

Proactive Release

Date: 6 April 2020

The following Cabinet papers and related Cabinet minutes have been proactively released by the Minister for Climate Change:

Proposed Overseas Travel: Hon James Shaw

and

Report on Overseas Travel: Hon James Shaw

CAB-19-MIN-0606 and CAB-20-MIN-0043 refer

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant sections of the Act that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to redaction codes:

- 9(2)(f)(iv): the confidentiality of advice tendered by Ministers of the Crown and officials.

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Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Proposed Overseas Travel: Hon James Shaw

Portfolio **Climate Change**

On 18 November 2019, Cabinet:

- 1 **authorised** the absence of Hon James Shaw from New Zealand, from 7 to 17 December 2019, to travel to Madrid, Spain to lead the New Zealand delegation at the United Nations Climate Change Conference 2019 (COP25);
- 2 **agreed** that he be accompanied by one member of staff and the Opposition spokesperson for Climate Change, Scott Simpson MP;
- 3 **approved** the estimated expenditure of up to s9(2)(f)(iv) for the travel expenses of the Ministerial party as a charge to Vote: Internal Affairs (Members of the Executive – Travel);
- 4 **noted** that he will also be accompanied by:
 - 4.1 officials from Ministry of Foreign Affairs and Trade, Ministry for Primary Industries, Ministry for the Environment, and the Ministry of Defence, whose travel costs will be met by their respective departments;
 - 4.2 representatives of the Government of Tokelau, whose costs will be met by Tokelau;
 - 4.3 selected iwi, youth, non-government organisation and business representatives, who will meet their own costs;
- 5 **agreed** that in his absence Hon Eugenie Sage act as Minister of Statistics and Minister for Climate Change;
- 6 **noted** that leave from Parliament has been approved.

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:
Prime Minister
Deputy Prime Minister
Hon James Shaw

Office of the Minister for Climate Change

Chair, Cabinet

Proposed Overseas Travel: Hon James Shaw

- 1 I seek Cabinet approval to travel to Madrid, Spain from 7 December 2019 to 17 December 2019 to attend the re-scheduled United Nations Climate Change Conference 2019 (COP25).
- 2 The Prime Minister has approved the travel in-principle, and House leave has been approved from the Party Musterer.

Purpose of Travel

United Nations Framework Convention on Climate Change (UNFCCC)

- 3 Climate change is a global issue. New Zealand's core strategy to manage our interests, including our economic and social wellbeing, lies in influencing the global response. This means taking ambitious action on mitigation and adaptation at home, while promoting transparent, credible and ambitious action overseas.
- 4 The principal vehicle for international engagement is the United Nations Framework Convention on Climate Change (UNFCCC). A Conference of the Parties to the UNFCCC, or COP, is held annually and provides the primary platform for international climate change discourse and negotiations.
- 5 Due to recent civil unrest across Chile, the 25th Conference of the Parties (COP25) will now be hosted in Madrid, Spain from 2 - 13 December 2019.
- 6 Despite this change, COP25 is expected to attract heads of state, heads of government, ministers, as well as international and national leaders and representatives from the private sector, academia, non-government organisations (NGOs), municipalities and the financial sector, among others.

Travel Objectives

- 7 New Zealand has three primary objectives for COP25. These include:
 - 7.1 **UNFCCC Negotiations:** Securing an outcome on international carbon markets that ensures the environmental integrity of the Paris Agreement; bridge-building between Pacific island countries and donors in the review of the Warsaw International Mechanism on Loss and Damage (WIM); supporting Pacific island countries to secure a UNFCCC workshop on the oceans/climate nexus in 2020;

- 7.2 Moana Blue Pacific Pavilion: Ensuring the *Pavilion*, funded in partnership with Fiji and managed by the Secretariat of the Pacific Regional Environment Programme (SPREP), effectively promotes and protects issues important to the Pacific; and
- 7.3 New Zealand's Multilateral Assessment: Credibly participating in the multilateral assessment (transparency process) of our emissions reduction efforts over the previous two years. This is an opportunity to tell our domestic story and safeguard our international reputation.
- 8 These are underpinned by a suite of secondary objectives, including those that derive from our updated climate change negotiations mandate, as approved by Cabinet on 26 August 2019 [CAB-19-MIN-0430]; our broader foreign and trade policy interests; and targeted ministerial engagements that promote New Zealand's climate change credentials.

