

New Zealand's updated Nationally Determined Contribution under the Paris Agreement

Technical Briefing

31st October 2021

New Zealand's updated NDC 2021-2030

- Reduce net greenhouse gas emissions to 50 per cent below gross 2005 levels by 2030
- This corresponds to:
 - A provisional emissions budget of 571 Mt CO₂e
 - A 41 per cent reduction using a multi-year emissions budget starting from New Zealand's 2020 emissions target

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GHG emissions (kt CO₂-eq)



— gross GHG (current policies)
— net GHG (current policies)

Year

1990

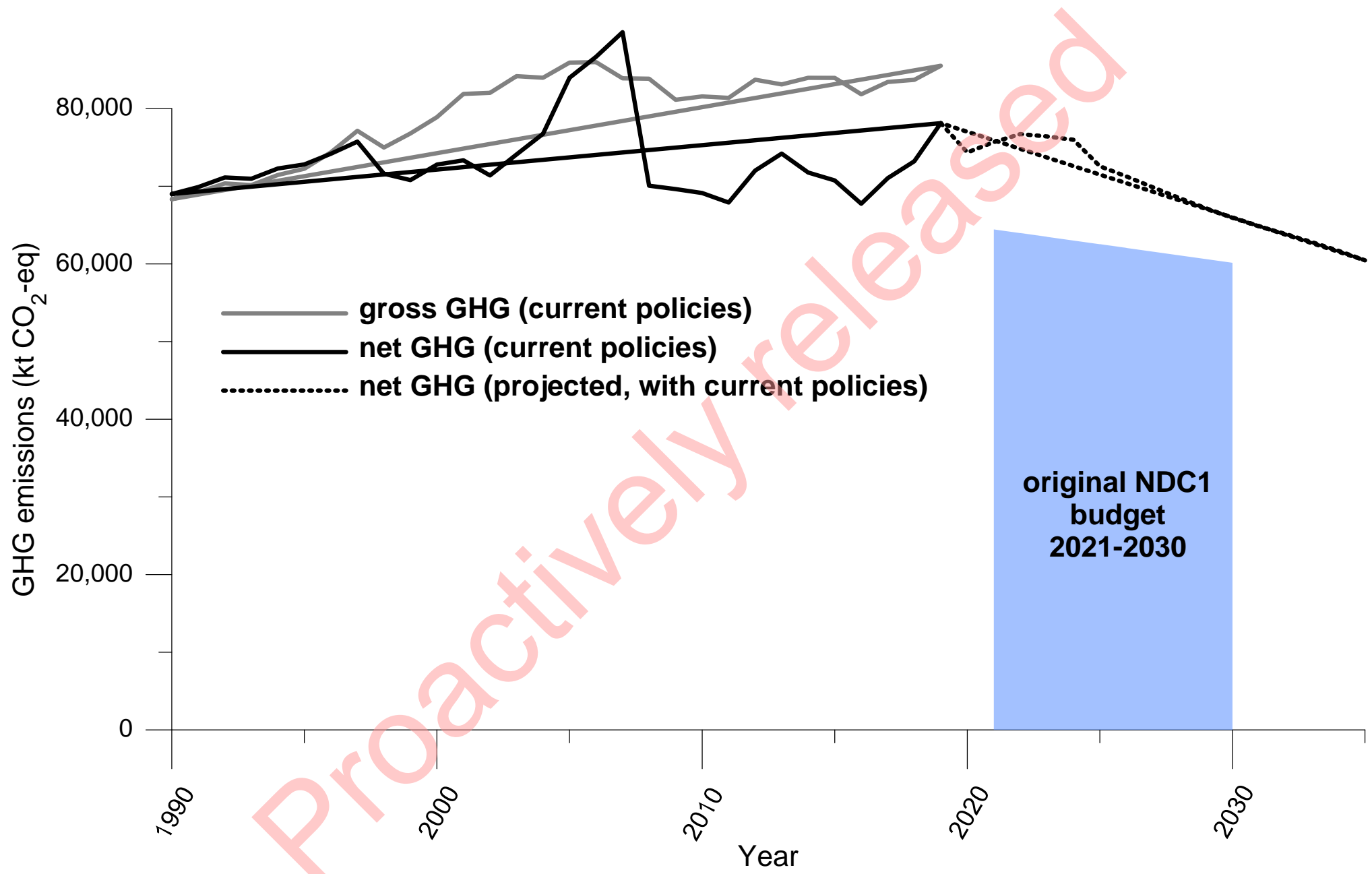
2000

