



New Zealand Centre for Global Studies

Te Pokapū Akoranga Aorere o Aotearoa

The UN and Climate Negotiations: Implications for the planet; implications for Aotearoa-NZ

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**8th Annual Global Affairs Lecture
6 December 2021**

E ngā Mana, e ngā Reo, Rau Rangatira mā o tēnei Whare Nui o te Ao. *Prestigious people, Speakers of note, chiefs one and all in this house.*

Ngā mihi mahana ki o koutou katoa. *Warm greetings to you all.*

Nō reira, tēnā koutou katoa. *Therefore, greetings to you all.*

First of all, thank you for the invitation.

I acknowledge Dr. Kennedy Graham, Director of the New Zealand Centre for Global Studies; Prof Chris Gallavin, Board Chair; and my fellow participants in this event – Catherine Leining, Alex Kazaglis, Caroline Foster, and Rod Oram.

But most importantly, thank you to those of you who have tuned in this evening, for your time, your attention and your interest in those most vital of subjects.

It's been three weeks now since the diplomatic cyclone that was COP26 came to a close.

As ever, debates on key issues went to the wire – in fact, as with every preceding COP bar one, negotiations went well past the wire, closing 23 hours after the scheduled time.

Before I left for Glasgow, a number of people asked me if I was looking forward to the trip.

Honestly, I wasn't. And not just because Scotland in November doesn't rank highly on my destination wish-list.

Nor because working 16 hour days in windowless rooms isn't my idea of fun. After all, I work at Parliament.

But rather, because trying to prevent a climate catastrophe whilst a small group of petro-states and autocracies do everything they can to stop you from doing so, is soul-destroying work.

But if you don't show up and put your shoulder to the wheel alongside the rest of the world, who are fighting valiantly to keep hope alive, then you're just not part of the solution.

It's a stupid way to run a planet, but it's the only one we've got.



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COP26 background

This year there was perhaps more anticipation ahead of the summit than in any other year since COP21 Paris in 2015.

Despite the world grappling with the COVID-19 pandemic, this was the biggest COP ever held.

Over 40,000 people attended. And of course it attracted high public attention too.

The high interest in COP26 was more than just a response to the pandemic.

Actually, it reflected the critical moment in time that this conference took place.

COP26 was the first test of the ambition shown in the Paris Agreement.

That is, to what extent Countries' commitments – their NDCs – match up with the Paris Agreement goals.

Make no mistake, six weeks ago the world would have failed that test.

So, this conference was viewed as a pivotal point for climate action.

And it was expected to set the scene for the credibility of multilateral climate action for years to come.

Now, this was actually my sixth COP.

I attended part of COP 15 in Copenhagen back in 2009 and COP21 in Paris in 2015, both as an observer.

Since then I've attended four as Climate Change Minister.

I have to say, the mood at Glasgow was noticeably better than the previous two COPs.

I felt a sense of momentum, ambition and urgency that was noticeably missing in Poland and in Spain.

As with every COP, the outcomes are a compromise that represents the lowest common denominator.

Like many others, I would like to have seen stronger outcomes from COP26.

But that lowest common denominator is now higher than where it was only a few months ago.

We shouldn't lose sight of the fact that much was achieved.

The situation *is* catastrophic, but not as catastrophic as it was six weeks ago, or indeed a year ago.

The final agreement, "*the Glasgow Climate Pact*", gets us much closer to where we need to be – and that's an important achievement.

Our Government went to COP26 with a number of priorities. We went to Glasgow to demonstrate our full commitment to the Paris Agreement and keeping 1.5 degrees alive.

To finalise the Paris Agreement "rulebook".

To stand with the Pacific and amplify their voices.

To get us as close as possible to the climate finance goal of US\$100 billion dollars.

And, to demonstrate the value of trade in supporting climate action.



COP26 Outcomes

You can see how far we got with these priorities in the outcomes of COP26.

The Glasgow Pact is a forward step for climate action.

We have kept alive our shared hope of staying within 1.5 degrees of global warming.

It's on life support, but it's still breathing.

Before the COP we were confronted with an aggregate failure – even if every country in the world delivered on their commitments, we were staring in the face of well of something in the vicinity of 2.7 to 3.5 degrees temperature rise.

By the end we were at 1.8 to 2.4 degrees, depending on who you ask.

That's obviously still not 1.5 degrees or less, but, as I say, not as catastrophic. And the pressure will only pile up in the year ahead.

Aotearoa went to COP26 with an updated Nationally Determined Contribution, which is now more compatible with the 1.5°C goal.

Our Climate Change Commission had judged the previous goal as not compatible with a 1.5°C world.

It was especially encouraging to see the world's two biggest sources of greenhouse gases – China and the US – signalling their intention to work together, again, to drive down emissions.

