

Proactive Release

Date: 21 March 2024

The following Cabinet paper has been proactively released by the Minister of Climate Change.

Title	Reference
Report on Overseas Travel: Hon Simon Watts – December 2023	CAB-24-MIN-0021
Report on Overseas Travel: Hon Simon Watts – COP28, December 2023	

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Cabinet

Minute of Decision

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Report on Overseas Travel: Hon Simon Watts – December 2023

Portfolio

Climate Change

On 7 February 2024, Cabinet **noted** the report from Hon Simon Watts under CAB-24-SUB-0021 on his travel, from 7 to 15 December 2023, to Dubai, United Arab Emirates to lead the New Zealand delegation at the 28th annual United Nations Climate Change Conference (COP 28).

Rachel Hayward
Secretary of the Cabinet

Proactively Released
by the Minister of Climate Change

Office of the Minister of Climate Change
Chair, Cabinet

Report on Overseas Travel: Hon Simon Watts – COP28, December 2023

- 1 I recommend that Cabinet note this report on my travel to Dubai, United Arab Emirates, to attend the 28th Conference of the Parties (COP28) to the United Nations Framework Convention on Climate Change (UNFCCC) from 7 to 15 December (including one day in which the conference ran into overtime).

Report

- 2 In seeking approval to travel to COP28 [CAB-23-MIN-0467 refers], I described my intention to signal New Zealand's intention to play our part in an effective global response to the climate crisis.
- 3 I attended COP28 to:
 - 3.1 Support and amplify the participation of New Zealand stakeholders attending the conference, and take the opportunity to engage with New Zealand businesses at COP28.
 - 3.2 Improve the access and influence of New Zealand's negotiating delegation.
 - 3.3 Listen to the issues which are of most interest to regional and international counterparts, deepen relations, and continue to position New Zealand as a credible and valued partner.
- 4 COP28 delivered an historic outcome, including:
 - 4.1 The results of the first Global Stocktake (GST), the Paris Agreement's 5 yearly review and ambition mechanism. The GST calls for the global transition away from fossil fuels and says that Nationally Determined Contributions (NDCs) should be aligned with limiting the temperature increase to 1.5 degrees. It calls on parties to contribute to global efforts to, amongst other things:
 - 4.1.1 Transition away from fossil fuels in energy systems, in a just, orderly and equitable manner, accelerating action in this critical decade, so as to achieve net zero by 2050 in keeping with the science.

- 4.1.2 Triple renewable energy capacity globally and double the global average rate of energy efficiency improvements by 2030.
 - 4.1.3 Phase out inefficient fossil fuels subsidies that do not address energy poverty or just transitions.
 - 4.1.4 Accelerate and substantially reduce non carbon dioxide emissions, particularly methane, by 2030.
- 4.2 The operationalisation, and pledges for the capitalisation, of the fund for addressing loss and damage.
- 4.3 Agreement to a framework for the global goal on adaptation.
- 4.4 Agreement on work on just transition, and further work on aligning financial flows with low emissions and climate resilient development.
- 5 The UAE Consensus does not, itself, achieve the goals of the Paris Agreement. It is, however, a significant step forward, marking a clear signal to the global economy and markets of the beginning of the permanent global decline of fossil fuels. To close the remaining gaps, countries will need to follow through on implementation of their commitments.
- 6 I had significant engagements with the members of the Umbrella Group of which New Zealand is a part (this includes Australia, Canada, Iceland, Israel, Japan, Kazakhstan, Norway, Ukraine, United Kingdom, and United States). These engagements contributed to a strong level of cohesion to present a joint voice in pushing for higher ambition in the agreed text (particularly after the first draft was released and fell short of our expectations).
- 7 I also engaged in discussions with the High Ambition Coalition (a broader group consisting of countries from across the Umbrella Group, European Union, Small Island Developing States, Least Developed Countries, and Latin America), particularly in the final stage of the conference.
- 8 The New Zealand delegation, despite its comparatively small size, made an outsized contribution to the negotiations. This includes:
 - 8.1 The Mitigation Work Programme negotiations which were co-facilitated by New Zealand. While there was divergence on the mandate of the work programme, there was recognition of the work undertaken throughout the year, and a set of procedural improvements to the work programme for its second year.
 - 8.2 Market and non-market cooperation negotiations consisted of agenda items on Article 6.2 (the overarching rules that apply to carbon market cooperation), 6.4 (the new centralised carbon market mechanism) and 6.8 (non-market cooperation). Agreement was not reached on the first two, but the third one, co-chaired by New Zealand, achieved consensus. This is the first time one item has progressed independently of the other two.

