



National's Plan for the Glasgow Climate Conference

2021



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Introduction

National has a strong record on climate change. We implemented the Emissions Trading Scheme and initiated the process to put in place the cap on emissions. We signed New Zealand up to the UN Convention on Climate Change, the Kyoto Protocol and Paris Agreement. National led the establishment of the Global Research Alliance on Agricultural Greenhouse Gases which now has over 60 member countries working together to reduce agricultural emissions.

We signed up to global climate change agreements because we value our environment, we care for our Pacific neighbours and we believe in creating better lives for our future generations to enjoy, just as we have. We know that climate change is a global problem and needs a global solution. No amount of New Zealand action can guarantee the 1.5°C limit is achieved, we rely on other countries to act alongside us.

The Covid-19 pandemic has seen business, trade, commerce, tourism and many other industries struggle. Amongst all of this, we need to also focus on how we reach our climate change goals.

We have a duty to reduce emissions and make a transition to a cleaner and greener way of life, but we must take care in our transition. We cannot leave groups behind, we must combat climate change in a way that boosts the economy, creates jobs and modernises New Zealand's biggest industries.

Climate change is an immense challenge and we must use every tool and technology available to us. This includes new cultivars of grasses, carbon capture and storage and carbon markets. We set ourselves up for failure if we take an ideological approach.

Hon. James Shaw has decided to go to COP26, and in light of the circumstances, he needs to ensure that he comes back with something credible.

National's plan for COP26 outlines exactly what we would do if we were in Government. If New Zealand wants to prosper in the post-Covid world, we need to continue to support our agricultural sector in their transition, we must invest and create partnerships for our carbon markets, we need to demand more action from the world's highest emitters and we need to open our borders to technology which can help us to achieve our goals.

Our priorities for Glasgow

- 1. Set a split-gas Nationally Determined Contribution**
- 2. Back our farmers**
- 3. Open ourselves up to carbon markets**
- 4. Demand more from large global emitters**
- 5. Embrace new technology**

Set a split-gas Nationally Determined Contribution (NDC)

New Zealand has taken a world leading split-gas approach within the Zero Carbon Bill. This was off the back of bipartisan negotiations between National and the Government where National pushed strongly for this split-gas approach.

New Zealand needs to now take the split-gas approach to our international targets. The Intergovernmental Panel on Climate Change (IPCC) AR6 report notes if countries report NDC only in Global Warming Potential (GWP) terms this could result in an ambiguity of about one-fifth the remaining carbon budget (for a 2C scenario, IPCC WG1 AR6 Box 7.3).

The IPCC states,

“Clear and transparent representation of the global warming implications of future emission pathways including Nationally Determined Contributions could be achieved either by their detailing pathways for multiple gases or by detailing a pathway of cumulative carbon dioxide equivalent emission approach aggregated across greenhouse gases evaluated by either GWP or CGTP metric approaches”

New Zealand should put forward a target that details both methane and long-lived gas pathways.

The IPCC note that a 0.3 percent per year reduction of methane would stabilise climate impacts, which equates to about 10 percent reduction by 2050. New Zealand’s split gas NDC should be guided by this figure for methane.

Our farmers who have held steady and balanced our economy through the Covid-19 pandemic deserve to have policy which recognises the most up to date climate science. The IPCC AR6 report tells us that a 10 percent reduction by 2050 would stabilise climate impacts. We need to be guided by these figures, and New Zealand’s NDC should take this into consideration as a priority.

Back our farmers

The Paris Agreement explicitly recognises food security and ending hunger as a “fundamental priority” and states that low-greenhouse gas development is to occur in a way that “does not threaten food production.”

These are aspects New Zealand negotiators had a key role in negotiating. New Zealand needs to speak up to ensure all countries are adhering to these elements in how they implement their commitments.

New Zealand itself needs to continue to recognise that our farmers are some of the most efficient in the world and that reducing production in New Zealand will simply see emissions leak offshore.

