



**New Zealand Submission
on information to be provided by Parties in accordance with Article 9, paragraph 5, of
the Paris Agreement
December 2024**

Key points

- New Zealand is committed to providing support for developing countries to address the impacts of climate change and take climate action, with a particular focus on the Pacific.
- In 2021 New Zealand committed to delivering at least NZ\$1.3 billion in climate-related support from 2022 to 2025, with at least 50 percent of this funding to be provided to Pacific Island countries and at least 50 percent of the total support to be adaptation focused. This was a fourfold increase on our previous commitment of \$300m for 2019-2022.
- As of November 2024, of this \$1.3 billion, NZ\$1.21 billion of activities have been committed and are either under implementation with our partners or have had business cases approved, with more activities currently in design or in the pipeline. This gives us high confidence that New Zealand will deliver on the \$1.3 billion commitment by 2025.
- New Zealand is also confident we will fulfil commitments from the Glasgow Climate Pact to double our finance for adaptation from 2019 levels by 2025.
- New Zealand's climate-related support is primarily funded from ODA and is delivered through grants or in-kind support.
- New Zealand's International Development Cooperation is budgeted in three-yearly cycles. New Zealand's climate-related support is primarily funded from ODA and is delivered through grants or in-kind support. Further work on the pipeline of climate change activities beyond 2025 continues.
- Country partnerships are at the heart of New Zealand's approach to development assistance. We engage regularly with country partners to discuss priorities for support.
- New Zealand is also committed to collaborative multilateral efforts to combat climate change, including through support for multilateral climate change funds.
- New Zealand has committed a total of NZ\$30 million to address climate-induced loss and damage including a \$10m contribution to the Fund for Responding to Loss and Damage announced at COP29.
- Mainstreaming climate change across the International Development Cooperation (IDC) Programme is a priority for New Zealand. We are strengthening our efforts to ensure building resilience to the impacts of climate change is a priority consideration in all activities.

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Context

In recognition of Decision 12/CMA.1 taken at COP28, New Zealand is pleased to submit its biennial communication of indicative quantitative and qualitative information, as available, on projected levels of public finance resources to be provided to developing country Parties to the COP.

New Zealand is a Pacific country. The prosperity and security of Pacific Island countries and territories is of fundamental importance to New Zealand. Climate change is already seriously threatening the well-being and security of our region and around the world.

Urgent, concerted action is required to significantly reduce greenhouse gas emissions and support vulnerable communities to adapt to the impacts of the changing climate. The provision of climate finance from developed countries to developing countries is a critical pillar of global climate action. New Zealand remains committed to the global goal of jointly mobilising US\$100 billion in climate finance through to 2025. We welcome agreement on the new climate finance goal at COP29.

In 2021, New Zealand announced a new international climate finance commitment of NZ\$ 1.3 billion for 2022-25. This represents a fourfold increase from our previous commitment of \$300 million for 2019-22. This finance is supporting developing countries to reduce emissions and protect lives, livelihoods, and infrastructure from the impacts of climate change. Of this commitment, more than half was committed to the Pacific region, and more than half towards adaptation. In reality, New Zealand expects around 75% to contribute to adaptation outcomes and around 65% provided to meet Pacific priorities.

New Zealand's current climate finance is guided by New Zealand's International Climate Finance Strategy (ICFS) *Tuia te Waka a Kiwa* and has been integrated into the Ministry of Foreign Affairs new Strategic Framework.

The Strategy has set four goals for New Zealand's climate finance support: enhancing resilience and adaptation to the impacts of climate change, promoting quicker mitigation action, improving information for evidence-based decision making, and leveraging New Zealand's funding to achieve greater impact.

The Strategy identifies 10 factors we take into account when considering potential climate finance investments. In brief, these are for investments to have high climate impact; Pacific focus and global impact; promote adaptation; act at scale; be collaborative; be partner-led; support equity and inclusion; encourage innovation and accept risk; support biodiversity, oceans and nature; and support loss and damage.

New Zealand's International Development Cooperation is budgeted in three-yearly cycles. As of July 2024, we have entered into the 2024-2027 funding triennium. New Zealand's \$1.3 billion climate finance commitment ends in December 2025. Allocations of funding for this new triennium (2024-2027) are still being formulated.

Consequently, this submission outlines our quantitative and qualitative expectations for climate finance during 2056-26 based on the direction provided by the ICFS and the extent of programming that has occurred to date.

1. Definitions and methodologies related to Aotearoa New Zealand's provision for climate finance

1.1 Integrating climate change considerations, including resilience, into New Zealand's development support.

New Zealand's International Development Cooperation (IDC) programme delivers funding to help improve sustainable development and reduce poverty in developing countries, with a strong focus on the Pacific where we deliver a minimum of 60% of our IDC funding.

New Zealand's international climate finance is delivered through the IDC Programme as grant-based development assistance. It is administered by the Ministry of Foreign Affairs and Trade and almost all of it is delivered as official development assistance (ODA), however, New Zealand's IDC appropriation and total climate finance is more expansive than ODA¹.

*New Zealand's Policy Statement on International Cooperation for Effective Sustainable Development*² identifies the overall purpose of New Zealand's IDC programme as being to contribute to a more peaceful world, in which all people live in dignity and safety, all countries can prosper, and our shared environment is protected.

As part of this, New Zealand recognises climate change as a cross-cutting development issue and has done so for a number of years. Our goal is that climate change is an active consideration in all development assistance, and that all activities ensure action is taken proactively to avoid or reduce climate change impacts and reduce emissions.

Efforts to better integrate climate finance across New Zealand's IDC programming, and mainstream climate resilience across all activities, has resulted in 33 percent of New Zealand's IDC activities contributing to New Zealand's climate change goals. In the Pacific, 28 percent of IDC is tagged as contributing to either mitigation or adaptation outcomes.