- 8.3 Helping reach outcomes in negotiations on (*non-exhaustive list*):
- 8.3.1 Just transition (the first recognition of 'labour rights' and 'social protection' in the UNFCCC).
 - 8.3.2 Finance (a call of scaling up of adaptation finance and process for finalising the new global climate finance goal in 2024).
 - 8.3.3 Research and systematic observation (parties expressed alarm and utmost concern about the state of the global climate system and stressed the important role of the scientific findings of the Intergovernmental Panel on Climate Change on negotiations).
- 9 New Zealand also saw significant progress on key areas outside of the formal negotiating agenda. For example, in relation to agriculture, there was agreement on the largest ever globally coordinated funding investment in livestock mitigation research in a public, private and philanthropic partnership; on carbon markets there is significant ongoing activity including by regional players such as Singapore and Japan.
- 10 New Zealand joined a number of initiatives, outside the formal negotiating process, led by the COP Presidency:
- 10.1 *COP28 UAE Declaration on Sustainable Agriculture, Resilient Food Systems and Climate Action*. This declaration intends to: 1) integrate agriculture and food systems into National Adaptation Plans and Nationally Determined Contributions, and 2) to promote activities that increase incomes, reduce greenhouse gas emissions, and bolster resilience, productivity, livelihoods, nutrition, water efficiency and human, animal and ecosystem health while reducing food loss and waste, and ecosystem loss and degradation. This Declaration has been joined by 159 countries.
 - 10.2 *COP28 UAE Declaration on Climate and Health*, which focuses on integration of health considerations into climate policy, and of climate considerations into health policy. This Declaration has been joined by 143 countries.
 - 10.3 *Global Renewables and Energy Efficiency Pledge*, which focuses on tripling global renewable energy generation and doubling the global rate of energy efficiency improvement. This Pledge has been joined by 130 countries.
 - 10.4 *COP28 UAE Gender-Responsive Just Transitions and Climate Action Partnership*, focuses on the full incorporation of women and girls in just transition efforts, and gender-responsive strategies on mitigation and adaptation. This Declaration has been joined by 76 countries.

10.5 *COP28 UAE Declaration on Hydrogen*, which focuses on mutual recognition of certification schemes for renewable and low-carbon hydrogen and hydrogen derivatives. This Declaration has been joined by 37 countries.

- 11 I also delivered New Zealand's National Statement (appendix 1) and Closing Plenary Statement (appendix 2).

My engagements

Bilaterals

- 12 COP28 provided the Government with a key early opportunity to engage with a significant number of counterparts bilaterally. I undertook ten bilaterals (EU, Ireland x2, Fiji, India, Canada, Colombia, Singapore, Samoa, Brazil). I engaged multiple times with other 5 Nations counterparts – including daily with Australia. I also engaged with the hosts, both COP28 President Dr Sultan Al Jaber and my Climate Change counterpart Minister Mariam Almheiri.
- 13 These engagements enabled me to understand likeminded partners' negotiating and climate priorities, and enabled me to clearly convey New Zealand's interests and priorities to key partners very soon after the coalition Government's swearing in.
- 14 My consistent message in these engagements was that the Government is committed to achieving the NDC and objectives of the Paris Agreement, and that the means of doing this would sometimes differ from the prior government. I stressed that New Zealand has a strong interest in R&D and commercial partnerships to support effective climate action.
- 15 One key focus of my bilaterals was on opportunities to collaborate in meeting NDCs, including through emission purchasing and carbon market linking s6(b)(i), s9(2)(f)(iv)
- 16 I also took the opportunity in the bilaterals to underline New Zealand's trade objectives, s6(a)
- 17 Discussions with Australia included a strong shared interest in harnessing the value of the recently established 2+2 Climate and Finance Ministers' meeting and ensuring that it leads to tangible actions (including a joint approach to relevant regulatory settings). s6(b)(i), s9(2)(f)(iv)

