

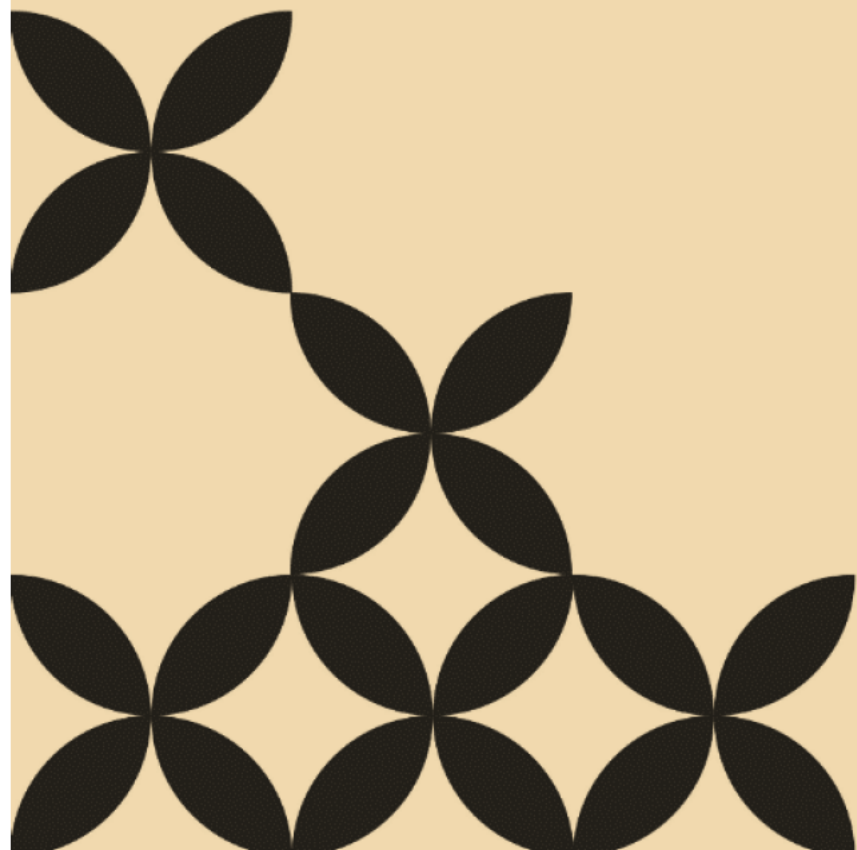
# OECD-DAC Peer Review

## Self-Assessment



NEW ZEALAND  
FOREIGN AFFAIRS & TRADE  
Manatū Aorere

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## Recent Changes in the Context of Aotearoa New Zealand's Development Cooperation

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### Policy

#### *Changes in Governments and Ministers*

A majority Labour Party Government was elected in October 2020. Hon. Nanaia Mahuta was appointed Minister of Foreign Affairs, and Hon. Aupito William Sio was appointed Associate Minister of Foreign Affairs. Minister Mahuta's portfolio includes responsibility for Aotearoa New Zealand's international development cooperation, while Minister Sio has delegated responsibility for some specific international development issues.<sup>1</sup>

This Government was preceded by a Labour-led coalition Government from 2017 – 2020. During this period Rt Hon. Winston Peters, of the New Zealand First Party, was Minister of Foreign Affairs.

#### *A new development cooperation policy*

In November 2019 the Aotearoa New Zealand Government announced a new international development policy, the International Cooperation for Effective Sustainable Development (ICESD) Policy Statement. It is reproduced in full on pp 6-7 of this report.

The key elements of the Policy Statement are to:

- State the overall purpose of our international development cooperation: to contribute to a more peaceful world, in which all people live in dignity and safety, all countries can prosper, and our shared environment is protected.
- Commit Aotearoa New Zealand's international cooperation to engage across the broad and integrated pillars of sustainable development — social, economic, environment, and governance/peace.
- Promote our global and regional cooperation in the following focus areas: human rights, effective governance and democracy; the prevention and peaceful resolution of conflict; gender equality and women's empowerment; sound stewardship of the environment and climate; and child and youth well-being.
- Commit to advance sustainable development beyond our International Development Cooperation (IDC) funding. We will respond to global challenges, in particular climate change and its impacts. We will advance sustainable development through our trade, environment, diplomatic, and security cooperation. We will pursue greater policy coherence in our domestic policy settings that impact on global development. We will articulate a new framework for the allocation and delivery of Aotearoa New Zealand's IDC Programme. Our international development cooperation will have a primary geographic focus on the Pacific (at least 60 percent of our total IDC funding), a secondary focus on South East Asia, and achieve global reach through a range of programmes, including strong multilateral engagement and humanitarian assistance.

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<sup>1</sup> Minister Sio's responsibilities include Minister-level governance of the Pacific Community (SPC); Secretariat to the Pacific Regional Environment Programme (SPREP) and the University of the South Pacific (USP); strategic leadership for Aotearoa New Zealand's Pacific engagement in sport and cultures; health policy; and sea level rise issues; and leading OECD development meetings. His full list of delegations is here: <https://dpmc.govt.nz/our-business-units/cabinet-office/ministers-and-their-portfolios/delegations>.

- Formalise our criteria for development impact by confirming four development quality domains that will underpin all of our IDC: effective, inclusive, resilient, and sustained.<sup>2</sup> Through these quality domains Aotearoa New Zealand will take a principles-based approach to guide decision making for our development initiatives that emphasises that critical thinking and good decision-making are needed to deliver outcomes in the best way, rather than using a prescriptive rules-based system. The quality domains replace our earlier policies on development quality, including the Cross-Cutting Issues Policy and Activity Quality Policy.<sup>3</sup>

The ICESD Policy Statement updates the mandate for our international development cooperation. Our previous policy, agreed in 2009, had a core focus on broad-based sustainable economic development.<sup>4</sup> The ICESD Policy reflects our major international commitments made in the subsequent decade, in particular the 2030 Agenda for Sustainable Development, the Paris Agreement, and Aotearoa New Zealand's (then) Pacific policy, the Pacific Reset.

The ICESD policy is the culmination of a significant consultation process. Public submissions were sought in August/September 2018, and we subsequently engaged in more detail with civil society through a non-government organisation (NGO) working group. In addition to consultation with development staff, a cross-ministry reference group, with broad representation from non-development divisions, provided overall direction. A near-final version was consulted with a wide range of other government agencies.

#### *A new policy for Aotearoa New Zealand's engagement in the Pacific*

In October 2021, the Minister of Foreign Affairs launched the Pacific Resilience Approach, a refreshed policy for Aotearoa New Zealand's engagement in the Pacific Region<sup>5</sup>. This approach puts Pacific countries at the centre of our engagement, recognising the mana (prestige/authority) of each nation and reinforcing our whanaungatanga (kinship) connections to the wider Pacific. It reflects Aotearoa New Zealand's independent, values-based foreign policy, with the Treaty of Waitangi<sup>6</sup> providing a valuable framework for managing and creating enduring relationships. It affirms that we will support our partners on a path towards achieving the Sustainable Development Goals as a shared commitment; and will seek to harness regional and multilateral action to support Pacific priorities.

The policy affirms that our IDC in the Pacific will be focused on long-term resilience. This means that we will target investments that strengthen the environment, economies, and societies to withstand shocks and manage crises while protecting future well-being. We have supported Pacific countries to deal with the immediate impacts of COVID-19, and will continue to respond to short-term challenges alongside our long-term investment in the region's resilience.

The policy sets out five enduring principles to guide our engagement in the region:

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<sup>2</sup> Guidance on the development quality domains is available in the 'New Zealand's International Development Principles' on MFAT's website: [Our approach to aid | New Zealand Ministry of Foreign Affairs and Trade \(mfat.govt.nz\)](#). More detailed guidance has been developed for MFAT staff.

<sup>3</sup> 'Activity' refers to an IDC project or initiative.

<sup>4</sup> [CAB Min \(09\) 13/3C](#) (a minute of a New Zealand Cabinet decision) articulates our 2009 mandate.

<sup>5</sup> <https://www.mfat.govt.nz/en/media-and-resources/proactive-release-new-zealands-pacific-engagement-from-reset-to-resilience/>

<sup>6</sup> An agreement between the British Crown and a large number of Māori chiefs signed in 1840. It is a constitutional document that establishes and guides the relationship between the Crown in New Zealand (embodied by our government) and Māori.



- *Tātai Hono* (the recognition of deep and enduring ancestral connections).
- *Tātou Tātou* (all of us together).
- *Whāia te Taumata Ōhanga* (journey towards a circular economy).
- *Turou Hawaiiiki* (navigating together).
- *Arongia ki Rangiātea* (focus towards excellence).

These principles build upon our four development quality domains in the ICESD Policy Statement (effective, inclusive, resilient and sustained), and further contextualise how we will apply them in the Pacific.

### *International Climate Finance Strategy*

In December last year, the Aotearoa New Zealand Government announced its NZ\$1.3 billion climate finance commitment for 2022 to 2025. The *Aotearoa New Zealand International Climate Finance Strategy* provides a high-level framework to guide this investment. It builds on Aotearoa New Zealand's existing climate finance activities, shaped to deliver Aotearoa New Zealand's 2019-2022 climate finance commitment.

Urgent, concerted action is required to reduce greenhouse gas emissions and support vulnerable communities to adapt to the physical impacts of the changing climate. The provision of climate finance to developing countries is part of the solution. Our vision is that developing countries and communities build resilience in a world on a pathway to staying within 1.5°C. We will be a constructive and collaborative partner, tailoring our approach depending on the region in which we are delivering climate finance.

Key features of the Strategy include:

- Goals and outcomes shaped around adaptation, mitigation, capability-building and leveraging other donors' and private climate finance.
- A desire to act at scale for high climate impact, including supporting the development of carbon markets, transitions towards more renewable energy systems, lower-intensity agriculture, forestry and nature-based solutions.
- A strong emphasis on collaboration, including recognition that our partnerships with other donors and multilateral development banks will be important to help us leverage our climate finance funding.
- A focus on equity and inclusion, as we know we can lift our climate finance influence and impact by working inclusively to ensure equity of benefits and transformative change.
- Clear recognition of the importance of nature-based solutions and biodiversity in adapting to and mitigating the impact of climate change.
- Acknowledgment of the value of improved data, evidence and research in informing climate decision-making.

### *Humanitarian Action Policy*

In 2019, Aotearoa New Zealand refreshed our Humanitarian Action Policy,<sup>7</sup> which sets out the rationale and priorities for New Zealand's international humanitarian action and advocacy. The policy affirms New Zealand's

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<sup>6</sup> [The Humanitarian Action Policy is available at: www.mfat.govt.nz/vn/aid-and-development/humanitarian-action/](http://www.mfat.govt.nz/vn/aid-and-development/humanitarian-action/)

support for international humanitarian principles and issues of particular importance to New Zealand such as respect for humanitarian law, gender equality and the empowerment of women and girls. It outlines our primary focus on the Pacific, followed by South East Asia, and provides a framework for how New Zealand prioritises humanitarian aid outside of our immediate region. The policy development process included consultation across New Zealand government agencies and the NGO community.

### *Supporting greater recognition of the challenges faced by Small Island Developing States (SIDS)*

Aotearoa New Zealand has long advocated for greater recognition of the unique development challenges faced by Small Island Developing States (SIDS). To help strengthen the international evidence base on these challenges, in 2018 Aotearoa New Zealand and Australia co-financed a major OECD study on SIDS: *Making Development Cooperation Work for Small Island Developing States*.<sup>8</sup>

Because of our strong focus on SIDS, our development cooperation profile differs from the typical DAC member. We briefly outline the key differences and our rationale for them below:<sup>9</sup>

- Average incomes are higher in our Pacific partner countries than in many other developing regions in the world. In our view, income per capita alone is an inadequate view of development progress, in particular because they do not capture the development vulnerabilities that SIDS face. SIDS' vulnerability to the impacts of climate change and natural disasters are widely recognised, and are clearly both critical issues, but SIDS face a number of other challenges that are less widely appreciated: the higher costs of delivering public services in small, remote and geographically dispersed states; narrow economic bases, which increase SIDS' exposure to economic shocks; and structural barriers to borrowing from international financial markets. In our view this broader picture of development need create a compelling case for development partners to provide sustained support to SIDS.
- A greater proportion of our IDC is spent on small projects. We work with micro-states that often do not have the capacity to absorb large development projects.
- Despite being a small donor, we work across a wide range of different sectors in the Pacific. We align to and support the development priorities of our partners, many of whom have relatively few significant bilateral development partners. We believe that the benefits of geographic specialisation, in our region where we have deep historical connections, diaspora ties and other drivers of comparative advantage, outweigh the potential benefits of greater sectoral specialisation.
- Our delegations and decisions about IDC are centralised. Our Pacific country offices are in remote locations that pose unique operational challenges.

## **Strategy and Planning**

### *Creation of the Pacific and Development Group (PDG)*

In 2016, following an extensive review, the Ministry of Foreign Affairs and Trade (MFAT) created the Pacific and Development Group (PDG), enabling an integrated approach to Aotearoa New Zealand's foreign policy and development engagement with Pacific countries. This Group replaced the 'International Development

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<sup>8</sup> <https://www.oecd.org/publications/making-development-co-operation-work-for-small-island-developing-states-9789264287648-en.htm>

<sup>9</sup> More detail on this topic is available in 'Partnering for sustainable development in the Pacific', pp 10-11 of MFAT's August 2019 submission to the FADTC inquiry into New Zealand's aid to the Pacific.

Group’, a standalone development group within MFAT. As a result, development cooperation became more closely integrated with the broader work of MFAT. Key changes as a result of the integration are as follows:

- A more coherent approach to our engagement with partner countries. For example we have replaced high-level development agreements with partner countries (‘Joint Commitments for Development’) with a single ‘Statement of Partnership’ that spans all of Aotearoa New Zealand’s engagement with the partner country. Integrated teams also provide clearer leadership and coordination from MFAT for whole-of-government engagement in the region.
- MFAT now integrates international development objectives into its overall strategy. We no longer produce a standalone development strategy.
- PDG is staffed by a mixture of specialist development staff, and generalist ‘rotational staff’.
- Since 2020, we no longer have a separate ‘Vote’ for development cooperation in our national budgets. International development funding is now provided through a ring-fenced appropriation within ‘Vote Foreign Affairs’.

Since integration, we have introduced a range of organisational changes to how the IDC programme is managed. Key changes include introducing integrated plans for our engagement with partner countries (‘four year plans’) that capture both development and broader foreign policy objectives and deliverables; establishing a more robust internal governance structure to provide oversight of each four year plan; the introduction of a new aid management system (‘Enquire’); and using a customised version of the Aotearoa New Zealand Treasury-endorsed better business case approach as the template for funding proposals for development activities.<sup>10</sup> There has also been significant growth in staffing levels responsible for managing our development cooperation, in particular sector specialists in areas such as climate change, health, inclusive development, infrastructure and economics.

### *Responding to COVID-19*

Responding to the COVID-19 pandemic has had a huge impact on Aotearoa New Zealand’s development cooperation over the past two and a half years. While we are mindful that all DAC members will have faced major changes in strategy and operations to respond to the pandemic, the dynamics of the pandemic in the Pacific region have created a particular series of challenges. Operational delivery of our agreed programmes in the Pacific became immensely challenging. Closed borders (which have remained closed for longer than almost anywhere in the world) meant we could not easily deliver technical assistance; our partners’ public services became stretched, exhausted and distracted; some country offices closed; and non-resident Heads of Mission could not undertake visits. At the same time, we needed to significantly pivot our overall programme to respond to the social and economic impacts of the pandemic, which our partners were facing. We have explored our response to this issue in detail in our ‘programming flexibility – responding to COVID-19’ strength section.

Responding to the COVID-19 pandemic has also had a major impact on MFAT’s human resourcing. This was felt most acutely in our country offices. A number of Pacific country offices were very isolated as remote Pacific countries closed their borders to protect themselves from COVID-19, and commercial transport links dried up. For example, the only way to transport staff into and out of our High Commission in Kiribati was with New Zealand Defence Force assets. In South-East Asia, widespread COVID-19 waves in countries such as Indonesia had a major operational impact on the continuity of our offices’ operations. In head office, the re-

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<sup>10</sup> <https://treasury.govt.nz/information-and-services/state-sector-leadership/investment-management/better-business-cases-bbc>

deployment of staff to manage MFAT's contribution to Aotearoa New Zealand's response to the pandemic had a major impact. In the steady-state phase after the initial crisis response to the pandemic, across all of MFAT there were 42 staff moved into the core COVID response team and to secondments in other government departments, and many staff who remained in their substantive positions had major changes to the scope of their role to focus on the COVID-19 response.

### *Recent global crises*

Since early 2021, a number of other global crises have also impacted our work. The key major crises we have responded to include the war in Ukraine; food insecurity in Africa, the eruption of the Hunga Tonga-Hunga Ha'apai volcanic eruption in late December 2021; the fall of Afghanistan to the Taliban (including the complex resettlement of Afghan nationals who had connections to the Aotearoa New Zealand Government), and the early 2021 military coup in Myanmar. While responding to global crises is a core function of a development agency, the compounding impact of responding to these events in addition to the response to the COVID-19 pandemic has stretched our systems and resourcing. It has placed particular pressure on the Humanitarian team in our Partnerships, Humanitarian and Multilateral Division.

### *Our strategic environment.*

The global outlook is experiencing heightened strategic tension and considerable levels of disruption and risk. New Zealand has traditionally seen itself as protected from global threats by its geography and a relatively peaceful Pacific region. However, its interconnectedness with the world, the changing nature of the region, and the evolution of new threats mean New Zealand is as affected as other countries by global trends and an increasingly complex international environment. The period to 2035 will likely be challenging for New Zealand and the Pacific region.

The Pacific regional architecture, led by the Pacific Islands Forum, plays an important role in building regional resilience by generating Pacific-owned solutions to current and future challenges. It has also experienced strain in the last two years, with a number of Micronesian members threatening to withdraw.

The Pacific has been, and continues to be, severely affected by COVID-19, in particular the tourism and labour mobility that many Pacific economies rely heavily on. The deep and long recession that a number of Pacific economies have experienced will increase poverty and drive down standards of living, impacting the region's stability and security. In the longer-term, climate change is the greatest threat to livelihoods, security and wellbeing in our Pacific region.

### *Climate Finance*

In October 2021, the Aotearoa New Zealand Government announced<sup>11</sup> that Aotearoa New Zealand's next climate finance target would be \$NZ1.3 billion for the period 2022 to 2025, a four-fold increase on the previous period. Of this amount, \$800 million is being provided as additional funding for the IDC programme. All of the funding to meet this climate finance target will be grant funding provided through our IDC programme. At least 50 percent of funding will go to the Pacific as it adapts to the impacts of climate change. Five percent of the additional funding has been allocated as 'departmental' funding to MFAT to enable a scale up of staffing to manage this larger climate programme.

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<sup>11</sup> [New Zealand increases climate aid contribution | Beehive.govt.nz](https://www.beehive.govt.nz/news/new-zealand-increases-climate-aid-contribution).  
INTD-94-2968

MFAT is currently finalising a Climate Finance Strategy to guide delivery of this commitment. The final strategy is scheduled to be shared with our Peer Review team at the end of July, and is expected to be launched in mid-August. We explore the challenges that lie ahead in implementing this strategy in the ‘scaling up for climate finance’ challenge.

### *External Review*

Aotearoa New Zealand’s parliamentary committee for Foreign Affairs, Defence and Trade (FADTC) launched an inquiry into Aotearoa New Zealand’s Aid in the Pacific in July 2019. Following a call for public submissions, 34 submissions were received, mostly from Aotearoa New Zealand-based individuals, academics and non-government organisations (NGOs). MFAT also provided a detailed written submission. Between September 2020 and April 2021, the Committee invited submitters (including MFAT) to present orally and respond to questions during public sessions. Outside of the public sessions, Ministry advisers provided written briefings in response to a range of questions, and briefed the Committee during three private sessions. At the close of submissions, MFAT provided a departmental report and draft recommendations to FADTC.

