



2030 strategy: Financing sustainable growth in Aotearoa New Zealand

18 February 2025

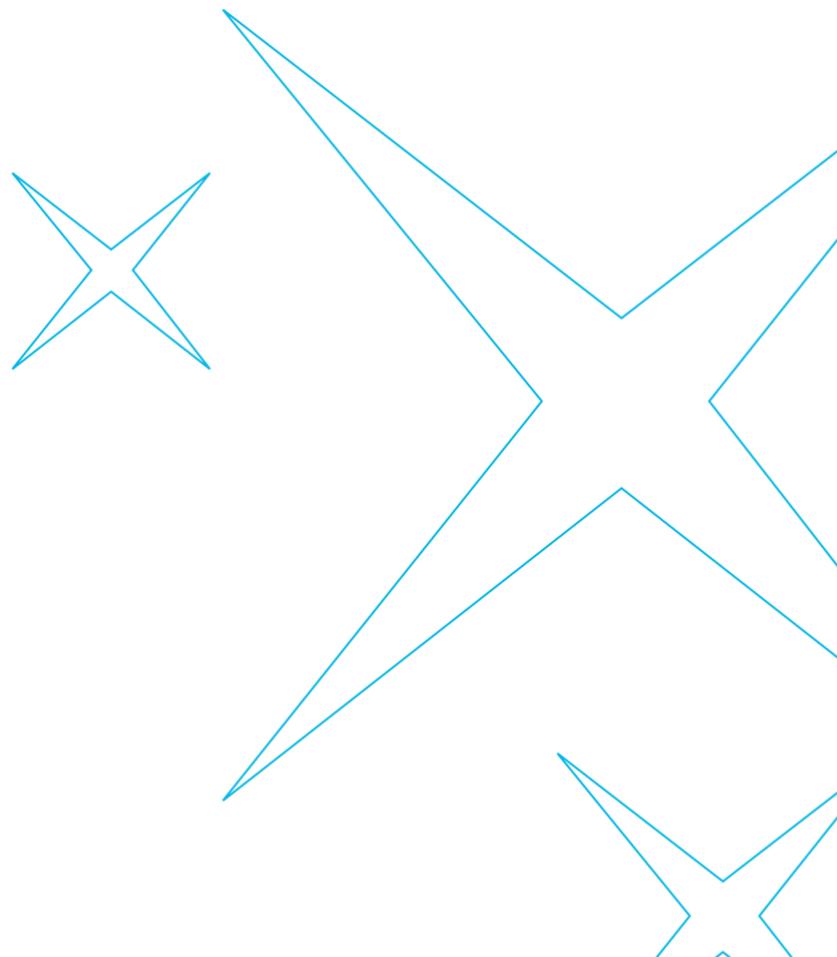


Table of Contents

<i>The invitation to CSF</i>	1
Overview	2
Why we need a strategy	2
Proposed vision for sustainable finance	4
Key objectives	4
Strategic priorities	4
Measuring progress	5
Guiding principles	6
Competitive	6
Integrated	6
Focused.....	6
Priority Outcomes and Action Areas	8
Outcome 1: Clarity and confidence in financial markets	9
Action area 1: Defining sustainable economic activity for Aotearoa New Zealand	10
Next Steps – Action area 1.....	11
Action area 2: Enabling credible disclosures	12
Next Steps – Action area 2.....	14
Action area 3: Building a data common	15
Next Steps – Action area 3.....	17
Outcome 2: Coherent policy and regulation	18
Action area 4: Enhancing financial sector resilience	20
Next Steps – Action area 4.....	21
Action area 5: Aligning financial sector mandates, policy, regulation and guidance	22
Next Steps – Action area 5.....	23
Action area 6: Building skills and capabilities	24
Next Steps – Action area 6.....	25
Action area 7: Implementing the national adaptation framework	26
Next steps – Action area 7	27
Outcome 3: Tax-payer funds are used judiciously and efficiently to catalyse private capital at scale	28
Action area 8: Developing a long-term economic vision and strategy.....	30
Next steps – Action area 8.....	31
Action area 9: Facilitating capital deployment	32
Next steps – Action area 9.....	34
Action area 10: Supporting credible nature and carbon markets	34
Next steps – Action area 10.....	36
Action area 11: Removing barriers to the Māori economy	37
Next steps – Action area 11	38

Action area 12: Fostering international collaboration.....	39
Next steps – Action area 12	40
<i>2030 workplan at a glance</i>	41
<i>Acknowledgements</i>	43

The invitation to CSF

The Centre for Sustainable Finance: Toitū Tahua (CSF) is a charitable trust established to advance a financial system that supports a resilient, sustainable and prosperous Aotearoa New Zealand.

This submission to the Ministry for the Environment on a 2030 strategy for financing sustainable growth in Aotearoa New Zealand has been prepared by CSF and draws on engagement from across the public and private sectors.

This is the CSF input towards the request from the Minister of Climate Change to co-develop a sustainable finance strategy for Aotearoa New Zealand.

The Centre for Sustainable Finance: Toitū Tahua is committed to the inclusion of our Treaty partners and upholds Te Tiriti o Waitangi as the foundational document for all peoples of Aotearoa New Zealand.

Overview

Why we need a strategy

The New Zealand Government has an ambitious economic growth agenda that aims to unlock New Zealand's potential, grow the economy and ease the cost of living for New Zealanders. The [Going for Growth](#) document outlines over 80 initiatives focused on the five key areas it believes are essential to improving the performance of New Zealand's economy: Education, competitive business settings, global trade and investment, innovation and technology, and infrastructure development.¹

The Government's growth aspirations are set in the context of unprecedented change – including a rapidly warming climate, ageing populations, increased geopolitical and trade tensions, and technology change. The speed and scale of these changes have the potential to destabilise economies, strain public resources, disrupt labour markets, and increase vulnerability to global conflicts. This means immediate, coordinated action is required to secure positive outcomes for current and future generations that align with the Government's other strategic goals, including its net zero ambitions and doubling exports and renewable energy.

However, making capital flow to the right places is difficult. This is partly due to a short-term focus, as well as a lack of tools to effectively assess trade-offs and accurately price social and environmental risks. It is particularly the case for green, transition and adaptation activities where the scale and risk profile of the investment needed does not match investors' appetite. To achieve the Government's desired outcomes from growth, we need clear and cohesive Government policies and regulation that can effectively attract, mobilise and direct both public and private capital.

Globally, sustainable finance strategies are being deployed by sovereigns to do just that. There are over 40 such strategies worldwide, including Singapore's Finance for Net Zero Action Plan, Hong Kong's Sustainable Finance Action Agenda, Australia's Sustainable Finance Roadmap, Ireland's Sustainable Finance Roadmap, Norway's Green Competitiveness Roadmap, and the United Kingdom's 2023 strategy 'Mobilising Green Investment'.

While each country's strategy varies slightly in approach, they all work to create a cohesive and coordinated plan for attracting and directing investment. Key objectives across these strategies include aligning goals and objectives, resolving information asymmetries with respect to the classification of sustainable activities, identifying the barriers to financing climate mitigation and adaptation and ways to overcome them, ensuring regulation is coordinated and sufficient, and safeguarding fiscal sustainability in the face of disaster risk.

With the international landscape evolving fast, there are real and opportunity costs to New Zealand from delayed action or inaction, falling behind our peers, and thinking that we're 'too small to matter' or that we don't need to compete for capital.

A clear example of these real costs is in the insurance sector. For an asset or project to attract investment, it must be insurable. If insurers are unwilling to provide coverage due to high or unpredictable risks—such as those related to climate change, extreme weather, or environmental degradation—then investors are unlikely to commit capital. Some risks—especially systemic ones like

¹ <https://www.goingforgrowth.govt.nz/#overview>

climate disruption—cannot be diversified away or mitigated through stock selection. Institutional directors, as fiduciaries, are legally bound to act in the best interests of their members and investors, which means recognising and responding to these emerging risks. High quality foreign direct investment will only enter New Zealand when risks are appropriately managed, priced, or offset by returns.

This means to stay competitive, attract investment, and ensure financial stability for businesses and households, New Zealand must fully commit to processes such as the global transition to clean energy. In addition, doubling the value of our exports requires harnessing our natural advantages and implementing forward-thinking policies that enhance and showcase the value of New Zealand's natural environment on the world stage.

This Strategy outlines the steps New Zealand needs to take to mobilise and direct capital toward economic activities that support sustainable growth and inter-generational prosperity.

