



## UPDATING AOTEAROA'S APPROACH TO INTERNATIONAL CLIMATE CHANGE NEGOTIATIONS

*WWF-New Zealand's response to The Ministry of Foreign Affairs and Trade (MFAT) consultation on New Zealand's approach to the United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP) and other international climate fora, May 2023.*

### **How can New Zealand best use COP to advance effective and ambitious global action?**

Whilst New Zealand is responsible for just 0.17% of global emissions, it is critical that we continue to advance effective and ambitious global climate action.

As a Pacific nation and a global biodiversity hotspot, WWF-New Zealand considers that New Zealand should use COP to:

- Amplify the voices of Pacific Island states calling for accelerated action, including in respect of issues and opportunities at the oceans/climate nexus.
- Advocate that climate policy, planning and regulation should protect, enhance, and restore nature, and any impacts on nature should be mitigated as much as possible - and that this approach should be reflected in Parties' domestic action towards their Nationally Determined Contributions (NDCs), and through increased investment in Nature-Based Solutions.
- Highlight that there is more that nature can do to address the climate crisis; that climate action and sustainable development are interdependent; and that climate resilient development is possible when this interdependence is protected and leveraged by pursuing them in an integrated way.
- Take the position that action to safeguard nature and decarbonisation efforts - including the phase-out of fossil fuels - must happen in parallel, and one cannot take place at the expense of the other.
- Continue to recognise and support the leadership, capability and capacity, and rights of Indigenous peoples in the context of climate action.

### **What areas are most critical for New Zealand to promote effective and ambitious global action at COP?**

While WWF-New Zealand considers increasing resilience (Adaptation) and nature-positive climate action (e.g., through native ecosystems and Nature-Based Solutions, addressing the linkage between the biodiversity and climate crises) the most important areas, there are three other key areas which should be foundation stones for a course correction on climate ambition.

They include:

- Phasing-out fossil fuels and accelerating decarbonisation of the energy system
- Finance for climate action, specifically funding for Loss and Damage
- Ensuring the next round of NDCs include revised targets that align with equitably limiting warming to 1.5° C and building resilience.

### **How can New Zealand best leverage participation in COP to support our own low-emissions transition?**

WWF-New Zealand considers that New Zealand needs to be upfront at COP about our lack of progress in addressing agricultural emissions domestically, and to use the opportunity to gain insight into other countries' transition policies, emerging technologies, and potential opportunities to cooperate to support an urgent and significant reduction in our agricultural emissions, in line with our NDC.

### **Supporting the Pacific is a key component of our approach to COP. What do you think is important to consider as we do this, and why?**

WWF-New Zealand considers the Ocean-Climate dialogue is an opportunity for New Zealand to continue to play a regional leadership role by amplifying the voices of Pacific Island states on the need for urgent ocean-focussed interventions to prevent further climate change impacts. New Zealand should:

- Highlight the role of the ocean and marine and coastal ecosystem-based approaches in climate mitigation and adaptation efforts, especially for countries with large coastal carbon ecosystems.
- Advocate for an ecosystem-based approaches to ocean governance.
- Advocate for increased regional coordination of ocean conservation efforts.

### **Nature-positive climate action: How should we seek to ensure our global response to climate change also improves the resilience of our native ecosystems, and avoids harm to biodiversity?**

WWF-New Zealand notes that a guiding principle of New Zealand's Emissions Reduction Plan (ERP) is that climate policy, planning and regulation should protect, enhance, and restore nature, and any impacts on nature should be mitigated as much as possible.

We consider that New Zealand should actively advocate for a similar safeguard to be established internationally, and which should be reflected in Parties' domestic action towards their NDCs.

WWF-New Zealand considers that New Zealand should consistently highlight that there is more that nature can do to address the climate crisis; that climate action and sustainable development are interdependent; and that climate resilient development is possible when this interdependence is protected and leveraged by pursuing them in an integrated way.

We would also support New Zealand taking the position that action to safeguard nature and decarbonisation efforts - including the phase-out of fossil fuels - must happen in parallel, and one cannot take place at the expense of the other. Action and support for both must be accelerated in order to achieve the long-term goal of the Paris Agreement.

We also consider Parties should be encouraged to prioritise investment mitigation or adaptation interventions that also deliver biodiversity co-benefits. To support this, we encourage the uptake of an international standard for Nature-Based Solutions that ensures such interventions rely on robust science and take landscape- and rights-based approaches.