The Committee’s final report,<sup>12</sup> presented in August 2020, makes makes 15 recommendations to the Government and MFAT, including to:

- Improve development partnerships in the Pacific, strengthen democratic and electoral processes in the region, and engage more deeply with local communities.
- Support and progress the Pacific’s climate objectives as part of Aotearoa New Zealand’s response to COVID-19.
- Enable the Ministry of Foreign Affairs and Trade to increase the focus on inclusive development, with an approach that is based on human rights.
- Work with the private sector to increase economic resilience and create jobs, and ensure that Aotearoa New Zealand businesses can tender for projects.
- Improve the transparency of the aid programme and communicate its challenges and successes with the public.
- Step-up efforts to design and deliver initiatives that are locally owned, adaptive, responsive, and based on evidence.

The Government accepted the Committee’s findings. MFAT has made good progress on implementing the recommendations it is responsible for and reports back to FADTC on these on an annual basis. We report on progress on many of the recommendations’ key themes, including strengthening development partnerships, increasing our focus on inclusive development, and improving transparency and development communications, throughout this self-assessment report.

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<sup>12</sup> [https://www.parliament.nz/en/pb/sc/reports/document/SCR\\_99947/inquiry-into-new-zealands-aid-to-the-pacific](https://www.parliament.nz/en/pb/sc/reports/document/SCR_99947/inquiry-into-new-zealands-aid-to-the-pacific)



# Policy Statement



## New Zealand's International Cooperation for Effective Sustainable Development (ICESD)



1 New Zealand cooperates for sustainable development as a Pacific country and a global citizen. The environmental, economic, governance, and human development challenges facing our region and the world are many and complex. They impact us and we are committed to working with others to meet them.



2 The purpose of our cooperation under this policy is to contribute to a **more peaceful world, in which all people live in dignity and safety, all countries can prosper, and our shared environment is protected.**



3 This policy confirms our primary focus on the Pacific region, in line with the Pacific Reset. It reflects a shift in how our government works in the region that includes deeper collaboration with Pacific partner countries and more ambition for our Pacific engagement.

4 This policy also confirms our support for the 2030 Agenda for Sustainable Development. New Zealand will work for global solutions to global sustainable development challenges and particularly accelerated action to address climate change and its impacts, in line with the Paris Agreement. We will support an effective contribution from multilateral and regional institutions to deliver on the 2030 Agenda.

### 5 This policy commits our global and regional cooperation to affirm:

- ✘ human rights, effective governance and democracy;
- ✘ the prevention and peaceful resolution of conflict;
- ✘ gender equality and women's empowerment;
- ✘ sound stewardship of the environment and climate; and
- ✘ child and youth well-being.

6 New Zealand's international cooperation will reflect the broad and integrated nature of sustainable development. We will value, invest in and seek real progress across the social (people - **Ngā Tāngata**), environment (planet - **Te Taiao**), economic (prosperity - **Te Ōhanga**), and stability and governance (peace - **Te Rangimarie**) pillars of sustainable development.

7 In addition to our aid, New Zealand will work to advance sustainable development through our trade, environment, diplomatic, and security cooperation as an integrated approach to foreign policy. We will also pursue greater policy coherence in our domestic policy settings that impact on global development.



8 New Zealand will work in partnership with others and will cooperate with all who share our values and objectives.

9 New Zealand will work with Small Island Developing States to support their voice and advance their sustainable development interests.



## Scope of New Zealand's Official Development Assistance (ODA)

- 10 New Zealand will maintain a strong ODA<sup>1</sup> contribution to sustainable development and humanitarian action in Pacific Island and developing countries.<sup>2</sup> The majority of our ODA will focus on countries most in need, particularly Small Island Developing States and Least Developed Countries.
- 11 New Zealand's ODA will retain a primary geographic focus on the Pacific that will account for at least sixty percent of total ODA. Our relationships and ODA in the Pacific will be informed by principles of understanding, friendship, mutual benefit, sustainability and collective ambition. We will give particular consideration to our constitutional obligations to states within the Realm of New Zealand, and to Pacific countries most off track against the Sustainable Development Goals.
- 12 New Zealand's ODA will have a secondary geographic focus on Southeast Asia, particularly its Least Developed Countries and the regional role of ASEAN. New Zealand will focus on collaborating with partners to upscale our ambition and impact for the Asia-Pacific region.



- 13 New Zealand's ODA will achieve global reach through strong engagement in and support through the multilateral system, humanitarian assistance, regional programmes in Africa and the Caribbean, and assistance to specific fragile and conflict affected areas, particularly in the Middle East and Asia.
- 14 Beyond these priority areas, New Zealand will consider targeted ODA for middle-income and transitioning countries to access policy and technical expertise; support transition to more sustainable and inclusive development; and strengthen forms of cooperation with New Zealand that can be sustained without ODA.
- 15 New Zealand's ODA will draw on and engage New Zealand's people, public sector and other institutions, resources and expertise.

### 16 New Zealand will pursue impact through development outcomes that are:

- ✘ **Effective** – that are values driven, partnership focused, dynamic, and evidence-based;
- ✘ **Inclusive** – that address exclusions and inequality created across all dimensions of social identity, while promoting human rights, and equitable participation in the benefits of development;
- ✘ **Resilient** – that promote resilience, including to the impacts of climate change, natural disasters and external shocks; and
- ✘ **Sustained** – that respond to context and are locally owned.

### 17 New Zealand will ensure its development cooperation is effective through the following principles for how we work:

- ✘ A values-based and transparent approach to engagement;
- ✘ A strong focus on mutually accountable partnerships;
- ✘ Adaptive approaches driven by local context and continuous learning; and
- ✘ Fostering a culture of results using evidence-based decision making.

<sup>1</sup> ODA is defined by the OECD Development Assistance Committee (DAC) as government funding designed to promote the economic development and welfare of developing countries. Development cooperation is broader than ODA and encompasses all of the ways in which New Zealand advances development.

<sup>2</sup> New Zealand's support under Vote Official Development Assistance is more expansive than the OECD DAC definition, in that developed Pacific Island countries are also eligible.



## Good and Innovative Practices

### Strategic Clarity

#### Covering the ‘Policy’ Foundation

##### *Reason for Selection*

Our IDC programme has clear policy and strategic settings. Policies guide ‘how’ we work, articulating fixed commitments, values and guiding principles. We differentiate between “big P” Policies, agreed by the Government, and “small p” policies, which translate the Government’s intent into organisational rules and guidelines for MFAT. Strategies and plans set out time-bound objectives, and the roadmap for achieving them. The principles and values identified within policy direct both the *context* and *content* of strategies and plans.

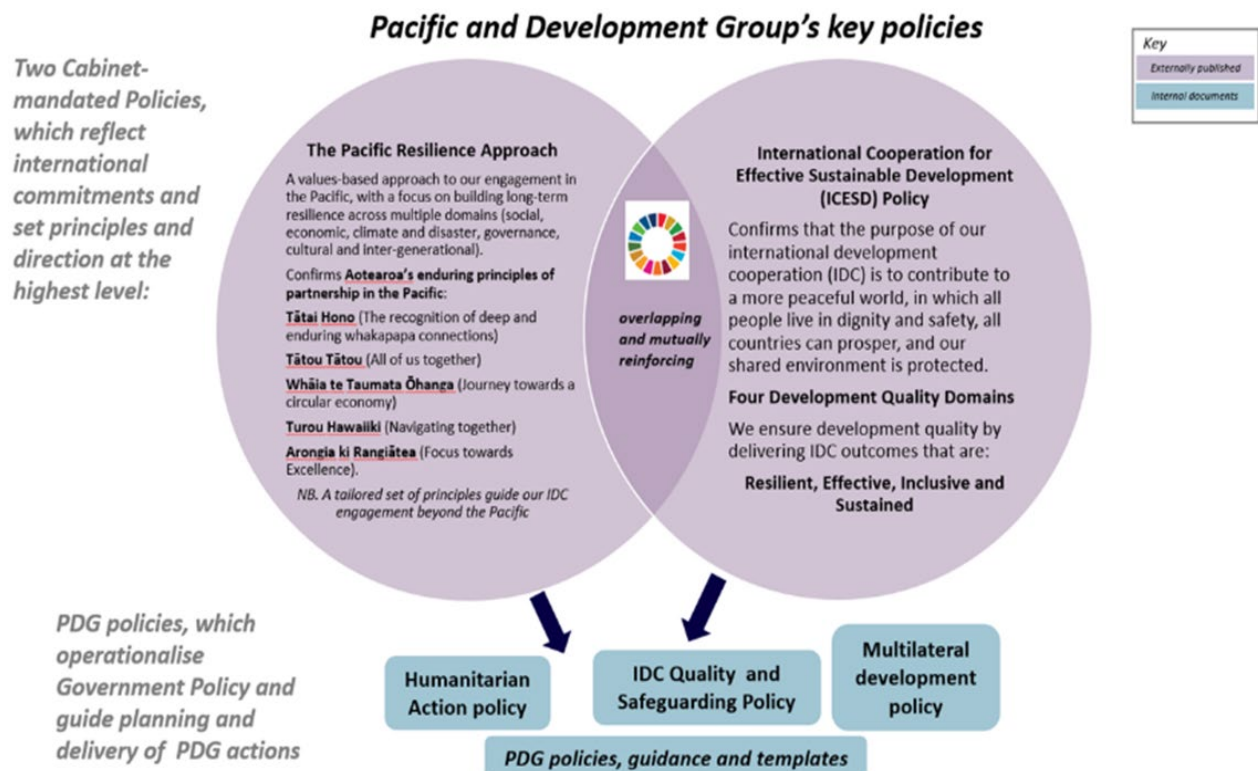
PDG’s internal strategy, planning and performance system provides the strategic and planning mechanisms to help us determine the outcomes that we will deliver and the tools to know if we have delivered them. It links our strategy to action. This ensures the work we deliver meets the needs of both partner countries and the interests of Aotearoa New Zealand.

##### *Analysis of Underlying Aspects Critical for Success*

- A clear policy outlook that describes ‘how’ we work as well as ‘what’ we do.

Aotearoa New Zealand has two key policies guiding our IDC: the International Cooperation for Effective Sustainable Development (ICESD) Policy Statement, and the Pacific Resilience Approach. The detail of these are described in further detail in the ‘changes in recent context’ section of this report.

*Graphic 1: Resilience Approach and ICESD Policy Synergy*



A distinctive characteristic of these policy settings is their focus on ‘how’ we work, as well as ‘what’ we do. The Pacific Resilience Approach affirms that Pacific countries’ priorities are at the centre of our engagement and that we will recognise the *mana* (prestige/authority) of each nation. It outlines five enduring principles to guide our engagement in the Pacific (See Graphic 1 above). The ICESD Policy guides how we work by, inter alia, articulating how Aotearoa New Zealand will pursue development effectiveness through the ‘effective’ development quality domain. Our approach is shaped by international development effectiveness norms, with a distinctive national approach that integrates development effectiveness into our overall policy framework.

- An integrated planning approach: integrating international development and wider foreign policy; and integrating the work of all government agencies.

In 2016, MFAT made a deliberate choice to integrate development, foreign policy and trade functions for the Pacific into a single group (the Pacific and Development Group), where foreign policy and development specialists working on our bilateral relationships sit in the same team. We believe that this change has *enhanced* our development impact in the Pacific region, enabling the multiple strands of our Pacific foreign policy to work as a cohesive whole that is mutually reinforcing.

This integration extends to MFAT’s strategy and planning. MFAT’s Strategic Framework outlines our 10-year strategic objectives for sustainable development, which are fully integrated into MFAT’s overall strategic objectives. In our Strategic Intentions we annually set and communicate our priority deliverables over the next four years against the Strategic Framework.<sup>13</sup> The IDC programme contributes to most of MFAT’s goals – most significantly the Pacific Goal, but also makes a prominent contribution to the ‘Environment and Climate Change’, ‘International Rules and Institutions’ and ‘Indo-Pacific’ goals.

This integrated approach cascades down our planning process to our <sup>s9(2)(f)(iv)</sup> four <sup>s9(2)(f)(iv)</sup> year plans.

Four year plans are rolling plans, which guide the integrated planning and management of Aotearoa New Zealand’s overall engagement and guide a pipeline of IDC programme investments. The plans are published on MFAT’s external website<sup>14</sup>, and refreshed on an annual basis. One benefit of this approach is that all MFAT officials supporting our engagement with a partner country have a clear line-of-sight to our objectives, and are involved in our annual internal reflections process based on the four year plan’s monitoring framework, which drives organisational learning.

This integrated approach extends beyond MFAT to capture the work of other Aotearoa New Zealand government agencies with partner countries. Our country and regional strategies are developed with input from a wide range of Aotearoa New Zealand government agencies and represent an all of Government view. Government agencies which deliver IDC-funded Activities are involved in the development of four year plans where they make a significant contribution to our work in that partner country.

- Our predominant approach to planning is led by partner country context.

<sup>13</sup> <https://www.mfat.govt.nz/en/about-us/our-strategic-direction/>

<sup>14</sup> [Our planned aid expenditure | New Zealand Ministry of Foreign Affairs and Trade \(mfat.govt.nz\)](#)

The majority of Aotearoa New Zealand's IDC programming is delivered through geographic (country or regional) programmes (or four year plans). We have some four year plans that are structured around the partner type (partnerships i.e. civil society and multilateral), and humanitarian and multi-country four year plans, but we do not structure our programming around particular themes and sectors. This is a deliberate decision to ensure that our programming is driven by partner-country context. At an operational level, this means that our teams of sector and thematic experts can manage specific activities, or provide technical advisory support to country teams and country offices, but four year plans are overseen by the relevant country or regional teams.

Statements of Partnership are political-level arrangements between Aotearoa New Zealand and Pacific (and some South East Asian) partner governments setting out joint principles, values and priorities of both countries (across all our engagement) for mutual benefit and accountability. Commitments that Aotearoa New Zealand makes in these Statements of Partnership align to our four year plans. Four year plans are also explicitly aligned to the sustainable development plans of our partner countries, ensuring that we align to the Sustainable Development Goals (SDGs) and targets that our partners prioritise and, wherever feasible, monitor progress using indicators that our partners have selected. Refer to our 'partner-led development' section for more detail about how we implement this approach.

#### *Plans or Options for Future Work to Build on This Strength*

- While the architecture is clear, it is also complex. Some of our partners have noted that they find our strategy architecture confusing. More could be done to communicate these settings clearly and succinctly both to MFAT officials, officials in other agencies, and external stakeholders. Enhancing Aotearoa New Zealand's development communication and transparency (refer 'challenge' section) would help improve knowledge and understanding of our approach.
- Our strategic narrative is less strong at a 'whole of IDC programme' level. We have clear MFAT-wide strategic objectives which our development strategic goals are part of, and we have clear programme strategies, but a 'missing middle' for audiences who want to know what our IDC programme priorities are.
- Implementing Aotearoa New Zealand's new climate finance commitment (refer 'scaling up for climate change' section) will significantly increase our programming addressing a single thematic issue. We will need to work hard to ensure that we can deliver this programme within our existing country-led planning process.
- The Pacific Resilience Approach is framed by Māori concepts that connect Aotearoa New Zealand to the wider Pacific region and acknowledge the connections between Māori and other indigenous Pacific cultures. We now have the opportunity to use this policy framework to drive stronger integration of indigenous worldviews and *mātauranga Māori* ('Māori knowledge') into our work. This links to increasing global attention on decolonising development.
- MFAT's Strategic Framework will be reviewed in 2023.

## Partner-led Development

### Covering the ‘Partner Country Engagement’ Pillar

#### *Reason for Selection*

We have selected this area to showcase recent reforms that strengthen Aotearoa New Zealand’s approach in this area. We believe that supporting partner-led development is particularly important when working with small island developing states (SIDS). While donor fragmentation and administratively burdensome ODA can be a concern for all developing countries, it is a particularly stark problem in SIDS where providers spread themselves thinly.<sup>15</sup> The impacts of donor fragmentation are compounded because SIDS’ small bureaucracies have limited capacity amongst their other functions to actively engage with donors and encourage better coordination.

#### *Analysis of Underlying Aspects Critical for Success*

##### Programme level

Effective development must be locally driven. Aotearoa New Zealand’s cooperation supports the development aspiration of partner countries. Through our ongoing dialogue on development issues with partner countries we develop and agree shared priorities (refer to the ‘Strategic Clarity’ strength above for more detail on this process). Each of our partner countries is at a different starting point in its development trajectory. Responding to this, we deliver the majority of our development assistance through country and regional programmes which are aligned to partner countries’ sustainable development policies, plans and priorities.

Taking a partner-country led approach is critical for a number of reasons. We recognise each country’s *mana* (prestige/authority), and their ownership of their sustainable development process and resilience journey. We maintain ongoing dialogue with partner countries to understand their priorities, both through regular formal whole-of-government partnerships talks (‘High Level Consultations’) and through less structured regular engagement led by our embassies and high commissions.

Aotearoa New Zealand is in a special position as a donor; we live in and are of the region where we deliver most of our IDC<sup>16</sup>, but IDC alone does not define our relationships with the countries of the Pacific. We have a further, complementary set of Cabinet-mandated principles that guide our partnerships with Pacific island countries these are outlined in the graphic below.

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<sup>15</sup> For more detail, refer to the following OECD report: [Making Development Co-operation Work for Small Island Developing States | en | OECD](#)

<sup>16</sup> Aotearoa New Zealand provides a higher proportion of its total ODA to the Pacific than any other donor, and is the second largest donor in the Pacific in terms of volume <https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/Oceania-Development-Aid-at-a-Glance-2021.pdf>.

INTD-94-2968

*Graphic 2: Enduring principles for Aotearoa New Zealand's engagement in the Pacific*



Aotearoa New Zealand is committed to development effectiveness. In the ICESD Policy Statement we committed to development effectiveness principles for how we work through our 'effective' development quality domain, which are expanded in guidance to staff. These principles respond to the international development effectiveness agenda articulated in the Busan Partnership and implemented through the Global Partnership for Effective Development Cooperation.

### Activity level

We provide three different case studies to demonstrate our partner-led approach in action, and the thinking that underpins its success:

#### *1. Use of higher-order modalities*



Aotearoa New Zealand aspires to use higher-order modalities because they generate strong partner country ownership. For example, since our past Peer Review we have significantly scaled up our use of reform-linked general budget support to Pacific countries.<sup>17</sup> If economic reform is to succeed and be durable, it needs strong buy-in from partner countries and to be appropriately prioritised and sequenced so it does not overwhelm implementing capacity. For this reason we prioritise regular economic policy dialogue with Pacific governments. We are a member of the 'Friends of Pacific Budget Support' group, along with Australia, the European Union (EU), World Bank and Asian Development Bank (ADB), engaging in regular joint dialogue with Pacific governments. Engaging jointly improves donor coordination and limits the resourcing commitment on Pacific governments. Our use of general budget support, supplemented with advisory support where appropriate, means that we are taking a high-trust form of programming that empowers Pacific governments to deliver on their priorities. The context for this support has changed considerably in light of the COVID-19 pandemic, with budget support pivoting towards emergency fiscal support to enable partner countries to fund their own COVID-19 economic response plans, and further increasing in quantum. Our previous experience and relationships in delivering general budget support was invaluable in enabling Aotearoa New Zealand to quickly pivot to emergency fiscal support in response to the pandemic. Another example of higher-order modalities in our programming is our core funding to regional and multilateral agencies. We are looking to increase our use of higher-order modalities as we scale up on climate change.

