



Foundation North Submission on He Pou a Rangi / Climate Change Commission

Climate action for Aotearoa, 2021 Draft Advice for Consultation

March 2021

I roto i ou tātou ringa ringa te rongoā – already in all our hands are the remedies

<u>Foundation North</u> was established in 1988 as one of 12 regional community trusts, to distribute income to support regional communities in perpetuity. Foundation North holds in trust an endowment, or pūtea of over a billion dollars to make grants each year to not-for-profit groups in Auckland and Northland.

In 2016 Foundation North initiated the <u>Gulf Innovation Fund Together</u> (GIFT) to spark innovation to improve the mauri or life force of Tīkapa Moana/Te Moananui-ā-Toi (Hauraki Gulf). The aim is to support breakthrough ideas and solutions to improve the Gulf's health.

When Foundation North initiated GIFT, it knew little about the human systems surrounding the Hauraki Gulf, root causes behind its environmental degradation, or what it will take to reverse declining ecosystem health. Four years on, GIFT grantees have provided evidence from their projects, evaluation, reflection and learning processes about what is blocking change and where seeds of hope and potential lie. Our annual GIFT reports can be accessed here.

Influenced in part by this evidence, Foundation North has recently organized all its work around four focus areas, one being Whakahou Taiao – Regenerative Environment. This states that Foundation North will support joined-up approaches to conserving, restoring and renewing the environment so that Te Taiao and people can flourish together. Initiatives proposed by tangata whenua are the priority. Importance is placed on activity that will lead to:

- Ecosystems and communities being renewed and regenerated
- Mātauranga Māori (indigenous knowledge, practices and approaches) being recognised, valued and implemented
- Tino rangatiratanga community-led action for Te Taiao
- Connection and access to Te Taiao.

In the last 12 months, Foundation North had a spend on Whakahou Taiao - Regenerative Environment of \$2,157,447. This is in addition to substantive spends on multi-year projects such as Te Korowai o Waiheke (stoat and rat eradication on Waiheke Island) and partnering with The Nature Conservancy in a \$3 million pledge to establish NZ's first-ever conservation challenge fund to help reverse the Hauraki Gulf's decline by restoring lost mussel beds.

Many of the initiatives funded could be described as climate action initiatives with the term *climate action* covering so many interventions taken to restore a world out of balance. Climate change exacerbates inequality and is a sign of degenerated Mauri. Climate action goes hand in hand with climate justice and these terms can used to describe a raft of actions to improve ourselves, our environments and society.

Foundation North recognizes that there are no easy answers to climate change challenges and that new ways of working need to be encouraged and supported. We've been on a journey to grow our understanding and practice in innovation and systems level change and now welcome the opportunity to share some of our learning in this submission on the Climate Change Commission Climate (CCC) report.

Foundation North is walking its talk to progress our understanding of climate justice, how to support those most impacted by climate change and how to examine the power we hold in these spaces. We have specific deliverables in our business plan of relevance to climate action, including:

- Support priority communities to develop and/or enhance climate change mitigation and adaptation activities.
- Encourage and enable climate change initiatives and practices across our communities.
- Develop a climate change position, policy and best practice carbon reduction guidelines for our applicants and grantees.
- Identify two key sources of emissions from Foundation North mahi and implement reduction measures that have measurable targets for reporting to the Foundation North Board.

Foundation North observes grantees and their communities in Northland and Auckland taking climate action now, demonstrating the whakatauki/proverb above, that the answers are already in our hands, we simply need the will (mental models and values) and systems (human designed processes and systems) to apply them.

Foundation North submission on Climate action report:

Foundation North is generally in support of the CCC draft advice on climate action in Aotearoa and gives specific feedback in response to selected consultation survey questions.