### **What should we advocate for in the Global Stocktake (GST) on mitigation?**

WWF-New Zealand considers that New Zealand should advocate for a global and equitable fossil fuels phase out before 2050, as well as the urgent phase-out of all subsidies for fossil fuels and other environmentally harmful activities.

According to the International Energy Agency, energy-related CO<sub>2</sub> emissions rebounded to 36.6Gt in 2021, the largest ever annual rise in emissions and consistent with 2.5°C warming. The IEA's latest assessment on the global energy market highlights the broader impact of this trend: the persistent disconnect between the energy sector, with equality and global principles on the universal right for access to energy. High energy prices are causing a huge transfer of wealth from consumers to producers, with high fuel prices accounting for 90% of the rise in the average costs of electricity generation worldwide. Further, around 75 million people who recently gained access to electricity are likely to lose the ability to pay for it. Achieving net-zero CO<sub>2</sub> emissions in line with the Sustainable Development Goals means the phase-out of all fossil fuels starting with coal in power generation no later than 2040.

WWF-New Zealand submits that GST discussions should consider practical steps to achieve this without increasing the burden on developing countries, the current generation of affected workers, those in energy poverty nor those lacking energy access.

## **What should we advocate for in the GST on adaptation?**

WWF-New Zealand considers that New Zealand should advocate for improved recognition of the value of land and ocean sinks in slowing dangerous climate impacts, and for parties to commit to action and support to conserve 30% of land, freshwater and oceans by 2023.

The IPCC 6th Assessment Report informs that safeguarding and restoring nature is non-negotiable if we are to adapt to and to slow climate change. This is part of every climate scenario in line with the Paris Agreement's global warming threshold. Enhancing and restoring healthy ecosystems at the global scale will also increase mitigation and resilience and reduce some of the projected losses and damages.

Nature has slowed global warming as it has absorbed 54% of human-related carbon dioxide emissions over the past 10 years. This has saved humanity from much more severe impacts from climate change. Safeguarding and restoring nature, including in line with the Convention on Biodiversity Global Diversity Framework, is non-negotiable if we are to adapt to and to slow climate change – and with the right approach, governments can also support climate resilient development.

## **What should we advocate for in the GST on financial flows?**

WWF-New Zealand considers that New Zealand should advocate for a clarification of the scale-up process of climate finance with a focus on additionality of resources and transparency, especially concerning funding for adaptation that must at least be doubled before 2025; and also concerning loss and damage, with concrete contributions to the new fund created in Sharm El Sheikh in 2022.

## **Are there things we should advocate for across these pillars?**

WWF-New Zealand considers that New Zealand should consistently highlight that there is more that nature can do to address the climate crisis; that climate action and sustainable development are interdependent; and that climate resilient development is possible when this interdependence is protected and leveraged by pursuing them in an integrated way.

We would also support New Zealand taking the position that action to safeguard nature and decarbonisation efforts, including the phase-out of fossil fuels, must happen in parallel, and one cannot take place at the expense of the other. Action and support for both must be accelerated in order to achieve the long-term goal of the Paris Agreement. All efforts must take place to limit global temperature rise to no more than 1.5°C.

## **How should the Global Stocktake and its outcomes increase action in this critical pre-2030 decade?**

The GST and its outcomes should speak to commitments, measures, best practices, and gaps to the Paris Agreement which crosscut those of other international mandates, such as the 2030 Agenda on Sustainable Development and the Convention on Biological Diversity. The IPCC concludes that in delivering on the Paris Agreement, Parties must prioritise climate strategies that appropriately deliver the right outcomes on nature, climate, and people across the whole economy. The GST should facilitate Parties in exploring such connections. Its outcomes should speak to measures, best practices, and gaps with a view to identifying strategies and areas to develop efficiencies and synergies in nationally determined responses to these cross-cutting mandates.

## **How should the Global Stocktake outcomes feed into countries' consideration of NDC2?**

The GST outcomes should highlight opportunities and challenges to ambition, including scalable and collaborative efforts. The current level of ambition shown by Parties (e.g., through NDCs) is not compatible with 1.5°C pathways. According to the UNEP Emissions Gap Report 2022, policies currently in place with no additional action are projected to result in global warming of 2.8°C over the twenty-first century. This implementation gap has shown little sign of improvement in recent years.

