERP2 consultation</li> </ul>	<ul style="list-style-type: none"> <li>• Consideration of ERP2 material for Cabinet</li> <li>• Approval of Government response to CCC report on implementation and adequacy of ERP1</li> </ul>	<ul style="list-style-type: none"> <li>• Possible presentation from CCC on its Dec 2024 advice package (2050 target review and International Aviation and Shipping emissions, EB2-3 review, EB4 advice)</li> </ul>
<i>Adapting to the effects of climate change</i>	<ul style="list-style-type: none"> <li>• Timing and scope of adaptation framework</li> </ul>	<ul style="list-style-type: none"> <li>• s 9(2)(f)(iv)</li> </ul>	<ul style="list-style-type: none"> <li>• s 9(2)(f)(iv)</li> </ul>	<ul style="list-style-type: none"> <li>• s 9(2)(f)(iv)</li> </ul>
<i>Monitoring and reporting</i>	<ul style="list-style-type: none"> <li>• Consider progress report and any key findings raised for discussion</li> </ul>	<ul style="list-style-type: none"> <li>• Consider CCIEB quarterly progress report and any key findings raised for discussion</li> </ul>	<ul style="list-style-type: none"> <li>• Consider CCIEB quarterly progress report and any key findings raised for discussion</li> </ul>	<ul style="list-style-type: none"> <li>• Consider CCIEB quarterly progress report and any key findings raised for discussion</li> </ul>











































# Delivering an Adaptation Framework – scope and summary timeline



**Purpose:** Note the proposed scope and timeline for the adaptation framework work programme and the opportunities for strategic alignment with other relevant reform programmes.

Climate change is straining our systems



750,000 New Zealanders, and 500,000 buildings worth over \$145 billion are near rivers and in coastal areas already exposed to extreme flooding



30% of damages from the 12 worst flood events in New Zealand from 2007-2017 were directly attributable to climate change

## Adaptation Framework scope

- To provide stable and predictable policy settings so that markets and individuals have the incentives and ability to manage risk.
- Focus on where people live and work and the associated infrastructure (including future development).
- All natural hazards by default, not just those that are climate-exacerbated.
- Four workstreams:
  - Principles for investment in risk response
  - Principles for cost-sharing pre- and post-event
  - Roles and responsibilities
  - Risk and response information sharing

## Adaptation Framework objectives

- Minimise expected long-term costs
- Ensure responses and funding support, if any, are predictable, principled and rule-based wherever possible (ie, not decided after each event)
- Improve climate risk and response information
- Address market failures and support market efficiency

## Other key Government work programmes needed to support and enable the framework

- |                                      |   |
|--------------------------------------|---|
| • Local Water Done Well              | • Natural hazards RMA instruments         |
| • Resource Management Reform         | • Reform of the building consent system   |
| • Emergency Management Reforms       | • Tools for implementing local adaptation |
| • Critical Infrastructure Resilience |   |

s 9(2)(f)(iv)

[IN CONFIDENCE]

### Indicative forward agenda items for CPMG meetings

Date	CPMG focus area	Potential discussion topic
Q2 June 2024	Reporting	<ul style="list-style-type: none"> <li>Standing item: Quarterly IEB update on delivery of climate priorities</li> </ul>
	Adaptation	<ul style="list-style-type: none"> <li>s 9(2)(f)(iv) [REDACTED]</li> <li>Overview of likely recommendations in forthcoming Climate Change Commission report on the implementation of the NAP (if known)</li> </ul>
	Domestic mitigation	<ul style="list-style-type: none"> <li>ERP2 consultation update</li> <li>Overview of likely recommendations in forthcoming Climate Change Commission report on the implementation of the first ERP (if known)</li> </ul>
	International mitigation	<ul style="list-style-type: none"> <li>s 9(2)(f)(iv) [REDACTED]</li> </ul>
Q3 Sept 2024	Reporting	<ul style="list-style-type: none"> <li>Standing item: Quarterly IEB update on delivery of climate priorities</li> </ul>
	Adaptation	<ul style="list-style-type: none"> <li>s 9(2)(f)(iv) [REDACTED]</li> </ul>
	Domestic mitigation	<ul style="list-style-type: none"> <li>s 9(2)(f)(iv) [REDACTED]</li> <li>Direction on strategic positioning of response to Climate Change Commission's report on implementation of the first ERP</li> </ul>
	International mitigation	<ul style="list-style-type: none"> <li>s 9(2)(f)(iv) [REDACTED]</li> </ul>
Q4 Dec 2024	Reporting	<ul style="list-style-type: none"> <li>Standing item: Quarterly IEB update on delivery of climate priorities</li> </ul>
	Adaptation	<ul style="list-style-type: none"> <li>s 9(2)(f)(iv) [REDACTED]</li> <li>Review of draft response to Climate Change Commission report on implementation of the NAP</li> </ul>
	Domestic mitigation	<ul style="list-style-type: none"> <li>Climate Change Commission advice               <ul style="list-style-type: none"> <li>2050 target review, including whether to include emissions from international shipping and aviation</li> <li>Emissions budget 4 level, and whether revision is recommended to emissions budget 1-3 levels</li> </ul> </li> </ul>
	International mitigation	<ul style="list-style-type: none"> <li>Climate Change Commission advice               <ul style="list-style-type: none"> <li>Setting the second NDC ambition</li> </ul> </li> </ul>