Benefits of New Zealand Attendance

- 9 The value of ministerial attendance at COP25 is:
- 9.1 demonstrating New Zealand's ongoing support for the Paris Agreement, reinforcing our strong climate change credentials, and building on the UN Secretary General's Climate Action Summit;
- 9.2 protecting New Zealand's interests by ensuring a successful negotiation outcome on international carbon markets, including ensuring high levels of environmental integrity;
- 9.3 demonstrating New Zealand's bridge-building role between Pacific Island ministers and counterparts from donor countries on the difficult issue of 'loss and damage'; and
- 9.4 to profile and build momentum for New Zealand-led initiatives: Agreement on Climate Change, Trade and Sustainability (ACCTS), Carbon Neutrality Coalition (CNC), Fossil Fuel Subsidy Reform (FFSR) and the Global Research Alliance on Agricultural emissions (GRA).

Specific events and meetings

- 10 I have accepted an invitation from the COP25 Secretariat to co-facilitate, along with South Africa, the international carbon markets negotiation. This provides a unique opportunity to positively influence the negotiation outcome.
- 11 COP25 will also provide opportunities to meet with a range of Ministerial counterparts and influential stakeholders. Bilateral meetings are planned with representatives from China, European Union, France, United Kingdom and South Africa. Other meetings will be arranged on the ground.

Ministerial Party

- 12 In mid-November officials will seek my approval of the final delegation and forward a 'letter of accreditation' to the Minister of Foreign Affairs for

signature. Subject to necessary approvals, I intend to lead a New Zealand delegation, likely comprising:

- 12.1 officials from the Ministry of Foreign Affairs and Trade (7), Ministry of Primary Industries (4), Ministry for Environment (4) and Ministry of Defence (1);
 - 12.2 the Ulu of Tokelau (1) and supporting officials (2);
 - 12.3 opposition spokesperson for climate change, Scott Simpson MP (1);
 - 12.4 an official from my office (1); and
 - 12.5 selected non-officials, including representatives of Iwi (2), business (4), non-government organisations and youth (2).
- 13 I seek Cabinet approval of funding for myself, one member of my staff, and Hon. Scott Simpson, MP. Government officials will be funded by their respective departments. The Tokelau delegation will be self-funded, as will non-officials, except where they are invited to join the delegation to directly advance Government's objectives. For example, speaking at New Zealand side events held in the *Moana Blue Pacific Pavilion*.

Travel Costs

- 14 List the estimated costs of the travel:

Airfares: s9(2)(f)(iv)

Accommodation:

Other Expenses:

Contingency (5%)

Total: s9(2)(f)(iv)

Acting Ministers

- 15 Hon. Eugenie Sage will act as Minister for Statistics and Minister for Climate Change.

Proactive release

- 16 I propose to release this paper proactively in whole or in part, subject to redaction as appropriate under the Official Information Act 1982.

Recommendations

- 17 I recommend that Cabinet:

17.1 authorise my absence from New Zealand, subject to leave from Parliament being secured from 7 - 17 December 2019 to travel to

Madrid, Spain to attend the United Nations Climate Change Conference 2019 (COP25);

- 17.2 agree that I be accompanied by one member of my staff, and the opposition spokesperson for climate change, Hon. Scott Simpson MP;
- 17.3 approve the estimated expenditure of s9(2)(f)(iv) for the travel expenses of the Ministerial party, as a charge to Vote: Internal Affairs [Members of the Executive – Travel];
- 17.4 note that I will be accompanied by officials from Ministry of Foreign Affairs and Trade, Ministry of Primary Industries, Ministry for Environment, and Ministry of Defence, whose travel costs will be met by their respective departments;
- 17.5 note that I will be accompanied by a delegation including representatives of the Government of Tokelau, whose costs will be met by Tokelau;
- 17.6 note that that the broader New Zealand delegation will include representatives of Iwi, business, non-government organisations and youth, whose costs will be met personally;
- 17.7 agree that in my absence:
 - 17.7.1 Hon. Eugenie Sage will act as Minister for Statistics and Minister for Climate Change
- 17.8 note that the House is sitting during my absence; and
- 17.9 note that leave from Parliament has been approved by the Party Musterer.