We need to be realistic and honest about our approach to methane and agriculture. We cannot expect the large agricultural emitters like China and India to ask their farmers to reduce stock numbers or stop using fertiliser, it simply will not happen. But we can look at ways at which new technologies can be applied that improve productivity and reduce greenhouse gas emissions, rather than ask countries to cut food production.

This is the work begun by National in Government by launching the Global Research Alliance on Agricultural Greenhouse Gas Emissions. This initiative now has over 60 countries, including the United States and China, working together to find new ways to reduce agricultural greenhouse gas emissions and increase the resilience of agricultural systems to climate change.

Many will be able to recite the statistic that almost half of New Zealand's greenhouse gas emissions are agricultural.

This statistic is however using the flawed GWP metric to calculate greenhouse gas emissions. The IPCC have recently further highlighted the weakness of the GWP when it comes to methane. Over four-fifths of New Zealand's agricultural emissions are methane. If we take alternative approaches to comparing methane emissions to carbon dioxide, agriculture's share of New Zealand's emissions fall dramatically.

New Zealand needs to be focused on improving the way methane is viewed in the negotiations.

Open ourselves up to carbon markets

We need to build partnerships for international carbon markets. The United Nations negotiations have been attempting for almost a decade to establish new post-Kyoto carbon markets, but this process is held up by disagreement amongst countries. A number of countries are philosophically opposed to carbon markets.

Frankly, New Zealand needs to now pursue carbon market agreements outside the formal negotiations themselves. It is within our power to simply agree bilateral or plurilateral carbon markets with like-minded countries.

The best option is to achieve a global agreement on carbon markets, but if this can't be done, Article 6 of the Paris Agreement allows us to partner with other members to trade abatement. We cannot continue to wait for all countries to come to a consensus, we need to start pushing for bilateral or plurilateral negotiations on carbon.

Other countries have already started doing this, and if we wait any longer we risk being left behind. If we succeed in this area it will mean New Zealand has more options on how we achieve our targets.

Allowing our Emissions Trading Scheme to link to international carbon markets will mean New Zealand abates locally where it makes sense, but can access offshore mitigation where local mitigation is too expensive.

Demand more from large global emitters

New Zealand is in the process of establishing an ambitious carbon budget for the period 2022 to 2035 based off a global pathway to 1.5°C.

We need to remember that climate change does not respect international borders. Even if New Zealand achieves our carbon budget, we will see large levels of climate change if other countries do not act.

If all of the national pledges submitted so far were fulfilled, global emissions would be reduced by only 1 percent by 2030, compared with 2010 levels. Scientists have said a 45 percent reduction is needed in the next 10 years to keep global heating to no more than 1.5°C above pre-industrial levels, in line with the Paris agreement target range of 1.5 to 2.0°C.

Large emitters hold the keys to the success of the Paris Agreement. Glasgow needs to see large emitters confirm they are committed to the 1.5 to 2.0°C range.

Embrace new technology

Achieving a global threshold of 1.5 to 2.0°C will be an immense challenge. We need access to every tool in the tool box if we want to achieve it.

Yet New Zealand, and the world, has been slow to embrace technologies that can directly remove carbon dioxide from the atmosphere.

The UK Government has recently invested in multi-billion dollar carbon capture technologies which will look to remove carbon directly from the atmosphere. Some technologies can remove carbon for as little as \$100 a tonne, and this price will drop over time.

It is already positive that New Zealand is part of a number of international partnerships and organisations to develop carbon capture and storage technology, but we need to start to convert those partnerships into tangible emissions reductions.

A technology that can remove carbon from the atmosphere for \$100 a tonne could act as a global 'price cap' on carbon. New Zealand businesses should be able to finance direct carbon capture and storage anywhere in the world and count this against their ETS obligations and New Zealand's Paris Target.

We should work to establish a market mechanism that allows companies who are removing carbon from the atmosphere to account for this separately from the country they reside, and to transfer this removal to any country or company which finances that removal.