WWF-New Zealand considers that GST outcomes addressing challenges and opportunities for formulating and implementing actions and support aligned with the Paris Agreement will assist Parties in identifying areas relating to strengthening its nationally determined approach.

## **What (e.g., sectors and measures) should this global mitigation work programme focus on, and how should it prioritise focus areas?**

WWF-New Zealand recommends the Mitigation Work Programme (MWP) focus thematically on 'Electricity systems that produce no net CO<sub>2</sub>, including renewable energy'.

We recommend the following four priority focus areas:

- Accelerating scale up of renewable energy sources
- Accelerating phase-out of fossil fuels
- Social transformation in the power sector - Just Energy Transformation and Energy Access
- Financing the transition.

WWF-New Zealand would also propose that the MWP should consider how to address these sustainable development challenges without increasing the burden on developing countries.

According to the IPCC 6th Assessment Report, global warming cannot be limited to 1.5°C without rapid and deep reductions in energy system CO<sub>2</sub> and GHG emissions. Therefore, in order for the MWP to fulfil its mandate, WWF-New Zealand supports a discussion of activities that will accelerate a global energy transition and further global progress towards a net zero energy system, with consideration for national circumstances and equity.

We recommend as the initial focus of the programme in 2023 the following theme: “Electricity systems that produce no net CO<sub>2</sub>, including renewable energy.”

The sequencing of actions can vary by country, but as the remaining carbon budget is so limited that the transition needs to be initiated at an accelerated pace immediately, everywhere. Given the complexity of this issue, we believe that four dialogues should be held in 2023 covering the following thematic areas:

- Accelerating scale up of renewable energy sources: Advancing the technologies, market structures and planning needed to support a global transition.
- Accelerating phase-out of fossil fuels: Phasing-out incumbent fossil fuel intensive industries at the same time as zero-carbon alternatives are scaled up to avoid locking in a high energy and high carbon future.
- Social transformation in the power sector - Just Energy Transformation and Energy Access: The transformation needs to be planned carefully, especially in regions that are currently dependent on fossil fuel extraction for jobs and public revenue. Planning for this change is a vital pre-requisite to a successful transformation aligned with the Sustainable Development Goals (SDGs). In this context, SDG 7 - to ensure access to affordable, reliable, and modern energy for all by 2030 – is also key. According to the IEA, achieving full access by 2030 will require connecting almost 100 million people every year, but the world is not on track to reach this goal. The findings generated through this dialogue will also be relevant for the discussions of the Just Transition Programme established at COP 27.
- Financing the transition: Increasing finance flows for renewable energy, addressing barriers such as cost of capital; repurposing and redirecting subsidies from fossil fuels to renewables. This focus area could benefit and inform discussions under the New Quantitative Collective Finance Goal process and article 2.1.c. Limiting warming to 1.5 well below 2°C will require substantial energy system changes immediately and over the next 30 years, including reduced fossil fuel production and consumption, increased production from low- and zero-carbon energy sources, improved energy efficiency, and increased use of electricity and alternative energy carriers.

Finally, WWF-New Zealand notes that the MWP should consider core to its remit exploring how to address these sustainable development challenges without increasing the burden on developing countries. Successful mitigation must work in tandem with fundamental development goals such as sustainable and inclusive development and access to modern forms of energy.

### **How should New Zealand engage in this programme to support global action?**

Efforts have been made outside the UNFCCC and Paris regime to explore opportunities around sector level cooperation and coordination. Nevertheless, within the UNFCCC and Paris regime, which is where the world had deposited much of its hopes for addressing the climate emergency, efforts have been sporadic and superficial at best.

The UNFCCC has built up a strong knowledge base and institutions for technological cooperation, capacity building and financial support over the past decades that can be mobilised to support strategies developed by the MWP. One exception is forests, where considerable efforts have been made to create the REDD+ framework under the UNFCCC. However, little comparable effort has gone into addressing by far the largest sources of emissions, which are energy production, transformation, and end use. It is here where the battle against runaway climate change will be largely won or lost, and where the MWP can make its greatest contribution.

