

Proactive Release

22/03/2023

The following Cabinet papers and related Cabinet minutes have been proactively released by the Minister of Foreign Affairs

Title	Reference
<i>Minute of Decision – Report of the Cabinet Business Committee: Period Ended 3 February 2023.</i>	CAB-23-MIN-0013
<i>Cabinet Business Committee – Minute of Decision – International Solar Alliance: Approval for Membership</i>	CBC-23-MIN-0003
<i>International Solar Alliance: Approval for Membership</i>	
<i>National Interest Analysis – International Solar Alliance: Approval for Membership</i>	

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the OIA). Where this is the case, the relevant sections of the OIA that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to OIA redaction codes:

- 6(a): to avoid prejudicing the international relations of the New Zealand Government;



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Report of the Cabinet Business Committee: Period Ended 3 February 2023

On 8 February 2023, Cabinet made the following decisions on the work of the Cabinet Business Committee for the period ended 3 February 2023:

CBC-23-SUB-0003

**International Solar Alliance: Approval for
Membership**
Portfolio: Foreign Affairs

CONFIRMED

Rachel Hayward
Secretary of the Cabinet



Cabinet Business Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

International Solar Alliance: Approval for Membership

Portfolio **Foreign Affairs**

On 31 January 2023, the Cabinet Business Committee, having been authorised by Cabinet to have Power to Act [CAB-23-MIN-0011]:

- 1 **noted** that New Zealand has been invited by India to join the International Solar Alliance (ISA);
- 2 **noted** that the Framework Agreement on the establishment of the ISA (Framework Agreement) confers minimal obligations on its Members, allowing each country to determine their level of engagement, financial commitment, and associated risk;
- 3 **noted** that the expected benefits include lifting our engagement with India, advancing our climate change agenda and domestic solar energy sector, promoting international reputation, and contributing to Pacific resilience;
- 4 **noted** that any risks to New Zealand are minimal, and would be outweighed by the expected benefits;
- 5 **noted** that the membership has no major implications for New Zealand's domestic legislation, and will require an Order in Council under the Diplomatic Privileges and Immunities Act 1968 to provide privileges and immunities to the ISA Secretariat;
- 6 **approved** the text of the Framework Agreement, attached as Annex One under CBC-22-SUB-0003;
- 7 **approved** the corresponding National Interest Analysis (NIA) attached as Annex Two under CBC-22-SUB-0003;
- 8 **agreed** to present the Framework Agreement and the NIA to the House of Representatives for the purposes of the parliamentary treaty examination process, under Standing Order 405;
- 9 **agreed** that New Zealand sign the Framework Agreement;
- 10 **agreed** that New Zealand ratify the Framework Agreement, subject to the satisfactory completion of the parliamentary treaty examination process;

- 11 **noted** that consultation is currently underway with Tokelau on whether New Zealand's treaty action will extend to Tokelau and officials will preserve the right for it to be extended to Tokelau if it so advises.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Chris Hipkins (Chair)
Hon Carmel Sepuloni
Hon Grant Robertson
Hon Kelvin Davis
Hon Dr Megan Woods
Hon Andrew Little
Hon David Parker
Hon Nanaia Mahuta
Hon Damien O'Connor
Hon Stuart Nash
Hon Michael Wood
Hon Kiri Allan

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet

Proactively Released by the
Minister of Foreign Affairs

In Confidence

Office of the Minister of Foreign Affairs

External Relations and Security Committee

International Solar Alliance: Approval for Membership

Proposal

- 1 We seek Cabinet approval for New Zealand to join the International Solar Alliance (ISA) by signing and ratifying the *Framework Agreement on the Establishment of the International Solar Alliance (ISA)* (Framework Agreement) (see Annex One for full text).

Relation to government priorities

- 2 ISA membership – which would follow ratification of the Framework Agreement – would boost constructive engagement on political and economic cooperation with a range of key countries, in particular India – a priority relationship for New Zealand¹. It would also support New Zealand's climate change objectives and may facilitate New Zealand business, investment, and research opportunities in the solar field.
- 3 Membership would also help promote New Zealand's influence in the Indo-Pacific and strengthen New Zealand's international reputation as a leading advocate for renewable energies. By improving energy security in the region, the membership would also enhance New Zealand's contribution to Pacific resilience.

