



# The Thirteenth Asia-Pacific Seminar on Climate Change

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# New Zealand Climate Change Office

- Cross government programme located within the Ministry for the Environment
- Responsible for implementing the Government's response to the Kyoto Protocol, developing climate change policy and national reporting obligations from the UNFCCC (including greenhouse gas emissions inventories)



# The Government's Objective

- New Zealand should have made significant greenhouse gas reductions on business as usual and be set towards a permanent downward path for total gross emissions by 2012



# Climate change impacts on NZ

- In the short term, NZ could benefit from some aspects of climate change for some sectors (e.g. agriculture in some regions, hydro-power storage, reduced heating)
- NZ is also exposed to some well-known negative impacts (e.g. sea-level rise, flood risk, new pests and diseases, human health in some regions)
- Extreme events almost invariably cause damage – likely increase in drought risk, flooding, importance of storms for property damage and coastal erosion



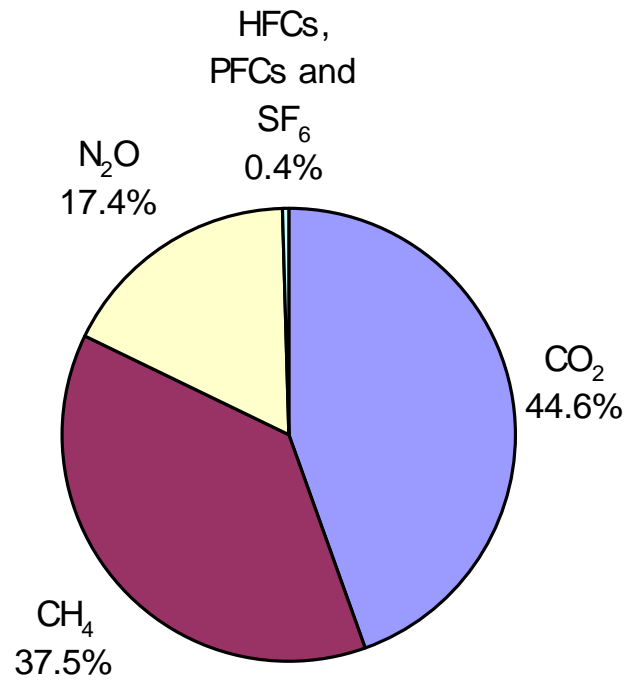
# GHG Inventory

The New Zealand Climate Change Office is responsible for:

- Compiling and reporting greenhouse gas inventory
- Carbon Accounting System
- New Zealand's commitments to both UNFCCC (1992) and Kyoto Protocol (1997)



# Emissions by Gas



New Zealand Climate Change Project  
Te Kaitiaki Takekōwhiri Raukawa: Te Kaitiaki



# Overview of Policy

## Pre-commitment period

- NGAs for competitiveness at-risk
- Industry/Government funded research in the agriculture sector
- Projects/funding to incentivise efficient emission reductions/sink creation
- Handling programme for HFCs
- SF<sub>6</sub> - develop solution with industry

## First commitment period

- Introduction of a price for emissions, for general energy users capped at \$25/t CO<sub>2</sub>
- Revenue recycling
- Retain sink credit assets and liabilities
- NGAs for competitiveness at-risk
- Industry/Government funded research in the agriculture sector
- Projects/funding to incentivise efficient emission reductions/sink creation
- Handling programme for HFCs
- SF<sub>6</sub> - develop solution with industry

2002

2008

2012

## Foundations

- Local Government Partnership
- Resource Management Act amendment
- Adaptation
- New Zealand Waste Strategy
- Public Awareness Programme
- National Energy Efficiency and Conservation Strategy
- Business Opportunities
- Growth and Innovation Framework
- Research
- New Zealand Transport Strategy



# Emissions charge

- To change relative prices and so encourage lower greenhouse gas emitting fuels and processes
- 2007 onwards, and set at the lower of either the world market price of carbon or \$25 per tCO<sub>2</sub>e
- To begin integration of emissions cost into economic activity (prepare for trading)
- Revenue raised is to be recycled into the economy and to fund climate change programmes
- Design of the charge is underway





# Negotiated Greenhouse Agreements (NGAs)

- There is a risk that the emissions charge will cause emissions “leakage”
- NGAs are available for “competitiveness at risk” firms
- Exemption from carbon charge for moving to world’s best practice in emissions management
- The first was the New Zealand Refining Company



# Greenhouse Gas Abatement Projects

These involve the award of Kyoto emission units to projects that will reduce GHG emissions below business-as-usual.