Proposed vision for sustainable finance

Finance is often referred to as the lifeblood of an economy given the important role it plays in enabling economic growth and employment. Yet, where finance flows matter not just for how fast we grow (the rate), but also for how we grow (the direction). Focusing on activities that strategically support the transition to a low-emissions global economy can yield benefits in both the short and the long term. Investing in renewable energy, sustainable agriculture, and green technologies not only mitigates environmental risks but also creates new economic opportunities, enhances resilience, and promotes social equity.

Critically, the Government understands the importance of preparing for a challenging insurance market and making our communities more resilient to a changing climate, given the significant risks and costs already imposed on our infrastructure, environment, and way of life. As such, the Government is committed to proactively ensuring the ongoing sustainability, resilience and security of our country.

Taking this into consideration, the proposed vision for this Strategy is:

Finance that unlocks New Zealand’s potential and enables the growth, innovation and capital required for current and future generations to thrive.

Key objectives

Alongside the Government’s Going for Growth plan, this Strategy is focused on five objectives that will deliver on the goal for a thriving New Zealand:

1. Meet our climate change commitments
2. Adapt to the impacts of climate change that can’t be avoided
3. Double the value of exports
4. Double renewable energy
5. Test and scale new methods of social service delivery

Strategic priorities

Deliver a stable and predictable policy and regulatory environment that promotes investor confidence and trust. Three priority outcomes are:

1. Clarity and confidence in financial markets
2. Coherent policy and regulation
3. Tax-payer funds are used judiciously and efficiently to catalyse private capital at scale

Measuring progress

Understanding the quantum of capital required to achieve our objectives and the existing gaps is key to measuring progress against this strategy. Without a clear system in place to define, monitor and measure sustainable finance flows, setting a meaningful funding and financing goal remains a challenge.

Significant financial resources are required to meet New Zealand's objectives. On climate mitigation and adaptation alone, the Office of the Auditor-General's (OAG) Climate Scanner assessment² underscores the lack of mechanisms to track private financial flows.

A comprehensive measurement framework should include both quantitative monitoring of financial flows and qualitative assessments across multiple dimensions. This could include an approach to measuring the flows of public funding and financing with the intent of this strategy.

Key indicators may include:

- Capital flows mobilised through green bonds, loans, and equity financing
- Tracking of public and private financial flows over time
- Broader economic impacts of sustainable finance through macroeconomic modelling and analysis (GDP growth, job creation, productivity gains)
- Adoption of climate risk management tools and/or portfolio decarbonisation targets by financial institutions
- Whether climate-related disclosures (CRD) are achieving the purposes from section 19B of the Financial Reporting Act 2013
- Contribution of CRD to the allocation of capital towards activities that are consistent with a transition to a low-emission, climate resilient future
- Assessment of whether financial flows reach vulnerable sectors, communities, and other underserved groups
- Broader indicators that would measure changes in the productive potential of our economy over time, for example decoupling energy use from economic growth, and changes that impact exports, such as soil quality

While the success of this strategy will ultimately be reflected in the allocation of capital to aligned activities, Government has a role in establishing a baseline and key performance indicators to enable effective progress tracking and impact measurement.

² Controller and Auditor-General, [Assessing New Zealand's Climate Change Response with ClimateScanner](#), November 2024

Guiding principles

Competitive

New Zealand's competitive advantages include our natural assets and our experience in exporting primary production to the world. We have a global reputation for market transparency, high-quality regulation, and an established clean, green brand.

As a small optional market for global capital, New Zealand needs to showcase its commitment to these brand attributes if we are to deliver on our goals to double the value of our exports and double renewable energy. We need to at least maintain pace and alignment with our global peers.

Integrated

Delivering on the Government's goals will require coordination and alignment of strategies across multiple areas to ensure we are all pushing in the same direction, including for example climate, infrastructure, biodiversity, housing and other social aspects. This strategy complements and supports achieving the objectives outlined in key policy frameworks and planning documents including:

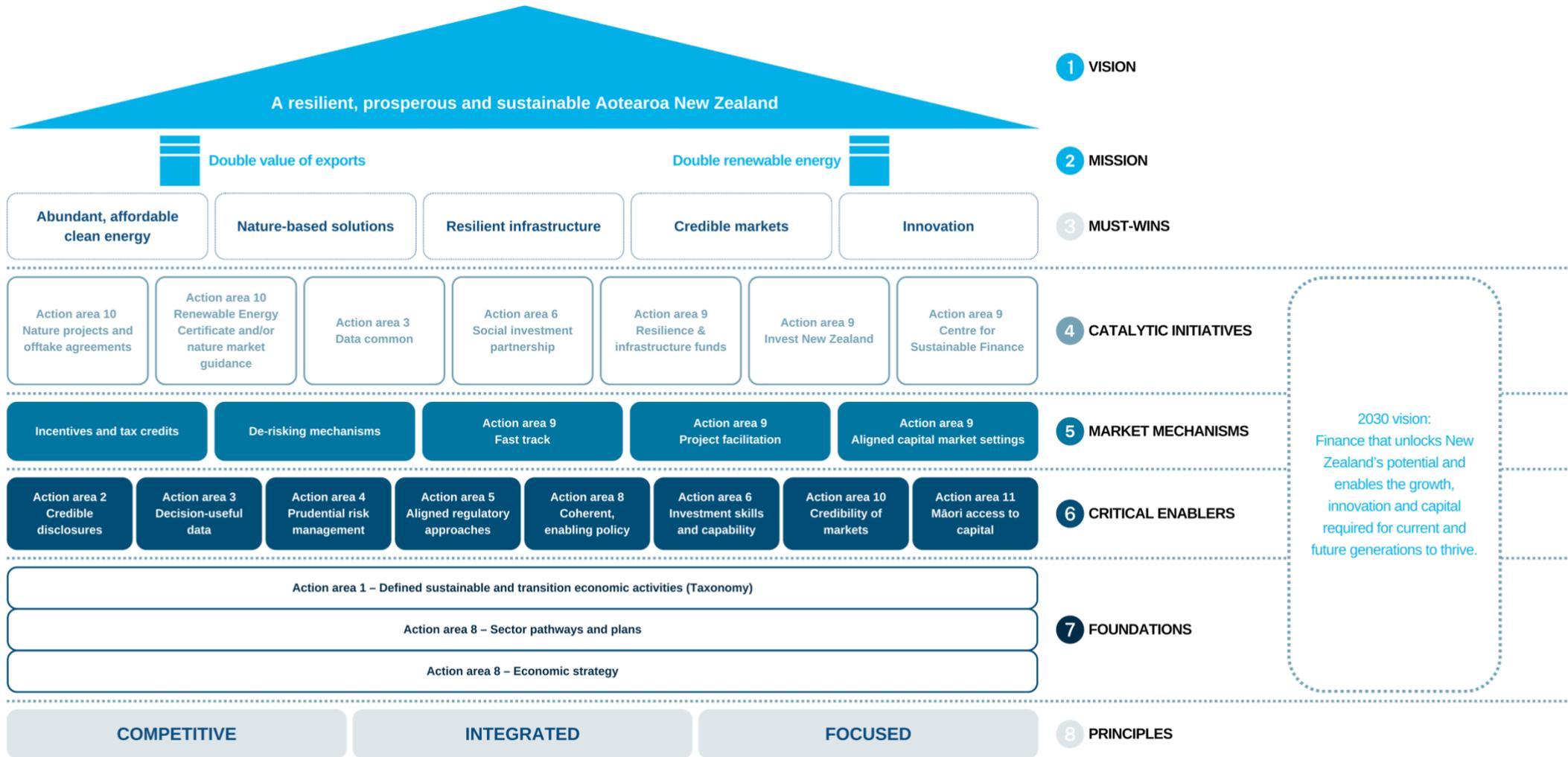
- The climate change strategy pillars
 1. Infrastructure is resilient and communities are well
 2. Credible markets support the climate transition
 3. Clean energy is abundant and affordable
 4. World-leading climate innovation boosts the economy
 5. Nature-based solutions address climate change
- National adaptation inquiry recommendations and framework
- New Zealand's infrastructure strategy Rautaki Hanganga o Aotearoa

Focused

This strategy proposes a combination of foundational building blocks, which are necessary but not sufficient, and catalytic initiatives which could shift the dial at pace.

For each action area, this strategy outlines the challenge, the opportunity, and next steps to the end of 2026. *Table 1* summarises these next steps and proposed actions for a further three years from 2027 to 2029.

