

Progress on implementation of climate change policies

Carbon tax

1. Officials' work focused on clarifying issues concerning the scope of the tax (what it will apply to and what it will not apply to), determining appropriate emission factors for each of the products on which the tax will be paid, identifying the most appropriate points of obligation for the tax, integrating the tax (and refunds/rebates) as much as possible with the existing tax obligations of points of obligation so as to minimise compliance costs, determining how transitional issues should be handled, checking that the tax design is consistent with a transition to emissions trading at some time in the future, and determining which government agencies will have responsibility for which functions in relation to the tax.
2. This work was done in consultation with the relevant private sector parties and culminated in the release on 4 May 2005 of *Implementing the carbon tax: A government consultation paper*.
3. Officials also began monitoring international carbon markets more closely as a precursor to deriving and monitoring "the international price of carbon".
4. Work is underway to assess pass-through proportions of the carbon charge to feed into the NGA agreements. Consultation on this issue is being carried out.

Negotiated Greenhouse Agreements (NGAs)

5. Firms or industries that, as a result of a carbon tax, face significant risk to their competitiveness relative to producers in countries with less stringent climate change policies can apply for a NGA. Under a NGA, firms receive full or partial exemption from the carbon tax in exchange for moving towards world's best practice in greenhouse gas emissions management.
6. An early NGA with the New Zealand Refining Company (NZRC) was concluded in April 2003. This allowed a decision to be taken by NZRC on essential investment for the production of cleaner fuels from the Marsden Point refinery. NZRC has advised that the project is on track to start in 2005.
7. Cabinet agreed the final policy for NGAs in April 2003, and application guidelines and a call for applications were disseminated in June 2003. The 14 firms that have applied to date (including NZRC) generally cover the expected range of major New Zealand energy users and represent approximately 55 percent of electricity used by New Zealand's industry.
8. At the end of April 2005, the status of applications since the April 2003 policy was as follows:
 - Eight firms had been found eligible to enter into negotiations:
 - ACI Glass Packaging
 - Carter Holt Harvey Ltd

- Fletcher Building Ltd
 - Newmont Waihi Gold
 - New Zealand Aluminium Smelters Ltd
 - Norske Skog Tasman Ltd
 - OceanaGold (previously GRD Macraes)
 - Silicon Metal Industries
- A NGA was concluded with OceanaGold in February 2005;
 - Negotiations with four firms (Fletcher Building Ltd, Carter Holt Harvey Ltd, New Zealand Aluminium Smelters Ltd and Norske Skog Tasman Ltd) had advanced to the stage of undertaking studies on world's best practice in emissions management and, in one case, initiating target pathway discussions; and
 - Five remaining applications were awaiting additional information or under consideration.
9. By the end of April 2005, interest had also been expressed by 14 firms and industry groups, including sectoral organisations representing shipping, meat, and glasshouse vegetable producers.
10. At the time the NGA policy was finalised, Cabinet [CAB Min (03) 13/4] directed officials to report back to Cabinet on:
- How frequently firms or industries should be allowed to reapply for eligibility, or renegotiation of a NGA;
 - Consideration of experience with NGAs to date;
 - Applicability of the proposed NGA eligibility criteria and processes; and
 - Recommended improvements to the NGA policy.
11. Based on the experience with early applications and consultation with NGA stakeholders, officials completed a report to Cabinet in April 2005 on a "Review of Operation of Negotiated Greenhouse Agreement Policy" [CAB (05) 164]. Officials concluded that the time required to complete a NGA was significantly greater than foreseen and that there was a significant risk that NGA agreements would not be completed before the carbon tax takes effect. Therefore, officials recommended a series of policy improvements to streamline the NGA process and reduce the cost to both the Government and applicants. These policy improvements included:
- Establishing a standard end date for all NGA agreements;
 - Determining the NGA participant's emissions targets;
 - Clarifying the treatment of fuel switching;
 - Clarifying the scope of relief from the carbon tax; and
 - Clarifying world's best practice identification and assessment.
12. Following Cabinet approval of these policy improvements on 18 April 2005 [CAB Min (05) 14/10], officials initiated a NGA acceleration programme to implement the changes. By the end of June 2005, officials will complete the following:
- Three public briefings on the NGA policy improvements;
 - Updated NGA application guidelines with an electronic NGA Information Collection Model to facilitate the submission and review of applications;