COP26 was a shot in the arm for multilateralism, dysfunctional though the system is.

This outcome perhaps reflects a combination of factors.

That the stark messages from the science have started to get through.

That climate variability impacts across the globe this year have been felt.

That the voices have been heard of those most vulnerable, including our Pacific neighbours.

That the diplomatic efforts of the UK as COP President were effective.

And without doubt – the voices of young people around the world are also being heard.

There were other significant outcomes from COP26 too.

This conference was the first time countries agreed to phase down fossil fuels.

Yes, this could have gone further.

But, never before has there been a single word uttered on fossil fuels in any other COP agreement.

So, the agreed text is a milestone – after *just* 30 years of talks.

Another win was a recognition of the need to protect human rights and indigenous peoples' rights when taking action to cut emissions.

This is something New Zealand has championed for some years.



And *key* for New Zealand, from this COP, is that everything is now in place to make the Paris Agreement fully operational.

That means the contours of the process for the next few years are now clear.

We have rules in place to ensure the environmental integrity of global carbon markets.

We also have rules to ensure transparency in how climate action is reported.

There is still more to discuss about financing the transition and resilience of vulnerable countries.

And we really need to square up to the issue of loss and damage burdening countries as a result of climate disasters.

Achieving consensus and a way forward on these, and other, issues will give countries confidence.

Confidence to act on their plans to reduce emissions, and to report on their progress.

New Zealand's contribution at COP

And, New Zealand's finger prints are all over these outcomes.

For example, many of the strong, ambitious aspects of the carbon markets text – “*Article 6*” – reflect our delegation's hard work.

We worked in collaboration with other countries to secure stringent and high-integrity rules, as well as recognition of human and indigenous peoples' rights.

We've also been a constant on the importance of transparency.

That is rules and procedures for countries to report their greenhouse gas emissions and their progress towards the targets they set themselves.

These were crucial to conclude. Transparency is the backbone of the Paris Agreement.

It is through the transparency framework that Parties will track progress and hold each other to account in a reciprocal way.

This is really important, especially where the Paris Agreement has no legally binding targets.

I co-facilitated transparency negotiations alongside the Environment Minister of Antigua and Barbuda.

Helen Plume of the Ministry for the Environment led the technical work that delivered more than 150 pages of processes and tables.

In my role with Minister Joseph, I engaged with senior negotiators and Ministers.

We met bilaterally with key Countries and other parties.

We also engaged closely with the Presidency of the COP, the UNFCCC Secretariat, and with the New Zealand support team.

Between us we responded to the interests we heard and proposed bridging solutions on things like reporting the financing or costs of loss and damage.

The co-facilitation role obviously gives New Zealand a serious, engaged and independent role in the areas that matter most to us.



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It positions us to seek support on our priorities and values, and to understand those of others.

And, it provides opportunities to build relationships.

That is why I have also done co-facilitation roles in the past too, when approached to do so.

This includes co-facilitating carbon markets negotiations at the Katowice and Madrid COPs.

In Glasgow, I am pleased that our co-facilitation efforts were successful.

We achieved application of reporting requirements for all, and support for developing countries on reporting.

These were key to wrap up the outstanding transparency negotiations.

Having said that, there is a trade off in taking on that role, as it means I'm unable to take more time to meet with a wider set of stakeholders on a much broader suite of topics.

Perception of New Zealand

All this brings me to how New Zealand is perceived at COPs.

Overall, I believe we're viewed as a constructive Party.

We make practical contributions in the negotiations.

We look to build bridges on issues and push for robust outcomes.

We are independent.

We listen to our Pacific neighbours and support them to amplify their voice but we don't speak for them and may not always agree.

Of course, we are a developed country and share some of the views and concerns of other developed nations.

At the same time we press for the rights of vulnerable communities and especially for indigenous peoples.

We have a particular role and opportunity to bridge the far too common divides between the global north and the global south.

I believe we must do much more in this bridge-building space in the years ahead.

In the margins of the negotiations, at panel discussions and side events we try to play a positive role too.

This includes talking about New Zealand's climate policy suite, as well as the challenges we face, and taking the opportunity to learn from others.

Countries are hungry for examples of policy, regulation and legislative systems that will deliver on their NDCs and result in a just transition, where no one is left behind.



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We are seen as having a solid record on climate change policy, despite the fact that, as a country, we are yet to see a sustained decline in our greenhouse gas emissions.

I think that perception comes from having a clear direction and a supporting architecture for transitioning to a low-emission economy.

That record does affect our ability to influence others.

So it's really important we pick up the pace of our domestic climate action and don't allow ourselves to become an empty vessel.