Figure 1: Building Blocks and Catalytic Initiatives for Financing Aotearoa New Zealand's Economic Transformation



Priority Outcomes and Action Areas

Outcome 1: Clarity and confidence in financial markets

Action area	Next steps	Status
1. Defining sustainable economic activity for Aotearoa New Zealand	a) Publish the Agriculture and Forestry sectoral taxonomy definitions for mitigation, adaptation and resilience activities by November 2025. (Lead Agency – MfE, Ministerial portfolios – Climate Change, Agriculture, Forestry)	In progress
	b) Expand the taxonomy’s sector coverage, by developing and publishing definitions against the mitigation objective (and adaptation and resilience objective where relevant) for the Energy, Transport, Buildings and Construction sectors by November 2026. (Lead agency – MfE, Ministerial portfolios – Climate Change, Energy, Transport, Buildings and Construction)	Decision
2. Enabling credible disclosures	a) Consult on differential climate reporting to ensure that NZ CS continue to meet the legislated purpose of climate-related disclosures while maintaining international alignment with key trading partners. (Lead agency – XRB, Ministerial portfolio – Commerce & Consumer Affairs)	In progress
	b) Carefully consider the feedback provided during the consultation process on the Capital Markets Reforms on adjustments to the climate-related disclosures regime in New Zealand by November 2025. (Lead agency – MBIE, Ministerial portfolio – Commerce & Consumer Affairs)	In progress
	c) Publish guidance on simplified sustainability disclosures by June 2026 for New Zealand businesses which are outside the climate-related disclosures regime but still exposed to evolving consumer and export market requirements and expectations. (Lead agency – XRB, Ministerial portfolio – Commerce & Consumer Affairs)	Decision
3. Building a data common	a) Explore options for establishing a data common or ‘centre of excellence’ by November 2025. (Lead agency – TBC, Ministerial portfolio – TBC)	Decision
	b) Ensure alignment between sustainability disclosure requirements and priority data needs of capital providers and regulators. (Lead agency – TBC, Ministerial portfolio – TBC)	Decision

Action area 1: Defining sustainable economic activity for Aotearoa New Zealand

Challenge

Global investors do not have access to agreed definitions of which economic activities are sustainable or will enable the climate transition in a New Zealand context. This can lead to risks of greenwashing (where companies can falsely claim their activities are sustainable), high transaction costs, and misallocation of capital.

Taxonomies are a standardised framework for classifying economic activities according to their environmental performance. They allow investors to identify and invest in activities that are aligned to a low-emissions economy while also avoiding investing in those activities that cause significant harm to the environment. Taxonomies are in place or in development in more than 40 jurisdictions around the world.³ If New Zealand does not create locally applicable definitions, international investors will apply definitions, criteria and thresholds that have been developed elsewhere. These may not be suitable for New Zealand's particular context.

The opportunity

The Sustainable Finance Taxonomy of Aotearoa New Zealand (NZ Taxonomy) is intended to enable market participants to mobilise and direct capital flows towards:

- Building a low-emissions, Paris-aligned future
- Restoring nature
- Upholding the rights and interests of Indigenous Peoples of the land

Industry support for and contribution to the development of this taxonomy (and its underlying sectoral expansion) is strong. CSF is currently partnering with MfE and leading the development of the Agriculture and Forestry sectors expected to be complete in 2025. Government is providing legitimacy, funding, and stability to the NZ Taxonomy development process, ensuring safeguards against undue interference and governance arrangements that support credible and robust definitions to guide financial flows.

This process benefits from the input of technical expert and advisory groups which provide finance, te ao Māori, science, and subject matter expertise.

The full benefit from the NZ Taxonomy will be achieved when all key sectors are completed. The priority for 2026 and 2027 is to leverage the existing NZ Taxonomy development infrastructure, and progress already made by other jurisdictions, to adjust and apply international taxonomies in other key sectors. The NZ Taxonomy will be interoperable as far as possible with regional taxonomies to simplify requirements for regional users and make it easier to mobilise capital for sustainable outcomes in New Zealand.

³ The Center for Clean Air Policy, [Shaping the Future of Finance: Exploring the Global Rise of Sustainable Finance Taxonomies](#), April 2024

Next Steps – Action area 1

Defining sustainable economic activity for Aotearoa New Zealand

- a) Publish the Agriculture and Forestry sectoral taxonomy definitions for mitigation, adaptation and resilience activities by November 2025. (Lead Agency – MfE, Ministerial portfolios – Climate Change, Agriculture, Forestry)
- b) Expand the taxonomy's sector coverage, by developing and publishing definitions against the mitigation objective (and adaptation and resilience objective where relevant) for the Energy, Transport, Buildings and Construction sectors by November 2026. (Lead agency – MfE, Ministerial portfolios – Climate Change, Energy, Transport, Buildings and Construction)



Action area 2: Enabling credible disclosures

Challenge

The financial risks arising from a changed climate are only beginning to be duly considered in business and financial decisions. Lack of understanding and disclosure of these risks leads to inefficient allocation of capital and significant gaps in the information required for financial decision making.

A central issue emerging globally is how to promote transparency and clarity about the nature- and climate-related financial risks faced by businesses and financial institutions, and their plans to address those risks, while maintaining a competitive business environment.

Climate reporting standards internationally are broadly aligned. They all stem from the recommendations made by the Task Force for Climate-related Financial Disclosures to address the systemic risks to the global financial system from climate change (as identified by the Financial Stability Board).⁴ However, there are differences as climate reporting regimes are adapted to meet jurisdictional circumstances.

Internationally, mandatory climate-related financial disclosures are replacing voluntary reporting. Over 20 countries representing approximately 55 percent of global gross domestic product (GDP), 40 percent of market capitalisation, and 50 percent of global greenhouse gas emissions, are adopting or moving towards adoption of mandatory climate reporting standards.⁵ This includes major economies and New Zealand's key trading partners e.g. China, the EU, the UK, Japan, Australia and Singapore.

The opportunity

The New Zealand Government introduced its mandatory climate-related disclosures regime in 2021 with broad support from financial market participants and climate reporting entities. The legislation requires around 180 large organisations known as climate reporting entities (CREs) to disclose annual climate statements on a public register.

Market participants have highlighted the benefits of starting pragmatically, building capacity and confidence over time, and acknowledging market challenges in gathering reliable data, especially for small and medium sized enterprises (SMEs).

The Ministry of Business, Innovation and Employment (MBIE) is consulting on changes to the climate-related disclosures regime as part of its Capital Markets Reforms, which was published in December 2024. This review proposes adjustments to reporting thresholds, director liability, and reporting requirements for multinational subsidiaries.

Internationally, taxonomies, financial product labels, sustainability due diligence requirements and sustainability disclosures are also influencing market expectations, alongside voluntary reporting frameworks.

Differential reporting would aim to reduce the costs of compliance while achieving the original objectives of the reporting regime. This approach would allow flexibility to set appropriate reporting

⁴ Financial Stability Board, [Climate-related Risks](#)

⁵ International Financial Reporting Standards, [Jurisdictions Representing Over Half the Global Economy by GDP Take Steps Towards ISSB Standards](#), May 2024

thresholds as the global landscape of mandatory disclosures takes effect. New Zealand has been praised for developing and implementing a world class climate-related disclosures regime. It is important for the Capital Markets Reforms to complete quickly and with minimal disruption to maintain the progress made to date.

Next Steps – Action area 2

Enabling credible disclosures

- a) Consult on differential climate reporting to ensure that NZ CS continue to meet the legislated purpose of climate-related disclosures while maintaining international alignment with key trading partners. (Lead agency – XRB, Ministerial portfolio – Commerce & Consumer Affairs)
- b) Carefully consider the feedback provided during the consultation process on the Capital Markets Reforms on adjustments to the climate-related disclosures regime in New Zealand by November 2025. (Lead agency – MBIE, Ministerial portfolio – Commerce & Consumer Affairs)
- c) Publish guidance on simplified sustainability disclosures by June 2026 for New Zealand businesses which are outside the climate-related disclosures regime but still exposed to evolving consumer and export market requirements and expectations. (Lead agency – XRB, Ministerial portfolio – Commerce & Consumer Affairs)



Action area 3: Building a data common

Challenge

Access to comparable, high-quality, affordable data, in particular data associated with the physical impacts of climate change, is frequently cited by New Zealand financial institutions and businesses as a key barrier to sustainable decision-making.

