



Climate Change Chief Executives Board

Meeting papers

Wednesday 28 February 2024

10:00–11:30am



Karakia

Karakia timatatanga: opening

Tuia i runga	Unite above
Tuia i raro	Unite below
Tuia i roto	Unite without
Tuia i waho	Unite within
Tuia i te here tangata	Listen to the night
Ka rongo te pō	Listen to the world
Ka rongo te ao	Now we come together
Haumi ē, Hui ē, Tāiki ē	As one.

Karakia whakakapi: closing

Kia whakairia te tapu	Restrictions are moved aside
Kia wātea ai te ara	So the pathway is clear
Kia turuki whakataha ai	To return to everyday activities.
Haumi ē, hui ē, tāiki ē	



Climate Change Chief Executives Board

AGENDA

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

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

Attendees	James Palmer (Chair, MfE), Audrey Sonerson (MoT), Caralee McLiesh (TSY), Carolyn Tremain (MBIE), Dave Gawn (NEMA), Paul James (DIA), Ray Smith (MPI), Aaron Martin (CL), Victoria Hallum (MFAT)		
In support	Sam Buckle, Stephen Goodman, Katherine Wilson (MfE), Lisa Daniell, Chris Nees, Jane White, Rachael Church (Climate IEB Unit)		
Apologies	Penny Nelson (DoC)		
Previous meeting: 7 February 2024		Current meeting: 28 February 2024	Next meeting: 13 March 2024 - Board strategy session
• Supporting climate Ministers in the new government		• Initial CPMG meeting • Board's role and focus for 2024 • ERP2 & Net Zero Strategy Adaptation framework work programme • Report back on assessing potential adaptation indicators	Proposed agenda items: • CPMG preparation • Climate Business Advisory Group engagement (including with Sustainable Business Council reps)
General Board governance matters			
#	Time	Item	Recommended actions
Chair's opening comments / karakia timatanga			
1	15 mins 10:00-10:15	Welcome / context sharing updates Lead: Chair / All Roundtable discussion for sharing any updates on ministerial priorities or climate-related context	
2	15 mins 10:15-10:30	Initial CPMG meeting (early March) Lead: Chair / Lisa Daniell (Climate IEB Unit) Key points: <ul style="list-style-type: none">This item provides the Board an overview of the meeting objectives and agenda for an initial meeting of a new Climate Priorities Ministerial GroupThe proposed agenda for the initial CPMG meeting includes:<ul style="list-style-type: none">the role and purpose of CPMG (confirming the terms of reference, and the approach to report quarterly on priorities)an overview of the climate change architecture, goals and targets (across mitigation and adaptation), associated legal obligations, and how to reduce legal risks, and how New Zealand is tracking in terms of meeting these goals (e.g. NDC and emissions Budgets)a summary of the key deliverables and decisions Ministers will need to make over the year. This will likely be A3s setting these out.The proposed approach to quarterly progress reports to CPMG is to focus on the delivery of climate priorities across the climate work programme (orienting towards the new government's priorities, whilst also continuing to report on ERP1 and NAP1 implementation), and progress towards meeting New Zealand's climate goals and targets. Supporting paper: 2.1 – Update for Board on ministerial governance arrangements	<ul style="list-style-type: none">Provide feedback on the proposed purpose, functions, and priorities of the Climate Priorities Ministerial GroupDiscuss the proposed approach to the initial establishment meeting (paragraph 8), particularly any insights on Ministers' understanding of the framework for climate change in New Zealand and the broader climate programme, alongside economic prioritiesAgree to the proposed draft framework for quarterly reporting to CPMG on milestones and progress across the climate work programmeNote the Climate IEB Unit will engage with agencies on material for CPMG meetings

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

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



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

Supporting Climate Ministers in the new Government

Purpose

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

Governance of the climate work programme

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

Table 1: proposed membership for the Climate Priorities Ministerial Group

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

Scope of the Ministerial group

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

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

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

Setting up the meeting cadence

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

- the role and purpose of CPMG (confirming the terms of reference, and the approach to reporting quarterly on priorities)
 - an overview of the climate change architecture, goals and targets (across mitigation and adaptation), associated legal obligations, and how to reduce legal risks, and how New Zealand is tracking in terms of meeting these goals (e.g. NDC and emissions Budgets)
 - a summary of the key deliverables and decisions Ministers will need to make over the year. This will likely be A3s setting these out and includes:
 - International commitments s 9(2)(f)(iv)
 - Landing the strategic roadmap to 2050 (Net Zero Strategy) and a second ERP (including public consultation)
 - Adaptation – the framework, its scope and how it will be progressed.
9. Once the approach and date for CPMG is confirmed, the Climate IEB Unit will work with agencies to share the more detailed agenda and papers required for the establishment meeting and the first quarterly meeting.

Board support and reporting to the ministerial group

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

Table 3: Proposed reporting structure

Section of report	Every quarterly report	Additional for every 2 nd quarterly report (March and September)
1. Delivering the Government's climate priorities	<ul style="list-style-type: none"> • Snapshot of progress across the Government's climate priorities, addressing: <ul style="list-style-type: none"> - milestones for the current and upcoming reporting period - summary of successes, insights, risks and opportunities for the quarter and - RAG status 	<ul style="list-style-type: none"> • Quarterly content updated
2. Progress towards goals over the reporting period	<ul style="list-style-type: none"> • Quarterly provisional gross and net emissions to date (in relation to the current emissions targets and budgets¹), by sector and gas 	<ul style="list-style-type: none"> • Quarterly content updated AND

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

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

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

Recommendations

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



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

Climate Change Chief Executives Board's role and focus in 2024

The purpose of this paper is to support a Board discussion on its priorities for 2024.

The Board gained good momentum in 2023, providing advice on how the ERP and NAP are tracking, expanding to include adaptation, and producing a joint BIM and secondary collective advice to the incoming Government.