## 2. *Partner-driven research*

Research driven by partners' priorities can be an effective driver of partner-led programming. Aotearoa New Zealand has supported research under the new Pacific Regional Education Research Framework endorsed by the Pacific Education Ministers in April 2021. The Framework recognises that the use of Pacific-based research methodologies does not just honour the world view of Pacific people, but also ensures the validity and reliability of the research. The framework emphasises that research conducted in the Pacific must have a tangible benefit for Pacific people and their communities. MFAT-funded literacy research,<sup>18</sup> led by the University of the South Pacific's Institute of Education, in partnership with two Aotearoa New Zealand universities, was guided by the Framework in adopting Pacific research frameworks (such as *Kakala* and *Tivaevae*) and data collection tools (such as *Tok Stori*, *Talanoa* and *Korero*). The research team supported and mentored emerging Pacific researchers to build regional research capacity in education. The research has identified a number of themes to improve education outcomes - the concept of *motatapu* to guide power sharing and decision-making; indigenous leadership, literacy and language expertise; methodologies that incorporate culture and identity; sustainability and durability and unsolved challenges. MFAT is integrating the findings of this research into our education investments and policies.

## 3. *Supporting and using Pacific data and statistics*

In the Pacific region, regional institutions and initiatives also play an important role in driving partner-led development, because Pacific countries govern the regional bodies that we support. A good example of this is Aotearoa New Zealand's support for Pacific-owned and led statistics. As in many parts of the world, a key challenge is data availability in the Pacific, and underinvestment by partners in data and statistics. Aotearoa New Zealand has partnered with The Pacific Community (known as SPC) to create the Pacific Data Hub

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<sup>17</sup> One of our annual performance indicators reported to Parliament is: 'Number of Pacific island countries that remain on track on their economic and public sector reform programme (2021/22 result = 8/8)'

<sup>18</sup> Research available here: [Literacy-Research-People-and-Context.pdf \(mfat.govt.nz\)](https://www.mfat.govt.nz/Literacy-Research-People-and-Context.pdf)

(PDH)<sup>19</sup>, as a unique digital gateway to data and statistics about the region, from the region. The hub aims to provide a central source of reliable and current data to help Pacific island countries and other actors to make more evidence-based decisions. One feature of the Data Hub is its central set of Pacific SDG indicators, which build on the region's tailored SDG monitoring plan agreed in the Pacific Island Forum's Roadmap for Sustainable Development. Alongside this regional support, we also fund Pacific National Statistics Offices (NSOs) in data collections and statistical analysis.

*Plans or Options for Future Work to Build on This Strength*

To build on this strength in future, we will:

- Embed the central role of the Statement of Partnership, and joint high-level dialogue, in our long-term approach to working with partner countries. Partner countries will get the greatest benefit from these tools when Aotearoa New Zealand engages with them in a familiar, predictable and clear manner.
- Develop further guidance on delivering the 'effective' development quality domain across the organisation. There are tangible steps we can take to strengthen our development effectiveness e.g. making best efforts to have our forward spending intentions are reflected in partner governments' national budgets, where more detailed guidance for programme teams could support a lift in our performance.
- Use research and case studies to drive organisational learning about successes in partner-led development that we should seek to replicate. For example, the Pacific literacy research discussed above has been shared at several regional education fora and events. It continues to inform Aotearoa New Zealand's education programme and was used to guide the establishment of a new activity 'Building teaching capacity for Inclusive Education'. A new contract for this activity signed in 2021 includes talanoa as an option for one of the two reporting formats. This is currently being used and we can look to expand this approach more widely across our programme.

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<sup>19</sup> [Pacific Data Hub](#)



## Governance Processes

### Covering the 'Institutional arrangements' and 'Management systems' Foundations

#### *Reason for Selection*

Good governance helps ensure that Aotearoa New Zealand's IDC programme of work has clarity of intent and delivers on its commitments. We have chosen this area as a strength to showcase for two reasons: we have made major reforms to the way we govern our IDC since our past Peer Review, and we believe that our model is relatively unique amongst DAC members.

In 2017 MFAT began to introduce major changes to the governance of our IDC programme. The central driver was to separate governance from programme management, and bring a broader range of perspectives into our governance function. Over time MFAT's Pacific and Development Group (PDG) has implemented a multi-level, matrixed governance model to oversee the IDC programme and aspects of foreign policy in the Pacific. This model has evolved to fit other changes in the way MFAT works – for example, the introduction of four year plans in 2018. The current governance model consists of:

- The Pacific and Development Leadership Team (PDLT), whose primary responsibility is the leadership and management of PDG as a business group.
- The Pacific and Development Strategic Governance Group (PDSGG), whose primary responsibility is the strategic governance of the IDC programme and its investment outcomes.
- Four year plan governance groups, whose primary responsibility is to govern the delivery, progress and outcomes of MFAT's 23 four year plans.

We have ten four year plan governance groups. Each is responsible for one to six four year plans. For example, one of the two 'Pacific Melanesia and Micronesia' Division governance groups has oversight of the Fiji, Vanuatu and Kiribati four year plans. Membership of bilateral/regional governance groups is comprised of: the relevant Divisional Manager (Chair), a Divisional Manager from outside the Division, the relevant Ambassador(s)/High Commissioner(s), a Unit Manager from outside the Division, and one to four other members who are mostly at non-management level. Non-bilateral/regional governance groups (e.g. Partnerships and Civil Society; Scholarships; Multi-Country) do not have Ambassadors/High Commissioners as members, and have at least three other members. A small number of other members are from outside PDG – both from elsewhere in MFAT, and from other government departments.

This structure provides stronger holistic oversight over Aotearoa New Zealand's IDC programme, and strengthens alignment to our policy and strategy architecture. Four year plan governance groups meet monthly to assess activity funding proposals (business cases) that are prepared by either programme teams or sector and thematic advisers. They also monitor progress towards the outcomes agreed in the four year plan by assessing programme reporting and discussing progress with activity and programme managers during their monthly meetings. Based on this monitoring, governance groups can recommend adjustments to activities that are in implementation, or recommend that an activity be stopped entirely. Governance groups also discuss annual internal reflections reports prepared by programme teams which provide a candid assessment of what went well, what we have learnt, actions needed, and strategic alignment. These are an important programme learning tool.

#### *Analysis of Underlying Aspects Critical for Success*

The key feature of this approach is to place greater emphasis on, and providing more resourcing for, the governance function within MFAT's Pacific and Development Group. Prior to these reforms, all major programme decisions were made by programme teams in head and country offices i.e. the same staff members were responsible for both implementing all of the activities in their programme, building a pipeline of new activities, and making judgments about programme strategy and results. All key decisions were taken by managers of those programme teams. This led some programme teams to 'set and forget' strategies and focus on the immediate actions needed to implement an activity and deliver a set of outputs. Programme staff were also naturally invested in the success of a particular activity or way of working that they had been involved in, and sometimes found it difficult to identify when a different approach may lead to better results.

Our approach elevates the role of governance in delivering effective development cooperation. Our governance groups now:

- Provide effective oversight and monitoring of the delivery of the IDC activities in each four year plan. They analyse four year plan performance, and provide an important internal accountability function for the delivery of results.
- Provide a mechanism for genuine collaboration between divisions across PDG, including greater input from our country offices in the governance of IDC.
- Provide a mechanism to scrutinise the pipeline of potential IDC activities and to assess funding proposals (business cases), which has improved our investment decision-making.
- Analyse and scrutinise how IDC delivery aligns with other foreign affairs priorities, giving effect to MFAT's strategic architecture that integrates development and non-development objectives for our work.
- At PDLT level, provide strategic whole-of-portfolio oversight and direction, allowing PDG's leaders to analyse Aotearoa New Zealand's IDC at a whole-of-portfolio level.
- Have created greater internal demand for MFAT to improve its reporting and data quality (noting that this is a work in progress).

#### *Plans or Options for Future Work to Build on This Strength*

We are intending to focus on the following areas for improvement:

- We have just reviewed our high level governance architecture. We have created an International Development Cooperation Committee (IDCC), which is responsible for high level governance of the IDC programme. This has broader representation outside of PDG management and partially replaces PDSGG. The primary rationale for this change is that with the increase in the scale of our IDC there is an interest in strengthening our macro-governance of the overall shape of the programme, allocations, results and risks, and separating this from governance of programmes and activities. This change will lead to some revision of the governance and management architecture for the Pacific and Development Leadership Team (PDLT), which will pick up some of the current functions of PDSGG.
- We will review terms of reference for the four year plan governance groups to provide better guidance to chairs and members on their role in performance management, decision making and managing risk.
- The membership of governance groups will also be reviewed to ensure they have the right mix of skills and experience. Membership was originally designed to give a wide range of PDG staff an opportunity to learn the role of governance. This approach was successful, but has probably run its course, and we now need to focus on selecting governors based on skills.

- Relatedly, more formal training needs to be developed and delivered to governance group chairs and members. Training is in the pipeline. This will be informed by a review of the current Terms of Reference of the governance groups.
- We have made some recent changes to the structure of our four year plan governance groups. A standalone governance group focused on oversight of the Aotearoa New Zealand scholarship programme has been established (previously this had been merged with the governance group for our global (i.e. non-Pacific bilateral) programme). The Monitoring, Evaluation, Research and Learning (MERL) governance group has been disestablished as part of a decision to build the majority of MERL expenditure into activity budgets, which shrunk the size of the standalone MERL programme. This four year plan is now managed by the programme team as part of their business as usual, with MERL business case investment decisions now signed-off through the Multi-Country Governance Group. We are continually seeking to improve our governance function so further structural changes may be made in the future.
- We have introduced improved standardised governance dashboard reports that include key portfolio management metrics to all four year plan governance groups. In addition, a range of bespoke reporting products have also been developed to fit the particular needs of specific governance groups.

## **Programme Flexibility – Responding to COVID-19**

### Covering the ‘Financing for sustainable development’ and ‘Management systems’ Foundations

#### *Reason for Selection*

From the onset of the global pandemic, MFAT worked to provide the support required for partner countries to prepare for and then respond to the health and economic impacts of the pandemic. We also worked to ensure that our funding and aid management mechanisms were both flexible and responsive in a rapidly changing environment so that we could quickly re-prioritise funds to support COVID-19 economic and health response efforts. At the same time, ongoing activities were adapted to enable innovative methods of delivery for planned outputs, where closed borders meant we could not always deliver our support as planned.

This experience demonstrated our ability to be nimble and responsive, making major pivots in our programming. Now that health systems in our partner countries are better prepared and in most cases have good vaccination coverage; as economies start to recover; and as we reconnect as a region to the world; we have the opportunity to reflect on how this happened, challenges and trade-offs along the way, and how we can continue to embed this flexible and responsive approach into both our systems and culture.

In the past year, the COVID-19 pandemic has spread to almost every country in the Pacific leading to multiple health crises coupled with severe and ongoing economic impacts. The Pacific now faces a potential ‘lost decade’ of development owing to the economic and social devastation caused by the pandemic and the challenges involved in recovery.

#### *Analysis of Underlying Aspects Critical for Success*

In mid-2020, teams were directed to undertake a deliberate ‘pivot,’ and corresponding systems were rapidly developed to support this. Teams took a considered and methodical approach to adapting their four year plans and activities to a world impacted by COVID-19 - delaying, stopping, continuing or changing activities dependent on the context. This was undertaken in the context of stretched staff capacity, with a focus on addressing urgent priorities, such as managing border settings, fiscal crisis financing, repatriations and health preparedness and response.

To support this pivot, the Pacific and Development Strategic Governance Group requested quarterly four year plan financial stocktakes, with teams reviewing actual, forecast, committed, and uncommitted expenditure. The stocktake and updated expenditure forecasts were used to identify where there was remaining ‘softness’ in our planned spend that could be handed back to the Strategic International Development Fund (SIDF)<sup>20</sup> for redistribution on identified COVID-19 priorities. Stocktakes were undertaken regularly over 2020 and into 2021.

As a result of the ‘pivot’:

- The most common approach was delaying activities that could not progress, re-scheduling these into future budget years, with the funds repurposed for more urgent priorities (e.g. emergency budget support, vaccines).

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<sup>20</sup> The Strategic International Development Fund (SIDF) is a flexible fund within the Ministry of Foreign Affairs and Trade’s (MFAT) International Development Cooperation (IDC) programme. The SIDF provides the flexibility to fund new initiatives which strongly align to Government priorities during the triennium, over and above existing programme baselines.

- Stopping activities was less common, but reflected courageous actions that demonstrated the ability to ‘know when to walk away’. Closing down an activity requires a careful assessment of our partner’s interest and commitment, whether we are the best-placed partner to provide the support, and whether it is still the most important thing we should focus on.
- Equally, there were examples of when wise decisions were taken to *continue* with long term commitments that have long-term strategic value.

As a result of *stopping* or *delaying* activities, in the 2020/21 financial year, we were able to disburse NZ\$142.2 million from the SIDF to support the COVID-19 response in the Pacific. This amount was comprised of NZ\$50 million in additional funding for the IDC programme from the Government’s Budget, and approximately NZ\$90 million in funds that were re-directed from existing baselines through reprioritisation. Key to enabling this significant reprioritisation was:

- *Having a triennium funding model* - the appropriation is spread over three years, which provides the ability to defer funding beyond the current year.
- *The ability to use the SIDF as a “revolving fund”* - as teams identified where funds could not be spent, they returned them to the SIDF, where other teams could then draw funding, providing an easy way to quickly move funding in and out of different programmes.
- *The ability to initiate emergency procurement processes* - once partner countries declared a national emergency (which many Pacific countries did when their COVID-19 outbreaks hit), bilateral teams were able to utilise faster and more flexible approval and procurement processes (though still with the appropriate checks and balances). This was the first time we had used these processes outside of our humanitarian programme.
- *A governance system providing assurance and oversight*, even where processes were sped up (see separate topic on governance) our governance model provided the required oversight and monitoring of spend.

Alongside increased and re-prioritised needs, the operational delivery of ongoing programmes became immensely challenging. Closed borders meant we could not easily deliver technical assistance; our partners’ public services became stretched, exhausted and distracted; some country offices closed or were severely stretched; and non-resident Heads of Mission could not undertake visits. We faced a significant risk of a mismatch between our programmes and the more urgent new priorities of our partners. However, where we did continue delivery, flexible processes meant we were able to innovate and adapt our delivery to take closed borders into account. Examples of innovation and flexibility included:

- With tourism on hold, the Timor-Leste Tourism Development activity pivoted to bolster COVID-19 prevention and support communities to recover from recent flooding. This included reallocating tourism funding to staff training in COVID-19 prevention, culinary training for hotels serving as isolation centres, and training and marketing support to enable a women’s sewing group to produce reusable facemasks to generate revenue.
- The scholarships programme developed modular, professional development scholarships, using online delivery for the first time. Furthermore, a number of tertiary scholars have been able to commence and/or complete their studies from home or on-line.
- The Polynesian Health Corridors (PHC) programme, a programme aiming to strengthen and deepen the linkages between Aotearoa New Zealand’s health system and those of six Polynesian countries, pivoted early

in 2020 to the COVID-19 response. PHC initiated a virtual platform for regular information exchange between partner countries and Aotearoa New Zealand on approaches to COVID-19. In response to requests from the Heads of Health of the six Polynesian countries for further in-depth engagement and support on COVID-19, PHC, in consultation with MFAT, created and prioritised a new dedicated workstream, "pandemic preparedness and response", using reprioritised funding from the SIDF, enabling the programme to provide full-service support for vaccine delivery to Polynesian countries.

- With prolonged school closures in 2022, several of Aotearoa New Zealand's education programmes were able to respond flexibly to support learning continuity. For example, the Pacific e-learning for science programme pivoted at the request of countries. Samoa adapted teaching content developed for use on mobile phones for other digital platforms at no additional cost. Teachers also received ongoing professional development and support during lockdown via devices and data plans provided by the programme.
- Despite closed borders, Aotearoa New Zealand supported Volunteer Services Abroad (VSA) to deliver 63 remote assignments across ten country programmes through e-Volunteering.

Despite these successes, there were some challenges. Where delivery was delayed or de-scoped, the commitment to deliver the activity remained. The flexible and adaptive approach has meant we responded rapidly and provided support where required. However, it has also meant that we have carried a relatively high level of commitments over from the previous triennium. This means that we are almost fully programmed for the remainder of the triennium, leaving little 'softness' in our budget to respond to further unexpected crises.

While we are getting better at reprioritisation, we do not yet have a consistent and considered approach to this. There is a need for tools and better management information to help with decision-making. There is also a need to keep growing a flexible and adaptive culture with a strong focus on outcomes (see separate section on managing for outcomes). Connected to this is building the courage to close down initiatives that are no longer priorities or are not delivering and do not warrant rehabilitation. Additional reporting is provided in our 'PDG Synthesis Reflections Report 2021' (Annex 12).

#### *Plans or Options for Future Work to Build on This Strength*

Recent research commissioned by MFAT<sup>21</sup> found that:

- Flexibility in design appeared consistently as one of the strongest enablers of adaptive management, but systems for learning and adaptive governance are less well developed.
- Activity delivery is shaped by strong partnerships between MFAT and implementers, but this ethos is not matched by delivery plans that incorporate iteration and reflection.
- Staff are generally encouraged to be adaptive and are open to honest discussion, but these attitudes are not supported by systems that build staff capacity.

With these findings in mind, and in a context where we are increasingly swinging from one crisis to the next, we hope to take the lessons we have learned from delivering the IDC programme over the course of the pandemic and continue to develop systems, tools and governance processes which can more systematically support a responsive, flexible and adaptive approach to delivery. At the same time we need to stay focused, and

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<sup>21</sup> <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Research/Adaptive-Management-Project-Phase-2-Report.pdf>

continue to reflect on the core purpose and longer-term goals of our work, as well as support all staff and maintain their welfare.



## Policy Coherence for Development and Whole-of-Government Engagement

### Covering the ‘Global and domestic efforts’ Pillar

#### *Reason for Selection*

Aotearoa New Zealand’s support for sustainable development is far broader than our IDC funding. It includes policy dialogue to support a partner government’s reforms; trade and labour mobility settings that support economic development in our partner countries; and support for regional security, including tackling human security challenges. We have selected this topic to highlight our work beyond ODA, and to highlight how MFAT works with other Aotearoa New Zealand Government agencies to strengthen sustainable development in partner countries.

In order to maximise the effectiveness of the Aotearoa New Zealand Government’s support for sustainable development, MFAT maintains an extensive network of working relationships with other government agencies, at the operational and management levels. Cross-government coordination in the Pacific is a particular focus of this engagement. Cross-government working groups with a focus on particular Pacific sub-regions or themes (e.g. security) enable better agency alignment and dialogue around Aotearoa New Zealand’s international objectives, priorities, and core values that underpin our work.

Aotearoa New Zealand has a sound record of practical action on policy coherence for development. This is recognised by our score on the Commitment to Development Index, run by the independent Center for Global Development, where Aotearoa New Zealand scores highly on its trade, migration, and technology settings.<sup>22</sup> Aotearoa New Zealand’s major policy coherence for development initiatives include:

- the Recognised Seasonal Employer (RSE) labour mobility scheme
- leading WTO initiatives to restrict environmentally-harmful fisheries subsidies (in addition to not providing subsidies domestically)
- maintaining highly open market access for developing countries
- taking a more coordinated approach to transboundary issues that impact the welfare of Pacific people in both Aotearoa New Zealand and Pacific countries, such as inter-country adoptions, and deportations.
- prioritising the interests of Pacific countries in decisions relating to Aotearoa New Zealand’s border settings in the context of the COVID-19 pandemic.

In addition, a current policy coherence for development priority is seeking to positively influence the regional drivers needed to maintain access to banking services, support regulatory compliance, and support the flow of remittances. MFAT works closely with other Aotearoa New Zealand agencies, notably the Reserve Bank of New Zealand and the Department of Internal Affairs as domestic regulators, on this work.

Aotearoa New Zealand Government agencies other than the Ministry of Foreign Affairs and Trade engage in a wide range of international development cooperation. This is particularly, but not exclusively, focused in the Pacific. In 2019, there were at least 38 Aotearoa New Zealand government agencies involved in development activities in the Pacific. Of these, 32 were funded directly from the IDC programme. Only some of this work is funded through MFAT’s IDC appropriation. Many agencies are members of regional and global peer bodies

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<sup>22</sup> [Commitment to Development Index | Center for Global Development | Center for Global Development | Ideas to Action \(cgdev.org\)](#)

which set the global and regional agenda on development issues. Core work on international policy issues, in particular trade, environment, and security cooperation, can also be forms of development cooperation.

