



Workshop on CDM & Kyoto Protocol Business Opportunities for NZ in Asia and the Pacific

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16 April 2004

Wellington

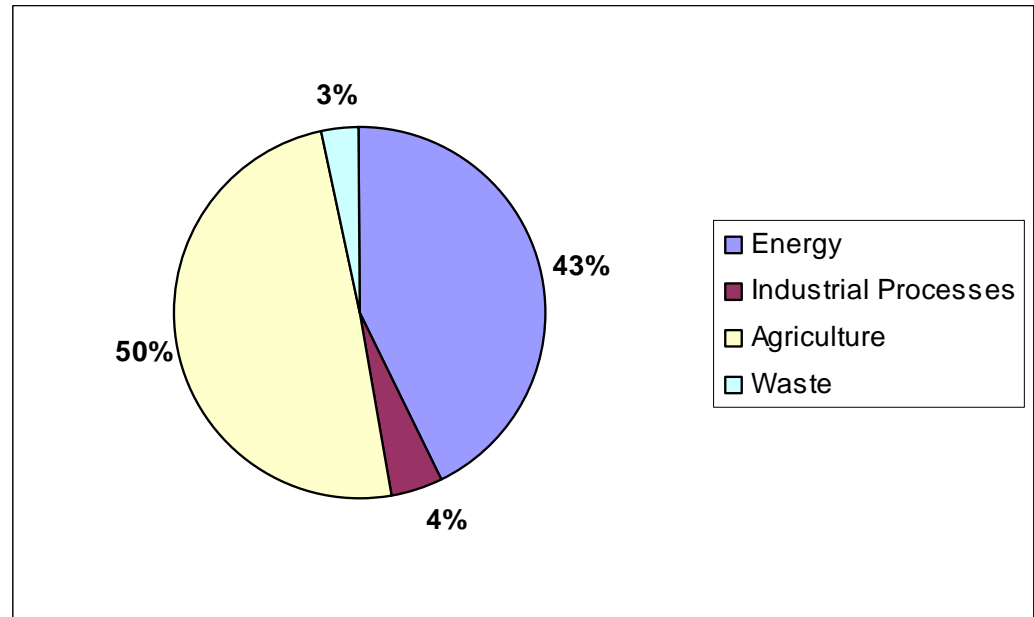
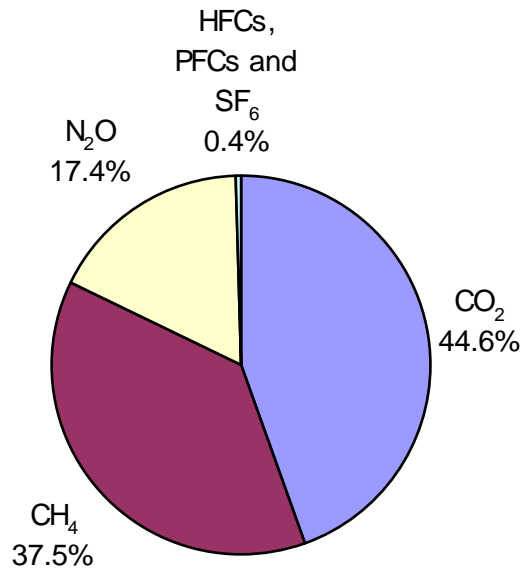


The Government's Objective

- New Zealand should have made significant greenhouse gas reductions on business as usual and be set towards a permanent downward path for total gross emissions by 2012



Emissions by Gas/Sector





Comprehensive Policy Package

Carbon charge capped @ \$25/t CO₂ from 2007

Revenue recycling

Retention of sink credits and capped liabilities

NGAs for competitiveness at risk firms/world best practice

Industry/Government funded research in the agriculture sector

Projects to reduce emissions

Industrial gases voluntary agreement

SMEs and Business Opportunities

Public Education and Awareness



Foundation Policies

- Local Government Partnership
- Resource Management Act Amendment
- Adaptation
- New Zealand Waste Strategy
- Public Awareness Programme
- National Energy Efficiency and Conservation Strategy
- Growth and Innovation framework
- Research
- New Zealand Transport Strategy



NZCCO

The New Zealand Climate Change Office is responsible for:

- Coordinating implementation of the climate change policy
- Compiling and reporting greenhouse gas inventory
- Carbon Accounting System
- New Zealand's commitments to both UNFCCC (1992) and Kyoto Protocol (1997)



Emissions Charge

- To change relative prices to encourage lower carbon fuels and processes
- 2007 onwards, capped at \$25 per tCO₂
- To integrate emissions cost into economic activity (prepare for trading)
- Revenue raised to be recycled
- Design of charge underway



Negotiated Greenhouse Agreements (NGAs)

- Carbon charge may cause emissions “leakage”
- NGAs for “competitiveness at risk” firms
- Partial/full exemption if move to world’s best practice in emissions management
- 12 firms applied, prioritised, and 6 eligible to negotiate



Projects to Reduce Emissions

- Award of Kyoto emission units to projects that will reduce GHG emissions below business-as-usual.
- 15 successful tenderers
- 14 of 15 signed up
- 6 Project announcements made
- Assessment of first round underway



Proposed Forest Industry Framework Agreement (FIFA)

- MOU between Crown and Forestry Industry
- Aims to encourage a growing, viable forestry industry and to meet climate change objectives (protection of sinks)
- Recycles a proportion of sink credits to industry



Agricultural Emissions

- Government will take responsibility for cost of non-CO₂ emissions in first commitment period (2008-2012)
- Voluntary funding by industry for research through PGGRC



Small and Medium Sized Enterprises Synthetic Gases

- Policy for SMEs under development but will cover
 - ways of reducing SME energy use and emissions
 - Voluntary agreement on synthetic gases



Business Opportunities

- Policy for Business Opportunities is being developed, but will look at:
- Development of a climate change service industry
- Emissions management, energy efficiency, renewable energy and emissions trading opportunities



Public Awareness and Education

- Public awareness and education (for long term behaviour change) an important foundation of government's policy package
- Programme targeting major stakeholders