There will be a continued need to lean in together and focus on what is collectively driven to achieve climate goals, focused on the Board's unique role, and 'what only the Board can do':

- collective governance and accountability that mirrors and supports new Ministerial governance (CPMG) and its quarterly meetings, expanding into international mitigation.
- monitoring and reporting on progress on meeting our first three emissions budgets and delivering the national adaptation plan to ensure we are addressing the most significant climate-related risks
- collective advice on critical decisions, choices and trade-offs to sustain a whole-of-government focus on achieving climate and economic goals in the context of fiscal constraints, recovery efforts, and a 100-day plan focused on rebuilding the economy, easing the cost of living and delivering better public services.

The Board can continue to engage more directly with the private sector and iwi/Māori and local government where high-impact engagements and practical insights can inform and strengthen the Board's advice on challenges/barriers and opportunities.

Domestic mitigation

Objectives:

- Support Ministers with advice to deliver emissions budgets.
- Come together to get momentum and deliver a credible ERP2.

Board's functions:

- Provide collective advice on the overall sufficiency and coherency of the mitigation approach in line with emissions budgets and targets
- Provide collective oversight of the proposed Net Zero Strategy to 2050, including the role of removals, trade-offs and risks.
- Provide collective governance of key cross-cutting components for ERP2 such as:
 - the approach to supporting sectors to adapt to climate change effects,
 - the cumulative distributional impacts of the Plan and the approach/es to mitigate these,
 - prioritisation of additional mitigation policies or actions beyond the Government's key climate pillar policies (incl. CBA)
- Coordinate the implementation of continued cross-agency actions and strategies in the first ERP.

Discussion point for the Board

- Are these still the areas of collective interest to the Board to drive cross-agency collaboration and advice?

International mitigation

Objectives:

- Support Ministers to ensure NZ meets its international climate mitigation obligations while maintaining its competitive advantage and international reputation.

Board's functions:

- s 9(2)(f)(iv)

Discussion points for the Board

- Is the Board comfortable leaning into this topic as a new role?
- What do we anticipate will be the hard issues/trade-offs we will need to advise on?

Adaptation

Objectives:

- Provide direction and remove roadblocks to ensure delivery of an adaptation framework.
- Ensure the NAP is sufficiently addressing the critical risks in the NCCRA.

Board's functions:

- s 9(2)(f)(iv)

Discussion point for the Board

- s 9(2)(f)(iv)

Monitoring and reporting

Objectives:

- To monitor and report to Ministers on the implementation of the government's priority mitigation and adaptation actions, delivery of ERP1 and NAP1, and progress towards meeting NZ's climate change goals and targets.

Board's functions:

- Drive quarterly monitoring across agencies, and report to CPMG quarterly on progress in priority work programmes, including on opportunities, risks/issues and possible mitigations.
- Monitor and report to CPMG on overall progress towards delivering the first emissions reduction and national adaptation plans, including identifying any recommended action/s needed as a result, such as to manage 'overs and unders' across sectors in achieving emissions budgets, or where changes to our adaptation response may be required to better respond to risks.
- Support the government's response to Climate Change Commission's upcoming advice and reports and consider the advice and reports when relevant to delivering the Board's wider functions.

Discussion point for the Board:

- Are there any insights from discussions with Ministers about what more they may be seeking to get from the new quarterly reporting approach across the priority work programmes?



COVERSHEET: Item 4				
To	Climate Change Chief Executives Board			
Meeting date	28 February 2024			
Agenda item name	ERP2 update, including update on Net Zero Strategy and CCC advice			
Item lead	Sam Buckle / Stephen Goodman			
Lead agency	MfE			
Verbal update	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Supporting paper	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Reason for Board's consideration	<ul style="list-style-type: none">The MCC has directed MfE to prepare a 'net zero strategy', to serve as a long-term overarching strategy above the ERPs. This document is currently being scoped up.Agencies will need to advise their Ministers on the Climate Change Commission's recommendations as part of their policy advice on ERP2. This is required as part of the approval to consult Cabinet decisions for ERP2 consultation in May.			
Recommendations	<ul style="list-style-type: none">Agree to the recommendations within the Net Zero Strategy paperAgree to the recommendations within the CCC recommendations paper			
Has the Board previously considered this item, if so, when?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Date	
Has this item been considered/endorsed by Climate DCEs?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	27 February 2024
	DCEs will discuss this item at their meeting on 27 February and an update will be provided at the Board meeting.			
Will this item be going to CPMG or Cabinet?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Date	TBC



Memo: Net Zero Strategy

To: Climate Change Chief Executives Board
CC: Interagency Climate DCEs
From: Simon Mandal-Johnson, MfE
Date: 22 February 2024

Purpose

The purpose of this note is to provide Chief Executives with an update on the Minister of Climate Change's direction to prepare a 'Net Zero Strategy'. This note also sets out how we see this Strategy intersecting with the ERP2.

Net Zero Strategy

Ministry for the Environment officials met with the Minister of Climate Change on 20 February. In that meeting, the Minister directed officials to prepare a Net Zero Strategy that:

- Provides a summary of New Zealand's current performance towards delivering on its 2050, 2030 and other targets (likely including both domestic and international targets).
- Sets out the Government's overall strategy for achieving its climate goals and legislative targets.
- Provides a very high-level roadmap of how sectors will decarbonise over time
- Is clear, short and concise, with the aim to build broad public understanding of the challenge and the government's response.

The Minister sees this strategy as separate, but linked, to the ERP2. His commission is for this strategy to set out the Government's long-term vision, with ERP2 focused on the specific actions that the Government will take over the duration of EB2 (ie. 2026-30). For that reason, he has set a clear expectation that this strategy should be published *prior to* consultation on the ERP2, likely in late April/early May.

As part of developing a strategy of this sort, the Government will either need to articulate a position on several core system-wide strategy questions or will need take a deliberate decision not to address them. s 9(2)(g)(i)

s 9(2)(g)(i)

MfE officials do not expect that the strategy will contain detailed sector-specific information or decarbonisation plans. These would primarily be included in the ERP2; however, we expect that the Strategy would make brief comment about the long-term direction of each sector over time. This strategy is very unlikely to include any modelling of future policy impacts.

Implications for ERP2

Within the ERP2 programme, we have been preparing various products to help Ministers to consider their strategic choices for ERP2 (which included work on a strategic framework and pathways to 2050 to be situated within ERP2). In light of this new commission for a separate document to be published *prior to* ERP2 consultation, we see that the Net Zero Strategy as the right vehicle for Ministers to engage with these strategic questions.