New Zealand currently lacks a common baseline understanding of environmental risks, with data that is often inconsistent, incomparable, and difficult to access and verify. This gap is particularly acute for SMEs and households, which operate outside regulatory frameworks yet represent significant exposure on bank balance sheets. Many SMEs struggle with high consultancy costs just to measure basic metrics like greenhouse gas emissions.⁶

An initial needs assessment undertaken by CSF and Deloitte New Zealand in 2024 highlighted the priority climate and sustainable finance data needs of New Zealand financial institutions.

Despite an abundance of data sources, financial institutions note challenges with:

- Data quality, particularly for national climate hazard data, such as coastal erosion maps, landslip data, up-to-date high intensity rainfall event data sets, and on-farm emissions data.
- Data access due to pay walls, barriers to accessing council-owned data, and customer data privacy.
- The absence of waste and natural hazard and geospatial databases, which results in inconsistent outputs.
- The need to improve understanding of the uncertainty of data (i.e. understanding how to use data and use them appropriately/correctly). There are lessons to be learnt here from financial reporting – making sure that companies keep a clear record of where they get the data from and what that process looks like so that both the records and the process are robust.

As priorities, financial institutions seek:

- Data amalgamation, taxonomy, and standardisation
- Transparent methodologies and assumptions
- Clear distinctions between assured and non-assured information/data sources, providing greater confidence in data quality and transparency
- Harmonised on-farm data capture systems

Simplified data requirements and a 'single source of truth' for consistent, climate hazard data, and biodiversity data for New Zealand is necessary to achieve consistency in reporting outputs, quality, and reliability.

The opportunity

The recently concluded climate adaptation inquiry recommends that the Government 'develop an accessible public data common for data on natural hazard and climate risk, with the aim of improving

⁶ Centre for Sustainable Finance: Toitū Tahua and KPMG New Zealand, ['Starter for 10': 10 Topics for SMEs to Start Sustainability Reporting](#), November 2024

the data quality, consistency, and availability'.⁷ This is further supported by the market interviews undertaken by CSF and Deloitte.

A national, centrally administered data common or centre of excellence will consolidate data from multiple sources, standardise formats, provide tools to enable uptake, and ensure universal accessibility. This mitigates issues related to fragmentation, inconsistency, data maintenance and updating and ultimately lead to more decision-useful data.

Government could provide a central set of reference data, pulling together Government-owned and other open data sources. The data common will be incentivised to improve over time and to embrace the digital economy (e.g. Web 3 technologies) beyond just data sharing.

This data common could be managed by an existing public or private organisation, a small working group of existing organisations, or a new organisation. As an initial step, the standardisation of simplified disclosures and metrics will enable financial institutions and private providers to begin collecting standardised data from customers and suppliers, improving data consistency and quality.

⁷ New Zealand House of Representatives Finance and Expenditure Committee, [Climate Adaptation Inquiry Completed](#), October 2024

Next Steps – Action area 3

Building a data common

a) Explore options for establishing a data common or 'centre of excellence' by November 2025. (Lead agency – TBC, Ministerial portfolio – TBC)

b) Ensure alignment between sustainability disclosure requirements and priority data needs of capital providers and regulators. (Lead agency – TBC, Ministerial portfolio – TBC)



Outcome 2: Coherent policy and regulation

Action area	Next steps	Status
4. Enhancing financial sector resilience	a) Continue to identify and assess current and emerging environmental risks to the financial system and develop options to enhance the resilience of their core functions. (CoFR agencies)	In progress
	b) Gather and assess evidence of quantifiable links between shifts in physical and transition risk factors and financial stability criteria. (RBNZ)	In progress
	c) Investigate the capabilities, settings, and frameworks required to set up and administer funding arrangements to mobilise capital from financial institutions to enhance climate resilience. This will establish an evidence base to inform implementing these funding arrangements (see priority 9). (Lead agency – RBNZ)	In progress
5. Aligning financial sector mandates, policy, regulation and guidance	a) Review regulator mandates to promote consistency with this Strategy, to the extent it does not unduly compromise other regulatory objectives and activities.	Decision
	b) Review existing duties and guidance to identify and remove inadvertent deterrents for Government and industry collaboration in line with the objectives of this Strategy. (Lead agency – TBC, Ministerial portfolio – Commerce & Consumer Affairs)	Decision
	c) Review approaches to address greenwashing and explore options for a product labelling scheme consistent with key jurisdictions and trading partners by November 2026. (Lead agency – MBIE, Ministerial portfolio – Commerce & Consumer Affairs)	Decision
	d) Consider options to better recognise and enable investor stewardship in New Zealand in supporting good practice and corporate accountability. (Lead agency – MBIE, Ministerial portfolio – Commerce & Consumer Affairs)	In progress
	e) Issue guidance and communications under multiple CoFR agency logos where appropriate.	Decision

6. Building skills and capabilities

- a) Encourage public spending in line with the Government's climate and environmental commitments (e.g. requiring new expenditures to meet the criteria set out in the New Zealand Sovereign Green Bond Framework). (Lead agency – Treasury, Ministerial portfolio – Finance) Decision
- b) Support agencies to develop bids for eligible green bonds projects, using business cases that incorporate the effects of climate risk and impacts. (Lead agency – TBC, Ministerial portfolio – Finance) Decision
- c) Partner with the Impact Investing Network and CSF to catalyse finance for new methods of social service delivery. (Lead agency – Social Investment Agency, Ministerial portfolios – Social Investment, Economic Growth) Decision
- d) Expand options to build capacity among public sector and Māori leaders to ensure they have the skills to work with each other as investment partners. (Lead agency – NZTE/MBIE, Ministerial portfolio – Māori Development) Decision
- e) Explore expansion of macro-economic modelling tools to inform climate-related policy choices in a New Zealand context. (Lead agency – TBC/RBNZ, Ministerial portfolios – Finance, Economic Growth) Decision

7. Implementing the national adaptation framework

- a) Detail bi-partisan plans to implement the committee's recommendations in the national adaptation framework. In progress

Action area 4: Enhancing financial sector resilience

Challenge

The financial system faces unprecedented risks from climate change and biodiversity loss. These risks are characterised by non-linear impacts and ‘fat-tail’ distributions⁸ – meaning extreme events may disproportionately threaten financial stability despite their low probability. Current financial regulation has a limited range of tools to properly address these systemic risks, leaving our economy and society vulnerable to potentially catastrophic impacts.

Central banks globally recognise this challenge. Members of the Network for Greening the Financial System (NGFS) are developing new approaches to incorporate climate factors into their monetary policy operations, both to protect their balance sheets against financial risks stemming from climate change and to support an orderly transition to a low carbon economy.⁹

The latest Intergovernmental Panel on Climate Change (IPCC) report (AR6) states that climate change is widespread, rapid, intensifying and affecting every region.¹⁰ This creates physical risks (like floods and droughts) and transition risks for the real economy financial system. Globally, markets are already responding, with investors shifting away from emission-intensive industries, assets becoming stranded, growing scrutiny of national emission profiles, and the introduction of carbon border adjustment mechanisms.¹¹

Each member of the Council of Financial Regulators (CoFR) in New Zealand continues to conduct climate-related activities relating to their own mandates. In addition, CoFR has identified climate-related risks as one of its five priority themes and aims to help facilitate a smooth transition to a low-carbon and climate-resilient economy while supporting the soundness and efficiency of the financial system.

The CoFR Climate Community, which includes representatives from CoFR member agencies and two additional partners (XRB and MfE), collaborates to build capability, share expertise, and work on agreed priorities related to climate change that require multiple member/partner inputs.

The opportunity

There is an opportunity for CoFR, via its individual and collective activities, to significantly enhance financial sector resilience and ensure the resilience of New Zealand’s financial system and economy by focusing on strengthened regulatory alignment, stronger private-sector engagement, better climate risk data, sustainable finance innovation, global partnerships, and capacity-building.