- The projects will currently be marginally uneconomic
- They must be additional in both emissions and investment terms.
- The exploratory round tender has opened



## Two Early Proposals

- TrustPower and Meridian approached the Government late 2001/early 2002
- February 2003 Government allocated up to 1M units for both proposals, separate from mechanism
- Concluding project agreements with both firms



# Forest Industry Framework Agreement (FIFA)

- MOU between Crown and Forestry Industry
- Aims to encourage growing forestry industry and meet climate change objectives (protection of sinks)
- Recycles part of sink credits value to forestry



# Agricultural Emissions

- Government will take responsibility for cost of non-CO<sub>2</sub> emissions in first commitment period (2008-2012)
  - Farmers will not face an emissions charge on non-CO<sub>2</sub> gases
- Work in partnership with the sector groups to increase emissions reduction research
- Encourage farmers to adopt new technologies
- Set in place a levy to fund necessary research



# Small and Medium Sized Enterprises

- Policy for SMEs is still being developed but will cover
  - ways of reducing SME energy use
  - options for at risk SMEs who cannot afford NGA negotiations or to participate in projects



# Business Opportunities

- Policy for Business Opportunities is also still being developed but will look at
  - Opportunities to develop a climate change service industry focusing on emissions management, energy efficiency, renewable energy and emissions trading opportunities
  - Including opportunities under the CDM



# Local Government Initiatives

- Looking at a LG programme for greenhouse gas measurement, target setting and reduction measures
- Ten councils from major energy using areas shown interest
- Building off the Energy Wise Councils Partnership and other EECA tools
- Ways to link local transport, waste reduction and sequestration initiatives to greenhouse gas reductions





# Impacts and Adaptation

- Guidance materials for local government
  - Technical guidance manuals: 1) Overview of climate change effects and impact assessment; 2) Coastal hazards and response options
  - Short, high-level guidance notes designed for local body planners
  - Brochure for Councillors and Managers on need to plan for climate change
- Series of case studies using the Technical Guidance Manuals
- Best practise resource
- Release date later this year with more planned



# Public Awareness and Communications

- Public awareness and education (for long term behaviour change) an important foundation of government's policy package
- programme targeting major stakeholders
  - SMEs
  - Local government
  - Maori
  - Farmers/farm foresters
  - Youth/formal education
  - General Public
- Research project underway to: Identify motivations & barriers to behaviour change
- Encouraging behaviour change



# Energy Efficiency and Conservation Authority

- National Energy Efficiency and Conservation Strategy
  - 20% improvement in energy efficiency
  - 30 PJ annual increase in consumer energy from renewable resources
- Commitment programmes with Business, Government – support from Crown Loans, Energy Audits and information services
- Residential retrofits, building standards and home energy rating schemes



# Energy Efficiency and Conservation Authority

- Travel demand management (promote walking school buses) fleet management
- Eliminate barriers to bio-fuels
- Promote renewable fuel use and develop the new renewable energy industry



# Transport

- **New Zealand Transport Strategy 2002**
- **Emissions screening of pre-used imported vehicles** - at the New Zealand border to ensure minimum emissions performance at entry as part of pre-registration
- **Emission screening of in-service vehicles** – regularly during their life on the road as part of warrant of fitness or certificate of fitness
- **Education** – of vehicle users in the need for and benefits of vehicle maintenance and repair
- **Ethanol blended petrol – up to 10 %**



# Developing Country Assistance

- NZ, EU, Canada, Iceland, Norway and Switzerland – high-level declaration “a strong political commitment to climate change for developing countries” – these countries undertook to contribute US\$ 410 million per year by 2005
- NZ contributes to climate change initiatives in the Asia-Pacific region through bilateral development programmes run by the New Zealand Agency for International Development (NZAID)
- Regional NZAID programmes: on-going support to SPREP, SOPAC, ADAF and other agencies
- NZAID support for Pacific WSSD Type 2 partnerships relating to climate change



## Further information

- Final confirmed policy is available at our website [www.climatechange.govt.nz](http://www.climatechange.govt.nz);