Four good things that Foundation North supports about the CCC draft advice on climate action:

- Permanent Native forests as part of the solution as a long-term store of carbon.
- Taking a holistic perspective and collaborative effort with a whole of government approach.
- Being guided by Mātauranga Māori and taking a bicultural approach that is genuine, active and enduring.
- Finding equitable, inclusive and innovative ways to support communities on the frontlines of climate change.

Two areas that Foundation North encourages the CCC draft advice to strengthen:

- Include and embrace the huge potential of blue carbon.
- Expand the vision beyond mitigation and adaptation to Regeneration of Mauri.

Blue carbon

There is much known and yet to be discovered about options for ocean processes to remove carbon dioxide from the atmosphere. Seaweed can rapidly sequester carbon and store it indefinitely if it sinks to the deep ocean. Mangroves and seagrasses are also effective at removing carbon dioxide and provide adaptation benefits.

The current lack of robust measurement and accounting frameworks for blue carbon is not enough of a reason to omit consideration of blue carbon from the CCC Climate action report. Foundation North submits that targeted work should be undertaken to assess the role of the Oceans and New Zealand's Exclusive Economic Zone (EEZ) in addressing climate change.

Aotearoa is an island nation with many coastal communities who will bear the brunt of climate change. Specifically exploring the role of oceans and what regenerative action can take place in oceans is considered by Foundation North to be a crucial part of climate action.

Beyond the national benefit that embracing blue carbon would have, there is an international responsibility to consider. New Zealand's Exclusive Economic Zone is one of the largest in the world (4th or 5th depending on the calculation) and at 4,083,744 km² (1,576,742 sq mi) is approximately fifteen times the land area of our country.

An EEZ, as prescribed by the 1982 UN Convention on the Law of the Sea, is an area of the sea in which a sovereign state has special rights regarding the exploration and use of marine resources, including energy production from water and wind. The argument is often raised that New Zealand is so small a land mass that any changes we make as a country would have negligible impact on global climate change. This argument does not hold for our marine mass; indeed, we are one of the larger players globally and can lead the way in exploring the role of ocean processes for carbon reduction and re-setting the imbalance of the earth's land and sea ecosystems.

The establishment of GIFT to specifically encourage innovation around a water body, in this case the Hauraki Gulf, has produced lessons and understandings about human behaviour way beyond our expectations. Foundation North believes that by embracing the yet-to-be-determined potential of ocean processes in the CCC report, the pathway to carbon reduction and a high functioning Aotearoa climate will be accelerated.

An emerging example of blue economy and blue carbon innovation is the NZ adaptation and deployment of the 'Greenwave' regenerative ocean farming model from the USA. This project, led by Envirostrat, in partnership with lwi, aligned businesses, the science community, government and philanthropic and impact investors, will ultimately support independently owned marine farms and the establishment of a high value, low impact seaweed sector in Aotearoa. Regenerative seaweed farming provides many climate related benefits, including carbon sequestration, resilience to storm surge and tidal events, reduction of coastal water acidification, as well as broader environmental benefits such as biodiversity and water quality improvements (including nutrient and heavy metal removal).

There is also a crucial opportunity for a seaweed sector to enable climate benefits in the NZ agriculture sector, including avoidance of GHG emissions through the replacement of artificial fertiliser with seaweed based products, use of seaweed based animal feed to displace palm kernel and its associated impacts, and as a feed supplement for methane reduction in ruminants. Such solutions may also present opportunities for co-benefits such as increased soil carbon and soil health.

Greenwave NZ will develop a blue carbon and nitrogen (BCN) market in NZ, targeting the voluntary carbon market in the short term and developing a robust methodology to enable the rapid expansion of blue carbon markets. There is clear market demand for an innovative, multi-benefit (i.e. water quality and biodiversity) blue carbon voluntary market, in terms of achieving mitigation targets and addressing the social responsibility concerns of stakeholders.

Foundation North has funded \$75,000 towards a pilot of the Greenwave model in NZ and supports the CCC providing greater consideration of blue carbon and innovative carbon products generally, which is not currently reflected in the draft document. These nature-based, cross-sectoral solutions are key to NZ's ability to meet its carbon targets and successfully adapt to climate change.

