



NEW ZEALAND
Submission to the first phase of the Talanoa Dialogue
April 2018

Introduction

New Zealand appreciates the opportunity to provide our input into the first phase of the Talanoa dialogue, and we look forward to engaging with others throughout this process.

We have identified three key themes we would like to register with the Presidency in the hope these stories can be of benefit to others through the Talanoa process. The three questions posed for the Talanoa Dialogue are also useful framing tools to help give shape to these stories.

In our view the answers to the first two are self-evident: we know that, around the world, we are already suffering grave consequences as a result of climate change, and that these impacts will gain in severity. And we know where we want to be: we need to rapidly transition to a low emissions and climate resilient world, in order to stay below 2° warming above pre-industrial levels, and even more so if we are to meet the Paris Agreement's 1.5° objective. We know there will be significant impacts of even this level of disturbance to the natural climate. Our collective acknowledgement of this resulted in the Paris Agreement, a truly historic achievement. However, we also acknowledged the significant gap between where we are now (even taking into account actions under way); and where we want to be.

We agreed in Paris to the process which has now evolved into the Talanoa Dialogue, for us to share our experiences and stories with a view to identifying how to get there. New Zealand supports a Talanoa Dialogue that will chart a clear course for the Paris Agreement's ambition mechanism. We hope the process identified by the Fijian Presidency will help us identify pathways to collectively deliver on the ambition of the Paris Agreement. And we hope that, at the conclusion of the Talanoa process in 2018, each of us, Parties and non-Parties, will be able to formulate a robust and credible response to what should be a clear political signal for us to do what is needed.

In addition to providing these themes, we wish to register New Zealand's unique privilege in being able to benefit from Mātauranga Māori (traditional knowledge) and Te Āo Māori (the Māori world view) that our partnership with Māori can deliver. Māori are active throughout New Zealand's economy and society. The concept of Kaitiakitanga (stewardship) offers a rich source of inspiration as we set out to make a just transition to a low emissions and climate resilient economy. We will be engaging

with Māori throughout the year to enrich our discussions in the Talanoa Dialogue and provide a dynamic indigenous perspective for others to consider.

Theme 1: Just Transition

Like many countries, New Zealand faces challenges, and also sees opportunities, as we transition to a low emissions and climate resilient economy. There are lessons from our previous experience of significant economic reform that we can learn from. Just as now, these transformations were essential (and, ultimately, successful). However, for some groups, the pace of the transformation had serious implications that were enduring.

Where are we?

Transitioning to a low emissions economy will require a comprehensive economic transformation. New Zealand's gross emissions have been on an upward trend since 1990. Half of our emissions come from the agricultural sector, and 40% from the energy sector (including emissions from transportation, which have increased by 68% since 1990). However, around 80% of New Zealand's electricity is already generated from renewable sources. Options that others may take (for example, shifting to renewable energy and improving industrial processes) won't deliver domestic abatement at the same scale; our options will be higher hanging fruit, and therefore initially more expensive. On the other hand, our expertise in agriculture and our considerable renewable resources provide opportunities. A successful transition requires us to identify and overcome these challenges, and capitalise on all such opportunities.

Where do we want to be?

Transitioning to a low emissions economy presents opportunities to foster innovation, develop new jobs and cleaner, cheaper energy supplies, and create a more resilient, sustainable and productive future for our children. To begin delivering on this ambition, the Government will this year introduce a Zero Carbon Act, which will be the cornerstone of New Zealand's transition to a low-emission, climate-resilient economy. It will put a new, ambitious 2050 domestic emissions target into law, and establish an independent body to provide advice on how to meet this target.

How do we get there?

We are initiating a national conversation on the 2050 target and on the framework for New Zealand to transition to a sustainable economy. Climate change challenges us to make fundamental changes to our economy and we have a responsibility to do that in a way that minimises the costs on people and communities, and brings them along with us – that is a key theme as we look back to previous economic transformations New Zealand has gone through.