- A revised NGA agreement with standard terms and conditions that will be consistent across all subsequent NGAs; and
 - Standard terms of reference for world's best practice studies and appointment of independent validators.
13. Officials anticipate receiving from 15 to 35 new applications but the number could be substantially higher if some industry groups qualify. Officials expect that the NGA policy improvements will enable the completion of the majority of NGAs before the carbon tax takes effect.

Small and Medium Size Enterprises (SMEs)

14. CCO and EECA are in the process of implementing a pilot scheme (to be operational on 1 July 2005) to test the effectiveness of financial grants and demonstration projects, and to provide information that could support establishment of a fully fledged scheme. Training and education programmes for senior executives, managers and staff in energy intensive industries will begin in 2006.
15. The pilot scheme will be a combined grant and demonstration programme whereby cash grants will be available for projects that demonstrate the application of technologies that are proven to increase energy efficiency.
16. The target industries are wood processing, food processing, basic metals, non-metallic industries, paper and paper products, tourism transport, glasshouse crops, fishing, irrigated dairying and irrigated arable crops. Selection of projects and host firms is being made in consultation with industry associations, Chambers of Commerce, and Employers and Manufacturers Associations.
17. Similar initiatives are planned for the forestry industry under the Forest Industry Development Agenda (FIDA), and by the Electricity Commission (EC) for firms using electric motors. To avoid duplication, CCO and EECA will continue to liaise with MAF and the EC to avoid duplication and to work out how the respective programmes can complement each other.

Business Opportunities

18. Preliminary reports have been received for a review of government websites and an outline of international opportunities for business in relation to climate change.
19. The review of government websites examined seven websites (MfE, MED, NZTE, EECA, MAF, MoT, FRST) in relation to information about climate change, opportunities for business in relation to climate change, information to assist business development, links to other websites, user-friendliness, and frequency with which sites are visited.
20. The report found that little information is available on these websites about business opportunities related to climate change. Collectively the websites provide useful information to assist business development, but specific information to promote opportunities related to climate change is lacking.
21. The review of information on international business opportunities related to climate change examined the capacity of NZ businesses to exploit such

opportunities, cited examples of such capacity, and outlined the circumstances in east Asia, the European union, and South America that could present climate change opportunities for NZ businesses.

22. The report found that NZ business capacity is primarily in services and some niche markets for specialised products. While overseas markets exist for NZ services and products related to climate change, few firms are actively engaged in these markets. Further work is planned to identify particular barriers facing NZ firms wanting to enter new markets or expand existing activity, and ways to overcome these constraints.

Projects to Reduce Emissions

23. The Projects to reduce emissions programme contributes to New Zealand meeting its Kyoto Protocol emissions obligations by providing incentives for projects that reduce emissions below business as usual during the Protocol's first commitment period (2008-2012).
24. Over the course of two annual tender rounds and early project activities, if fully implemented, the 42 projects in the Crown's portfolio will achieve 11.9 million tonnes of CO₂e emission reductions over the 2008-2012 period.

Engagement in the International Carbon Market

25. **Emissions trading** efforts over the past year have focused on assisting participants in the Projects to Reduce Emissions mechanism to access the carbon market through the vehicle of Joint Implementation projects. Specific activities have included:
 - Conclusion of a bilateral arrangement on cooperation in Joint Implementation projects and emissions trading with the Government of the Netherlands;
 - Conclusion of a bilateral arrangement on cooperation in Joint Implementation projects and emissions trading with the Government of Austria;
 - Facilitation of procurement visits to New Zealand by representatives of the SenterNovem (Netherlands), KommunalKredit (Austria) and KfW Carbon Fund (Germany) JI programmes;
 - Commencement of negotiation of streamlined JI approval processes with the Governments of Austria and Germany;
 - Initiation of dialogue with purchasers of ERUs including the Government of Japan, the Japan Carbon Fund, the Government of Belgium, the Government of Denmark, the Government of Canada, Fortis Bank, the Government of Switzerland;
 - Initiation of dialogue on emissions trading opportunities generally with the European Commission and the Government of France; and
 - Promotion of the Projects to Reduce Emissions Programme as a source of ERUs at the Fourth IEA Emissions Trading Conference and the 10th Conference of the Parties to the UNFCCC.
26. New Zealand has also begun a more thorough investigation of prospects for its engagement in the international carbon market with respect to potential uptake