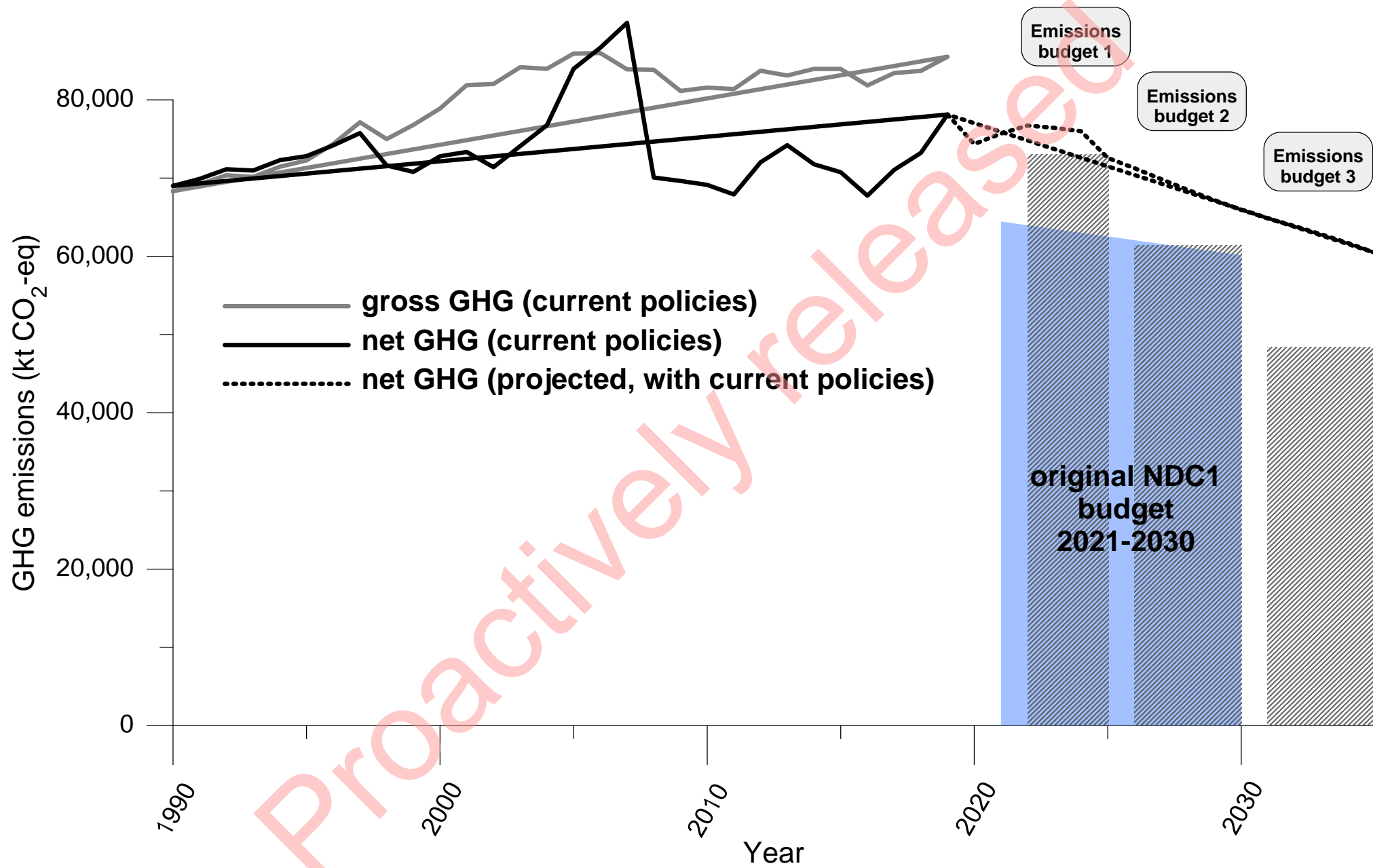
2010

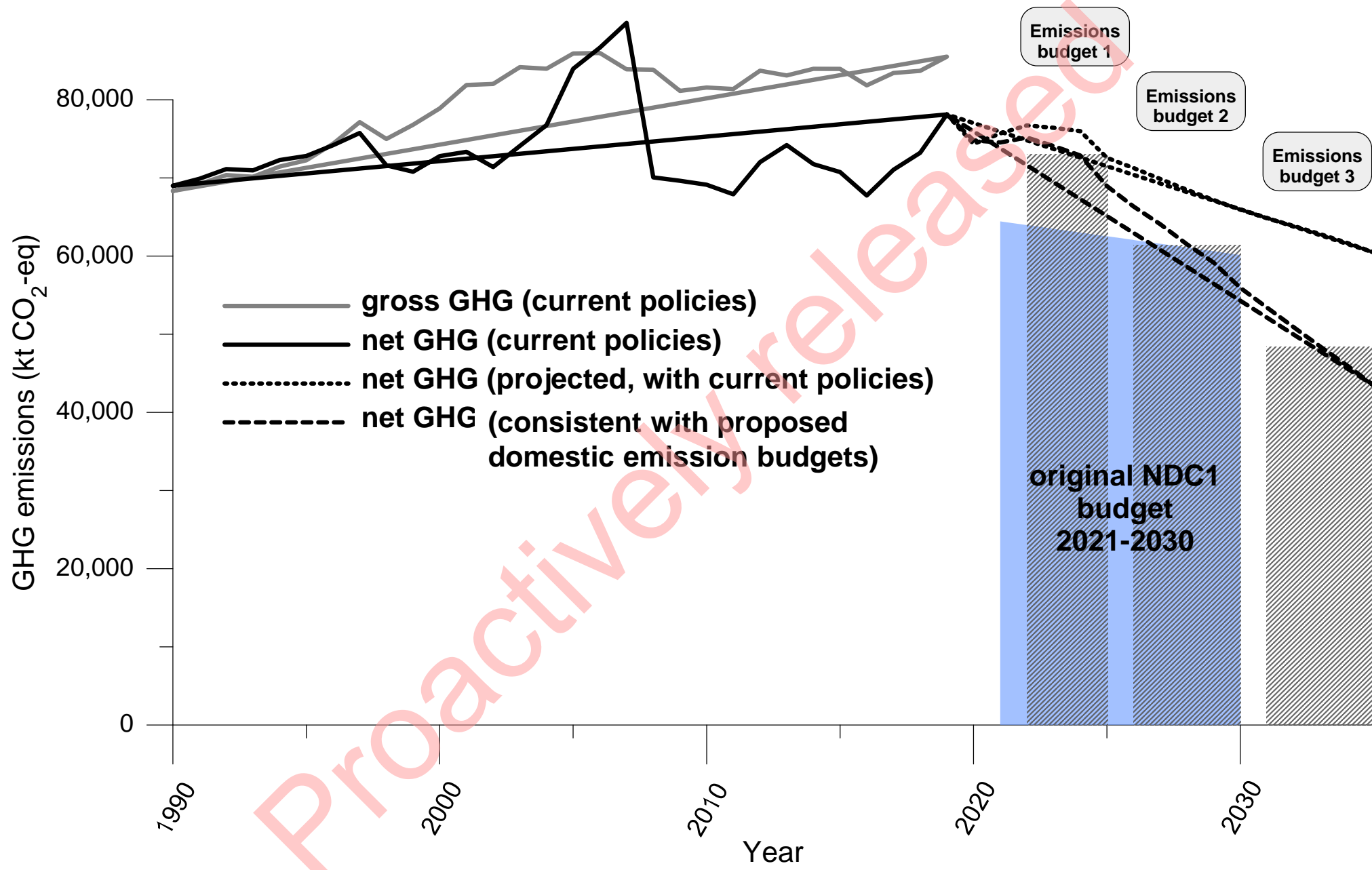
2020

2030

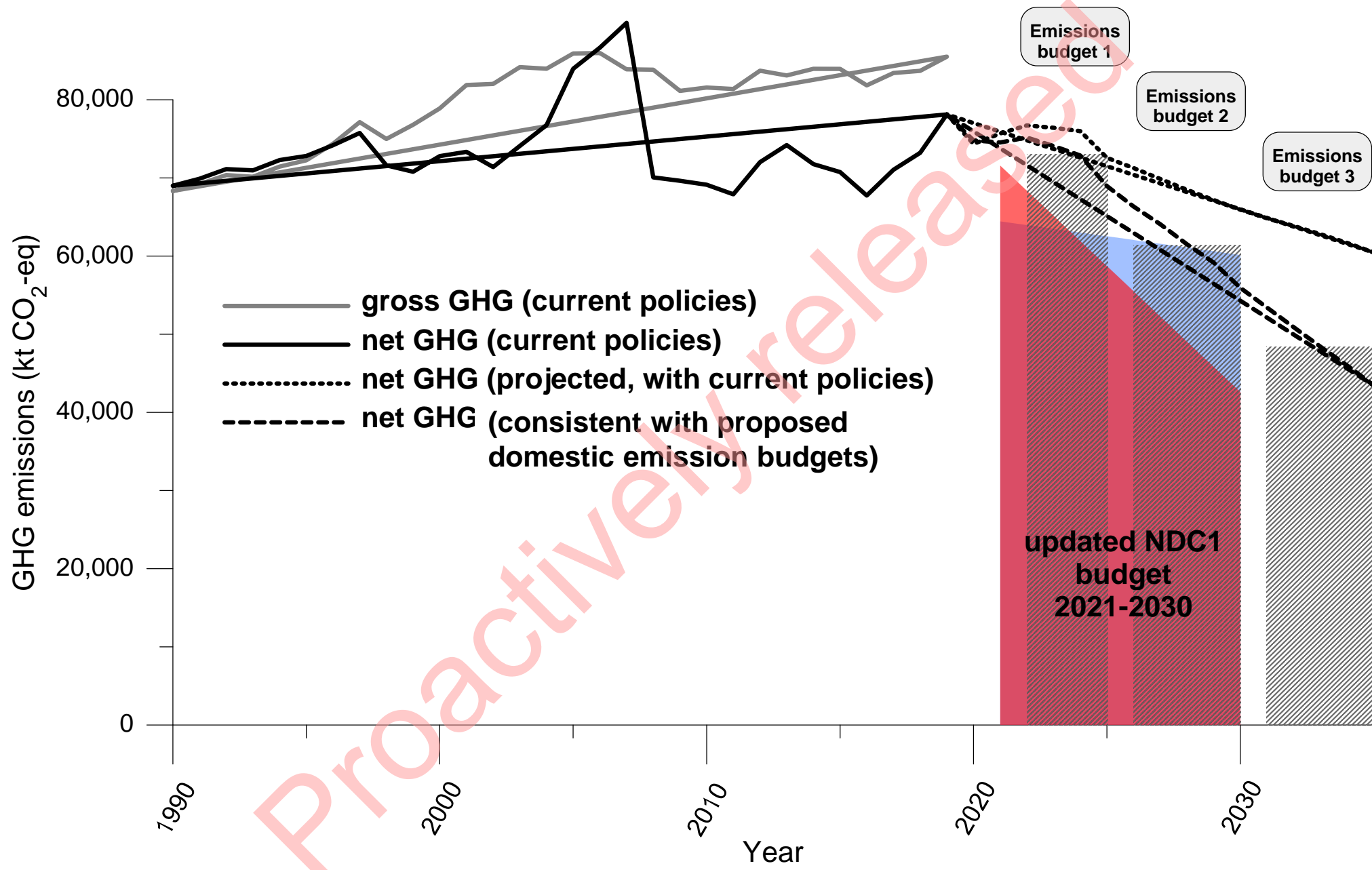
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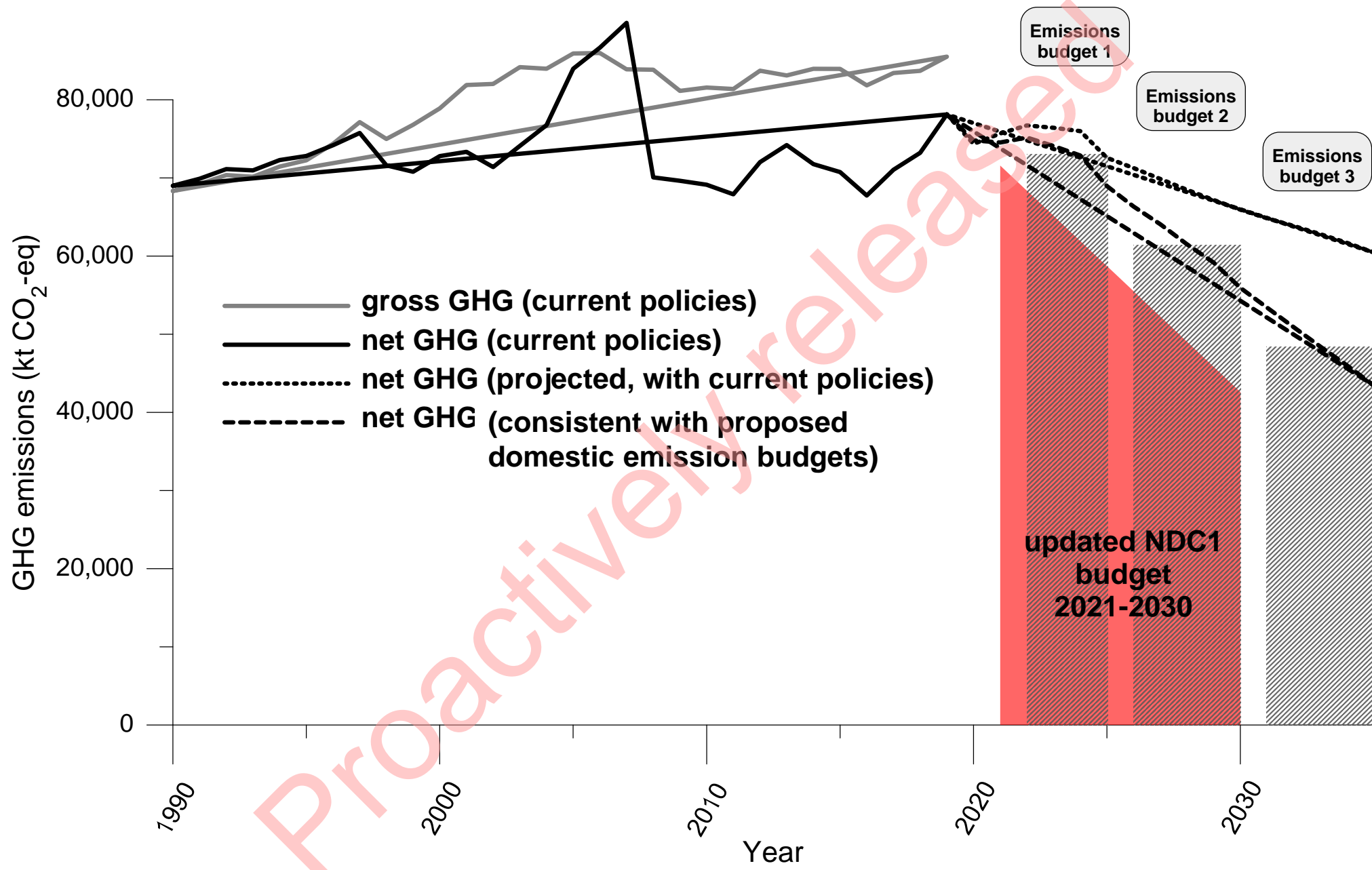




