

**National Interest Analysis [2013] ATNIA 4
with attachment on consultation**

Agreement on the Establishment of the Global Green Growth Institute

(Rio de Janeiro, 20 June 2012)

[2012] ATNIF 12

NATIONAL INTEREST ANALYSIS: CATEGORY 1 TREATY

SUMMARY PAGE

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Nature and timing of proposed treaty action

1. The proposed treaty action is to ratify the *Agreement on the Establishment of the Global Green Growth Institute* done at Rio de Janeiro on 20 June 2012 (the Agreement).
2. In accordance with its Article 22(1), the Agreement entered into force generally on 18 October 2012. Pursuant to its Article 22(2), the Agreement would enter into force for Australia on the thirtieth day after the deposit of Australia's instrument of ratification. Subject to the recommendation of the Joint Standing Committee on Treaties, it is proposed that ratification take place as soon as practicable.
3. No reservations or declarations have been made by Australia.

Overview and national interest summary

4. The Global Green Growth Institute (GGGI) was founded by the Republic of Korea in 2010 as a public-private, globally represented, non-profit institution under Korean domestic law dedicated to supporting the creation and diffusion of the green growth model (sustainable, climate resilient, low-carbon economic development). Australia joined the GGGI in 2012. The Institute aims to deliver a tripartite strategy, comprising:
 - country programmes – support for developing countries in the development of green growth plans and capacity building on implementation;
 - research and knowledge – on green growth theory, models, methodology and tools, including drawing lessons learned from country programmes; and
 - fostering public-private cooperation – partnerships with donor and recipient countries, international agencies, academia and the private sector to enhance green growth.
5. The primary purpose of the Agreement is to convert the GGGI into an international organisation to increase its visibility and market presence as an expert body on green growth. The conversion will support the GGGI's objectives and strategic partnerships, strengthen its governance arrangements, increase transparency, and promote international membership.
6. The purpose of ratification is for Australia to become a Member of the GGGI in its new form as an international organisation. This would enable Australia to participate fully in the activities of the GGGI, including exercising a vote in the GGGI Assembly and the GGGI Council.

7. Internationalisation of the GGGI serves Australia's national interest in sustainable and low-emissions development by facilitating operations and partnerships with other international bodies, academic institutions and the private sector.

Reasons for Australia to take the proposed treaty action

8. Ratification of the Agreement would reflect Australia's interest in green growth and low-emissions development, and would ensure Australia receives the full benefit of being able to participate in the Assembly and Council.

9. Under Article 5(3) of the Agreement, Signatory States who have not ratified the Agreement shall have the same capacities as Members at the first session of the Assembly meeting only. As such, although Australia was able to act in the capacity as a Member at the inaugural session of the GGGI Assembly in October 2012, this capacity will only remain for subsequent Assembly meetings if Australia ratifies the Agreement.

10. Continuation as an Assembly and Council member is in the national interest in that it would allow Australia to influence the strategic direction of the GGGI's annual work program, including directing it towards strategic international and domestic interests.

Obligations

11. Under Article 5, membership of the GGGI is open to any member state of the United Nations that subscribes to the objectives of the GGGI as expressed in Article 2, namely, to promote the sustainable development of developing and emerging countries by:

- supporting a new paradigm of "green growth", which balances economic growth and environmental sustainability;
- targeting key aspects of economic performance and environmental sustainability; and
- improving the economic, environmental and social conditions of developing and emerging countries through partnerships between developed and developing countries and between the public and private sectors.

12. In ratifying the Agreement, Australia would accept the objectives of the GGGI.

13. Article 4 of the Agreement sets out the types of activities undertaken by the GGGI in pursuit of its objectives, including: capacity building to help developing and emerging countries develop and implement green growth plans; research to advance the theory and practice of green growth; facilitating public-private cooperation for resource-efficient investment, innovation, production and consumption; outreach and awareness-raising activities; and any other activities relevant to the objectives of the GGGI.

