

Briefing: An Integrated Framework for Stakeholder Processes on Climate Change Mitigation May 2016

Key messages

- 1. New Zealand has challenging emission reduction targets for 2030 and 2050, and will face increasing international pressure to decarbonise its domestic economy during the second half of the century. Achieving these outcomes will require a shift from incremental to transformational change across all sectors with collaboration across government, business, researchers and civil society.
- 2. We cannot know today what an optimal transition pathway will look like for New Zealand. New Zealand's approach should be adaptive, responding to changes in technology, economic development opportunities, social norms and domestic and international circumstances.
- 3. Although many processes are currently underway in New Zealand to address different aspects of mitigation, they lack a coordinating framework, broadly shared goals, accessible information on the costs and benefits from accelerating mitigation across sectors, and policy certainty on future emission pricing and sectoral mitigation measures.
- 4. An integrated framework for stakeholder processes should address three distinct functions: **technical advice**, **agreement on goals and strategies**, and **collaborative action**. It should leverage existing processes and expertise, enable diverse participation, improve information sharing, encourage experimentation, stimulate creative problem solving, and underpin the national mandate for ambitious mitigation action. This framework should be agile and enduring.
- 5. Alongside other processes for technical advice and collaborative action, a central crosssector leaders group could help to build relationships among decision makers; develop shared understanding of mitigation opportunities, risks and constraints across sectors; and achieve broad consensus among sector leaders on core goals and high-level strategies and pathway choices for decarbonising New Zealand's economy. To be effective, this kind of approach requires a clear mandate with the opportunity to influence decision making, a solid information base, adequate motivation and resources for stakeholders to participate, and strong leadership.

Integrated framework for stakeholder processes¹

During public consultation on the government's 2030 emission reduction target (intended nationally determined contribution, or INDC), many stakeholders issued a strong call for greater public input into government decision making on climate change mitigation and greater collaboration across sectors in implementing solutions.

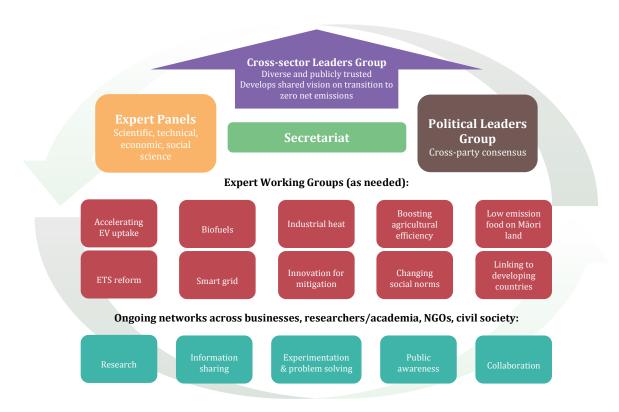
Stakeholder processes could serve different functions, operate at different levels, and have different degrees of direct involvement by government officials and potential to influence government decisions. Such processes can be divided into three categories: technical advice, agreement on goals and strategies, and collaborative action.

Figure 1 illustrates the possible elements of a broad, multi-layer process for stakeholder engagement on New Zealand's low-emission transition.

- The top level contains three leadership processes: synthesis of independent expert technical advice (this is labelled as expert panels but could also take the form of a commission or task force); a political leaders group to develop cross-party consensus on climate change mitigation goals and strategies; and a cross-sector leaders group which would produce a shared vision on New Zealand's transition to a low-emission economy.
- 2. The middle level comprises expert working groups tasked with solving challenging sectoral and cross-sectoral problems and providing public advice.
- 3. The foundation level comprises ongoing processes addressing climate change mitigation across business, researchers/academia, NGOs and civil society.
- 4. A secretariat would coordinate the three leadership processes and facilitate the sharing of information and resources and alignment of effort across all participants in the system.

¹ This briefing presents ideas on climate change stakeholder processes which emerged during Motu's Low-Emission Future Dialogue (May 2014 through February 2016). They have largely been extracted from the report entitled <u>New Zealand's Low-Emission Future: Transformational Pathways</u>. These ideas are intended to provoke thought and discussion. They are not intended to be prescriptive or predictive, nor does their inclusion in this document imply any recommendation, consensus or endorsement by Dialogue participants or presenters, their affiliated organisations or the programme funders.

Figure 1: Process elements for stakeholder engagement on climate change mitigation strategy



Potential process for an effective cross-sector leaders group

An effective cross-sector leaders group designed to build consensus on high-level goals and pathway choices would benefit from having the following drivers in place up front:

- 1. A clear and effective mandate that establishes its purpose, scope of work, timeframe for delivery, and potential to influence government decision making;
- 2. A solid foundation of credible information about options;
- 3. Motivation and resources for key stakeholders to participate;
- 4. Reputational pressure to deliver outcomes serving collective interests; and
- 5. Effective leadership and administrative support.

In a first phase of work, participants could focus on achieving shared understanding of mitigation constraints, risks, opportunities and goals within and across sectors. In a second phase, participants could move toward a consensus on adaptive mitigation pathways, opportunities to align policy with investment and action across sectors, and triggers for adaptive policy change.

A group like this cannot take the place of political decision making by elected representatives, nor should participants be tasked with mastering and solving technical problems that are outside of their area of expertise. It is vitally important that the group boost, rather than delay, ongoing progress on climate change mitigation; waiting for process outcomes should not be used as an excuse for inaction by government, business and civil society. The group's greatest potential lies in:

- Sending a clear signal from influential thought leaders to political decision makers, economic sectors and the general public that New Zealand can and must transition to a thriving low-emission economy;
- Building understanding across sectors and stakeholder groups of the case for accelerating decarbonisation and the types of pathway choices and pathway triggers most relevant to New Zealand;
- Identifying strategic opportunities for sectors to align and coordinate action and manage risks to facilitate mitigation; and
- Demanding greater policy certainty on core mitigation goals and strategies across election cycles as the key to effective low-emission investment.

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