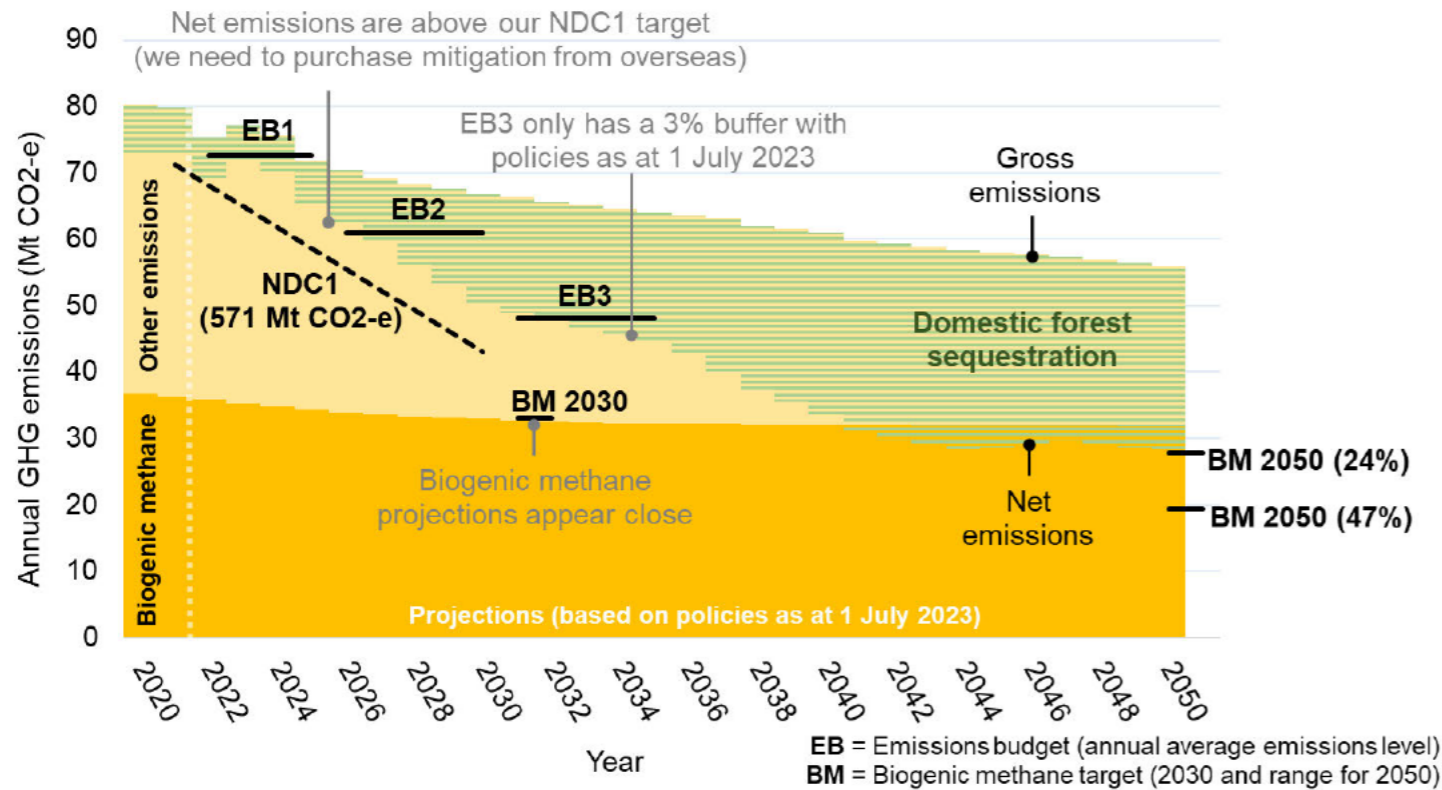
# Summary of March 2024 Quarterly Progress Report