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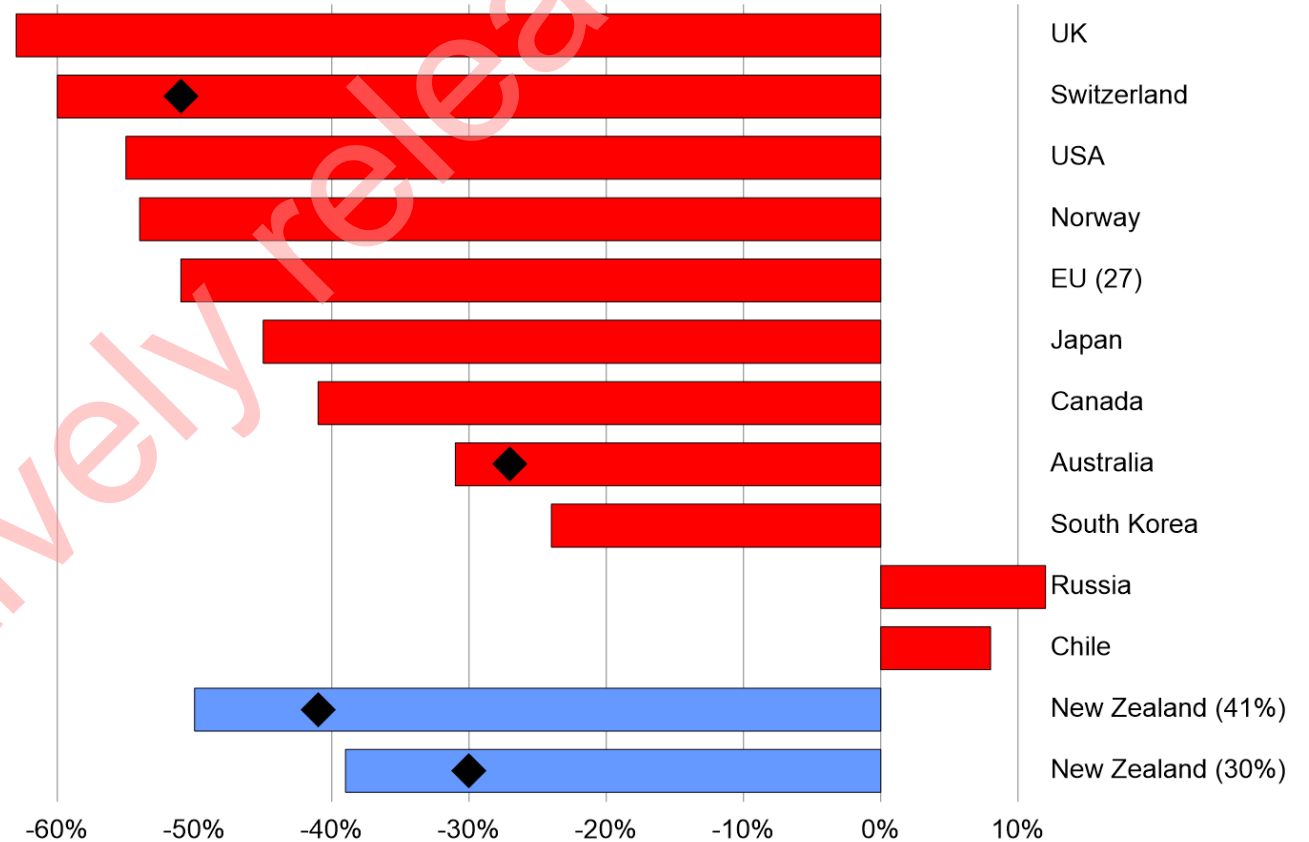


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Our NDC alongside other countries

- Illustration of other countries' NDCs relative to 2005 gross emissions
- This graph reflects the Government's estimation of countries' NDCs in a way that allows for fair comparison.
- It is based on what they have reported
- Their actual NDCs may be expressed differently

percentage reductions relative to 2005 gross emissions



Red bars represent point-year reduction targets. For Australia, New Zealand and Switzerland, point-year targets are estimated based on projected 2020 emissions and maintaining the same overall level of ambition (i.e. same emissions budget during 2021-2030).

Point Year vs Budget Approach?

- The updated NDC is a point-year target in line with most other countries, allowing for comparability
- The target will continue to be managed as a multi-year emissions budget across the 2021-2030 period
- Using an emissions budget is better for the climate, as it is not only emissions in the year 2030 that matter
- This means New Zealand is accountable for all emissions produced in the years of the target period (provisionally 571MT)

Baseline Year?

- The updated NDC continues to use a 2005 reference year
- Ensures transparency and comparability with the previous NDC and with other countries' NDCs

Relative to gross emissions in:	Updated NDC		Original NDC	
	point-year	budget-based	point-year	budget-based
1990	38%	26%	24%	12%
2005	50%	41%	39%	30%
2010	48%	38%	36%	26%
2020	48%	39%	37%	27%

Gross-net vs. net-net?

