## HON RON MARK, MINISTER OF DEFENCE

Deployment of P-3K2 Aircraft in Support of United Nations Security Council Sanctions Against North Korea

March 2019

This publication provides the documents supporting Cabinet's decision in August 2018 to deploy a New Zealand Defence Force P-3K2 maritime patrol aircraft to North East Asia, basing out of Japan, for a period of 30 days, between 1 September and 31 October 2018. The aircraft would contribute to coordinated efforts, also involving the United States, United Kingdom, Australia, Canada, Japan, the Republic of Korea, and France to support United Nations Security Council resolutions which sanction international trade with the Democratic People's Republic of Korea.

The pack comprises the following documents:

- August 2018 Cabinet minute entitled Deployment of P-3K2 Aircraft in Support of United Nations Security Council Sanctions Against North Korea [CAB-18-MIN-0390]
- Cabinet paper entitled *Deployment of P-3K2 Aircraft in Support of United Nations Security Council Sanctions Against North Korea* [CAB-18-SUB-0390].

This pack has been released on the Ministry of Defence website, available at: <a href="https://www.defence.govt.nz/publications">www.defence.govt.nz/publications</a>.

It has been necessary to withhold certain information in accordance with the following provisions of the Official Information Act 1982. Where information is withheld, the relevant sections of the Act are indicated in the body of the document. Where information has been withheld in accordance with section 9(2) of the Act, no public interest has been identified that would outweigh the reasons for withholding it.

Information is withheld where making it available would be likely to prejudice:

- the security or defence of New Zealand or the international relations of the Government of New Zealand [section 6(a)]
- the entrusting of information to the Government of New Zealand on the basis of confidence by any the Government of any other country [section 6(b)(i)] or any international organisation [section 6(b)(ii)].

Information is also withheld in order to maintain legal professional privilege [section 9(2)(h)].



## **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.

# Deployment of P-3K2 Aircraft in Support of United Nations Security Council Sanctions Against North Korea

Portfolios Foreign Affairs / Defence

On 13 August 2018, Cabinet:

## **Background**

- noted that the United Nations Security Council sanctions regime is a key element of the global effort to peacefully encourage the Democratic People's Republic of Korea (DPRK) to move away from its nuclear and missile development programme, and in New Zealand's interests as detailed in the Strategic Defence Policy Statement 2018;
- 2 noted that the United Nations Security Council sanctions regime is expected to continue until final, fully verified denuclearisation of the DPRK is achieved, notwithstanding diplomatic progress such as the United States DPRK summit in Singapore on 12 June 2018:

## **Proposed deployment**

3 s6(a)

- 4 **noted** that a P-3K2 maritime patrol aircraft is well suited for contributing to maritime surveillance efforts, and that the New Zealand Defence Force has identified that it is able to contribute a P-3K2 during the months of September and October 2018;
- 5 s9(2)(h)

**agreed** to deploy a New Zealand Defence Force P-3K2 and 44 associated personnel to Kadena Airbase, Japan, to conduct operations for a period of 30 days between 1 September and 31 October 2018, to undertake maritime patrol flights as part of collective efforts to deter and gather evidence on sanctions breaches;

noted that a number of personnel will be required to deploy prior to the commencement of operations, and remain for a period afterwards, in order to prepare for the contingent and enable the extraction back to New Zealand;

8 s6(a)
9 s6(a)

10 **noted** that agencies will consult with the Government of Japan, and the rest of the contributing countries, to coordinate any public announcements of the deployment;

## **Financial implications**

- 11 **noted** that the total estimated cost of the deployment is assessed as \$1.400 million;
- noted that there is a shortfall of \$1.400 million in 2018/19 that is not able to be met within existing baselines;
- approved the following changes to appropriations to give effect to the policy decisions in paragraphs 6 and 8 above, with a corresponding impact on the operating balance:

	NZ \$m – increase / (decrease)				
Vote Defence Force Minister of Defence	2018/19	2019/20	2020/21	2021/22	2022/23 & out-years
Multi-Category Expenses and Capital Expenditure			0,		
Operations Contributing to New Zealand's Security, Stability and Interests MCA		9///			
Departmental Output Expense: Military Operations in Support of a Rules-Based International Order (funded by revenue Crown)	1.400	-	-	-	-

- agreed that the additional expenses required in 2018/19 under paragraph 13 above be a charge against the tagged Operating contingency established as part of Budget 2017 for Military Operations in Support of a Rules-Based International Order;
- agreed that the change to appropriations for 2018/19 above be included in the 2018/19 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.