Executive Summary

- 4 The ISA is an inter-governmental organisation focused on developing and sharing solar energy expertise to reduce global dependence on fossil fuels. The ISA is established by the Framework Agreement, which is an international treaty.
- 5 The ISA was launched jointly by India and France at the November 2015 meeting of the United Nations Framework Convention on Climate Change Conference of the Parties in Paris (COP21). To date, 110 countries have signed the ISA Framework Agreement, of which 90 have subsequently ratified². Members include nine Pacific Island countries as well as a number of likeminded international partners, including Australia, Japan, the United Kingdom, the United States, and the founding countries France and India.
- 6 Membership does not require participation in governance processes and projects. The main ongoing obligation of membership for New Zealand is to nominate a National Focal Point to act as correspondent with other ISA Members. This will be managed by the Ministry of Foreign Affairs and Trade (MFAT) officials seconded to the New Zealand High Commission in New Delhi; however advice will need to be sought

¹ As set out in the New Zealand Government Strategy 'India – New Zealand 2025: Investing in the Relationship'.

² Full membership is obtained through both signing and ratifying the ISA Framework Agreement.

from officials from Ministry of Business, Innovation and Employment, the Ministry for the Environment and any other relevant agencies.

- 7 The demand on Members' resources is minimal. There is neither a joining fee nor an obligatory financial contribution. Members can, however, decide voluntarily to fund specific projects of interest. There may be servicing costs in relation to any policy support and occasional travel, however these are expected to be minimal as the day to day resourcing would be led by the New Zealand High Commission in New Delhi.
- 8 Membership has no major implications for New Zealand's domestic legislation. New Zealand will need to pass an Order in Council under the Diplomatic Privileges and Immunities Act 1968 to provide privileges and immunities to the ISA Secretariat as specified in Article X of the Framework Agreement.
- 9 New Zealand has been invited by India to join the ISA. We seek Cabinet approval to sign and ratify the attached ISA Framework Agreement. If Cabinet approves, the Framework Agreement would then be signed, undergo Parliamentary Treaty Examination, and the formal instrument of ratification deposited with the Government of India; the Depositary of the Framework Agreement and host to the ISA Headquarters.
- 10 ISA membership will boost constructive engagement with India, a priority relationship for New Zealand. By strengthening our reputation as a leading advocate for renewable energies, the membership would advance New Zealand's climate change agenda and expand domestic solar business and investment opportunities. It would also help maintain New Zealand's international reputation in the broader Indo-Pacific region and contribute to Pacific resilience by improving energy security in the region.
- 11 The National Interest Analysis (NIA), which assesses the reasons for joining the ISA and its impacts on New Zealand and New Zealanders, is provided as Annex Two.

Background

- 12 The ISA was jointly launched in November 2015 by Prime Minister Narendra Modi of India and President François Hollande of France at COP 21.
- 13 The goal of the ISA is to support the development and sharing of solar energy expertise in a safe, convenient, affordable, equitable, and sustainable manner, by mobilising investments of more than USD 1,000 billion by 2030. The ISA aims to provide a platform for cooperation on solar research and development, financing mechanisms, and diffusion of solar technologies amongst Member countries; and ultimately reduce dependence on fossil fuels.
- 14 The ISA has launched programmes aimed at scaling up solar mini-grids, solar roof tops, and solar applications for agricultural use, solarising heating and cooling systems, enabling sustainable solar waste management, mobilising investment to finance solar developments, and promoting solar-based green hydrogen across ISA membership.

