



**Submission to the Ministry for the Environment on New Zealand's post-2020 climate change target**

**Oxfam New Zealand**

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## Introduction

1. Oxfam NZ welcomes the opportunity to submit our views on *New Zealand's Climate Change Target: Our contribution to the new international climate change agreement* (the discussion document), and on New Zealand's intended nationally determined contribution (INDC) ahead of the twenty-first session of the Conference of the Parties (COP21) in December 2015.
2. Oxfam is an international development agency working with the poorest climate change-affected communities around the world. Oxfam NZ works primarily with communities in Pacific Island countries – some of those worst affected by climate change. Already, we are seeing many Pacific nation communities hit hard by the increase in extreme weather events associated with climate change.
3. Supporting strong and equitable international action on climate change is a key priority for our organisation, and for the development sector more broadly. Climate change is a major threat in the fight against poverty and hunger and is jeopardising hard-won development gains.<sup>1</sup> It is also impacting negatively on annual growth in GDP for the Pacific Small Island Developing States (SIDS) as has been evidenced with Cyclone Ian and Cyclone Pam.<sup>2</sup>
4. Oxfam has engaged closely with UN climate negotiations since 2007. We are involved in a number of climate change adaptation programmes in the Pacific, designed to strengthen community resilience to climate change, from trialling new crops and agricultural techniques and investing in cyclone resistant structures, to increasing communities' awareness of climate risks and strengthening their participation in policy and decision-making processes. Oxfam also takes an active role in national and international climate policy debates.
5. While climate change impacts us all, the impacts are being felt first and hardest among those who have contributed least to the problem, including our neighbours in the Pacific. The devastation wrought by Cyclone Pam, the strongest cyclone in the Pacific on record, across Vanuatu, Kiribati and Tuvalu was a forceful reminder of the consequences of inaction and must be recognised as the most powerful call possible for progress towards a strong and equitable international climate agreement that puts vulnerable people and nations first.<sup>3</sup>
6. While climate change presents a major challenge to development, strong and timely action presents opportunities for renewed prosperity, reducing inequality and stronger overall development outcomes. Oxfam NZ urges the New Zealand government to put forward a new commitment from New Zealand that accords with our responsibilities as a wealthy developed country, and reflects the scale of the global challenge.
7. New Zealand's INDC is an opportunity not only to set a high-level emissions reductions target, but to present New Zealand's vision and strategy for a low carbon future, and to reaffirm our commitment toward international equity and doing our fair share.

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<sup>1</sup> *Hot and Hungry: How to stop climate change derailing the fight against hunger* (Oxfam, 2014)

<https://www.oxfam.org/sites/www.oxfam.org/files/mb-hot-hungry-food-climate-change-250314-en.pdf>.

<sup>2</sup> *The GDP of Vanuatu has been forecasted to decrease by 0.5% in 2015 as a result of Cyclone Pam, compared with 4% growth in 2014 (Asian Development Bank)* <http://www.adb.org/countries/vanuatu/economy>; *Cyclone Ian caused losses in Tonga equivalent to 12.1% of GDP and a loss in economic output of 2.7% of GDP (Asian Development Bank)* <http://www.adb.org/sites/default/files/project-document/80794/48192-001-rrp.pdf>.

<sup>3</sup> *For background on the links between climate change and the destructive impacts of tropical cyclones, see: Cyclone Pam: Untangling the complex science on tropical storms and climate change* (The Carbon Brief, 2015) <http://www.carbonbrief.org/blog/2015/03/cyclone-pam-untangling-the-complex-science-on-tropical-storms-and-climate-change/>.

8. In this submission, we outline Oxfam NZ's concerns with the discussion document, and provide recommendations on the form and content of New Zealand's INDC. For any queries on the content of this submission, please contact:

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### **Summary of recommendations**