⁸ Financial Stability Board, [The Availability of Data with which to Monitor and Assess Climate-related Risks to Financial Stability](#), July 2021

⁹ Network for Greening the Financial System, [Adapting Central Bank Operations to a Hotter World: Current Progress and Insights from Practical Examples](#), July 2024

¹⁰ IPCC, [Sixth Assessment Report](#), March 2023

¹¹ Reserve Bank of New Zealand – Te Pūtea Matua, [Climate Changed: 2021 and Beyond](#), October 2021

Next Steps – Action area 4

Enhancing financial sector resilience

- a) Continue to identify and assess current and emerging environmental risks to the financial system and develop options to enhance the resilience of their core functions. (CoFR agencies)
- b) Gather and assess evidence of quantifiable links between shifts in physical and transition risk factors and financial stability criteria. (RBNZ)
- c) Investigate the capabilities, settings, and frameworks required to set up and administer funding arrangements to mobilise capital from financial institutions to enhance climate resilience. This will establish an evidence base to inform implementing these funding arrangements (see priority 9). (Lead agency – RBNZ)



Action area 5: Aligning financial sector mandates, policy, regulation and guidance

Challenge

New Zealand regulators have taken steps to set expectations, issue guidance and engage with market participants to improve disclosure and management of sustainability-related risks. Nonetheless, concerns about greenwashing have significantly increased among New Zealand investors.¹² Regulatory approaches in some areas potentially constrain the ability of financial institutions to systemically address greenwashing, align capital allocation decisions with national objectives, and fully consider the sustainability preferences of members and clients.

The opportunity

There is an opportunity to better enable regulators to send consistent messages to accelerate adoption of sustainable finance approaches consistent with the Government's economic goals and the long-term interests of financial institutions' members and clients.

¹² Responsible Investment Association Australasia, [Responsible Investment Benchmark Report 2024](#), November 2024

Next Steps – Action area 5

Aligning financial sector mandates, policy, regulation and guidance

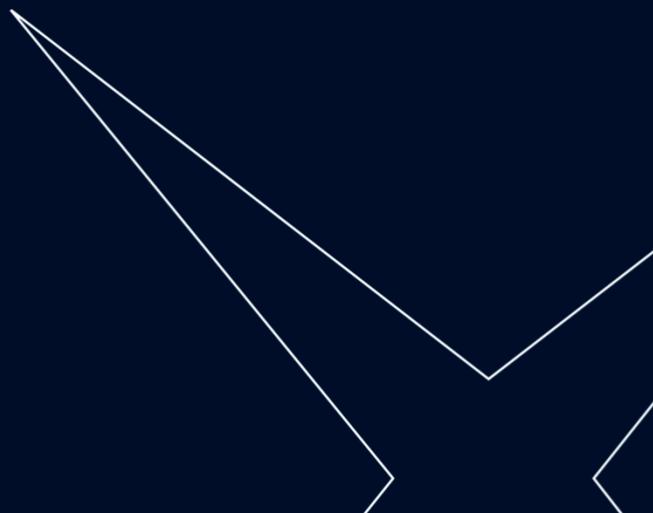
a) Review regulator mandates to promote consistency with this Strategy, to the extent it does not unduly compromise other regulatory objectives and activities.

b) Review existing duties and guidance to identify and remove inadvertent deterrents for Government and industry collaboration in line with the objectives of this Strategy. (Lead agency – TBC, Ministerial portfolio – Commerce & Consumer Affairs)

c) Review approaches to address greenwashing and explore options for a product labelling scheme consistent with key jurisdictions and trading partners by November 2026. (Lead agency – MBIE, Ministerial portfolio – Commerce & Consumer Affairs)

d) Consider options to better recognise and enable investor stewardship in New Zealand in supporting good practice and corporate accountability. (Lead agency – MBIE, Ministerial portfolio – Commerce & Consumer Affairs)

e) Issue guidance and communications under multiple CoFR agency logos where appropriate.



Action area 6: Building skills and capabilities

Challenge

Tilting the financial system to deliver on clean energy, infrastructure, innovation, nature, and social investment requires new skills and capacity across the public and private sectors. New Zealand is not a global financial centre. We need to attract, train and retain people with the skills to finance and deliver on New Zealand's long-term goals. This incorporates sustainable finance skills, project finance, policy development, capital allocation processes, regulatory approaches, and governance capabilities.

Māori face persistent capacity and capability challenges that impede their ability to co-invest alongside Government and the private sector at the scale of their ambition. The Māori economic contribution to the New Zealand economy has grown from \$17 billion (6.5 percent of GDP) in 2018 to \$30 billion (8.4 percent) in 2023.¹³ While agriculture, forestry, and fishing were the primary contributors in 2018, real estate, property services, and professional services now lead the way.¹⁴ Capitalising Iwi and Māori organisations will be core to New Zealand's sustainable economic agenda.

The opportunity

There is an opportunity to use Government processes to increase sustainable finance capacity and expertise across the financial system. Emerging macro-economic modelling tools, for example those developed by the International Monetary Fund (IMF) and the World Bank in partnership with universities, support accelerated understanding of the trade-offs and co-benefits of sustainability-related policy choices.

Public sector procurement and budgeting approaches are mechanisms that enable confidence and credibility within sustainable projects, while increasing collaboration, skills and capabilities for involved parties. For example, aligning internal Government budget allocation processes with the sovereign green bonds framework will drive capability and skills within Government to generate and assess potentially eligible projects. This expands the capital pool by accelerating market development, enhancing liquidity, and lowering the cost of capital. In turn, more projects become economically viable, further strengthening and growing the market in a self-reinforcing cycle.

Establishing offtake agreements for clean energy or approaches to purchasing of biodiversity outcomes, can drive credibility and initial liquidity in voluntary markets, while building capacity among Government, investors, Māori stakeholders and project developers.

Outcomes-based contracting provides pathways for Government, investors, philanthropies, Māori and social service providers to collaborate and learn, develop and assess social impact projects, over time improving the evidence base and efficacy of social innovation and investment.

¹³ Business and Economic Research Limited, [Snapshot: Te Ohanga Māori 2023](#), December 2024

¹⁴ Business and Economic Research Limited, [Snapshot: Te Ohanga Māori 2023](#), December 2024

Next Steps – Action area 6

Building skills and capabilities

- a) Encourage public spending in line with the Government's climate and environmental commitments (e.g. requiring new expenditures to meet the criteria set out in the New Zealand Sovereign Green Bond Framework). (Lead agency – Treasury, Ministerial portfolio – Finance)
- b) Support agencies to develop bids for eligible green bonds projects, using business cases that incorporate the effects of climate risk and impacts. (Lead agency – TBC, Ministerial portfolio – Finance)
- c) Partner with the Impact Investing Network and CSF to catalyse finance for new methods of social service delivery. (Lead agency – Social Investment Agency, Ministerial portfolios – Social Investment, Economic Growth)
- d) Expand options to build capacity among public sector and Māori leaders to ensure they have the skills to work with each other as investment partners. (Lead agency – NZTE/MBIE, Ministerial portfolio – Māori Development)
- e) Explore expansion of macro-economic modelling tools to inform climate-related policy choices in a New Zealand context. (Lead agency – TBC/RBNZ, Ministerial portfolios – Finance, Economic Growth)



Action area 7: Implementing the national adaptation framework

Challenge

In 2024, New Zealand's Finance and Expenditure Committee conducted a cross-party inquiry into climate adaptation, culminating in a comprehensive [report](#) released on 1 October 2024. The inquiry aimed to establish high-level objectives and principles for a national climate adaptation framework, addressing the increasing risks posed by climate change to communities, infrastructure, and the economy.

The adaptation inquiry report highlighted the importance of balancing central Government leadership with community-led approaches, empowering local entities while ensuring national consistency. A significant focus was placed on upholding Te Tiriti o Waitangi, ensuring that the Crown fulfils its obligations by collaborating with Iwi/Māori in developing bespoke adaptation strategies.

The inquiry underscored the necessity for a clear legislative framework delineating the roles and responsibilities of central and local governments, as well as financing arrangements related to climate adaptation. The most critical point is integrating climate considerations into reform of the Resource Management Act and all infrastructure, planning, and development decisions to prevent exacerbating risks.

The opportunity

The committee recommended establishing a lead agency dedicated to climate adaptation, responsible for coordinating efforts across Government, partnering with Iwi/Māori, engaging with stakeholders, and reporting on progress.

The committee's recommendations emphasised minimising long-term costs to both the Crown and society by proactively managing natural hazard impacts on residential and commercial areas. The committee advocated for predictable, principled, and fair responses to property owners, enhancing information dissemination about climate risks to support informed decision-making and risk management.

To achieve an enduring approach to adaptation, the Government is seeking to build on the cross-party consensus of the inquiry, by working to develop an enduring national adaptation framework. This will help New Zealand prepare for the impacts of climate change and provide clarity on managing and sharing the costs of adapting.

