

Aotearoa New Zealand's 2035 international climate change target

Opportunity for public feedback

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This document may be cited as: Ministry for the Environment. 2024. *Aotearoa New Zealand's 2035 international climate change target: Opportunity for feedback*. Wellington: Ministry for the Environment.

Published in November 2024 by the
Ministry for the Environment
Manatū mō te Taiao
PO Box 10362, Wellington 6143, New Zealand
environment.govt.nz

ISBN: 978-1-991140-50-0 (online)

Publication number: ME 1862

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Opportunity to provide feedback

What the Government is seeking feedback on

This document has been prepared by the Ministry for the Environment (MfE) to seek public feedback to inform the Government's decision on its international climate change target for 2031–35.

This emissions reduction target will be set under [the Paris Agreement](#) and be New Zealand's second Nationally Determined Contribution (NDC2). The Government will set NDC2 in early 2025.

How to provide feedback

There is a form open on the Ministry for the Environment website, where we welcome your views. See [appendix 1](#) for the full list of questions. You do not have to answer them all, and all comments are welcome. To ensure others clearly understand your point of view, you should explain the reasons for your views and give supporting evidence if needed.

Please fill out the form on the Ministry for the Environment by 11:59pm, 8 December 2024.

The supporting documents are available at <https://consult.environment.govt.nz/climate/second-nationally-determined-contribution/>. If you have questions or want more information, please email climate.engagement@mfe.govt.nz.

What happens next?

After receiving feedback, we will analyse them to inform policy and government decisions.

Opportunity to provide feedback to help shape Aotearoa New Zealand's 2035 international climate change target

The Ministry for the Environment is seeking feedback to inform the Government's decision on its international climate change target for 2031–35. This emissions reduction target will be set under [the Paris Agreement](#) and be New Zealand's second Nationally Determined Contribution (NDC2). The Government will set NDC2 in early 2025.

Aotearoa New Zealand's first Nationally Determined Contribution (NDC1) covers 2021–30. Its headline target is a 50 per cent reduction of net emissions below gross 2005 levels by 2030.

Our second Nationally Determined Contribution (NDC2):

- will cover 2031–35, the same period as our third domestic emissions budget
- will be based on a range of evidence and information that the Government uses to determine New Zealand's *highest possible ambition*
- will be set by the Government by February 2025.

About Nationally Determined Contributions

Nationally Determined Contributions (NDCs) are at the heart of the Paris Agreement. NDCs are how countries contribute to the global temperature goal of the Paris Agreement, *to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C*. The Intergovernmental Panel on Climate Change (IPCC) has published a special report on 1.5 degrees which has more information see [Global Warming of 1.5 °C](#).

Under the Paris Agreement, NDCs must represent each country's highest possible ambition. This term has no agreed definition but can be understood as the greatest effort a country can make to reduce emissions reflecting their circumstances. As countries have different circumstances (or capacities to reduce emissions), the effort required to achieve the same level of emissions reductions varies significantly from country to country. Examples of national circumstances could include relative wealth, cost to the economy, technological advancements, and opportunities available to reduce emissions.

Countries must set NDCs that they intend to meet and pursue actions with the aim of achieving them. There are a range of actions that a country might take to meet its NDC, including encouraging domestic emissions reductions, increasing ways to remove carbon from the atmosphere, and international cooperation.

How we got here: New Zealand's first Nationally Determined Contribution

We are currently in the first NDC (NDC1) period (2021–30). New Zealand's NDC1 is to reduce net emissions to 50 per cent below gross 2005 levels by 2030. Read more on [NDC1 here](#).

Countries will report on progress towards NDC1 for the first time as part of Biennial Transparency Reports due at the end of 2024.

How we set Nationally Determined Contributions

Countries must set successive NDCs over time and are expected to demonstrate progression in ambition in future NDCs beyond their current NDC. For New Zealand, this will mean setting an NDC2 target that goes further than the NDC1 target to reduce emissions more than 50 per cent below gross 2005 levels by 2035.

How NDCs relate to our domestic targets

New Zealand has a domestic emissions target under the Climate Change Response Act. The target has two components:

- Net zero emissions of all greenhouse gas emissions other than biogenic methane by 2050.
- 24 to 47 per cent reduction below 2017 biogenic methane emissions by 2050, including 10 per cent reduction below 2017 biogenic methane emissions by 2030.

New Zealand also has domestic emissions reduction targets known as emissions budgets, which are set out in law: [Greenhouse gas emissions targets and reporting | Ministry for the Environment](#). These targets are different from our international targets. However, domestic action counts towards our international targets.