There are co-benefits from this across a range of development outcomes, as is reflected in the integrated approach to climate change and development that Pacific Island Countries have adopted.³

1.2 Relevant methodologies and assumptions used to project levels of climate finance

The New Zealand IDC Programme has policies and systems in place to regularly and transparently track, measure, record and forecast climate-related assistance provided to developing countries. We are also committed to ongoing improvements in our reporting of climate finance.

The IDC Programme uses the Rio markers of the Organisation for Economic Co-operation and Development's Development Assistance Committee for tracking development assistance with climate change adaptation and mitigation outcomes. While the Development Assistance Committee's Rio markers capture the thematic objectives of each activity, they do not quantify

¹ New Zealand's support under the International Development Cooperation appropriation is more expansive than ODA as some high-income Pacific countries are also eligible for support under New Zealand's IDC.

² This can be accessed at <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf>.

³ [Framework for Resilient Development in the Pacific](#)

expenditure towards these objectives. New Zealand has built on the Rio markers to create a system to quantify the climate-related support provided by the IDC Programme.

The IDC tracking system allows climate-related expenditure to be quantified and recorded in the IDC Programme's climate change inventory, according to specific classifications and moderation weightings, as Table 1 shows.

Table 1: Classifications and moderation weightings for quantifying and recording climate-related expenditure

Classification	Where addressing climate change is...	Financial information recorded in the climate change inventory
Principal	...one of the main outcomes of the activity Addressing climate change risks or opportunities is fundamental to the design of the activity. The activity includes climate change as an important outcome. Climate change is explicitly addressed through specific outputs	100% of the activity value for the financial year
Significant	...one of the outcomes of the activity Addressing climate change risks or opportunities is an important but not the principal reason for undertaking the activity. Climate change is explicitly addressed as part of outputs in the activity design – these do more than simply avoid a potential negative impact	30% of the activity value for the financial year unless either: 1. a more accurate figure is known or 2. a different default figure is specified for the particular activity type
Not targeted	...not an outcome of the activity Climate change opportunities and risks have been assessed but will not be significantly addressed through any of the outputs in the Results Framework	0% of the activity value for the financial year

In addition to the criteria in Table 1, some specific types of activities supported by the IDC Programme have specific weightings. Table 2 provides further guidance on the application of the climate change markers for those activities.

Table 2: Guidance on the application of the climate change markers

Activity	Description	Marker and classification	Weighting
Disaster risk reduction and management	The activity is driven by a prime concern for extreme weather events	Adaptation: Principal	100%
	The activity is driven by a prime concern for seismic events (earthquakes, tsunamis) but where extreme weather events occur	Adaptation: Significant	50%
Renewable energy and energy efficiency	Any activity dealing with renewable energy and/or energy efficiency, whether the prime concern is energy security, economic growth, climate change or any combination of these	Mitigation: Principal	100%
Energy upgrading	Energy upgrading activities, where the outcome of the activity is safer access to energy supplies during extreme weather events, can potentially be marked significant	Adaptation: Significant	30%

These markers and weightings are important because of our efforts to mainstream climate change into our development assistance as described in the previous section. They enable us to estimate how much climate finance is being spent in the context of an integrated portfolio with activities addressing multiple needs and issues.

In 2018 we included a Climate Change Capacity Building marker in our reporting system to better track support we provide to capacity building, and we have just (November 2024) added a Technology Transfer marker to the system as well to aid our reporting.

1.3 An indication of new and additional resource to be provided and how New Zealand determines resources as “new and additional”

New Zealand’s climate-related support has remained an important part of its IDC budget. While climate-related support fluctuates annually, it is on an upward trajectory due to

- New Zealand’s increased climate finance commitment of NZ\$1.3 billion for 2022–25;⁴
- increased efforts to mobilise private finance;
- continued efforts to mainstream climate change across New Zealand’s IDC Programme.

Of New Zealand’s \$1.3 billion climate finance commitment for 2022-25, \$800 million is “new and additional” finance in the sense it is in addition to the \$500 million of New Zealand’s IDC budget already targeted towards climate outcomes and baselined in the IDC Programme. The \$800 million was originally appropriated from New Zealand’s Climate Emergency Response Fund, established in 2021. Activities from the \$800 million component must be tagged as “principal” for climate outcomes whereas those in the \$500 million component can be “principal” or “significant”.

2. Information on projected levels and distribution of climate finance

2.1 National circumstances and limitations relevant to the provision of ex-ante information

New Zealand seeks to provide as much clarity and predictability on forward-looking climate finance flows as possible. We do this in a number of ways, including by regular engagement with partner countries and entering into multi-year contracts at the activity level where possible. The IDC Programme also has multiyear allocations which provides greater certainty and predictability of funding. However, our domestic budgetary processes do place some limitations on what we can do. High-level multi-year financial commitments and indicative forecasting to partners are still subject to annual budgetary appropriation through the New Zealand Parliament. Further,

⁴ This amounts to around \$325m / annum however timing of actual payments will fluctuate, so this figure will vary on an annual basis with an expectation that annual expenditure will grow as programming advances.

precise annual forecasts of expenditure are difficult as they depend on anticipated speed of activity implementation. Forecast expenditure changes as activities are implemented and delays are common;

- providing information on the climate specificity of our core contributions to multilateral development banks is difficult as information on imputed shares is not available ex-ante;
- the timing of reporting relative to activity and budget programming is an important limitation. Forecasting for out-years is generally less accurate since programming is less firm and is subject to ongoing prioritisation discussions with partner governments.

Regardless of limitations on the forecasting and reporting of finance, New Zealand intends to meet its climate finance commitments fully.

2.2 Information to increase clarity on the projected levels of public financial resources to be provided to developing countries

New Zealand committed to providing at least NZ\$1.3 billion of climate finance over 2022-25 and has made significant progress towards delivering this commitment.

As of November 2024, NZ\$1.2 billion of activities have been committed or business cases approved. Programming of the remaining funding is well under way.

