

# **NDC packages: domestic initiatives and international cooperation options**

17 September 2021

Proactively released

# Recap

- A decision is being sought on updating New Zealand's Nationally Determined Contribution (NDC) ahead of the next international climate change meeting to be held in Glasgow in November (COP26)
- Following the 27 July Climate Response Ministerial Group meeting, officials were directed to develop a set of domestic initiatives and broader set of international cooperation options that would support an updated NDC
- Agencies have identified domestic initiatives where additional investment or effort by the government will bring forward emission reductions or significantly contribute to New Zealand's transition to net zero. These include the initiatives put forward by Minister Parker.
- Some initiatives, particularly those in the transport sector, mirror the investment proposals being developed as a part of the government's first emissions reduction plan (ERP).

s 9(2)(f)(iv), s 9(2)(g)(i)

- Officials have also identified a broader range of international cooperation options to support wider sustainable development objectives in the Asia-Pacific. These could potentially offer significant levels of emission reductions towards an updated NDC, but are less certain than ETS linking.

# NDC packages

- The following slides provide illustrative options of domestic and international ‘packages’ to deliver an updated NDC
- Each ‘package’ uses the same updated NDC level of 45% but assumes a different set of Ministerial priorities:
  1. Domestic emissions reductions ahead of 2030 and international sustainable development
  2. Achieving domestic and global emission reductions ahead of 2030
  3. Supporting the long-term transition and international sustainable development
  4. Balancing short and long term transition priorities

s 9(2)(f)(iv) & 9(2)(j)

- Each package shows the expected impact of domestic initiatives in the 2020s, 2030s and 2040s using the Climate Change Commission’s ‘demonstration’ and ‘tailwinds’ pathway as the expected and upper limit of emission reductions out to 2050

# Package 1: Domestic emissions reductions ahead of 2030 and international sustainable development\*



This package prioritises emissions reductions in New Zealand prior to 2030, and sustainable development in the Asia-Pacific region. This package may be able to achieve an NDC of 45%, but relies on uncertain international cooperation options

## Domestic 'big plays' portfolio

## Key points

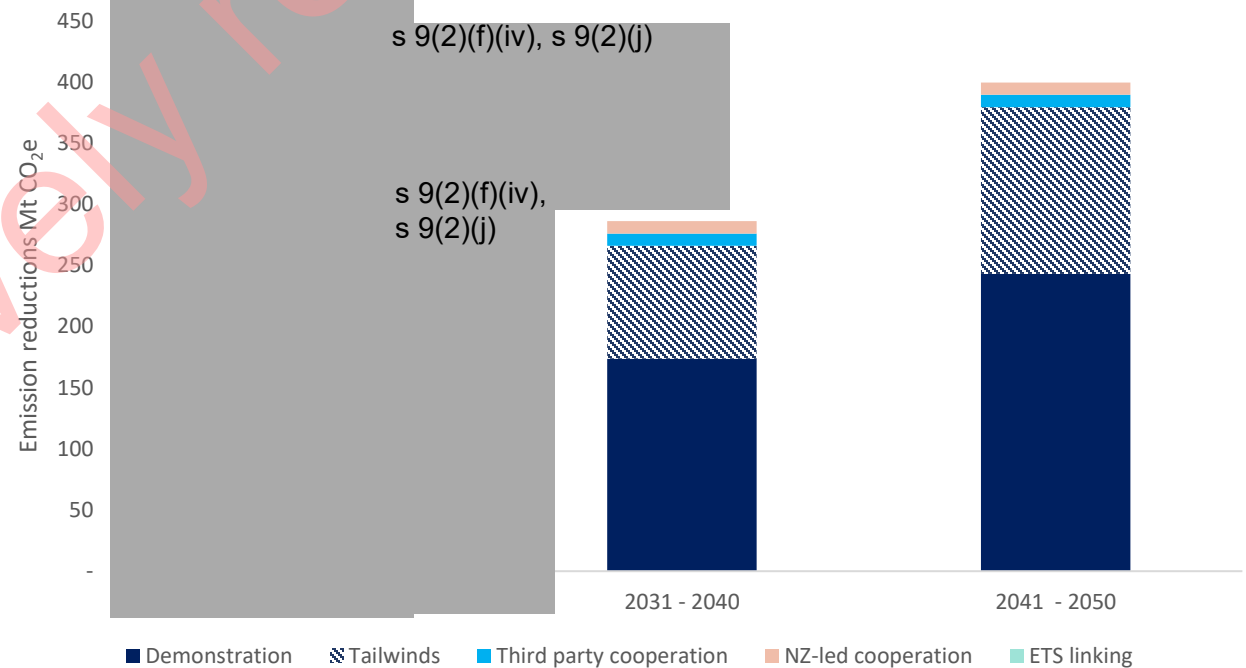
s 9(2)(f)(iv)