Michael Webster Secretary of the Cabinet

## Hard-copy distribution:

Prime Minister Minister of Foreign Affairs Minister of Defence

Office of the Minister of Foreign Affairs

Office of the Minister of Defence

Chair Cabinet

## DEPLOYMENT OF P-3K2 AIRCRAFT IN SUPPORT OF UNITED NATIONS SECURITY COUNCIL SANCTIONS AGAINST NORTH KOREA

## **Proposal**

This paper seeks Cabinet's agreement to deploy a P-3K2 maritime patrol aircraft to North East Asia, basing out of Japan, for a period of 30 days, between 1 September and 31 October 2018. The aircraft would contribute to coordinated efforts, also involving the United States, United Kingdom, Australia, Canada, Japan, the Republic of Korea, and France to support United Nations Security Council (UNSC) resolutions which sanction international trade with the Democratic People's Republic of Korea (DPRK).

## **Executive summary**

- 2. Implementation of UNSC sanctions on the DPRK remains a key component of the international effort to persuade the DPRK to denuclearise and abandon its other weapons' programmes. The Strategic Defence Policy Statement 2018 identified the DPRK as "a critical disarmament and non-proliferation challenge, and it will continue to be in New Zealand's interests to support sanctions and denuclearisation".
- 3. UNSC sanctions resolutions are required to be implemented by all Member States. the latest UNSC DPRK resolution therefore calls on Member States to "redouble efforts" to implement the sanctions measures and to cooperate with each other in doing so, particularly with respect to inspecting, detecting and seizing prohibited items.
- 4. Notwithstanding the ongoing diplomatic process, including the US-DPRK summit on 12 June (the Singapore summit), the DPRK continues to evade sanctions. This includes by undertaking ship-to-ship transfers, particularly of petroleum products, with commercial vessels in remote offshore locations in international waters in North East Asia.
- 5. The goal of this activity is to deter sanctions evasion, both through the act of maritime surveillance patrolling itself, and through providing any evidence collected to

the UN Panel of Experts, and seeking to impose legal and diplomatic costs on the DPRK and any companies involved in breaching sanctions.

6. The group initially identified a 30 day period over April/May as the first opportunity to undertake coordinated surveillance activities. All but provided military assets.

- 7. The group has subsequently identified September and October 2018 as the next suitable period for coordinated surveillance activities. The NZDF has confirmed it is able to contribute a P-3K2 as the most suitable platform.
- 8. Monitoring UN sanctions compliance is in line with our interest in seeing the peaceful denuclearisation of the DPRK and to encourage the DPRK to faithfully implement the Joint Statement agreed at the Singapore summit. It is also in line with our support for the UN and international rules based system. Working with this group of countries, particularly by contributing a P-3K2, will also benefit New Zealand's relationships with our key security partners. This Paper recommends that New Zealand deploy a P-3K2 to undertake sanctions monitoring activities in the North East Asian region for a period of 30 days, between 1 September and 31 October 2018.



#### **Background**

DPRK continues to evade UNSC sanctions

- 10. The United Nations Security Council has adopted ten separate resolutions imposing sanctions on the DPRK. This has been in response to the DPRK's programme of nuclear and missile tests. The sanctions are intended to limit the Kim regime's capability to develop its nuclear and missile programmes, as well as applying economic pressure on the regime to encourage it to denuclearise.
- 11. Over time, the UNSC resolutions have limited the amount of petroleum that the DPRK can import. Most recently, resolution 2397 (adopted in December 2017 following the 28 November ballistic missile test by the DPRK) capped the amount of refined petroleum imports to the DPRK at 500,000 barrels a year, and also further limited supplies of crude oil to the DPRK. With refined petroleum being a key strategic resource, resolution 2397 is a cornerstone of the UN sanctions programme.

s9(2)(h)

12. There are regular and recent reports that the DPRK is intentionally evading sanctions measures by importing an excess volume of petroleum, through ship to ship transfers between foreign flagged tankers and DPRK vessels located offshore in international waters, primarily in the East China Sea, Yellow Sea and Sea of Japan/ East Sea.

The DPRK and private shipping companies are attempting to avoid detection of ship to ship transfers, as breaches would encourage further diplomatic repercussions for the DPRK, and have legal consequences for the companies involved.

