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**SUBMISSION: DOHA MANDATE CABINET PAPER:
NATURE OF TIMING OF DECISION ON POST-2012
COMMITMENT, OCTOBER 2012**

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5 October 2012

ENV/CCH/GL/1

Minister for Climate Change Issues

For action by 8 October 2012

Associate Minister for Climate Change Issues

For information by 8 October 2012

Doha Mandate Cabinet Paper: Nature and Timing of Decision on Post-2012 Commitment

Submission Issues

Purpose To seek your views on how to address the nature and timing of a decision on a post-2012 mitigation commitment in the Doha Mandate cabinet paper, and the implications of political developments in Australia for this decision, in advance of a meeting with officials scheduled for 3pm Monday 8 October to discuss these issues.

Recommended referrals

Minister for Primary Industries	For information by 8 October 2012
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Contact details

NAME	ROLE	DIVISION	WORK PHONE	MOBILE PHONE
Jo Tyndall	Climate Change Ambassador	Environment Division		
Steph Lee	Senior Negotiator	Environment Division		

Comment [JT52]: 9 (2) (e)

Comment [JT53]: 9 (2) (e)

Minister's Office comments

Signed / Referred

Date: ___/___/___

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Key Points

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-
- This submission seeks your views on how you would like to see the following issues reflected in the Doha Mandate Cabinet paper (attached):
 1. the substance and timing of New Zealand's decision on a Kyoto Protocol commitment vs. a Convention track target;
 2. the impact of an Australian decision on our decision, should New Zealand wait for an Australian decision before it moves, and how long should it wait?;
 3. the timing of a New Zealand decision on level of ambition of a QELRO or target; and
 - 4.
-
-
- At the meeting to be held with officials on Monday we propose to include the following questions:
 1. Would you prefer to propose a range of options on the timing of a decision and announcement in the Cabinet paper, or a single option once you have considered the full range of options yourself?
 2. Would you like a recommendation that New Zealand should wait for an Australian decision before making its own decision?
 3. Would you like a recommendation that identifies a specific timeframe in which Cabinet should make a decision on the level of ambition?
 4. Is it necessary to retain delegated authority for the small group of Ministers to make a decision on level of ambition during the Doha meeting?

Comment [JT54]: 6 (a)

Comment [JT55]: 6 (a)

Comment [JT56]: 9 (2) (g) (i)

Comment [JT57]: 8 (a); 9 (2) (i); 9 (2) (g) (i)

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Recommendations

It is recommended that you:

- 1 Review the potential scenarios for the substance and timing of a New Zealand decision in paragraph 13 and indicate which you would like incorporated in the Cabinet paper; Yes / No
- 2 Review the proposed Cabinet recommendations on these issues in paragraph 20 and indicate how you would like to approach these, in particular recommendation 7; Yes / No
- 3 Agree to refer this submission to the Minister for Primary Industries Yes / No

Steph Lee

for Secretary of Foreign Affairs and Trade

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Report

Background

Kyoto Protocol CP2 Commitment vs. Convention Track Target

Based on discussions over the past year,

The tables below cover implications of taking a CP2 commitment or a Convention track target for New Zealand domestically and for our positioning in the UNFCCC negotiations for the longer-term agreement.

Comment [JT58]: a (2) (g) (i)

2 Domestic implications in the period to 2020 of taking a CP2 commitment vs. a Convention track target include:

Table One

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Comment [JT59]: 5 (e); 9 (2) (i)

At present, the outcome of negotiations on carry-over of surplus AAUs beyond CP1 is also unclear; this, along with the decision on access to flexibility mechanisms will need to be considered in the decision that sets New Zealand's target and decides the nature of the Kyoto Protocol framework that we would apply, or the QELRO, in the case of a CP2 commitment.

Comment [JT60]: 9 (2) (g) (i)

4 Implications for New Zealand's positioning in the negotiations of taking a CP2 commitment vs. a Convention track target:

Table Two

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5

officials appreciate that there will be political considerations to be factored into a decision, including the decision that Australia makes, and seek your guidance on how you would like that reflected in the Cabinet paper.

