



Circular

13 July 2026

Intended for	All Ministers All Chief Executives All Senior Private Secretaries All Private Secretaries All officials involved in the preparation of Cabinet papers
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Climate Implications of Policy Assessment Requirements

Key points

- 1 This circular sets out the requirements for central government agencies to estimate and disclose the greenhouse gas (GHG) emission implications and/or impacts on emissions budgets or actions in a current emissions reduction plan, for policy and regulatory proposals going to Cabinet that meet certain criteria. It replaces Cabinet Office circular CO (20) 3 *Climate Implications of Policy Assessment Requirements* and reflects recent Cabinet decisions [ECO-25-MIN-0151].
- 2 A Climate Implications of Policy Assessment (CIPA) disclosure is likely to be needed for proposals for Cabinet in which decreasing greenhouse gas emissions have been identified as a key policy objective, or:
 - 2.1 the impact on greenhouse gas emissions or removals is likely to be equal to or above 0.25 percent of the total permitted emissions in carbon dioxide equivalent (CO₂e) of any of the notified emissions budget periods, whether it be an increase or decrease; or
 - 2.2 the proposal could materially increase or decrease emissions related to an action or policy within a current emissions reduction plan (ERP); or
 - 2.3 the proposal could materially affect the achievement of one or more of New Zealand's emissions budgets
- 3 Agencies should contact the Ministry of Cities, Environment, Regions and Transport (MCERT) early in the policy process, using the CIPA early engagement form, if it is expected that a policy proposal will have significant emission impacts, or may materially impact on ERP actions or policies or affect achievement of emissions budgets. The engagement form, along with CIPA Guidance collateral, are available online¹.
- 4 For relevant proposals, a statement is required to be included in relevant Cabinet papers (under a separate CIPA subheading in the Impact Analysis section), which contains a summary of the key findings of the analysis provided by the CIPA Team. The CIPA disclosure form should also be attached to the paper in an appendix. Note that a CIPA does not replace a Regulatory Analysis Summary (RAS), and a RAS will still need to be completed where a proposal has regulatory impacts.

¹ [Climate implications of policy assessment guide 2026 | Ministry for the Environment](#)

Objectives of the CIPA

- 5 The primary objective of the CIPA is to provide Ministers with information to understand the implications of Cabinet decisions that may have a material impact on meeting New Zealand's emissions budgets or published emissions reductions plans.
- 6 Clear and consistent information will:
 - 6.1 help Ministers to make informed decisions; and
 - 6.2 support the development and monitoring of the policies and plans that will help New Zealand transition to a low emissions economy. This includes meeting greenhouse gas emission reduction targets and emissions budgets under the Climate Change Response (Zero Carbon) Amendment Act 2019.
- 7 Government agencies should contact MCERT early in the policy process, where it is expected that a policy proposal will have significant emission impacts or may impact an ERP action. Agencies may need to undertake some preliminary analysis in order to help the Ministry determine whether a CIPA disclosure will be required. To support this initial contact, agencies should complete the [CIPA early engagement form](#).

The relationship between CIPA and other policy analysis requirements

- 8 The CIPA disclosure requirements are not intended to replace the need to include important greenhouse gas emission impacts in a RAS, or better business case analysis in situations where these Cabinet requirements apply. Where the proposal is regulatory in nature, agencies will also need to complete an Impact Analysis process confirmation form (through the Ministry for Regulation's *RIA Online* portal. Agencies drafting regulatory proposals will fill out CIPA early engagement form questions as part of the *RIA Online* portal. Their responses are automatically sent to the CIPA Team at MCERT.
- 9 Government agencies should refer to updated CIPA Guidance for detailed information on the CIPA process, including the early engagement and disclosure forms. Further resources are set out in the CIPA Guidance to support agencies to undertake a GHG analysis for proposals as part of the disclosure form. The CIPA disclosure form will complement the information in Regulatory Analysis Summaries and similar documents by highlighting the key emissions information that might otherwise be hard to find in the other documents.