The tables below show a breakdown of committed activities by geographical spread and by sectors (as per CRS Codes).

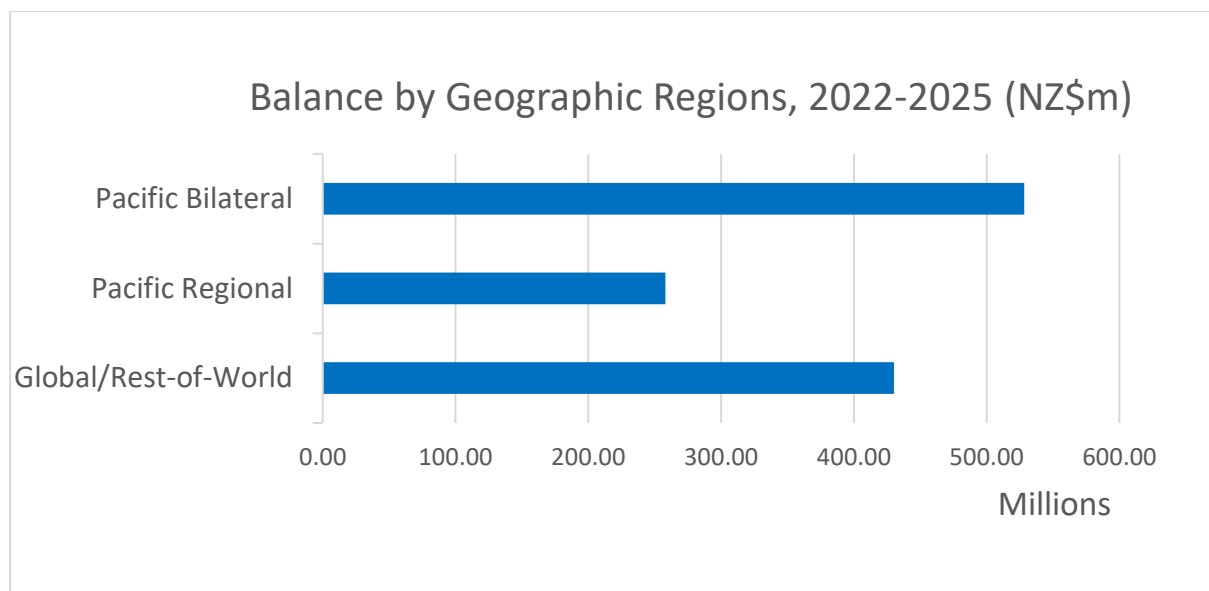


Figure 2: Balance of 2022-25 climate finance commitment by geographic region as of November 2024

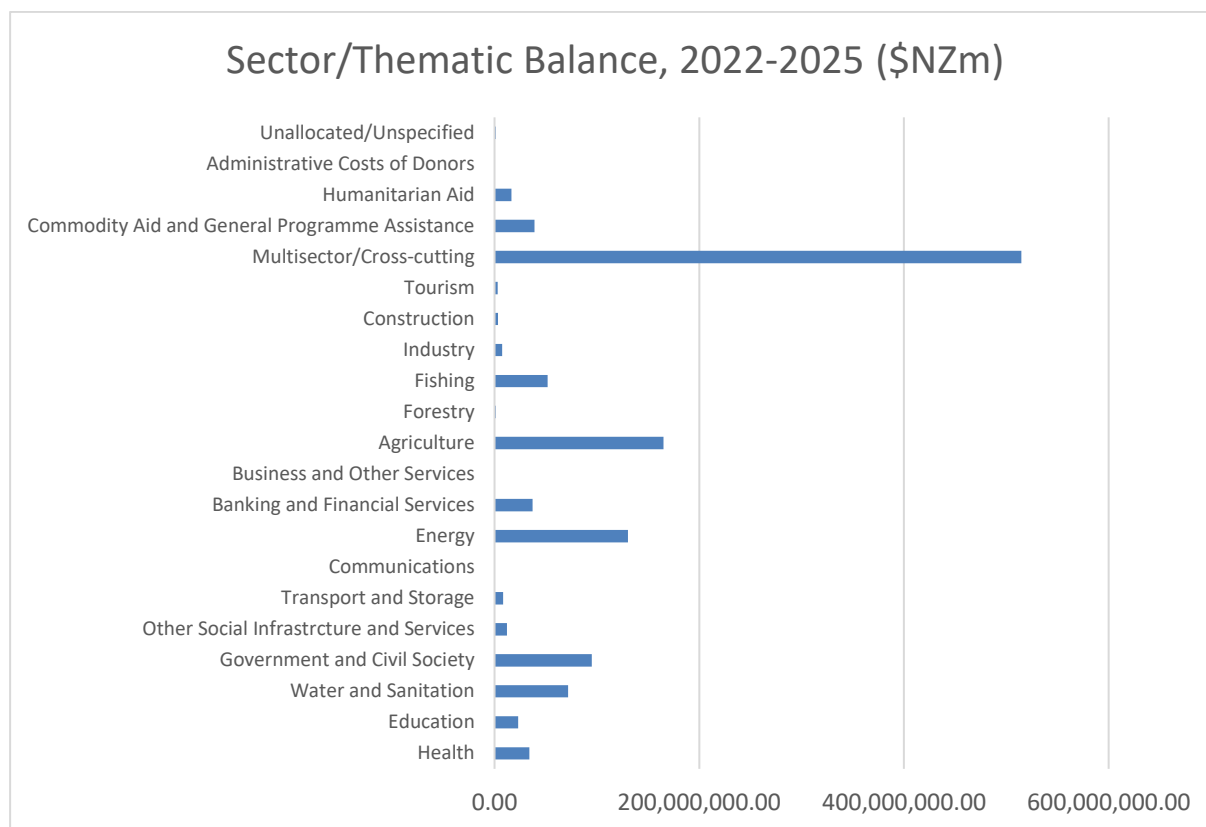


Figure 3: Sector/thematic balance of 2022-25 climate finance commitment as of November 2024