If countries each decide to tackle emissions within their borders with no efforts to coordinate or cooperate with other jurisdictions, the global effort will be unnecessarily fragmented, siloed, and limited by national boundaries. Globally and transnationally, economic sectors share common technologies, suppliers, markets and have similar challenges and opportunities.

WWF-New Zealand considers that New Zealand should engage in the MWP with a view to encouraging sectoral cooperation, including through the development and uptake of coordinated regional or global strategies.

Coordinated regional or global strategies can unlock opportunities, leverage large scale transformations, and achieve economies of scale. Sectoral cooperation in the context of the MWP could include, for example:

- Information sharing and voluntary guidance for actions by Parties and subnational and non-state actors.
- Matching of funding and financial flows to enable enhanced actions in developing countries.
- Harmonizing regulations or standards (e.g., minimum efficiency standards for motors, lighting, cooling, buildings, vehicles, appliances, or other technologies).
- Coordinated economic measures such as carbon pricing, removals of subsidies for environmentally harmful products, etc.

## **What relation, if any, should this have to New Zealand's Emissions Reduction Plan?**

The failure to close the stubborn gap between aggregate emissions trajectories and those required to limit warming to 1.5 C is a clear demonstration that Parties must go beyond existing efforts and explore new approaches. Much attention has been paid to national level targets and their impact. Yet the actions required to shift emissions trajectories and transform economies to meet climate goals will take place at the sectoral level, through interventions that can accelerate the shift to zero emissions technologies in the energy, transport, buildings, urban planning, appliances, lighting, agriculture, land use, etc. WWF-New Zealand supports a sectoral approach as a core element of the MWP and considers there is obvious alignment with the structure of New Zealand's Emissions Reduction Plan.

## **What outcomes would you like to see internationally in relation to Nature-Based Solutions?**

Globally, it is now recognised that climate change and biodiversity loss are inextricably linked and must be addressed together. WWF-New Zealand notes this is explicitly reflected in Target 8 of the new Kunming-Montreal Global Biodiversity Framework (GBF). New Zealand's Emissions Reduction Plan (ERP) commits to prioritise Nature-Based solutions in New Zealand's climate response (see Chapter 4: Working with Nature), and this is similarly reflected in New Zealand's National Adaptation Plan.

WWF-New Zealand would like to see outcomes internationally that reflect there is more that nature can do to address the climate crisis; that climate action and sustainable development are interdependent; and that climate resilient development is possible when this interdependence is protected and leveraged by pursuing them in an integrated way.

We would support a global commitment that action to safeguard nature and decarbonisation efforts - including the phase-out of fossil fuels - must happen in parallel, and that one cannot take place at the expense of the other. Action and support for both must be accelerated in order to achieve the long-term goal of the Paris Agreement and the goals and targets established in the GBF.

WWF-New Zealand defines Nature-Based Solutions as efforts that protect, restore, and sustainably manage land and ocean ecosystems (such as forest peatlands, wetlands, savannas, coral reefs, and mangroves) while simultaneously addressing societal challenges (such as climate change, Indigenous and community rights, economic inequality, and overconsumption of natural resources).



WWF-New Zealand would encourage Parties to adopt an international standard for Nature-Based Solutions that ensures such interventions take landscape- and rights-based approaches by relying on:

- concepts and plans that use the best science and metrics available.
- clear, measurable goals that quantify impact.
- deep engagement with local governments and communities
- forward-looking plans that ensure interventions are self-sustaining and provide the intended benefits well into the future.

### **Are there specific environmental or social safeguards, which New Zealand should be pursuing internationally?**

WWF-New Zealand notes that a guiding principle of New Zealand's Emissions Reduction Plan (ERP) is that climate policy, planning and regulation should protect, enhance, and restore nature, and any impacts on nature should be mitigated as much as possible.

We consider that New Zealand should actively advocate for a similar safeguard to be established internationally, and which should be reflected in Parties' domestic action towards their NDCs.

As above, we also support the update of an international standard for Nature-Based Solutions that ensures such interventions rely on robust science and take landscape- and rights-based approaches.

### **How can countries be encouraged to promote biodiversity benefits, and minimise risks of negative impacts on biodiversity from climate action?**

WWF-New Zealand considers that New Zealand should consistently highlight that there is more that nature can do to address the climate crisis; that climate action and sustainable development are interdependent; and that climate resilient development is possible when this interdependence is protected and leveraged by pursuing them in an integrated way.

