

New Zealand

CARBON MARKETS & MRV



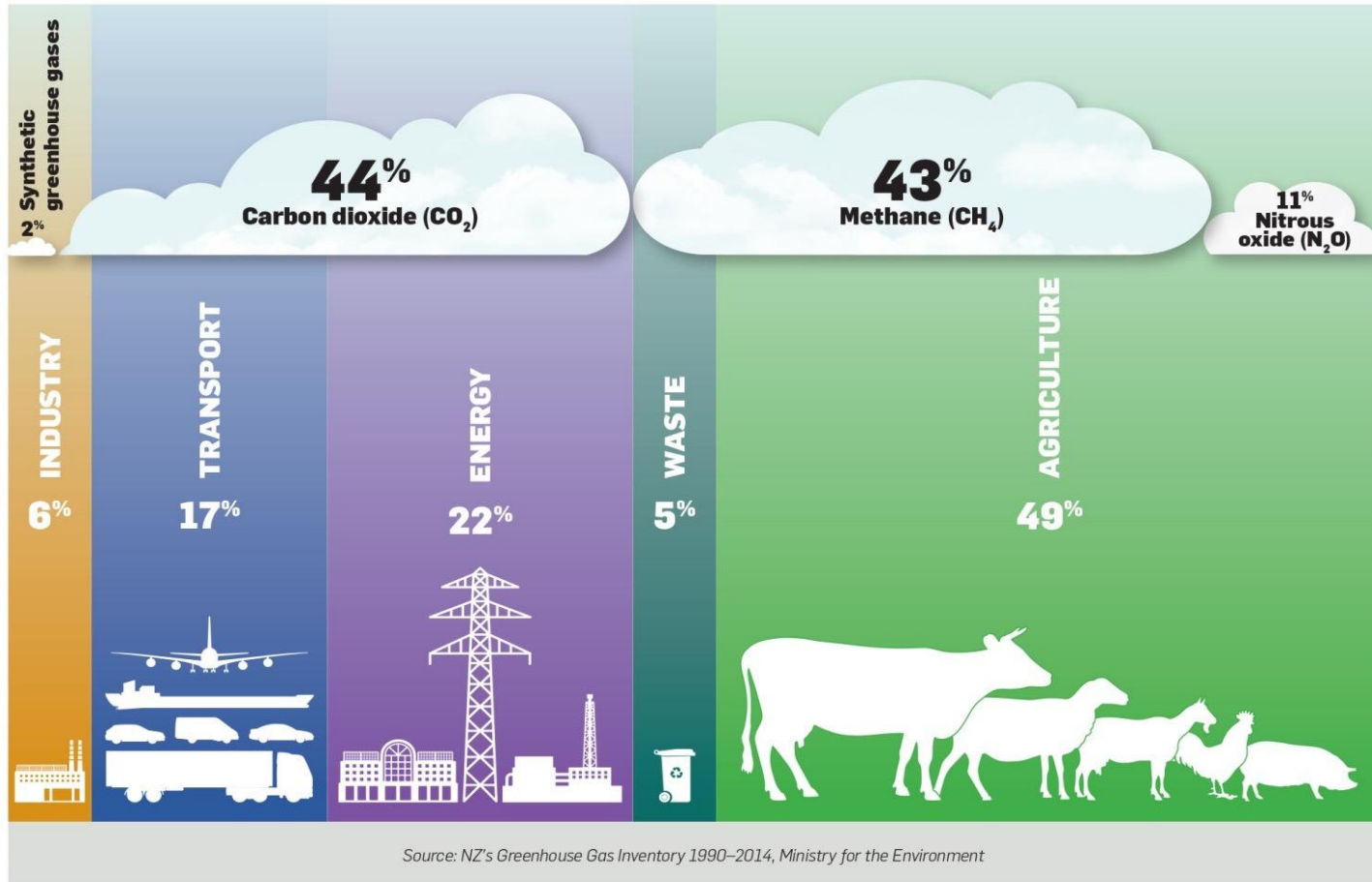
Ministry for the
Environment
Manatu Mo Te Taiao