Two prominent examples of this are:

- the Polynesian Health Corridors programme, a major partnership between the Aotearoa New Zealand Ministry of Health, MFAT, and the ministries of health of six Polynesian countries – Cook Islands, Niue, Samoa, Tokelau, Tonga, and Tuvalu. Its objective is to strengthen and deepen the linkages that exist between the Aotearoa New Zealand health system and health systems in these Polynesian countries in order to improve population health in the Pacific. In addition to support for priority population health concerns, it also seeks to take an integrated approach to strengthen health systems.<sup>23</sup>
- Aotearoa New Zealand’s offshore humanitarian responses in the Pacific, where our responses often include practical as well as financial assistance. MFAT leads and coordinates these, working closely with other New Zealand agencies with response capabilities to plan and deliver responses, including the New Zealand Defence Force, the Ministry of Health, New Zealand Police, the New Zealand National Emergency Management Agency, and Fire and Emergency Management New Zealand. This work is guided by New Zealand’s Humanitarian Action policy and a set of offshore deployment guidelines.

#### *Analysis of Underlying Aspects Critical for Success*

Clear Government mandates affirm that Pacific and/or global policy coherence for development should be considered during the policy-making process, and that Aotearoa New Zealand’s engagement in the Pacific will draw on a wide range of government agencies.

- In the ICESD Policy Statement, Aotearoa New Zealand re-committed to pursue greater policy coherence in our domestic policy settings that impact on global sustainable development. The significant overlap between Aotearoa New Zealand’s domestic and international policies where the Pacific is concerned is central to the Pacific Resilience Approach, the policy guiding Aotearoa New Zealand’s engagement in the Pacific. One of the five enduring principles embedded in the approach is Turou Hawaiiiki (Navigating Together), under which Aotearoa New Zealand commits to actively consider the implications of regional and domestic policies on the Pacific. Further to this, the Government has committed to more extensive policy coherence obligations to the Cook Islands, Niue and Tokelau, countries to which Aotearoa New Zealand holds particular constitutional obligations. These Government mandates empower officials to consider policy coherence considerations for Pacific and/or global development during the policy process.
- The Pacific Resilience Approach notes that there “is a part for every Minister and each of their collective agencies in helping to strengthen our Pacific relationships”. This unequivocal mandate helps other Ministers and other agencies prioritise their engagement in the Pacific, and more broadly with developing countries, where it might otherwise be seen as discretionary activity not aligned to their core business. As an example of the breadth of Government agency relationships in a single Pacific country: Aotearoa New Zealand Government agencies are currently seeking deeper connections with Tokelau to achieve development outcomes in health, education, fisheries, justice reform, family violence prevention and language revitalisation.

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<sup>23</sup> Over the last two years the programme has been focused on support preparation for and responses to the COVID-19 pandemic in partner countries. This is described in more detail in our ‘programme flexibility – responding to COVID-19’ strength.

All of Government plans for our engagement with partner countries enable success. They identify any policy coherence for development initiatives that require particular attention, and give clear direction to Aotearoa New Zealand Government agencies about the broader plan their work fits into.<sup>24</sup> In terms of whole-of-government engagement, it is hugely valuable for strategic coordination to be working to a shared set of objectives. Operational coordination is strengthened by inviting all relevant agencies from both governments to participate in our formal senior officials' talks ('High Level Consultations') with and at an operational level to hold senior officials' talks that all government agencies from both governments are invited to participate in. Whole-of-government engagement was further strengthened through 2020 and 2021 by responding to COVID-19, which created a clear and critical purpose to our work. Collaboration between Aotearoa New Zealand agencies and Pacific counterparts increased in the health, security, and fisheries sector, and there was a significant increase across Aotearoa New Zealand agencies on people movement issues that arose because of closed borders e.g. repatriations of nationals, and adapting the Recognised Seasonal Employer (RSE) labour mobility scheme.

Our work is supported by Aotearoa New Zealand's relationship with the Pacific region, and with other developing countries, and by the perspectives and connections provided through Aotearoa New Zealand civil society. We are a Pacific country connected to the wider region by people, with Pacific people comprising 8.1 percent of Aotearoa New Zealand's population,<sup>25</sup> as well as ocean, history, culture, politics and shared interest. Moreover we are an increasingly diverse country with significant connections to other developing countries; 27.4 percent of our population was born outside Aotearoa New Zealand.<sup>26</sup> This is also reflected in the increasing number of Pasifika and other developing country nationals represented in Aotearoa New Zealand's Parliament and public service. Diaspora communities in Aotearoa New Zealand have a particular contribution to make on policy coherence for development. We also periodically engage with NGOs through their umbrella body (the Council for International Development), and with academia through the national development studies network (DevNet), though policy coherence is not a primary focus of our engagement with these groups.

As a small country with an open economy, Aotearoa New Zealand's values, interests and identity are served by a rules-based international system that effectively addresses global challenges. It is therefore critical that we play our part with domestic policy settings that align to the liberal international norms that we wish to see, like open markets, the rule of law, democratic participation, transparency and accountability. This broader foreign policy driver means that in some areas Aotearoa New Zealand's policy settings align well with the interests of developing countries. For example, our significant natural resources (including the ninth largest Exclusive Economic Zone in the world) mean we are deeply invested in effective international stewardship of the environment.

A final driver of success for government agency engagement is the long-standing and trusting working relationships built over a long period of time. For example:

- Aotearoa New Zealand's Ministry for Primary Industries has been providing fisheries technical support across the region through in-country mentoring and capacity development in fisheries management and fisheries monitoring, control and surveillance for nearly 10 years. Their direct provision of support

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<sup>24</sup> Our 'Strategic clarity' strength provides more detail.

<sup>25</sup> Data from the 2018 New Zealand Census: [www.stats.govt.nz/news/new-zealands-population-reflects-growing-diversity](http://www.stats.govt.nz/news/new-zealands-population-reflects-growing-diversity).

<sup>26</sup> Ibid.

complements their wider engagement with Pacific fisheries, alongside MFAT, the Department of Conservation, the New Zealand Defence Force and Maritime New Zealand participate in regional fisheries fora such as the Pacific Islands Forum Fisheries Agency and the Western and Central Pacific Fisheries Commission.

- New Zealand Police are delivering ongoing community policing programmes in two post-conflict contexts: Bougainville, Papua New Guinea; and Solomon Islands. These programmes began in 1998 and 2003 respectively. The New Zealand Police community policing programme in Timor-Leste ran from 1999 – 2020, and institutional links remain between the two police forces.

#### *Plans or Options for Future Work to Build on This Strength*

There is scope for us to build on our policy coherence work by:

- Taking a more systematic approach to this work. MFAT currently engages with other government agencies when it becomes aware of a policy issue (for example, through our own analysis or feedback from a partner government). While this ‘demand-driven’ approach to policy coherence for development mostly serves us well, it could be strengthened by a more formal planning approach to manage our policy coherence for sustainable development initiatives, setting inter-departmental targets and monitoring progress, as recommended in our 2015 Peer Review and reiterated in our 2018 Mid-Term Review. The major barrier to taking this more formal approach is greater resourcing to coordinate our policy coherence work. We have taken a stronger planning and monitoring approach to Pacific policy coherence in recent years as part of implementing the Government’s Pacific Resilience Approach policy, and the Pacific Reset that preceded it.
- Increasing our engagement with other Government agencies with domestic policy responsibilities to identify and implement reforms that support global sustainable development wherever they remain consistent with domestic policy objectives. For example, MFAT could proactively engage with other domestic agencies with policy responsibilities in areas covered by the Commitment to Development Index to identify reforms that could strengthen policy coherence, building on the existing reporting that we do of Aotearoa New Zealand’s results. Managing the impacts of the COVID-19 pandemic has been a major resourcing pressure across the public sector in the last two years, reducing agency bandwidth for longer-term initiatives like policy coherence for development.
- Utilising the SDGs, which have the potential to be a strong national framework to pursue policy coherence, given they are universal and place a strong focus on global public goods. An August 2021 report entitled *The Government’s preparedness to implement the Sustainable Development Goals*<sup>27</sup> by the Office of the Auditor General suggested that the Government needed stronger leadership for the SDGs, which could begin by appointing a lead minister and/or agency for cross-government implementation. If such a lead minister or agency were in place, it could create a strong entry point for MFAT to bring policy coherence for development considerations to bear in the domestic policy-making process.

Our primary opportunity to further develop our whole-of-government engagement comes as we slowly transition to more normalised policy settings following the COVID-19 pandemic. As noted above for policy coherence for development, managing the impacts of the COVID-19 pandemic has been a major resourcing pressure across the public sector in the last two years, reducing agency bandwidth for longer-term initiatives

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<sup>27</sup> [The Government’s preparedness to implement the sustainable development goals — Office of the Auditor-General New Zealand \(oag.parliament.nz\)](https://www.oag.parliament.nz/publications/2021/08/the-government-s-preparedness-to-implement-the-sustainable-development-goals)

like engaging with developing countries. Moreover both Aotearoa New Zealand and our partner countries' border settings have severely limited opportunities for in-person engagement.

## Challenges and Opportunities

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### Scaling-up Climate Change

#### Covering the ‘Policy’ and ‘Institutional Arrangements’ Foundations

##### *Reason for Selection*

In October 2021, Aotearoa New Zealand announced a new international climate finance commitment of NZ\$ 1.3 billion over four years (2022 – 2025). This commitment is a considerable step-change in scale for Aotearoa New Zealand. It is more than four times the size of our 2018 commitment of NZ\$300 million, and underlines the importance Aotearoa New Zealand attaches to global and regional efforts to work together to combat climate change. This major step up in resource leaves Aotearoa New Zealand better placed to deliver on the policy commitments we made jointly with other OECD DAC members in the ‘OECD DAC Declaration on a new approach to align development cooperation with the goals of the Paris Agreement on Climate Change’.

The *Aotearoa New Zealand International Climate Finance Strategy*, which will be published in August 2022, provides a high-level framework to guide this commitment. The scale of increased funding provides us with an opportunity to strengthen, sustain, and accelerate existing relationships with partners and their work. It also allows us to invest in new opportunities and at a scale not previously viable for Aotearoa New Zealand.

However, the significant increase in size of the new commitment means we need to rapidly scale up our programming and delivery quickly. Doing this effectively, for impact, presents a significant challenge.

##### *Analysis of Underlying Factors Constraining Greater Progress*

We foresee a number of constraints and challenges to scaling up on climate change. These include:

- Ensuring MFAT’s governance and decision making processes and business model are fit for purpose and allow for an efficient and effective approach. It will be important that we maintain the overarching country-led approach to strategy and programming described in our ‘strategic clarity’ and ‘partner-led approach’ strengths, but this will require very effective coordination within MFAT to also meet this very ambitious sectoral target.
- Ensure policy coherence between our climate finance for developing countries and other aspects of Aotearoa New Zealand’s climate change policies – both our domestic emissions reductions efforts and other Paris Agreement commitments, and our foreign policy climate change objectives, in particular broader international obligations in sustainable development, biodiversity and trade that have a strong climate change lens.
- Rapidly building the internal capacity and capability of MFAT to deliver a scaled up climate finance commitment.
- Coordinating with other donor partners, especially within the Pacific. We are acutely aware of the importance of donor coordination, but this can be difficult due to competing priorities, interests, and institutional drivers.

• s9(2)(g)(i)

- Ensuring effective co-benefits and complementarity with other environmental, economic and social programming priorities, including integration of equity and inclusion outcomes, while scaling up on climate change action. Environmental programming priorities with the greatest overlap include; supporting biodiversity, delivering effective support in areas such as the ocean-climate nexus, and promoting nature-based solutions.
- Effectively leveraging private finance to ensure our finance has greater impact and contributing to the continued reorientation of global financial flows in ways which promote climate resilience and nature-based solutions. Aotearoa New Zealand's current climate finance is almost exclusively grant-based and our current programming does not place major emphasis on leveraging private finance, but we have ambitions to grow our capability in this area. This will also require us to strengthen our measurement of private sector climate finance leveraged from Aotearoa New Zealand's development cooperation.
- Ensuring robust application of the Rio markers in our development programming.<sup>s9(2)(g)(i)</sup>

We welcome work at the OECD to strengthen guidance to OECD members on this issue.

#### *Plans or Options for Future Work to Enable Improvement*

We are mindful that the scale up of our climate finance will change the profile of Aotearoa New Zealand's development system, and demand major effort to ensure our development systems and processes enable effective delivery of a much larger programme of support.

Implementation of Aotearoa New Zealand's climate finance commitment will be guided by Aotearoa New Zealand's policy statement on International Cooperation for Effective Sustained Development, and align with the principles it sets out. Most importantly our scale-up will be values based and partner-led.

MFAT has started the process of increasing its climate finance capability and capacity with a significant increase in staff resource in train. We are also finalising an International Climate Finance Strategy to guide delivery of the finance commitment, which is due to be published in mid-August.

Approaches, processes, and structures are being developed and embedded to ensure the longevity and continuity of Aotearoa New Zealand's international climate finance beyond the current commitment.

We will work with countries to build capacity to manage climate finance. We will also look to use delivery modalities that reduce transaction costs for partners.

We will ensure delivery of our climate finance commitment is driven by partner priorities, promotes equity and inclusion, encourages innovation and modernisation, and accepts risk.



## Localisation

### Covering the 'Inclusive development partnerships' Pillar and the 'Management systems' Foundation

#### *Reason for Selection*

Aotearoa New Zealand supports the broad global consensus that increased localisation and locally-led development and humanitarian action leads to improved effectiveness and impact, and that enhanced local ownership (the 'decolonisation of aid') are worthy goals. How to achieve this, in practice has proved more difficult.

Aotearoa New Zealand signed on to the Grand Bargain in 2016, which committed us to providing humanitarian aid as directly as possible to those who need it most. We continue to take note of this commitment and acknowledge that the discourse around localisation has expanded to include long-term development programming.

There have been numerous conversations amongst donors and development actors around what localisation means, in both theory and practice. Aotearoa New Zealand does not have a working definition of localisation, however there is an in-principle understanding that it encompasses delivering development at as local a level as possible, in such a way that is responsive to local priorities and with as much local ownership and procurement as possible. We also recognise that at the heart of localisation is an acknowledgement of power structures, and it is as much about how we partner, as it is about what and to whom we deliver.

For Aotearoa New Zealand, localisation and supporting local voice is consistent with our Pacific Resilience Approach. It is also an important aspect of our 'sustained' development quality domain in our ICESD policy statement. Despite some examples of progress towards a more localised approach, we selected this area as a challenge because there remains room for improvement, including the development of tools and guidance to implement a localised approach systematically across the IDC programme.

#### *Analysis of Underlying Factors Constraining Greater Progress*

At the strategic level, our Pacific Resilience Approach provides a strong framework for furthering the conversation on localisation within our IDC programme. The Resilience Approach focuses on partnership and respecting the sovereignty of our partners, and is based on an inherent understanding that our partners are not homogenous, and we must allow them to chart their own resilience journeys in a local and culturally relevant way. Through this approach, we aim to balance flexible and responsive support with maintaining a programme that builds long-term (inter-generational) resilience across multiple and interconnected dimensions: governance, social, economic, cultural and environmental.

Despite having this framework to build from, a number of factors have constrained progress in systematically approaching localisation in our IDC programme to date:

- Clarity on what localisation means in the Pacific and for Pacific partners and how to measure it:
  - There is an abundance of information on localisation from around the world. Efforts have been made in part to inform donors and policy makers on what localisation means for governments as well as private sector and civil society. However research and information on localisation that is specific to the Pacific, from Pacific partners in particular, remains limited. In most Pacific countries, due to size, there is a shorter

distance between the community and national levels, although we acknowledge that there can still be differing priorities and perspectives between them.

- Research undertaken on localisation to date has primarily focused on humanitarian action. It has often been desk-based, and therefore has not always reflected the voice of local actors and the complexity of Pacific society.
- All of the Aotearoa New Zealand non-government organisations (NGOs) that MFAT supports work with local implementing partners – usually local civil society, sometimes including their own country offices staffed by local staff. Without a guiding definition of localisation the kinds of questions we are left asking ourselves are: Is localisation a spectrum with two ends? Does localisation come at the cost of engaging Aotearoa New Zealand NGOs or should it be in addition to those relationships/activities delivered through Aotearoa New Zealand NGOs? If it is in addition, how do we finance this additional support/at what cost does it come? How do we balance the support we provide through Aotearoa New Zealand NGOs and directly? At present the majority of our funding mechanisms to NGOs are restricted to Aotearoa New Zealand applicants, although there are instances where we support CSOs in country directly – often in a more one-off or very small scale way (such as support to attend regional conferences, or undertake small scale community development projects). Supporting local actors *through* Aotearoa New Zealand NGOs brings wider benefits in terms of capacity support for local partners, access to international NGO knowledge and networks and an important element of social licence for the use of IDC to support community level outcomes.
- Aotearoa New Zealand provides a significant amount of highly flexible budget support to partner governments, in response to those governments’ own priorities as articulated in their National Development Plans and in bilateral high level discussions – there has been a lack of clarity on whether such support at a national level “counts” as localised aid. There is similar ambiguity about how to treat support to Pacific regional organisations. More recently we have taken more of a community-centric approach to what qualifies as localised aid.
- Practical guidance on how to manage risk appropriately:
  - Practically, supporting more activities and programmes at the community level requires a new approach to due diligence and risk management (including assurance about the recipient organisation’s financial management processes). Development community discourse is clear that putting additional due diligence requirements onto community level recipients is not supportive of enhanced localisation, but it is not clear what better methods can be used to manage risk.
- Ownership and coordination:
  - Despite wide ranging interest in localisation as a development topic and with aspects of localisation work happening across MFAT, including across our teams responsible for bilateral, civil society, humanitarian programmes, and MERL, until recently we have not taken a coordinated approach or had a dedicated lead team. In the first half of 2022 it was agreed that localisation work would be led by the Partnerships Unit (which manages CSO/NGO engagement and relationships).
  - There remains a need for a working definition of localisation within MFAT (guided by international consensus). There has been some misunderstanding on what localisation means for the IDC programme that at times has led to differing opinions on the degree of change that might be needed to take a more localised approach to development.

- Staff capacity.
  - Until recently staff capacity has been a challenge. In early 2022 we recruited a new senior specialist position (Lead Adviser) within the Partnerships team whose ambit specifically includes consideration of localisation and how to progress towards it.

*Plans or Options for Future Work to Enable Improvement*

We acknowledge that more needs to be done to enable progress around localisation in our IDC programme. There remains a strong commitment across MFAT to do this, and we are progressing this work through the following:

- Undertaking research on localisation in the Pacific with a focus on civil society. MFAT has commissioned research looking at Pacific civil society perspectives on localisation. This research will contribute towards our understanding and ability to deliver activities that are driven by local contexts and enable lasting progress that is locally owned.
- Establishing a mechanism to directly support Pacific civil society strengthening. The MFAT 'Partnering for Impact' programme encompasses an organisational strengthening initiative that looks to support the capacity development of local civil society organisations. While not yet designed, it will be informed by findings from the research noted above.
- Establishing a facility to provide climate finance to Pacific civil society directly as part of Aotearoa New Zealand's \$1.3bn climate financing commitment. This facility will be separate and complementary to funding for Aotearoa New Zealand NGOs to work in partnership with local civil society to implement climate change programmes and activities, and informed by localisation research.
- Stepping up our engagement in and contribution to global and local conversations on localisation from a long-term development and humanitarian perspective. This includes on OECD DAC's COP on civil society and through humanitarian engagements such as the Good Humanitarian Donor initiative, the Grand Bargain, and in donor support groups.
- Establish a MFAT wide working group on localisation to develop a working definition of localisation and enable wider organisational awareness of the issue. The working group will also allow for diverse, interdisciplinary perspectives on the role of MFAT in locally-led development and will contribute to defining a position upon which policy and guidance can be based. This work will be aided by the recent establishment of a new specialist Lead Adviser role in the Partnerships Unit, whose role includes localisation work.