of the Clean Development Mechanism (CDM). For companies that are awarded Negotiated Greenhouse Agreements and thus exempt from the carbon tax, using units obtained under the CDM would be one way to help meet their target pathway. From a business opportunity standpoint, project developers and technology providers could also profit from involvement in the CDM.

27. Developing relationships with potential markets for the CDM has involved increasing New Zealand's profile in neighbouring Pacific countries, and to a limited extent, Asia. The Climate Change Office has been working with other departments such as the Ministry for Foreign Affairs and Trade, and New Zealand Aid. Before New Zealand considers embarking on any programmes to build capacity on the CDM in the Pacific, a more thorough investigation of market opportunities in Samoa, Fiji, Tonga and Vanuatu will be undertaken.
28. More generally, New Zealand is considering to what extent it may need to consider purchasing credits on the international carbon market to help meet any shortfall in its Kyoto target in the first commitment period. Due to the small size of the anticipated gap, this involvement is expected to be relatively modest.
29. Web tools on the CDM are being increasingly developed by the Climate Change Office, and efforts are being made to secure a relationship with the Executive Board of the CDM.

Forest Industry Development Agenda (FIDA)

30. The FIDA was announced on 5 April 2005. The FIDA is a separate agreement from the proposed Forest Industry Framework Agreement (FIFA). Last year it became clear the industry as a whole had difficulty in accepting FIFA, because of issues around deforestation and carbon credits.
31. Towards the end of 2004 the Forest Industries Council, the Forest Owners Association and the Farm Forestry Association put forward a new, amended proposal that suggested the Government address industry development and carbon policy issues separately.
32. FIDA is the industry development result of that proposal. It includes the majority of the development initiatives included in the proposed FIFA agreement. The FIDA funding package is worth approximately \$18 million over five years.
33. Areas to be funded include: market access (\$1.2 million over five years), market development (\$8 million over four years), bio energy (\$2.5 million over five years), skills and training (\$4.4 million over five years) and wood design (\$2.0 million over five years). Access to the market access, market development and wood design funding is dependent on securing industry co-funding of approximately \$3.8 million (excl GST).
34. The CCO will work with EECA and the forest industry in administering the bioenergy work programme.

Permanent Forest Sinks Initiative (PFSI)

35. The Kyoto Protocol provides an opportunity for landowners to establish permanent forests and gain fully tradable Kyoto Protocol compliant emission units.

36. The climate Change Response Amendment Bill will extend the regulation making powers of the Forests Act 1949 to enable the establishment of the PFSI. The Indigenous Forestry Unit of the Ministry of Agriculture and Forestry will administer the scheme. The CCO will continue to work with MAF and stakeholders in the development of the scheme.

Climate Change Response Amendment Bill

37. The CCRAB was introduced into Parliament in May 2005. The Bill deals with three main issues. The Bill provides for entities other than the Crown (i.e. businesses and individuals) to hold accounts in New Zealand's Registry and to trade in emission units. The Bill also provides for the accounting of two new types of emission units created by international decisions in 2003: temporary certified emission reduction units and long-term certified emission reduction units. These new units provide for forest sink projects under the Kyoto Protocol's Clean Development Mechanism.
38. Part two of the Bill extends the regulation making powers of the Forests Act 1949 to enable the establishment of a mechanism to allow landowners to access the value of carbon sequestration, created under the Kyoto Protocol. Regulations will establish the policy details of the Permanent Forest Sinks Initiative and will provide for contracts between the Crown and Landowners.