There are four pillars to the national adaptation framework:

1. Risk and response information: Improving access to information, so people and organisations can make informed decisions about management of risk
2. Roles and responsibilities: Clarifying who does what
3. Investment: Making sure people know what investment in infrastructure will happen in their area, such as flood protection measures
4. Cost-sharing: Setting out the Government's approach to sharing the costs of adaptation, and what support will be available for property owners

The Government anticipates introducing legislation on the national adaptation framework later this year.

Next steps – Action area 7

Implementing the national adaptation framework

- a) Detail bi-partisan plans to implement the committee's recommendations in the national adaptation framework.



Outcome 3: Tax-payer funds are used judiciously and efficiently to catalyse private capital at scale

Action area	Next steps	Status
8. Developing a long-term economic vision and strategy	a) Build on Going for Growth to develop a comprehensive economic strategy outlining potential pathways for delivering on the Government's goals. (Lead agency – MBIE, Ministerial portfolios – Economic Growth, Trade & Investment)	In progress
	b) Publish a clean energy plan for Aotearoa New Zealand by December 2025. (Lead agency – MBIE, Ministerial portfolio – Energy)	Decision
	c) Publish a clean transport plan for Aotearoa New Zealand by 2026. (Lead agency – Ministry of Transport, Ministerial portfolios – Transport, Energy)	Decision
9. Facilitating capital deployment	a) Ensure that expectations of NIFFCo and Invest NZ are that they secure investments in line with national priorities and ensure that New Zealand is competitive on the world stage. (Lead agency – Invest NZ, Ministerial portfolios – Infrastructure, Trade & Investment)	Decision
	b) Review and adjust capital markets settings to better facilitate institutional investment in private assets. (Lead agency – MBIE, Ministerial portfolio – Commerce & Consumer Affairs)	In progress
	c) Encourage Crown Financial Institutions to support the objectives of the sustainable finance strategy. (Ministerial portfolio – Finance)	Decision
	d) Resource CSF to design financial structures and create market conditions where private investors can confidently fund projects that support the climate change strategy and national priorities. (Lead agency – MfE, Ministerial portfolios – Climate Change, Social investment, Energy)	Decision
	e) Recycle the Crown's balance sheet by seeding 2-3 sustainable infrastructure and resilience funds. (Lead agency – TBC, Ministerial portfolio – Finance)	Decision
	f) Fast track sustainable investment and infrastructure projects. (Lead agency – MfE, Ministerial portfolios – Infrastructure, Environment, Climate Change)	Decision

10. Supporting credible nature and carbon markets

- a) Publish the Aotearoa New Zealand Biodiversity Strategy implementation plan by early 2026. (Lead agencies – DOC, MfE, Ministerial portfolios – Conservation, Environment) In progress
- b) Collaborate with industry to develop a plan for a seamless nature and carbon finance system which fully utilises mandatory and voluntary markets. (Lead agency – MfE, Ministerial portfolios – Associate Environment (Biodiversity), Climate Change) Decision
- c) Publish guidance on nature market integrity requirements. (Lead agency – MfE, Ministerial portfolios – Associate Environment (Biodiversity), Climate Change) Decision
- d) Strategically partner with industry to drive initial demand and pilot demonstration projects. (Lead agency – MfE, Ministerial portfolio – Associate Environment (Biodiversity)) Decision

11. Removing barriers to the Māori economy

- a) Continue the Māori Access to Capital work programme, including refreshing and restating the outcomes and actions for the cross-agency Māori Access to Capital group. (Lead agency – Treasury, Ministerial portfolio – Māori Development) In progress
- b) Continue establishment support for Rauawa, the National Iwi Chairs intermediary, to support it to become self-sustaining. (Lead agency – TBC, Ministerial portfolios – Finance, Māori Development) In progress

12. Fostering international collaboration

- a) Continue to engage strategically in key fora including Network for Greening the Financial System (NGFS), International Coalition of Finance Ministers for Climate Action, International Platform on Sustainable Finance (IPSF), Central Bank Network for Indigenous Inclusion, and Advanced Small Economies Initiative. In progress
- b) Use bilateral and plurilateral agreements to support regional collaboration on green economy where there is value to New Zealand's long-term economic prosperity. (Lead agency – MFAT, Ministerial portfolios – International Trade & Investment, Foreign Affairs) In progress

Action area 8: Developing a long-term economic vision and strategy

Challenge

In a small, open, and globally connected economy like New Zealand, a clear long-term economic vision and strategy are essential to optimising limited resources, including financial capital. While Going for Growth can provide a strong foundation, the lack of coherence across the Government's numerous strategies and objectives weakens investor confidence and creates barriers to financing national priorities.

A comprehensive long-term economic strategy would identify New Zealand's strategic assets and enable the Government to map out the key transition pathways and funding priorities. This would help to align private financiers with the Government's objectives, strategic future industries and opportunities. Private investors can then respond to detailed pathways, policies, incentives, and investment opportunities.

The market allocates capital based on Government-established rules but can't finance public goods, for example energy security. While the private sector drives innovation, financing, and scaling solutions, contributing expertise, capital, and market-based approaches, only Government can provide the overarching vision, policy, incentives and regulatory framework to guide private sector action and investment toward areas of national interest.

The opportunity

By clearly articulating priority areas for investment, the Government can build on the momentum that has already been created in the financial system through early work on the NZ Taxonomy, climate-related financial disclosures and sector scenarios. This includes momentum in both capital allocation and financial sector capability, both of which can be harnessed to accelerate the achievement of the Government's goals.

A collaborative strategy development process can also support leveraging global expertise for climate transition pathways across the private sector, scientific, NGO and philanthropic communities. Transition pathways map steps to achieve sustainability goals while fostering economic growth and signalling to investors where countries are heading. They include assessments of global trends, emerging technologies, and domestic strengths, complementing shorter-term implementation plans. These plans help identify and prepare for industries with high growth potential in New Zealand and develop the incentives and enabling environment needed to compete with other jurisdictions.

For example, abundant, affordable clean energy is a national priority. Given the lag with construction and development, it is currently seen as too risky to build additional capacity and energy supply before there is a strong likelihood of user-demand. An energy sector transition pathway and plan would clarify long-term Government priorities, investment needs, and how renewable energy can unlock new exports, like green manufacturing. Similarly, attracting private capital for electric vehicle (EV) charging requires investor confidence in long-term policy and regulatory support for EV uptake.

An economic vision and plan for New Zealand, supported by credible sector transition plans, positions the country competitively for sustainable and transition capital to achieve economic goals.

Next steps – Action area 8

Developing a long-term economic vision and strategy

- a) Build on Going for Growth to develop a comprehensive economic strategy outlining potential pathways for delivering on the Government's goals. (Lead agency – MBIE, Ministerial portfolios – Economic Growth, Trade & Investment)
- b) Publish a clean energy plan for Aotearoa New Zealand by December 2025. (Lead agency – MBIE, Ministerial portfolio – Energy)
- c) Publish a clean transport plan for Aotearoa New Zealand by 2026. (Lead agency – Ministry of Transport, Ministerial portfolios – Transport, Energy)



Action area 9: Facilitating capital deployment

Challenge

New Zealand needs a step change on investment in infrastructure to address the infrastructure deficit, build resilience and realise the country's economic growth objectives.

Financial markets will not deliver the capital needed without aligned incentives. Nascent markets and emerging technologies often pose risks that are too high for most private investors, particularly in large-scale energy and infrastructure projects. These challenges stem from the significant investment size, long development timelines, limited industry experience, and lack of a proven commercial track record.

As a small, remote market, a key challenge in New Zealand is packaging, structuring, and developing investment opportunities at sufficient scale to be of interest to various providers of capital. New Zealand has a significant need for investment across a broad range of opportunities including climate transition and adaptation, transport and roads, social housing, education, health and water assets in order to address the current infrastructure deficit and respond to changing market conditions.

The New Zealand Infrastructure Commission – Te Waihanga is developing the 30-year infrastructure plan, scheduled to be delivered to Ministers by the end of 2025. This emphasises long-term, politically stable strategies to de-risk projects for private investors, enabling sustained private sector engagement.

Governments play a critical role in de-risking and catalysing private sector investment, particularly in areas that are essential for public welfare and economic growth but are not immediately attractive to private investors. Government involvement is crucial where projects have significant positive externalities, such as improved public health, reduced environmental impact, or enhanced connectivity. It is also key where market failures exist, such as in rural or underserved areas, or where the scale, cost, or risk of the project is too high for private entities to manage alone.