Our [first and second emissions reduction plans](#) outline how New Zealand will take action to reduce emissions and to meet emissions budgets. Our third emissions reduction plan, which will be set in 2029, will outline the action we will take to reduce domestic emissions from 2031 – 2035, the NDC2 target period.

Relationship to the second emissions reduction plan

NDC2 decisions need to be informed by the domestic emissions reductions that are achieved through the second emissions reduction plan (ERP2), as emissions reductions achieved between 2026 – 2030 can set us up for 2030 and beyond. It was important for that process to be well progressed before seeking feedback on our international targets.

Many New Zealanders have also provided feedback on climate change direction as part of the consultation process on the second Emissions Reduction Plan. We are considering ERP2 submissions as a part of this process, taking on board those key insights when developing ERP2.

Aotearoa has a unique emissions profile

Aotearoa New Zealand's emissions profile is different compared with most other **developed countries**. This is because Aotearoa has a relatively:

- large agriculture sector, generating more than half of gross emissions due to the key role primary industries play in the economy
- small energy sector, generating approximately 40 per cent of gross emissions due to Aotearoa New Zealand's high proportion of renewable electricity generation (although that is partially offset by relatively high transport emissions).

Aotearoa is the only developed country where carbon dioxide emissions make up less than half of the proportion of greenhouse gases on a CO₂-e basis. Ireland is the next smallest at 60.5 per cent.

Aotearoa New Zealand's high proportion of renewable electricity generation offsets relatively high transport emissions. Eighty-seven per cent of Aotearoa New Zealand's electricity supply was generated from renewables in 2022, which is very high by international standards.

Aotearoa also has high per-capita transport emissions, at 2.7 t CO₂-e compared to the developed-country average of 2.0 t CO₂-e. This is due to Aotearoa New Zealand's small but widely distributed population, and long narrow geography, resulting in road transport being the central element of the transport system

Factors to consider when setting NDC2

The Paris Agreement provides the framework for setting NDC2. We're interested in feedback on the Commission's advice, and on how the Government can weigh the different factors it proposes to consider when setting the target.

- **New Zealand's highest possible ambition:** Parties are able to determine what is the highest possible ambition for their own contribution to the global response in line with their national circumstances and capacity. This considers the fact that all countries have a responsibility to contribute to global efforts, but the level of responsibility and capability to contribute will be different for each country.
- **New Zealand's National Circumstances:** A country's unique conditions, such as its natural resources, economic sectors, and level of development that impact a country's ability to take climate actions. For New Zealand, relevant circumstances may include our status as a developed country, high proportions of agricultural emissions and renewable electricity (see box above).
- **Cost and impact of reducing emissions:** More action to reduce emissions could impact the competitiveness of New Zealand businesses and place unnecessary costs on households
- **Alignment with the Paris temperature goal:** The Paris Agreement has a goal of limiting global temperature increase to well below 2 degrees Celsius, while pursuing efforts to limit the increase to 1.5 degrees.
- **New Zealand's fair share of the global effort:** Climate change is a global issue requiring a truly global response. All countries, including New Zealand, need to do their fair share to meet the Paris temperature goal. The level of target that is 'fair' will be different for every country.

- **The outcomes of the Global Stocktake:** The first ever Global Stocktake of emissions under the Paris Agreement was carried out in 2023. Global Stocktakes occur every five years and provide insight into how countries are progressing toward meeting the goals of the Paris Agreement. The first Global Stocktake showed significant concern with how countries were tracking to limit warming to 1.5 degrees and highlighted the urgent need for action. Specifically, it encouraged countries to set more ambitious NDCs for 2031 – 2035, focusing on economy-wide transformation to reduce emissions.

Among other things, the first Global Stocktake:

- Encouraged Parties to come forward in their next NDCs with ambitious, economy-wide emission reduction targets, covering all greenhouse gases, sectors and categories and aligned with limiting global warming to 1.5°C, as informed by the latest science, in the light of different national circumstances.
- Indicated significant concern that the world is not on track to achieve the temperature goal, and that there is a rapidly narrowing window for raising ambition and implementing existing commitments in order to achieve it.
- Reinforced the need for urgent action and support to keep 1.5°C within reach; and noting that feasible, effective and low-cost mitigation options are already available in all sectors to do this.
- Recognised the urgent need for accelerated implementation of domestic mitigation measures as well as the use of voluntary cooperation under Article 6.
- Called for countries to contribute to specific efforts on energy emissions, methane emissions, and forestry/ecosystem restoration. The strength of New Zealand's contribution to these efforts could have implications for our NDC2 target.

We are seeking your feedback on how to balance these factors

Considering how to balance the various factors when setting the next NDC is complex, as factors interact and require trade-offs. For example, a stronger contribution to the global temperature goal will require more action to meet it, and higher costs. Whereas a target that is lower cost and easier to deliver is likely to have a lesser contribution to the global effort. That's why we want to understand how important each of these factors are to you.