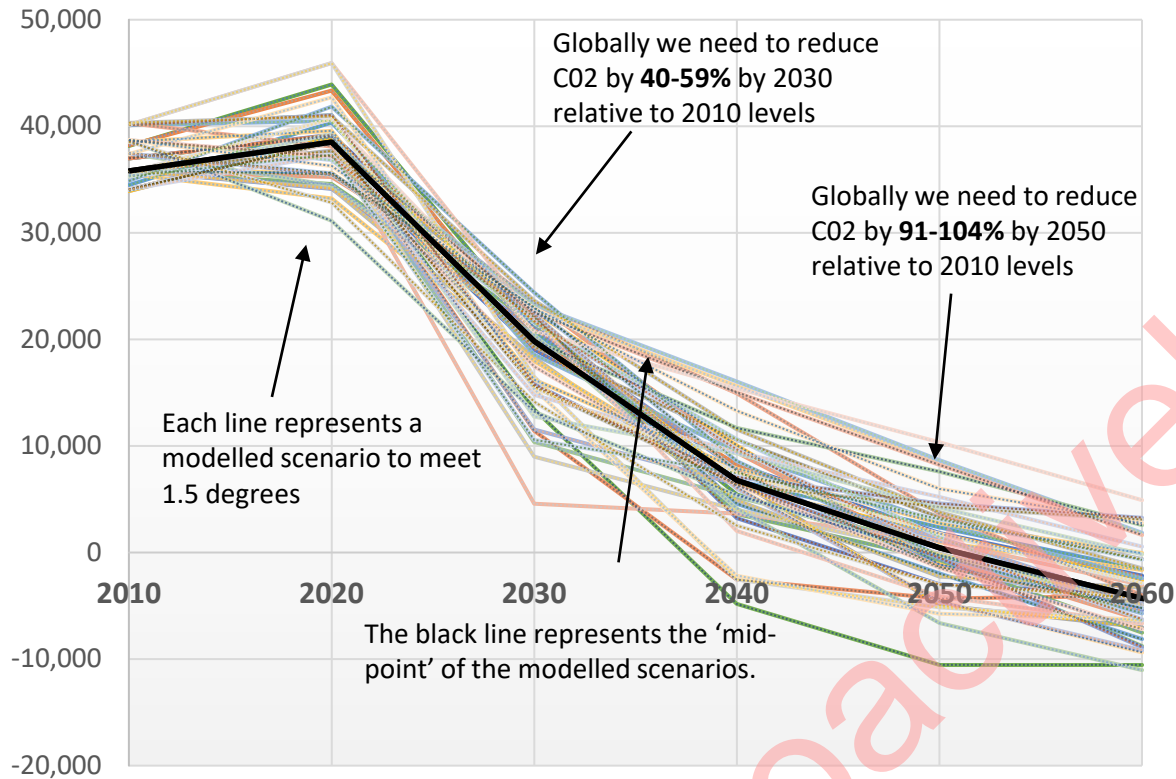
- The Climate Change Commission recommended that New Zealand continue to use a gross-net approach for the updated NDC
- A gross-net approach is consistent with New Zealand's original NDC and previous international emissions reduction targets under the Kyoto Protocol (2008-2012) and under the Convention (2013-2020)
- Most other countries use gross-net, so keeping it helps with comparability and transparency
- Sequestration from forestry (i.e. net emissions) bounce around a lot

Climate Commission's advice on NDC

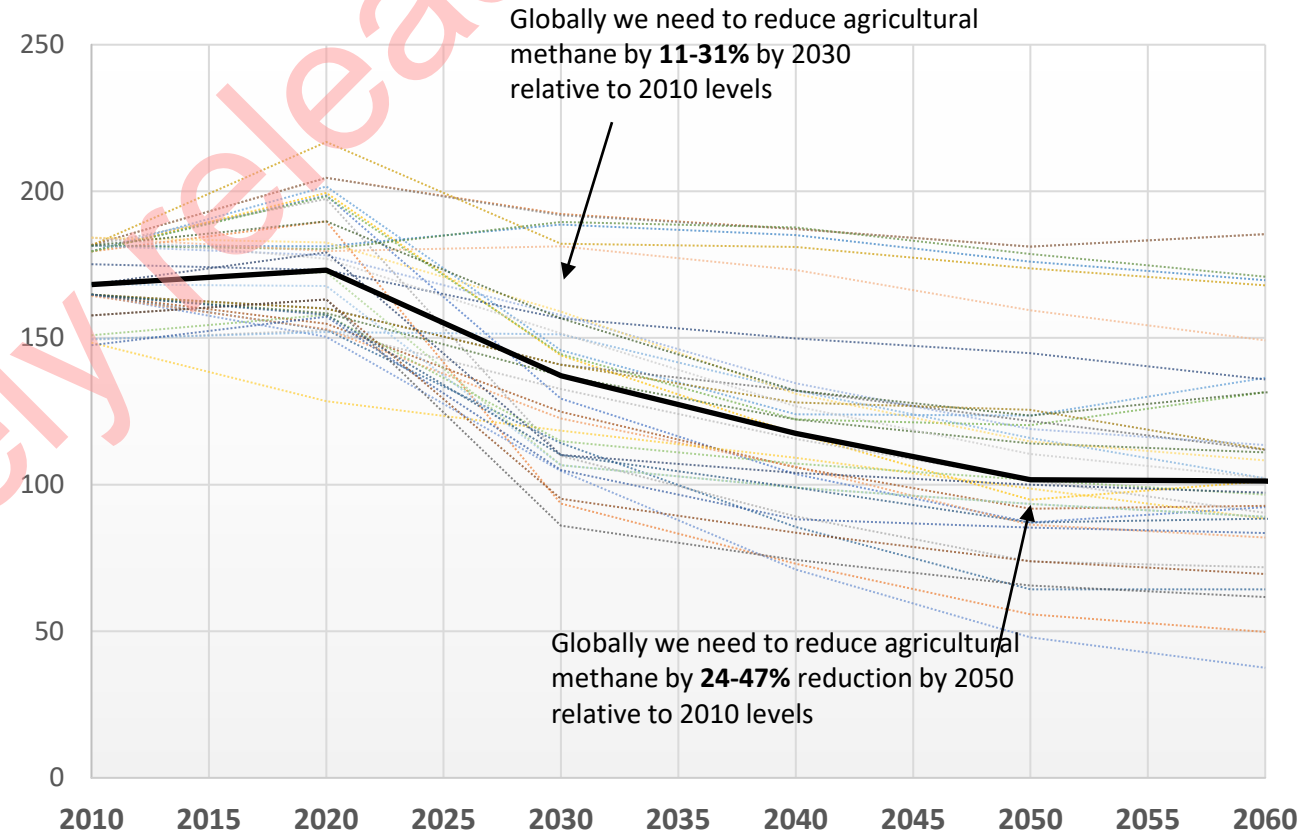
- NDC was **not compatible** with Aotearoa making a contribution to global efforts under the Paris Agreement that is consistent with limiting the increase in global average temperature to 1.5°C above pre-industrial levels (*recommendation 29*)
- In order to be more compatible, the Commission said the NDC should reflect a reduction of net emissions of **much more than 36 per cent below 2005 gross levels by 2030**, with the likelihood of compatibility increasing as the NDC is strengthened further (*recommendation 30*)