Local Government

39. The Government has recognised the significant role of the local government sector in delivering New Zealand's climate change response. The CCO local government programme covers 3 elements:
- Mitigation – reducing greenhouse gas emissions in council activities and their communities;
 - Adaptation – assisting councils to adapt to the effects of climate change (eg: rising sea levels, changes in temperature and rainfall);
 - Partnership – a formal partnership with LGNZ, the local body sector association, to deliver both mitigation and adaptation outcomes.

Local Government Greenhouse Gas Emissions Reduction (Mitigation) Programme

40. The "**Communities for Climate Protection**" (CCP-NZ) programme was launched on 28 July 2004. It is delivered under contract for the Government by the International Council for Local Environmental Initiatives (ICLEI), a not-for-profit local government sector organisation.
41. CCP-NZ is part of a world-wide programme benefiting from international best practice and experience in reducing greenhouse gas emissions. It provides a framework to help local authorities to develop emission inventories, set targets for emission reductions, agree action plans for achieving these, and to monitor progress towards targets. It operates in a number of countries (e.g. Australia, Canada, EU) to reduce greenhouse gas emissions by improving energy efficiency and conservation, increasing sustainable transportation, enhancing urban design, and reducing landfill emissions at the municipal level.

42. CCP-NZ builds on EECA's EnergyWise Councils Partnership, which focuses on energy efficiency. It is anticipated that 25 councils will join the CCP-NZ programme by June 2007. The programme will be regularly reviewed against performance indicators, with a decision on continuation of the programme beyond three years dependent on satisfactory performance.

Local Government Adaptation Programme

43. The RMA (Energy and Climate Change) Amendment Act encourages councils to plan for the effects of climate change. CCO has given priority to the provision of guidance to councils on the effects of climate change.
44. CCO continues to develop guidance materials for local government which identify national and regional climate change effects and provide tools as to how councils can integrate these into their day-to-day planning, hazard and asset management, investment, and operational activities.

Partnership

45. In April 2004, CCO launched a partnership with LGNZ (the local body sector association) to deliver climate change outcomes. The partnership is working towards outcomes such as:
- consultation with councils and peer review on climate change matters;
 - surveys about the existing levels of climate change awareness and activity within councils;
 - provision of information via workshops/seminars about climate change science and its likely effects (including at the regional level);
 - provision of guidance to councils on developing a greenhouse gas inventory;
 - development and dissemination of guidance materials to assist local authorities to better prepare for the effects of climate change;
 - sectoral input into the management of the "*Communities for Climate Protection*" programme.

Resource Management (Energy and Climate Change) Amendment Act

46. As indicated in the 2004 Annual Report, the Resource Management (Energy and Climate Change) Amendment Act came into force in March 2004. It reflects the Government's preference for national coordination of controls on greenhouse gas emissions (via national Climate Change Policy measures, including the proposed carbon charge), and gives greater emphasis to climate change and energy matters in RMA planning and decision making.
47. EECA, MfE and the CCO are now in the final stages of producing information on the Amendment Act, including specific guidance for councils on integrating the Act into everyday decision-making and planning. Under preparation are two Quality Planning website guidance notes. In addition, CCO and EECA have also undertaken regular outreach activities to workshop the changes through regular local government fora and meetings.

Methane control standard for landfills

48. From October 2004 all operative landfills with total capacity of over 1 million tonnes of refuse are required to collect and destroy or utilise landfill gas (methane). The standard does not apply to closed landfills, nor to landfills having less than 5% organic (putrescible and biodegradable) matter. Non-complying sites have 3 years to install a gas collection system. This gives time for the landfill to fund, design and install a system. Sites that flare landfill gas required to meet a flaring temperature of 750°C with a retention time of 0.5 seconds and landfill gas collection systems shall be designed, and operated, to ensure that surface methane emissions do not exceed 5000 parts per million.