For that reason, we plan to engage with this Board on the Net Zero Strategy, drawing heavily on the strategic work done across agencies to date. We also plan to close the existing strategic workstreams that were previously situated within ERP2 – being the Strategic Framework and 2050 Pathways work - that the Board had previously signalled it wished to govern.

The timelines for ERP2 remain tight. MfE has worked with your agencies on the plan for public consultation in mid-year. Reflecting the need for careful Ministerial decision making and capacity constraints within agencies, we are working towards a discussion document approach for ERP2 consultation (which would go to Cabinet for approval in May), rather than as a 'draft ERP2'.

Next Steps

MfE will prepare a first draft of the Net Zero Strategy within the next fortnight. This will identify several areas where cross agency engagement is needed. We will work these questions through with the Climate Policy Directors group and escalate to Interagency Deputy Chief Executives as required.

We will seek to bring a draft of the strategy to the Board prior to submission to Ministers in an early CPMG meeting, noting that this may need to be out of cycle due to timelines.


The Minister of Climate Change is planning to announce the strategy, subject to Cabinet agreement in late April, prior to ERP2 consultation at the end of May.

Recommendations

I recommend that the Board:

- **Note** the Minister of Climate Change's direction to prepare a Net Zero Strategy
- **Discuss** the implication of this direction for your agency's forward workplan
- **Agree** to govern the Net Zero Strategy and to close the existing ERP2 strategic workstreams (Strategy Framework and 2050 Pathways)
- **Note** that agencies will need to continue to work with focus towards preparing a discussion document for ERP2 consultation to commence at the end of May
- **Notes** that a draft of the Net Zero Strategy will be provided to the Board for comment prior to submission to Ministers at CPMG, noting that this may need to be out of cycle due to timelines.

s 9(2)(a)



Simon Mandal-Johnson

Manager, Climate Strategy

[Date]



Initial Assessment of Climate Change Commission's Final Recommendations for ERP2

Context

The Minister for Climate Change would like other Ministers to ensure they consider the Climate Change Commission's advice on the policy direction for the second emissions reduction plan. It is a statutory responsibility to consider the Commission's advice. He would like to raise this as part of the first Climate Priorities Ministerial Group meetings currently being scheduled between late February and April. This will include an item to step Ministers through legal obligations led by IEB/Crown Law.

This means agencies will need to advise their Ministers on the recommendations, as part of their policy advice on ERP2. This is required as part of the approval to consult Cabinet decisions for the ERP2 consultation document scheduled for late May.

This note is intended to provide a short update for Chief Executives on the Commission's final recommendations and to agree on a process for agencies to support Ministers to consider this advice and the Minister of Climate Change to meet his statutory responsibility.

Overall, there are three categories of recommendations for CEs to be aware:

- Strategic advice
- Sector advice
- Cross-cutting advice.

We have attached an annex of agency accountabilities, how recommendations correspond to current government priorities, and outstanding questions at present. Please note this is a working draft.

Category I: Strategic advice

1. The Commission presents an approach that a) emphasises urgent reductions in the economy, as well as removals; and b) lays out a comprehensive mix of policy interventions.
2. The Commission's advice has stressed the importance of reducing New Zealand's gross reductions. The Commission has advised that clarifying the extent to which the Government wishes to reduce gross emissions (and rely on removals) will make New Zealand's climate change goals more achievable. Additionally, to drive the Commission's recommended levels of gross reductions, it has suggested that

changes to the NZ ETS are needed. Recs 2, 3 and 4 put forward the Commission's suggested action in these areas.

s 9(2)(f)(iv)

4. The Minister of Climate Change intends on taking a draft "Net Zero Strategy" to CPMG in March to outline his recommended strategy for inclusion in ERP2. This Strategy will set out New Zealand's long-term approach to achieving and sustaining net zero.
5. **Recommendation:** Note that the Minister of Climate Change will present his overall approach to the second ERP, or "Net Zero Strategy" at the first CPMG meeting.

Category II: Sector advice

6. An emissions reduction plan must have sector-specific policies to reduce emissions and increase removals. The CCC advice provided recommendations for specific policy interventions in all sectors.

s 9(2)(f)(iv)

8. **Recommendation:** Agree agencies will provide advice to their Ministers between March – May on policies to include in the ERP and how to treat the CCC advice that is relevant in their sector.

Category III: Cross cutting issues

9. There is a range of cross cutting advice from the CCC, that the Minister of Climate Change must consider. Agency responsibility for these recommendations does not always sit inside of MFE, however, the Minister of Climate Change will need advice on how to treat these recommendations to meet his statutory responsibility.

10. One way of supporting the Minister of Climate Change to meet this statutory responsibility is for responsible agencies to include him in advice related to these cross cutting recommendations when they go to the appropriate Minister.
 - i) As an example, some recommendations where officials may benefit from including the Minister of Climate Change in their advice include expanding the equitable transition strategy (MBIE/MSD), and Research Science, Innovation and Technology recommendations (MBIE).
11. **Recommendation:** Agree responsible agencies will provide advice to their Minister and the Minister of Climate Change on the CCC's advice on relevant cross-cutting recommendations in accordance with Annex 1.