- 15 To date, 110 countries have signed the Framework Agreement, of which 90 have subsequently ratified. Membership comprises predominantly developing countries, including nine Pacific Island countries (Fiji, Kiribati, Marshall Islands, Nauru, Papua New Guinea, Tonga, Tuvalu, Samoa, and Vanuatu), but also includes many developed countries such as Australia, Denmark, Japan, the Netherlands, Sweden, the United Kingdom, the United States, and the founding countries France and India.
- 16 The ISA is supported by a large number of partner organisations including the Asian Development Bank, the Asian Infrastructure Investment Bank, the Commonwealth Secretariat, the European Investment Bank, the European Union, the Green Climate Fund, the International Energy Agency, the International Renewable Energy Agency, the United Nations Development Programme, and the World Bank.
- 17 The ISA is governed by an Assembly of representatives from each Member State. The Assembly meets annually at the Ministerial level (or their representative) to make all key decisions regarding the functioning of the ISA. Each Member has the right to participate in all decisions taken by the Assembly, including on the budget, work programmes, and applications for membership.
- 18 Membership is open to States which are Members of the United Nations. Such States become Members of the ISA by signing the ISA Framework Agreement and depositing an instrument of ratification, acceptance or approval with the Government of the Republic of India; the Depositary of the Framework Agreement and host to the ISA Headquarters.
- 19 The provisions of the Framework Agreement relate principally to the structure of the ISA, rather than creating obligations on individual Members. Through the Framework Agreement, Members will:
 - 19.1 take coordinated actions through programmes and activities launched on a voluntary basis;
 - 19.2 cooperate closely and strive for establishing mutually beneficial relationships with relevant organisations, public and private stakeholders, and with non-Member countries;
 - 19.3 collate and share solar applications for collective action under the ISA; and
 - 19.4 designate a National Focal Point to act as liaison between Members and the ISA Secretariat.
- 20 Nominating a National Focal Point is the main ongoing obligation under the Framework Agreement. New Zealand's National Focal Point will be managed by MFAT officials seconded to the New Zealand High Commission in New Delhi.
- 21 Representation at any ISA meetings is also proposed to be led by the New Zealand High Commission in New Delhi in coordination with relevant agencies and stakeholders in New Zealand. Ministerial attendance at the annual Assembly meetings can be decided based on the significance and relevance of the meeting each year.
- 22 Consideration for membership and ratification of the ISA has not previously been presented to Cabinet for consideration. During a visit to New Delhi in early 2020,

former Ministers Rt Hon Winston Peters and Hon David Parker signalled New Zealand's interest in joining the ISA. India has repeatedly followed up on our progress towards joining the ISA, including during the recent visit by India's External Affairs Minister Dr S. Jaishankar in October 2022.

- 23 If Cabinet approved this proposal, the Framework Agreement would come into force for New Zealand on the thirtieth day following the deposit of our instrument of ratification and Parliamentary Treaty Examination.

Analysis

Advancing New Zealand's bilateral relationships with India and France

- 24 India is projected to be the world's second largest economy and most populous country by 2050. As India grows in regional and global importance, New Zealand is seeking to maximise geopolitical and economic opportunities and minimise risks to our interests.
- 25 New Zealand's aspirations for the relationship have been set out in our India Strategy released in early 2020: *India-New Zealand 2025: Investing in the Relationship*. Key to this Strategy is strengthening New Zealand's value to India in pursuit of deeper engagement on geostrategic issues and a more favourable trading environment for New Zealand's business interests. It was agreed that New Zealand seek opportunities to "open doors" by identifying and targeting issues of particular importance to India.
- 26 s6(a)
- 27 New Zealand's membership would help to maintain momentum in the New Zealand – India bilateral relationship, and potentially unlock economic, political, security, and multilateral benefits; s6(a)
- 28 New Zealand has also been invited by France to join the ISA at officials' level. The membership would support enhanced bilateral cooperation with France and further our position as an active and like-minded partner in the areas of sustainability and the rules-based multilateral order. It is also consistent with our cooperation in the Pacific, where New Zealand has led increased investment in renewable energy, including solar energy.

Advancing New Zealand's climate change agenda and expanding domestic solar business and investment opportunities

- 29 Joining the ISA would complement New Zealand's climate change efforts and help promote clean energy norms domestically. By hastening the development of solar energy, the ISA has the potential to augment New Zealand's efforts to increase the use of renewable energies, reduce dependency on fossil fuels, and meet international and domestic legislative commitments on carbon neutrality by 2050. The membership would also support diversification of international solar supply chain for the benefit of New Zealand.

