



Cabinet Economic Growth and Infrastructure Committee

Minute of Decision

McGuinness Institute title:
[EGI-16-MIN-0053] Paris Climate Change Agreement: Report on Outcome of Negotiations and Approval for Signature

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Paris Climate Change Agreement: Report on Outcome of Negotiations and Approval for Signature

Portfolio **Climate Change Issues**

On 6 April 2016, the Cabinet Economic Growth and Infrastructure Committee:

Paris outcome

- 1 **noted** that:
 - 1.1 the Paris Agreement on Climate Change (the Paris Agreement) was concluded at the twenty-first Conference of Parties (COP 21) to the United Nations Framework Convention on Climate Change (UNFCCC) on 12 December 2015;
 - 1.2 the final shape of the Paris Agreement is consistent with New Zealand's negotiation objectives [EGI-15-MIN-0128];
- 2 **noted** that becoming a Party to the Paris Agreement will require New Zealand to:
 - 2.1 restate or replace New Zealand's 2021-2030 contribution, in 2020;
 - 2.2 prepare, communicate and maintain successive mitigation contributions, representing a progression from previous contributions and reflecting New Zealand's highest possible ambition;
 - 2.3 submit national inventory reports, account for progress toward achieving contributions, and submit such reports to international review;
 - 2.4 engage in adaptation planning processes and communicate action taken, as the government considers appropriate;
- 3 **noted** that the Paris Agreement contains provisions that establish expectations that New Zealand will:
 - 3.1 finalise New Zealand's first nationally determined contribution (NDC) prior to ratifying the Agreement;
 - 3.2 communicate a long-term low emission development strategy by 2020;
 - 3.3 continue to undertake economy-wide absolute emission reduction targets;

- 3.4 participate in a cycle of five-yearly global stocktakes on progress toward achieving the objectives of the Agreement, and take the findings of such stocktakes into account in setting subsequent NDCs;
- 3.5 recognise loss and damage associated with the impacts of climate change, subject to the stipulation that inclusion of loss and damage provisions in the Agreement does not involve or provide a basis for any liability or compensation;
- 4 **agreed** that New Zealand's intended nationally determined contribution (INDC) should remain provisional until there is greater clarity on rules under the Paris Agreement relating to accounting for land sector emissions and use of carbon markets;
- 5 **invited** the Minister for Climate Change Issues, in consultation with relevant portfolio Ministers, to report back to the Cabinet Economic Growth and Infrastructure Committee (EGI) on these matters by 1 June 2018 at the latest, to inform the timing of the initiation of domestic ratification processes;

Climate finance

- 6 **noted** that:
 - 6.1 the Paris Agreement continues the obligation on developed country Parties to provide and mobilise climate finance, representing a progression beyond current efforts;
 - 6.2 the Paris outcome extends the collective goal of mobilising US\$100 billion per annum by 2020 through to 2025, and directs that a new collective goal be set from a floor of US\$100 billion prior to 2025;
- 7 **noted** that New Zealand exceeded, by a significant amount, the climate finance contribution target from the first reporting phase, and that the Minister of Foreign Affairs expects to significantly exceed the target in the second phase;

Work programme priorities

- 8 **confirmed** that in negotiations on the work programme to operationalise the Paris Agreement, New Zealand will seek to ensure that:
 - 8.1 the choice of accounting approaches remains nationally determined, so as to allow Parties sufficient flexibility to accommodate the special characteristics of land use, to manage their multiple land use objectives, and to avoid arbitrary costs, subject to alignment with agreed principles and guidelines to safeguard environmental integrity;
 - 8.2 New Zealand is able to apply its preferred accounting approach to its first and subsequent NDCs;
 - 8.3 the effectiveness of the Paris Agreement is not diluted by the reintroduction of bifurcation between developed and developing countries as reporting and review guidelines, and the compliance mechanism, are developed;
- 9 **invited** the Minister for Climate Change Issues to review and report back to EGI on New Zealand's negotiation mandate for the UNFCCC ahead of the November 2016 Ministerial Conference (COP 22);

Signing the Paris Agreement

- 10 **approved** the text of the Paris Agreement, attached as Annex I to the paper under EGI-16-SUB-0053;
- 11 **agreed** that New Zealand sign the Paris Agreement at the signing ceremony to be held at the United Nations Headquarters in New York on 22 April 2016;
- 12 **noted** that the Paris Agreement will enter into force for New Zealand following the deposit of an instrument of ratification once all necessary procedures to give effect to the Agreement have been completed, and once at least 55 Parties to the Convention accounting in total for at least an estimated 55 percent of total global greenhouse gas emissions have deposited instruments of ratification, acceptance, approval or accession;
- 13 **invited** the Minister for Climate Change Issues to determine the appropriate time to consider initiating the domestic processes in order to ratify the Paris Agreement, including Parliamentary treaty examination in accordance with Standing Order 397;
- 14 **noted** that Cabinet approval will be sought at this later date for an updated final National Interest Analysis (NIS), presentation of the Paris Agreement and the NIA in the House of Representatives for the Parliamentary treaty examination process, authorisation to issue drafting instructions to the Parliamentary Counsel Office for any legislation required for implementation, and to ratify the Agreement;

Release of paper

- 15 **noted** that the Minister for Climate Change Issues intends to proactively release the paper under EGI-16-SUB-0053, redacted as appropriate in accordance with the Official Information Act 1982, but not to release the draft NIA proactively at this time.

Suzanne Howard
Committee Secretary

Present:

Rt Hon John Key
Hon Bill English (Chair)
Hon Gerry Brownlee
Hon Steven Joyce
Hon Paula Bennett
Hon Amy Adams
Hon Simon Bridges
Hon Michael Woodhouse
Hon Maggie Barry
Hon Craig Foss
Hon Jo Goodhew
Hon Nicky Wagner
Hon Louise Upston
Hon Paul Goldsmith
Hon Te Ururoa Flavell
Hon Peter Dunne

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet
Officials Committee for EGI

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