- 13. Through its sanctions evasion activity, not only is the DPRK deliberately flouting international law, but it is also able to alleviate the pressure of sanctions and limit their intended effect. It is in the interest of all states who want to see the final, fully verified denuclearisation of the DPRK to ensure that UNSC sanctions are being effectively implemented and enforced.
- 14. With transfers occurring offshore, maritime surveillance patrols can document and deter instances of sanctions evasion. This evidence can then be used by the international community to inform and support legal and diplomatic responses to sanctions breaches<sup>2</sup>. The proposed coordinated maritime surveillance activities are intended to ensure that UNSC sanctions on the DPRK have the best possible chance of generating the intended impact of peacefully encouraging the DPRK to denuclearise and abandon its missile programmes.
- 15. For sanctions to be effective, the measures need to be implemented and enforced by the international community. While the UNSC has not specifically required the kind of coordinated activity outlined in this paper, it has repeatedly called on Member States to redouble efforts to implement the sanctions measures and to cooperate with each other in doing so, particularly with respect to inspecting, detecting and seizing prohibited items. Cooperating to gather evidence on sanctions breaches supports these efforts.

Coordination in support of UNSC sanctions in 2018

16. s6(a)

- 17. In January 2018, New Zealand participated in the Vancouver Foreign Ministers' Meeting on Stability and Security on the Korean Peninsula, in which the 20 countries present affirmed their support for the peaceful application of sanctions as part of a 'maximum pressure' campaign against the DPRK. New Zealand was subsequently
- 2 This includes reporting the findings to the UN Panel of Experts (see para 22), and/or working with shipping company's flag states to have those ships 'deflagged', and/or 'naming and shaming those shipping companies caught breaching sanctions,

invited by the US to participate in a meeting of eight like-minded states in Washington in February to discuss how to coordinate efforts to support the sanctions regime. We approved officials' attendance at this meeting in a submission of 16 February.

a At the February meeting, countries to contribute to maritime surveillance activities involving the photography of suspect vessels or incidents of suspected ship-to-ship transfers, and/or a 'hail and query' approach (establishing communication with suspect vessels, establishing their identity and recording their location).  all aimed solely at supporting the enforcement of UNSC sanctions, against the DPRK, in accordance with international law.  36(a)  19.  36(a)  40.  30.  30.  30.  30.  40.  30.  30.	
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23. A second coordination meeting on 4 May saw United States, United Kingdom,	23. A second coordination meeting on 4 May saw United States, United Kingdom,
Australia, Canada, Japan, the Republic of Korea, France and New Zealand commit to	Australia, Canada, Japan, the Republic of Korea, France and New Zealand commit to
work together informally to continue surveillance efforts.	work together informally to continue surveillance efforts.

#### Comment

Activities in support of the DPRK sanctions regime are consistent with our updated strategic settings

24. Released on 6 July, New Zealand's Strategic Defence Policy Statement 2018 describes the DPRK as 'a critical disarmament and non-proliferation challenge', noting that 'it will continue to be in New Zealand's interests to support sanctions and denuclearisation'. The new Statement includes in its Priorities for Defence the need to contribute capabilities in support of Asia-Pacific regional security, and to support the maintenance of the international rules-based order. This proposed deployment is therefore directly in support of our own strategic interests, as well as being consistent with our previous efforts.



Why should we contribute to the sanctions support efforts?

s9(2)(h)

- 26. The UNSC sanctions regime on the DPRK is a core element of the multilateral, UN-led effort to peacefully seek a resolution on DPRK denuclearisation. As New Zealand is a strong supporter of pursuing a peaceful, diplomatic approach with the DPRK, it is in our interests to bolster the impact of sanctions and prevent their evasion, by contributing to international sanctions implementation and enforcement efforts.
- 27. Contributing to these efforts is also aligned with New Zealand's preference for working to resolve international security issues within multilateral frameworks, in alignment with the UN. While the proposed activities are not UN-led, the sole goal is to support the effective implementation and support of UNSC sanctions.
- 28. The deployment of a P-3K2 maritime patrol aircraft to gather information on UNSC sanctions breaches is an opportunity for New Zealand to contribute to global peace and stability efforts in an area in which we have a real stake. The deployment would be a real demonstration of the importance New Zealand places on disarmament, and our support for strengthening the rules-based international order.