## Managing for Outcomes

### Covering the 'Management systems' Foundation

#### *Reason for Selection*

MFAT management as well as key external stakeholders (Ministers, FADTC, Treasury, and partner countries) are increasingly seeking information which demonstrates outcomes from our investments, and this will come into even greater focus as we scale up climate finance.

MFAT has made significant improvements to our overall results system over the past two to three years in an effort to strengthen our focus on outcomes and results. For example, we have developed a detailed annual four year plan reflection process, a simplified set of standard results indicators aligned to our thematic priorities, and strengthened alignment to the SDG framework at country level.<sup>28</sup>

However, challenges remain in building a consistent culture of evidence-based decision-making across the activity and programme lifecycle – from using evidence to make investment decisions, to building adequate 'feedback loops' into implementation, to synthesising and sharing lessons from evaluations.

#### *Analysis of Underlying Factors Constraining Greater Progress*

- Complexity
  - We structure the IDC performance system around the 23 integrated four year plans. While this system supports a well-integrated country-led approach, it means we have multiple sets of outcomes (with correspondent processes) to report against at four year plan level. In addition, there are separate annual reporting requirements against MFAT's strategic framework goals and results. Overall, this means we have a complex performance system, which can be confusing for staff.
- Knowledge management:
  - More could be done to synthesise and share outcome results from activity-level monitoring and evaluation. We have recently implemented a system to track activity evaluations, but need to step up our ability to draw lessons from these evaluations and share them horizontally within the organisation, as well as use them to more effectively communicate our successes externally.
- Resourcing constraints due to competing priorities:
  - In a resource-constrained environment, which has been further exacerbated by the demands of the pandemic, a focus on evidence and outcomes can mean that, staff can face challenges in completing required activity-level monitoring and completion assessments (standard internal self- assessments) in a timely manner. We want to avoid the risk that this becomes a normalised way of working and maintain a culture that prioritises core monitoring and results products.
- Building in feedback loops and iteration:
  - As activities proceed through business casing and design, four year plan more could be done to consistently ensure there is adequate resourcing for ongoing monitoring and evaluation through the life of the activity, and that evidence from this monitoring and evaluation is captured and fed back to those

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<sup>28</sup> See OECD case study published on overall improvements to Aotearoa New Zealand's results system: [Using SDGs to support a country-focused results approach \(oecd.org\)](#)

governing and managing activities. This can enable a more responsive and effective approach to activity management.

- Data availability:
  - Well over 60 percent of our development efforts are focused in the Pacific region, with increasing proportions delivered through general or sector-based budget support to Pacific Governments. Pacific Governments have small public services often with limited capacity for collection and use of data and statistics (especially in a COVID-19-constrained environment). As a result, even where there are good frameworks in place, availability of robust data against outcomes is often a challenge. MFAT's support for regional capacity building in monitoring, evaluation, data and statistics, highlights efforts to address these challenges.

*Plans or Options for Future Work to Enable Improvement*

Strengthening our focus on outcomes is an ongoing challenge, which must be tackled at all levels (from leadership through to implementing partners). While some of the challenges outlined above are outside our control, MFAT recognises that this is a system-wide challenge that requires a change in culture at all levels and across a range of different areas including: governance, reporting, staff training, knowledge management and processes.

Work is underway to review our governance structure and processes, and our activity-management model. In both cases we will need to ensure a focus on incentivising, resourcing, generating, and sharing evidence of outcomes is fostered.

## Development Communication and Transparency

### Covering the ‘Global and domestic efforts’ Pillar and ‘Policy’ Foundation

#### *Reason for Selection*

We do not currently communicate the policy thinking that underpins our IDC to the general public in a regular and proactive way. We want to improve our work this area in order to build strong public understanding of our work, and a more robust domestic constituency in support of development cooperation. In particular, we aspire to communicate about our programming in a way that connects it more strongly to the Government’s Pacific Resilience Approach. Improved development communication and transparency would also increase engagement from external partners who can provide constructive feedback on our work, and help us to co-create more effective development cooperation.

Further work is required to make systematic improvements in the quantity, quality and timeliness of information we provide externally. We want to build a culture where the default position is to publish information unless there is a good reason not to, across both individual investments and strategies and policies. In the last three years we have made notable improvements e.g. a significant improvement in our International Aid Transparency Initiative (IATI) score;<sup>29</sup> and publishing our four year plans. However more work is required to embed that progress. Aotearoa New Zealand has a strong international reputation for public sector transparency across our public service e.g. ranking first equal in Transparency International’s global 2021 Corruption Perceptions. It is important that our IDC meets the standards set in other areas.

There is a high degree of interest from FADTC about both engagement with Aotearoa New Zealand audiences about our development assistance, and our transparency. Their 2020 review of aid to the Pacific recommended that:

- “the Government explore further ways to engage the New Zealand public in better understanding the existing ODA programme and its value to not only the Pacific, but New Zealanders as well”;
- “the Ministry to engage with the public and communicate its challenges and successes openly, thereby building support for New Zealand’s ODA in the Pacific”;
- that MFAT “continue to strengthen the transparency of New Zealand’s aid, with the target of maintaining New Zealand’s IATI score at 75 or higher”; and
- “prioritise work that enables a clear outline of projects, timeframes, and outcomes to be made publicly available”.

#### *Analysis of Underlying Factors Constraining Greater Progress*

In order to strengthen both our development communication and transparency, we need to apply systems thinking to MFAT’s current ways of working and identify how to meet our objective to build a culture in which we publish key information by default. The following factors currently constrain our progress:

- We have not prioritised regular updates to the overall structure of the content of the ‘Aid and Development’ section of MFAT’s website, or made it easy to update the website with new content. This means that new content that we wish to disseminate to a broad audience is not easily available.<sup>s9(2)(g)(i)</sup>

These constraints with our website limit the impact of our

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<sup>29</sup> Aotearoa New Zealand raised its score in the Aid Transparency index from 31.0 in 2018 to 77.6 in 2020. In 2022 we will see a drop in this score to 64.4 but we expect this to raise again from 2024 as we continue work to sustainably improve our transparency.

transparency improvements, in that the additional information that we publish may not be utilised by the public to the extent that we would like. For example, we now provide four year plan budgets which are updated quarterly,<sup>30</sup> but they are not intuitive to find from the ‘Aid and Development’ homepage.

- Our systems and processes require development specialist staff and our country offices to go to more effort than they should in order to produce communications products. Resourcing is a perennial constraint for the work of a small donor agency, but this is particularly true for greater communications and outreach which may be seen as a ‘nice to have’. A recent example of success that we would like to find opportunities to replicate comes from our Papua New Guinea country office. In early June 2022 our High Commissioner to Papua New Guinea joined his Australian counterpart in briefing the House of Representatives of the Autonomous Region of Bougainville on our respective development programmes in the province. But small country offices stretched by other priorities can struggle to make time for this sort of proactive engagement.
- Ensuring that steps that we take to improve transparency are done while meeting MFAT’s privacy obligations under Aotearoa New Zealand’s Privacy Act 2020 and to the individuals that we work with. Ensuring we continue to meet our privacy obligations is a pre-requisite to additional transparency at an activity level. While we are confident that our transparency and privacy obligations can be balanced, this does require strengthening our information-management systems and processes, including staff training on their obligations.<sup>s9(2)(g)(i)</sup>
- There are inherent trade-offs between transparency/communication and providing free and frank advice about a particular activity or issue where it relates to political economy in a partner country, or is otherwise sensitive. MFAT’s analysis and reporting is subject to the security classification standards of the most sensitive comment contained within it. While the barrier is sometimes because of the close integration of foreign policy and development drivers in our products, often it comes about if we are providing robust analysis that understands and responds to the political economy in our partner countries. We remain firmly of the view that this free and frank advice strengthens the work of our development programme, so it is a barrier that we need to manage rather than a risk we will seek to minimise.
- There is a small academic/think-tank audience for development issues within Aotearoa New Zealand and in key partner countries. While our academic, think-tank and civil society partners welcome engagement with MFAT, their size limits the opportunities for and audience for greater engagement and dialogue. One example of good practice is two blog posts that our then Deputy Secretary published on our work on a regional development site outlining our pivot to respond to the COVID-19 pandemic,<sup>31</sup> and a joint post on the launch of a Pacific statistics programme.<sup>32</sup> The COVID-19 post in particular was a good example of communicating about major changes we were making in real time. However, we do not systematically produce content like this.

While this issue is generally a challenge for us, our recent public engagement focused on Pacific diaspora communities in Aotearoa New Zealand is an example of success. MFAT’s Pacific Connections team based in Auckland lead our outreach with Pasifika community groups. This year they are delivering a series of nine Pacific Updates across Aotearoa New Zealand in partnership with other agencies such as the Ministry for

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<sup>30</sup> [Our planned aid expenditure | New Zealand Ministry of Foreign Affairs and Trade \(mfat.govt.nz\)](#)

<sup>31</sup> [Pivoting New Zealand's Aid Programme to respond to COVID-19 - Devpolicy Blog from the Development Policy Centre](#)

<sup>32</sup> [Launching the Pacific Data Hub: a one-stop shop - Devpolicy Blog from the Development Policy Centre](#)

Business, Innovation and Employment, Ministry for Pacific Peoples and New Zealand Trade and Enterprise. The Pacific Updates are seminars led by a senior MFAT official that seek to inform stakeholders about MFAT's key priorities for engagement with the Pacific region such as the continued COVID-19 response, climate change and exploring localisation opportunities in our IDC programme. To date this year, six Pacific Updates have been delivered to about 300 Aotearoa New Zealand stakeholders including Pasifika community groups, domestic businesses, academics, and NGOs. The Pacific Connections team have also run Pacific Update *talanoa* (Pacific-style dialogues) with Pasifika communities outside of major urban areas (in Oamaru and Cannon's Creek, Porirua). This work represents a significant step up in our engagement with our Pacific diaspora groups who, while based in Aotearoa New Zealand, are still very connected to the region.

We have also significantly stepped up social media communication about our Pacific work. A team of three communications staff exclusively focused on our Pacific work now sit within the PDG Deputy Secretary's office. This team has increased both the amount of Pacific-related media content we produce, and strengthened the 'Pacific voice' in our communications. We produce quarterly newsletters for stakeholders highlighting MFAT's significant Pacific initiatives. While these channels are very effective for communicating about specific activities, they have limitations in communicating the policy drivers for our development cooperation.

#### *Plans or Options for Future Work to Enable Improvement*

We can strengthen our development communications and transparency work by:

- Developing a more proactive communications strategy relating to our development cooperation that is the responsibility of all programme and advisory teams to contribute to. The strategy should encourage teams to publish content, and to demonstrate that their work is informed by engagement with other actors. This will help us build feedback loops that utilise the utilising the knowledge we gain from communicating and engaging with external stakeholders.
- Developing an 'Aid Tracker' website which will host detailed data on each of our IDC activities. The Aid Tracker is intended to enable internal and external users to interrogate our data by country, sector, theme or activity, and be able to download detailed information about individual projects. Initial project design has been completed for this project, and procurement is due to begin in Q3 2022. A specific benefit of this Aid Tracker website will be providing a platform for a 'publish by default' approach to our activity data – while IATI also encourages this, the fact that IATI data is not presented in a user-friendly manner limits the benefits of publishing by default.
- Provide greater support from headquarters to country offices to disseminate their engagements and reporting more widely. Our country offices play a critical role in communicating as they are best placed to reach audiences in partner countries. Headquarters currently provides support in this area, but country offices report that they would welcome more material as they lack the bandwidth to develop their own content from scratch. Greater support could be provided in drafting stock communications lines on particular issues or initiatives that country offices can tailor to their particular context e.g. stock material for speeches or press releases that can then be tailored to the local context.
- Appoint a new Senior Adviser (Transparency). This role has been established in the Data and Reporting team to drive continued improvements to transparency and deliver a transparency work plan. The new candidate is expected to have commence by the end of August. We hope they can build on the transparency improvements we have already made.



• s9(2)(f)(iv)

## Safeguarding

### Covering the 'Institutional arrangements' and 'Management systems' Foundations

#### *Reason for Selection*

Aotearoa New Zealand recognises that a robust safeguarding is critical to our IDC programme in order to do all we can to avoid our support unintentionally creating harm amongst recipients. Our challenge is to build a coherent system that is robust, but can be managed with limited resource and does not create a high administrative burden. We want to focus on the steps needed to effectively operationalise an overarching approach to safeguarding that is fit-for-purpose for our work.

#### *Analysis of Underlying Factors Constraining Greater Progress*

As discussed elsewhere in this report, there has been significant change in how PDG organises itself to plan, manage, and govern delivery of the IDC programme since our last Peer Review. At that time safeguarding in our development programme was driven by three “cross-cutting issues advisors” (gender, human rights and environment) spread across programme teams. In the intervening years, oversight of the safeguarding function has become the responsibility of the Development Capability and Insights Division (DCI). DCI’s work includes oversight of environmental and social impact policies and practices, drafting and owning the Child Protection Policy, Prevention of Sexual Exploitation, Abuse and Harassment (PSEAH) Policy, PSEAH guidelines and incident reporting. DCI also manages harm notifications via a dedicated inbox on our public website.

We are a small donor with limited safeguarding capacity: one FTE Senior Safeguarding Adviser (currently vacant). As a donor our role in safeguarding is one step removed from delivery, and effective oversight of implementing partners calls for a different skill-set than the safeguarding policies and processes we maintain for activities MFAT staff are directly involved in.

s9(2)(g)(i)

We have recently drafted a new Safeguarding policy that sets out an integrated safeguarding process, including:

- *Social Safeguarding:* consideration of impact, and actions required to protect individual and community health, wellbeing and human rights. This includes child safeguarding, sexual abuse and exploitation and sexual harassment prevention.
- *Environmental Safeguarding:* consideration of impact, and actions required to protect the natural environment. Key considerations include biodiversity conservation, sustainable natural resource management, pollution prevention and abatement, pesticide use and greenhouse gas emissions.

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- *Economic and Political Safeguarding*: consideration of impact, and actions required to protect formal and informal political and economic systems that have a positive function in relations to stability, shared prosperity, and resilience.

Our draft policy is grounded in the OECD DAC PSEAH framework and extends this to other areas of safeguarding.

*Plans or Options for Future Work to Enable Improvement*

We are in the early stages of developing and implementing an updated approach to safeguarding. We have a new policy and we are working on processes and tools needed to strengthen coherence. Cross-MFAT consultation on this draft policy is prompting valuable internal reflection on the skills and process that will be required for implementation, including how we can empower and support the Senior Safeguarding Adviser to be more effective once recruited. To inform this work, we are keen to understand how other small donors approach safeguarding with a particular focus on those who do so in an integrated foreign ministry. We are keen to understand how donors support victim and community centred responses to safeguarding incidents and how they build local response capacity.



## Previous Peer Review Recommendations

Past Recommendation	Implemented	Actions Taken	Impact (Actual or Expected)
To support its commitment to the SDGs, New Zealand should establish a prioritised, medium to long-term agenda to further promote policy coherence in areas with potential development benefit.	Partially	<p>Aotearoa New Zealand has taken significant steps to promote greater policy coherence in the period since our Peer Review. Both our international development policy (the ICESD Policy Statement) and our Pacific policy (the Pacific Resilience Approach) affirm the central importance of pursuing greater global, and Pacific, policy coherence. More detail about actions taken to advance specific policy coherence priorities is available in the ‘Policy Coherence and Whole of Government engagement’ strength section in this report.</p> <p>We have not developed an overarching agenda that articulates our policy coherence for development work.</p> <p>We have regularly identified and reported on our policy coherence work that relates to Pacific countries through the Government’s Pacific policies (the Pacific Reset, and Pacific Resilience Approach). For an example of progress reporting, see paragraphs 22-25 of the Minister of Foreign Affairs’ ‘The Pacific Reset: The First Year’ Cabinet paper<sup>33</sup>.</p>	<p>Actual: Policy coherence is a prominent objective of Aotearoa New Zealand’s international development and Pacific policies.</p> <p>Expected: Improvements in Aotearoa New Zealand’s score in the <i>Commitment to Development Index</i> run by the Center for Global Development. (Recent methodology changes to the index make it difficult to compare progress in the past five years).</p>
To demonstrate that New Zealand’s programming makes a positive difference to the lives of poor and vulnerable people in its partner countries, New Zealand should develop policy guidance, and promote monitoring and evaluation of poverty impacts.	Partially	<p>A number of actions have been taken to address this recommendation, though some areas remain a work in progress. Note that Aotearoa New Zealand has shifted its framing to inclusion and leaving no one behind, rather than poverty.</p> <p>At an overarching policy level, both Aotearoa New Zealand’s ICESD Policy Statement and Pacific Resilience Approach commit to address inclusion. The Foreign Affairs, Defence and Trade Select Committee’s inquiry into aid in the Pacific also recommended that MFAT strengthen its focus on inclusion. More detailed strategic direction on inclusion is provided by three Strategic Action Plans:</p> <ul style="list-style-type: none"> <li>Human Rights Strategic Action Plan for International Development Cooperation 2021 – 2025<sup>34</sup> which includes support for both duty bearers and rights holders, and a focus on humanitarian settings. It also provides the mandate to mainstream a human rights-based approach across the IDC programme.</li> </ul>	<p>Actual: Our annual internal reporting process now tracks progress and provides analysis of equity and inclusion across the IDC programme.</p> <p>Actual: All Negotiated Partnerships with Aotearoa New Zealand NGOs focus on vulnerable populations and inclusion. Outcomes are captured in annual partner reports.</p> <p>Expected: Planned Evaluation of the strength of Aotearoa New Zealand’s contribution</p>

<sup>33</sup> [The Pacific Reset: The First Year | New Zealand Ministry of Foreign Affairs and Trade \(mfat.govt.nz\)](https://mfat.govt.nz/the-pacific-reset-the-first-year/)

<sup>34</sup> [Human Rights Strategic Action Plan for International Development Cooperation 2021 – 2025](#)



Past Recommendation	Implemented	Actions Taken	Impact (Actual or Expected)
		<ul style="list-style-type: none"> <li>• Gender Action Plan 2021-2025, <sup>35</sup> which includes targets to increase gender principal IDC investment to four percent and gender significant IDC investment to 60 percent.</li> <li>• Child and Youth Well-being Strategic Action Plan, <sup>36</sup> which aims to improve development outcomes for children and youth and is targeted to those most excluded.</li> </ul> <p>In terms of monitoring and evaluation of inclusive impacts:</p> <ul style="list-style-type: none"> <li>• Four year plans include inclusive outcomes across their Theories of Change and mechanisms to assess progress towards these outcomes.</li> <li>• Activity managers are now required to report on annual activity progress under the ‘inclusive’ development quality domain.</li> <li>• We have established baseline indicators for child and youth well-being in the Pacific</li> </ul> <p>Noting that there is more to do in monitoring and evaluating poverty impacts, we note the following workstreams in progress:</p> <ul style="list-style-type: none"> <li>• Strengthening monitoring and evaluation of Equity &amp; Inclusion Strategic Action Plans</li> <li>• Through our support to Pacific statistics, we are providing ongoing support for the development, use and accessibility of outcome indicators e.g. the Pacific Community (SPC’s) Pacific Data Hub</li> </ul>	towards national and regional inclusive outcomes and SDGs.
To meet its commitment to mainstream the cross-cutting issues of environmental sustainability, gender equality and human rights, New Zealand	Partially	Since the 2015 Peer Review, MFAT has reframed its policy approach for pursuing cross-cutting issues. Environmental sustainability is now pursued through the ‘resilient’ development quality domain, and gender equality and human rights through the ‘inclusive’ development quality domain. Every development activity is expected to show alignment to these development quality domains.	Actual: Greater external accountability for our development outcomes in climate change, gender and human rights through our Strategic Action Plans in each area.