## 1 Delivering on the Government's climate priorities

Sector/theme	Manifesto/Coalition Agreement commitments	Responsible Minister	Progress to date; Upcoming work over the coming quarters, including any upcoming Cabinet papers or dates	Any key risks, opportunities, or interdependencies
Energy	<p><b>Core policy: Energy Action Plan/Electrify NZ, including:</b></p> <ul style="list-style-type: none"> <li>Electrify NZ: cut red tape to enable investment in renewables so New Zealand can double its supply of affordable, clean energy and become a lower emissions economy by 2050:</li> <li>Removing consenting barriers to accelerate consenting of electricity generation, transmission, and distribution infrastructure</li> <li>Enabling use of offshore renewable energy resources</li> <li>Ensuring fit for purpose funding and cost recovery rules for network infrastructure.</li> </ul>	Minister for Energy	<ul style="list-style-type: none"> <li>Fast track approvals legislation introduced into Parliament <b>7 March 2024</b></li> <li>Cabinet considering next steps for work on EV charging in <b>April 2024</b></li> <li>Offshore renewable energy legislation policy proposals to Cabinet in <b>May 2024</b></li> <li>§ 9(2)(f)(iv)</li> <li>Electricity Authority working on some aspects of Electrify NZ around rules for infrastructure investment</li> </ul>	<ul style="list-style-type: none"> <li>Electrify NZ is the overarching work programme – with sub-components being led by different agencies and aligned with other work programmes. E.g.: RMA-related parts of Electrify NZ are being coordinated with the wider RM reform programme (both changes to legislation and national direction instruments).</li> <li>Interdependencies with Transport and ETS policies which impact the rate of users switching to electricity (which impacts the pace at which increased electricity supply needs to be delivered).</li> </ul>
Transport	<p><b>Core policies:</b></p> <ul style="list-style-type: none"> <li>Deliver 10,000 public EV chargers by 2030</li> <li>Eliminate the need for resource consents for EV charging points</li> <li>Enable the development of sustainable aviation and marine biofuels</li> </ul>	Minister of Transport	<p><u>Electric vehicle charging infrastructure:</u></p> <ul style="list-style-type: none"> <li>The Minister of Transport and Minister for Energy will take a paper to Cabinet in <b>early April 2024</b> to provide an update on: <ul style="list-style-type: none"> <li>the public EV charging context,</li> <li>existing work to address regulatory barriers to private investment in EV charging, and</li> <li>plans for the EV charging work programme and government co-funding model.</li> </ul> </li> <li>Officials are progressing the cost-benefit analysis for public EV charging infrastructure, as outlined in the National-ACT Coalition Agreement. Early outputs will feed into ERP2 emissions impact analysis, and the analysis will be finalised by <b>November 2024</b>.</li> </ul> <p><u>Enable the development of sustainable aviation and marine biofuels:</u></p> <ul style="list-style-type: none"> <li>Officials attended the International Maritime Organisation (IMO) climate change negotiations (MEPC81) over <b>March 2024</b>. <ul style="list-style-type: none"> <li>IMO will produce a revised greenhouse gas mandate.</li> <li>§ 9(2)(f)(iv)</li> </ul> </li> <li>Cross-government and industry group Sustainable Aviation Aotearoa are investigating barriers and opportunities relating to sustainable aviation fuels (SAF).</li> </ul>	<p><u>Electric vehicle charging infrastructure:</u></p> <ul style="list-style-type: none"> <li>There are close interdependencies with Electrify NZ workstreams (including measures relating to the costs, processes, and timeframes for new connections to the electricity network).</li> <li>Officials are working closely across agencies on the relevant policies</li> </ul>
Agriculture	<p><b>Core policies:</b></p> <ul style="list-style-type: none"> <li><b>Give farmers the tools they need to reduce emissions (tech-led):</b> <ul style="list-style-type: none"> <li>Farm-level measurement by 2025</li> <li>Continued sector-led investment in R&amp;D to reduce on-farm greenhouse gases</li> <li>End the effective ban on GE and GM technologies</li> <li>Full recognition of on-farm sequestration on a robust, scientific basis</li> </ul> </li> <li><b>Fair and sustainable pricing of on-farm emissions by 2030:</b> <ul style="list-style-type: none"> <li>Split gas approach to keep agriculture out of the ETS</li> <li>Prices set to reduce emissions without sending agricultural production overseas</li> <li>Review methane targets for consistency with no additional warming from agriculture</li> </ul> </li> </ul>	Minister of Agriculture	<p><u>Methane science and target review</u></p> <ul style="list-style-type: none"> <li>Cabinet paper for announcement <b>prior to 8 April 2024</b> (joint with Minister of Climate Change)</li> </ul> <p><u>Climate Change Response Act</u></p> <ul style="list-style-type: none"> <li>Backstop amendments to Cabinet <b>start of April 2024</b> (joint with Minister of Climate Change)</li> </ul>	
