



Implications of COVID-19 on the timeframes for emissions budgets and the emissions reduction plan

Date Submitted:	2 September 2021	Tracking # BRF-567	
Security Level	Policy and Privacy In-Confidence	MfE Priority:	Urgent

	Action sought:	Response by:
Hon James SHAW, Minister of Climate Change	Discuss the options outlined with officials on 6 September 2021 Agree to pursue Option 2, as recommended by officials	6 September 2021

Actions for Minister's Office Staff	Return the signed report to MfE.
Number of appendices and attachments	Nil

Key contacts

Position	Name	Cell phone	1st contact
Principal Author	Jemima Jamieson		
Responsible Manager	Mark Storey	s 9(2)(a)	✓
Director	Lisa Daniell	s 9(2)(a)	

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Implications of COVID-19 on the timeframes for emissions budgets and the emissions reduction plan

1. This briefing provides you with information on how the latest COVID-19 lockdowns are likely to affect the timeframes for delivering the first three emissions budgets and the emissions reduction plan.
2. It also sets out the timeline options available for delivering the emissions budgets and emissions reduction plan, alongside their respective advantages and disadvantages.

Context

3. In May 2021, Cabinet agreed that the emissions reduction plan will form the basis of New Zealand's long-term low emissions development strategy for the purposes of the Paris Agreement and that this would be delivered in two stages (CAB-21-MIN-0138 refers). More specifically, Cabinet agreed to:
 - complete Part I (Introduction) by COP26
 - complete the detailed policies and strategies in Parts II, III and IV by 31 December 2021.
4. The Climate Change Response Act 2002 also requires the first three emissions budgets (2022-2025, 2026-2030, 2031-2035) to be notified by 31 December 2021 and for the first emissions reduction plan to be published before the first budget period begins on 1 January 2022.

COVID-19 has implications for our timeline

5. On 17 August 2021, the Government announced a nationwide Level 4 lockdown in response to a case of COVID-19 in the community. This lockdown has implications for the timing and form of consultation (moving from in-person to predominantly or exclusively online (depending on future COVID-19 alert levels)) and the ability to deliver the emissions budgets and the emissions reduction plan by 31 December 2021.
6. Consultation on the emissions reduction plan has been particularly impacted. Consultation was planned to commence on 24 August 2021 and has been delayed until at least the week of 6 September 2021. To enable time for submissions analysis and for policies to be adjusted in response to feedback received, the consultation period is likely to be reduced to five weeks. This period cannot be further shortened, as this would:
 - affect the quality of feedback received
 - not give some organisations (e.g. company boards or local councils) enough time to prepare and seek internal approval for their submissions
 - create a risk that consultation is not perceived to be genuine
 - limit opportunities for engaging with iwi and Māori
 - potentially affect our ability to meet the statutory requirement for consultation on the emissions reduction plan to be adequate.
7. In addition, COVID-19 is placing significant pressure on agencies, with some officials being redeployed to work on the response and others struggling with the realities of the lockdown and competing priorities, including childcare.

You have options for dealing with these implications

8. You have four options for how to progress emissions budgets, Part I and the rest of the emissions reduction plan. These are set out below, alongside the associated risks and benefits.
9. In Options 1, 2 and 3, consultation is limited to five weeks and the time available for submissions analysis and policy adjustment is extremely limited. Due to COVID-19, consultation will also move online and involve more targeted stakeholder engagement. These implications may affect the level of public and stakeholder buy-in on the emissions reduction plan.

s9(2)(f)(iv)

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10. We recommend pursuing Option 2, as this will allow more time to work through the statutory requirements for emissions budgets, including consultation with other parties represented in Parliament. This will also allow decisions on emissions budgets to be informed by public consultation and a greater understanding of the costs and abatement potential of policies and measures that have not yet been quantified. Option 2 also means that decisions on emissions budgets can be informed by iwi/Māori engagement, aligned with decisions on the emissions

reduction plan, and informed by a better understanding of the impact of policies and strategies in the emissions reduction plan, including their abatement potential.