29. This deployment would be a	boost to New Zealand's bilateral relationships with
countries in this informal group,	s6(a)
	. Cooperating on activities in support of the
DPRK sanctions regime would ena	ble us to work closely with our key security partners,
and enhance these relationships.	s6(a)

Why are we recommending a P-3K2 for deployment over other military assets?

- 30. The NZDF operates two types of asset that could be deployed effectively to contribute to an evidence collection operation in support of UNSC sanctions: the ANZAC Frigates s6(a), and the P-3K2 maritime patrol aircraft.
- 31. NZDF has assessed that they can provide one aircraft in support of sanctions support activities, while concurrently maintaining their national contingency operations in New Zealand and the region with the remaining five P-3K2 aircraft. A P-3K2 is well-suited to conducting maritime surveillance to support the sanctions regime: it is able to cover wide areas and efficiently identify vessels and collect evidence of sanctions evasion.

What would the P-3K2 be doing when it conducts maritime surveillance in North East Asia?

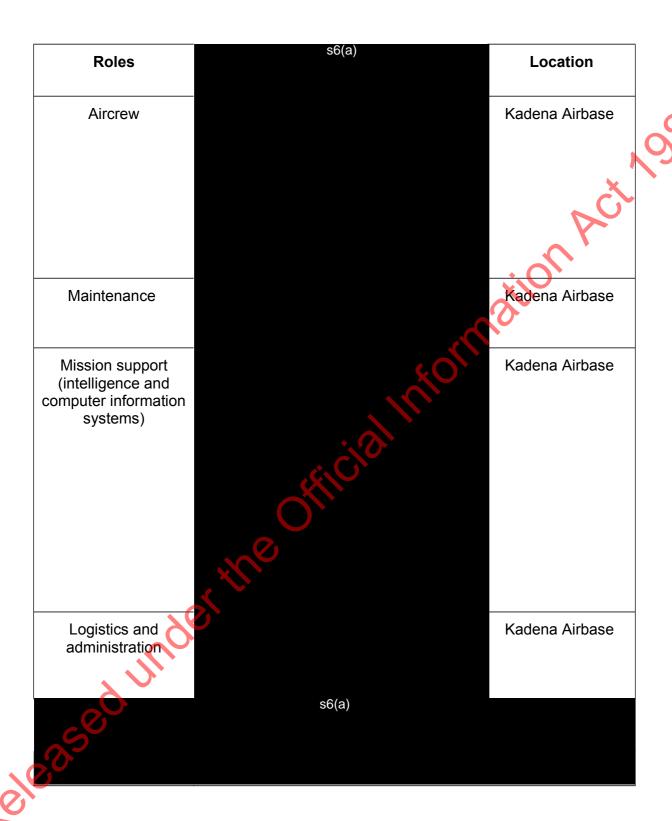
- 32. The New Zealand P-3K2 would fly maritime surveillance patrols as part of a multinational flying programme

  Patrols would identify and monitor vessels of interest. This could involve the capture of imagery or 'hail and query' (meaning to establish audio communication with the ship's captain) in order to ascertain the identity of vessels. Any observation of an illegal ship to ship transfer in progress would be a highly valuable find. The NZDF anticipates flying between 100 and 120 hours during the 30 day deployment, with an upper limit of 140 hours.
- 33. The deployment of a P-3K2 would require 44 personnel<sup>4</sup>, to operate and support the aircraft (see the table below).

  This deployment would take place over a 30 day period between 1 September and 31 October 2018.



4<sup>4</sup> The deployment of 44 personnel to crew and support the P-3K2 is standard for deployments of this aircraft.



How does conducting maritime surveillance lead to results?