IPCC Special Report on 1.5 degrees

global net carbon dioxide



global agricultural methane

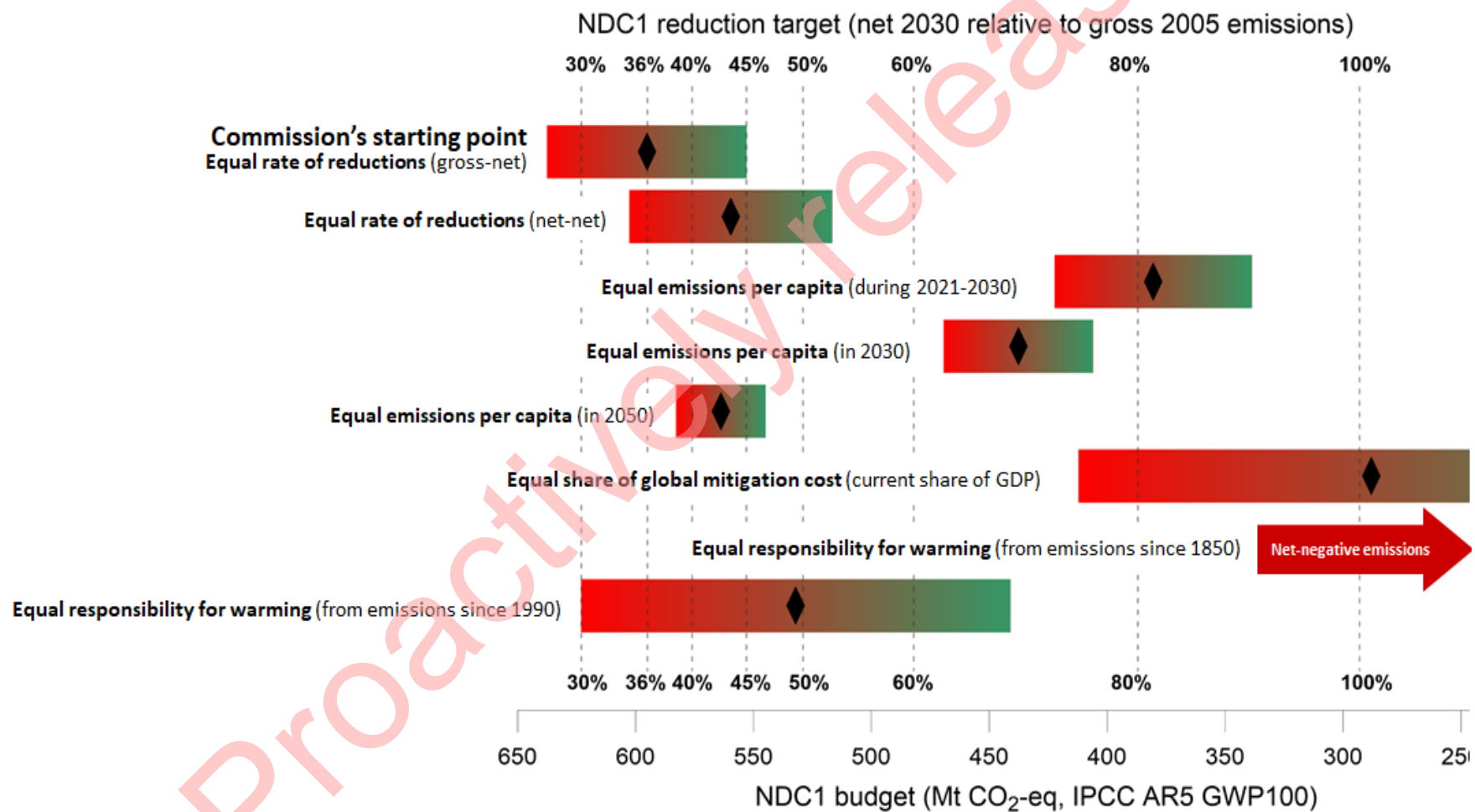


Achieving the global rate of reduction means some countries have to reduce their emissions at a greater rate to allow others to reduce their emissions more slowly