- 30 In 2021, solar made up 0.46 per cent of New Zealand's electricity generation mix and has gradually been increasing in share year-on-year, with an increase of 28 per cent between 2020 and 2021³. By increasing expertise in the field, New Zealand could see the proportion of solar energy as an element of New Zealand's energy generation increase at a faster rate.
- 31 The ISA could also be a potential avenue for New Zealand to provide climate change support for developing countries in line with the International Climate Finance Strategy and New Zealand's climate finance commitment (NZD1.3 billion between 2022 and 2025).
- 32 The ISA provides a platform through which to share solar energy experience. There would be advantages for New Zealand companies to increase expertise in the field and develop high quality solar solutions. New Zealand companies have already played a key role in flagship solar projects in the Pacific through New Zealand's development assistance programme. The ISA will likely provide further opportunities, enhancing New Zealand's commercial competitiveness in the sector.

Promoting international reputation, including in the broader Indo-Pacific region

- 33 Promoting greater efforts on climate change in the Indo-Pacific region is a priority for New Zealand. Joining the ISA will complement our climate priorities in the region and fill an important gap.
- 34 The membership would strengthen New Zealand's international credentials as a leader on global climate change efforts. It would also enhance our ongoing advocacy for countries to align their climate action with the shared objectives under the Paris Agreement⁴, including limiting global average temperature increases to well below 2 degrees Celsius above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 degrees Celsius.
- 35 ISA membership would support New Zealand's contribution to Goal 7 of the Sustainable Development Goals: to ensure access to affordable, reliable, sustainable and modern energy for all. Membership would also complement our leadership on fossil fuel subsidy reform by encouraging other countries to shift their reliance away from fossil fuels.
- 36 Joining the ISA would also reinforce New Zealand's relationships with a range of key international organisations such as the World Bank, the International Energy Agency, the International Renewable Energy Agency, and the United Nations Development Programme.

Contributing to Pacific Resilience

- 37 Climate change remains the most significant security and development issue facing the Pacific region. The ISA has been actively deploying solar energy solutions in the Pacific. Alongside multiple capacity building initiatives, the ISA is involved in the

³ Energy in New Zealand | Ministry of Business, Innovation & Employment (mbie.govt.nz).

⁴ The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris on 12 December 2015 and entered into force on 4 November 2016.

solarisation of healthcare centres and schools and in developing solar water pumping facilities in countries such as Fiji, Kiribati, Samoa and Tonga.

- 38 ISA membership could help bring further international attention and solutions to the energy issues and challenges faced by communities in the Pacific region (especially energy insecurity and reliance on fossil fuels). New Zealand could utilise the ISA as an avenue to amplify Pacific voices, build Pacific capacity to maximise their membership benefits, and help to ensure that solar initiatives are effectively directed to meet the needs of the Pacific.

Disadvantages of ISA Membership

- 39 Officials consider there are no disadvantages to New Zealand becoming a member of the ISA.

Risks of membership

- 40 Membership confers minimal obligations on its Members, allowing each country to determine their level of engagement, financial commitment, and any associated risks. As such, officials assess the risks to New Zealand as negligible. While there is a potential reputational risk of being perceived as an inactive Member and over time there may be some pressure for New Zealand to contribute, membership of ISA does not require New Zealand to take on any financial commitments.

- 41 s6(a)

Financial Implications

- 42 There are no financial implications. There are no mandatory financial obligations conferred by membership and there is no membership fee. The ISA is primarily funded through voluntary contributions, with India being a major funder, and through its partner international organisations.
- 43 There may be servicing costs in relation to policy support and occasional travel, however these are expected to be minimal as the day to day resourcing would be led by MFAT officials seconded to the New Zealand High Commission in New Delhi, in coordination with relevant agencies and stakeholders in New Zealand.

Legislative Implications

- 44 The ISA has no major implications for domestic legislation and there are no requirements to incorporate the treaty into New Zealand law. We will need to pass an Order in Council under the Diplomatic Privileges and Immunities Act 1968 to provide privileges and immunities to the ISA Secretariat as specified in Article X of the Framework Agreement.