<sup>35</sup> [Gender Action Plan 2021-2025](#)

<sup>36</sup> [Child and Youth Well-being Strategic Action Plan](#)



Past Recommendation	Implemented	Actions Taken	Impact (Actual or Expected)
should continue to focus on developing staff capability and management accountability in these areas.		<p>In terms of management accountability, Aotearoa New Zealand has published a Pacific and Development Climate Change Action Plan 2019 – 22,<sup>37</sup> Gender Action Plan 2021-2025,<sup>38</sup> and a Human Rights Strategic Action Plan for International Development Cooperation 2021 – 2025.<sup>39</sup> Each of these provide clear outcomes that Aotearoa New Zealand is accountable for delivering.</p> <p>MFAT’s aid management system (Enquire), introduced in 2017, has enabled better monitoring and reporting of progress in areas of environmental sustainability, gender equality and human rights.</p> <p>In terms of building expert capacity in these areas, refer our response to recommendation 7 on building human resources capacity.</p> <p>In terms of broader staff capability to mainstream environment, gender and human rights in our development programming – this is an ongoing area of work. There is an internal recognition of the importance of this work. In terms of gender and human rights, we are currently developing a concept for a capacity building tool on mainstreaming inclusion, entitled Kaua tētahi e whakarērea – leave no one behind.</p>	<p>Actual: Climate change has been successfully mainstreamed across the IDC programme. In addition to activities from our core climate change programme, across the rest of the IDC programme there are 171 other activities reporting contributions to climate change goals. Of these, 20 focus solely on climate change mitigation; 86 are solely adaptation focused; and 66 are cross-cutting.</p> <p>Actual: Business processes integrated with check-points to ensure our development quality domains are applied at each stage.</p>
As its economy recovers, New Zealand should set out a time-bound path for growing its aid programme towards meeting the 0.7% UN ODA to GNI commitment.	Partially	<p>Aotearoa New Zealand has not set a time-bound path for meeting the 0.7% ODA to GNI commitment.</p> <p>Since our last Peer Review Aotearoa New Zealand’s ODA has grown significantly in a nominal sense, and modestly as a proportion of GNI. The Government made significant funding increases in Budget 2018 and Budget 2022 (the latter reflecting Aotearoa New Zealand’s new climate finance commitment).</p>	<p>Aotearoa New Zealand has increased its ODA, including through the COVID-19 pandemic.</p> <p>The IDC programme has grown by a greater amount than our ODA has. Aotearoa New Zealand’s IDC funding to some Pacific</p>

<sup>37</sup> [New Zealand's climate action in our region | New Zealand Ministry of Foreign Affairs and Trade \(mfat.govt.nz\)](#)

<sup>38</sup> [Gender Action Plan 2021-2025](#)

<sup>39</sup> [Human Rights Strategic Action Plan for International Development Cooperation 2021 – 2025](#)





Past Recommendation	Implemented	Actions Taken	Impact (Actual or Expected)																												
		<p>The table below provides Aotearoa New Zealand's ODA to GNI ratio for calendar years from 2014 to 2024. OECD Data<sup>40</sup> for Aotearoa New Zealand is on a flows basis until 2017, and a grant equivalent basis from 2018 onwards. Figures for 2022 – 2024 are MFAT projections.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>ODA/GNI ratio (%)</th> <th>Year</th> <th>ODA/GNI ratio (%)</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>0.26</td> <td>2020</td> <td>0.26</td> </tr> <tr> <td>2015</td> <td>0.27</td> <td>2021</td> <td>0.28</td> </tr> <tr> <td>2016</td> <td>0.25</td> <td>2022*</td> <td>0.27</td> </tr> <tr> <td>2017</td> <td>0.23</td> <td>2023*</td> <td>0.30</td> </tr> <tr> <td>2018</td> <td>0.29</td> <td>2024*</td> <td>0.29</td> </tr> <tr> <td>2019</td> <td>0.28</td> <td colspan="2">* MFAT projection</td> </tr> </tbody> </table>	Year	ODA/GNI ratio (%)	Year	ODA/GNI ratio (%)	2014	0.26	2020	0.26	2015	0.27	2021	0.28	2016	0.25	2022*	0.27	2017	0.23	2023*	0.30	2018	0.29	2024*	0.29	2019	0.28	* MFAT projection		<p>countries is no longer reportable as ODA as they have graduated from the ODA List e.g. Cook Islands in 2020, Palau in 2022.</p>
Year	ODA/GNI ratio (%)	Year	ODA/GNI ratio (%)																												
2014	0.26	2020	0.26																												
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<p>New Zealand should continue to concentrate its ODA in countries where it is a significant contributor, in line with its strong Pacific focus and commitment to providing quality assistance at scale; outside the Pacific, New Zealand should prioritise LDCs.</p>	Fully	<p>We have enhanced our focus on the Pacific in our development cooperation. Whereas during our past Peer Review we had a non-binding target to provide at least 60 percent of our IDC funding to the Pacific region, this is now cemented as a Government commitment in the ICESD Policy. Our actual expenditure in the Pacific exceeded 60 percent for the previous funding triennium (2018 – 2021), and we are projecting that we will comfortably exceed it in the current triennium (2021 – 2024). We have also committed that at least 50 percent of our climate finance will be allocated to the Pacific. The ICESD Policy also provides guidance about how we will prioritise the allocation of our IDC within the Pacific: with particular regard to our constitutional obligations to Cook Islands, Niue and Tokelau, and to Pacific countries most off track against the SDGs. In addition to focusing our IDC on Pacific SIDS, we continue to encourage other development partners to recognise SIDS' particular development challenges and vulnerabilities, and reflect those in their programming decisions.</p>	<p>Actual: The Aotearoa New Zealand Government has confirmed a clear allocation framework for Aotearoa New Zealand's IDC in the ICESD Policy Statement.</p>																												

<sup>40</sup> [OECD data](#)



Past Recommendation	Implemented	Actions Taken	Impact (Actual or Expected)
		<p>Outside the Pacific, Aotearoa New Zealand's secondary geographic focus is South East Asia. We focus on Least Developed countries in the region (Cambodia, Laos, Myanmar, Timor-Leste), and the regional role of ASEAN.</p> <p>Our IDC achieves global reach through strong engagement in and support through the multilateral system, humanitarian assistance, regional programmes in Africa and the Caribbean, and assistance to specific fragile and conflict-affected areas, particularly in the Middle East and Asia.</p>	
<p>To draw on knowledge of local context, to remain responsive to partners, and to improve development results, New Zealand should devolve further authority for designing Country Strategies and activities to its country offices.</p>	Not	<p>The primary geographic focus of Aotearoa New Zealand's development cooperation is Pacific countries, all of which are SIDS. In the Pacific we maintain a large footprint of relatively small country offices which do not have the resources to lead on country strategy development. While we intend the country strategies and four year plans to be strongly responsive to local context, we do not believe that devolving responsibility for their development to country offices is appropriate or desirable. For the strategies to be effective in driving policy and programme coherence across MFAT and other Aotearoa New Zealand government agencies, they need to be led and owned in Wellington.</p> <p>New 10 year country strategies and updated four year plans covering all of Aotearoa New Zealand's foreign policy interests in the Pacific, including development, were produced during 2020/21. These were led from Wellington with strong input and analysis from relevant country offices. In addition, all bilateral four year plans were consulted with partner governments. Four year plans continue to provide a platform for country office discussions with partner countries on development priorities prior to agreeing Statements of Partnership.</p> <p>Activity development (from concept notes to business cases and designs) may be led either by Wellington or country offices depending on the nature of the partner and the activity. Our governance framework includes country office perspectives in the oversight of relevant four year plans, including activity decision-making. Country</p>	<p>Actual: Strategy and activity development is driven by context which makes it more fit for purpose.</p> <p>Actual: Four year plans are consulted with partner governments and shared publically.</p>



Past Recommendation	Implemented	Actions Taken	Impact (Actual or Expected)
		<p>office input is built into governance discussions not only on activity progress but on overall progress toward achieving four year plan outcomes.</p> <p>MFAT is focused on continuously improving roles and responsibilities of those working across the IDC Programme, including responsibilities between Wellington and Post. Over the past two years, our primary focus has been the operational challenges our country offices have faced. For example, a number have had all or almost all commercial transport links close down as Pacific countries closed their borders. In that context we have not considered devolving greater responsibility for activity design and management to country offices in the immediate future. We will review this issue as part of a forthcoming internal review of our approach to activity management.</p>	
<p>In reviewing its capabilities, New Zealand should assess and address any human resource related risks to the delivery of a high impact and cost effective development cooperation programme.</p>	Fully	<p>MFAT has made a range of human resource changes since our last Peer Review. Overall, we are confident that we are equipped with the knowledge, experience and skills required to deliver effective development cooperation. Below we focus on actions taken that respond to the specific HR issues identified in our 2015 Peer Review report.</p> <p>We have re-shaped our operating model since 2015. We now place greater emphasis on portfolio management expertise, and we have increased resourcing to support programme teams, including in project coordination and business case development. Our previous Peer Review suggested that we make greater use of contracted technical experts to supplement our in-house expertise. We have since worked to clarify the distinction between the roles of departmental staff and external contractors in a manner consistent with Aotearoa New Zealand's public finance rules, and now has a number of contractors with specific technical expertise who work from MFAT's head office and are solely focused on activity and portfolio implementation.</p> <p>Development staffing has been increased across the board, in a manner broadly proportional with increases in our development cooperation funding. There has been</p>	<p>Actual: Significant growth in FTE numbers in international development roles, to approximately 334 FTE in mid-2022. This growth is broadly proportional to real growth in our IDC programme.</p> <p>Actual: MFAT has a generally stable international development workforce, with turnover consistently below the long-term Aotearoa New Zealand public service average of ten percent. We have seen a recent spike in turnover, from seven percent in the year ending September 2021 to 13 percent in the year ending March 2022, which we attribute to broader trends in the public service labour market.</p> <p>Expected: Effective delivery of a much larger portfolio of climate change activities.</p>



Past Recommendation	Implemented	Actions Taken	Impact (Actual or Expected)
		<p>a particular focus on growing our expertise in a few areas, including those identified in the past peer review:</p> <ul style="list-style-type: none"> <li>• Environment and climate change: Our climate change and environment staffing has significantly increased since our last Peer Review, and more roles are currently being recruited for. Refer ‘scaling up on climate change’ challenge. We are currently working to increase the capacity and capability of our Climate Change and Environment sector teams to provide greater advisory support to other programme teams on strengthening climate change and environment considerations across the International Development Cooperation programme, in addition to managing activities that are principally focused on climate change and environment.</li> <li>• Gender and human rights: We have also created a dedicated inclusion sub-team of 5.5 FTE covering gender, human rights and child and youth well-being. Additionally, a former MP has recently been nominated as a special envoy in this area (Pacific Ambassador for Gender Equality/Tuia Tāngata).<sup>41</sup> We have more than doubled MFAT resource in these areas since our past Peer Review. This specialist expertise, alongside broad-based investment in governance and social services, also responds to the FADTC’s recommendation from its inquiry into aid in the Pacific that the “Ministry deliver both the capacity and resource needed for a heightened focus on inclusion, taking a human rights based approach and ensuring that those most vulnerable in the Pacific are not further disadvantaged”.</li> <li>• Economics: within the Governance and Economics team, 4.5 FTE are working on economic issues. Again, this is more than double our resource in economics since our past Peer Review.</li> </ul> <p>In 2016, MFAT made a deliberate choice to integrate development, foreign policy and trade functions for the Pacific. We believe this enhances development expertise and impact across MFAT. Development, foreign policy and trade are increasingly</p>	<p>Actual: Greater ambition on gender, human rights and child and youth wellbeing, articulated in public action plans for each area.</p>

<sup>41</sup> [Louisa Wall appointed Pacific Gender Equality Ambassador | Beehive.govt.nz](https://www.beehive.govt.nz/people/louisa-wall)



Past Recommendation	Implemented	Actions Taken	Impact (Actual or Expected)
		intertwined, and it is important that staff have skills across these areas. As a result of MFAT's integration, many staff recruited into development roles in our head office can now rotate into other roles across MFAT, helping provide greater consideration of development in a range of trade and foreign policy contexts. MFAT has maintained a number of specialist roles which are not part of the rotation model, for example sector and thematic specialists and evaluation specialists in head office, and locally-employed development specialist staff at our country offices.	
To coordinate and align its overall development efforts in each partner country, New Zealand should use the country strategy process to clarify how its different planning instruments fit together, and ensure that these tools capture all programmes across government.	Fully	<p>As of early 2022, Aotearoa New Zealand has completed a process of developing, consulting and publishing four year plans for each of its 23 programmes, including for all bilateral programmes<sup>42</sup>.</p> <p>Four year plans are rolling plans, which set out Aotearoa New Zealand's overall goals in each country, including foreign policy and development. They also describe the totality of our IDC investment in each country (referred to as the 'total country aid flow'). The plans are consulted with partner country governments as well as Aotearoa New Zealand government stakeholders.</p> <p>The plans will undergo a light refresh annually to take changes in context into account, with a more detailed refresh every three years.</p>	<p>Actual: Developing and publishing these plans increases our transparency, coherence, and accountability to our partners.</p> <p>Actual: Logic diagrams in each plan allow us to clearly communicate and evidence progress towards outcomes we wish to support in each programme.</p>
To enhance the sustainability of its programme in the Pacific, New Zealand should include, as part of each country strategy, clear steps on how to support long-term capacity building.	Partially	<p>Capacity development is reflected in the 'sustained' development principle. While capacity development is often identified as a priority, it is not systematically set out in clear steps in most four year plans.</p> <p>Capacity and capability development are especially challenging in Pacific countries. This is because of their small populations, the prevalence of small government units with a handful of staff who often have to cover a wide range of functions over a dispersed geographical area, and high demand for skilled officials. A holistic approach to capacity building involves considering the full range of options that may be available to address each specific situation. Some specialist roles are likely to</p>	<p>Expected: We plan to issue a guidance note on capacity building (building on the Evaluation Insights Report and OECD/DAC guidance) later in 2023, and capacity building was included as a key theme for the evaluation of the Tuvalu four year plan that is currently under way. We hope to be able to complete at least two country-specific capacity building evaluations over the next three years.</p>

<sup>42</sup> Links to all four year plans are on this page: [Our planned aid expenditure | New Zealand Ministry of Foreign Affairs and Trade \(mfat.govt.nz\)](https://www.mfat.govt.nz/en/about-mfat/our-planned-aid-expenditure/)



Past Recommendation	Implemented	Actions Taken	Impact (Actual or Expected)
		<p>remain best delivered through the supplementation support provided by regional agencies (such as the Pacific Islands Forum Secretariat and the Pacific Community (SPC)), or through regional programmes being implemented with UN or donor support. Direct in-country supplementation (linked to individual bilateral projects) may sometimes be necessary in order to deliver high priority outcomes (e.g. in the fisheries sector), or to cover for local staff who have been released for further training.</p> <p>The Manaaki New Zealand Scholarships programme is a key component of Aotearoa New Zealand's capacity building in in the Pacific and beyond. Offering around 1100 scholarships per year to scholarships from 112 developing countries, the programme provides a mix of tertiary degrees, vocational skills training, and professional development opportunities. A strategic assessment undertaken in 2019 concluded that MFAT should establish a clearer set of strategic objectives to guide the direction of the Scholarships Programme, and take a more considered approach to development of a range of scholarships products which are repeatable, robust and scalable. MFAT has responded by establishing a new strategic framework (intervention logic) for the scholarships programme. A new operating model has also been established to ensure that a balance of scholarship courses are offered, responding to partner country needs.</p> <p>While COVID-19 has severely disrupted the operation of the scholarships programme, it has also allowed us to try out a range of new scholarships offerings and delivery modalities (including online, hybrid, and in-country delivery of short term training courses) which have been well received by scholars and partner governments alike. While there is more work to do, we are confident that these changes will make our programmes more targeted to our partner country needs, and have a greater impact on capacity development for our partners in the medium and longer term.</p>	<p>Actual: The IMF's regional Pacific Financial Technical Assistance Centre's (PFTAC) specialist support for Public Financial Management is a long-standing example of effective multilateral capacity building support. This delivery model has since been replicated by the IMF in other parts of the world.</p> <p>Actual: Targeted supplementation in the fisheries sector that has assisted several Pacific countries, including Tuvalu and Tokelau, to achieve significantly increased revenues from fish licencing operations.</p>





Past Recommendation	Implemented	Actions Taken	Impact (Actual or Expected)
		<p>MFAT provides a wide range of other capacity building support, including institutional strengthening, knowledge exchange visits, mentoring, and targeted technical assistance. These include the targeted support being provided to Pacific public service commissions through the Public Service Fale; support through the Pacific Justice Sector Programme; and support through the Pacific Association of Supreme Audit Institutions.</p> <p>We also provide capacity building support to civil society. Activities include support for Transparency International’s anti-corruption work; the TearFund ‘SAFE’ Negotiated Partnerships programme, which is working with local partners in Solomon Islands, Fiji, Vanuatu and Sri Lanka to deliver outcomes supporting sustainable livelihoods and to protect people from trafficking and exploitation; and the Habitat For Humanity Negotiated Partnerships Programme, which is working with local NGO offices in Samoa, Tonga and Fiji to deliver outcomes supporting housing resilience.</p>	
<p>To maximise the impact of its support to partner countries, New Zealand should review the Partnerships Fund against the commitments made in Busan to inclusive development partnerships, and to CSOs.</p>	Fully	<p>In response to this recommendation, in 2018 the Partnerships Fund was evaluated, with significant input from the Aotearoa New Zealand NGO sector. The result of this evaluation and subsequent in-depth discussions with the sector was the new Partnering for Impact approach. Partnering for Impact includes the IDC programme’s primary mechanisms for engaging with NZ NGOs who are working with local partners to achieve sustainable development impact and empower local communities in the Pacific and South East Asia.</p> <p>Partnering for Impact consists of the following key mechanisms, all of which focus on delivering sustainable development impact, partnerships that support and empower local partners and local communities, and strengthening public diplomacy outcomes:</p> <ul style="list-style-type: none"> <li>• <i>Negotiated Partnerships</i>: agreed with larger Aotearoa NZ NGOs and focus on five-year, longer-term, multi-country programmatic approaches to address complex development problems, using adaptive management practices.</li> </ul>	<p>Actual: the Partnership for Impact funding mechanism established and refined over three years. Ten Negotiated Partnerships are now in implementation, and the Manaaki contestable fund will soon launch a fifth round. A recent Benefits Realisation assessment has highlighted tangible development results being delivered across thematic and geographical priorities. The new approach has proven its value through a challenging COVID-19 context.</p> <p>Actual: A strong positive response from the sector on the new approach. 92 percent of Council for International Development members agreed or strongly agreed that the</p>



Past Recommendation	Implemented	Actions Taken	Impact (Actual or Expected)
		<ul style="list-style-type: none"> <li>• <i>Manaaki</i>: an annual contestable fund for smaller projects over two to three years.</li> <li>• <i>Organisational Strengthening Mechanism</i>: an initiative to support organisational strengthening of local CSOs/NGOs. Development of this mechanism was impacted by COVID-19.</li> </ul> <p>In addition to Partnering for Impact, MFAT has long term/strategic partnerships with partners that focus on achieving more service delivery-focused outcomes such as international volunteering. We also support improved coordination both between Aotearoa NZ international development NGOs, and with MFAT.</p> <p>In addition, MFAT has established an external reference group with rotational membership from the NZ NGO sector to inform our ongoing approach to partnering with NGOs. The reference group meets with MFAT around three times a year.</p>	<p>benefits of working with MFAT outweigh the costs involved of doing work with MFAT. Feedback has included: ‘<i>Multi-year programming and financing is a great mechanism for providing sustainable development impact. Despite the challenges we applaud MFAT for this initiative and agree it’s something that all donors should be encouraged to do!</i>’ <i>Moving away from a competitive mechanism has opened up opportunities for sharing experiences and learning</i>’.</p> <p>Actual: Efficiency gains and reduced transaction costs – for example, in review times for concept notes and designs – in the Manaaki fund.</p>
<p>To ensure results are central to mutual accountability, New Zealand should agree country results frameworks with partner countries at the same time as it enters into Joint Commitments for Development.</p>	Fully	<p>Aotearoa New Zealand has transitioned from Joint Commitments for Development to ‘Statements of Partnership’, which are high level arrangements between both countries setting out mutual principles and priorities.</p> <p>Instead of including results frameworks in these high-level political arrangements, we set out our results approach in our four year plans. Each four year plan now includes a theory of change, with 3-4 long-term outcomes aligned to key indicators, many of which are SDG indicators, prioritised by that country. MFAT reports back on four year plan progress to partner governments via annual high-level consultations. This provides an opportunity to discuss what has been achieved in partnership, and to test whether four year plans remain fit for purpose.</p> <p>MFAT also produces “Statistical Snapshots” for each partner country. These are based on a broad range of relevant indicators, including many SDG indicators, and</p>	<p>Intended: While we have implemented this new approach, in order to fully support mutual accountability for results we need to work towards ensuring results and evidence are front and centre in our annual high level consultations with partners, as well as continuing to support and use country-owned data and statistics.</p>