- New Zealand's targets should be science-based and accord with a global carbon budget that provides a reasonable probability of limiting warming to 1.5°C;
- New Zealand's targets should be based on our historic responsibility for climate change, our relative economic strength, the development needs of other countries particularly our neighbours in the Pacific, and the co-benefits of strong and early action;
- New Zealand should set a path toward phasing out all fossil fuel emissions and phasing in 100% renewable energy across all sectors as soon as possible, and well before mid century;
- New Zealand's domestic emissions reductions target should be no less than 40% below 1990 levels by 2030 and should be commensurate with a plan to achieve net zero greenhouse gas emissions by 2070.
- To achieve these domestic emissions reductions targets, New Zealand will need a clear plan that includes additional policies and measures to ensure we deliver our fair share of the global mitigation effort. These include strengthening the Emissions Trading Scheme including extending it to the agricultural sector, additional efforts to increase energy efficiency, and a greater focus on programmes targeting the land, transport and industrial sectors;
- In addition to these domestic emissions reductions targets, New Zealand will need to meet a part of its contribution to the global mitigation effort through supporting low-carbon development overseas. To achieve this, the Government should develop a strategy for scaling-up its overall contribution to reach a fair share of the international goal to provide \$100bn in climate finance a year by 2020;
- New Zealand must be part of an effective post-2020 climate finance regime that sees adequate support from both the public and private sector flow to developing countries to support climate change adaptation and low-carbon development.

### **The consultation process**

9. It is Oxfam's view that New Zealanders are increasingly wishing to be engaged in national policy development on climate change issues that impact on us all. The public consultation process on New Zealand's INDC has been extremely disappointing. The very limited time allowed to prepare submissions and the short time period within which public meetings were held are not consistent with genuine, meaningful consultations.
10. Our overall impression of the discussion document is that it is geared towards a negative outcome:

- a. the discussion document presents a **partial and unbalanced picture of the economic cost climate change**. It presents only the short term cost to New Zealand households compared with if no target was set.<sup>4</sup> It does not seek to quantify the long-term cost of inaction. Nor does it analyse the co-benefits of emissions reductions, or the cost-savings associated with early action. This approach is misleading and, in our view, unjustifiable;
- b. there is a **lack of focus on domestic mitigation opportunities**, particularly with respect to carbon emissions reductions in the transport, energy and industrial sectors; and
- c. the discussion document **does not adequately address New Zealand's international obligation to contribute its fair share toward emissions reductions**.

***The costs of climate change***

- 11. Section 3 of the discussion document focuses on quantifying how much worse off New Zealand households would be in 2027 than if no action were taken on climate change. This approach excludes from analysis the costs associated with inaction as well as the savings that could be achieved through early action to reduce domestic emissions. It also excludes key sectors, including agriculture and forestry. As a result, the paper presents a partial and unbalanced picture of the costs and benefits of taking action on climate change, one that is abstracted from the fact that all countries will eventually have to reduce net emissions to zero in order to limit warming to 1.5-2 degrees.
- 12. All major economies and leading international development agencies agree that the world must transition to a low-carbon economy. New Zealand is not exempt – we must move, and we will move, toward a low-carbon future. The global economy and New Zealand's trading partners will demand this of our exporters and our reputation in the international marketplace will depend on it. This is an opportunity that New Zealand should harness, taking advantage of the benefits that will accrue by taking early and decisive action.

***Lack of focus on domestic mitigation opportunities***

- 13. Oxfam NZ is disappointed with the cursory discussion of New Zealand's domestic mitigation opportunities. Oxfam NZ acknowledges that international climate finance will be an important component of a new global climate agreement, and of New Zealand's strategy for meeting its climate change targets. However, this does not diminish the importance of domestic action to reduce emissions. Indeed, the uncertainties highlighted in the discussion document around the future of international carbon markets make domestic emissions reductions all the more important.
- 14. The vast majority of New Zealand's emissions reductions should be achieved domestically. We have an opportunity to lead on agricultural emissions reductions, and it is imperative we do so given that New Zealand has one of the highest agricultural emissions per person in the world. New Zealand also has the potential to reduce CO2 emissions in the transport, industrial and energy sectors. The discussion paper appears to be based on an assumption that real action will not be taken to achieve significant mitigation in these sectors. New Zealand, like all countries, must phase out fossil fuel emissions economy-wide, making this assumption inconsistent with the science-based imperative.
- 15. Oxfam NZ urges the Government to engage with key domestic stakeholders on New Zealand's mitigation opportunities, and develop a plan that will put New Zealand on track to achieving net zero greenhouse gas emissions. We look forward to the further consultations planned on domestic policies and measures needed to meet our international target.

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<sup>4</sup> Discussion document, p 14.