Alongside our NDC, this is one of the reasons we raised our climate finance commitment to NZ\$1.3 billion dollars in grant funding over the next four years (2022-2025).

This is more than four times the size of our 2018 commitment of \$300m.

At least half of that will go to the Pacific, and at least half of it should go towards climate adaptation related projects.

We are a small country, and we cannot solve the climate crisis alone.

Encouraging greater global ambition on climate change serves our interests, as well as those of our Pacific neighbours.

COPs bring different actors together

COPs bring together more than just states parties too, with civil society and non-state actors present.

When the negotiation process becomes quite political, some countries can play to a theatre of other actors at COPs.

But, other actors are central in keeping the process honest.

They contribute at COPs to norm-setting, policy input, and narrative shaping through the media and the public.

At COP26, I heard civil society calls for greater ambition, and amplifying the agendas of vulnerable and progressive countries seeking 1.5-aligned outcomes.

The pressure to ensure we agreed rules for the protection of human and indigenous rights was powerful – and at least partially successful.

Climate change and global governance

So, where does this all leave global governance of climate change?

The UNFCCC process includes a mix of peer pressure, norm-setting, political visibility, and capacity building.

And altogether, these foundations add up to push countries into doing more than they would have otherwise.

They also help support those without the means to decarbonise and adapt to climate change.

But, the pace of progress admittedly has not matched the urgency of the action required.



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There is a saying that, 'winning slowly on climate change is the same thing as losing', given that we are up against an immovable deadline to halve our emissions this decade, halve them again the next, and eliminate them entirely the decade after that.

The intergovernmental process is inherently slow moving.

Every single word and every single comma must be agreed by all the more than 190 parties.

Global negotiations inevitably prioritise forging consensus.

A lot of what is achieved at the COP summits is based on a huge amount of work that happens over the intervening year.

So the UK, as COP Presidency, supported by Italy as President of the G20, choreographed a year of summits and back room diplomacy culminating in the World Leaders Summit that brought together more than 140 leaders to set the tone, direction and ambition needed from the COP.

Beyond COPs, it is important to also be alert to the growing intricacy and value of global climate change politics.

There are developments in an increasing wide range of arenas – nationally, bilaterally, plurilaterally, and multilaterally.

Climate change is always high profile in the Pacific Island Forum meetings and now enjoys an equally high billing at APEC, G7, G20, UNGA and WTO summits.

And New Zealand is now part of a more than thirty coalitions that take climate action further – the Global Methane Pledge, Beyond Oil and Gas and the San Jose Principles.

These coalitions of the *willing-to-go-further* can help set the next COPs' agendas.

In many cases, the objective of a declaration or alliance, is to leverage momentum from first movers to encourage others to take action, and provide a home for those new commitment.

The methane pledge is a good example of that.

In other cases, joining with others means we can harness that international momentum to go further and faster at home.

While New Zealand is focusing its efforts to address climate change through the UNFCCC process, it is clear that the urgency of the climate challenge requires us to use all policy levers.

We cannot have a 'siloed' response, but must look to integrate climate action throughout our work.

As part of our international engagement, New Zealand is mainstreaming climate into our foreign policy and international development cooperation.

We are also a long-standing advocate for mutually supportive trade and climate responses.

We have been at the forefront of efforts to advance climate action at the WTO, OECD, and APEC.

And, through our bilateral and regional trade negotiations with partners like the UK and the EU.

New Zealand has been advocating for the reform of fossil fuel subsidies and other environmentally-harmful subsidies using trade rules over the past decade.



Fossil fuel subsidy reform in particular has the potential to deliver huge reductions in emissions.

Recent studies suggest even a partial phase out of such subsidies can lead to 6 percent reduction in global greenhouse gas emissions.

This year we have seen government leaders and civil society alike linking trade and economic policies to addressing climate change.

As I said earlier, at COP26 Parties explicitly acknowledged for the first time that fossil fuel subsidies must be reformed.

And we have already begun the work needed to make reform a reality.

Right now we are working with WTO Members to launch a New Zealand-led Fossil Fuel Subsidy Reform work programme.

Our initiative has attracted the support of over a quarter of the WTO's membership and will lead to the development of options to address fossil fuel subsidies within the binding and enforceable WTO frameworks.

And, as Chair of APEC this year, we have worked hard to put climate change firmly on the organisation's agenda.

Perhaps the biggest international outcome for us this year was the endorsement of the Aotearoa Plan of Action, in a session chaired by the Prime Minister, which acts as a blueprint for APEC's work for the next 20 years.

Under this Plan, all 21 economies have agreed that APEC's growth and prosperity should be evaluated on an increasingly sustainable basis.

The simplistic focus on GDP lens is well past its use-by date, as if it ever had one.