Where the CIPA applies

- 10 Many policy proposals presented to Cabinet will not require a CIPA disclosure. A CIPA disclosure is only required for those policy options or proposals where:
 - 10.1 decreasing greenhouse gas emissions has been identified as a key policy objective; or
 - 10.2 the direct impact on greenhouse gas emissions is likely to be equal to or above 0.25 percent of the total permitted emissions in CO₂-e of any of the notified emission budget periods, whether it be an increase or decrease. This equates to 0.76 MtCO₂e for EB2; 0.6 MtCO₂e for EB3; or
 - 10.3 the proposal could materially increase or decrease emissions related to an action or policy within a current emissions reduction plan; or
 - 10.4 the proposal could materially affect the achievement of one or more of New Zealand's emissions budgets.

Relevant gases and sectors

- 11 Where a CIPA disclosure is required due to a proposal meeting the requirements referred to in paragraph 10 above, the disclosure must detail the particular greenhouse gases and sources of greenhouse gas emissions identified, defined and included in New Zealand's Greenhouse Gas Inventory².
- 12 The types of emissions, to be reported as carbon dioxide equivalent, are:
 - 12.1 carbon dioxide;
 - 12.2 methane;
 - 12.3 nitrous oxide; and
 - 12.4 fluorinated gases.
- 13 Disclosure should particularly be considered for proposals which involve the sectors below, as they are more likely to meet the criteria in paragraph 10:
 - 13.1 electricity;
 - 13.2 transport;
 - 13.3 industry;
 - 13.4 agriculture;
 - 13.5 waste; and
 - 13.6 land use, land use change and forestry.

Types of Impacts

- 14 The required disclosure should cover the expected direct emission impacts as well as indirect emissions impacts where possible. Agencies should refer to the CIPA Guidance for information on how to carry out a GHG emissions analysis and complete a CIPA disclosure form.

Direct impacts

- 15 "Direct" emission impacts result from the implementation of a proposed decision or policy. These emission impacts come from attributable and easily identifiable sources related to the policy or proposal. Direct emissions can be further categorised as:
 - 15.1 embodied emissions: associated with the consumption of materials in the production process. For example, in the construction of infrastructure, embodied emissions result from manufacturing and the use of materials, such as steel and cement;
 - 15.2 operational emissions: associated with the ongoing operation of a policy or investment proposal. For example, for the creation of new infrastructure, operational emissions span the design life of the building and include appliances such as heating and cooling (i.e. air conditioners, hot water systems, refrigeration, and lighting);

² [New Zealand's Greenhouse Gas Inventory | Ministry for the Environment](#)

- 15.3 rebound emissions: these arise where changes in the cost or performance of a good or service lead directly to changes in the consumption of that particular good or service. The emissions should be included in the analysis only where they are clear and able to be estimated and are likely to be of a significant scale.

Indirect impacts

- 16 “Indirect” impacts arise as a second or third order effect of the implementation of the policy proposal. These emissions are likely to arise from long-term changes in behaviour or consumption. For example, the decision to create a new research and development fund may lead to increased innovation, which in turn could help to develop new lower emitting technologies.
- 17 Indirect impacts tend to be more difficult to predict and subject to a high level of uncertainty. Where possible, agencies should endeavour to estimate these types of impacts. If a quantitative estimation of indirect emissions is not possible, agencies should qualitatively assess indirect emissions impacts. Where appropriate, MCERT can help agencies to assess and disclose indirect emission impacts.

Timescales to report against

- 18 The disclosure form³ enables central government agencies to report the emissions of proposed policies against emission budget time periods until 2050. The budget periods are set in place by the Climate Change Response (Zero Carbon) Amendment Act 2019.
- 19 Emissions will be reported as a cumulative figure within each of these time periods. Other ways of reporting emissions that help inform decisions may be developed over time and will appear in the guidance.

