



## Briefing: Revised section 5K request on second Nationally Determined Contribution

Date submitted: 06/09/2023

Security level: CLASSIFICATION

MfE priority: Urgent

### Actions sought from Ministers

| Name and position                                      | Action sought  | Response by |
|--|--|-------------|
| To Hon James SHAW<br><b>Minister of Climate Change</b> | <p><b>Approve</b> the revised draft terms of reference for the section 5K request to the Climate Change Commission</p> <p><b>Approve</b> the draft letter to the Climate Change Commission</p> <p><b>Agree</b> to formally consult with the Climate Change Commission on the revised draft terms of reference.</p> | 08/09/2023  |

### Actions for Minister's office staff

Return the signed briefing to the Ministry for the Environment ([ministerials@mfe.govt.nz](mailto:ministerials@mfe.govt.nz)).

### Appendices and attachments

- Appendix 1: Draft terms of reference
- Appendix 2: Draft letter to the Commission

### Key contacts at Ministry for the Environment

| Position            | Name           | Cell phone | First contact |
|---------------------|----------------|------------|---------------|
| Principal Author    | Arek Wojasz    |            |               |
| Responsible Manager | Meredith Davis |            |               |
| Director            | Hemi Smiler    |            | ✓             |

### Minister's comments

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# Revised section 5K request on second Nationally Determined Contribution

## Key messages

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1. We provided advice to you on 31 August on a possible section 5K request for advice from the Climate Change Commission (the Commission) to inform decisions on the second Nationally Determined Contribution (NDC2).
2. On 4 September, you provided feedback to officials that the request should be broader in scope and specifically ask advice on the level of NDC2 that would be compatible with limiting temperature increases to 1.5°C above pre-industrial levels.
3. We propose requesting the Commission to provide advice on:
  - *What is the level of NDC2 that would be compatible with global efforts under the Paris Agreement to limit the global average temperature increase to 1.5°C above pre-industrial levels.*
  - *In developing its NDC2 advice, the Commission should also consider the way we account for NDC2. Separate results should be provided for NDC2 on the basis that:*
    - *the NDC1 target accounting approach will continue to apply to the Land Use, Land-Use Change and Forestry (LULUCF)*
    - *a net-net accounting approach will apply to the LULUCF sector for NDC2.*
  - *What are the expected impacts to New Zealand over the period 2031 - 2035 of meeting the identified NDC2 level through different balances of domestic emissions reductions and international mitigation. Specifically, considering:*
    - *Expected domestic action - domestic emissions reductions as advised by the Climate Change Commission for New Zealand's third emissions budget period (EB3), with the remainder met by international mitigation;*
    - *Additional domestic action - a further reduction of domestic emissions of 10% above EB3 over that same period, with the remainder met by international mitigation;*
    - *Further additional domestic action - a further reduction of domestic emissions of 25% above EB3 over that same period, with the remainder met by international mitigation.*
4. This advice is intended to align with the Commission's complementary advice on New Zealand's 2050 domestic target and emissions budgets due by 31

December 2024. Combined, this will provide a full package of independent, expert advice on New Zealand's long-term climate goal and the international and domestic steps to take us towards that goal.

5. A revised draft terms of reference and letter to the Commission are attached as appendices. We recommend sending these to the Commission for formal consultation no later than 8 September to allow for the Commission to consider the terms of reference at their next Board meeting on 13 September. We are working with your office to explore whether you can attend at the Board meeting.
6. In previous advice on NDC1, the Commission expressed that recommending a level for NDCs is beyond its remit due to the political judgements required. In designing this request, we have sought to address this concern by adding context in the draft letter to the Commission to clarify that their advice on NDC2 is part of a range of factors the Government will consider when it makes the final decision on NDC2.
7. Regarding timing for this request, we understood from the discussion on 4 September that your preference is to submit the request in September 2023, as per option one in BRF-3773.

## Recommendations

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We recommend that you:

- a. **note** that officials have updated the scope of the section 5K request to seek advice on the level for New Zealand's second Nationally Determined Contribution which would be compatible with limiting global warming to 1.5°C
- b. **approve** the revised draft terms of reference for the section 5K request to the Climate Change Commission

Yes | No

- c. **approve** the draft letter to the Climate Change Commission

Yes | No

- d. **agree** to formally consult with the Climate Change Commission on the revised draft terms of reference

Yes | No

## Signatures

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Hemi Smiler

**Director Climate Strategy and Mitigation  
Policy**

**05 September 2023**

Hon James SHAW

**Minister of Climate Change**

**Date**

## Appendix 1: Draft terms of reference

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The Minister of Climate Change requests under s5K of the Climate Change Response Act 2002 (the Act) that the Climate Change Commission (the Commission) provides a report on New Zealand's second Nationally Determined Contribution (NDC2)

### Purpose of the work

The New Zealand Government is required to set New Zealand's NDC2 in 2025, as per the Paris Agreement requirements. NDC2 will represent a progression from NDC1.