2.3 Indicative quantitative and qualitative information on programmes, including projected levels, channels and instruments

New Zealand provides climate-related support in a range of ways:

- Bilaterally, primarily in the Pacific but also in Southeast Asia, Africa, Latin America and the Caribbean. This support is delivered by a range of partners including governments, civil society organisations, UN and regional agencies, New Zealand government agencies, and international NGOs;
- Contributions to Pacific regional organisations with a strategic focus on climate change, and to multilateral agencies such as UNDP;
- Contributions to the UNFCCC funds and Financial Mechanism's operating entities: the Green Climate Fund, Global Environment Facility, Fund for Responding to Loss and Damage and the Global Biodiversity Framework Fund.
- Core contributions to Multilateral Development Banks that provide climate-related support to developing countries (e.g. World Bank, ADB).

New Zealand's reported climate-related support is grant or in-kind support. Some in-kind support is provided to developing country partners through New Zealand's domestic government agencies, such as the Ministry for the Environment and the Ministry for Primary Industries (through the Global Research Alliance for Agricultural Greenhouse Gases).

Of the NZ\$1.2 billion of committed activities, approximately NZ\$477.6 million is tagged for global/rest of world contributions and the remainder is for other channels such as Pacific

bilateral (NZ\$651.6 million) and Pacific regional (NZ\$290.4 million) approaches. These numbers are indicative of current programming and will change as the pipeline of activities solidifies.

2.4 Policies and priorities, including regions and geography, recipient countries, beneficiaries, targeted groups, sectors and gender responsiveness

In addition to our *Policy Statement on International Cooperation for Effective Sustainable Development*, particular policies and priorities for climate finance are articulated in the ICFS. It provides a high-level, flexible framework to inform our climate finance investments and a common understanding of New Zealand's climate finance preferences for our partners.

New Zealand's climate finance goals and outcomes express the impact that we expect to have contributed to through our funding support and engagement. Each goal relates to several of the UN SDGs, recognising the cross-cutting nature of many of them.

Table 3 New Zealand's climate finance goals and outcomes 2022-2025

Climate finance goal	Outcomes
Accelerated climate change mitigation 	<p>Developing countries accelerate their mitigation priorities, including those in their NDCs targets, in a cost-effective way.</p> <p>Developing countries increasingly adopt emissions-reducing technologies and practices in agriculture, energy, forestry, tourism and land and maritime transport.</p> <p>Developing countries reduce their reliance on, and subsidies for, domestic or imported fossil fuels.</p>
Enhanced resilience and adaptation to the impacts of climate change 	<p>Developing countries improve the quality, and/or accelerate the implementation, of their National Adaptation Plans or similar plans.</p> <p>Communities are increasingly climate resilient and are better able to support their own health and well-being in situ</p> <p>Communities are better able to maintain economic, social, and cultural values in the face of growing climate and disaster risks, loss, and damage.</p>
Improved institutional capability and evidence-based decision making 	<p>Effective regional institutions and a strong multilateral rules-based order support more ambitious and innovative action on climate change.</p> <p>Climate resilient decision-making is improved through greater access to, and use of, education, science, indigenous knowledge and techniques, data, and information.</p> <p>Growth in the number and capability of current and future climate change researchers, policy-makers and legislators.</p>
Leveraged investment to achieve greater climate impact 	<p>Our climate finance crowds in increased private climate finance and taps into private sector technologies and expertise.</p> <p>Our climate finance leverages greater investment by like-minded bilateral donors and multilateral organisations</p> <p>Developing countries enabled to set up, implement and report on carbon markets where this enables them to accelerate mitigation, adaptation, and development outcomes.</p>

New Zealand does not have a pre-determined list of priority sectors for climate-related support. However, the preferences expressed in our ICFS (and below) provide relevant forward-looking guidance for the choices we make:

CLIMATE FINANCE: OUR PREFERENCES



Figure 4: New Zealand's climate finance preferences.

Pacific-focus, global impact

Helping Pacific Small Island Developing States (P-SIDS) to act on the threat of climate change, by reducing vulnerability to its impacts, building climate resilience, and helping to meet emissions targets, is a priority for the New Zealand Government.

Of New Zealand's NZ\$1.3 billion commitment for 2022-2025, we have committed a minimum of 50 percent for the Pacific. This recognises the specific challenges facing the Pacific, including P-SIDS' particular vulnerability to climate change and our deep and long-standing whakapapa (genealogy, family) connections.

We also continue to promote the Pacific's interests in multilateral fora such as the WTO (for example, on harmful fishing subsidies and food security), and support the development of regional climate change solutions through existing region-wide architecture, such as the Pacific Islands Forum, the members of the Council of Regional Organisations in the Pacific and regional research bodies.

We continue to support Pacific nations to integrate climate change and disaster risk management into their sustainable development planning, in line with country National Adaptation Plans and Nationally Determined Contributions (NDCs).

We acknowledge our special constitutional relationships with and responsibilities for the Cook Islands, Tokelau, and Niue.

Climate change is a global challenge, and our investment profile also reflects this. We recognise there may be limited opportunities for large-scale mitigation outcomes in some Pacific nations, given their relatively small emissions profiles. To support the global endeavour

to drive deep and rapid decarbonisation, we prioritise options for large scale mitigation investments outside of the Pacific with a particular and growing focus on South- and Southeast Asia.

Of the NZ\$561.3 million of committed activities for 2022-2025, approximately 40 percent is tagged for bilateral contributions to the Pacific, 25 percent for regional Pacific contributions, and 35 percent for the rest of the world. Figure 6 shows this breakdown. These numbers are only indicative of current programming and will change as the pipeline of activities solidifies.