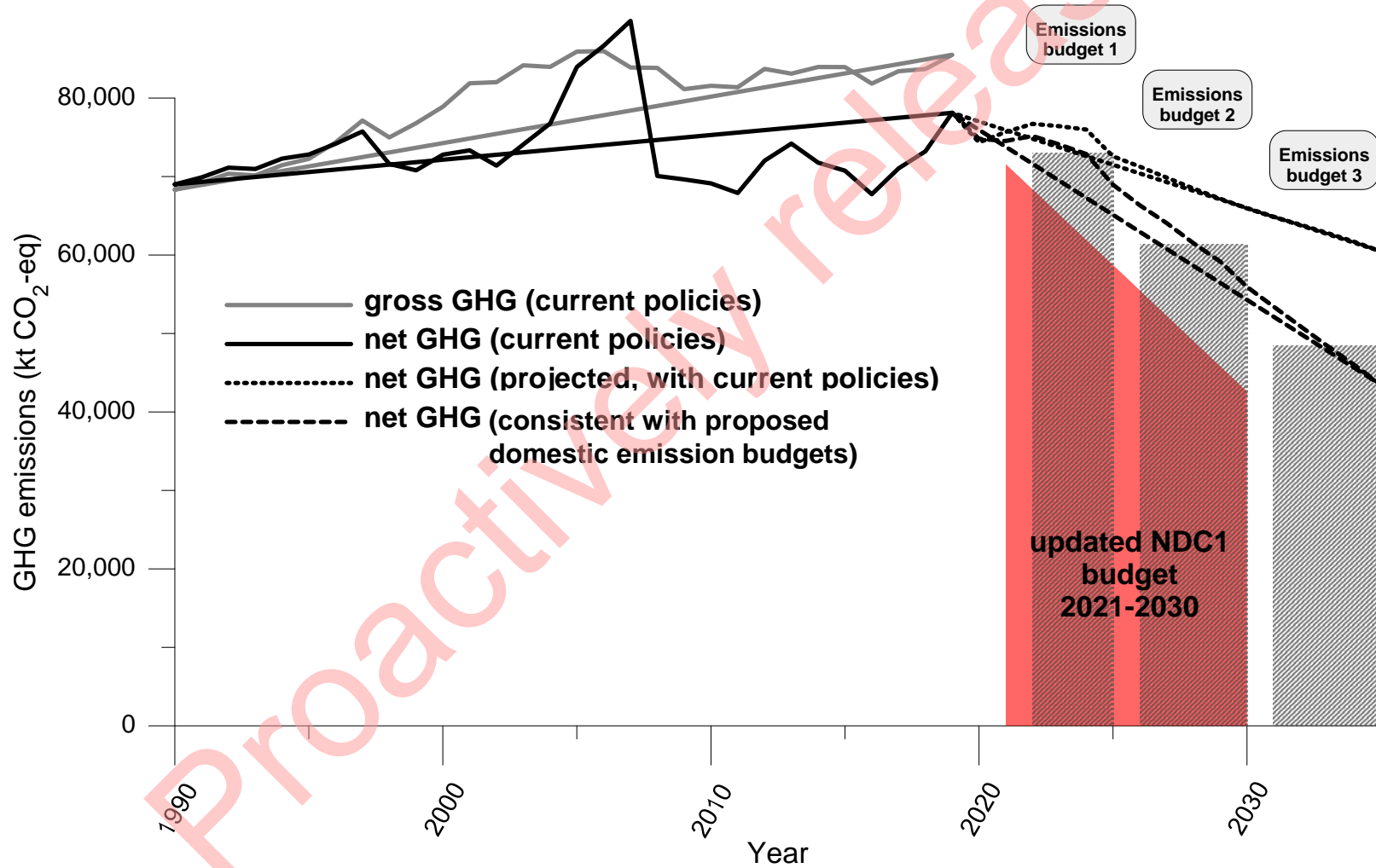
Climate Commission's advice on NDC (cont.)

- The Government would need to decide how to deliver an **equitable** contribution to the global effort while considering what would be **feasible** for New Zealand (*recommendation 30*)
- Offshore mitigation would be needed to bridge the gap between the domestic emissions budgets and the current NDC and increasing the NDC's ambition would require further offshore mitigation (*recommendation 31*)

What is “equitable”?



What is “feasible”?



How we will work to reduce global emissions

- Prioritise domestic investment and action to increase the likelihood of the Commission's "tailwinds" scenario occurring
- Partner with developing countries in the Asia-Pacific in ways that promote their Sustainable Development Goals
- Explore arrangements with others that have high environmental integrity emissions trading schemes

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Summary

- The amount of climate pollution New Zealand is responsible for in 2030 will be about half what it is today
- We will be in the leading group of countries in terms of our effort over the coming decade
- The Emissions Reduction Plan will prioritise even greater levels of domestic investment to accelerate our transition to a high-tech, low-carbon economy
- Our work with other countries will support sustainable development and resilience in the Asia-Pacific
- We can and should always strive to do more