Forestry	<p><b>Core policies:</b></p> <ul style="list-style-type: none"> <li>Build confidence in forestry by restoring the stability of Emissions Trading Scheme revenues for the sector</li> <li>Limiting whole-farm conversions to exotic forestry on high-quality productive land registering in the ETS from 2024</li> </ul>	Minister of Forestry	<p><u>Climate Change Response Act: limiting whole-farm conversions to exotic forestry in ETS</u></p> <ul style="list-style-type: none"> <li>§ 9(2)(f)(iv)</li> </ul>	
Climate Data System	<p><b>Core policy: Delivering high quality data, informing decisions, and supporting research into real world policy options. This includes:</b></p> <ul style="list-style-type: none"> <li>Measuring progress to date; modelling and projections of climate risks and emissions; data on options, their costs and benefits; and linking these things to real world variables for example across the economy, or rural and urban communities</li> </ul>	Minister of Climate Change	<p>The Ministry for the Environment (MfE) will be delivering:</p> <ul style="list-style-type: none"> <li>an emissions reporting dashboard by <b>1 July 2024</b> which provides quarterly reporting on measuring mitigation progress to date with real world data.</li> <li>a data tool which provides open access to NIWA's downscaled climate impacts projections by <b>1 July 2024</b> for adaptation and RM decision making.</li> </ul> <p>MfE will also be releasing:</p> <ul style="list-style-type: none"> <li>its updated Measuring Emissions Guide in May which supports business and organisations to measure emissions and assist in reducing emissions.</li> <li>the 2024 Greenhouse Gas Inventory in <b>April 2024</b> which will support emissions reporting.</li> </ul> <p>MfE will be improving the quality and timeliness of its emissions projections through the Climate Data Initiative by delivering integrated emissions "data lakes" by <b>1 July 2024</b>.</p>	<p>The All of Government Climate Data Initiative is a significant opportunity to improve the accessibility, timeliness, and quality has on climate decision making and real-world policy options by bringing together climate data spread across central agencies, local government, and businesses. The initiative has high expectations from local government and businesses to resolve systemic issues around sharing and using climate data.</p>
Adaptation	<p><b>Core policy: Adaptation Framework, including:</b></p> <ul style="list-style-type: none"> <li>Introducing adaptation legislation in Q1 2025</li> <li>Gathering and sharing information about climate related risks to support informed decision making</li> </ul>	Minister of Climate Change	<p><u>Framework Development</u></p> <ul style="list-style-type: none"> <li>The Minister of Climate Change will take a paper to Cabinet <b>before April 2024</b> to: <ul style="list-style-type: none"> <li>Initiate development of an adaptation framework</li> <li>Seek in-principle agreement to high-level objectives and scope</li> <li>Seeks agreement to transfer the existing inquiry to the Finance and Expenditure Committee (FEC).</li> </ul> </li> </ul> <p><u>Policy Development</u></p> <ul style="list-style-type: none"> <li>Agreement to establish a Ministerial Advisory Group through Cabinet in <b>April 2024</b>, with first meeting proposed for <b>early May 2024</b>.</li> <li>4-8 Issues and options papers expected to be developed throughout the <b>current and next quarters</b>.</li> <li>Further policy advice to support final Select Committee report expected <b>quarter 3</b>.</li> <li>Scoping of framework underway with work programme to be tested across CPMG in <b>late March 2024</b>, and for Cabinet decisions in <b>April 2024</b>.</li> </ul>	<p><b>The Adaptation Framework work programme</b> is focused on levers within the climate change portfolio but will have interdependencies with other portfolios such as emergency management, infrastructure, housing, and resource management.</p> <p>Officials are working closely across agencies on the relevant policies.</p>