The transition must be just. We need to understand the potential distributional impacts of transitioning; and we need to make sure we have policies in place to deal

with any impacts that are disproportionately borne by any one region, community, or workforce. In doing so, we foster the conditions for greater engagement in the transition; and the more shoulders to the wheel, the better.

Theme 2: international cooperation on agriculture and climate change

Where we are, and where do we want to be?

Globally, agricultural emissions currently account for 12-14 percent of total greenhouse gas (GHG) emissions. Future scenarios indicate that agricultural and agriculture-related GHG emissions, including non-CO2 emissions, will eventually constitute the largest sector of surplus emissions as other sectors are projected to maximise their emissions reductions potential by 2030, and as countries endeavour to meet the dual imperatives of avoiding the worsening impacts of climate change and producing enough food to feed a growing global population. Transformational change in the agricultural sector will be required, as agriculture will have to play its part in meeting global climate targets.

We suggest cooperating to achieve a 'triple-win' may be a useful platform for change: improving agricultural productivity, lower greenhouse gas emissions and increasing climate resilience.

How do we get there?

International cooperation can help provide a supporting framework for national action; this requires engagement at regional, national, and subnational levels, in ways that go beyond the mandate and capacity of the UNFCCC and structure of the Paris Agreement. The NDCs that give substance to the Paris Agreement will require considerable support and action at the national and subnational level in order to successfully elaborate the role of the land sector and deliver on the NDC goals. Engaging private sector actors that can influence land-use decisions in different ways than policymakers is also important. It is essential to clearly articulate the opportunities and help provide reassurance that action taken in this sector is not going to disadvantage countries.

New Zealand initiated the Global Research Alliance on Agricultural Greenhouse Gases (GRA) to build international cooperation to find ways to grow food without growing emissions, leveraging off 49 member countries and 17 international partners. New Zealand held a side event on precision agriculture at COP23; and this year we want to use the Climate Action Agenda to demonstrate how collaboration on agriculture and climate change issues can make a difference.

Theme 3: Fossil Fuel Subsidy Reform (FFSR)

Where are we?

The scale and impact of fossil fuel subsidies is massive. Globally, US\$400-600bn per annum is spent on fossil fuel subsidies. These subsidies encourage wasteful

consumption, disadvantage renewable energy, and depress investment in energy efficiency; they distort markets, affect investment and operational decisions, and impair trade and long-term competitiveness for renewables. The money spent on subsidising fossil fuels could instead be spent on other development priorities (for example health and education).

Where do we want to be?

In addition to fiscal, trade, energy, and development benefits, reform of fossil fuel subsidies offers significant environmental benefits. Studies by the International Energy Agency and the Organisation for Economic Cooperation and Development, among others, indicate that successful reform of fossil fuel subsidies could deliver up to 10% reduction in global emissions by 2050 – small wonder it has been described as “the missing piece of the climate change puzzle”. Potential of this scale needs to be pursued if we are to make every effort to limit warming to 1.5° above pre-industrial levels.

How do we get there?

The Friends of Fossil Fuel Subsidy Reform work to promote uptake of reform measures internationally. One first step each country can take is to volunteer for peer-review of fossil fuel subsidies, which can identify reform options and help disseminate best practices on phasing out of inefficient fossil fuel subsidies. We are working to put together a ‘how-to’ guide to assist countries that want to grasp the multiple opportunities afforded by FFSR – we hope to present this at COP24. The Friends are also advancing FFSR through WTO channels. There are multiple avenues through which the significant benefits of FFSR can be pursued. We look forward to continuing to engage with other countries on this subject through the Talanoa Dialogue, other UNFCCC fora, and more broadly internationally.

Conclusion

We look forward to sharing these stories at the in-depth Talanoa discussions to be held in Bonn on Sunday, 6 May 2018, and also to listen to the views and perspectives provided by others.