APEC Leaders have committed to tackling climate change and other environmental issues through every trade and economic avenue available: international trade, structural reforms, carbon pricing, public finance, taxation, subsidies, transport and infrastructure, and energy security.

To build on the previous fossil fuel examples again, APEC economies plan to halt an increase in fossil fuel subsidy use in 2022.

It is the first inter-governmental organisation to make such a concrete step with data and a plan for implementation.

Up to half a trillion US dollars are spent every year on fossil fuel subsidies globally.

So, this work is integral to supporting the APEC region's transition to a low emissions future.

Alongside our efforts in multilateral institutions, we are continuing to lead the first-of-its-kind trade agreement – the *Agreement on Climate Change, Trade and Sustainability*.

The agreement will include binding disciplines to eliminate harmful fossil fuel subsidies, and to liberalise trade in environmental goods and services, in order to encourage the uptake of more climate-friendly technologies around the world.

Given these successes and developments, it will be important for New Zealand to continue to seek out international opportunities, and creative tools, to tackle climate change.



What next for COP?

But, what next for climate COPs themselves? What will be challenges on the table at COP27?

For me, the critical next step is to ensure that the international focus is firmly on implementation rather than the targets and rules we've been arguing about of late.

In the UNFCCC and Paris Agreement space the cycle has begun.

We will prepare for the first round of reporting followed by the Global Stocktake after which countries will submit their next NDCs.

Work on our own next NDC will start in the not-too-distant future, given how protracted a process government consultation and decision-making is.

Elsewhere, there will be new science to process and digest, bodies to establish to deliver carbon markets and programmes of work on gender and indigenous peoples.

Dialogues to be had on the ocean-climate nexus, and deliberations to be held on the next finance goal.

Three key issues are likely to be prominent at COP27: adaptation; climate finance for developing countries; and addressing loss and damage.

The Paris Agreement includes the Global Goal on Adaptation.

Many countries want to see more emphasis and attention at the multilateral level on what effective adaptation and building real resilience means.

A key tension at COP26 was the failure of rich countries to follow through on their finance climate goal of US\$100 billion dollars.

But COP26 was also the place deliberations began on the post 2025 goal.

They will continue at COP27 along with calls for greater adaptation funding.

As I explained earlier, there will also be a continued call for finance and action on averting, minimising and addressing loss and damage in the most vulnerable countries.

Many rich countries are frankly fearful of acknowledging loss and damage, in case it opens them up to massive financial liability as compensation for historical emissions.

In New Zealand's case, we understand this is a really significant issue for our Pacific neighbours.

Being in and of the Pacific, we know first-hand that countries in the region are some of the most vulnerable in the world to climate change.

It's just not right that countries who have contributed the least to climate change are the most affected by its impacts, and are consequently left with the biggest bill.

That is why, on loss and damage, New Zealand has seen its role as a bridge builder at more recent COPs.

We will need to consider our approach for COP27, and what that looks like.

We also have work to do at home here in Aotearoa.



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If we intend to continue leading by example, we need to show the world what meaningful, ambitious and lasting climate action looks like.

We have taken some great steps so far.

In recent months, we have passed legislation to require all listed companies and large financial institutions to report on their climate related risks.

We've upgraded schools, hospitals, universities and businesses to run on clean energy instead of dirty coal.

And we've made it easier for families to purchase low-emission vehicles.

Altogether, is this enough? Not even close.

With the Glasgow talks behind us, we must move harder and faster to turn talk into action.

Right now we're working on Aotearoa New Zealand's first Emissions Reduction Plan, which will set the direction for climate action across a range of areas over the coming fifteen years.

Achieving our domestic and international targets is going to take a great many changes, large and small.

Together, over time, these will add up to a better, cleaner future.

Those changes will be felt right across the political and economic spectrum – in energy, transport, waste, agriculture, construction and financial services.

That's why we are taking an "all-of-government" approach to climate action.

In my view, that means every Minister, to a greater or lesser extent, is now a climate minister.

There is no part of our country, no business, no community, no family, whose future will not be shaped in some way by the decisions we take in the coming decade.

So it's critical we ensure a just transition that doesn't leave anyone behind.

I don't think we will have succeeded in tackling climate change unless we do so in a way that helps to unwind existing patterns of inequality.

Across government, we are prioritising maximising domestic climate action to meet our targets.

At the same time, will also look at possibilities to cooperate with other countries, as envisioned by the Paris Agreement.

This will help us achieve greater emissions reductions, especially our strengthened NDC.

The Government will publish its Emissions Reduction Plan in May 2022.

The commitments we've made both domestically and internationally are not optional; soon, we will know exactly how we're going to deliver on them.

Nō reira, tēnā koutou, tēnā koutou, tēnā koutou katoa.