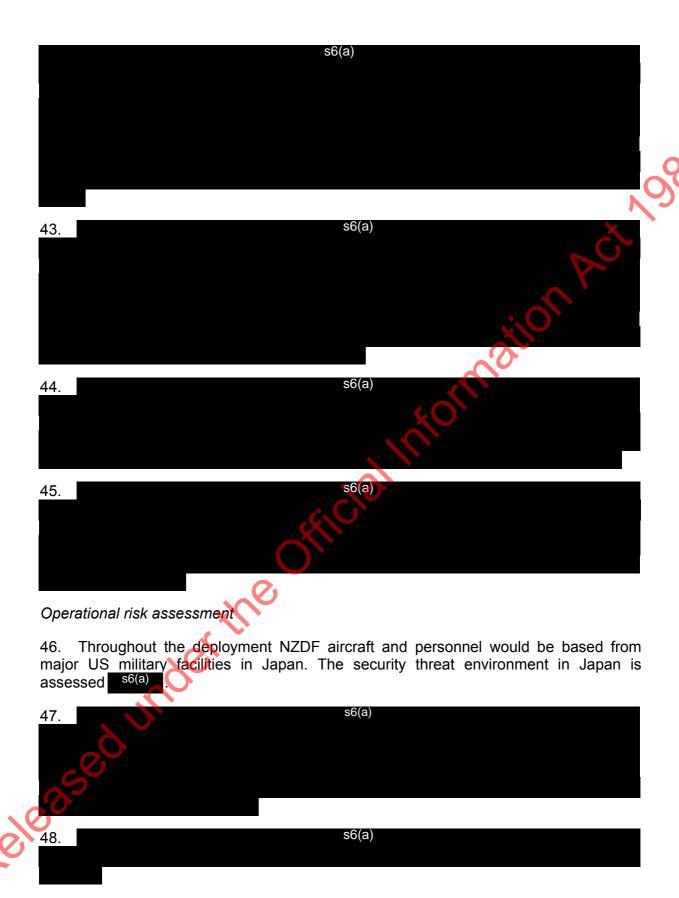
35. Any evidence of sanctions evasion obtained as a result of the NZDF P-3K2 maritime surveillance operations described above would be shared s6(a)

s6(a)

36. Evidence of sanctions evasion activity would be reported to the UN Panel of Experts on DPRK sanctions and other relevant international bodies. Where private vessels are identified, direct representations to flag states may be made to request deregistration of the vessel involved, and prosecution of the company that owns the vessel.

37. For sanctions to drive the Kim regime to change its behaviour, these must actually be felt. By discouraging sanctions evasion with maritime surveillance patrols, and dis-incentivising the practice by raising costs on those involved, we increase the likelihood that sanctions will achieve their intended impact and drive the DPRK to move away from its nuclear and missile programmes.

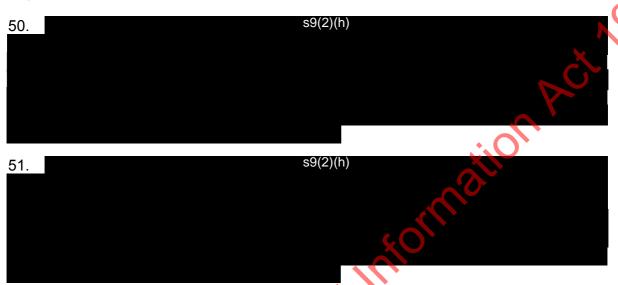
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#### Logistic support

49. NZDF would deploy with a self-sufficient maintenance footprint and leverage logistic support arrangements with US host units for the provision of fuel and real life support (RLS).

#### Legal framework



#### Consultation

52. This paper was prepared by the Ministry of Defence, New Zealand Defence Force and Ministry of Foreign Affairs and Trade, in consultation with the Department of the Prime Minister and Cabinet (Security & Intelligence Group, Policy Advisory Group) and Treasury.

#### **Financial Implications**

- 53. The estimated marginal cost of the deployment is \$1.4M. The substantive cost of operating the aircraft is met with existing funding. The marginal costs consist of personnel expenses (meals, allowances, clothing and accommodation), travel, and marginal fuel costs (to cover the increase in fuel cost in Japan). Annex B provides an overview of the marginal cost of current NZDF deployments.
- 54. There is a shortfall in funding available from current appropriations of \$1.4M because funding for Vote Defence Force: Operations Contributing to New Zealand's Security, Stability and Interests is fully committed for 2018/19 as a result of existing mandated missions.<sup>5</sup> The additional funding required of \$1.4M is proposed to be charged against the tagged Operating Contingency established as part of Budget 17 for Military Operations in Support of a Rules-based International Order.
- 55. The following table sets out the expenditure and funding arrangements for this deployment:

<sup>5&</sup>lt;sup>5</sup> The mandated missions include Building Partner Capability in Iraq, our contributions to the NATO Resolute Support Mission in Afghanistan, the Maritime Security and Support Operations in the wider Middle East region, and the United Nations Missions in South Sudan, South Korea, Golan Heights and Mali.