## International cooperation mix

## Key points

s 9(2)(f)(iv) & 9(2)(j)

### Domestic emissions reductions ahead of 2030 and international sustainable development



Note this chart shows the additional mitigation beyond current BAU projections under the Climate Change Commission's demonstration pathway and tailwinds scenario.

# Package 2: Domestic and global emission reductions ahead of 2030

This package prioritises near-term domestic and global emission reductions in the 2020s, and provides the highest confidence of achieving an NDC up to 45% by 2030

## Domestic 'big plays' portfolio

### Key points

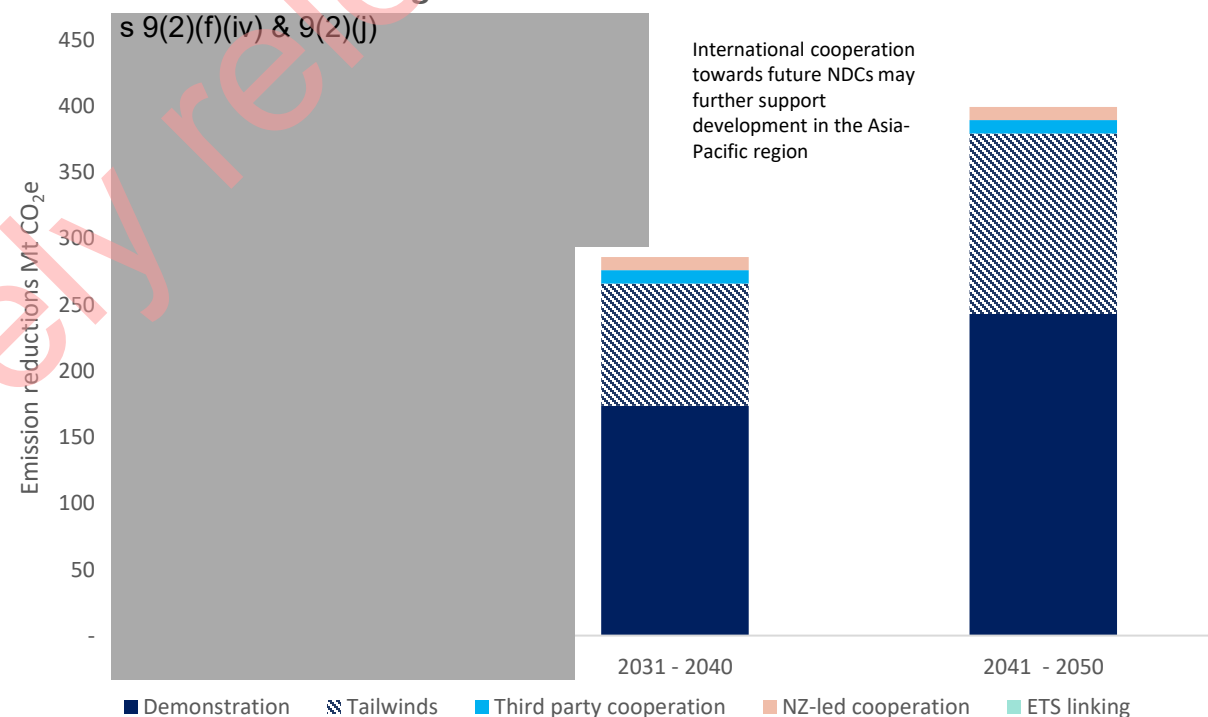
s 9(2)(f)(iv)

## International cooperation mix

### Key points

s 9(2)(f)(iv) & 9(2)(j)