Signatures

Stephen Goodman

Acting General Manager – Climate Change Mitigation

Climate Change Mitigation and Resource Efficiency

22 February 2023



Annex 1: Table of Initial Agency Assessment against the final Climate Change Commission Recommendations – Working Draft

Final recommendation	Lead and support agencies	How does this Rec correspond to current government priorities? a) Referenced in Government policies b) Referenced in manifesto documents (eg Blueprint for a Better Environment) c) Not explicitly referenced	Additional areas to consider/outstanding questions officials are working through	Additional comments from supporting agencies
1 Align and coordinate institutional and regulatory outcomes within and between levels of government and across all sectors of the economy to support the coherent implementation of the second emissions reduction plan	MFE (ALL)	s 9(2)(f)(iv)		
2 Commit to specific levels of gross greenhouse gas emissions and carbon dioxide removals for the second and third emissions budgets and align policies to achieve or exceed the emissions reductions in the budgets. Gross emissions should not exceed 362 MtCO ₂ e for the second emissions budget nor 322 MtCO ₂ e for the third emissions budget. The levels the Government commits to for gross emissions and carbon dioxide removals must be developed in partnership with iwi/Māori under Te Tiriti o Waitangi/The Treaty of Waitangi	MFE (ALL)			
3 Communicate indicative levels of gross greenhouse gas emissions and carbon	MFE (ALL)			

<p>dioxide removals out to 2050 and beyond to guide policy decisions.</p> <p>The levels the Government communicates for gross emissions and carbon dioxide removals must be developed in partnership with iwi/Māori under Te Tiriti o Waitangi/The Treaty of Waitangi</p>				
<p>4</p> <p>Align the emissions pricing system with delivering the desired levels of gross emissions for the second and third emissions budgets, and with the 2050 net zero target, by:</p> <p>a. amending the NZ ETS to separate the incentives for gross emissions reductions from those applying to forests</p> <p>b. providing durable incentives for net carbon dioxide removals by forests through to, and beyond, 2050.</p> <p>The redesign of emissions pricing incentives must take into account the unique characteristics and historical circumstances of land owned by Māori and options must be developed in partnership with iwi/Māori under Te Tiriti o Waitangi/The Treaty of Waitangi.</p>	<p>MFE (MPI, MBIE)</p>	<p>s 9(2)(f)(iv)</p>		

<p>5</p> <p>Reduce the barriers – including regulatory, institutional, and ownership barriers – to mobilising the public and private investment required to meet emissions budgets.</p>	<p>TSY + MFE (MBIE)</p>	<p>s 9(2)(f)(iv)</p>
<p>6</p> <p>Provide adequate targeted investment and increased coordination and facilitate widespread sharing of freely available climate change data and information to enable a research, science, innovation, and technology system that supports achieving emissions budgets and the 2050 target.</p>	<p>MBIE (MFE)</p>	
<p>7</p> <p>Introduce ways to directly allocate resources to iwi/Māori and augment funding to Māori landowners to enable them to accelerate emissions reductions and removals in accordance with their assessments and priorities.</p>	<p>MFE (TPK, MBIE, Te Arawhiti and other agencies)</p>	

<p>8</p> <p>Ensure iwi/Māori are empowered to lead the weaving of mātauranga Māori into policy design, development, and implementation at central and local government levels. This includes providing sufficient resources to iwi and hapū.</p>	<p>MFE (TPK, MBIE, Te Arawhiti)</p>
<p>9</p> <p>Expand the scope of the Equitable Transitions Strategy to also include the impacts of climate change and adaptation as well as mitigation.</p>	<p>MBIE + MSD (MFE, TSY, TPK)</p>
<p>10</p> <p>Manage the impacts of climate policies using existing policy levers until the Equitable Transitions Strategy is</p>	<p>MBIE + MSD</p>

s 9(2)(f)(iv)

implemented, rather than delaying climate action.	(MFE, TSY, TPK)			
11 Advance the agricultural emissions pricing system to: a. continuously broaden the range of recognised low emissions practices and technologies b. incentivise gross biogenic methane emissions reductions in a manner consistent with achieving the 2030 biogenic methane component of the 2050 target, and putting the country on a trajectory to achieve the 2050 target in full.	MPI (MFE, MBIE)	s 9(2)(f)(iv)		
12 Enhance advisory and extension services to farmers to accelerate landuse diversification and uptake of the technology and practices required to reduce gross emissions in line with emissions budgets and the 2050 target. These services must be co-designed, coordinated, and implemented in partnership with iwi/Māori, and should be developed in collaboration with industry.	MPI			
13 Ensure planning systems are integrated and support building urban areas upwards and mixing uses in order to reduce emissions, while decreasing susceptibility to climate-related risks.	MFE + MHUD (MOT, MBIE)			

		s 9(2)(f)(iv)
14 Accelerate comprehensive retrofits to deliver healthy, resilient, low emissions buildings.	MBIE (Kainga Ora, MHUD)	
15 Prevent the installation of fossil gas infrastructure and connections in buildings except where there are no technically viable low emissions alternatives.	MBIE (Kainga Ora, MHUD)	

		s 9(2)(f)(iv)
16 Strengthen product stewardship and expand coverage across products and packaging to help avoid emissions associated with waste.	MFE (MBIE)	
17 Declare construction material wood waste as a priority product to help reduce emissions from construction and demolition waste.	MFE (MBIE)	
18 Provide overarching guidance and an enabling regulatory framework to advance a circular bioeconomy that reduces emissions and increases resilience to climate change, ensuring cross-sector coherence.	Rec 18 is yet to be allocated. Once agency responsibility is determined we will provide an updated	

	table to the IEB.			
19 Prioritise and accelerate renewable electricity generation build and ensure electricity networks can support growth and variability of demand and supply. These outcomes must be progressed in partnership with iwi and hapū, particularly considering potential implications for mana whenua and mana moana and their rights and interests.	MBIE (EECA)	s 9(2)(f)(iv)		

		s 9(2)(f)(iv)
20 Accelerate the decarbonisation of process heat and pursue opportunities to reduce emissions across other industrial sectors.	MBIE (EECA)	

		s 9(2)(f)(iv)
21 Clarify the intended roles of different types of forests in achieving emissions budgets and targets. The effects of different types of forests on ecosystem services, socioeconomic factors, rural communities, and resilience to hazards and climate change must be considered in partnership with iwi/Māori under Te Tiriti o Waitangi/The Treaty of Waitangi.	MPI (MFE, DOC)	

22 Simplify planning and increase investment in integrated transport infrastructure and services that optimise public and active transport.	MOT (Waka Kotahi)
23 Provide dedicated long-term funding for the construction of integrated cycle and rapid transport networks in major population centres.	MOT (Waka Kotahi)
24 Rapidly upscale vehicle charging infrastructure, including removing existing barriers	MOT + MBIE (Waka Kotahi)

s 9(2)(f)(iv)

		s 9(2)(f)(iv)
25 Accelerate the uptake of zero emissions commercial vehicles, including vans, utes, trucks and offroad vehicles.	MOT (Waka Kotahi)	
26 Ensure the use of landfill gas capture systems and technologies is widespread and efficient.	MFE	

		s 9(2)(f)(iv)
27 Improve the accuracy and transparency of landfill gas capture data.	MFE	