Regulatory Impact Statement

- 45 The ISA has no regulatory implications.

Climate Implications of Policy Assessment

46 No Climate Implications of Policy Assessment is required.

Population Implications

47 There are no particular population implications.

Human Rights

48 There are no particular human rights implications.

Consultation

49 The following agencies were consulted in the preparation of this paper: Department of the Prime Minister and Cabinet, New Zealand Trade and Enterprise, Ministry of Business, Innovation and Employment, and Ministry for the Environment.

50 Consultation is being undertaken with Tokelau to determine whether New Zealand's accession to the Convention will extend to Tokelau as a non-self-governing territory of New Zealand.

Communications

51 It is proposed that the Minister of Foreign Affairs issue a press release to announce New Zealand's commencement of membership application process.

Proactive Release

52 We intend to release this Cabinet Paper in accordance with the agreed approach to proactive release. Parts of the Cabinet Paper will need to be redacted to protect our foreign policy interests in particular.

Recommendations

The Minister of Foreign Affairs recommend that the Committee:

- 1 **note** that New Zealand has been invited by India to join the International Solar Alliance (ISA);
- 2 **note** that the *Framework Agreement on the establishment of the ISA* (Framework Agreement) confers minimal obligations on its Members, allowing each country to determine their level of engagement, financial commitment, and associated risk;
- 3 **note** that the expected benefits include lifting our engagement with India, advancing our climate change agenda and domestic solar energy sector, promoting international reputation, and contributing to Pacific resilience;
- 4 **note** that any risks to New Zealand are minimal, and would be outweighed by the expected benefits;
- 5 **note** that the membership has no major implications for New Zealand's domestic legislation, and will require an Order in Council under the Diplomatic Privileges and Immunities Act 1968 to provide privileges and immunities to the ISA Secretariat;
- 6 **approve** the text of the Framework Agreement, which is attached to the paper as Annex One;
- 7 **approve** the corresponding National Interest Analysis (NIA), which is attached to the paper as Annex Two;
- 8 **agree** to present the Framework Agreement and the NIA to the House of Representatives for the purposes of the parliamentary treaty examination process, under Standing Order 405;
- 9 **agree** that New Zealand sign the Framework Agreement;
- 10 **agree** that New Zealand ratify the Framework Agreement, subject to the satisfactory completion of the parliamentary treaty examination process;
- 11 **note** that consultation is currently under way with Tokelau on whether New Zealand's treaty action will extend to Tokelau and officials will preserve the right for it to be extended to Tokelau if it so advises.

Authorised for lodgement

Hon Nanaia Mahuta

Minister for Foreign Affairs and Trade

National Interest Analysis

International Solar Alliance: Approval for Membership

Executive summary

It is proposed that New Zealand join the International Solar Alliance (ISA) by signing and ratifying the Framework Agreement on the Establishment of the International Solar Alliance (ISA) (Framework Agreement) (See Annex One for full text). The ISA is inter-governmental organisation focused on developing and sharing solar energy expertise to reduce global dependence on fossil fuels. The ISA is established by the Framework Agreement, which is an international treaty.

ISA membership would boost constructive engagement on political and economic cooperation with a range of key countries, in particular India – a priority relationship for New Zealand¹. It would also support New Zealand's climate change objectives and may facilitate New Zealand business, investment, and research opportunities in the solar field.

Membership would help promote New Zealand's influence in the Indo-Pacific and strengthen New Zealand's international reputation as a leading advocate for renewable energies. By improving energy security in the region, the membership would also enhance New Zealand's contribution to Pacific resilience.

No significant risks or disadvantages are identified that would outweigh the expected benefits.

Nature and timing of the proposed treaty action

The proposed treaty action is the signing and ratification of the Framework Agreement.

The ISA was launched by India and France at the November 2015 meeting of the United Nations Framework Convention on Climate Change Conference of the Parties in Paris (COP21). The Framework Agreement entered into force on 6 December 2017, the thirtieth day after the date of deposit of the fifteenth instrument of ratification, in accordance with Article XIII of the Framework Agreement.