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## a. Progress against emissions targets



1. Latest annual projections (from December 2023 and based on policy and modelling assumptions as at 1 July 2023) show that **New Zealand is on track to meet the first emissions budget**.
2. **There is considerably more uncertainty about our ability to meet the second and third emissions budgets.** This is due to upcoming (April 2024) methodological improvements to the measurement of emissions, changes in external factors that impact on projected emissions, and recent policy changes. The combined impact of these is expected to result in little or no buffer between projected emissions and EB2 and EB3 limits (low to moderate confidence).
3. The risk to not meeting EB3 is heightened because the most recent projections assume a continuously rising Emissions Trading Scheme price pathway. Under current policy settings, officials estimate prices will peak and then fall after 2030.
4. Continued action through ERP2 will be critical to ensuring we meet those emissions budgets. Updated modelling will be provided for ERP2 consultation and for final ERP2 Cabinet decisions.
5. Domestic emissions reductions in pursuit of our EBs will count towards our Paris Agreement Nationally Determined Contribution (NDC1) and determine the amount of offshore mitigation that needs to be purchased to meet our NDC.
6. **New Zealand is not on track to meet its first NDC.** A reduction in emissions of around 61 - 97 Mt CO<sub>2</sub>-e is required between 2021 and 2030, over and above our domestic emissions reduction targets. This number will be reassessed following the release of the next GHG emission projections in late 2024.

**Note:** Annual emissions projections are 'snapshots in time' and subject to uncertainty. Emissions are influenced by: external factors (such as economic growth and population, travel patterns, weather impacting hydro lakes which have been favourable for emissions reductions in recent years); estimates of the impacts of government policy; and changes to the way we measure emissions (methodology). The projections also do not account for the ETS 'waterbed' effect where some policy interventions driving abatement in sectors within the ETS could be offset by increased emissions elsewhere and/or at a later date. Despite these limitations, emissions projections are a key tool for assessing whether policies are sufficient to meet our emissions budgets and targets.

## b. Progress against adaptation goals

**Climate change is exposing households, communities, and the Crown to a range of risks. This requires difficult decisions about where people live, and where and how we invest in infrastructure for the future**

- The National Climate Change Risk Assessment 2020 (NCCRA) identified 43 priority risks, including the 10 most significant risks across five domains (see table) which New Zealand must address.
- These risks are beginning to materialise with more severity and intensity than anticipated.
- The first national adaptation plan (NAP1) published in August 2022, is focused on reducing vulnerability to the impacts of climate change, enhancing adaptive capacity, and strengthening resilience. These goals align with the global goal on adaptation established under the 2015 Paris Agreement.
- There are no formal indicators to measure the overall sufficiency of the adaptation response in reducing risks in the NCCRA – the Board is considering potential indicators to support future reporting.

