

FRAMEWORK FOR INTERNATIONAL CARBON MARKET COOPERATION

OVERARCHING OBJECTIVE: TO SECURE FUTURE ACCESS TO INTERNATIONAL CARBON MARKETS

Objectives for international carbon market cooperation

Pillar 1: Leadership at home and internationally

- Provide global leadership by ambitious climate action at home, our 2050 target, and ambitious Paris Agreement contribution
- Promote international carbon markets that are transparent, rules based and have high environmental integrity by illustrating a standard for others to follow

Pillar 2: A productive, sustainable and climate-resilient economy

- Support the stability of the NZ ETS price and the credibility, robustness and functioning of the NZ ETS
- Maintain flexibility for future governments' climate policy, recognising the NZ ETS as our primary tool for mitigation
- Provide economically sound options for meeting New Zealand's international climate change targets under Paris

Pillar 3: A just and inclusive society

- Provide flexibility in New Zealand's transition pathway, through the availability of offshore mitigation, subject to the limits set by the Climate Change Commission
- Ensure participation in international markets does not undermine incentives in domestic abatement opportunities, such as forestry

Principles for New Zealand's engagement in international carbon markets

1. International supply is of high quality – the credits/units are genuine and have environmental integrity

2. Our approach is in partnership with Māori, as per Te Tiriti o Waitangi

3. Our cooperation supports both partners' transition to low-emissions, climate resilient economies

4. Our cooperation aligns with New Zealand's wider political and economic relationships with partners

5. Our cooperation is transparent and proportionate

6. Our international cooperation is consistent with the Zero Carbon Bill, including the role of the Climate Change Commission

All aspects of potential carbon market cooperation will be assessed for environmental integrity, through contribution to global emissions reductions