### Domestic and global emissions reductions before 2030



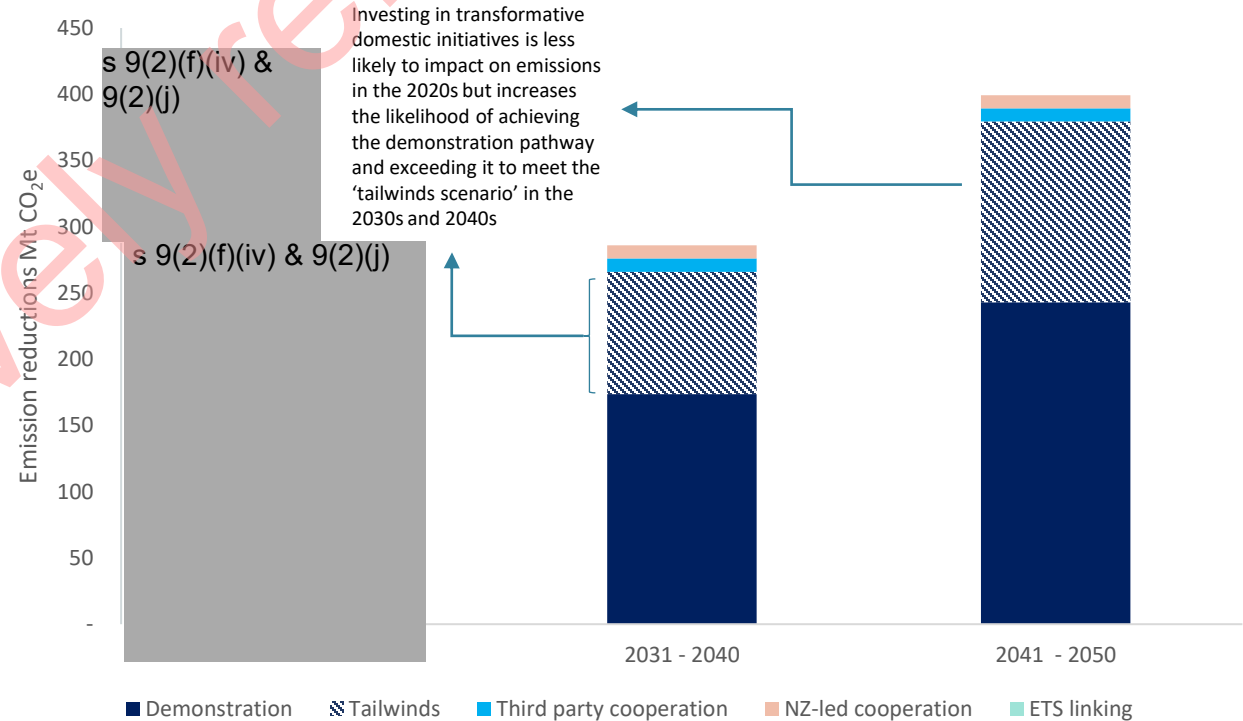
Note this chart shows the additional mitigation beyond current BAU projections under the Climate Change Commission's demonstration pathway and tailwinds scenario.

# Package 3: Long-term transition and international sustainable development

This package prioritises New Zealand’s long term transition to net-zero and sustainable development in the Asia-Pacific region. This package may be able to achieve an NDC of 45%, but is the least certain

Domestic 'big plays' portfolio	Key points
s 9(2)(f)(iv)	
International cooperation mix	Key points
s 9(2)(f)(iv) & 9(2)(j)	

### Long term transition and international sustainable development



Note this chart shows the additional mitigation beyond current BAU projections under the Climate Change Commission’s demonstration pathway and tailwinds scenario.