***New Zealand's international obligation to contribute its fair share toward emissions reductions***

16. As discussed further below (points 19-20), all countries' contributions should be based on an understanding of science, and the total amount of global carbon pollution the earth can tolerate before the risks become unacceptable. Countries' contributions should also be founded on the equitable principles set out in the UN Framework Convention on Climate Change. Both of these considerations are largely absent from the discussion document.

**Setting New Zealand's post-2020 emissions reductions targets: key factors that should inform the decision**

17. Oxfam recognises that determining New Zealand's fair share of the global mitigation effort is an imprecise exercise and that there are a number of factors to be considered. However, any deliberation must begin with recognition of the scale of the global challenge and a reasonable application of established effort-sharing principles, including our relative responsibility for the problem and capacity to help fix it. This provides us with a rough sense of what New Zealand should be committing to, which can then be refined through consideration of additional factors, including New Zealand's national circumstances, the co-benefits of action, and some comparison with other countries' commitments.

***The carbon budget***

18. The process for setting New Zealand's post-2020 emissions reduction targets must begin with the science and an understanding of the total tolerable amount of global carbon pollution possible within accepted limits on warming. At a minimum, the Government must ensure New Zealand's targets are commensurate with the internationally agreed goal to limit warming to 2°C.<sup>5</sup> Oxfam urges that the Government also give due attention to renewed calls from vulnerable countries, including many of New Zealand's neighbours, for a goal of limiting warming to 1.5°C.<sup>6</sup> There is growing recognition that warming beyond 1.5°C will push many communities, particularly our trading partners in the Pacific, beyond their ability to adapt.<sup>7</sup>
19. To provide a greater than 66% chance of limiting warming to 2°C (below the 1850-1900 average), total cumulative emissions between 2012 and 2100 cannot exceed 1,010Gt CO<sub>2</sub>. If we're to keep alive the possibility of limiting warming to 1.5°C, then we need to set a smaller budget. Oxfam proposes 780GtCO<sub>2</sub>.<sup>8</sup>

***Applying established effort-sharing principles***

20. The Paris climate agreement is being negotiated under the UN Framework Convention on Climate Change (the Convention). The Convention establishes a

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<sup>5</sup> The goal of keeping the global average temperature rise to below 2°C is enshrined in many decisions and agreements to which Australia is party. See, for examples the Cancun Agreements: [http://unfccc.int/key\\_steps/cancun\\_agreements/items/6132.php](http://unfccc.int/key_steps/cancun_agreements/items/6132.php).

<sup>6</sup> See, for example, the recent statement from the Philippines on behalf of the Climate Vulnerable Forum: <http://www.thecvf.org/forum-chair-statement-onvanuatu-and-cyclone-pam/>.

<sup>7</sup> See, for example: *1.5°C or 2°C: A conduit's view from the science-policy interface at COP20 in Lima* (Petra Tschakert, 2015) <http://www.climatechangeresponses.com/content/2/1/3>  
*Adequacy and feasibility of the 1.5°C long-term global limit* (Climate Analytics and Climate Action Network Europe, 2013) <http://climateanalytics.org/publications/2013/adequacy-and-feasibility-of-the-1-5c-long-term-global-limit>  
*Science aspects of the 2°C and 1.5°C global goals in the Cancun Agreements* (Bill Hare, Michiel Schaeffer, Marcia Rocha, 2011) <https://ldclimate.files.wordpress.com/2012/05/warming-level-science-overview-for-ldc-group-20111130.pdf>

<sup>8</sup> *Three salient global mitigation pathways, assessed in light of the IPCC carbon budgets* (Stockholm Environment Institute, 2013) [http://sei-us.org/Publications\\_PDF/SEI-DB-2013-Climate-risk-emission-reduction-pathways.pdf](http://sei-us.org/Publications_PDF/SEI-DB-2013-Climate-risk-emission-reduction-pathways.pdf).

number of 'equity principles', which provide important guidance on each country's relative share of the global effort:

*Responsibility and capability*

*Article 3.1: "The Parties should protect the climate system for the benefit of present and future generations of humankind, on the basis of equity and in accordance with their common but differentiated responsibilities and capabilities."*

*Right to sustainable development*

*Article 3.4: "The Parties have a right to, and should, promote sustainable development."*