Increasing Focus on Asia

New Zealand has committed to significantly increase New Zealand's focus on and resources applied to South Asia (in particular India) and Southeast Asia whilst sustaining our deeper and comprehensive focus on the Pacific, working closely with Pacific leaders, Australia and other likeminded partners.

Beyond the Asia-Pacific region, key regional priorities for our climate finance are developing countries in **Africa, Latin America and the Caribbean**, including bringing to bear our technical expertise in reducing agricultural emissions and enhancing food security.

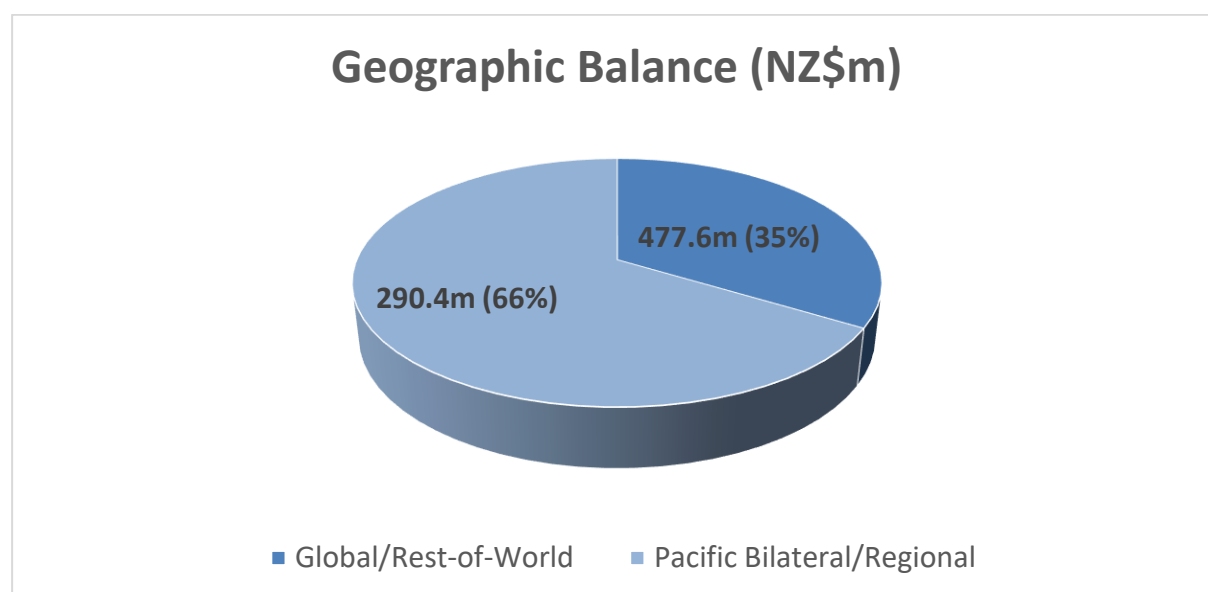


Figure 5: Geographic balance of 2022-25 climate finance programming as of November 2024

Country Flexible Finance

Country Flexible Finance is an innovative programme New Zealand has spearheaded as a direct response to calls from the Pacific governments to have greater autonomy and flexibility over how they meet their national climate change priorities.

The programme moves beyond providing project funding by distributing climate finance directly to country systems for countries to allocate to their climate response priorities. This mechanism aligns climate finance more closely to the country's existing climate focused implementation pipeline. The programme comprises two main components: a financing element and a capacity and capability element.

New Zealand has programmed NZ\$75 million of flexible climate finance to five Pacific countries, selected based on the readiness of their financial management systems.

Loss and damage

Pacific Island countries are some of the most exposed in the world to the effects of climate change. There are indications that adaptation limits have already been exceeded in some locations. Economic and non-economic losses and damages are becoming increasingly apparent and are not impacts a country simply adapts to.

New Zealand is committed to providing finance for action to help address climate-related loss and damage in developing countries. At COP 29, New Zealand pledged NZ\$10 million to the Fund for Responding to Loss and Damage. New Zealand's priorities for this global fund are to ensure it delivers effective support to people in affected communities including in the Pacific and other vulnerable regions to recover from climate impacts and build stronger, more resilient communities.

This follows a NZ\$20 million commitment announced at COP28 to address climate-induced loss and damage in the region, including NZ\$6.3 million for a regional initiative delivered by the Secretariat of the Pacific Regional Environment Programme (SPREP). This two-year Loss and Damage Capacity and Capability Project will create a platform for Pacific collaboration and play a central role in building the region's capacity and capability to address loss and damage.

Significant work will be required to develop systems and methodologies for tracking and reporting loss and damage climate finance. We have begun working on this and look forward to collaborating with partners in this area.

Equity and inclusion

New Zealand is upholding our commitment to increase our gender principal investment to 4% of our overall development spending. This includes strategically focusing on women's leadership in climate change adaptation and governance, providing opportunities for women's economic empowerment across our climate finance initiatives, and programming to respond to the gender impacts of climate change.

An example of this focus is our support for the Governance for Resilient Development project, which works to embed gender and social inclusion risk into policy and decision-making across seven Pacific Island countries. The project seeks to reduce the disproportionate impact of climate change and disasters on women, young people, and those living with disabilities.

New Zealand has provided NZ\$24 million in support of the Climate Resilient Islands activity. This work leverages the indigenous knowledge of communities in Fiji, Vanuatu, Tonga, Solomon Islands, Papua New Guinea and Tuvalu to safeguard ecosystems and deliver livelihood initiatives to ensure that indigenous communities are leading in their response to climate change.

Supporting biodiversity, oceans, and nature

Biodiversity loss, ocean health and climate change are interlinked issues that have implications for ecosystems, resilience and food security. A priority for our climate finance investments will be promoting ecosystem protection, conservation, and restoration as effective mitigation and adaptation measures in developing countries.

