



# Proposed approach for delivering the Government responses to the Climate Change Commission's monitoring reports on emissions reduction and adaptation progress

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Security level: Classification

## Actions sought from Ministers

<i>Name and position</i>	<i>Action sought</i>	<i>Response by</i>
To Hon Simon WATTS <b>Minister of Climate Change</b>	<p>a. <b>Agree in principle</b> (subject to confirmation once the final reports are received) to the proposed approach that each of the Government responses acknowledge the Commission's report, provide an overarching strategic narrative on the Government's climate change priorities, and respond to the key findings for each report.</p> <p>b. <b>Agree in principle</b> (in advance of receiving the report) for officials to progress the response to the NAP progress report through Cabinet in 2024, ahead of the statutory deadline of 2 February 2025.</p>	8 July 2024

## Actions for Minister's office staff

Return the signed briefing to the CCIEB Unit ([board@climateieb.govt.nz](mailto:board@climateieb.govt.nz)).

## Appendices and attachments

Nil

## Key contacts at CCIEB Unit

<i>Position</i>	<i>Name</i>	<i>Cell phone</i>	<i>First contact</i>
Principal author	Lydia Marston	9(2)(a)	
Manager, CCIEB unit	Amy Tisdall	027 254 3167	
Executive Director, CCIEB unit	Lisa Daniell	022 124 9568	✓

## Minister's comments

## Key Messages

1. The Climate Change Response Act 2002 (the Act) requires the Climate Change Commission (the Commission) to independently monitor and report to you, as the responsible Minister:
  - a. annually on the Government's progress towards meeting the 2050 target, progress against emissions budgets and emissions reduction plans (s5ZK), and
  - b. biennially on progress on the implementation and effectiveness of national adaptation plans (s5ZU).
2. Both monitoring reports will be provided this year for the first time. On receipt of these reports, you are required to present a copy of the report to the House of Representatives within 10 working days. The Commission must make the report public as soon as practicable after it is presented to the House, but no later than 20 working days after providing it to you (even if it has not been presented to the House (s5L)).
3. You are required to provide a response to each of these reports within specified timeframes; three months for the emissions reduction report (ERM report), and six months for the Adaptation progress report (NAP1 progress report). Applied to this work, the statutory timeframes are as follows:

Commission Report	Report received by	Report tabled by	Response due by
ERM report	16 July	30 July	16 October 2024
NAP1 progress report	2 August	16 August	2 February 2025

4. You, along with a small number of Climate Change Interdepartmental Executive's Board (CCIEB) Unit and Ministry for the Environment (MfE) officials, have received the embargoed draft key findings of the ERM report recently.

*The proposed approach for how the Government responds to these reports*

5. The CCIEB Unit, MfE adaptation and MfE mitigation officials have together considered different options for responding to these reports in line with the legal requirements you must meet. Options must also provide sufficient time to consider the report findings and manage pressure on climate change resources across government at a time of critical delivery for the broader climate change programmes (such as the second emissions reduction plan ERP2, and the adaptation framework.)
6. We recommend that each of the Government responses acknowledge the Commission's report, provide an overarching strategic narrative on the Government's climate change priorities, and respond to the key findings and how they will be considered or addressed (rather than providing a line-by-line response to all of the findings). We are recommending you agree to this in-principle and confirm the approach after receipt of each report.

*While we recommend the same overarching approach to each response, there are different contexts to take account of*

7. **ERM report response:** The Act includes that the response to the Commission's ERM report can "note any amendments" to the current ERP. You are about to consult publicly on the change of approach to meeting emissions reduction targets, including for the first emissions budget period through the ERP2 consultation. This includes noting for the public the actions in ERP1 that have stopped [BRF 4840 refers].
8. Any findings of the Commission's ERM report relevant to changes to ERP1 can be considered in this process. If timing allows, following receipt and consideration of

submissions, you can use the ERM response as the delivery vehicle for an ERP1 amendment. The ERM report will also include findings relevant to future emissions budgets, and these can be considered in the analysis for ERP2 prior to finalising it in late 2024.

9. **NAP1 progress report response:** NAP progress reports are produced by the Commission every two years. This response is a key opportunity this term for the Government to publicly set strategic direction and wider Government priorities for climate adaptation, and to better align actions with these priorities for the remaining four years of NAP1 implementation.