### Ten most significant risks the NAP must address

Natural	Human	Economy	Built	Governance
Risks to coastal ecosystems (N1)	Reduced community cohesion due to displacement (H1)	Lost productivity, disaster relief expenditure and unfunded contingent liabilities (E1)	Drinking water availability and quality (B1)	Decision making that doesn't account for uncertainty and change over long timeframes (G1)
Impact of invasive species on indigenous ecosystems (N2)	Inequities due to differential distribution of climate impacts (H2)	Financial system instability (E2)	Buildings impacted by extreme weather, fire, drought and sea level rise (B2)	Risks that climate change impacts across all domains will be exacerbated because institutional settings are not fit for adaptation (G2)

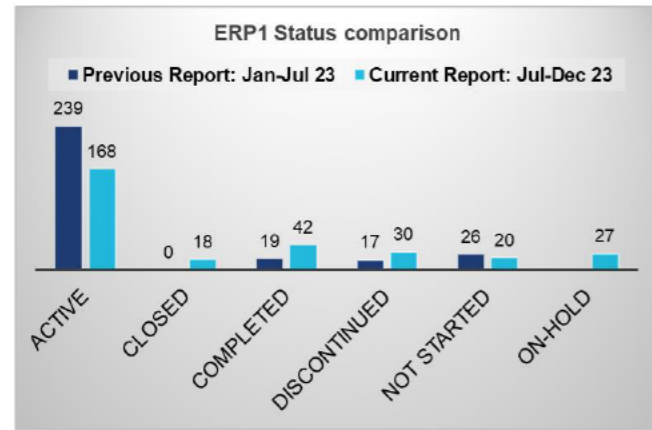
# 3 Implementation progress of the current emissions reduction and national adaptation plans

## Key themes from this reporting period (July – December 2023) include:

- The majority of ERP1 and NAP1 actions are active and rated as green – albeit a decline from the previous reporting period. The decreased number of active actions can be explained by:
  - an increase in the number of actions that have been completed
  - a number of actions have been closed (due to errors or duplications)
  - an increase in discontinued actions by Ministerial decisions, including a number of actions classified as critical.
- The number of active actions rated as amber or red in this reporting period has increased; this trend also applies to critical actions in the plans. Key reasons cited include internal funding/resourcing constraints and the need for Ministerial decisions.

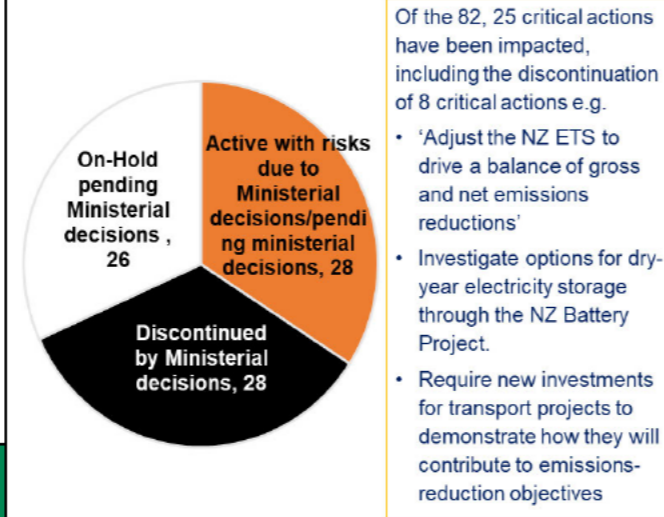
### The emissions reduction plan (ERP1) implementation progress

Of the ERP1's 305 actions, the majority are still active, with a growing number completed.



In this reporting period, 11 critical actions were completed, for example the national EV-charging infrastructure strategy and the evaluation of options to support the decarbonisation of freight.

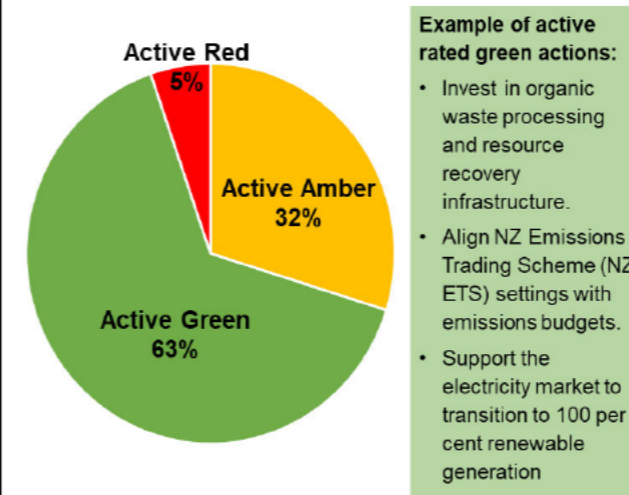
There are 82 actions impacted by ministerial decisions, with 54 requiring clarity and direction from Ministers.