One example of this preference is our support for Pacific Invasive Species Management Support Service (PRIMSS) at SPREP to manage invasive species in 14 countries. This includes government officials identifying priority species to target in order to increase climate resilience, food security and the health of ecosystems. New Zealand's funding of NZ\$20.6 million continues to June 2026, and complements other funding contributions to PRIMSS such as through the GEF.

We recognise the need for greater investments into the ocean-climate nexus. Ocean ecosystems play a crucial role in climate resilience, especially in the Pacific. As well as continuing to support existing mitigation and adaptation initiatives, we recognise that better understanding the role of the ocean in the climate system and the impacts of climate change on oceans is critical for providing enhanced mitigation and adaptation pathways in the future.

The Resilient Pacific Ocean activity seeks to provide support to five countries (Niue, Solomon Islands, Palau, Kiribati and the Cook Islands), to build capacity for locally led approaches to climate and biodiversity-smart marine spatial planning and marine protection. New Zealand is contributing NZ\$ 15.3 million to the activity which runs through to June 2027.

Target groups

New Zealand provides support to a range of groups – national governments, local governments, civil society, the private sector, and local communities. The type of groups targeted by New Zealand's climate-related support depends on the focus and characteristics of each activity and is developed in consultation with partner governments and implementing partners.

2.5 Information on purposes and types of support: mitigation, adaptation, cross-cutting activities, technology transfer and capacity-building

Of the NZ\$1.2 billion of committed activities, 36.6 percent is tagged as adaptation only, 58.8 percent as both adaptation and mitigation (cross-cutting) (12.5 percent of this is tagged as mitigation principal), and 4.5 percent as mitigation only. Figure 7 shows this breakdown. These numbers indicate that New Zealand will have met and exceeded our overall commitment to at least 50 percent of our climate finance going to adaptation.

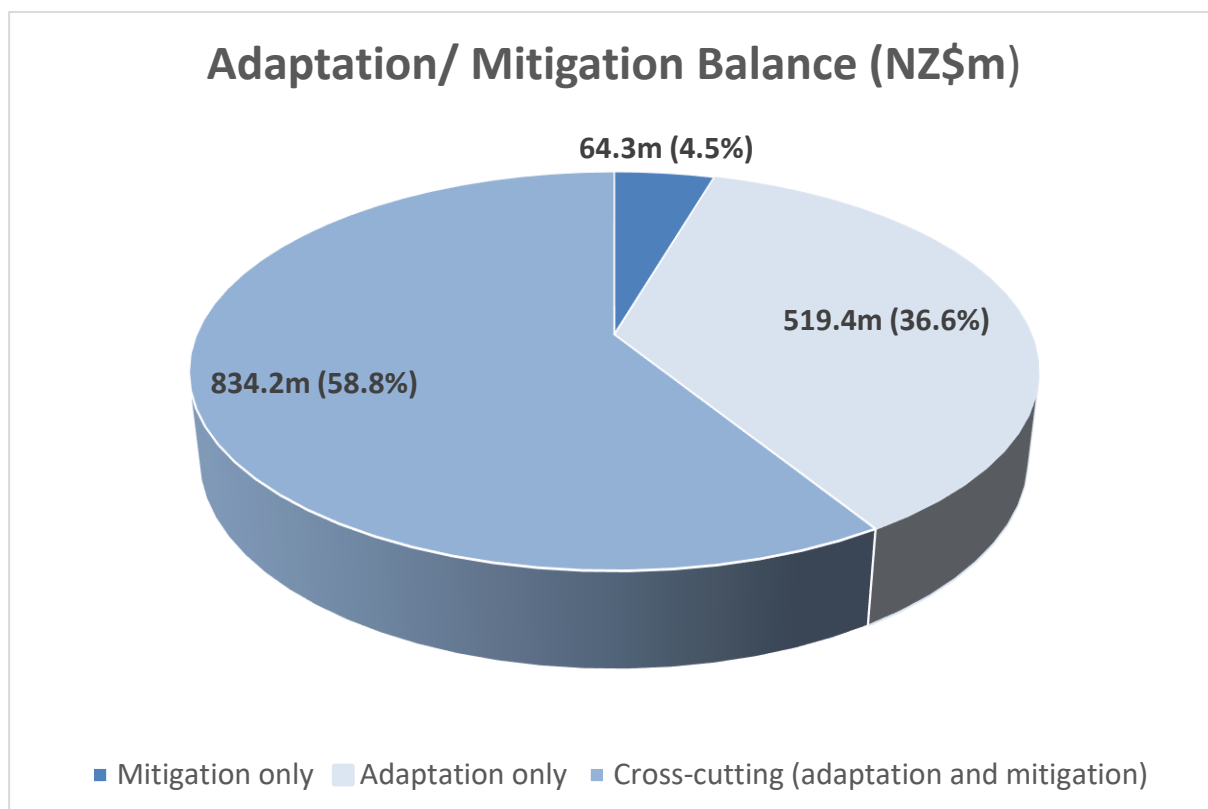


Figure 6 Adaptation/mitigation balance of 2022-25 climate finance programming as at November 2024

The ICFS provides further information on the purposes and types of support of our climate finance that guides our programming. This is summarised in the sections below.

Mitigation

Our mitigation investments deliver significant climate action and outcomes. This incorporates consideration of the IPCC's priority areas for decarbonisation, including:

- transitioning away from fossil fuel use,
- promoting low-emission energy sources,
- retrofitting and constructing more energy-efficient buildings, and
- making sustainable agricultural and land use choices

New Zealand looks to support priorities expressed in partners' NDCs. In the Pacific, NDCs have a very strong focus on renewable energy and reducing fossil fuel use in transport. Other forms of mitigation commonly found in these NDCs could support adaptation objectives, such as reforestation and mangrove protection and planting.