**COVERSHEET: Item 5**

To	Climate Change Chief Executives Board			
Meeting date	28 February 2024			
Agenda item name	Adaptation framework work programme			
Item lead	Katherine Wilson			
Lead agency	MfE			
Verbal update	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Supporting paper	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Reason for Board's consideration	To provide an update on the adaptation framework and seek feedback on how to prioritise and sequence key policy issues where interagency collaboration is required.			
Key focus areas	The information in the paper and appendices regarding the scope, timing and objectives of the adaptation framework are provided to keep the Board abreast with the latest direction from Minister Watts, rather than seeking feedback from the Board on those elements. Board views are particularly sought on the policy issues noted in paragraph 14.			
Recommendations	<ul style="list-style-type: none">• Note the attached memo, which is being discussed with DCEs on 27 February• Endorse DCE decisions on the priority and sequencing of policy issues requiring cross-agency collaboration to support Ministerial decision making on the matters listed in paragraph 14 and whether any key issues are missing from that list.			
Has the Board previously considered this item, if so, when?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Date	12 October 2023	
	The Board last discussed the adaptation framework as part of a broader discussion of the adaptation priorities the Board wanted to focus on. At that meeting it was agreed MfE would come back to the Board on the scope and sequencing of the work programme.			
Has this item been considered/endorsed by Climate DCEs?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Date	27 February 2024	
	DCEs will discuss this paper at their meeting on 27 February 2024 and a verbal update will be provided to the Board on 28 February. We will be seeking Board endorsement of what has been agreed by DCEs.			
Will this item be going to CPMG or Cabinet?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Date	TBC	
	This topic will be discussed at the first CPMG, likely to be in mid-March.			
Relevant Cabinet decisions and dates	We will be seeking initial Cabinet policy decisions on the adaptation framework at the end of June 2024.			

Memo: Adaptation Framework work programme

To: Climate Change Deputy Chief Executives

CC: Climate Directors

From: Ministry for the Environment

Date: 27 February 2024

Purpose

1. This memo provides an update on the approach to developing an adaptation framework and seeks feedback on the list and sequencing of key policy issues where interagency collaboration is required.

Context


2. Establishing an adaptation framework is a priority for the Minister of Climate Change. The primary aim of the work is to deliver an enduring rules-based decision-making framework, which supports well-functioning markets, incentivises appropriate investment in risk reduction, and provides a more affordable approach than the status quo.
3. s 9(2)(f)(iv)
[Redacted]
4. The work programme for the adaptation framework will cut across multiple portfolios (such as emergency management, insurance, infrastructure, funding and financing, housing, and resource management).
5. Minister Watts is exploring taking a paper to the Climate Priorities Ministerial Group (CPMG) in March 2024, and then Cabinet, on the adaptation framework and its relationship to relevant reform programmes across government. The CPMG paper would describe the purpose and objectives for the adaptation framework (as provided below). The paper would also set out the timeframes and strategic objectives of the relevant major reform programmes, to raise visibility of any dependencies and support alignment. The relevant reform programmes, in addition to the adaptation framework, include:
 - a. Local Water Done Well
 - b. Resource Management reform
 - c. Emergency Management reform.
6. Minister Watts has tested the proposed approach to the CPMG paper with Minister Mitchell in their recent bilateral and will be testing it with the other relevant Ministers in his upcoming bilaterals. The Ministry for the Environment (MfE) will work with relevant agencies to develop the CPMG paper.

Proposed purpose and objectives for the Adaptation Framework

Purpose

7. Minister Watts has proposed the purpose of the adaptation framework is to deliver 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, where:

s 9(2)(f)(iv)