*Timeframes to deliver the responses are tight and require early consideration*

10. The most pressing statutory timeframe is tabling the Commission's ERM report by 30 July, and then tabling your response to it by 16 October 2024. The constraints on these timeframes arise from the upcoming Parliamentary recess periods and your travel. The dates we propose to hit are below:
  - a. the ERM report needs to be tabled on either 23, 24 or 25 July<sup>1</sup> (shortly after the planned release of the ERP2 consultation material), and
  - b. the response is taken to Cabinet ECO Committee on 25 September 2024 and Cabinet on 30 September. If there are any delays (noting a Cabinet recess in early October) final Cabinet approval is needed on 14 October.
11. We recommend you seek Cabinet decisions for the NAP1 progress report response in this calendar year, ahead of the statutory timeframe of 2 February. This is to manage the risk created by the uncertainty of the end of year Parliamentary recess and of sitting dates in January and February 2025 prior to Waitangi Day.

## Recommendations

12. Officials recommend you:
  - a. **Note** that under the Climate Change Response Act 2002 (the Act) the Climate Change Commission (the Commission) is required to produce independent monitoring reports on emissions reduction and adaptation progress.
  - b. **Note** that, as the Minister of Climate Change, you are required to table the Commission's monitoring reports within 10 working days of receipt and respond to the reports within set timeframes.
  - c. **Note** the Act specifies the process and timeframes for these functions to be undertaken. Applied to these reports the timeframes are:

Commission report	Report received by	Report tabled by	Response due by
ERM report	16 July 2024	30 July 2024	16 October 2024
NAP1 progress report	2 August 2024	16 August 2024	2 February 2025

- d. **Agree in principle** (subject to confirmation once the final reports are received) to the proposed approach that each of the Government responses acknowledge the Commission's report, provide an overarching strategic narrative on the Government's climate change priorities, and respond to the key findings for each report.

Yes | No

<sup>1</sup> We understand that you are travelling overseas on 30 July, and will have limited ability to respond to media enquiries, so while this is the last possible day you can table the report we recommend you do so earlier in order to facilitate any communications.

- e. **Note** that the sitting calendar in July and then in October provides limited options for tabling the ERM report (on 23, 24 or 25 July) and that the ERM report response would need to be considered by ECO Committee on 25 September or CBC 30 September.
- f. **Agree in principle** (in advance of receiving the report) for officials to progress the response to the NAP progress report through Cabinet in 2024, ahead of the statutory deadline of 2 February 2025.

Yes | No

- g. **Note** officials will provide you with a further briefing upon receipt of each of the Commission's reports that provides an initial analysis of the Commission's findings and key messages to support you to table the reports.

## Signatures



Lisa Daniell

Executive Director

**Climate Change Chief Executives Board  
Unit**

**Date: 4 July 2024**

Hon Simon WATTS

**Minister of Climate Change  
Date**



# Proposed approach for delivering the Government responses to the Climate Change Commission's monitoring reports on emissions reduction and adaptation progress

## Purpose

13. The purpose of this briefing is to:

- a. set out the statutory requirements for responding to the Commission's independent monitoring reports on emissions reduction and adaptation progress.
- b. seek your early direction on the approach and timeframes for delivering the Government responses to the Commission's reports.

14. There are similarities between the responses to both reports, including in terms of the statutory requirements that need to be met, however, the context for responding to each report is different. This briefing considers these factors and provides you with a recommended approach for both responses.

## Independent monitoring and reporting on the Government's response to climate change

**You will receive two monitoring reports from the Commission on the progress and effectiveness of the Government's response to climate change**

15. The Commission is required, under the Act, to monitor and report on the following:

Annual emissions reduction monitoring report (section 5ZK(1), (2) & (3))	Biennial NAP progress report (section 5ZU(1) & (2))
<ul style="list-style-type: none"> <li>Measured emissions and removals for the most recent year of the emissions budget for which data is available from the GHG Inventory, and</li> <li>The latest projections for current and future emissions and removals, and</li> <li>As assessment of the adequacy of the emissions reduction plan and progress in its implementation, including any new opportunities to reduce emissions.</li> </ul>	<ul style="list-style-type: none"> <li>An assessment of the progress made towards implementing the strategies, policies and proposals included in the NAP, and</li> <li>An assessment of the degree to which the objectives of the NAP have been achieved and how well the plan responds to the most significant risks posed by climate change, and</li> <li>An identification of any known barriers to the implementation and effectiveness of the current NAP, including recommendations for how those barriers might be addressed or overcome in future, and</li> <li>Any other relevant matters required to support the report.</li> </ul>

16. This will be the first time the Commission has prepared each of these reports. The emissions reduction monitoring report (ERM report) is due on 16 July 2024. The national adaptation plan progress report (NAP1 progress report) is due on 2 August 2024.

17. The Commission has had access to implementation data collected through the regular Climate Change IEB reporting to help inform these reports. MfE have also provided the Commission with responses from the call for data on adaptation preparedness you issued earlier this year (under s5ZW).
18. The Commission has provided embargoed copies of the key messages within the ERM report to your office, and to named officials within the CCIEB Unit and MfE, and we understand you have had an initial briefing from the Commission on 24 June. The Commission has been clear early access is not intended to set a precedent for any future reports, but we are working with the Commission to seek a similar provision for the upcoming NAP progress report.