	NZ \$million				
Vote Defence Force	2018/19	2019/20	2020/21	2021/22	Total
Estimated cost of proposed deployment	1.4	-	-	-	1.4
Total funded from existing appropriation: Operations Contributing to New Zealand's Security, Stability and Interests	-	-	-	-	-
Additional Funding Required	1.4	-	-	-	1.4

56. The following table sets out the impact for this deployment on the tagged Operating contingency established as part of Budget 17 for Military Operations in Support of a Rules-based International Order:

	NZ \$million				
Vote Defence Force	2017/18	2018/19	2019/20	2020/21	Total
Balance of tagged Operating contingency	2.420	20.000	20.000	0.000	42.420
Previously approved deployments	(3.410)	(6.410)	<i>-</i>	-	(9.820)
Deployment pending approval:  Multinational Force and Observers (Sinai)	- 0	(0.522)	-	-	(0.522)
Funding for this deployment		(1.4)	-	-	(1.4)
Remaining tagged operating contingency balance	(0.990)	11.668	20.000	0.000	30.678
Deployment approved in principle:  Afghanistan National Army Officer Academy	-	(1.804)	-	-	(1.804)
Remaining tagged operating contingency after approved in principle deployment	(0.990)	9.864	20.000	0.000	28.874

## **Publicity**

57. If Cabinet approves the deployment, it will be important that we consult with the Government of Japan, and the rest of the contributing countries, before we make any public announcements of New Zealand's contribution. This is to manage any potential operational security considerations around the fact, and timing of, the coordinated multinational sanctions support effort. This would also impact on the timing of any public release of this Cabinet paper.

#### Recommendations

- 58. The Ministers of Foreign Affairs and Defence recommend that Cabinet:
  - 1. **note** that the United Nations Security Council sanctions regime is a key element of the global effort to peacefully encourage the DPRK to move away from its

nuclear and missile development programme, and in New Zealand's interests as detailed in the Strategic Defence Policy Statement 2018;

- 2. **note** that the United Nations Security Council sanctions regime is expected to continue until final, fully verified denuclearisation of the DPRK is achieved, notwithstanding diplomatic progress such as the US-DPRK summit in Singapore on 12 June;
- 3. s6(a)
- 4. **note** that a P-3K2 maritime patrol aircraft is well suited for contributing to maritime surveillance efforts, and NZDF has identified that it is able to contribute a P-3K2 during the months of September and October 2018;
- 5. s9(2)(h)
- 6. **agree** to deploy an NZDF P-3K2 and 44 associated personnel to Kadena Airbase, Japan to conduct operations for a period of 30 days between 1 September and 31 October 2018, to undertake maritime patrol flights as part of collective efforts to deter and gather evidence on sanctions breaches;
- 7. **note** that a number of personnel will be required to deploy prior to the commencement of operations, and remain for a period afterwards, in order to prepare for the contingent and enable the extraction back to New Zealand;
- 8. s6(a)
  9. s6(a)
- 10. **note** that if Cabinet approves the deployment, agencies will consult with the Government of Japan, and the rest of the contributing countries, to coordinate any public announcements of this deployment;
- 11. **note** that the total estimated cost of the deployment is assessed as \$1.4M;
- 12. **note** that there is a shortfall of \$1.4M in 2018/19 that is not able to be met within existing baselines;
- 13. **approve** the following changes to appropriations to give effect to the policy decisions in recommendation (6) and (8) above with a corresponding impact on the operating balance;

	NZ \$m – increase / (decrease)				
Vote Defence Force	2018/19	2019/20	2020/21	2021/22	2022/23 &

Minister of Defence					out-years
Multi-Category Expenses and Capital Expenditure					
Operations Contributing to New Zealand's Security, Stability and Interests MCA					
Departmental Output Expense:					
Military Operations in Support of a Rules-Based International Order	1.4	-	-	-	<u>-</u> کېم
(funded by revenue Crown)					

- 14. agree that the additional expenses required in 2018/19 under recommendation (13) above be a charge against the tagged Operating contingency established as part of Budget 17 for Military Operations in Support of a Rules-Based International Order; and
- 15. **agree** that the proposed change to appropriations for 2018/19 above be included in the 2018/19 Supplementary Estimates and that in the interim, the increase be met from Imprest Supply.