New Zealand must ratify the Framework Agreement to become a member of the ISA. Membership of the ISA is set out in Article VII of the Framework Agreement and states that States must sign the agreement and deposit an instrument of ratification.

Following completion of necessary domestic procedures, New Zealand should deposit its formal instrument of ratification (Article VII) with the Depositary of the

¹ As set out in the New Zealand Government Strategy *'India – New Zealand 2025: Investing in the Relationship'*.

Framework Agreement. The Framework Agreement will enter into force, and New Zealand will become a member of the ISA, on the thirtieth day after the date the instrument of ratification is deposited (Article XIII).

The nature of binding treaty action

The Framework Agreement establishes the structure and operations of the ISA, mainly the Assembly (Article IV) and the Secretariat (Article V). As such, the Framework Agreement does not create many binding obligations on the individual Members. There are no mandatory financial obligations conferred by membership.

Nominating a National Focal Point for the ISA is the main ongoing obligation for New Zealand under the Framework Agreement. The National Focal Point will act as New Zealand's correspondent with other ISA members and the ISA Secretariat, and will be managed by the Ministry of Foreign Affairs and Trade (MFAT) officials seconded to the New Zealand High Commission in New Delhi.

The ISA is governed by an Assembly of representatives from each Member State. The Assembly meets annually at the Ministerial level (or their representative) to make all key decisions regarding the functioning of the ISA. Each Member has the right to participate in all decisions taken by the Assembly, including on the budget, work programmes, and applications for membership.

Representation at any ISA meetings is also proposed to be led by MFAT officials seconded to the New Zealand High Commission in New Delhi in coordination with relevant agencies and stakeholders in New Zealand. Ministerial attendance at the annual Assembly meetings can be decided based on the significance and relevance of the meeting each year.

Overview of the Agency established by the Statute

The principal organs of the ISA are: the Assembly; the Secretariat and five Committees: The Standing Committee, the Regional Committee for Africa Region, the Regional Committee for Asia and Pacific Region; the Regional Committee for Europe and Others Region, the Regional Committee for Latin America and Caribbean Region.

The Assembly is the supreme decision-making organ of the ISA, consisting of representation from each member, and meeting annually unless it decides otherwise (Article IV). Each member has the right to participate in all of the decisions taken by the Assembly, including on the budget and work programme, and applications for membership.

As set out in the Framework Agreement, the objectives of the ISA are to:

- collectively address key common challenges to scale up solar energy applications in line with their (developing member countries) needs;

- mobilise investments of more than USD 1,000 billion by 2030;
- take coordinated action through programmes and activities launched on a voluntary basis, aimed at better harmonisation, aggregation of demand, risk and resources, for promoting solar finance, solar technologies, innovation, research and development (R&D), capacity building etc.;
- reduce the cost of finance to increase investments in solar energy in member countries by promoting innovative financial mechanisms and mobilising finance from Institutions;
- scale up applications of solar technologies in member countries;
- facilitate collaborative R & D activities in solar energy technologies among member countries; and
- promote a common cyber platform for networking, cooperation and exchange of ideas among member countries.

The ISA has no membership or joining fee. Participation in any programmes and projects is on a voluntary basis. The quantum and timing of any voluntary contribution is at the discretion of Members.

To date, 110 countries have signed the Framework Agreement, of which 90 have subsequently ratified. Members include nine Pacific Island countries² as well as a number of likeminded international partners, including Australia, the United Kingdom, the United States, Germany, Japan and founding countries France and India.

The ISA is supported by a large number of partner organisations including the Asian Development Bank, the Asian Infrastructure Investment Bank, the Commonwealth Secretariat, the European Investment Bank, the European Union, the Green Climate Fund, the International Energy Agency, the International Renewable Energy Agency, the United Nations Development Programme, and the World Bank.

The ISA has launched programmes aimed at scaling up solar mini-grids, solar roof tops, and solar applications for agricultural use, solarising heating and cooling systems, enabling sustainable solar waste management, mobilising investment to finance solar developments, and promoting solar-based green hydrogen across ISA membership.