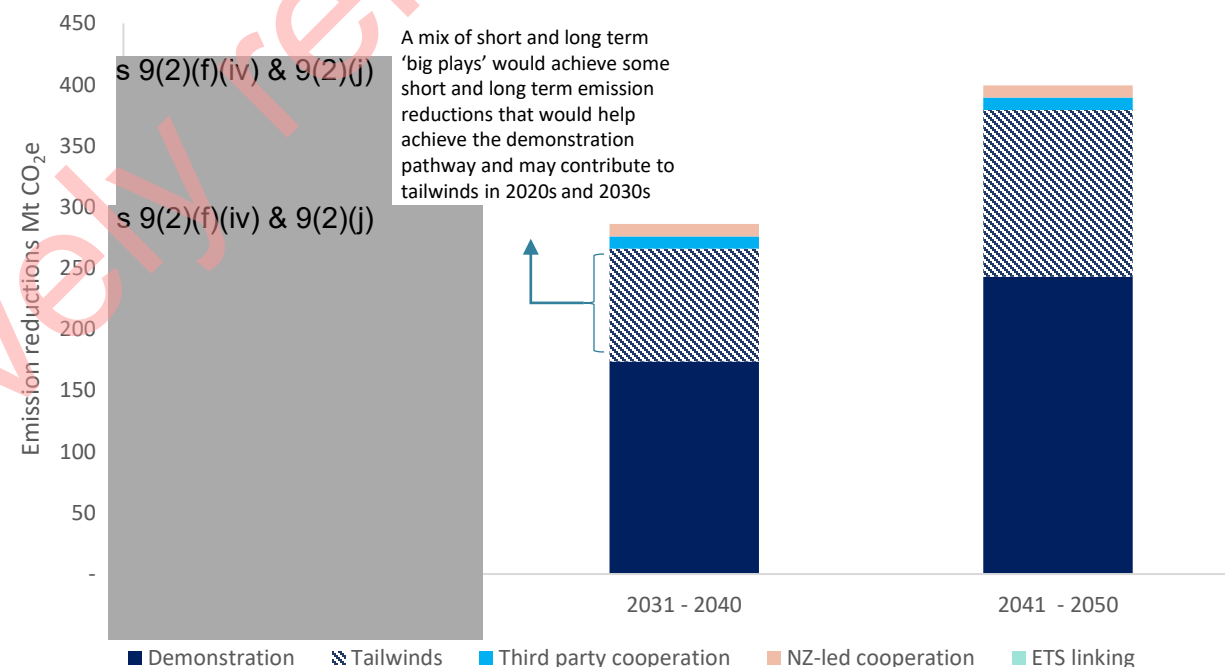
# Package 4: Achieving a balance between short and long-term transition priorities

This package attempts to balance domestic and global emission reductions with support for global sustainable development. This package is more flexible, and proposes high ETS linking early that can be ramped down if other sources of international cooperation become available

Domestic 'big plays' portfolio	Key points
s 9(2)(f)(iv)	

International cooperation mix	Key points
s 9(2)(f)(iv) & 9(2)(j)	