The Climate Change Commission report

In June 2024, the [Government requested a report from He Pou a Rangi | Climate Change Commission \(the Commission\)](#) on the domestic emissions reductions that New Zealand could achieve as part of NDC2¹. The Commission's report was tabled in Parliament on 7 November 2024. The report provides important context for people wishing to provide feedback to the Government on NDC2.

Scope of the report

The Commission's report examines the potential domestic emissions reductions achievable during the NDC2 period. It does not make any recommendations about the level at which NDC2 should be set.

When setting NDC2, the Government will need to consider other domestic and international factors, including whether New Zealand should support international cooperation (offshore mitigation) as part of NDC2.

Key findings (Ministry for the Environment summary)

The report's main finding is that New Zealand could achieve greater net emissions reductions in the NDC2 period (2031–35) than in NDC1 through domestic action alone. The Commission suggests that domestic emissions reductions of up to 69 per cent are achievable during the NDC2 period (assuming the same accounting approach to NDC1 is applied to NDC2). It also notes that:

- actions to achieve these emissions reductions would need to start before 2031 to be effective
- delaying action, or introducing policies that encourage high-emission activities, may make it impossible to meet the emissions reductions targets
- the potential reductions of 69 per cent would require New Zealand to assume faster and higher adoption rates of technology and systems changes than are currently expected.

Modelled scenarios

The Commission modelled three potential scenarios². These scenarios represent different emissions reduction trajectories that could realistically meet our 2050 target, which the Commission then built into modelling for the NDC2 period specifically. The Government can consider these scenarios when determining the domestic contribution to NDC2.

The Commission's modelled scenarios include:

- a high-ambition scenario called High Technology and High Systems Change (draft HTHS)
- a scenario with a lower level of change called Low Technology and Low Systems Change (draft LTLS)
- a central pathway (the draft demonstration path for EB4)

- a reference scenario, which reflects Government policies as of 1 July 2023.

Notes to the modelled scenarios

- The scenarios are based on data from the 2023 New Zealand Greenhouse Gas Inventory and consider Government policies as of July 2023.
- The data sources have since been updated and will be incorporated into the Commission's final advice on emissions budget 4, due by the end of 2024.
- This means that specific numbers may change slightly, but the main finding – that it would be feasible to achieve greater net emissions reductions in the NDC2 period (2031–35) than the NDC1 commitment – will not change.

Relevant sector actions

The three modelled scenarios include different levels of uptake of actions from six key sectors (energy, industrial processes and product use, transport, agriculture, forestry and waste). The actions that contribute significantly to emissions reductions in the NDC2 period include:

- electrifying road transport and shifting transport modes
- decarbonising industrial heat and production processes
- adjusting sheep, beef, and dairy herd sizes through land use and stock choices, and other productivity improvements
- developing low-methane livestock breeds
- expanding geothermal carbon capture and reinjection
- diverting organic waste and capturing landfill gas
- maintaining high rates of afforestation
- increasing renewable electricity generation
- managing the electricity system (including demand management and increased storage) to support decarbonisation.

Economic and other impacts

The Commission's report reviews the economic impacts of each scenario compared to a reference economic scenario (based on 2023 projections). The report shows that GDP would increase in all scenarios between 2030 and 2035.

The economic analysis does not capture all the costs and benefits of reducing emissions, but studies show significant health benefits from decarbonising transportation. For instance, reduced air pollution in 2031–35 could have benefits worth \$2.3 billion (under the LTLS scenario), \$9.3 billion (EB4 demonstration path) or \$12.1 billion (HTHS).

Appendix 1: Questions

Questions	
1	Do you have any comments on the Climate Change Commission's advice?
2	<p>What factors should the Government prioritise when setting NDC2?</p> <ul style="list-style-type: none"> a) Represent New Zealand's highest possible ambition in light of national circumstances b) Align with the Global Stocktake recommendations c) Align with the temperature goal of the Paris Agreement (<i>to limit global warming to well below 2°C, and pursue efforts to limit global average temperature rise to 1.5°C</i>) d) Minimise costs from meeting the target e) Minimise impacts to the economy f) Ensure there is a clear plan for delivering the target g) Consider New Zealand's relative standing to other comparable countries/economies.
3	What factors in New Zealand's economic outlook should be taken into consideration when setting NDC2?
4	What factors do you think are most important for deciding a "fair share" for New Zealand for its NDC2?
5	Should NDC2 be set at a level that is achievable with domestic action only or should it be set at a level that is achievable with a mix of domestic action and international cooperation (offshore mitigation)