The date by which the Government proposes to complete binding treaty action

New Zealand may commence its formal ratification following completion of Parliamentary treaty examination process. New Zealand will need to pass an Order in Council under the Diplomatic Privileges and Immunities Act 1968 to provide

² Fiji, Kiribati, Marshall Islands, Nauru, Tonga, Tuvalu, Papua New Guinea, Samoa, and Vanuatu.

privileges and immunities to the ISA Secretariat, as specified in Article X of the Framework Agreement.

Application to Tokelau as a non-self-governing territory

Consultation is being undertaken with Tokelau to determine whether New Zealand's accession to the Convention will extend to Tokelau as a non-self-governing territory of New Zealand.

Advantages of ISA membership

Advancing New Zealand's bilateral relationships with India and France

India is projected to be the world's second largest economy and most populous country by 2050. As India grows in regional and global importance, New Zealand is seeking to maximise geopolitical and economic opportunities and minimise risks to our interests.

New Zealand's aspirations for the relationship have been set out in our India Strategy released in early 2020: India-New Zealand 2025: Investing in the Relationship. Key to this Strategy is strengthening New Zealand's value to India in pursuit of deeper engagement on geostrategic issues and a more favourable trading environment for New Zealand's business interests. It was agreed that New Zealand seek opportunities to "open doors" by identifying and targeting issues of particular importance to India.

New Zealand's membership would help to maintain momentum in the New Zealand – India bilateral relationship, and potentially unlock economic, political, security, and multilateral benefits.

New Zealand has also been invited by France to join the ISA at officials' level. The membership would support enhanced bilateral cooperation with France and further our position as an active and like-minded partner in the areas of sustainability and the rules-based multilateral order. It is also consistent with our cooperation in the Pacific, where New Zealand has led increased investment in renewable energy, including solar energy.

Advancing New Zealand's climate change agenda and expanding domestic solar business and investment opportunities

Joining the ISA would complement New Zealand's climate change efforts and help promote clean energy norms domestically. By hastening the development of solar energy, the ISA has the potential to augment New Zealand's efforts to increase the use of renewable energies, reduce dependency on fossil fuels, and meet international and domestic legislative commitments on carbon neutrality by 2050. The membership would also support diversification of international solar supply chain for the benefit of New Zealand.

In 2021, solar made up 0.46 per cent of New Zealand's electricity generation mix and has gradually been increasing in share year-on-year, with an increase of 28 per cent between 2020 and 2021³. By increasing expertise in the field, New Zealand could see increase in the proportion of solar energy as an element of New Zealand's energy generation at a faster rate.

The ISA could also be a potential avenue for New Zealand to provide climate change support for developing countries in line with the International Climate Finance Strategy and New Zealand's climate finance commitment (NZD1.3 billion between 2022 and 2025).

The ISA provides a platform through which to share solar energy experience. There would be advantages for New Zealand companies to increase expertise in the field and develop high quality solar solutions. New Zealand companies have already played a key role in flagship solar projects in the Pacific through New Zealand's development assistance programme. The ISA will likely provide further opportunities, enhancing New Zealand's commercial competitiveness in the sector.

Promoting international reputation, including in the broader Indo-Pacific region

Promoting greater efforts on climate change in the Indo-Pacific region is a priority for New Zealand. Joining the ISA will complement our climate priorities in the region and fill an important gap.

The membership would strengthen New Zealand's international credentials as a leader on global climate change efforts. It would also enhance our ongoing advocacy for countries to align their climate action with the shared objectives under the Paris Agreement⁴, including limiting global average temperature increases to well below 2 degrees Celsius above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 degrees Celsius.

ISA membership would support New Zealand's contribution to Goal 7 of the Sustainable Development Goals: to ensure access to affordable, reliable, sustainable and modern energy for all. Membership would also complement our leadership on fossil fuel subsidy reform by encouraging other countries to shift their reliance away from fossil fuels.

Joining the ISA would also reinforce New Zealand's relationships with a range of key international organisations such as the World Bank, the International Energy Agency, the International Renewable Energy Agency, and the United Nations Development Programme.

Contributing to Pacific Resilience

Climate change remains the most significant security and development issue facing the Pacific region. The ISA has been actively deploying solar energy solutions in the

³ Energy in New Zealand | Ministry of Business, Innovation & Employment (mbie.govt.nz).