Synthetic Gases – HFCs and PFCs

49. There is currently no control on the use and emissions of hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs) which are used to replace the ozone depleting substances (ODS) common in industries such as refrigeration and air-conditioning. Emissions of HFCs and PFCs from this sector are increasing steadily and, in the absence of any other actions, are likely to continue to rise over the next ten years as ODS are phased out.
50. A discussion paper prepared by CCO is currently available on possible options to reduce emissions of HFCs and PFCs. Both voluntary and legislative approaches, are discussed in this paper. Responses to this discussion paper will be used to develop a proposal to government on how HFCs and PFCs can be controlled.

Science

51. The CCO provides the national focal point for the Intergovernmental Panel on Climate Change (IPCC). Officials have engaged in Bureau meetings and plenary sessions of the Panel with a focus on ensuring the robust and successful production of the IPCC's 4th Assessment Report, as well as the management of organisational matters. The CCO also co-ordinated and led the government reviews of two Special Reports, on climate change and the ozone layer, and on carbon capture and storage. The Special Report on climate change and the ozone layer was approved by the IPCC Panel in March 2005 with participation of one official and one scientist, while the Special Report on carbon capture and storage is due for final approval in September 2005.
52. Officials are monitoring and co-funding the participation of New Zealand scientists, including specific support for stronger linkages between Australia and New Zealand, in the writing and review of the 4th Assessment Report. The IPCC's 4th Assessment Report, a comprehensive summary of climate change science, impacts and adaptation, and mitigation options, is due for completion in 2007. Officials have also co-ordinated the expert review of new IPCC guidelines on greenhouse gas inventories due for completion in 2006.
53. New Zealand has continued to promote the Global Climate Observing System (GCOS) as an important ingredient in building capacity to deal with climate change effects in developing countries, including the Pacific, through hosting a side-event at the 10th Meeting of the Parties in Buenos Aires in December 2004.

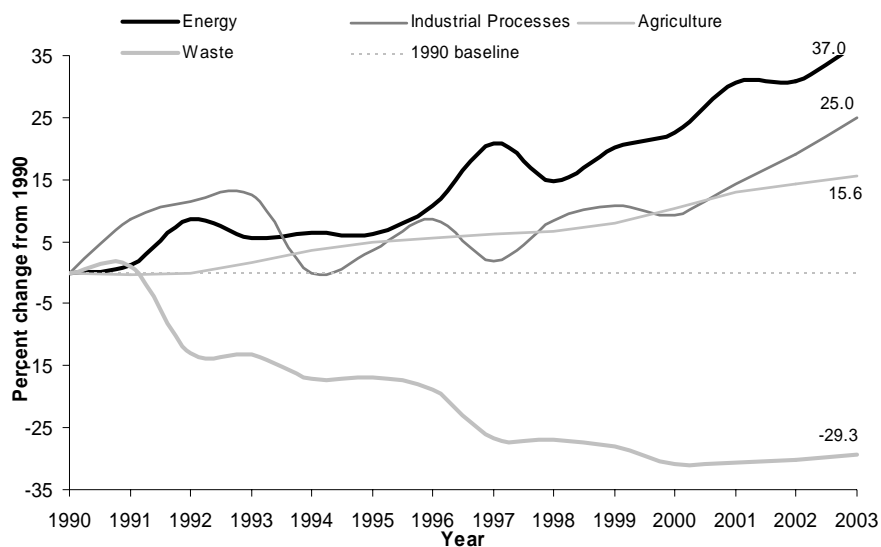
Officials and scientists also participated in two governance meetings of the Global Earth Observing System of Systems (GEOSS), a pluri-lateral initiative which will amongst other things supply crucial satellite information on land-use changes for New Zealand.