Of the 82, 25 critical actions have been impacted, including the discontinuation of 8 critical actions e.g.

- 'Adjust the NZ ETS to drive a balance of gross and net emissions reductions'
- Investigate options for dry-year electricity storage through the NZ Battery Project.
- Require new investments for transport projects to demonstrate how they will contribute to emissions-reduction objectives

Of the active actions, 63% are rated green and on track for delivery in the short term. This compares to 73% Active Green in the previous report.



#### Example of active rated green actions:

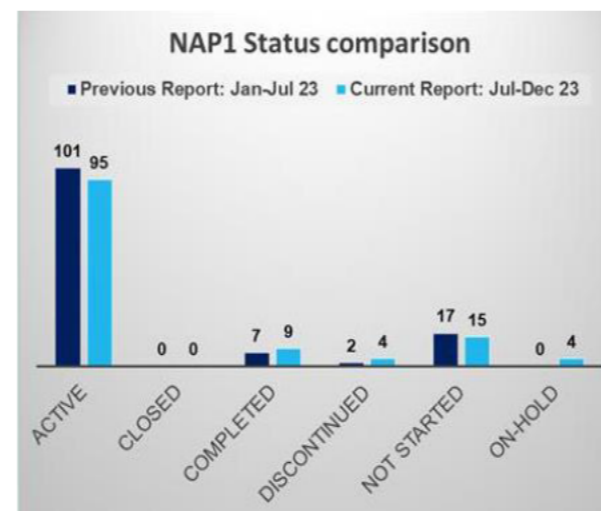
- Invest in organic waste processing and resource recovery infrastructure.
- Align NZ Emissions Trading Scheme (NZ ETS) settings with emissions budgets.
- Support the electricity market to transition to 100 per cent renewable generation

- ERP1 has 305 actions, of which 57 are considered critical.
- 11 critical actions are now complete.
- 8 critical actions have been discontinued.
- 30 critical actions are active, and 15 are rated green in terms of overall confidence to deliver to the plan.
- Overall, 28 actions have been discontinued by ministerial decisions.
- 54 actions require further clarity and direction from Ministers.

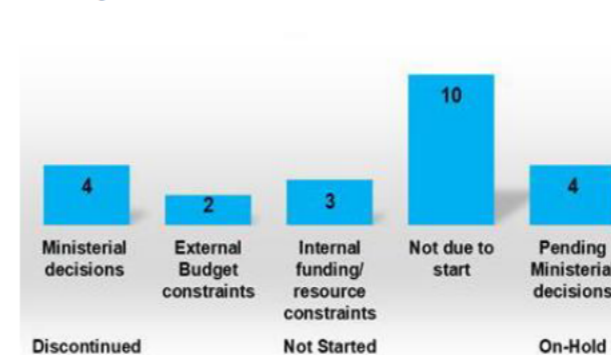
- NAP1 has 127 actions, of which 52 are classified as critical actions.
- 21 critical actions are currently assessed as amber, red, or on hold (40% of all critical actions).
- Of these, 9 are delayed by more than six months. These delays are primarily driven by resource or funding constraints, or because ministerial decisions are needed.

### The national adaptation plan (NAP1) implementation progress

Of the 127 actions in NAP1, the majority are active but 15 have not yet started. This compares to 17 not started in the last report.



Actions are inactive for a range of reasons, including being discontinued, on hold and awaiting ministerial decisions, have funding or resource constraints, or are not yet due to start.



#### Those on hold pending ministerial decisions include:

- Prioritising nature-based solutions and wider biodiversity outcomes in climate work programme
- Deliver the Integrated Farm Planning Programme
- Manage dry-year risk through the New Zealand Battery Project

Of the active actions, 66% are rated green and on track for delivery in the short term. This compares to 72% rated green in the previous report.

#### Examples of green rated active actions:

- Integrate adaptation into Treasury decisions on infrastructure
- Implement the Water Availability and Security programme
- Improve natural hazard information on Land Information Memoranda

#### Two actions were completed since the last reporting period. These are:

- strengthening fisheries rules, and
- publishing work on how New Zealand meets the costs of climate change and invests in resilience.