⁴ The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris on 12 December 2015 and entered into force on 4 November 2016.

Pacific. Alongside multiple capacity building initiatives, the ISA is involved in the solarisation of healthcare centres and schools and in developing solar water pumping facilities in countries such as Fiji, Kiribati, Samoa and Tonga.

New Zealand's ISA membership could help bring further international attention and solutions to the energy issues and challenges faced by communities in the Pacific region (especially energy insecurity and reliance on fossil fuels). New Zealand could utilise the ISA as an avenue to amplify Pacific voices, build Pacific capacity to maximise their membership benefits, and help to ensure that solar initiatives are effectively directed to meet the needs of the Pacific.

Disadvantages of ISA Membership

Officials consider that there are no disadvantages to New Zealand becoming a member of the ISA.

Legal obligations which would be imposed on New Zealand by the treaty action, the position in respect of reservations to the treaty, and an outline of any dispute settlement mechanisms

The ISA has no major implications for domestic legislation and there are no requirements to incorporate the treaty into New Zealand law. New Zealand will need to pass an Order in Council under the Diplomatic Privileges and Immunities Act 1968 to provide privileges and immunities to the ISA Secretariat as specified in Article X of the Framework Agreement.

The Framework Agreement does not contain a dispute settlement mechanism or the ability for parties to make reservations upon ratification.

Measures which the Government could or should adopt to implement the treaty action, including specific reference to implementing legislation

The only measure which needs to be adopted will be the passing of Order in Council under the Diplomatic Privileges and Immunities Act 1968 to provide privileges and immunities to the ISA Secretariat.

New Zealand's representation at the ISA and participation in the work programme will be administered by the New Zealand High Commission in New Delhi, in coordination with relevant agencies and stakeholders in New Zealand.

Economic, social, cultural and environmental effects of the treaty action

Membership of the ISA is not expected to have any measurable economic, social, cultural or environmental costs or effects for New Zealand beyond the costs, advantages and disadvantages outlined in other sections of this paper.

Advantages would be gained via knowledge sharing with regard to international developments in the solar energy sector arising from the ISA work programme, including in the Pacific region. The other key economic advantage is the opportunity to support New Zealand's solar energy sector and enhance our commercial competitiveness in the sector.

The costs to New Zealand of compliance with the treaty

There are no financial implications. There are no mandatory financial obligations conferred by membership and there is no membership fee. The ISA is primarily funded through voluntary contributions, with India being a major funder, and through partner international organisations.

There may be servicing costs in relation to policy support and occasional travel, however these are expected to be minimal as the day to day resourcing would be led by MFAT officials seconded to the New Zealand High Commission in New Delhi, in coordination with relevant stakeholders in New Zealand.

Completed or proposed consultation with the community and parties interested in the treaty action

The following agencies were consulted in the preparation of this paper: Department of the Prime Minister and Cabinet, New Zealand Trade and Enterprise, Ministry of Business, Innovation and Employment, and Ministry for the Environment.

Consultation is being undertaken with Tokelau to determine whether New Zealand's accession to the Convention will extend to Tokelau as a non-self-governing territory of New Zealand.

Subsequent protocols and/or amendments to the treaty and their likely effects

Amendments to the Framework Agreement entered into force on 15 July 2020 to expand Membership beyond countries in the Tropics to all Member States of the United Nations.

The process to amend the Framework Agreement is set out in Article XI. Any member may propose amendments to the Framework Agreement after expiry of one year from the commencement of the Framework Agreement. Amendments to the Framework Agreement shall be adopted by the Assembly by two thirds majority of the Members present and voting. The amendments shall come into force when two thirds of the Members convey acceptance in accordance with their respective constitutional processes.

Withdrawal or denunciation provision in the treaty

Withdrawal of the Framework Agreement is set out in Article XI (3). A member may withdraw from the present Framework Agreement by giving a notice of three months to the Depository in advance. Notice of such withdrawal is notified to the other Members by the Depository.

Proactively Released by the
Minister of Foreign Affairs