The opportunity

There are tremendous opportunities to mobilise institutional investment into New Zealand's priority areas. Governments have a range of systemic de-risking tools—spanning information, regulatory, institutional, and economic mechanisms—that can help mitigate macro-level risks, as well as some market and technical risks. When applied strategically, these instruments can substantially lower the cost of capital, making scaling up new technologies more viable while reducing costs for consumers.

To generate additional capital, the Government balance sheet could be recycled through the purposeful establishment of funds with sustainable or resilience investment objectives. The Government could seed several infrastructure funds with existing Crown assets. These funds could be listed or unlisted, and have different objectives, risk and return profiles. In this model, the Government's existing shareholdings remain in the funds. The Government remains a core investor in the funds, and using the existing restrictions under the mixed-ownership-model the Government could retain its current equity holdings. Additional green and transition capital could be accelerated through expansion of the fast track approvals process with clear criteria or pathways for projects that are aligned to the climate change strategy, sector transition plans, and the NZ Taxonomy.

The Government's balance sheet can be further leveraged with the establishment of a partial guarantee arrangement over a portion of bank lending where the purpose is linked to national objectives. This would encourage the flow of capital in a way that would use existing bank lending origination processes, funding and credit risk management practices, while not requiring any direct material Government investment.

To support deployment of international capital, Invest NZ has a crucial opportunity to promote a coherent NZ Inc sustainable growth story alongside a pipeline of investable opportunities. This can be facilitated through collaboration with the National Infrastructure Funding and Financing Ltd (NIFFCo), Local Government Funding Agency (LGFA) and CSF. All three have existing workstreams aimed at mobilising and directing capital towards sustainable projects and activities in line with the broader economic agenda.

Next steps – Action area 9

Facilitating capital deployment

a) Ensure that expectations of NIFFCo and Invest NZ are that they secure investments in line with national priorities and ensure that New Zealand is competitive on the world stage. (Lead agency – Invest NZ, Ministerial portfolios – Infrastructure, Trade & Investment)

b) Review and adjust capital markets settings to better facilitate institutional investment in private assets. (Lead agency – MBIE, Ministerial portfolio – Commerce & Consumer Affairs)

c) Encourage Crown Financial Institutions to support the objectives of the sustainable finance strategy. (Ministerial portfolio – Finance)

d) Resource CSF to design financial structures and create market conditions where private investors can confidently fund projects that support the climate change strategy and national priorities. (Lead agency – MfE, Ministerial portfolios – Climate Change, Social investment, Energy)

e) Recycle the Crown's balance sheet by seeding 2-3 sustainable infrastructure and resilience funds. (Lead agency – TBC, Ministerial portfolio – Finance)

f) Fast track sustainable investment and infrastructure projects. (Lead agency – MfE, Ministerial portfolios – Infrastructure, Environment, Climate Change)



Action area 10: Supporting credible nature and carbon markets

Challenge

New Zealand has a competitive advantage when it comes to nature. Our clean green reputation and natural assets are a cornerstone of our national identity and critical drivers of our economy. However, there is a gap in funding and investment into restoration and protection of our environment, upon which our brand and economy depend.

Voluntary carbon markets have developed and are extending to address biodiversity loss, to direct private capital into climate mitigation and nature restoration activities internationally that otherwise would not be financed. With the right settings in place to drive demand and high-integrity project supply, voluntary markets have potential to increase private financing for carbon removals and nature outcomes.

Governments are implementing policies to drive demand for nature outcomes amidst increased corporate demand for nature-based carbon credits. In New Zealand, voluntary carbon and nature markets are still fragmented and lack standardisation or are otherwise reliant on expensive international certification. Buyers and investors may hesitate to participate due to concerns about integrity, permanence, administrative barriers (e.g. offtake agreements) and pricing volatility. Landowners may hesitate to invest their land and time into projects due to high upfront costs, high certification costs (due to limited options in market) and low confidence in locally offered project frameworks.

The opportunity

In the first half of 2024, globally there was a record growth in long-term offtake agreements for nature-based carbon credits, particularly those involving carbon removal projects like reforestation. Large corporations with ambitious climate goals, including tech giants and energy firms, are committing to multi-year agreements to secure reliable, high-quality, nature-based carbon credits.¹⁵

Government procurement activities could stimulate initial demand and liquidity in New Zealand's voluntary markets by encouraging both suppliers (e.g. farmers and landowners) and buyers to engage effectively.

A relevant example is Australia's Australian Carbon Credit Unit (ACCUs) market, where the government played a foundational role by setting integrity standards and methodologies, acting as an initial buyer to establish demand, which helped set a baseline price for ACCUs, and regulating compliance buyers.

Key to successful development of voluntary markets is clarity about the outcomes needed from the market and the role the New Zealand Government will take (e.g. administration or enablement) at different stages of its development. By committing to purchase voluntary credits (e.g. biodiversity credits, blue carbon credits) through procurement policies, the Government can provide market certainty and confidence.

¹⁵ Morgan Stanley Capital International, [Nature-Based Offtake Deals: Something Is Stirring in Voluntary Carbon Markets](#), November 2024

Next steps – Action area 10

Supporting credible nature and carbon markets

- a) Publish the Aotearoa New Zealand Biodiversity Strategy implementation plan by early 2026. (Lead agencies – DOC, MfE, Ministerial portfolios – Conservation, Environment)
- b) Collaborate with industry to develop a plan for a seamless nature and carbon finance system which fully utilises mandatory and voluntary markets. (Lead agency – MfE, Ministerial portfolios – Associate Environment (Biodiversity), Climate Change)
- c) Publish guidance on nature market integrity requirements. (Lead agency – MfE, Ministerial portfolios – Associate Environment (Biodiversity), Climate Change)
- d) Strategically partner with industry to drive initial demand and pilot demonstration projects. (Lead agency – MfE, Ministerial portfolio – Associate Environment (Biodiversity))



Action area 11: Removing barriers to the Māori economy

Challenge

Evidence shows there are significant and persistent economic disparities in New Zealand. While tangata whenua make up 17 percent of New Zealand's population, they earn less than 9 percent of the nation's income, resulting in a GDP per capita more than 50 percent lower than the general population.¹⁶ This income gap manifests in lower savings rates, reduced home ownership, greater financial hardship, and relatively poor Māori health and education outcomes. These outcomes constrain access to capital within the Māori economy.

The Māori economy is estimated to be around NZ\$119 billion¹⁷ and contributes significantly to the growth of New Zealand's economy with a relatively high share of the land, agricultural, fishing, and forestry asset base. Infrastructure investment opportunities align with Māori investment goals – moderate growth, sustainable cash flows, and tolerable risk. A key barrier is the balance sheet size. There is a need to collectivise Māori capital to achieve the scale required to participate in some of those investable projects.

Given the large and growing importance of the Māori economy, barriers to Māori access to capital, including the ability to lend for housing on collectively-owned Māori freehold land, could undermine the efficiency of capital allocation in the financial system and therefore limit New Zealand from attaining its full economic potential.

The opportunity

The recognition and participation of Māori in conservation, economic development and practice of culture, is one of New Zealand's advantages globally.

Māori have distinct investment goals and criteria, prioritising both financial returns and broader cultural and social outcomes across long horizons. Māori investment decision-making is consistent with the social investment ethos of considering a wide range of long- and short-term risks, trade-offs and benefits in resource allocation decisions.

Te Tiriti o Waitangi – the Treaty of Waitangi enshrines the partnership between Māori and the Crown, affirming the protection of Māori rights, resources, and tino rangatiratanga (self-determination).

The Māori Access to Capital work programme, led by The Treasury, brings together Government agencies, the National Iwi Chairs Forum's Pou Tahua and industry stakeholders including Tawhia (the Māori Bankers' Ropū) to mitigate the perceived challenges associated with lending for housing on Māori freehold land, and identify innovative product and market solutions to increase access to lending.

¹⁶ Business and Economic Research Limited, [Snapshot: Te Ōhanga Māori 2023](#), December 2024

Next steps – Action area 11

Removing barriers to the Māori economy

- a) Continue the Māori Access to Capital work programme, including refreshing and restating the outcomes and actions for the cross-agency Māori Access to Capital group. (Lead agency – Treasury, Ministerial portfolio – Māori Development)
- b) Continue establishment support for Rauawa, the National Iwi Chairs intermediary, to support it to become self-sustaining. (Lead agency – TBC, Ministerial portfolios – Finance, Māori Development)



Action area 12: Fostering international collaboration

Challenge

There are a range of international initiatives and fora that are developing approaches, building coalitions, and making progress on financing climate transitions and nature protection. If New Zealand is not actively engaged in these international efforts, there is a risk that we do not respond efficiently to rapidly evolving international expectations and that our needs are not factored into how they are developed.