CIPA guidance and further resources

- 20 CIPA Guidance has been updated to help government agencies estimate the greenhouse gas emissions of policy options and proposals and meet CIPA requirements. The Guidance is intended to help ensure that those emissions are estimated and presented in a clear and consistent way.
- 21 CIPA Guidance contains:
- 21.1 a disclosure form template for reporting those estimated impacts and outlining expected impacts on emissions budgets and/or actions in a current emissions reduction plan, which is intended to be attached to the relevant Cabinet paper;
 - 21.2 additional detail on relevant gases and sectors; appropriate emissions factors, identifying direct and indirect emissions impacts, and rebound effects; and impact thresholds for reporting on emissions;
 - 21.3 the process for determining whether a CIPA disclosure is required, including forms to be used to support initial engagement with MCERT;
 - 21.4 addressing greenhouse gas emission impacts in Regulatory Analysis Summaries, or agency analysis required for budget spending or investment proposals;

³ [Climate implications of policy assessment guide 2026 | Ministry for the Environment](#)

- 21.5 roles in the CIPA process, MCERT's role in reviewing the disclosure and confirming whether the CIPA requirement applies, as well as information on what happens if CIPA requirements have not been met; and
- 21.6 further resources, which may support agencies to assess GHG emissions impacts of proposals⁴.

Confirming an assessment complies with CIPA criteria

- 22 The CIPA Team will confirm if proposals comply with the CIPA requirement on all CIPA disclosures attached to Cabinet submissions.

What needs to be included with Cabinet submissions

- 23 If the CIPA disclosure requirements apply (for a proposal which meets the criteria in paragraph 10), the following is required to be included with the relevant Cabinet paper:
 - 23.1 a completed CIPA disclosure form (should be attached to the paper); and
 - 23.2 under a Climate Implications of Policy Assessment subheading in the Impact Analysis section:
 - 23.2.1 a summary of the key findings of the analysis;
 - 23.2.2 a statement on whether a CIPA disclosure form is attached to the submission; and
 - 23.2.3 the statement provided by the CIPA Team will confirm if the CIPA disclosure meets or does not meet any of the CIPA requirement criteria. Note that this is distinct from any quality assurance assessment that might be required for a Regulatory Analysis Summary.

Publication of CIPA information

- 24 Any completed CIPA disclosure form attached to a Cabinet submission should be released together with the relevant Cabinet submission in accordance with the proactive release policy for Cabinet material, as set out in CO (23) 4 *Proactive Release of Cabinet Material: Updated Requirements*⁵.
- 25 Where it relates to a legislative proposal, the CIPA disclosure should:
 - 25.1 be published alongside the Regulatory Analysis Summary or Supplementary Analysis Report (SAR); and
 - 25.2 be identified and linked in any disclosure statement prepared for the relevant government Bill or Amendment Paper.

⁴ The CIPA Team does not complete any quantitative emissions analysis or modelling on behalf of agencies.

⁵ Cabinet Office Circular CO (23) 4 Proactive Release of Cabinet Material: Updated Requirements - 29 June 2023 - Cabinet Office

Cabinet submissions with a missing or an inadequate CIPA disclosure

- 26 For proposals that may or do meet the CIPA criteria, but have not completed a CIPA disclosure form, MCERT may advise the Minister of Climate Change and Chair of the relevant Cabinet committee. If the submission proceeds to Cabinet discussion, the submission should acknowledge the deficiency and include a commitment on when a robust CIPA will be provided to Cabinet. Where applicable, it may be appropriate to seek this as part of a SAR, provided in accordance with Cabinet's Impact Analysis requirements.
- 27 If the submission does not address these issues, the responsible Minister and Minister of Climate Change will jointly determine when and to whom the completed CIPA will be provided, on advice from officials.
- 28 Under certain exceptional circumstances, the CIPA requirement will not apply. The Minister of Climate Change will consider any proposals that seek an exemption of the CIPA requirement due to exceptional circumstances and will grant these on a case-by-case basis.

Further information

- 29 The CIPA Team is available to provide further advice on the operation of the CIPA requirements and the estimation of emissions impacts of government policy proposals. See the [CIPA guide 2026](#) for more detailed information about the matters in this circular.

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