54. Officials and New Zealand scientists have participated in international science initiatives and non-governmental meetings on underlying climate science, on options for future climate change regimes, and on the question of what level of greenhouse gas concentrations might constitute “dangerous” climate change (as per Article 2 of the UNFCCC).
55. The CCO has undertaken the first annual survey of climate change research investment in New Zealand, which provides baseline information to monitor research trends and inform future decisions on science funding priorities.
56. Officials have commissioned research reports to better understand the economic cost of flooding in New Zealand, and to test a methodology to model the likely impact of climate change on flood risk in specific catchments. Work was also commissioned to provide a first quantitative estimate of likely changes in drought risk under climate change in New Zealand. In addition, officials have continued disseminating to professional bodies and local government the existing Ministry guidance on assessing the impacts of climate change and contributed to technical papers that demonstrate the application of this methodology.
57. In October 2004 New Zealand hosted an international workshop on adaptation to climate change in developed countries. Australia, New Zealand, USA, Canada, United Kingdom, France, Netherlands, Germany, Switzerland, Finland, and Japan participated, as did representatives from the OECD and the European Commission.
58. Stakeholders, practitioners and scientific experts included representatives from local government, engineering, water resource management, insurance, business sector, agriculture, and researchers in the areas of climate modelling, productive and natural ecosystems, infrastructure, and social science / human dimensions.

Greenhouse Gas Inventory and Carbon Monitoring/Accounting System

59. The graph below shows the changes in the level of emissions between 1990 and 2003. Within the general trends, the most significant changes are:
 - Agriculture sector
 - . Emissions from enteric fermentation in dairy cattle have increased 70% (3.5 Mt CO₂e) from 1990 to 2003. The rate of increase from 2002 to 2003 was 2.5%, this is a slow-down from the 5-7% annual increases observed in 2000 and 2001.
 - . Nitrogenous fertiliser use has increased almost 6 times from the 50 kt applied in 1990 to the 300 kt applied in 2003. Emissions of N₂O from fertiliser are equivalent to an increase of 1.9 Mt CO₂e.
 - Energy sector
 - . Emissions from road transportation have increased 61% or 4.5 Mt CO₂ from 1990. Emissions from diesel have had the major impact increasing by 220% (3.4 Mt CO₂) from 1990 compared an increase of 1.45 Mt CO₂ from petrol (26%).

- . Emissions from public electricity generation have increased 84% (2.9 Mt CO₂) since from 1990. Emissions from the consumption of coal doubled from 2002-2003 (an increase of 1.6 Mt CO₂). This was as a result of the additional thermal generation required in a 'dry' hydro year.
- Industrial Processes Sector
 - . The largest increase has been in emissions from HFCs with an increase of 380% (0.3 Mt CO₂e) from 1995.
 - . Emissions PFCs resulting from improvements in aluminium production have decreased by 84% (0.43 Mt CO₂e) from 1990.
- Waste Sector
 - . The decrease in emissions is due to a 35% reduction in emissions from solid waste disposal with a decreased amount of waste entering landfills and changes in the composition of waste.
- Land-use, Land use change and forestry (LULUCF) Sector (not shown)
 - . Net removals of CO₂ via planted forests in the LULUCF sector were -23.9 Mt CO₂. Annual net removals from this sector can fluctuate up to 2.4 Mt CO₂ depending on forest harvest and planting cycles.
 - . Reporting of the LULUCF sector in the inventory includes both pre-1990 and post-1990 forests.



60. The New Zealand Carbon Accounting System (NZCAS) includes the collection, storing and analysis of data for carbon reporting under the UNFCCC and Kyoto Protocol. Data come from a range of sources: indigenous forests, regenerating scrub forests and their soils; soils undergoing land-use change; planted production forests, particularly post-1990 Kyoto forests; and the areal extent and spatial location of land use and land-use change. Although principally designed for carbon monitoring and reporting for climate change purposes, the NZCAS will also help meet some of the other international reporting needs of government (e.g. Montréal Process, Biodiversity Convention) and assist other parts of central government together with local government in meeting other environmental objectives.

61. The Steering Committee for the NZCAS met for the second time on 16 September 2004. The Department of Conservation, the Ministry of Agriculture and Forestry, Statistics NZ, together with Ministry for the Environment were represented. CCO chairs the Committee. Local government is also represented. A technical advisory group has been established to provide technical and research input to the NZCAS development. The Steering Committee is regularly provided with updates on progress and issues arising with the implementation of tasks within the planned work. The technical advisory group has regular teleconference meetings and e-mail exchanges.