**You are required to provide a response to each of the Commission's monitoring reports**

19. On receipt of these reports, two statutory requirements are triggered. Firstly, you are required to present a copy of the report to the House of Representatives within 10 working days, at which point the Commission can make the report public (s5L).<sup>2</sup> Second, you are required to provide a response to each of the reports within specified timeframes. The Act outlines what is required for the response to each of these reports, as follows.

Emissions reduction monitoring annual report (section 5ZK(4))	NAP biennial report (section 5ZV)
<p>No later than 3 months after receiving the report, the Minister must make available a report that:</p> <ul style="list-style-type: none"> <li>Sets out the Minister's response to the report and recommendations, and</li> <li>Describes the progress made in implementing the current emissions reduction plan, and</li> <li>Notes any amendments to that plan, and</li> <li>Make the response publicly available and present it to the House of Representatives.</li> </ul>	<p>No later than 6 months after receiving the report, the Minister must:</p> <ul style="list-style-type: none"> <li>Respond in writing to the progress report, and</li> <li>Make the response publicly available and present it to the House of Representatives.</li> </ul>

20. For each report, the statutory timeframes for delivery are as follows.

Commission report	Report received by	Report tabled by	Response due by
ERM report	16 July	30 July <sup>3</sup>	16 October 2024
NAP1 progress report	2 August	16 August	2 February 2025

21. <sup>9(2)(h)</sup>

<sup>2</sup> Note, the Minister must present a copy of the Commission's report to the House of Representatives by the later of (a) 10 working days after the report is provided to the Minister; and (b) if Parliament is not in session during the 10 working days after the report is provided to the Minister, as soon as practicable after the commencement of the next session of Parliament (s5L(2)). Here, it is expected that Parliament will be in session for at least some of the 10 working days as noted above.

<sup>3</sup> We understand that you are travelling overseas on 30 July and will have limited ability to respond to media enquiries, so while this is the last possible day you can table the report, we recommend you do so on an earlier sitting day in order to facilitate any communications.

9(2)(h)

## The proposed approach to responding to the monitoring reports

22. The responses to the Commission's monitoring reports are an opportunity to align the existing climate change plans with your Government's climate strategy.
23. In developing options for how you could respond to these reports, we have sought to balance what is required under the Act, what can be considered reasonable as a response to the reports' findings, and what is achievable from a resourcing perspective within the statutory timeframes. There are choices about how detailed the responses could be, as the Act does not prescribe the level of detail required. The proposed approach sits at the lighter end of these options (i.e. is less detailed) but will be prepared so that it is consistent with obligations in the Act.
24. The proposed approach for each of the Commission's reports (which we will confirm with you once the final reports are received) is that the responses:
  - a. acknowledge the Commission's report, and
  - b. provide an overarching strategic climate narrative (relevant to emissions reduction or climate adaptation from your climate strategy), and
  - c. identify and respond to key findings.
25. You are already receiving quarterly reporting from the CCIEB to regularly monitor progress on implementation of ERP1 and NAP1, delivery of the Government's top climate priorities, and progress towards Government Target 9. To drive efficiency across the system we propose that most of the response should draw from and build on this existing work, and that the upcoming September quarterly progress report to the Climate Priorities Ministerial Group is used as the basis to inform both responses.
26. This is particularly relevant given the responses to the Commission's reports comes at a time of critical delivery for multiple cross-government climate change programmes (namely the second emissions reduction plan and the adaptation framework) with corresponding impacts on the level of resourcing across climate change agencies.

### **While we propose the same overarching approach to each response, there are different contexts to take account of**

27. On receiving the final reports from the Commission, officials will provide you with briefings on each, and outline specific context which is important to consider when developing each response. Some initial points are outlined below.

#### *Context specific to the ERM report response*

28. The ERM report response is an opportunity to set out the Government's commitment to meeting climate change targets, and outline the Government's revised approach to doing so, providing a method of linking back to your climate strategy.
29. The Act includes a provision for the response to the Commission's report to "note any amendments" to the current ERP. You are about to consult publicly on the changed approach to meeting emissions reduction targets, including for the first emissions budget period. This includes noting ERP1 actions which have stopped [BRF 4840 refers]. If the timing allows, following consideration of submissions to the ERP2 consultation, you could use the ERM response as the delivery vehicle for an ERP1 amendment to progress through Cabinet.

30. The Commission's ERM report will include findings relevant to future emissions budget periods, so these can be considered in the analysis for ERP2 prior to finalising it later in 2024.