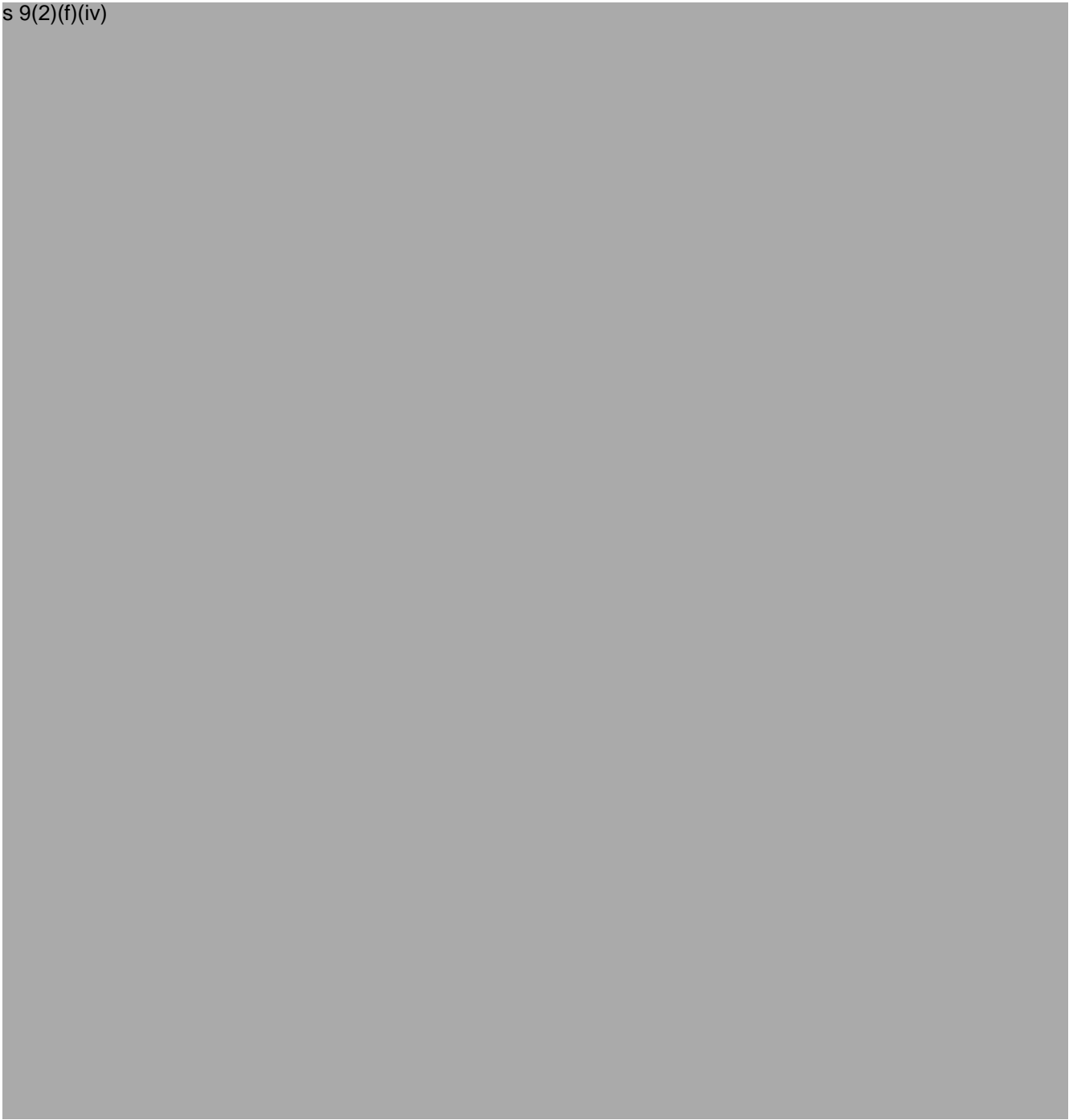
Draft objectives

8. Minister Watts views the adaptation framework as having four key chapters, or elements:
 - a. Climate risk information sharing;
 - b. Compensation framework;
 - c. Investment framework for Protect-Accommodate-Retreat-Avoid (PARA) risk reduction responses; and
 - d. Central government - local government model.
9. Appendix 3 provides draft objectives in relation to these elements and examples of the tangible changes on the ground we should see if the objectives are met. Slide two of Appendix 1 provides an indication of cross-agency work relevant to each element.
10. MfE will work with agencies to refine the objectives as the CPMG paper is developed.

Matters for interagency collaboration

11. Beyond the objectives, MfE is developing an initial list of matters that are likely to require interagency collaboration during the development of the adaptation framework. These are matters where DCE or Board direction may be needed to support Ministerial decision making.
12. Where issues cross multiple portfolios and further direction is required to make progress, we propose to bring a cross-agency paper through IEB DCEs and CEs.
13. Where Ministerial direction is clear, we propose to provide written updates to DCEs and CEs on progress and any issues or risks arising from agency discussions on these matters.

s 9(2)(f)(iv)



Recommendations

15. We recommend you:

- a. **note** the draft objectives for the climate adaptation framework (set out at Appendix 3) will be further developed with agencies;
- b. **note** that direction from Climate Deputy Chief Executives or the Climate Change Chief Executives Board may be needed to support Ministerial decision making on cross-cutting issues;
- c. **provide any views** on the prioritisation and sequencing of the matters listed in paragraph 14 and whether any key issues are missing from that list;
- d. **provide feedback** on any matters which should be highlighted to Chief Executives when they discuss this paper on 28 February 2024.

**COVERSHEET: Item 6**

To	Climate Change Chief Executives Board			
Meeting date	28 February 2024			
Agenda item name	Report back on assessing potential adaptation indicators			
Item lead	Jane White			
Lead agency	Climate IEB Unit			
Verbal update	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Supporting paper	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Reason for Board's consideration	The Board commissioned the Climate IEB Unit to consider a potential set of adaptation indicators to help the Board assess the sufficiency of the adaptation response in addressing the most significant risks in the National Climate Change Risk Assessment. The Board was clear that any analysis undertaken is pragmatic and not a lengthy theoretical exercise.			
Key focus areas	The memo is being discussed with DCEs on 27 February, and we will update you on the outcome of the that discussion, including whether DCEs agreed to the recommendations in the memo. Board feedback and endorsement of the proposed indicators is also sought so we can ensure they will help the Board to start to assess the sufficiency of the adaptation response, noting that adaptation data is in its early stages of development and needs to be built up over time.			

Recommendations	<ul style="list-style-type: none">• Note the attached memo, which is being discussed with DCEs on 27 February.• Note the Climate IEB Unit will inform you of the summary/outcome of the DCE discussion and next steps.• Provide any additional feedback on the proposed indicators and recommendations.
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Has the Board previously considered this item, if so, when?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Date	
Has this item been considered/endorsed by Climate DCEs?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	27 February 2024
	DCEs will discuss this item at their meeting on 27 February and a verbal update will be provided to the Board on 28 February.			
Will this item be going to CPMG or Cabinet?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Date	
	Although we may use some of the indicators in future quarterly reports to CPMG.			
Relevant Cabinet decisions and dates				

Comments	The Climate Change Commission is also assessing possible metrics to help their assessment of the implementation of the NAP and its effectiveness and the Climate IEB Unit has been working closely with the Commission (and other agencies).
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Memo: Analysis of potential adaptation indicators to measure sufficiency of the adaptation response

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

Purpose

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

Background

2. The Board commissioned the Climate IEB Unit to consider a potential set of indicators to help the Board assess the sufficiency of the adaptation response in addressing the risks in the National Climate Change Risk Assessment (NCCRA). The Board was clear that any analysis undertaken is pragmatic, and not a lengthy and theoretical exercise.
3. In undertaking this analysis, we have reviewed what is being done internationally and met with several government agencies and Crown Research Institutes to better understand the available data and how other agencies are measuring the impacts of their policies on adaptation outcomes.¹
4. We have also worked closely with the Climate Change Commission who are considering the use of metrics to inform their report on the effectiveness of the implementation of NAP1, due in August 2024.