Past Recommendation	Implemented	Actions Taken	Impact (Actual or Expected)
		are aligned to MFAT's thematic priorities. The snapshots are used to assist with planning and monitoring country progress towards shared development goals. Importantly, MFAT does not develop separate country-level results frameworks. <sup>43</sup>	
New Zealand should ensure the impartiality of evaluations is not compromised by the institutional location of the evaluation function.	Fully – no action taken	<p>The Monitoring, Evaluation, Research and Learning (MERL) Unit sits within MFAT's Development Capability and Insights Division (which reports to the Deputy Secretary of the Pacific and Development Group). The Unit supports PDG programme teams to deliver an evidence-based IDC Programme. MERL and DCI operate outside PDG's programming, design, delivery and management of development initiatives.</p> <p>The Unit is responsible for managing Aotearoa New Zealand's IDC strategic evaluations which are commissioned through independent evaluators. Strategic evaluations have Steering Groups with external representation to provide impartial governance. The Unit also provides internal oversight of evaluation quality at Activity level and quality assures PDG self-assessment monitoring (a key source of evaluation data).</p> <p>In addition, MFAT periodically contracts evaluation quality specialists who provide external and independent review of strategic evaluations to ensure their credibility, robustness and adherence to evaluation quality standards.</p>	No change to the impartiality of evaluations. Evaluations remain separate from the programming divisions and subject to specific independence and quality assurance measures.
New Zealand should continue to put in place systems and practices to meet its transparency commitments.	Partially	<p>As part of our continued commitment to transparency we now publish and regularly update core development programming information. Our four year plans, along with our triennium allocations, are available on MFAT's website.<sup>44</sup></p> <p>Aotearoa New Zealand remains committed to IATI. We have continued to collect and publish aid data. 'Enquire', MFAT's Aid Management system introduced in 2017, enables us to provide more detailed data.</p>	<p>Actual: MFAT now reliably publishes IATI data on a monthly basis – one of 52 out of 1512 organisations that does so.</p> <p>Actual: Aotearoa New Zealand raised its score in the Aid Transparency index from 31.0 in 2018 to 77.6 in 2020.</p>

<sup>43</sup> See OECD case study on this topic for further details: [Using SDGs to support a country-focused results approach \(oecd.org\)](https://www.oecd.org/country-studies/using-sdgs-to-support-a-country-focused-results-approach/)

<sup>44</sup> [Our planned aid expenditure | New Zealand Ministry of Foreign Affairs and Trade \(mfat.govt.nz\)](https://www.mfat.govt.nz/en/our-planned-aid-expenditure/)



Past Recommendation	Implemented	Actions Taken	Impact (Actual or Expected)
		<p>A standalone Data and Reporting team was established in 2020 in the Development Capability and Insights Division.</p> <p>Initial requirements have been gathered for an ‘Aid Tracker’ website for our IDC, which will host detailed data on each of Aotearoa New Zealand’s development activities. Procurement is due to begin in Q3 2022.</p> <p>A new Senior Adviser role has been established in the Data and Reporting team to strengthen our transparency work. Recruitment is under way for this role, with an expected onboarding by the end of August.</p>	<p>Expected: In 2022 we will see a drop in our IATI score to 64.4, but we expect this to raise again from 2024 as we continue work to sustainably improve our transparency.</p>
<p>New Zealand should step up priority given to communicating and raising awareness amongst its public of the development programme, through an adequately resourced and evidence based strategy.</p>	<p>Partially</p>	<p>Aotearoa New Zealand has not developed a strategy for development communications and awareness-raising. Development communications are a component of MFAT’s wider communications strategy.</p> <p>In 2019 Aotearoa New Zealand commissioned a comprehensive survey of public attitudes to aid and development. The findings have been published.<sup>45</sup> Development awareness actions to build on the findings of this research were discussed internally but have not been pursued.</p> <p>Aotearoa New Zealand has significantly increased its communication with Pacific diaspora groups, and the general public, about its work. MFAT has partnered with other agencies to deliver a series of ‘Pacific Update’ seminars in areas with a high Pasifika population across Aotearoa New Zealand that outline the key priorities for our engagement in the Pacific region.</p> <p>We have increased resourcing for Pacific and development communications. A team of three communications staff exclusively focused on our Pacific work was established in 2019 and sits within the PDG Deputy Secretary’s office.</p>	<p>Actual: Social media channels across our Pacific Posts Network (Facebook) and the @MFATPacific Instagram page are consistently the best performing MFAT channels in terms of engagement with 133,000 accounts following these channels. Pacific-specific content focuses mainly on the impact of our partnerships, our development work, and our priorities. As an example of impact, following January’s volcanic eruption and tsunami in Tonga the MFATPacific Instagram account and the New Zealand High Commission Facebook page were critical in disseminating information (including translating into Tongan) to diaspora communities globally when all communication was lost in the region. Top posts reached 13,000 accounts.</p>

<sup>45</sup> [Research findings - Public Attitudes to Aid and Development | New Zealand Ministry of Foreign Affairs and Trade \(mfat.govt.nz\).](https://www.mfat.govt.nz/en/research-and-analysis/research-findings-public-attitudes-to-aid-and-development/)



Past Recommendation	Implemented	Actions Taken	Impact (Actual or Expected)
		<p>Aotearoa New Zealand has significantly extended its social media presence. Country offices each have Facebook pages that are regularly updated, and MFAT runs an Instagram page dedicated to its Pacific work. These social media platforms provide a means to capture audiences that do not consume traditional media.</p>	<p>Actual: To date this year, 300 members of the public have attended a Pacific Update event.</p>
<p>New Zealand should actively share its good practices in reducing and responding to disaster risks in the Pacific with other donors.</p>	<p>Fully</p>	<p>Since the last Peer Review, we have shared good practice and experience in reducing and responding to disaster risks in a wide range of settings, including through our input at global disaster risk reduction (DRR) events, in multilateral humanitarian fora, and in a range of regional engagements.</p> <p>Recent examples include:</p> <ul style="list-style-type: none"> <li>• Referencing different aspects of our responses to disasters in the Pacific in the Grand Bargain (in annual self-assessment narrative reports and annual meeting interventions) and in United Nations Economic and Social Council Humanitarian Affairs Segment (UN ECOSOC HAS) interventions.</li> <li>• Speaking about our approach to disaster response work in the Pacific at the Regional Conference on Humanitarian Assistance 2021, hosted by Indonesia.</li> <li>• Coordinating bilateral meetings with other donors such as Australia, the US, Canada, and Indonesia, at the Global Platform for Disaster Risk Reduction (GPDRR) in Indonesia in May 2022, where we discussed best practices, ongoing disaster risk reduction work in the Pacific, and opportunities for future coordination. Experts from our National Emergency Management Agency presented at this meeting on the state of play of early warning systems.</li> <li>• Incorporating DRR outcomes into our Climate Change Programme to align with the approach in the Framework for Pacific Resilience (FRDP), across a range of adaptation activities and through improving information for climate/disaster resilient decision making. These include sharing Aotearoa New Zealand's expertise, tools and approaches and aligning them to Pacific priorities and ways of working.</li> </ul> <p>Aotearoa New Zealand has further developed, documented, and shared operational guidelines that inform our Pacific disaster responses. These include:</p>	<p>Actual: Improved understanding of Aotearoa New Zealand's offshore disaster response capabilities among Pacific governments. Pacific governments have made targeted requests for assistance during disaster response operations based on better knowledge of capabilities.</p> <p>Actual: Improved decision making and targeting of resources, and reduced duplication, in Pacific disaster response.</p> <p>Actual: Efficient Aotearoa New Zealand response to natural disasters in the Pacific and South East Asia, including as a result of improved coordination across Aotearoa New Zealand agencies.</p>



Past Recommendation	Implemented	Actions Taken	Impact (Actual or Expected)
		<ul style="list-style-type: none"> <li>• Compiling a list of Aotearoa New Zealand's offshore disaster response capabilities which we have shared with Pacific governments and with Australia and France (FRANZ partners) to improve understanding of support that can be offered;</li> <li>• Creating an Inter-agency Offshore Deployment Guideline that codifies our approach to offshore disaster response and provides for clear roles, responsibilities, activation phases and templates to ensure clarity around Aotearoa New Zealand's offshore deployments. It has been shared with Australia and France, our key response partners in the Pacific.</li> <li>• Developing COVID-19 Deployment Protocols for Humanitarian Responses in the Pacific in 2020, which we shared with FRANZ partners, WHO and partner governments in the Pacific.</li> </ul>	
<p>To enable more efficient management of its humanitarian portfolio, New Zealand should review delegations for humanitarian responses, based on tighter allocation criteria that mirror New Zealand's humanitarian and disaster risk reduction policy.</p>	Fully	<p>There has been no change to delegations for the IDC programme, including for humanitarian support, however we are comfortable that Aotearoa New Zealand's current delegations enable efficient management of our humanitarian portfolio.</p> <p>In recent Pacific responses (e.g. the volcanic eruption and tsunami that impacted Tonga in January 2022) we have utilised rapid response mechanisms for immediate disaster response, including releasing pre-positioned relief supplies in the affected country and providing a small amount of funding for the Aotearoa New Zealand mission to use to fund urgent on-the-ground humanitarian response needs (our Emergency High Commission or Embassy Fund – EHEF).</p> <p>In line with our financial delegations we regularly approve humanitarian support under MFAT delegations. For example, in June 2022 our Deputy Secretary, Pacific and Development Group (DS PDG) approved a NZ\$4.75m package of assistance towards the humanitarian response in Myanmar. DS PDG can approve activities up to NZ\$5 million in total value.</p>	Actual: Effective and timely support provided to affected governments and communities.



Past Recommendation	Implemented	Actions Taken	Impact (Actual or Expected)
		<p>Our funding approval documents are informed by guidance provided by Aotearoa New Zealand’s Humanitarian Action Policy.</p>	
<p>To support effective partnerships, New Zealand should review how it engages with NGOs in humanitarian assistance.</p>	<p>Fully</p>	<p>MFAT has made a number of changes to improve our NGO engagement in humanitarian assistance.</p> <p>In 2017 we undertook a desktop review of the New Zealand Disaster Response Partnership (NZDRP), our primary mechanism for partnering with Aotearoa New Zealand NGOs in humanitarian settings. This included consultation with Aotearoa New Zealand NGOs on key humanitarian assistance issues. In the period since this review, we have implemented a number of changes to the NZDRP, for example:</p> <ul style="list-style-type: none"> <li>• Reducing NGO partners’ co-funding requirements for responses in South East Asia from 50 percent to 25 percent.</li> <li>• Increasing activity implementation flexibility through increasing the formal budget variation thresholds from ten percent to 25 percent.</li> <li>• Introducing a short mid-term report for response activities to help track activities.</li> </ul> <p>In 2021, we established a dedicated role (NZDRP Fund Manager) in our humanitarian team. This role manages the relationship with NGOs that partner with MFAT in humanitarian responses. We assess that having a dedicated staff member has strengthened MFAT-NGO engagement and partnership.</p> <p>The Council for International Development (CID) is the national umbrella agency for Aotearoa New Zealand organisations working in international development and humanitarian aid. CID coordinates the Humanitarian Network, which comprises Aotearoa New Zealand NGOs involved in humanitarian action. MFAT and CID meet regularly to discuss key humanitarian network issues and upcoming events, and MFAT staff engage at quarterly Network meetings. CID continues to have a representative in the Emergency Task Force (ETF) meetings that MFAT convenes during a disaster event in the Pacific. The ETF brings together a range of response partners (NZ government response agencies, CID, New Zealand Red Cross, and our</p>	<p><u>Actual:</u> In CID’s annual survey in 2021, five percent of members rated MFAT’s engagement with the humanitarian network as ‘Excellent’, and 63 percent as ‘Good’.</p> <p><u>Actual:</u> Aotearoa New Zealand NGOs response models are increasingly fit for purpose through continual improvement to the NZDRP mechanism.</p> <p><u>Expected:</u> We expect the upcoming NZDRP evaluation to identify ways to further increase the effectiveness, efficiency and impact of our humanitarian assistance in partnership with Aotearoa New Zealand NGOs, and that NGOs will be closely engaged throughout the evaluation process and in follow up activity.</p>





Past Recommendation	Implemented	Actions Taken	Impact (Actual or Expected)
		<p>FRANZ partners France and Australia) to oversee response plans and coordinate humanitarian action.</p> <p>We plan to commence an evaluation of the NZDRP mechanism before the end of 2022. This evaluation will inform MFAT's engagement with Aotearoa New Zealand NGOs on humanitarian action and under the NZDRP.</p> <p>Through the provision of funds to our country offices in the Pacific we have also been engaging directly with local/national NGOs, and providing direct funding to them. We aim to identify lessons from these experiences to inform further initiatives, in line with our localisation objectives.</p>	



## Summary of Annexes

<i>OECD Recommendation Questionnaires</i>		
1	Implementation of the HDP Nexus	Pages 62 – 67
2	Anti-corruption Recommendation Response	Pages 68 – 72
3	Ending SEAH Recommendation Response	Pages 73 – 75
4	Engaging CSOs Recommendation Response	Pages 76 – 82
5	Policy Coherence for Sustainable Development Recommendation Response	Pages 83 – 87
<i>Supplementary Information</i>		
6	Human Resources information for the IDC Programme, by location (on-shore and off-shore) and gender	Pages 88 – 97
7	MFAT Pacific and Development Group Organisational Chart (head office only)	Pages 98 – 107
<i>Policy and Guidelines</i>		
8	Aotearoa New Zealand's International Cooperation for Effective and Sustainable Development Policy Statement	<a href="#">Our approach to aid   New Zealand Ministry of Foreign Affairs and Trade (mfat.govt.nz)</a>
9	Pacific Resilience Approach: First Cabinet Paper	<a href="#">Proactive Release – New Zealand's Pacific Engagement: From Reset to Resilience   New Zealand Ministry of Foreign Affairs and Trade (mfat.govt.nz)</a>
10	Pacific Resilience Approach: Second Cabinet Paper	<a href="#">New Zealand's Pacific Engagement: Moving from COVID- 19 Response to Recovery and Longer-Term Resilience   New Zealand Ministry of Foreign Affairs and Trade (mfat.govt.nz)</a>
11	PDG's Policy and Strategy Settings	Pages 108 – 115
12	'PDG Synthesis Reflections Report 2021' paper for Pacific and Development Strategic Governance Group	Pages 116 – 128
13	Nga Hoe Tuputupu Mai Tawhiti: Delivering New Zealand's International Cooperation for Effective Sustainable Development	Sent separately. A <u>draft</u> external publication explaining how Aotearoa New Zealand's development cooperation is governed and managed. It is yet to be published.
14	'Understanding and Aligning with the International Development Cooperation Programme Quality Domains' Guideline	Pages 130 – 142
15	Preventing Sexual Exploitation, Abuse and Harassment Policy and Guidelines	<a href="#">Preventing sexual exploitation, abuse and harassment   New Zealand Ministry of Foreign Affairs and Trade (mfat.govt.nz)</a>
<i>Reporting and Accountability</i>		
16	Aotearoa New Zealand International Development Cooperation 2020-2021 End-of-Year Report	<a href="#">Our approach to aid   New Zealand Ministry of Foreign Affairs and Trade (mfat.govt.nz)</a>
17	Final report from the Foreign Affairs, Defence and Trade Select Committee's Inquiry into New Zealand's Aid to the Pacific (August 2020)	<a href="#">Inquiry into New Zealand's aid to the Pacific - New Zealand Parliament (www.parliament.nz)</a>
18	MFAT's Departmental report for the Foreign Affairs, Defence and Trade Select Committee's	<a href="#">Ministry of Foreign Affairs and Trade (Departmental report) - New Zealand Parliament (www.parliament.nz)</a>



	Inquiry into New Zealand's Aid to the Pacific (May 2020)	
19	Four year plans and programme budgets (updated quarterly)	<a href="#">Our planned aid expenditure   New Zealand Ministry of Foreign Affairs and Trade (mfat.govt.nz)</a>
20	MFAT Briefing to Foreign Affairs, Defence and Trade Committee: New Zealand's IDC Programme response to COVID-19 in the Pacific (November 2021)	<a href="#">Ministry of Foreign Affairs and Trade (briefing paper and Appendix on COVID-19 in the Pacific) - New Zealand Parliament (www.parliament.nz)</a>



## **Annex One: Implementation of the 2019 Recommendation of the Humanitarian-Development-Peace Nexus**

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The Development Assistance Committee (DAC) has tasked the International Network on Conflict and Fragility (INCAF) to monitor progress of members against the DAC recommendation on the HDP Nexus. This annex follows the eleven principles of the recommendation. For each principle, guiding questions are provided, and respondents can elaborate further on the actions they have taken, the effects of these actions, or the challenges encountered when applying a Nexus approach to their engagement in fragile and crisis-affected contexts.

### *Coordination*

#### ***1. Joint risk-informed, gender-sensitive analysis of root causes and structural drivers of conflict***

*For instance: Is your country programming based on an assessment of the drivers of crisis or fragility? Is this assessment shared across your administration (diplomatic, humanitarian, development, peace, security...) or made jointly with other actors, such as other donors or multilateral organisations? Does this assessment help to define collective outcomes?*

- All programming in Aotearoa New Zealand's IDC programme, including activities located in fragile and conflict affected contexts, is subject to a clear strategic and analytical framework. This, coupled with the IDC programme's culture of collaboration between development, humanitarian and geographically-focused teams, supports the implementation of this limb of the Recommendation. The integrated foreign policy and development structure of MFAT also supports this coherence and collaboration.
- At an analytical level, regional strategies (with a 20 year outlook), country strategies (with a 10 year outlook) and four year plans) all provide mechanisms for identifying root causes and structural drivers of development need (including risks to peace and security) across every context where the IDC programme operates. Development, humanitarian and foreign policy parts of MFAT all contribute to these strategies, which are refreshed regularly. All development (including humanitarian) support comes within the auspices of a four year plan, resulting in a direct line of sight between the activities that Aotearoa New Zealand funds, and the strategic and political context in which those activities are implemented. These analytical documents also establish strategic goals and identify medium term and short term outcomes that support these goals. All development activity is directed towards these collective outcomes.
- Because of the limited financial scale at which our programming engages in protracted conflict-affected contexts outside our region, and because in these contexts Aotearoa New Zealand generally provides funding to the operations of larger international and multilateral organisations (as opposed to being an operational actor with direct engagement), Aotearoa New Zealand has not to date employed the crisis-specific analytical framework tools of the kind developed by other (particularly European) DAC Members, or participated in efforts to set collective outcomes with other actors in specific crisis contexts. However, as capacity allows, there remains scope to learn more from these analytical and planning tools and adopt elements of these, where relevant, in the MFAT analytical frameworks described above.