*Context specific to the NAP1 report response*

31. The NAP1 progress report response provides a mechanism for aligning to the Government's climate adaptation priorities, including the Adaptation Framework. As these reports are only be produced every two years, they are a key milestone for ensuring implementation progress is being made and action is effective.
32. We see this response as your best opportunity to align NAP1 with your climate strategy and help to drive the progress Ministers want to see for adaptation<sup>4</sup>. The Adaptation Framework is the key priority of the Government's adaptation response. How the Adaptation Framework and other government initiatives will support the delivery of NAP1, and address risks identified in the first National Climate Change Risk Assessment could be further discussed at the proposed September Climate Priorities Ministerial Group meeting.
33. There is no explicit provision within the Act to note amendments to a NAP as it does for ERPs. We are considering options to publish an updated table of NAP1 actions as a way of being clear about the Government's wider priorities for adaptation and for transparency about implementation of the plan. We will provide you with more detail on this in the next briefing to you on responding to the NAP1 progress report.

## Timeline considerations

34. The responses to the Commission's reports are required within set statutory timeframes, as outlined earlier in this briefing. It will be necessary to engage with multiple agencies and Ministers on each of the responses within that timeframe given the cross-portfolio involvement in both reducing emissions and adapting to the impacts of climate change. The CCIEB Unit will lead and coordinate delivery of the responses with MfE and wider agencies.
35. We have provided initial detail on the timelines and possible time constraints below for you to consider. The final timeline for delivery will be included in the briefings we will send you when the final reports are received.

*Context specific to the ERM report response timing*

36. The most pressing statutory timeframe is tabling the Commission's ERM report by 30 July, and then tabling your response to it by 16 October 2024. The constraints on these timeframes arise from the upcoming Parliamentary recess periods and your travel.
37. The tabling of the Commission's ERM report, and its public release by the Commission, is planned to happen shortly after the Government launches its public consultation on ERP2. There is a possibility that the ERM report and ERP2 proposals will be seen by the media and other stakeholders to take different perspectives on key questions, such as whether New Zealand is on track for EB2. This will be compounded by differences in the underlying data sets and analytical approaches used between the two products, with ERP2 using more recent modelling than the ERM report. We will work with your office to closely manage this risk, including providing key messages to specifically articulate the differences between the products.

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<sup>4</sup> You have previously endorsed the system-wide NAP1 objectives for adaptation [BRF-4268 refers].



38. The corresponding response to the ERM report is on a particularly tight timeline, to be made public and tabled in the House of Representatives by 16 October. Due to Parliamentary recess in October, there are limited options for Cabinet Committee dates to gain Cabinet approval before the response is due. These are:

Option for lodgement date	Cabinet Committee	Cabinet meeting
a. 19 September	ECO - 25 September	30 September
b. 26 September	CBC - 30 September	14 October

39. Our initial recommendation would be to plan for consideration at ECO committee on 25 September, as this allows for the later date as a backup in case of any unexpected delay. Ministerial and agency consultation could then occur from 3-13 September and could potentially be considered by CPMG during this time.

*Context specific to the NAP1 report response timing*

40. The NAP1 progress report has a longer deadline for response (due 2 February 2025) however, the proposed timeline for the response has you seeking Cabinet decisions in late 2024, ahead of the statutory timeframe. The main driver to deliver the response early is the risk created by the uncertainty of the end of year Parliament recess and of sitting dates in January and February 2025.
41. There are options for Cabinet Committee consideration in November 2024, and this would need to work around your travel plans for COP29.

Option for lodgement date	Cabinet Committee	Cabinet meeting
a. 31 October	ECO - 6 November	11 November
b. 7 November	ECO - 13 November	18 November
c. 14 November	ECO - 20 November	25 November

## Next steps

42. Embargoed copies of the preliminary key findings from the ERM report were provided to you on 21 June 2024, and you have received an initial briefing from the Commission to explain the approach taken for this work.
43. On receipt of the full and final ERM report in mid-July, officials will provide you with a briefing on the Commission's findings, along with an outline of the proposed response based on your feedback on the proposed approach in this briefing. That briefing will include an initial assessment about which findings we recommend the response to focus on, and a more detailed timeline for delivery. It will also include support for tabling the report and any public statement /release you may wish to make.
44. You will also be required to table the Commission's report in the House, and this will trigger the Commission's publication of its ERM report. You may wish to release a press release to welcome the report. MfE's communications team can provide a draft press release for your consideration, and key messages to clarify how this product differs to the Government's ERP2 proposals out for consultation.
45. In early August, on receipt of the NAP1 progress report, officials will provide you with a briefing on the Commission's findings, and an outline to develop the response based on your feedback on this briefing, and a more detailed timeline for delivery.