11. Part I is being developed with officials from the Ministry of Foreign Affairs (MFAT), who consider that communicating Part I by COP26 is important from an international perspective. Of the options outlined above, MFAT advises that Option 1 is their preference, but that Option 2 is also workable.
12. The Ministry for the Environment and MFAT further note that Part I is not dependent on consultation and, with the exception of emissions budgets, there are no decision points as such. As a result, it is unlikely to be materially impacted by the current lockdowns or the delays in consultation.

13. s9(2)(f)(iv)
 [Redacted]
 [Redacted]
 [Redacted]
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Consultation

14. Under Options 1, 2 and 3 above, there would be five weeks of public consultation on proposals for inclusion in the emissions reduction plan. There are further choices to be made around consultation, all of which involve trade-offs in terms of the time allowed for submissions analysis, policy adjustment, publication processes and possible COVID-19 restrictions.

15. These options are set out in the following table.

Option	What this means	Risks
Public consultation from 6 September – 10 October 2021	<ul style="list-style-type: none"> • Consultation will commence while Auckland is still in Level 4 and other parts of the country are in Level 3 • Online events • 5 weeks of public consultation and targeted stakeholder engagement • 3 weeks for submissions analysis and revising policies (assuming analysis can begin concurrently with the last week of consultation) • Seeking final Cabinet decisions on the emissions reduction plan on 22 November 2021 (NOTE: Our contingency planning allows for decisions as late as 6 December) • Approximately 4 weeks for editing and publication processes 	<p>Very limited window for submissions analysis and adjusting policies.</p> <p>Consultation is online only, creating a risk that only those with access to technology can participate.</p> <p>Auckland will still be in Level 4 at the beginning of consultation, and it is possible that much of the country will remain at level 3.</p>
Public consultation from 13 September – 17 October 2021	<ul style="list-style-type: none"> • Consultation is likely to commence while parts of the country are still in lockdown • Online events • 5 weeks of public consultation and targeted stakeholder engagement • 2 weeks for submissions analysis and adjusting policies (1 week overlap with consultation period) 	<p>s 9(2)(h) [Redacted] [Redacted] [Redacted] [Redacted] [Redacted]</p>

	<ul style="list-style-type: none"> • Seeking final Cabinet decisions on 22 November 2021 (NOTE: Our contingency planning allows for decisions as late as 6 December) • Approximately 4 weeks for publication processes 	<p>Consultation is online only, creating a risk that only those with access to technology can participate.</p>
<p>Public consultation from 20 September – 24 October 2021</p>	<ul style="list-style-type: none"> • Greater chance that consultation will commence after lockdown restrictions have been lifted • Online events • 5 weeks of public consultation and targeted stakeholder engagement • 2 weeks for submissions analysis (1 week overlap with consultation period) • Seeking final Cabinet decisions on 6 December 2021 	<p>This means seeking final decisions at the penultimate Cabinet meeting for 2021. There is a risk that other priorities will push decisions on the emissions reduction plan into 2022.</p> <p>There is very limited time to finalise and sign out the final emissions reduction plan, noting that this scenario would require finalising the emissions reduction plan post-lodgement.</p> <p>NOTE: We highly recommend against this option, as commencing consultation after the week of 13 September would not provide sufficient time for submissions analysis and revising policies.</p>

s 9(2)(h)

[REDACTED]

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Next steps

18. Decisions are urgently needed on the timeframes for progressing the first three emissions budgets and the emissions reduction plan.
19. We recommend that you discuss the options outlined above at your meeting with officials on Monday, 6 September 2021.

Recommendations

We recommend that you:

1. Discuss the available timeline options with officials at your meeting on Monday, 6 September 2021

Yes/No

2. Agree to pursue Option 2, as recommended by officials

Yes/No

Signature

Lisa Daniell Director - Climate Mitigation Climate Directorate	s 9(2)(a)
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Hon James SHAW, Minister of Climate Change	
Date	