The Pacific

- 18 I met with the Ulu-o-Tokelau shortly after my arrival. The Ulu and his team were members of New Zealand's delegation. New Zealand participated in a number of events showcasing climate change and Tokelau's response.
- 19 I co-chaired New Zealand's annual COP Pacific Ministerial Roundtable alongside the Pacific Small Island Developing States (PSIDS) Chair, Palau Minister of State (Foreign Affairs) Gustav Aitaro. The roundtable was well-attended by counterparts from Marshall Islands, Samoa, Niue, Tonga, Tuvalu and Vanuatu. Australia attended, as well as the Ulu and Cook Islands' head of delegation.
- 20 I highlighted the Government's early prioritisation of engagement with the Pacific region, including meetings that had already taken place between the Prime Minister and Minister of Foreign Affairs with leaders of Samoa and Niue. The messages of the Government's commitment to partnership in the region were well received.
- 21 I participated in a Pacific Political Champions panel (hosted by Australia and also featuring Niue and Palau), and continued to meet with Pacific partners throughout COP28. I reaffirmed New Zealand's commitment to push for climate action, including for issues of particular significance to the Pacific, like loss and damage.

New Zealand stakeholders, including business

- 22 COP28 saw the largest contingent of New Zealand attendees to date, due to the Government approving the 'party overflow' badge category for stakeholders for the first time. There was a diverse range of New Zealanders on the ground, including businesses, industry groups, environmental NGOs, iwi Māori groups, and youth. This generated significant positive feedback.
- 23 I met bilaterally and in the margins with New Zealand businesses, including Fonterra, Sustainable Business Council and New Zealand Green Investment Finance. I attended and supported side events by New Zealanders, such as Beef+Lamb NZ and Pure Advantage. I also met with civil society groups such as WWF-New Zealand.
- 24 I hosted an hour-long 'New Zealanders at COP' stakeholder briefing, as well as a session on the final day of COP. The stakeholder briefing was attended by over 50 people and demonstrated the key role of engagement and action on climate change from all sectors of New Zealand society.

Key takeaways

- 25 The extensive nature of my engagements has given me a strong grounding in climate change, economic risk and opportunity, and expectations of New Zealand (including for its trade relationships). It will be critical for New Zealand to play its role in the global climate response, along with major economies and key partners. Over this term of government, this will mean:

- 25.1 achieving NDC1 (2021-2030) through domestic economic transition and through the use of international carbon markets to fill the shortfall;
- 25.2 setting NDC2 (2031-2035) aligned with limiting warming to 1.5 degrees;
- 25.3 setting a post-2025 climate finance commitment informed by the Pacific and the next Collective Quantified Goal on climate finance;
- 25.4 working in step with the global transition away from fossil fuels and towards renewable energy; and
- 25.5 addressing New Zealand's specific challenge of agricultural emissions.

Media

- 26 I took advantage of a range of media opportunities to project New Zealand's key climate positions, and the Government's commitment to an ambitious COP28 negotiating outcome that keeps the 1.5 degrees target alive. This included domestic media (Newsable – Stuff podcast, Stuff, RNZ Morning Report, Newshub AM, TVNZ Breakfast, TV3 6pm news, TVNZ one 6pm news, Newstalk ZB, Heather du Plessis-Allan Drive), those attending COP28 (Pasifika TV, Newsroom) and international media (a BBC News live cross interview and WAM – Emirates News Agency).

Proactive release

- 27 I propose to proactively release this paper within 30 business days subject to redactions as appropriate under the Official Information Act 1982.

Recommendation

I recommend that Cabinet note this report.

Authorised for lodgement

Hon Simon Watts

Minister of Climate Change

Appendix 1: New Zealand's National Statement

Tēnā koutou katoa

Mr President, Excellencies, Delegates.

An island nation at the bottom of the Pacific, New Zealand is unique.

Our geography, our mountains, lakes, winds and rainfall helps set us up for the future, allowing for nearly 90 per cent of our electricity to come from renewable sources. I'm proud to say my Government is committed to doubling the overall volume by 2050 and we're starting work in our first 100 days in office to enable decarbonisation.

Agriculture is a cornerstone of our identity and the backbone of our economy, contributing more than 60 per cent of goods exports last year – while at the same time generating nearly 50 per cent of our overall emissions.

But what makes us strong and unique – our geography, our people, our industries – may also make us vulnerable in the future.

Climate change is here and New Zealand certainly feels its effects. We felt it first hand in New Zealand through Cyclone Gabrielle earlier this year and record breaking floods. Widespread destruction across the North Island was devastating for our people, communities and industries. And we are bracing ourselves for more fires this summer, forecast again, to be hot and dry.

Our experiences are compounded by what the IPCC's Sixth Assessment Report has made all too clear - the world is not on track to meet the goals of the Paris Agreement.