In Southeast Asia, New Zealand is demonstrating its commitment to reducing greenhouse gas emissions and supporting clean energy transition through a NZ\$41 million contribution to the Asian Development Bank's Energy Transition Mechanism. The initiative uses public and private finance to accelerate the retirement and repurposing of coal-fired power plants and replace them with cleaner, renewable sources of energy.

New Zealand continues to champion a coordinated approach among development partners, particularly in the Pacific region. It is a key funder and member of the Pacific Regional Infrastructure Facility (PRIF, theprif.org), which coordinates the Pacific efforts of eight large development partners. The PRIF has an active and effective Energy Sector Working Group, in which development partners align their work and share opportunities for working together in the energy sector. By taking a coordinated, regional approach to renewable energy and energy efficiency projects, PRIF partners will accelerate progress towards achieving Pacific Island countries' renewable energy targets, which form an important part of their NDCs submitted under the Paris Agreement.

Adaptation

Adaptation finance provided to support developing countries is essential must continue to grow in view of the significant need. In 2021, the Glasgow Climate Pact recognized this imperative and provided a clear call to developed countries to “at least double their collective provision of climate finance for adaptation” from 2019 levels by 2025.

In 2021, New Zealand pledged that at least 50% of its climate finance for the 2022-2025 period will be for adaptation (a minimum of NZ\$650 million). This recognises the importance of adaptation finance to climate-vulnerable countries such as Small Island Developing States (SIDS) and the current collective failure to achieve a balance between adaptation and mitigation finance as stressed in Article 9.4 of the Paris Agreement.

New Zealand is on track to fully deliver this commitment and has high confidence that it will more than double its adaptation finance by 2025 (from 2019 levels).

We also support national and community-level resilience and adaptation actions within the context of national and regional plans, strategies and frameworks. New Zealand works with partner countries and regional agencies to help shape and deliver these actions in response to countries' priorities, including as expressed in National Adaptation Plans (NAPs).

Looking across NAPs in the Pacific, nations share many adaptation investment interests, particularly in areas related to ensuring clean and safe water supply, health and sanitation, disaster risk reduction (usually via interventions such as early warning systems, cyclone shelters, coastal protection, and flood management), and community participation.

There is a strong common interest in areas of ‘systems change’ such as capacity building, research and development, inclusion of local knowledge, and technical skills for monitoring and planning for adaptation. Pacific NAPs also give priority to building resilience in primary sectors, such as agriculture, forestry and fisheries. These are all areas we support.

Another important aspect of promoting economic, social and climate resilience will be expanding our existing work on Disaster Risk Reduction, including through the Pacific Resilience Partnership.

Capacity building

Improved institutional capability and evidence-based decision-making is a key goal of our ICFS. We recognise existing constraints in research institutions and public services, especially in smaller nations, present a challenge to the effective delivery of climate finance initiatives.

Our climate finances support effective regional institutions and a strong multilateral rules-based order as key enablers of more ambitious and innovative action on climate change. This includes supporting actions to improve access to finance for SIDS.

We support greater access to, and use of education, science, indigenous knowledge and techniques, data and information in developing countries. This reinforces growth in the number and capability of climate change researchers, policymakers and legislators.

The following examples illustrate the range of areas in which this support has contributed:

Renewable energy. Aligned with the many renewable energy activities featuring technology transfer for climate mitigation, New Zealand aims to strengthen such with capacity-building support to ensure countries and communities have the ability to operate and maintain these technologies into the future. The Indonesia Renewable Energy Programme provides expert advice to ensure our renewable energy activities are targeted and relevant and continuing to contribute to increased access to renewable energy across Indonesia.

Improving climate research, data and analysis to support better evidence-based decision making. New Zealand provides funding to the Pacific Climate Change Centre. New Zealand's support focuses primarily on human resources and capacity development support.

Drought resilience. An Integrated Water Resource Management activity supports Tuvalu's climate change adaptation efforts through the implementation of drought management plans, water and sanitation policy development and drought modelling.

Technology transfer

The development and transfer of climate-friendly technologies is critical for reducing GHG emissions and adapting to the impacts of climate change, including achieving the goals of the Paris Agreement. New Zealand is committed to promoting, facilitating and financing the transfer of, access to, and deployment of climate-friendly technologies for the benefit of developing countries. New Zealand's support for technology transfer includes both tangible assets and "soft" components such as information and knowledge sharing, training and research.

Many activities with a technology transfer element are in the energy, water and sanitation, and agriculture sectors. One example that provides endogenous technology transfers is the Renewable Energy Initiative in Nauru. This activity constructed a 1.15-megawatt solar photovoltaic generation system in Nauru and builds a connection to the existing power network. In addition, this activity also provides exogenous technology to Nauru through technical assistance and training to operate the new generation system.

In addition to technology transfer delivered through the New Zealand IDC Programme, the Global Research Alliance also promotes and facilitates the development of agriculture-specific capacities and technologies of country partners. For example, New Zealand support enables GRA members to:

- Develop and/or improve their agriculture GHG inventories consistent with their national circumstances, priorities and capacities;

- Develop, apply, diffuse and transfer technologies, practices and processes that control, reduce, or prevent GHGs in the agriculture sector;
- Conserve and enhance sinks and reservoirs of GHGs in terrestrial ecosystems.

In November 2024, MFAT added a Technology Transfer marker to its internal aid management system to enable tagging of activities that supporting climate-related technology transfer.

2.6 Information on how financial support effectively addresses the needs and priorities of developing country Parties and supports country-driven strategies

Country partnerships are at the heart of New Zealand's IDC Programme, including our climate-related support. Our climate finance strategy emphasises the recognition of partner countries' sovereignty, mana, agency, and expertise in determining their own climate change mitigation and adaptation priorities.

One of our key principles for achieving this is being partner-led, rather than seeking to impose our preferences on host governments. We develop joint commitments with our partners which are based on partner countries' national plans and identified needs and hold regular consultations with partner governments.