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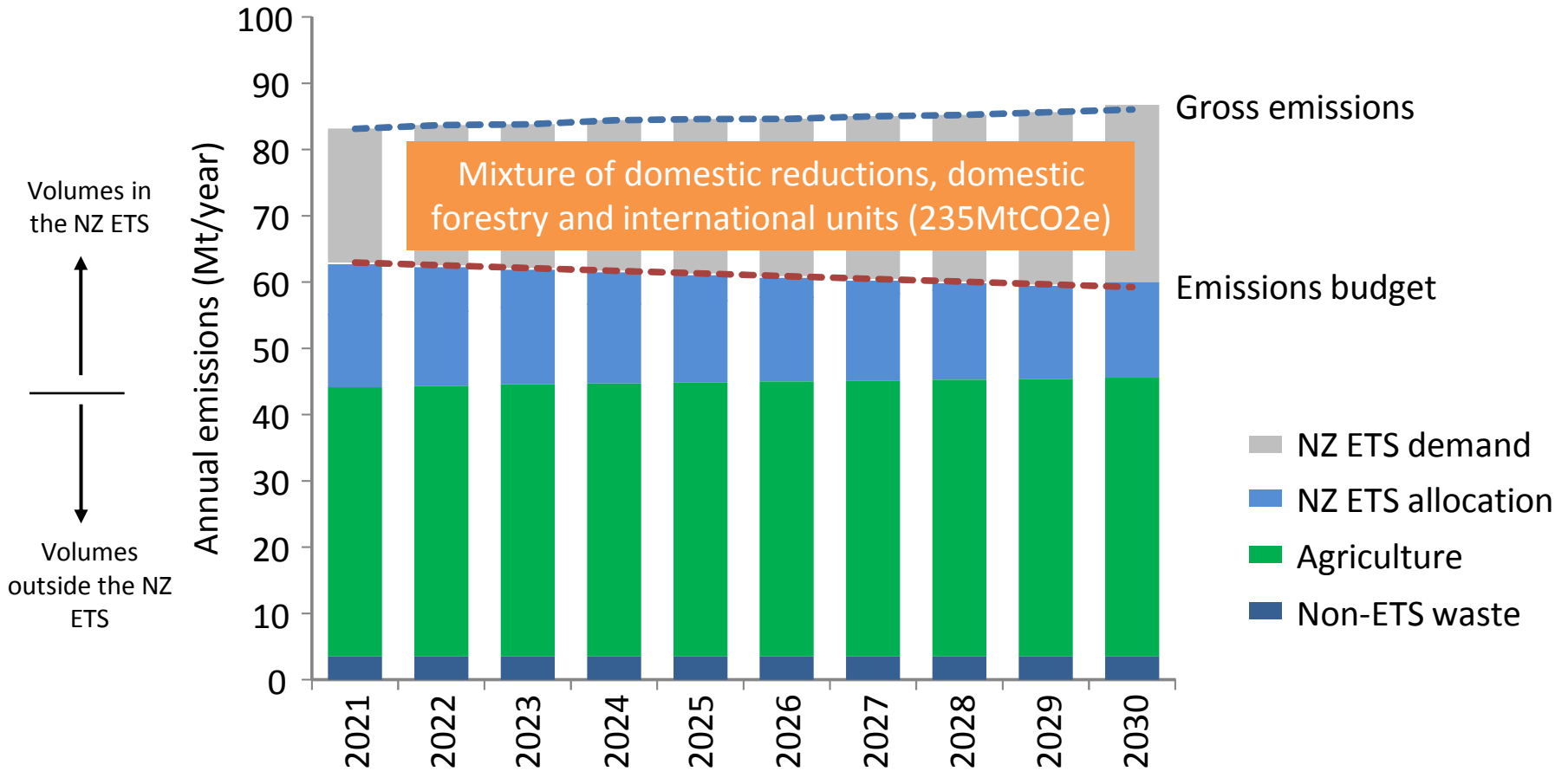


NEW ZEALAND
FOREIGN AFFAIRS & TRADE

New Zealand's emissions profile



NDC emissions budget



NZ ETS

- Started in 2008 – stability is valuable
- Covers all sectors except biological emissions from agriculture (report now; likely to be covered)
- Upstream; forestry offsets
- Reviewed and set up for Paris target
- ETS a good instrument to deliver an NDC



ETS is a key instrument – but not alone

- New Government plans:
 - A **Zero Carbon Act** to provide the long term signal and a **Green Fund**
 - An independent **climate change commission** to propose budgets and thereby manage risk posed by electoral cycles
 - Set **plans for the sectors** on top of their ETS obligations
- Ensure this is in the context of a JUST TRANSITION



International carbon market work

- International Carbon Markets team formed in late 2016
- Objective is to identify potential for cooperation under Article 6.2 of the Paris Agreement
- This is in the context of ensuring the development environmental integrity standards and guidelines (as per the Ministerial Declaration)



Thinking about cooperating...

- NDC qualities:
 - is there hot air?
 - is there a plan to achieve the NDC?
 - environmental integrity
 - will it be easy to make a corresponding adjustment?
- Existing “unit-ised” supply?
- Existing ETS would make it easier, but...
- G2G – scaled up attractive

And if countries don't do this....



What is MRV in this context?

1. Laws, institutions, regulations, agencies, processes
 2. Compliance rules, procedures and penalties
 3. Systems for data collection
 4. Stability of government policy and delivery
- *Borrow from others*
 - *Build on UNFCCC requirements*



MRV is...

- TRUST
- CREDIBILITY

...essential for trade



An opportunity for regional green growth?

- Could you develop a regional trusted market?
With common standards
Shared systems
- Attract buyers to fund you to scale up action –
make the proposition of Article 6 real
- ETS is a good way to do this but not the only way



How might cooperation under 6.2 happen?

- Country A plans to meet its NDC with a range of policies and measures
- Countries B and C commit to buy units (or a share of units) equivalent to the tonnes of CO₂e that Country A delivers beyond its NDC
- Country A uses that guarantee to secure funding for projects

- *Climate Teams*



Muchas gracias

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