This advice will support the Government's future decisions on NDC2 ambition. It will identify one possible option for NDC2 and advice on the impacts of meeting the NDC2 through different approaches.

This advice is intended to align with the Commission's complementary advice on New Zealand's 2050 domestic target, and emissions budgets to provide a full package of advice from the Commission on New Zealand's long-term climate goal and the international and domestic steps to take us towards that goal.

### Advice requested

The Minister requests that the Commission provide a report on New Zealand's NDC2, including:

1. What is the level of NDC2 that would be compatible with global efforts under the Paris Agreement to limit the global average temperature increase to 1.5°C above pre-industrial levels.

In developing its NDC2 advice, the Commission should also consider the way we account for NDC2. Separate results should be provided for NDC2 on the basis that:

- a. the NDC1 target accounting approach will continue to apply to the Land Use, Land-Use Change and Forestry (LULUCF)
  - b. a net-net accounting approach will apply to the LULUCF sector for NDC2.
2. What are the expected impacts to New Zealand over the period 2031 - 2035 of meeting the identified NDC2 level through different balances of domestic emissions reductions and international mitigation. Specifically, considering:
  - a. Expected domestic action - domestic emissions reductions as advised by the Climate Change Commission for New Zealand's third emissions budget period (EB3), with the remainder met by international mitigation;

- b. Additional domestic action - a further reduction of domestic emissions of 10% above EB3 over that same period, with the remainder met by international mitigation;
- c. Further additional domestic action - a further reduction of domestic emissions of 25% above EB3 over that same period, with the remainder met by international mitigation.

### Considerations

In developing its advice, the Commission must consider relevant matters under s5M of the Act.

### Mode of work

In preparing the report, the Commission must act independently, as per s5O of the Act. The Commission may engage with relevant persons as provided for by s5N of the Act.

Relevant officials will be available to engage with the Commission and will share related information and data to inform the Commission's work.

### Timeframes

The Commission's advice on these matters, in the form of a final report, is to be provided to the Minister of Climate Change by 31 November 2024.

The Commission will brief officials on its final advice after it has been provided to the Minister, but prior to the public release of the report.

### Publication

s5L of the Act applies, meaning the Minister of Climate Change must present a copy of the report to the House of Representatives no less than ten working days after the Minister receives it, and the Commission must make it publicly available as soon as practicable thereafter (but no later than 20 working days after providing it to the Minister).

## Appendix 2: Draft letter to the Commission

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Dr Rod Carr

Chair of the Climate Change Commission | He Pou a Rangi

By email: [roderick.carr@climatecommission.govt.nz](mailto:roderick.carr@climatecommission.govt.nz)

**[X]** September 2023

Tēnā koe Rod,

I am writing to request a report from the Climate Change Commission on New Zealand's second Nationally Determined Contribution (NDC2) and to provide the terms of reference for this request.

### REPORT ON NDC2

I make this request under s5K of the Climate Change Response Act 2002 (the Act), which provides for the Minister of Climate Change to request reports from the Commission on matters relating to climate change.

The purpose of this request is to support the government to determine the level of NDC2, as per the Paris Agreement requirements. I am requesting the Commission identify the level of NDC2 that would be compatible with 1.5°C and the expected impacts of meeting that level through different balances of domestic emissions reductions and international mitigation.

I am not asking the Commission to make a decision on what would be the most appropriate NDC2 for New Zealand, which is a decision the Government will make based on a wide range of factors. I am seeking the Commission's independent advice on an NDC2 option that would be compatible with 1.5°C to enable analysis of impacts on New Zealand.

### NEXT STEPS

I expect your advice to be delivered by 31 November 2024. I encourage you to align this advice alongside the related advice on New Zealand's 2050 domestic target and emissions budgets as much as possible.

The draft terms of reference are attached to this letter. Officials have consulted with your staff to draft the terms of reference. Please provide your feedback on the terms of reference or indicate your acceptance in writing. I understand that once they are

finalised, you will make the terms of reference publicly available in accordance with s5K(3)(a) of the Act.

Nāku noa, na,

Hon. James Shaw

**Minister of Climate Change**