Authorised for lodgement

Hon James Shaw

Minister for Climate Change



Cabinet

Minute of Decision

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Report on Overseas Travel: Hon James Shaw

Portfolio **Climate Change**

On 24 February 2020, Cabinet **noted** the report from Hon James Shaw under CAB-20-SUB-0043 on his travel, from 7 to 16 December 2019, to Madrid, Spain to attend the United Nations Framework Convention on Climate Change.

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:

Prime Minister
Deputy Prime Minister
Hon James Shaw

Proactively released by the
Minister for Climate Change

Office of the Minister for Climate Change

Chair, Cabinet

Report on Overseas Travel: Hon James Shaw

I recommend that Cabinet note this report on my travel to Madrid, Spain from 7 to 16 December 2019 for the 25th Conference of the Parties (COP25) to the United Nations Framework Convention on Climate Change (UNFCCC).

New Zealand's key objectives for COP25, as derived from our updated Climate Change Negotiations Mandate [CAB-19-MIN-0430], are covered under italicised headings. My Ministerial travel priorities are subsumed within those objectives.

This report also responds to the invitation by Cabinet to report back on the outcomes of COP25 [also CAB-19-MIN-0430].

Report

UN Framework Convention of Climate Change (UNFCCC)

- 1 Climate change is a global issue. New Zealand's core strategy to manage our interests, including our economic and social wellbeing, lies in influencing the global response. This means taking ambitious action on mitigation and adaptation at home, while promoting transparent, credible and ambitious action overseas.
- 2 The principal vehicle for international engagement is the United Nations Framework Convention on Climate Change (UNFCCC). A Conference of the Parties to the UNFCCC, or COP, is held annually and provides the primary platform for international climate change discourse and negotiations.
- 3 The 25th Conference of the Parties (COP25) was chaired by Chile, but due to civil unrest in Santiago in preceding weeks, was physically hosted in Madrid, Spain from 2-13 December 2019.
- 4 The primary focus of COP25 was continuing momentum from the UN Secretary General's Climate Action Summit in September 2019 and enhancing global ambition on climate change. The negotiations were expected to focus on global ambition, international carbon markets, loss and damage, and the UNFCCC's gender action plan.

New Zealand Delegation

- 5 New Zealand's delegation to COP25 included officials from the Ministries of Foreign Affairs and Trade, Environment and Primary Industries; the Ulu and

officials from the Government of Tokelau; and the opposition spokesperson for climate change. It also included selected non-officials from Iwi, business, non-government and youth organisations, reflecting deep interest and engagement from a wide cross section of New Zealand.

UNFCCC negotiations – Outcome of COP25

- 6 COP25 had double billing as both the 'Oceans COP' and the 'ambition COP' with the tagline "the time for action is now". Unfortunately, neither billing was particularly obvious in the outputs.
- 7 The cover decisions, negotiated at the end of the COP, reflect a clear divide between progressive Parties seeking forward-leaning, ambitious language, and less-progressive Parties blocking text that deviates from existing Paris Agreement language. In many of the negotiations there was a clear divide between developed and developing countries, particularly on the issue of climate finance.
- 8 There has been notable public commentary by many civil society and high ambition states of the 'failure' of COP25. Despite this, technical progress was made on a range of issues, including adoption of a new gender action plan, and the Paris Agreement remains the centrepiece of international engagement on climate change.

International carbon markets

- 9 Securing an outcome on international carbon markets, while ensuring environmental integrity, was a primary focus for New Zealand (and many others). Negotiation of the rules related to international carbon markets, 'Article 6' of the Paris Agreement, was co-facilitated by myself and Minister Barbara Creecy of South Africa, and involved exhaustive dialogue.
- 10 Negotiations ultimately fell short of securing a formal agreement, due largely to political reasons, including: demands for a share of proceeds from market transactions to be redirected for adaptation funding; attempts to legitimise double-counting of carbon credits; and endeavours to count Kyoto Protocol era credits against Paris Agreement era targets.
- 11 Despite disagreement over these three issues, technical work progressed significantly and will provide a basis for renewed negotiations at COP26 in November 2020. This 'no deal' on carbon markets was a better outcome than agreeing a bad deal, where environmental integrity was compromised.