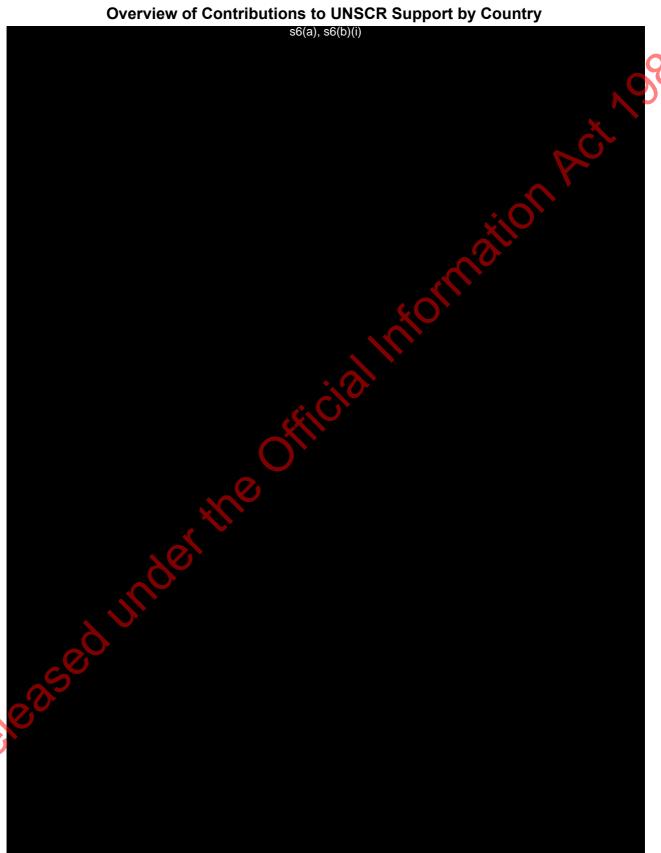
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Authorised for lodgement

Rt Hon Winston Peters
MINISTER OF FOREIGN AFFAIRS

Hon Ron Mark
MINISTER OF DEFENCE

## Annex A



Annex B

## **Current NZDF Deployment Mandates as at 1 August 2018**

Mission	Current Mandate Period	Location	Personnel	Annualised Cost <sup>7</sup>
[UNSCR 2937 Sanction Enforcement (P-3K2)]	[1 Sep 18 to 31 Oct 18]	[Japan]	[Up to 46]	[1.4M]
Afghanistan Officer Academy (ANAOA) approved in principle	1 Jul 18 to 30 Sep 18	Afghanistan	Up to 11	2.405M
Multinational Force and Observers approved	1 Aug 18 to 30 Sep 18	Sinai Peninsula, Egypt	Up to 28	2.314
United Nations Truce Supervision Organisation (UNTSO)	1 Oct 16 to 30 Sep 18	Israel/Lebanon/Syria	Up to 8	0.594M
United Nations Mission in South Sudan (UNMISS)	1 Dec 16 to 30 Nov 18	South Sudan	Up to 3	0.781M
Building Partner Capacity Mission, Taji (Operation MANAWA)	1 Dec 16 to 30 Nov 18	Iraģ	Up to 143	35.484M
Resolute Support Headquarters Afghanistan	1 Oct 17 to 30 June 19	Afghanistan	Up to 4	0.611M
United Nations Command Military Armistice Commission (UNCMAC)	1 Sep 17 to 31 Aug 19	Korea	Up to 6	0.892M
Total				44.481M

The costs sought in mandate decisions are the marginal costs of each deployment. Marginal costs exclude the cost of regular force salaries and superannuation contributions, and the costs for aircraft and ships where these are already covered by funding provided to the NZDF to raise, train and sustain activities (i.e. baseline funding).

<sup>7&</sup>lt;sup>6</sup> Marginal costs under current mandates for each 12 month period.

Marginal costs include mission-specific allowances for NZDF personnel, and operational costs not covered in baseline funding, such as additional fuel costs.

Full deployment costs therefore are met by OC 5 funding baseline, the tagged contingency until it is fully committed, and then new funding as required. The existing NZDF tagged contingency for deployments has a balance of \$30.543 million over the next two financial years. On Treasury's advice, the contingency was not topped up during the 2017/18 Budget round, with the understanding that continuing existing deployments, if confirmed by Cabinet, would require new funding if baseline funding has been exceeded.

The affordability of potential future deployments within the available funding will depend on the length of the mandate and number of personnel deployed. The NZDF plans and determines costs for deployments based on the mandates set by Cabinet. Operational deployments are not internally prioritised based on cost.

All costs in this table represent the marginal costs of sustaining the deployments at the Released under the present level for a 12 month period. As officials prepare advice on upcoming deployment decisions, forecast costings will be refined to match the options under consideration.