We recognise and respect that each of our development partners is on their own journey towards addressing the challenges of climate change. Each experiences different impacts. Each has different histories, cultures, starting points, approaches and capacity to adjust over time.

New Zealand IDC Programme priorities are expressed in Country Plans. These reflect an integrated approach to New Zealand's engagement in bilateral partner countries.

Examples of recent support for country-driven strategies include:

- Providing funding to the Cook Islands Climate Change office to build its capacity to access finance and deliver projects, including supporting proposal development and preparing new climate change legislation;
- Support for the Pacific Regional NDC Hub, a demand-driven initiative to support P-SIDS with their NDCs. This includes providing country- and sector-specific technical assistance and facilitating matchmaking of support for NDC implementation, enhancement and financing.
- Building ecosystem resilience, food security and livelihoods based on the indigenous knowledge of communities in Fiji, Tuvalu, Vanuatu and Tonga. The communities were selected with significant input from central and local government officials in each country.
- Untagged finance provided to 5 countries (Fiji, Samoa, Vanuatu, Tuvalu and Tonga) to enable them to more flexibly pursue their climate change priorities as expressed in NAPs and NDCs.

3. Efforts to mobilise additional finance and make finance flows consistent with the long-term goals of the Paris Agreement

3.1 Mobilizing additional climate finance

Leveraging our climate finance investment to achieve greater impact is one of our key objectives. We recognise this as an important step in mobilising climate finance to support action commensurate with the scale of the climate crisis and the needs and priorities of developing countries.

New Zealand is currently exploring ways in which we can mobilise commercial capital at scale for climate-related projects through investment models that use blended finance funds.

We also recognise the potential of carbon markets as mechanisms that can mobilise additional finance. Through a \$15m contribution to the Global Green Growth Institutes' Carbon Transaction Facility's Readiness Facility we assist developing countries to set up, implement, and report on carbon markets or similar mechanisms where this supports them to accelerate mitigation, adaptation and development outcomes.

3.2 Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development

New Zealand recognises the critical importance of making all finance flows consistent with low greenhouse gas emissions and climate-resilient development, as captured in Article 2.1c of the Paris Agreement.

New Zealand has begun taking action domestically to pursue this goal, such as implementing mandatory climate-related financial risk disclosures and will explore how our climate finance support can support developing countries to do so too. We recognise the development of effective policies and enabling environments as one critical step towards this.

4. Further information and reflections on Aotearoa New Zealand's provision of climate finance

4.1 Factors that New Zealand looks for in evaluating proposals

Alongside ensuring our climate finance meets the goals outcomes and preferences of the ICFS, New Zealand is also committed to targeting our efforts to where we can make a real difference and to ensuring our IDC Programme is effectively delivering value for investment of taxpayer funds.

New Zealand considers proposals for climate-related support in the same way we consider all development assistance proposals. We seek to embed the principles of development effectiveness into all our activities, and seek to achieve impact and results through development outcomes that are:

- Effective: that are values driven, partnership focused, dynamic and evidence based.
- Inclusive: that address exclusions and inequality created across all dimensions of social identity, while promoting human rights and equitable participation in the benefits of development.

- **Resilient:** that promote resilience to the impacts of climate change, natural disasters and external shocks.
- **Sustained:** that respond to context and are locally owned, recognising the significant role of Indigenous knowledge as the foundation for climate resilience in the Pacific.

4.2 Challenges and barriers encountered in the past, lessons learned, and measures taken to overcome them

New Zealand acknowledges a range of challenges and barriers associated with the provision and reporting of climate finance and its effective use. These include:

- **Accounting for climate finance:** In the Pacific, climate resilience and development are tightly interwoven. Most ODA-eligible activities can contribute to climate resilience in some form, but accurately accounting for the “climate finance” contribution can be difficult. Accurate monitoring frameworks that incorporate specific climate indicators are one way to improve the accuracy of this assessment; we are working to increase the proportion of all activities funded through ODA that seek to build partner resilience to the impacts of climate change and/or reduce emissions.
- **Mobilising finance:** In SIDS, particularly Pacific Island Countries, private sector opportunities can be limited and mobilising climate finance from sources other than ODA can be difficult. New Zealand is providing support in a range of ways (as described above in Section 2.3).
- **Coordination and alignment:** Partner country governments, especially in SIDS, have limited capacity, and there are a large number of development partners with a range of priorities and aims providing support for climate-related activities. Regional mechanisms, such as the Pacific Resilience Partnership, provide a forum for coordination, but it can be challenging to operate in a way that does not overlap with others. Increasing geostrategic competition in the Pacific also makes the need for coordination in the region more important than ever.
- **Scale of the issues and prioritisation of support:** In the Pacific, climate change is challenging the attainment of all SDGs and impacts on all sectors. In this context, prioritisation of climate-related investment can be challenging, particularly when there are compounding disasters such as COVID-19 or hurricanes. Supporting implementation of country plans and strategies, in coordination with other development partners, is key to ensuring support is targeted to the right areas.
- **Reaching the most vulnerable:** It can be challenging to ensure climate finance reaches those who need it most. Communities suffering the most severe impact climate impacts can lack the capacity to attract and utilise international finance. New Zealand looks to overcome this by providing finance through a range of modalities that can be appropriate for different contexts and preparing to accept higher risk to deliver in certain situations where the need is great.
- **Designing effective programmes and measuring impact:** A lack of good quality data can hamper effective design and assessment of the impacts of climate-related support. New Zealand is implementing a programme to improve collection and use of climate-

related data in the Pacific. We also support the Pacific Data Hub, launched in early December 2020. The Pacific Data Hub will help ensure policy, programming and investment decisions are informed by good data.

- **Forecasting finance during a rapid scale up:** It is particularly difficult to provide accurate forecasting of our climate finance in a period of rapid growth in our climate finance commitment. While we fully expect to meet our commitment, programming is still under way. We expect the annual expenditure to increase year on year out to 2025.
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