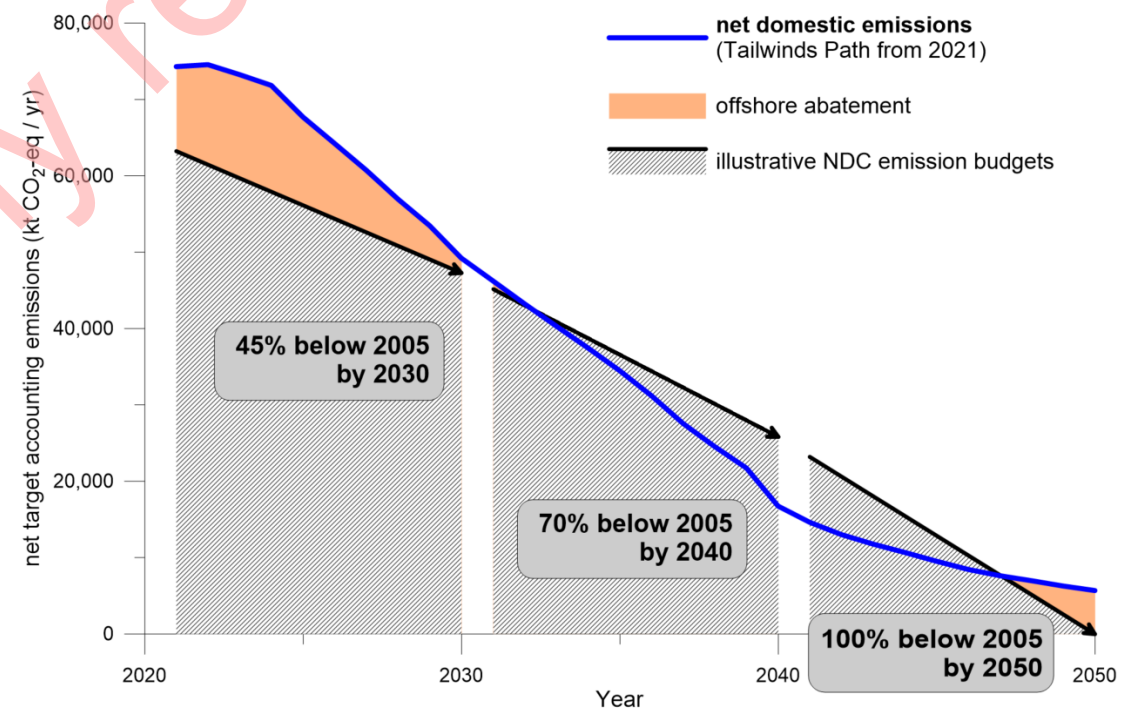
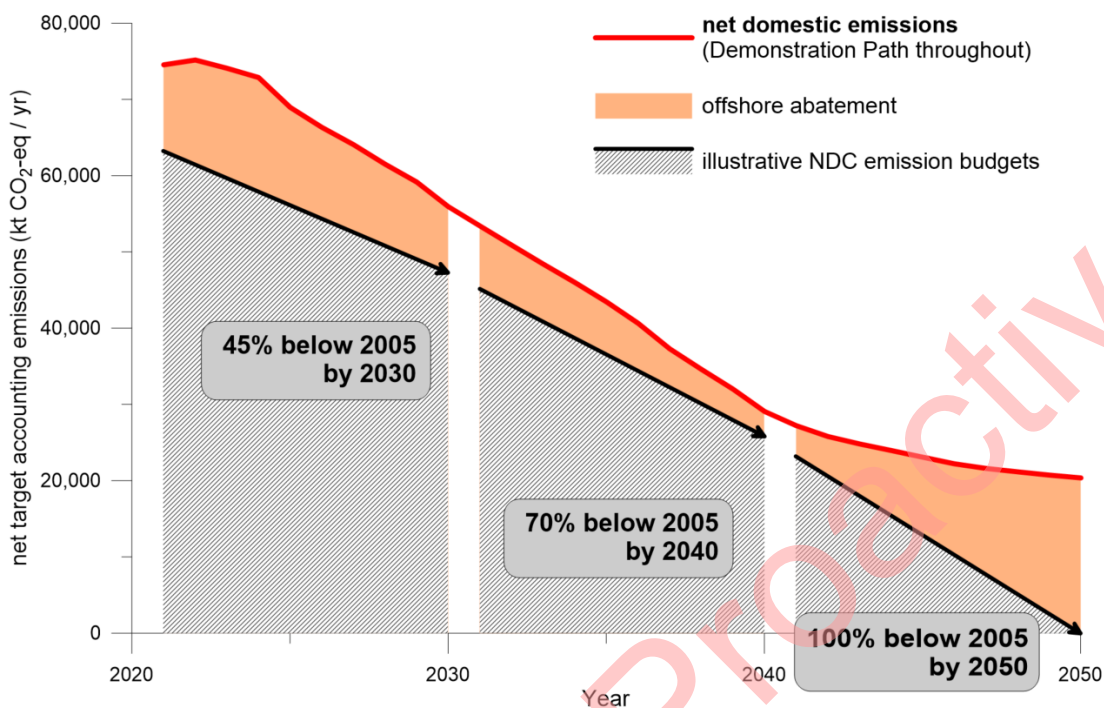
### Achieving a balance between short and long-term transition priorities



Note this chart shows the additional mitigation beyond current BAU projections under the Climate Change Commission's demonstration pathway and tailwinds scenario.

# NZ's NDCs and domestic emission pathways

- These charts show that if New Zealand is able to make progress towards the tailwinds scenario, it is possible for future NDCs to align with our domestic pathway
- These do not pre-judge decisions or analysis about future NDCs, and are for illustrative purposes only
- In this instance we have assumed an illustrative goal of a 100% NDC in 2050, and the respective NDC2 level that would be required to achieve an approximately straight line path to 2050



\* The Tailwinds Pathway relies on factors outside the Government's control. As noted, additional policies may be able to achieve emission reductions over and above those in the Demonstration Path, but many of those policies would achieve substantial reductions only gradually and in some cases after 2030.



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