We would also support New Zealand taking the position that action to safeguard nature and decarbonisation efforts - including the phase-out of fossil fuels - must happen in parallel, and one cannot take place at the expense of the other. Action and support for both must be accelerated in order to achieve the long-term goal of the Paris Agreement. All efforts must take place to limit global temperature rise to no more than 1.5°C.

We also consider Parties should be encouraged to prioritise investment mitigation or adaptation interventions that also deliver biodiversity co-benefits.

Currently, Nature-Based Solutions receive roughly \$133 billion in funding each year, mostly from public sources. But according to the United Nations Environment Programme (UNEP), if the world is to meet targets around climate, biodiversity, and avoiding land degradation, financing for Nature-Based Solutions will need to reach a total of \$8.1 trillion by 2050.

### **What are the particular ocean-climate issues that New Zealand should focus on, including at the next Ocean-Climate dialogue in June 2023?**

Climate change is unequivocal, and the impacts will have severe repercussions for the ocean in many different ways. Higher temperatures cause physical modifications to the marine environment: warmer surface temperatures affect how water circulates at depth and disrupts complex food webs, whilst changing weather patterns bring more frequent and severe storms with implications for both coastal habitats and fisheries. In addition, warmer seas hold less oxygen, affecting ecosystems and species populations.

By absorbing more CO<sub>2</sub> from the atmosphere, the ocean's chemical composition is changing at an unprecedented rate, resulting in a more acidic ocean with negative consequences for many species.

WWF-New Zealand considers the next Ocean-Climate dialogue could usefully focus on:

- Food security / climate implications for global catch and management of fish stocks.
- Regional and global approaches to conserving marine species most at risk from the impacts of climate change and ocean acidification.

WWF-New Zealand notes that in an ocean warming scenario of over 1.5°C, global catch potential is projected to decrease by over 3 million tonnes for every additional degree of warming. However, if global warming can be restricted to 1.5°C above pre-industrial levels and if full adaptive management were put in place on a global scale, scientists estimate that we could see potential gains in fish biomass, resulting in increased seafood harvests and profits by 2100. Food security is a crucial challenge, especially in developing countries, as these places are warming faster than the global average (e.g. India, Philippines) and face potential reductions in annual catches of up to 50% by 2050.

As the global population looks set to reach nearly 10 billion by 2050 and require more resources than ever before, it is unlikely that we will be able to rely on our marine resources as we did in the past – not nutritionally, economically, culturally, socially, or recreationally.

WWF-New Zealand considers there would also be merit in focussing on the potential for increased regional and global cooperation to protect and restore marine species (and

other species dependent on the ocean) that are most at risk from ocean warming and climate change impacts. For example, 90% of New Zealand's seabirds are threatened or at-risk of extinction, and climate change is rapidly and dramatically escalating the risk to these species. Many of them have wide ranges - and in addition for the need to mitigate risk by limiting global warming, urgent conservation intervention is required (e.g. bycatch mitigation measures, creation of new marine protected areas) to prevent ongoing decline and extinction.

### **What role can New Zealand play to support the dialogue to address ocean issues that are important to New Zealand and the Pacific?**

WWF-New Zealand considers the Ocean-Climate dialogue is an opportunity for New Zealand to continue to play a regional leadership role by amplifying the voices of Pacific Island states on the need for urgent ocean-focussed interventions to prevent further climate change impacts. New Zealand should:

- Highlight the role of the ocean and marine and coastal ecosystem-based approaches in climate mitigation and adaptation efforts, especially for countries with large coastal carbon ecosystems.
- Advocate for an ecosystem-based approaches to ocean governance.
- Advocate for increased regional coordination of ocean conservation efforts.

### **How can the UNFCCC support collaborative ocean-climate action across UN processes?**

Whilst the UNFCCC recognises the important role of ecosystems, including the ocean, for climate adaptation and mitigation, countries have yet to fully embrace marine and coastal ecosystem-based approaches in their commitments. WWF-New Zealand considers that COP28 is an important opportunity to remedy this.

WWF-New Zealand further considers that marine and coastal ecosystem-based approaches should be promoted and part of public and private climate finance. Marine and coastal ecosystem-based approaches should be encouraged under the Green Climate Fund and the Global Environment Facility.

Ocean finance should be a critical component of new and alternative climate finance mechanisms.