Warsaw International Mechanism on Loss and Damage (WIM)

- 12 COP25 saw completion of the challenging Review of the Warsaw International Mechanism on Loss and Damage (WIM). New Zealand implemented a bridge-building strategy between developed and developing countries on the sensitive issue of financing loss and damage. These efforts were appreciated by Pacific Islands Countries and will stand us in good stead for influencing future negotiations.

Standing with the Pacific and supporting the Moana Blue Pacific Pavilion

- 13 A primary focus for Pacific Island Countries was securing a UNFCCC workshop on the climate-oceans nexus. In line with Leaders' agreement in the *Kainaki II Declaration* at the Pacific Island Forum in 2019, New Zealand actively supported this proposal. Parties eventually agreed to hold a 'Dialogue on Oceans and Climate Change', in June 2020.
- 14 The primary platform for showcasing Pacific issues and interests, and the risks presented by the impacts of climate change, was the *Moana Blue Pacific Pavilion*. New Zealand co-funded the Pavilion in partnership with Fiji and the Secretariat for the Pacific Regional Environment Programme (SPREP). The Pavilion hosted 65 side events across 11 days, attracting an estimated 10,000 visitors.
- 15 The Pavilion also provided a platform for many of New Zealand's key engagements at COP25. I co-hosted, with the Prime Minister of Fiji, a reception for Pacific delegates; hosted a New Zealand stakeholder event; and chaired a policy roundtable with Pacific Ministers of Climate Change.

New Zealand's Multilateral Assessment and National Statement

- 16 New Zealand underwent its third multilateral assessment at COP25, as part of the International Assessment and Review process designed to evaluate developed countries progress in meeting their 2020 targets. An inter-agency team presented information on New Zealand's emissions profile, emissions reduction targets, and policies and measures to address climate change.
- 17 New Zealand received 26 written questions from Parties in advance of the meeting and 8 oral questions. The queries we used to elaborate and expand on New Zealand's policy initiatives and domestic climate change policy. New Zealand's presentation was well-received, demonstrating our domestic leadership on climate change policies, and providing an opportunity to burnish our climate change credentials, including the Zero Carbon Act.
- 18 New Zealand's next assessment will focus on its 4th Biennial report, released in December 2019 (after COP25).

Foreign and trade policy interests

- 19 I was able to promote the Agreement on Climate Change, Trade and Sustainability (ACCTS) in a range of bilateral discussions and events, and released a joint ministerial statement with the other negotiating parties supporting the initiative. I presented at a Roundtable the Carbon Neutrality Coalition (CNC), encouraging others to join this high ambition grouping, and in a range of settings promoted the benefits of Fossil Fuel Subsidy Reform (FFSR).

Bilateral engagements

20 Opportunities for bilateral meetings were curtailed due to my commitments co-facilitating negotiations on international carbon markets. However, I was able to hold priority bilateral meetings with:

- Mr Antonio Guterres, Secretary General, United Nations. Discussion covered New Zealand's domestic climate change actions, Pacific issues, and international carbon market negotiations.
- Mr Frans Timmermans, Executive Vice President of the European Commission. Discussion covered the European Green Deal, Zero Carbon Act, New Zealand – EU Free Trade Agreement, s6(a); s9(2)(j)
- Hon Angus Taylor, Minister for Energy and Emissions Reductions, Government of Australia. Discussion covered Australian's climate change policies, international carbon markets, and support for the Pacific.
- Mr Masagos Zulkifli, Minister for the Environment and Water Resources, Government of Singapore. Discussion covered the Zero Carbon Act, international carbon markets, electric vehicles, and opportunities for cooperation in hydrogen technology.

Proactive release

21 I propose to release this paper proactively as per Cabinet Office Circular CO (18) 4, on the Ministry of Foreign Affairs and Trade's website. Proactive release will be subject to redaction as appropriate under the Official Information Act 1982.

Recommendation

I recommend that Cabinet note this report.

Authorised for lodgement

Hon. James Shaw

Minister for Climate Change