Foundation North points to the recently agreed Te Mana o Te Taiao – Aotearoa New Zealand Biodiversity Strategy 2020. This national strategy has marine outcomes that can serve as a guide to the CCC's climate action final report. Key marine outcomes by 2050 are:

- Marine ecosystems are thriving
- Marine indigenous species and their habitats are thriving
- People's lives are enriched through their connection with nature
- Treaty partners, whānau, hapū and iwi are exercising their full role as rangatira and kaitiaki
- Prosperity is intrinsically linked with a thriving biodiversity.

Foundation North submits that the CCC's climate action final report extends the existing Vision description of a thriving, climate-resilient and low emissions Aotearoa to align with Te Mana o Te Taiao.

Further, Foundation North strongly encourages the CCC's climate action final report to add Oceans to the existing focus areas of Transport, Heat, industry and power, Agriculture, Forestry, Waste and a Multi-Sector Strategy.

Regeneration of Mauri

The current vision of the CCC Climate action report is focused on two core responses:

- 1. Mitigation (Reducing our emissions)
- 2. Adaptation (preparing for change)

Based on the experience with GIFT that has led Foundation North to embrace Regenerative practice that improves Mauri, Foundation North proposes that the CCC's final report extend these two responses to a third:

3. Regeneration (contributing to an increasing state of vitality)

Regenerative practice or development is the process of cultivating the capacity and capability in people, communities and other natural systems to renew, adapt and thrive. It is not about maintaining what is or restoring something to what it was. Rather it is about creating systems and places that have the capacity to evolve towards increasing states of health and vitality.

A definition of regeneration is renewal or restoration of a body, bodily part, or biological system after injury or as a normal process.

The seemingly spontaneous regeneration of nature at many parts of New Zealand during Covid lock down in 2020 provided tangible experiences of regeneration. This provided a window into what might be possible when humans behave and operate differently.

Covid has given us lessons that we can apply to climate action. It has shown us that we can adjust to financial difficulties and different ways of working and interacting physically when we follow the rules and support each other. Public health has been the priority.

Foundation North suggests that the CCC's final report extend the current vision so that regenerating Mauri is the priority around which we can all take climate action to achieve. A focus on regeneration provides an inspiring pathway that has multiple entry points for humans to contribute to.

A focus on contribution is well aligned with Foundation North's work as philanthropists. For the last four years Foundation North and GIFT have embraced the vision of regenerating Mauri and this has acted as a gateway to learning from Te Ao Māori.

Mauri is the life supporting capacity of an ecosystem inclusive of people who are an inseparable part of it. Mauri is about shared wellbeing for all living systems, that is inclusive of species and habitats. Choosing a vision of improving Mauri was a courageous decision with few people understanding what was meant by the term Mauri. It was a leap into the unknown.

GIFT embraced this leap by running wānanga on Mauri with the GIFT network. At the wānanga and in ongoing conscious efforts to regenerate Mauri, lessons were learned that are applicable to the CCC's final report on climate action. We learned:

- For system level impacts, a few years of dabbling and exploring is not enough. It takes ten years or more intentional funding and support to make major impact.
- We must acknowledge the kaitiaki role of iwi and our role as guardians and stewards in relation to nature.
- To acknowledge our dependency on nature for wellbeing and the interconnectedness of life.

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Answers for CCC survey questions relevant to Foundation North experience?

Our six big issues – future generations

Do you agree we have struck a fair balance between requiring the current generation to take action, and leaving future generations to do more work to meet the 2050 target and beyond?