However,

Comment [JT61]: 6 (a); 9 (2) (f)

Comment [JT62]: 9 (2) (g) (i)

The Australian Position

6 There have been two developments in the last few weeks:

- The Australian and EU emissions trading schemes establishing a link.

Comment [JT63]: 6 (a)

Comment [JT64]: 9 (2) (j)

Comment [JT65]: 5 (a)

Comment [JT66]: 9 (2) (f)

Comment [JT67]: Free and frank; 9 (2) (j)

Comment [JT68]: Free and frank

The Kyoto Protocol Decision and Timing

12 Your advice is sought on your preferred option or options on timing of the decision to be incorporated in the Cabinet paper (or alternatively whether you would like a full discussion of all options presented to Cabinet).

13 This section maps some permutations for timing and substance of a New Zealand decision, including in light of possible decisions by Australia to take a commitment in or outside the Kyoto Protocol.

Deciding New Zealand's 2013-2020 Ambition

Comment [JT69]: 9 (2) (i).

(2) (a) (i)

15 In May the Cabinet Strategy Committee discussed New Zealand's post-2012 mitigation commitment and its linkages to the emissions trading scheme. The Committee noted that the ETS settings were calibrated to reflect New Zealand's international obligations under the Kyoto Protocol's first commitment period and that, as those obligations ended on 31 December 2012, there was a need to determine a level of emissions reductions for the ETS to deliver post-2012. The Committee also noted that a degree of flexibility should be maintained until the international situation becomes clearer and until such time New Zealand should continue to calibrate the ETS to deliver a level of emissions reduction consistent with the current target of a zero percent reduction on 1990 levels.

Comment [JT70]: 9 (2) (i)

Comment [JT71]: 9 (2) (a) (i); 9 (2) (i)

Comment [JT72]: 9 (2) (i)

19 Your advice is sought as to whether you would like to propose a timeframe for Cabinet's decision on our target/QELRO, and whether there are any circumstances in which a target/QELRO might be tabled at Doha.

Comment [JT73]: 9 (2) (i)

Draft Recommendations

20 Your views are sought on the following proposed recommendations (NB: some argumentation in the Cabinet paper has not been replicated here):

1 Note that in the matter of post-2012 mitigation commitments New Zealand has agreed to work in step with Australia and that it is desirable, though not essential, to announce decisions at the same time;

2 Note that Australia also has reserved its position but may ultimately decide to take its international commitments under the Kyoto Protocol's second commitment period;

Comment [JT74]: 6 (a)

3

Comment [JT75]: 9 (2) (a) (i)

4 Note that in terms of positioning in the negotiations over the longer term arguments are stronger in favour of a Convention track target;

Comment [JT76]: 9 (2) (i); 9 (2) (d) (i)

Comment [JT77]: 9 (2) (i)

Comment [JT78]: 9 (2) (i)

Comment [JT79]: 9 (2) (i)

Comment [JT80]: 9 (2) (i)

11 Agree that in the event of not taking a CP2 commitment, New Zealand would intend to nevertheless apply a Kyoto Protocol framework of rules during the transition;

12 Agree that under any scenario, Cabinet will consider the level of New Zealand's target or QELRO, and the content of its Kyoto Protocol framework if taking a Convention track target, once it has been able to make an assessment of the Doha meeting's outcomes

Comment [JT81]: 9 (2) (i)

Attachments

Comment [JT82]: Attachment withheld under 9 (2) (f) (4) and 9 (2) (g) (1)

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4 Note that in terms of positioning in the negotiations over the longer term arguments are stronger in favour of a Convention track target;

Comment [JT76]: 9 (2) (i); 9 (2) (g) (i)

Comment [JT77]: 9 (2) (i)

Comment [JT78]: 9 (2) (i)

Comment [JT79]: 9 (2) (i)

Comment [JT80]: 9 (2) (i)

11 Agree that in the event of not taking a CP2 commitment, New Zealand would intend to nevertheless apply a Kyoto Protocol framework of rules during the transition;

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Comment [JT81]: 9 (2) (i)

Attachments

Comment [JT82]: Attachment withheld under 9 (2) (f) (4) and 9 (2) (g) (1)

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