

Emissions tracking¹

A guide for MFAT Suppliers and Contractors

Version 1.2

November 2024

¹ Applies to Contracts for Services with a value of more than NZ\$500,000 over the whole of life of the contract and starting on or after 1 January 2025.

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Document change management

Version	Date	Changes made by...	Description of changes
1.1	6 Nov 2024	Wendy Jackson	Clarify wording around contract value
1.2	21 Nov 2024	Wendy Jackson	Additional questions for FAQ

Purpose

1. This document provides guidance for MFAT's suppliers and contractors on how to collate information on carbon emissions generated from activities funded through International Development Cooperation (IDC) funds.

Context

2. MFAT reports on its emissions annually as a participating agency in the [Carbon Neutral Government Programme](#) (CNGP), which was established in late 2020 to accelerate the reduction of public sector emissions and contribute to Aotearoa New Zealand's climate response. MFAT started reporting on its emissions in 2022, with a baseline year of 2018/19 (our last 'normal' year of operations before the pandemic).
3. More information on MFAT's implementation of the CNGP can be found [on the Organisational Sustainability page of the MFAT website](#), or in the Ministry's Annual Report.

Emissions from IDC activities

4. When MFAT started reporting its emissions in 2022, emissions from IDC activities were excluded from the inventory because the focus was initially on organisational emissions. MFAT is now in a position to start tracking emissions generated from IDC activities.
5. Not every IDC-funded activity will need to track its emissions. In accordance with ISO and GHG Protocol processes, only emissions from activities over which MFAT has operational control need to be tracked. This puts a number of IDC activities out of scope, such as core funding to multilateral organisations, as well as budget support and similar funding. Contracts for Services have been identified as the source for the majority of emissions generated through IDC activities.
6. In addition, it is likely that the emissions generated from smaller activities will be immaterial – i.e. relatively small within the context of the overall IDC emissions inventory. As such, the first phase of tracking emissions generated by IDC activities will focus on Contracts for Services with a value of more than NZ\$500,000 over the whole of life of the contract.
7. **Starting from 1 January 2025, if you have a Contract for Services with a value of more than NZ\$500,000 over the whole of life of the contract, your contract will include provisions for tracking emissions.**

Approach to emissions tracking

8. The approach to emissions tracking in this guidance is based on international standards: ISO 14064-1:2018 and the GHG Protocol. Both standards outline the process of identifying and calculating emissions.
9. Under these standards, emissions are divided into three types (called scopes):
 - **Scope 1 – direct emissions.** These are directly produced and controlled by the supplier or contractor. The most common types of Scope 1 emissions are from stationary combustion (e.g., fuel for generators, etc.) and mobile combustion (vehicle fuels for owned vehicles).
 - **Scope 2 – indirect emissions from purchased electricity.** These are emissions from electricity purchased by the supplier or contractor and directly on-charged to MFAT.
 - **Scope 3 – indirect emissions from the value chain (i.e. purchased goods and services).** These are emissions generated from the services provided by the supplier or contractor. For IDC activities, the most likely Scope 3 emissions will be from: business travel (air, rail, taxis, rental cars, paying someone for mileage); freight (shipping of goods, whether by land, sea, or air); waste generated by the activity; and construction materials used for infrastructure projects.
10. You will likely have this information readily available – not as emissions data, but as other financial or activity data. For example, you will know how much you have spent on diesel for generators (and invoices will have detail on the number of litres supplied), you will know how many flights have been taken and the origin and destination of these flights, etc. Most of this information is [required by MFAT in order to get paid](#) and may already be on invoices submitted to MFAT for payment.

What you are expected to do

11. Suppliers and contractors whose IDC-funded activities are undertaken via Contracts for Services with a value of more than NZ\$500,000 over the whole of life of the contract are required to report annually to MFAT on emissions generated through the activity.

What information to provide

12. You are expected to provide information on **all Scope 1, 2, and 3 emissions that are directly attributable to your IDC-funded activity for the financial year**. A good rule of thumb is to include information on activities paid for using IDC funds. For example, if IDC funds are used to pay for flights, then that flight information needs to be included.
13. Relevant information tends to be 'activity' information – for example, litres of fuel, flight distances (and class of travel), etc. However, some information is usually given as spend – for example, taxi use (total to be in NZD). Generally, any company you work with will provide this type of activity information – it should be on invoices, receipts, and similar documents. Appendix 1 has additional detail on different emissions sources and the type of data to provide.
14. An Excel template is available to collect financial/activity data related to emissions. If you are already tracking your emissions and have your own template, that can be used as well, but please check with MFAT's Decarbonisation Programme to make sure it meets Ministry needs (contact: cngp@mfat.govt.nz).
15. You should fill in this Excel template using information from invoices and similar documents. Depending on your business processes, it may be easier to collate the information regularly (monthly or quarterly) rather than at the end of the financial year.
16. The completed template and any other supplementary information should be sent to your MFAT contact point and to the Decarbonisation Programme (cngp@mfat.govt.nz) by 20 July. The information is for the previous financial year: for example, information for the 2025/26 financial year should be sent to MFAT by 20 July 2026.

IMPORTANT NOTE: The information provided by suppliers and contractors will be shared with the Ministry's independent third-party auditor, who audits and verifies our emissions inventory as per Carbon Neutral Government Programme requirements. You have the right to ask for a copy of any emissions information we hold about your activity, and to ask for it to be corrected if you think it is wrong. If you would like to ask for a copy of your information, or to have it corrected, please contact us at cngp@mfat.govt.nz.