Discussion

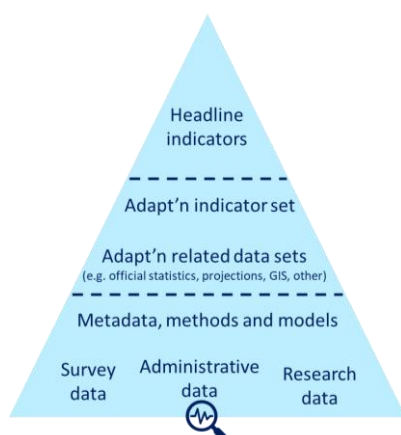
Why are we doing this?

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

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

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

Figure 1: Information pyramid from which indicators can be identified



We developed a framework for assessing possible indicators

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

² s 9(2)(f)(iv)

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

10. To keep the analysis manageable at the outset, we only focused on the 10 most significant risks in the NCCRA, rather than all 43 risks. This means the indicators considered do not account for risks to culture and heritage for example. Over time the analysis could expand to look at other risks.
11. We then assessed the suitability of the potential indicators against criteria⁴ to group the indicators into three categories:
 - Suitable for use as an indicator
 - Potential to become an indicator as data exists but needs refining or developing
 - No relevant data exists for this indicator. Need to determine if work should be commissioned to identify possible data sources or to generate the data.

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


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

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

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

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


s 9(2)(f)(iv)



18. We will also need to consider changes to risk over time, to consider not only indicators of current resilience but indicators of future resilience.

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

s 9(2)(f)(iv)



s 9(2)(f)(iv)

Linking indicators to adaptation actions in NAP1

s 9(2)(f)(iv)


Next Steps

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

Recommendations

27. It is recommended that DCEs and the Board:
 - a. **Note** the Board commissioned the Climate IEB Unit to develop analysis around a potential set of pragmatic indicators to help the Board undertake its Cabinet-mandated role to assess the sufficiency of the adaptation response in addressing the risks in the National Climate Change Risk Assessment (NCCRA).
 - b. **Note** that adaptation indicators are being developed internationally, Australia and NZ have committed to working together to develop adaptation indicators, and the Climate Change Commission is also considering metrics to help inform their assessment of the effectiveness of NAP1 implementation.
 - c. **Provide feedback** on the framework and approach taken to identifying indicators.

s 9(2)(f)(iv)



Attachments

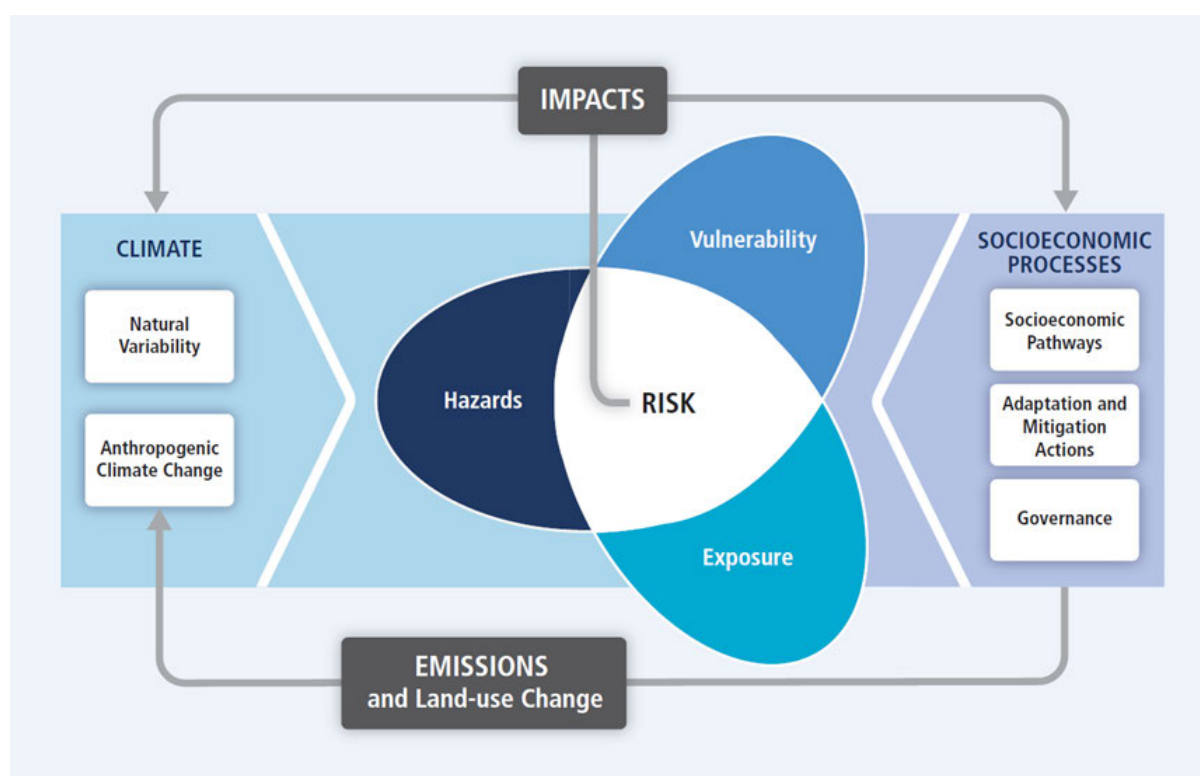
Appendix 1: Adaptation Indicators Framework

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

Appendix 1: Adaptation Indicators Framework

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

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



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

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

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

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

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

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

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

Table 3: Examples of potential indicators that meet the criteria by type of indicator (the criteria being readily available data, provides strong evidence of the risk improving or declining, can effectively and efficiently collect the data, able to measure over time, easily communicated to target audience).

