

Out-of-scope

**From:** Suzi Kerr s 9(2)(a)  
**Sent:** Thursday, November 7, 2024 10:00  
**To:** Jacqui Ruesga <Jacqui.Ruesga@mfe.govt.nz>  
**Cc:** Anna Broadhurst [EXTERNAL] (MFAT) <Anna.Broadhurst@mfat.govt.nz>; James Coombes [EXTERNAL] (PARLIAMENT) <James.Coombes@parliament.govt.nz>  
**Subject:** RE: [EXTERNAL] Re: 'Avoidance'

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Thanks Jacqui

It would be great to talk post COP. ART Trees baselines are based on historical deforestation so could be argued to be rewarding only reductions but that of course depends on what is happening to the drivers over time. Deforestation could be falling (or rising) anyway. s 9(2)(f)(iv)

The proactive action test is also a good one but cannot easily be applied as proactive relative to new actions that would have happened anyway. That's a challenge in Brazil where the actions of the new government will be reducing deforestation at the same time that the actions by the jurisdictional governments in places like Pará are also reducing deforestation.

The challenge of counterfactuals may be even more acute in the energy sector where total energy demand is increasing rapidly with growth. Only rewarding retirement of existing plants, rather than building of renewables (instead of gas which may be a plausible baseline – and even coal for some) will miss a lot of opportunities.

It's ultimately an art not a science but we can add some more evidence. The more we act the more plausible it will be that our actions are making a real difference. s 9(2)(g)(i)

As the price and responsiveness has risen, the share that is additional has risen.

Warm regards, Suzi

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**From:** Jacqui Ruesga <Jacqui.Ruesga@mfe.govt.nz>  
**Sent:** Thursday, November 7, 2024 9:39 AM  
**To:** Suzi Kerr s 9(2)(a)  
**Cc:** Anna Broadhurst [EXTERNAL] (MFAT) <Anna.Broadhurst@mfat.govt.nz>; James Coombes [EXTERNAL] (PARLIAMENT) <James.Coombes@parliament.govt.nz>  
**Subject:** [EXTERNAL] Re: 'Avoidance'

Hi Suzi,

Thanks for sharing. Yes I do agree with IETA's interpretation and supported discussions for their paper. I think in particular the nuance that stands out for me is,

'Activities based on proactive measures are considered emission reductions or removals (and therefore eligible), whereas those based on the lack of action are considered emission avoidance (and therefore ineligible). In practice, this means that projects that take measures to reduce deforestation or retire an existing power plant are eligible, while those that reward a forest for its mere existence as a carbon sink are not eligible.'

It will need to be carefully assessed whether an activity *reduces* deforestation or *maintains* forests. I'm not familiar enough with ART Trees methodologies, but can assess this more closely.

Also, happy to have a follow up conversation with your, s 9(2)(a) . I might suggest early December once we're back from COP?

Best,  
Jacqui

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**From:** Suzi Kerr s 9(2)(a)  
**Sent:** Wednesday, November 6, 2024 08:48  
**To:** Jacqui Ruesga <[Jacqui.Ruesga@mfe.govt.nz](mailto:Jacqui.Ruesga@mfe.govt.nz)>  
**Cc:** Anna Broadhurst [EXTERNAL] (MFAT) <[Anna.Broadhurst@mfat.govt.nz](mailto:Anna.Broadhurst@mfat.govt.nz)>; James Coombes [EXTERNAL] (PARLIAMENT) <[James.Coombes@parliament.govt.nz](mailto:James.Coombes@parliament.govt.nz)>  
**Subject:** 'Avoidance'

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Hi Jacqui

I don't know if you agree with this interpretation but this IETA brief (included in a post from s 9(2)(a) from the Art 6.4 supervisory body so she seems to support this interpretation) is clear that avoided deforestation is not excluded from Article 6.4 – and it's up to the parties to agree under 6.2. So NZ could participate in ART Trees crediting activities – joining with Norway, the UK and US (though they are just providing results-based finance, not claiming credits) <https://jaresourcehub.org/impact-stories/para-signs-180m-leaf-coalition-deal-first-in-brazil/>

[https://ieta.b-cdn.net/wp-content/uploads/2024/09/IETA-Article-6-Position-Briefs-ahead-of-COP29\\_Sep2024\\_4Avoidance.pdf](https://ieta.b-cdn.net/wp-content/uploads/2024/09/IETA-Article-6-Position-Briefs-ahead-of-COP29_Sep2024_4Avoidance.pdf)

It would be great to be able follow up on the very positive responses s 9(2)(a) are receiving on their report with some clarity on which countries NZ citizens, businesses, universities might prioritise engaging with to support official government and AirNZ action. I know we aren't quite ready but maybe soon?

Warm regards, Suzi



**Suzi Kerr**  
Senior Vice President, Economics (she/her)



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