

s 9(2)(j)

- 104 Based on these figures, officials estimate the overall cost of meeting the current or updated NDC will be significant and are set out in the table below.

Different NDC levels & potential costs					
Point year	54%	50%	49%	45%	39%
Budget approach	45%	41%	40%	36%	30%
Potential costs	\$9.3 - \$16.3bn	\$7.9 - \$13.8bn	\$7.5 - \$13.2bn	\$6.0 - \$10.6bn	\$3.9 - \$6.8bn

- 105 Many factors will determine the extent of the eventual fiscal cost, including technology development and the cost of accessing offshore mitigation. It is possible, but not guaranteed, that a broader portfolio approach may identify lower-cost mitigation options in the Asia-Pacific region which may reduce the overall cost of meeting the NDC.

Assessing the options for updating New Zealand's NDC1

- 106 It is clear that when taking decisions on NDC1 and determining which option constitutes New Zealand's highest possible ambition (as required by the Paris Agreement) we will need to consider a number of factors and issues.
- 107 The five options for updating NDC1 are compared and assessed in Table 2 below.
- 108 These options vary in terms of their degree of consistency with 1.5°C and global equity, cost, their likely influence on other countries and their reflection of New Zealand's national circumstances.
- 109 Option one would be more consistent with 1.5°C compared to options three and four. The compatibility with 1.5°C increases the more the NDC is strengthened.
- 110 This also means that option one provides the greatest ability to influence as it represents a considerable increase in ambition from the current NDC1. However, option one also means the majority (72 per cent) of the target would be delivered through international cooperation, at a significant cost of \$9.3 and \$16.3 billion between now and 2030 and attendant risks of delivery due to uncertainty that New Zealand will be able to access the high volume of offshore mitigation required.
- 111 In comparison option two and three also increases consistency with 1.5°C compared to option four (though to a lesser degree than option one) and would increase our ability to influence as it is more comparable to the level of ambition of other countries. Option three has a potential cost of up to approximately \$7.5 to \$13.2 billion between now and 2030, which reflects that 67 per cent of the target would be delivered through international cooperation.

Proactively released

**Appendix 4: New Zealand's updated first Nationally Determined Contribution
under the Paris Agreement – submission for the United Nations
Framework Convention on Climate Change**

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