United States and Australia Climate Change Partnerships

United States/New Zealand Partnership

62. Following a visit to Washington, DC in July by New Zealand officials and scientists, 6 further projects were agreed under the United States-New Zealand Climate Change Partnership. These new projects were under four of the nine priority areas:
- i. Climate Change Science;**
 - ii. Technology Development;**
 - iii. Emission Registries and Voluntary Programmes;
 - iv. Greenhouse Gas Accounting in Forestry and Agriculture;**
 - v. Engaging with Business;
 - vi. Developing Country Assistance;**
 - vii. Climate Change Research in Antarctica;
 - viii. Public Education Initiatives;
 - ix. Product and Process Standards.
63. There have now been 32 projects agreed under the Partnership. U.S. officials have been invited to visit Wellington in July 2005 for a further update on the Partnership.
64. The US-NZ Partnership was again discussed with the U.S. Under Secretary of State for Global Affairs, Paula Dobriansky, and her delegation at the 10th Conference of the Parties (COP 10) to the UNFCCC held in December 2004 in Buenos Aires, Argentina.
65. COP 10 also saw a side event on the Global Climate Observation System (GCOS) in the Pacific. This was a tri-lateral Partnership event supported by the Australian, U.S., and New Zealand governments. The event was attended by 50 people and further demonstrated New Zealand's commitment to our Pacific partners in developing climate data systems.

Australia-New Zealand Climate Change Partnership

66. There were ongoing developments under the Australia-New Zealand Climate Change Partnership over the last year particularly with respect to engaging the business community. Eight further projects have now either been completed or added to the Partnership, bringing the total to 17 across five priority areas:

- i. Measuring and Reducing Emissions from the Agricultural Sector;
 - ii. Engaging with Business and Local Government on Technology Development, Policy Design and Implementation;
 - iii. Building on Existing Cooperation on Energy Efficiency;
 - iv. Further Enhancing Climate Change Science and Monitoring;
 - v. Working Together with our Pacific Island Neighbours to Address the Regional Challenges Posed by Climate Change.
67. In November 2004, Auckland hosted the Australia-New Zealand Climate Change and Business Conference. Both you and I spoke at the Conference as well as the Australian Environment Minister, Senator Ian Campbell. Over 200 participants from Australia and New Zealand attended the Conference that raised the profile of climate change further amongst the business community.
68. At COP 10, I met with Senator Campbell and representatives from the Pew Center on Global Climate Change. We discussed the Australia-New Zealand Climate Forum. This was held in Sydney over 7-8 April 2005. The Forum was an opportunity for Australian and New Zealand business leaders to discuss future action to address climate change, facilitated by the Pew Center – a leader in international thinking in this area. Senator Campbell and I participated in the Leaders Roundtable segment of the Forum.

International

69. With officials I attended the UNFCCC 10th Conference of the Parties in December 2004. Although the imminent entry-into-force of the Kyoto Protocol (which occurred on 16 February 2005) provided for a positive atmosphere, the international community is not yet ready to develop the “terms of reference” for negotiating commitments beyond 2012. Entry-into-force places an increased focus on ensuring we have in place the registry and inventory systems necessary to comply with Kyoto Protocol requirements.
70. Although the timetable for the next set of formal negotiations is unclear, informally negotiations have already begun with some countries or groups of countries placing clear markers about the shape and form of the negotiations. In preparation for the formal negotiations, officials are continuing to engage in international and regional workstreams that focus on options for future action (e.g. OECD Annex One Experts Group meetings; dialogues facilitated by the Centre for Clean Air Policy; Pew Centre for Global Climate Change).

4th National Communication to the UNFCCC

71. Preparations have begun for the submission of New Zealand’s 4th national communication to the UNFCCC. The national communication will provide the UNFCCC secretariat and the wider international community with an update of New Zealand’s climate change policies and programmes. The end product, to be completed before the end of calendar year 2005, is to be submitted to the UNFCCC secretariat by 1 January 2006. National communications are drawn on extensively during multilateral negotiations as a source of information for policies and measures and projected emissions of UNFCCC Parties. New Zealand’s 3rd national communication was submitted in November 2001.
72. In conjunction with the 4th national communication we also have to provide a report on demonstrable progress under Article 3.2 of the Kyoto Protocol.

