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30 March 2021

New proposal to boost voluntary climate action in Aotearoa New Zealand

Media Release

Researchers at Motu Economic and Public Policy Research have released <u>a policy proposal for boosting voluntary climate action by New Zealand organisations</u>. The work was commissioned by the Energy Efficiency and Conservation Authority (EECA).

Catherine Leining, a Motu Research Policy Fellow who co-authored the study, said, "Many organisations want to go the extra distance to support Aotearoa's low-emission transition. But past approaches to voluntary offsetting and carbon-neutral claims won't continue to work under the United Nations Paris Agreement and Aotearoa's domestic climate change policies. We need a framework that will incentivise voluntary climate action and better enable organisations to make credible, transparent and marketable claims."

The proposal begins with ambitious targets for reducing organisations' own emissions, in line with the temperature goal of the Paris Agreement. To gain recognition for reducing emissions externally, organisations could choose between the:

- Carbon Horizon track (helping Aotearoa meet its Nationally Determined Contribution to lowering emissions – known as an NDC)
- Carbon Frontier track (increasing global mitigation beyond Aotearoa's NDC).

Motu Research proposes both tracks would operate in a way that ensures environmental integrity.

Ms Leining says Aotearoa would still have the conventional option of offsetting emissions through the voluntary carbon market. And the proposed system expands the scope of eligible ways to do voluntary mitigation. The proposal recognises more diverse forms of cooperation, shared gains and broader co-benefits of reducing emissions. The proposed system is scalable for the global transition toward net-zero emissions.

EECA CEO Andrew Caseley says, "As our economy continues to recover from the COVID-19 lockdowns, it's really important to fund projects in New Zealand to speed up our transition to renewable energy where possible, rather than buying offshore credits. A domestic voluntary carbon market would also improve trust, by bringing its spending results closer to Kiwis. Trust is key in the success of any voluntary action."

Ms Leining said, "This proposal needs to be tested in domestic and international markets. This is an international challenge. No consensus has been reached on solutions. But Aotearoa could be a leader in enabling credible voluntary mitigation that fits our national circumstances and speeds up progress in tackling climate change."

Public webinars on <u>this proposal</u> are being offered by Motu Research on 1 April and 16 April 2021. Registration is through Eventbrite.

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Background information

Motu's voluntary climate mitigation work was funded by the Energy Efficiency and Conservation Authority (EECA) and informed by a dialogue process involving organisations across multiple sectors. The work represents the views of the authors and no endorsement is implied by dialogue participants, the New Zealand Government or He Pou a Rangi, the New Zealand Climate Change Commission.

About Motu Research

Motu Economic and Public Policy Research is an independent economic research institute which never advocates an expressed ideology or political position.

A charitable trust, Motu Research is founded on the belief that sound public policy depends on sound research accompanied by well-informed and reasoned debate.

Motu Research is the top-ranked economics organisation in New Zealand. It is in the top ten global economic think tanks, according to the Research Papers in Economics (RePEc) website, which ranks all economists and economic research organisations in the world, based on the quantity and quality of their research publications.

Motu Research also ranks in the top ten climate think tanks in the world according to the International Center for Climate Governance. See www.Motu.nz.

About EECA

EECA is the government agency that works to improve the energy efficiency of New Zealand's homes and businesses and encourages the uptake of renewable energy.

Our purpose is to mobilise New Zealanders to be world leaders in clean and clever energy use. See www.eeca.govt.nz.