International investors are looking for opportunities to finance sustainable opportunities and have options on where to allocate their capital. If these investors are not aware of sustainable finance opportunities in New Zealand or think that the transaction costs from engaging here are too high, then they are likely to prioritise opportunities in other countries which they are more familiar with and where the alignment with their home markets is clearer.

The opportunity

New Zealand is already engaged in bilateral and plurilateral agreements and key international fora to enhance our capability, build and share on global best practice, and participate in adjusting global financial system settings that support resilience and stability.

Invest New Zealand is well placed to coordinate engagement with international investors that promotes a consistent, clear message on New Zealand's priorities, opportunities and to reinforce our clean, green brand.

Next steps – Action area 12

Fostering international collaboration

- a) Continue to engage strategically in key fora including Network for Greening the Financial System (NGFS), International Coalition of Finance Ministers for Climate Action, International Platform on Sustainable Finance (IPSF), Central Bank Network for Indigenous Inclusion, and Advanced Small Economies Initiative.
- b) Use bilateral and plurilateral agreements to support regional collaboration on green economy where there is value to New Zealand's long-term economic prosperity. (Lead agency – MFAT, Ministerial portfolios – International Trade & Investment, Foreign Affairs)



2030 workplan at a glance

Outcomes	Action areas	Action plan			
		2024	2025	2026	2027-2029
1. Clarity and confidence in financial markets	1. Defining sustainable economic activity for Aotearoa New Zealand	Establish design principles for taxonomy	Publish agriculture and forestry taxonomy	Publish taxonomy for energy, transport, buildings and construction sectors	Review use cases and uptake
	2. Enabling credible disclosures	Implement and refine mandatory climate-related disclosures	Consult on differential reporting Consider feedback provided during Capital Markets Reforms consultation	Publish guidance on simplified sustainability disclosures	
	3. Building a data common	Undertake initial needs assessment with industry	Explore options for establishing a data common or 'centre of excellence'	Ensure alignment between sustainability disclosure requirements and priority data needs of capital providers and regulators	
2. Coherent policy and regulation	4. Enhancing financial sector resilience	Conduct climate stress test and issue guidance for banks, insurers, and non-bank deposit takers on managing climate-related risks	Continue to identify and assess current and emerging environmental risks to financial system and develop options to enhance resilience	Gather and assess evidence of quantifiable links between shifts in physical & transition risk factors and financial stability criteria Investigate capabilities, settings, and frameworks to set up and administer funding arrangements to mobilise capital from financial institutions to enhance climate resilience	
	5. Aligning financial sector mandates, policy, regulation and guidance	Initiate Capital Markets Reforms to improve access to capital for businesses and investors	Review regulator mandates to promote consistency with this Strategy Review existing duties and guidance to identify and remove inadvertent deterrents for Government and industry collaboration	Review approaches to address greenwashing and explore options for a product labelling scheme Consider options to better recognise and enable investor stewardship in New Zealand Issue guidance and communications under multiple CoFR agency logos where appropriate	
	6. Building skills and capabilities		Partner to catalyse finance for new methods of social service delivery	Support agencies to develop bids for eligible green bonds projects, using business cases that incorporate the effects of climate risk and impacts Encourage public spending in line with the Government's climate and environmental commitments Expand options to build capacity among public sector and Māori leaders to ensure skills to work as investment partners Explore expansion of macro-economic modelling tools to inform climate-related policy choices in a New Zealand context	
	7. Implementing the national adaptation framework	Complete adaptation inquiry	Detail bi-partisan plans to implement the committee's recommendations in the national adaptation framework		

3. Tax-payer funds are used judiciously and efficiently to catalyse private finance at scale	8. Developing a long-term economic vision and strategy	Publish national climate change strategy and emissions reduction plan	Build on Going for Growth to develop a comprehensive long-term economic strategy Publish a clean energy plan	Publish clean transport plan	Publish additional sector plans
	9. Facilitating capital deployment	Establish partnership with CSF to accelerate novel financing solutions	Ensure expectations of NIFFCO and Invest NZ are to secure investments in line with national priorities Review and adjust capital markets settings to better facilitate institutional investment in private assets Fast track sustainable investment and infrastructure projects	Encourage Crown Financial Institutions to support the objectives of this Strategy Resource CSF to design financial structures and create market conditions Recycle Crown balance sheet by seeding 2-3 sustainable infrastructure and resilience funds	
	10. Supporting credible nature and carbon markets	Prepare research on role of Government and opportunities for nature finance in Aotearoa New Zealand	Collaborate with industry to develop a plan for a seamless nature and carbon finance system which fully utilises mandatory and voluntary markets	Publish Aotearoa New Zealand Biodiversity Strategy implementation plan Strategically partner with industry to drive initial demand and pilot demonstration projects	Publish guidance on nature market integrity requirements
	11. Removing barriers to the Māori economy	Research barriers to Māori access to capital Fund Rauawa, the National Iwi Chairs intermediary, to support it to become self-sustaining	Continue the Māori Access to Capital work programme Continue establishment support for Rauawa, the National Iwi Chairs intermediary, to support it to become self-sustaining	Continue establishment support for Rauawa, the National Iwi Chairs intermediary, to support it to become self-sustaining	
	12. Fostering international collaboration	Actively participate in key international events and fora	Continue to engage strategically in key fora Use bilateral and plurilateral agreements to support regional collaboration on green economy where there is value to New Zealand's long-term economic prosperity		

Acknowledgements

CSF explored international and local perspectives as part of this strategy development process including secondary research on similar international examples including:

- Australia's [Sustainable Finance Roadmap](#)
- Singapore's [Finance for Net Zero Action Plan](#)
- United Kingdom's [Green Finance Strategy](#)

This draft has been developed with inputs from a range of domestic and international private, public, and philanthropic organisations including:

- Major banks, asset managers, philanthropies, insurers, and professional service providers
- Peak bodies and industry associations
 - Aotearoa New Zealand Stewardship Code
 - Impact Investing Network (IIN)
 - Institute of Directors (IoD)/Chapter Zero New Zealand
 - Institute of Finance Professionals New Zealand Inc (INFINZ)
 - Insurance Council of New Zealand (ICNZ)
 - National Iwi Chairs Forum (NICF)
 - Responsible Investment Association of Australasia (RIAA)
 - Sustainable Business Council (SBC)
 - The Investor Group on Climate Change (IGCC)
- Regulators
 - Commerce Commission – Te Komihana Tauhokohoko
 - Financial Markets Authority – Te Mana Tātai Hokohoko (FMA)
 - Reserve Bank of New Zealand – Te Pūtea Matua (RBNZ)
- Government agencies
 - Ministry for the Environment – Manatū Mō Te Taiao (MfE)
 - Ministry of Business, Innovation and Employment – Hīkina Whakatutuki (MBIE)
 - Ministry of Foreign Affairs and Trade – Manatū Aorere (MFAT)
 - Social Investment Agency – Toi Hau Tāngata (SIA)
 - The Treasury – Te Tai Ōhanga (Treasury)
- Independent Crown entities and financial institutions
 - Energy Efficiency and Conservation Authority – Te Tari Tiaki Pūngao (EECA)
 - External Reporting Board – Te Kāwai Ārahi Pūrongo Mōwaho (XRB)
 - Guardians of New Zealand Superannuation
 - New Zealand Local Government Funding Agency (LGFA)
- The New Zealand Sustainable Finance Reference Group

CSF gratefully acknowledges the time and input of these stakeholders. The views expressed in this draft strategy are those of CSF. This document does not represent a consensus view or combined draft from these stakeholders.

CSF receives funding and support from the following organisations:

- ANZ
- ASB
- Bank of New Zealand
- Rabobank
- Westpac
- Ministry for the Environment
- NZ Green Investment Finance
- NZ Super Fund
- Chapman Tripp
- Minter Ellison Rudd Watts
- EY
- Deloitte
- KPMG
- PWC
- HSBC
- Local Government Funding Authority
- Tower Insurance

Whilst reasonable steps have been taken to ensure that the information contained in this proposal is correct, the authors give no warranty and make no representation as to its accuracy and accept no liability for any errors or omissions. © Centre for Sustainable Finance: Toitū Tahua. All rights reserved.



sustainablefinance.nz

Contact Jo Kelly [jo@sustainablefinance.nz] with any questions or to request further information on the content of this report.