PARTIALLY AGREE

- We observe individuals and communities acting now. Social willingness to change appears to be ahead of political will to invest in the necessary structural, policy and regulatory changes.
- Aotearoa is a developed nation and must be doing more now, not putting off for another decade. We have already missed 30 years of opportunity to interrupt climate change.
- The recommendations falling mostly in the 2030s unfairly burden future generations.
- The costs of transitioning to a low carbon future must fall on those industries most responsible and not on communities at the frontline of climate impacts who have contributed the least to the problems.
- Extra care must be taken to ensure there is not an unfair burden of the effects of climate change on those least able, for soci-economic reasons, to adapt to climate impacts.
- Direct investment by the government in emissions reductions will also more equitably share the burden of reductions.
- Foundation North notes steps taken by financial institutions such as ASB Bank, to offer discounted lending to customers taking positive steps to manage their emissions. ASB Bank say "Our initial focus for discounted lending will be to help business customers embrace the change needed to move New Zealand to a lower emission, more resilient future. We'll help our business customers explore options such as moving their fleet to electric vehicles, switching to renewable energy for process heat or more energy efficient commercial buildings. We will also target projects that support both regional growth and positive climate outcomes."
- Foundation North is not interested in requiring grantees to undertake burdensome activities like carbon counting. It wishes instead to inspire and support carbon reducing prototypes enabling exploration of the "we don't know what we don't know" space.

Our six big issues – role and types of forests

Do you agree with our approach to meet the 2050 target that prioritises growing new native forests to provide a long-term store of carbon?

MOSTLY AGREE

- Foundation North supports a significant increase in new native forests and the assumption that no further native deforestation occurs from 2025.
- All native habitats must be incorporated into this approach on both land and sea. For
 example, wetlands, tussock and kelp should be recognized for their crucial role in storing
 carbon and be both protected from destruction and invested in to regenerate.
- Approaches to protection and planting of native habitats must be guided by re-colonisation practices where whānau, hapū and iwi take leadership and decision-making roles.
- Approaches to protection and planting of native habitats must embrace the
 interconnectedness of all things. Land and sea, native and exotic, people and nature and
 many other supposedly binary constructs must be considered in their connectedness.

Our six big issues – technology and behaviour change

Do you think our proposed emissions budgets and paths to 2035 are both ambitious and achievable considering the potential for future behaviour and technology changes in the next 15 years?

DISAGREE

- Related to the earlier comment on the balance between action now and action by future generations, Aotearoa already has existing technology that enables us to achieve far more ambitious emissions budgets, stronger policy recommendations and tougher targets for heavy polluters.
- The CCC's draft proposals do not allow for what future technology may offer us in opportunities to be even more ambitious with our emissions budgets. Being limited to opportunities that we currently know about is constraining our future flexibility to go faster, earlier and harder as we learn.
- An example is the absence of blue carbon in the emissions budgets. Ocean processes do have potential to reduce carbon and need to be included in emissions budgets and paths to 2035. Yet the CCC's report pathways do not explore the role of oceans like they do for land.
- Similarly, the speed of adoption of carbon-reducing behaviours is likely to scale up once the infrastructure is in place, enabling a steepened emissions reduction pathway.
- The CCC's final report needs to factor in environmental costs to dissuade extractive polluting approaches to business.
- The identified pathways pay insufficient attention to the holistic nature of climate change
 and our earth's biodiversity crisis. This includes the role played by humans influencing other
 humans. The speed of change can be tremendous once reasons for change are understood,
 socially desirable and the changes are easy enough to implement.

Enabling recommendations:

Do you support enabling recommendation 2 on coordinating efforts to address climate change across Government? Is there anything we should change and why? PARTIALLY SUPPORT