That's why New Zealand remains resolutely focused on transitioning to a low-emissions future; to supporting Pacific resilience and collectively decarbonising the global economy.

New Zealand has an ambitious NDC to reduce net greenhouse gas emissions by 50 per cent below gross 2005 levels by 2030. We are committed to achieving this, and our 2050 domestic net zero target, by tackling the key drivers of emissions, and working with the private sector so they make transformative investments:

- in resilient infrastructure;
- in renewable energy and cleaner low-carbon fuels; and
- in new technologies to reduce agricultural emissions and capture carbon.

Our NDC implementation will be grounded in high quality data, transparency, accountability and stable pricing signals.

We will focus equally on adaptation and mitigation. We will develop a national Climate Adaptation Framework, informed by a range of stakeholders and partners, that will guide and prepare us for future climate impacts.

We're also committed to collaborating with our Pacific neighbours on climate change. It is the number one security threat to our region. We back the 2050 strategy for the Blue Pacific Continent and the leadership of the Pacific Islands Forum on climate action.

We recognise that we must deliver on our collective commitment to the US \$100 billion goal, and on loss and damage finance, and do it in a way that works for our partners in the Pacific.

We have 72 months until 2030. This is the time to move from words to action. And COP28 is our moment to act.

The first global stocktake of the Paris Agreement challenges us to get back on track. We have work to do. We must deliver on our commitments.

We need a course correction, and working together is critical for global prosperity in a carbon constrained future. Together we can:

- Collaborate and partner to innovate, and develop and deploy solutions;
- Mobilise innovative financing to derisk climate savvy investment;
- Scale up investment in research and technology to help us sustainably reduce agricultural emissions while ensuring food security;
- Harness our trade and economic cooperation for beneficial climate outcomes;

- Here, at COP28, commit to a global tripling of renewable electricity, doubling of energy efficiency and quickly and justly moving to a future where we no longer rely on fossil fuels.

New Zealand is proud to support several important initiatives launched here at COP28:

- The Global Renewables and Energy Efficiency Targets Pledge,
- The COP28 Declaration on Climate and Health,
- The Emirates Declaration on Sustainable Agriculture,
- The Mutual recognition of certification schemes for renewable and low-carbon hydrogen and derivatives pledge, and
- The COP28 Gender-Responsive Just Transition and Climate Action Partnership pledge

We thank the UAE for hosting COP28, which has welcomed the largest number of stakeholders ever. I am joined by New Zealand's largest business, and civil society presence at any COP. The commitment of New Zealanders from across all levels of government, the private sector, NGOs, iwi Māori, is clear.

Thank you Mr President.

Kia Kaha

Appendix 2: New Zealand's Closing Plenary Statement

Thank you President,

I start by aligning with the statement made by Australia, on behalf of the Umbrella Group.

Every Party and every stakeholder in this room; every person outside, and in our home countries – relies on us to act.

We started, with a historic decision on day one – operationalising 'the Fund' for addressing loss and damage.

We looked to build the framework for the global goal on adaptation – and we have done so.

On mitigation, we came to Dubai, looking to follow our guiding star – 1.5 degrees, and to limit warming to 1.5 degrees.

While there is hard work to do, with this decision on the Global Stocktake we have taken a crucial step forward.

This year is the turning point for the global energy system.

First, the International Energy Agency has shown that demand for fossil fuels will peak in this decade.

Now, with this decision, countries have committed to get to net-zero energy and build a world that no longer relies on fossil fuels.

This marks a clear signal to the global economy and markets, a shift in global investment, and the beginning of the permanent, global, decline for fossil fuels.

Parties have agreed to align their next NDCs with limiting warming to 1.5 degrees, and make them cover all sectors all gases.

All countries have now agreed to align their ambition, and their implementation, with 1.5 degrees.

New Zealand recognises the work of the Alliance of Small Island States – first to establish the 1.5 degree limit, and now to ensure we deliver it.

NZ acknowledges the serious concerns raised by Samoa on behalf of the Alliance of Small States. We will act on the science. NZ stands with our Pacific neighbours and we reaffirm our commitment to you and your future.

New Zealand knows that the hard work to implementation is ahead, and we must not delay. But, President, we are proud to stand shoulder to shoulder with you and others in this room, to take this step forward.

Lastly, New Zealand thanks deeply our hosts the United Arab Emirates and our President Dr Sultan Al Jaber for their exceptional hosting and leadership.

Thank you colleagues.

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by the Minister of Climate Change