

New Zealand Submission

Information regarding a QELRO for the second commitment period under the Kyoto Protocol in relation to the work of the Ad Hoc Working Group on Further Commitments for Annex 1 parties under the Kyoto Protocol.

27 April 2012

This submission responds to the invitation contained in Decision 1/CMP.7 for Annex I Parties to submit information on their QELROs¹ by 1 May 2012 for consideration by the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-LCA) at its seventeenth session. This decision also notes the intention of Parties listed in Annex I to convert their stated emission reduction targets to QELROs for the second commitment period under the Kyoto Protocol. New Zealand did not table an emissions reduction target in Annex I of Decision 1/CMP.7, but noted that it would be prepared to submit information on a QELRO following the necessary domestic processes and taking into account various decisions reached in Durban. New Zealand is still considering whether to take its target under a second commitment period of the Kyoto Protocol or under the Convention. This submission is, therefore, made without prejudice to where New Zealand's post-2012 target will be made.

We have stated previously that New Zealand is prepared to take on a responsibility target for greenhouse gas emissions reductions of between 10 and 20 per cent below 1990 levels, subject to the following minimum conditions being met:

- a) *That the global agreement sets the world on a pathway to limit temperature rise no more than 2 °C;*
- b) *That developed countries make comparable efforts to those of New Zealand;*
- c) *That advanced and major-emitting developing countries take action fully commensurate with their respective capabilities;*
- d) *That there is an effective set of rules for LULUCF;*
- e) *That there is full recourse to a broad and efficient international carbon market.*

Good progress was made towards meeting some of these conditions in Durban, but full clarity around these and other important matters affecting the decision on New Zealand's target has not yet emerged. New Zealand's expectation pre-Durban was that there should be a comparable "balancing agreement" covering advanced and major-emitting developing countries as well as those Annex I Parties that will not be part of the second commitment period. New Zealand welcomes the agreement to negotiate the Durban Platform, but notes that this is well short of achieving such a balancing agreement. Additionally, New Zealand is still assessing the domestic implications of the agreed forestry rules, and we await certainty on the issue of carry-over of surplus AAUs, which could have a significant impact on the decision on New Zealand's target.

Domestically, New Zealand is in the process of adjusting its Emissions Trading Scheme (ETS) following the outcome of a scheduled review in 2011. The changes the government is proposing to the current ETS settings require a period of public consultation and a legislative

¹ Quantified emission limitation or reduction objective

process in order to be accepted. The consultation process was initiated in April and we expect legislative amendments to be finalised later in 2012. The final amendments to ETS settings will be an important part of New Zealand's consideration of a firm target.

New Zealand also recognises the interest in, and expectations of, a ratifiable second commitment period being secured at Doha. We look forward to a clearer picture emerging from the outcomes of the UNFCCC sessions leading up to Doha in relation to our own conclusion on where we take our post-2012 commitments.

New Zealand remains committed to contributing our fair share of effort towards global climate change mitigation, and our mitigation actions are on-going through our ETS and the other domestic and international initiatives in which we are closely and actively involved.