14. The structure of the GGGI is set out in Articles 6-10 of the Agreement. The Assembly, composed of all Members, is the supreme organ of the GGGI (Article 7). The Council, consisting of up to seventeen members, is the executive organ of the GGGI, responsible for directing its activities under the guidance of the Assembly (Article 8). Decisions of the Assembly and Council are taken by consensus; or, as a last resort when consensus cannot be reached, by a simple majority

of Members present and voting, as well as a majority of ‘contributing Members’ present and voting and a majority of ‘participating Members’ present and voting (see paragraph 14 below with respect to different categories of membership). The Advisory Committee, composed of leading experts and non-state actors, serves as a forum for public-private cooperation on green growth and advises the Council on the strategy and activities of the GGGI (Article 9). The Director-General, appointed by the Assembly for a four-year term (renewable once), oversees the work of the GGGI Secretariat (Article 10).

15. The GGGI will be funded through voluntary contributions from Members; voluntary contributions from non-government sources; the sale of publications and other revenue; interest on income from trusts; and any other sources in accordance with the financial rules to be adopted by the Assembly (Article 12).

16. The GGGI has independent legal personality, including the capacity to enter into contracts, acquire and dispose of assets and institute and defend itself in legal proceedings (Article 14). It may seek such privileges and immunities in the territory of Member States as may be necessary and appropriate for the proper functioning of the GGGI (Article 15). It may establish cooperative relationships with other international, intergovernmental and non-governmental organisations and may invite organisations with which it shares similar objectives to enter into strategic partnerships on a medium- or long-term basis (Article 16).

Implementation

17. No changes to Australia’s laws would be required for Australia to meet its obligations under the Agreement. There will be no changes to the existing roles of the Commonwealth Government and the State and Territory governments.

Costs

18. Australia is not under any financial obligations under the Agreement. However, under Article 12(2), Members are encouraged to support the GGGI and ensure its financial stability through voluntary annual contributions, active engagement in its activities or other appropriate means.

19. Article 3 of the Agreement defines two categories of membership: “contributing Members” (Members who have provided a multi-year financial contribution of core funding of no less than US\$15 million over three years or US\$10 million over the first two years) and “participating Members” (all other Members). Australia, through the Australian Agency for International Development (AusAID), has committed A\$10 million to the GGGI over two years and therefore qualifies as a “contributing member”. Australia was elected to the Council on the basis it would fulfil the requirements of a contributing Member. Apart from their financial commitment, contributing Members and participating Members have the same rights and obligations under the Agreement.

20. Australia’s A\$10 million contribution will be provided over the financial years 2011-12 to 2012-13. The first A\$5 million tranche was transferred in 2011-12 and the second A\$5 million will be transferred by June 2013, depending on when the GGGI meets the disbursement conditions

contained in its funding agreement with AusAID. Australia's funding contribution is drawn from AusAID's existing budget allocation

Regulation Impact Statement

21. The Office of Best Practice Regulation, Department of Finance and Deregulation, has been consulted and confirms that a Regulation Impact Statement is not required.

Future treaty action

22. Under Article 24 of the Agreement, any Party may propose an amendment by submitting a proposal to the Director-General of the Secretariat. The Director-General will communicate proposed amendments to all the Members of the GGGI at least ninety days prior to its consideration by the Assembly.

23. Once adopted by the Assembly, an amendment will only enter into force for those Parties which have accepted the amendment by depositing an instrument of acceptance. Entry into force will occur 90 days after the deposit of an instrument of acceptance: by at least three-quarters of the Parties to the Agreement, unless otherwise specified in such an amendment; and by at least three-quarters of contributing members and three-quarters of participating members.

Withdrawal or denunciation

24. Pursuant to Article 25, a Party may give notice in writing of its intention to withdraw from the Agreement. Withdrawal shall take effect six months after the date of receipt of the notice to withdraw by the Director-General of the Secretariat.

25. Any decision by Australia to withdraw from or denounce the Agreement would be subject to the domestic treaty process.

Contact details

Sustainable Development Fund Section
International Programs and Partnerships Division
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ATTACHMENT ON CONSULTATION

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CONSULTATION

26. A briefing on the Agreement was provided to the Commonwealth-State-Territory Standing Committee on Treaties (SCOT) in October 2012. No questions or concerns were raised.