- Foundation North absolutely supports increased coordination across Government to address climate change and suggests that this coordination go further to all of Government being willing to change the way government processes operate.
- The scale of climate change challenges means that piecemeal, incremental efforts are not enough. Radical changes are required that are holistic, long term, collaborative, collective and strategic, spanning communities to government.
- Foundation North encourages central and local Government to hold a mirror to the human systems of government and how they block or enable the outcomes that everyone typically wants. How can government enable new things to happen, good ideas, innovation and positive disruption? How do government policies and processes enable or get in the way?
- Foundation North recommends the CCC consider the influential 2018 article by John Kania, Mark Kramer and Peter Senge called the Water of Systems Change for an outline of six conditions for systems change. Exploring the following six conditions for change can disrupt what can seem very entrenched ways of thinking, being and behaving around climate change:
 - 1. Policies
 - 2. Practices
 - 3. Resource flows
 - 4. Relationships
 - 5. Power dynamics
 - 6. Mental models

Do you support enabling recommendation 3 on creating a genuine, active and enduring partnership with iwi/Māori? Is there anything we should change and why? FULLY SUPPORT

- Te Ao Māori/Māori world view is premised on Matauranga Māori/Māori knowledge systems and operates on a very different set of values and mental models to the prevalent paradigm. GIFT's vision to restore the mauri of Tikapa Moana/Hauraki Gulf is acting as a doorway into this world.
- Te Ao Māori does not separate people and nature; they are one and the same. Harming ecosystems is harming ourselves.
- Through GIFT we are learning that placing Māori values and concepts at the centre, holding space for knowledge systems to coexist and complement each other, and trying to work with all of this knowledge authentically, helps to shift mental models and allows different things to happen.
- Foundation North fully supports tangata whenua leading climate action with Te Ao Māori
 concepts and practices prevailing in decision making. It is important to value and support
 skilled facilitation of the journey of decolonisation and to learn to work in bicultural ways.
- It is worth noting another area of learning through GIFT, about leadership. In the Hauraki Gulf, iwi capacity to engage in other people's processes can be limited by over consultation,

poor engagement processes, heavy existing demands from local and central government around resource management, differing stages of Treaty settlements, lack of people on the ground, capability and intra and inter-iwi dynamics.

- In GIFT, we are exploring what might support not just iwi or mana whenua to grow their leadership and kaitiaki capacity, but also what might support tangata whenua leadership for change in the Hauraki Gulf.
- Foundation North encourages the CCC's final report to include significant investment in this area to truly enact a "genuine, active and enduring partnership with iwi/Māori."

Do you support enabling recommendation 4 on central and local government working in partnership? Is there anything we should change and why?

- **FULLY SUPPORT**
 - Foundation North absolutely supports central and local government working in partnership for the same reasons we support all of government working in partnership and all parties working in partnership with communities and being guided by tangata whenua.
 - Climate action needs to take place at all levels of society and systems and partnerships are
 pathways for that activity to connect and have transformative outcomes. Local government
 can focus on place, where people live, work and play and central government can provide
 nested support for place based mahi by leveraging national and global responsibilities and
 connections.
 - Lessons from GIFT grantees revealed rigid bureaucracy and uneven abilities within all levels of government to respond to good ideas and innovation. Blockages include:
 - o Roles and responsibilities for land and water being split within central government and between central and local government
 - o Fragmented leadership across central and local government
 - Lack of connection, trust, relationships and goodwill
 - Poor engagement processes
 - Te Tāruke-ā-Tāwhiti: Auckland's Climate Plan developed by Auckland Council presents an
 innovative response to climate change that is driven by the uniqueness of Tāmaki Makaurau.
 It has a deeply cultural narrative that is embedded in the place of Tāmaki Makaurau /
 Auckland.
 - This regional climate plan took three years to develop and is based on layered engagement processes. It has features that could be adopted by the CCC's final report. For example:
 - o To give voice to rangatahi / youth
 - o To explicitly focus on communities and coastline connections as a priority area
 - Te Puāwaitanga ō te Taiao intergenerational whakapapa relationships of taiao/nature, whenua/land and tangata/people are flourishing
 - Useful articulation of environmental, social and economic benefits of climate action beyond de-carbonisation and preparing for climate impacts.
 - Foundation North recommends that the CCC's final report incorporate these and other useful features from Auckland's Climate Plan.