21. In addition to the global carbon budget (see points 19-20), these established equity principles should be the main determinant of New Zealand's commitment.
22. Upholding the right to sustainable development means acknowledging that countries are at different levels of development and recognising each country's development needs. In practice this means that developed countries must make deeper and faster emissions cuts, in order that poorer countries can reach a reasonable standard of development while the world at large remains within its carbon budget. In other words, it is unreasonable to expect poorer countries' emissions to peak and decline as rapidly as those of wealthy developed countries.
23. Oxfam recognizes that applying these principles involves a degree of interpretation. Nonetheless, a reasonable sense of countries' relative responsibility for climate change, their capability to act, and their development needs, can be built up from standard metrics and indicators. For example, a country's relative responsibility for climate change is a function of its cumulative emissions to date. A country's relative capability can be derived from its GNI, with steps taken to exclude the income of anyone living below a 'development threshold'. Other metrics, including a country's level of inequality and rating on the Human Development Index, may also be considered.
24. There are of course further questions to be considered and on which opinions may vary, such as an appropriate start date for counting cumulative emission. While results will differ slightly depending on our answers to such questions and the weight given to particular principles and metrics, we can nonetheless gain a good preliminary sense of New Zealand's overall obligation relative to other countries.

***Consideration of additional factors***

*New Zealand's national circumstances*

25. Oxfam acknowledges that emissions from the agricultural sector currently account for around 48% of New Zealand's total emissions. It is possible for New Zealand to reduce these emissions and it should be doing so. Our circumstances also call for a greater attention in reducing CO<sub>2</sub> emissions across other sectors such as energy, transport and industry and maximising our potential for carbon sinks.

*Co-benefits of strong action*

26. While recognising that there are short-term costs associated with transitioning to a low-carbon economy, Oxfam NZ urges the Government to consider the long-term co-benefits of early action, including the creation of new jobs and improved public health. These co-benefits appear to have been excluded from the economic modelling supporting the discussion document, which in our view is unjustifiable. Co-benefits are a key driver of climate action in many countries, notably China, and should be a basis for action in New Zealand as well.

*Scope of international action*

27. While post-2020 targets from major emitters are not yet commensurate with the 2°C goal, in most cases they represent a substantial increase in ambition over pre-2020 commitments. For example, the US target of reducing emissions by 26-28% below

2005 will require it to nearly double its rate of emissions reductions compared to rate required to achieve its 2020 target of 17% below 2005 levels.

28. Oxfam recognises that the scope and nature of other countries' commitments will be one factor in determining New Zealand's new targets. However, we note that of those countries who have already submitted INDCs, most have been rightly criticised for falling short of a fair contribution. Further, a recent study by the New Climate Institute supported by Climate Action Network revealed how the US, China and European Union could unlock additional benefits in terms of jobs and health by increasing their targets.
29. Overall, for New Zealand to play a strong and constructive role in international climate efforts, it should be looking to exceed the contribution from other major emitters, not be constrained by them.

*Benefits of early action*

30. While opinions may differ regarding nearer-term targets and the precise trajectory that New Zealand needs to follow, the bottom line is that keeping warming below 2°C – let alone the 1.5°C that many countries rightly demand – will require all developed countries to achieve net zero emissions as soon as possible.
31. While recognizing there are initial costs associated with strong climate action and reshaping our energy system, numerous studies have highlighted the long-term economic benefits of strong early action and the far more costly and disruptive transitions that await those countries which are slower to act.<sup>9</sup>

**Climate finance – our dual responsibility**

32. Oxfam recognises that international climate finance remains central to negotiations on a new global climate agreement.
33. New Zealand should have a transparent strategy for scaling-up its overall contribution to reach a fair share of the international goal to provide \$100bn a year by 2020. This will need to include national budget contributions that are in addition to existing aid commitments, supporting the development of new sources of finance, and principles for private investment.
34. Like all wealthy developed countries, New Zealand will need to meet a substantial part of its overall contribution to global mitigation effort through supporting low-carbon development overseas. New Zealand must be part of an effective post-2020 climate finance regime that sees adequate support from both the public and private sector flow to developing countries to support climate change adaptation and low-carbon development.
35. In submitting its INDC, New Zealand should outline what actions it intends to take to support poorer countries to adapt to climate impacts and implement low-carbon development strategies, including provision of climate finance.

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<sup>9</sup> See for example, The Global Commission on the Economy and Climate, 'Better Growth, Better Climate: The New Climate Economy Report (<http://newclimateeconomy.report/>).