Frequently asked questions

What happens to the information?

MFAT will aggregate your information with that from other IDC-funded activities (i.e. individual activity information will not be identifiable). MFAT will report on these emissions (Annual Report; MFAT website), though IDC emissions will be separate from MFAT organisational emissions, which are subject to reporting requirements.

What if an activity is partly funded by another agency? For example, if half of the travel of my project is funded by Australia DFAT?

There are two ways for you to provide information in this type of situation – you can select the option that best suits your business processes:

- (1) Provide MFAT with all emissions-relevant information, but note the percentage funded by MFAT.

Example: MFAT funds 50% of a project. You provide all emissions-relevant information and let us know that MFAT funds 50% of the project. We will calculate the emissions and include 50% of them in our reporting.

- (2) Identify activities that account for the percentage funded by MFAT, and provide us only with that information.

Example: MFAT and another donor each fund 50% of an activity. The activity involves travel for four people. You provide emissions-relevant information for the travel of two people.

Do suppliers/contractors need to set targets or reduce emissions?

This is not a current requirement. MFAT wants to avoid any potential constraining of IDC activities in order to reduce emission. In addition, we recognise that emissions from some activities may be easier to reduce than others. Once there is a good dataset on emissions from IDC activities, it will be easier to identify potential opportunities to reduce emissions.

Do supplier/contractor emissions transfer to MFAT once they have reported?

No, the emissions still belong to the supplier or contractor. MFAT can discuss with you options for reporting emissions from IDC-funded activities alongside organisational emissions.

What happens if a contract signed before 1 January 2025 with a value under NZ\$500,000 has a variation, and the value goes above \$500,000?

Emissions tracking only applies to new contracts with a value of more than NZ\$500,000, so if an old contract goes above that amount, it does not need to track emissions.

Can suppliers/contractors opt-in or volunteer to track their emissions?

Yes, they can. There are suppliers/contractors who are already tracking their emissions and find value in this exercise.

Appendix 1: Details on information to be provided

Source of emissions	General notes	Information to provide
Scope 1		
Fuel consumption	Fuel consumption is either stationary (e.g., diesel generators, natural gas heating, etc.) or mobile (fuel for owned or rental vehicles).	Please include information on any fuel consumed as part of the activity and paid for using IDC funds. Data for liquid fuels (diesel for generators, vehicle fuels) is usually in litres, and natural gas is usually in kWh or m3.
Scope 2		
Purchased electricity	Electricity consumption should be included if MFAT is directly charged for it.	Please include any electricity consumption that can be attributed to the project and that has been paid for using IDC funds. This information should be broken down by location of where the electricity was consumed – e.g., location of offices/data centres, etc. This data is usually provided in kilowatt hours (kWh).
Scope 3		
Travel	Emissions are generated through most forms of travel - flights, rail, rental cars, ferries, accommodation, etc. Some forms of travel are being electrified and therefore have fewer emissions.	Please include any travel undertaken relating to the activity and paid for using IDC funds. Rail, flight, and rental car data are usually provided in kilometres travelled; taxi data is reported in NZD spend; accommodation in room nights. Each leg of each trip should be recorded on a separate line. For example, if you are flying to a project site, staying four nights, and taking taxis to and from the airports, complete one line for each flight, one line for the hotel stay, and for each taxi ride.
Freight	Shipping goods generates emissions – whether by road, sea, or air freight.	Any freight related to the project and paid for using IDC funds needs to be included. Important data to include are: type of freight (sea, air, etc.); kilometres from origin to destination; and weight of the freight.
Waste	Different types of waste generate different types and quantities of greenhouse gases. Depending on the type of waste, carbon dioxide, methane, or other gases may be generated.	*ONLY FOR CONSTRUCTION / INFRASTRUCTURE ACTIVITIES Please record all construction waste generated as part of the activity – generally this is provided in kg or tonnes, as often waste services charge by weight.

Appendix 2: Excel worksheet

Below is a screenshot of the Excel worksheet for tracking emissions.

Emissions tracking template					v.2
Activity number					
Activity name		Date			
Work package number					
Supplier					
<i>Examples in italics - can be deleted</i>					
SCOPE 1 EMISSIONS					
Fuels (stationary and mobile)					
Fuel type	Assumptions / commentary	Quantity	Unit of measure (e.g., litres)	tCO2e (if known)	
<i>Diesel for generators</i>	<i>Diesel use for Jul-Dec 23 (6 months)</i>	<i>250</i>	<i>litres</i>		
SCOPE 2 EMISSIONS					
Electricity					
Site / property	Assumptions / commentary	Quantity	Unit of measure (e.g., kWh)	tCO2e (if known)	
<i>Electricity usage for office set up for MFAT-funded activity</i>	<i>Electricity use for Jul-Dec 2023 (6 months; quantity is amount charged to MFAT)</i>	<i>3500</i>	<i>kWh</i>		
SCOPE 3 EMISSIONS					
Travel					
Travel component	Assumptions / commentary	Quantity	Unit of measure (e.g., km, NZ\$, nights)	tCO2e (if known)	
<i>Flight from AKL to NAN</i>	<i>Economy class ticket</i>	<i>2146</i>	<i>km</i>		
<i>Flight from NAN to AKL</i>	<i>Economy class ticket</i>	<i>2146</i>	<i>km</i>		
<i>Taxi from AKL airport to office</i>	<i>Regular taxi</i>	<i>25</i>	<i>km</i>		
<i>Hotel in Nadi</i>	<i>One hotel room</i>	<i>4</i>	<i>nights</i>		