Type of indicator	Examples of potential indicators	Description of indicator	Risks covered (from NCCRA)
Measures of climate hazard	Average annual rainfall and extreme rainfall (Stats NZ)	Measures annual and seasonal rainfall and extreme rainfall at 30 sites across Aotearoa New Zealand from 1960 to 2022.	B1
	Temperature (Stats NZ)	Reports two measures of temperature change in NZ: NZ's national annual average temperature from the NIWA series from 1909 to 2022; and temperature at 30 sites around the country from 1972 to 2022.	B1
	Annual glacier ice volumes (Stats NZ)	Measures the total volume of ice in glaciers greater than one hectare in area throughout New Zealand between 1978 and 2020.	B1
	Drought (Stats NZ and NIWA)	Reports on drought frequency, duration, severity, and intensity at three different time scales, short-term (3 months), medium-term (6 months) and long-term (12 months) (Stats NZ) and drought monitor (NIWA)	B2
	Wildfire risk (Stats NZ and NIWA)	Measures fire danger using the New Zealand Fire Danger Rating at 30 sites around New Zealand from 1997 to 2019 (Stats NZ) and wildfire risk monitor (NIWA).	B2
	Ocean acidification (Stats NZ)	Measures change in pH, acidity, and pCO ₂ in New Zealand's subantarctic surface waters from 1998 to 2020, and pH at selected coastal sites from 2015 to 2021.	N1
	Coastal sea level rise (Stats NZ)	Measures the rise in annual mean sea level relative to land referenced to the latest Intergovernmental Panel on Climate Change (IPCC) 1995 to 2014 baseline period mean sea level at four longer-term sites between 1901 and 2020: Auckland, Wellington, Lyttelton, Dunedin, and two additional sites with shorter time series: Moturiki, Mount Maunganui (1951 to 2020) New Plymouth (1920 to 2020).	N1
	Sea surface temperature (Stats NZ)	Measures the temperature of the first few metres of surface water in coastal and ocean regions around New Zealand using satellite data.	N1

	Frost days (Stats NZ)	Measures the number of frost days for 30 sites across New Zealand from at least 1972 to 2022	E1
	Growing degree days (Stats NZ)	Measures growing degree days for 30 sites across New Zealand from at least 1972 to 2022	E1
Measures of exposure to climate risk	Water restrictions (regional councils)	Measures the number of days annually that water restrictions are implemented due to drought.	B1
	Annual insurance payouts due to wildfires (ICNZ)	Measures the total value of insurance payouts from wildfires (ICNZ).	B2
	Residential property insurance claims (EQC)	Residential property insurance claims for property damaged by a natural hazard event.	B2
Measure of vulnerability or sensitivity to climate change	Number of indigenous species classified as endangered (Stats NZ)	How indigenous ecosystems are affected by impacts of climate.	N2
	Awareness of natural hazard risk (EQC)	Number of homeowners who are aware of natural hazard risk.	B2
	Home insurance (EQC)	Number of homeowners with home insurance policies.	B2
	Contents insurance (EQC)	Number of homeowners with contents insurance policies.	B2
	Understanding climate hazards for Hapori Māori (TPK)	% Māori households in areas projected to be at risk to coastal flooding or other hazards.	H1
Measures of adaptive capacity to climate change	Assessing risk (Business Operations Survey)	Percentage of businesses which assessed the risks to their business from the physical impacts of climate change.	G2
	Adapting to risk (Business Operations Survey)	Percentage of businesses that took steps to reduce the risks to their business from the physical impacts of climate change.	G2
	Adaptation preparedness across infrastructure agencies (MfE)	Climate change preparedness of critical infrastructure agencies.	G1
	Action by homeowners (EQC)	Homeowners who have taken action (and what actions they may have taken) to increase resilience to natural hazards.	B2



COVERSHEET: Item 7				
To	Climate Change Chief Executives Board			
Meeting date	28 February 2024			
Agenda item name	Meeting administration			
Lead agency	Climate IEB Unit			
Verbal update	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Supporting paper	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Recommendations	<ul style="list-style-type: none">• Approve the minutes of the previous meeting, held on 7 February 2024			
Comments	The Board's next meeting is a strategy session, to be held on 13 March 2024. The next monthly Board meeting is scheduled for 27 March 2024.			



*Note there was no meeting pack for this meeting

Climate Change Chief Executives Board

MEETING MINUTES

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

Attendees	James Palmer (Chair, MfE), Audrey Sonerson (MoT), Caralee McLiesh (TSY), Carolyn Tremain (MBIE), Dave Gawn (NEMA), Penny Nelson (DoC), Aaron Martin (CL)	
In support	Sam Buckle (MfE), Lisa Daniell, Chris Nees, Amy Tisdall, Jane White, Rachael Church (IEB Unit)	
Agency attendees	Victoria Hallum (MFAT), Charlotte Denny (MPI delegate), Paul Barker (DIA delegate)	
Apologies	Paul James (DIA), Ray Smith (MPI)	
#	Item	Actions
Chair's opening comments		
1	<p>The Chair opened the meeting, noting the purpose of the discussion was to ensure the Board is clearly sighted on the government's climate change priorities.</p> <p>Key points:</p> <ul style="list-style-type: none"> The Minister of Climate Change has been having bilateral meetings with ministerial colleagues to discuss aspects of climate programme requiring delivery support. The Prime Minister has indicated support for convening a ministerial group to meet on a quarterly basis. Ministers have indicated their commitment to meeting targets and international obligations. The Chair noted the timeline for meeting ERP2 by the end of 2024, which will require decisions in coming months to consult and to meet emissions budget commitments. 	
2	<p>Roundtable discussion: Supporting climate Ministers in the new government Lead: Chair / All</p> <p>Board members shared climate-related updates from early ministerial meetings.</p> <p>Key points:</p> <ul style="list-style-type: none"> s 9(2)(f)(iv) The new government is focused on having measurable targets with regular reporting on progress (quarterly, which Board will need to produce/endorse); a conversation on Board/public sector accountability for delivery of any overarching emissions target will be needed. Noting the challenges associated with projections reporting and aspects that are not influenced by policy impact, MfE, the IEB Unit, and MPI agreed to meet offline to discuss any overarching target for emissions reporting. The Climate Change Commission will be reporting on the NAP as well as the ERP this year. The IEB Unit is presently collecting data across all actions and future reporting will be refined to reflect the new government's priorities. 	<p>Item to be added to Board's forward agenda for a discussion on the adaptation framework Lead: IEB Unit</p> <p>Item to be added to the Board's forward agenda for a discussion on Board accountability for delivery of measurable targets and progress reporting Lead: IEB Unit</p> <p>MfE, the IEB Unit, and MPI to meet and discuss a proposed/overarching target for emissions Lead: MfE/IEB Unit/MPI</p>

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