#### ***2. Appropriate resourcing to empower leadership for cost-effective coordination across the humanitarian, development and peace architecture***



*For instance: Do you support local or national mechanisms in having a coordination role when appropriate or relevant? Do you support the UN Resident and Humanitarian Coordinators, or incentivise partnerships with multilateral development banks?*

- In contexts of protracted crisis outside of our region, we are principally a donor to efforts of large operational actors, rather than an operational actor in our own right. For those reasons, we advocate for the organisations we support to engage with national coordination mechanisms, where appropriate.
- In more general terms, we prioritise partner-led development, and works in partnership with host governments when providing (non-humanitarian) development assistance. This applies equally to our activities in fragile and conflict-affected contexts.
- As Aotearoa New Zealand, we also support UN efforts to coordinate humanitarian, development and peace actions in country, where appropriate. An example of our support for UN coordination and leadership is visible in the PNG Southern Highlands. In this context, the UN coordinates (in partnership with the PNG Government) a multi-actor programme of work that crosses the humanitarian, development and peace nexus. Within this structure, we support a programme implemented by UN Women focusing on women's engagement in political processes ("Women Make the Change"), in addition to supporting the UN Peacebuilding Fund's efforts to prevent further conflict and build sustainable development in this region.
- In humanitarian responses to contexts of protracted crisis, it is not always possible or appropriate to empower national ownership, and the DAC Recommendation recognises the importance of humanitarian principles being respected and upheld and development cooperation objectives being maintained. In these contexts, Aotearoa New Zealand often provides humanitarian support via contributions to UN and Red Cross humanitarian organisations. We have limited influence and control over how these funds are utilised, however we advocate for these organisations to coordinate through mechanisms established under the UN Resident/Humanitarian Coordinator.

### ***3. Political engagement and other tools, instruments and approaches to prevent crises, resolve conflicts and build peace***

*For instance: How do you ensure that diplomatic, stabilisation and civilian security interventions are joined-up and coherent with humanitarian, development and peace outcomes?*

- The DAC Recommendation notes that adherents should utilise political engagement and other tools, instruments and approaches at all levels to prevent crises, resolve conflicts and build peace. Aotearoa New Zealand supports this limb of the DAC Recommendation through considerable and regular engagement by our diplomatic posts with host governments on matters of peace and security. As an example, Aotearoa New Zealand diplomatic representatives engage regularly with the Government of Papua New Guinea and the Autonomous Bougainville Government in relation to their efforts to ensure ongoing peace in Bougainville, consistent with the Bougainville Peace Agreement. Our development assistance in Bougainville complements these diplomatic interactions (under the strategic umbrella set out in the relevant four year plan), through efforts in partnership with both governments (and coherently with efforts of other development partners) to promote good governance, economic development, law enforcement capability, community development and service delivery, and social cohesion.
- We also advocate for and support multilateral efforts to prevent and peacefully resolve conflicts: this is particularly relevant for contexts (in particular in Africa and the Middle East) where our diplomatic representation is more limited.



- Pacific Island Forum Leaders are committed to maintaining peace and security in the region, and under the Pacific Islands Forum the architecture is in place to respond to regional crises. The Biketawa Declaration adopted by Leaders in 2000 recognises and provides the coherency between crisis interventions and longer-term peace building efforts. In 2018 the Boe Declaration on Regional Security expanded the concept of security. It provided for, and recognised the clear link between, humanitarian, development, and peace outcomes. Aotearoa New Zealand is a strong proponent for regionalism and committed to a collective response to security issues. This was demonstrated by our decision to join a regional police contingent that responded to rioting in Honiara, Solomon Islands in late 2021. The regional contingent was made up of police from Australia, Fiji, Aotearoa New Zealand and Papua New Guinea.

### *Programming*

#### ***4. Prevention, mediation and peacebuilding, investing in development whenever possible, while ensuring immediate humanitarian needs continue to be met***

*For instance: How have you increased your effort toward crisis prevention, mediation and peacebuilding and early recovery, including beyond national governments, and across regional borders? Does these efforts include making a positive contribution to voice, access and rights, social cohesion, and trust between state and society?*

- We undertake a wide range of activities that aim to create and maintain conditions of good governance, security and prosperity as well as access to services and education, which collectively improve the prospects for social and economic stability and reduce the possibility of societies reverting to conflict. Programmes of this nature take a range of forms, including practical actions such as de-mining and return of displaced people, as well as long-term ‘soft’ investment aimed at strengthening social cohesion, building institutions that can manage risk, and supporting the capability of individuals and societies to deal with conflicts, disasters and health threats.
- As a sectoral example, Aotearoa New Zealand has a long history of supporting community policing across the Pacific. Policing remains an important sector of the IDC programme and includes regional as well as bilateral initiatives in Bougainville, Fiji, Solomon Islands, Tonga, and Vanuatu. The role of effective police services is critical to the safety and security of citizens that in turn enhances social cohesion and engenders trust in the state. Our approach to policing is underpinned by strong community engagement, which integrates a “Prevention Operating Model” by responding to the key drivers of demand for each Pacific policing service. Through partnerships with New Zealand Police, each programme responds to these drivers, needs, and the gaps identified by each policing service. Areas of assistance include support to improve the effectiveness of their organisations; develop the knowledge, skills, attitude and practice to implement prevention oriented policing; build leadership capability to deliver prevention operating model; and develop police capacity to conduct formal and on the job training.
- As an example of programming for prevention in post-conflict contexts, Aotearoa New Zealand’s development efforts in Solomon Islands have a significant conflict prevention focus. These efforts are guided by Solomon Islands Government’s National Security Strategy, which outlines the pathway to achieving the overall vision of “A safe and secure nation where all her citizens are able to coexist peacefully for a safe and prosperous future.” Under this framework, Aotearoa New Zealand has engaged over the long term through bilateral, regional and multilateral mechanisms to support conflict prevention, including by building community policing capability, promoting youth engagement and opportunity, and supporting the



development of education systems. We also partner with civil society to address the key drivers of communal conflict and to strengthen peacebuilding mechanisms.

- As a further example of programming for prevention in post-conflict contexts, our development activities in Bougainville, Papua New Guinea also focus on addressing the drivers of conflict to support security and stability, consistent with the Bougainville Peace Agreement. In partnership with the Governments of Papua New Guinea and Bougainville, we support community policing capability, efforts to reduce family and sexual violence, governance and economic development, in addition to activities such as the ‘Bougainville Healthy Communities Programme’ which has invested over an extended time period in community-level governance and service delivery to support social cohesion.

### **5. Putting people at the centre, tackling exclusion and promoting gender equality**

*For instance: Have you put in place mechanisms that allow people affected by crisis to identify their immediate needs? Do these needs feed into your identification of the drivers of crises? Do you address conflict risks by tackling exclusion, persecution and injustice, promoting gender equality as standard practice, notably through the principles of the Women, Peace and Security agenda, and promoting women’s leadership across humanitarian, development and peace actions?*

- Utilising a human rights based approach and progressing gender equality have been identified as priorities in the IDC programme. Both the IDC programme and our foreign policy engagement support and promote our Human Rights Action Plan. These strategies ensure that the rights of vulnerable populations are recognised and protected across all of our development (including humanitarian and peace) programming.
- Aotearoa New Zealand’s Humanitarian Action Policy notes that gender equality and the empowerment of women and girls is a core value underpinning our humanitarian action. We are also committed to inclusive humanitarian action more broadly, including improving collection, analysis and use of disaggregated data (by sex, age and disability status), and taking into account the diverse needs, vulnerabilities and capacities of different people and groups. Aotearoa New Zealand advocates for greater participation of, and accountability to, affected populations in humanitarian fora.

### **6. Do no harm and conflict sensitivity**

*For instance: How do you ensure that staff and partners understand the interaction between the intervention and the context, and act upon this understanding to minimise negative impacts and, where possible and appropriate, maximise positive impacts? Do you participate in collective efforts towards understanding and measuring the impact of ODA and other peacebuilding measures on political and conflict economies, conflict dynamics, social cohesion, exclusion, and resilience, with a view to reducing negative unintended consequences of external interventions?*

- The strategic and analytical processes described above (regional and country strategies, and four year plan) enable the identification of political and social dynamics that require consideration when engaging in IDC programming in fragile and conflict-affected settings. In addition, the process of composing business cases for individual activities requires a consideration of risks involved in the programme, and (where appropriate and applicable), provides an opportunity for activity managers to engage with thematic experts on governance, human rights, gender, and peace and fragility-related issues to support robust design of activities.

### **7. Joined-up programming and the risk environment**

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*For instance: How do you ensure that joined-up development, peace and humanitarian programming is risk-focused, flexible and avoids fragmentation? Is your longer-term development and peacebuilding programming adaptable to future risks and does it incentivise partners to remain present in crisis situations?*

- Within our programme, a degree of flexibility and adaptability is built into programme design where this is possible. This flexibility was demonstrated to positive effect in response to the threat of COVID-19, by the degree to which a number of long-term development programmes were able to pivot to supporting COVID-19 needs within the bounds of their specific programme objectives.
- Our humanitarian contributions to UN and Red Cross appeals are flexible, in the sense that they are not earmarked beyond the country/crisis level, enabling a degree of adaptability and flexibility in programming by these implementing partners.

### **8. National and local capacities strengthening**

*For instance: Do you prioritise funding to local organisations that are already present when crises occur? Do you incentivise your partners to invest in local capacities in a way that enables local actors to be part of the programme design and not only implementing agents?*

- We actively seek opportunities to ensure that institutions are strengthened, and the capability to deliver services is localised wherever possible, recognising that in the humanitarian context this is not always practical or advisable.
- The DAC Recommendation recognises that communities and local civil society can be a source of resilience in conflict-related contexts, and for that reason adherents should think beyond simply working directly with governments. Aotearoa New Zealand prioritises engagement with local civil society: as an example ‘Partnering for Impact’ (our main mechanism for engaging CSOs) aims to empower local partners and communities to ensure their voice is heard in the development process.
- In addition, our ‘Head of Embassy Funds’ offer small scale, flexible funding to local organisations that help to sustain and build vibrant civil societies. Aotearoa New Zealand also supports a longstanding volunteer-based programme, Volunteer Services Abroad, which operates in post-conflict societies including Solomon Islands, Bougainville (PNG) and Timor-Leste, and allows Aotearoa New Zealand to work in partnership with and empower local organisations that provide important social cohesion functions in complex environments.

### **9. Learning and evidence**

*For instance: Do you invest in joint learning efforts across humanitarian, development and peace actions as well as in data collection, management and sharing? How do you promote best practice and innovative approaches internally and with other actors in fragile contexts?*

- Because of the limited financial scale at which Aotearoa New Zealand engages in IDC programming in protracted conflict-affected contexts, and the irregularity with which Aotearoa New Zealand or Aotearoa New Zealand-funded actors are represented in all three pillars of a nexus in one crisis context, we have not yet participated in joint learning efforts. However, we continue to follow international discussions, and to observe pilot efforts being undertaken by actors such as the UN, EU and World Bank in the Africa context with interest. There is scope to for us to learn more from these international efforts.

### *Financing*

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### ***10. Evidence-based humanitarian, development and peace financing strategies***

*For instance: Do you participate in the design of a collective financial strategy, with effective layering and sequencing of the most appropriate financing flows, with the United Nations Resident and Humanitarian Coordinators, IFIs, governments, the private sector and civil society with a view to support collective outcomes?*

- The DAC Recommendation encourages adherents to work at a global level with multilateral partners, IFIs, governments, the private sector and civil society focused on countries most at risk of recurrent and protracted crises, with a view to identifying and closing financing gaps. Aotearoa New Zealand engages at limited financial scale in protracted crisis contexts, and our contributions are almost entirely directed through large international humanitarian and development agencies. In these contexts, we advocate for those agencies to collaborate and identify financing gaps.

### ***11. Predictable, flexible, multi-year financing***

*For instance: Do you use financing mechanisms that bring together humanitarian, development and peace stakeholders where possible and appropriate? Do you align financing with agreed collective outcomes where appropriate and with due consideration of humanitarian principles?*

- Aotearoa New Zealand supports predictable, flexible and multi-year financing for international organisations actively engaged in conflict-affected and crisis contexts. For these reasons, we provide regular core funding to UN OCHA, UNHCR, CERF, the ICRC, UNICEF, UNFPA, WFP and the UN Peacebuilding Fund. We also provide funding to specific crisis responses on an ad-hoc basis.
- In addition, we have flexibility within our humanitarian and global development allocations to transfer funding from one allocation to another, if there are identified needs or this would support an overarching objective. As an example, the ‘Other Asia’ global development allocation transferred \$3 million to the Humanitarian allocation in 2021, to ensure that basic needs in the Afghanistan context could be met. This funding enabled humanitarian contributions to UNFPA and UNICEF. The humanitarian allocation also provided funding to the World Food Programme, which was complemented by a contribution from the ‘Other Asia’ allocation to the Food and Agriculture Organisation– in an effort to work across the development/humanitarian nexus to address food security challenges in Afghanistan.
- While we provide funding to specific crisis responses on an ad-hoc basis, we do not currently make multi-year commitments to specific crises under the humanitarian programme. This may be an area for future consideration.

### ***Valuable Examples and Insights***

In the spirit of peer learning, there would be great value if you could elaborate on any issue or area where you deem that progress has been particularly noteworthy, or where your experience would be helpful to other DAC members.

- There are no specific areas we would highlight at this stage. We continue to look to learn from the experiences of other actors, to grow our understanding of this Recommendation.



## **Annex Two: Implementation of the 2016 Recommendation of the Council for Development Co-operation Actors on Managing the Risk of Corruption.**

The following annex is to be completed by the team of the DAC member undergoing peer review. It is intended to monitor the implementation of the 2016 Recommendation of the Council for Development Co-operation Actors on Managing the Risk of Corruption. Respondents are requested to address each of the ten provisions of the Recommendation, underlining the progress made in each and, where possible, the impact that the measures taken have had -or are anticipated to have- on fighting corruption. Finally, it would be extremely useful if respondents could signal any elements that they feel is currently missing from the scope of the Recommendation, or what additional guidance would be useful.

<b>Provision of the Recommendation</b>	<b>Progress made</b>	<b>Actual or Anticipated Impact</b>
1: Code of conduct	<p>The Ministry has a two Codes of Conduct for suppliers. Amongst other things, they state the Ministry's clear expectations that suppliers will not engage in any form of corruption, and will be transparent about their ethical policies and practices.</p> <p>MFAT staff are bound by the State Services Code of Conduct as well as the Ministry's own HR policies and guidelines which includes fraud prevention, protected disclosures and conflicts of interest.</p>	Compliance with behaviour standards.
2: Ethics or anti-corruption assistance or advisory services	Aotearoa New Zealand's development cooperation is managed by the Pacific and Development Group (PDG) within MFAT. Two separate parts of the organisation provide advisory services to PDG: MFAT's Audit and Risk Division who provide advisory services on conflicts of interest, appropriateness of gifts and hospitality and code of conduct issues, and our People Division who also provide advice on our staff Code of Conduct.	Support for staff and supplier to comply with expected behavioural standards and assistance in incidents of actual or potential fraud.
3: Training and awareness raising	The Audit and Risk Division administer an annual Controls Self-Assessment survey process, whereby Divisional Managers and Heads of Overseas Posts are surveyed on their compliance with a range of key control areas including code of conduct, fraud prevention, conflicts of interest and protected disclosure. While a self-assessment of compliance, it serves a valuable purpose of raising and maintaining awareness of key controls.	Fraud awareness.
	Annually (apart from during COVID when there were restrictions on travel), the Audit and Risk Division conducts an audit of approximately 10 Posts. Audit New Zealand (the Ministry's external auditor) will audit approximately an additional five Posts. For those Posts that deal with aid programmes, a by-product of these audits is that staff at Posts are reminded of the importance of controls and their obligations to prevent fraud.	Fraud awareness



	<p>The PDG training programme inducts new staff into PDG's work. The PDG induction programme provides foundation level detail on principles of the Services Commission Code of Conduct (Fair, Impartial, Responsible and Trustworthy), the legislative requirements of the Public Finance Act 1989 and the Government Rules of Sourcing, and directs staff to seek further advice from internal specialists on appropriate contracting and procurement practice. All staff who are posted offshore, including those who will be responsible for managing International Development Cooperation (IDC) activities, are advised of the requirement to report allegations of Aotearoa New Zealanders attempting to bribe foreign officials and provided with a copy of the formal message on this.</p>	<p>Support for staff and supplier to comply with expected behavioural standards and assistance in incidents of actual or potential fraud.</p>
4: Auditing and internal investigation	<p>The Audit and Risk Division also performs regular audits on IDC activities, based on a 5-year rolling cycle. The Ministry has established robust quality standards for the management of IDC programmes and associated activities, and internal audits are conducted against these standards. The standards include requirements for good financial management, sound procurement, contracting and financial management, and effective risk management and monitoring. The process includes an assessment of quality/conformance with activity management standards resulting in a rating for the programmes and activities audited between 1 and 5. These results are used to populate a key performance measure, which is included in the Ministry's published annual report. Each audit also results in an audit report from the Audit and Risk Division to PDG management containing the results of the review and any resulting recommendations for improvement. PDG has responsibility for following up audit findings.</p>	<p>Resolution of fraud cases.</p>
	<p>From time to time, the Ministry receives allegations of fraud or financial mismanagement or becomes aware of potential fraud or other financial concerns through its own monitoring activity. PDG does not have specialised investigative capacity if the allegations or concerns indicate that an investigation is required. If allegations are made or concerns identified that require investigation, the relevant PDG programme manager will liaise with the Audit and Risk Division to manage a response to the allegation. Should it be determined that an investigation is required, Audit and Risk Division will help in drafting the scope/terms of reference for the investigation and will work with PDG to ensure that an investigator with the appropriate qualifications is engaged. MFAT may engage the investigator directly or it may be done by the organisation to whom funding was provided. Should it appear that foreign bribery may be an issue, we would look to ensure that the investigator engaged had the appropriate skills to address this.</p>	<p>Resolution of fraud cases.</p>
5: Active and systematic assessment and management of corruption risks	<p>MFAT satisfies itself about issues and risks of or associated with fraud, corruption, and compliance with sanctions before disbursing funding to service providers, suppliers, NGOs and partner governments. MFAT does so in various formal and informal ways including, for example, via due diligence as part of the procurement process, specific pre-transaction enquiry, pre-qualification, relationship management and 'contractual' provisions.</p>	<p>Reduction of risk.</p>

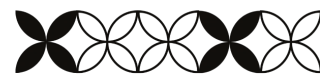




	<p>There is a responsible MFAT officer for every funded IDC activity whose responsibilities will include to manage or monitor the activity, including for appropriate financial practices. In some cases there will also be MFAT officers responsible for managing MFAT's wider relationship with service providers, suppliers, NGOs and partner governments. MFAT officers in these roles receive relevant training and are supported, where necessary, by the Audit and Risk Division. Suspicion of fraud triggers an investigation, which is led by the Audit and Risk Division.</p>	Resolution of fraud cases, Accountability, consistency of treatment
	<p>The supplier/partner due diligence processes provides Activity Managers guidance for what evidential information is required to be gathered. MFAT template transaction documents will often include provisions which specifically relate to fraud, corruption compliance with sanctions and so forth. In relevant cases MFAT funding will be required to be acquitted to the activity budget and/or accounted for in a recipient's audited or independently-reviewed financial statements. In some cases MFAT may reserve a right itself to review or audit the application and use of funding provided by MFAT.</p> <p>Other transaction documents are upon a 'high trust' model which set expectations rather than requirements. Third party-originated documents will often include financial probity provisions. In these kinds of cases the MFAT officers responsible for managing the specific activity or wider relationship will be responsible for monitoring application and use of funding provided by MFAT.</p>	Fraud prevention.
	<p>The Ministry's Audit and Risk Division is a member of the New Zealand Public Sector Counterfraud Community of Practice (which is hosted by the NZ Serious Fraud office). This forum discusses a wide range of fraud prevention practices and a recent example was a specially tailored session relating specifically to "embedding counter fraud measures in relation to foreign aid" and involving representatives from the United States, Canada, the UK and NZ (This was scheduled to go ahead 29 June 2022 but was subsequently deferred to July/August due to sickness).</p>	Good practice
	<p>The Audit and Risk Division maintains a register of all frauds including, but not exclusively, development cooperation frauds. The fraud register includes details on when the fraud was raised, how addressed/responded to, whether investigated and outcome of the investigation, dollars involved, and whether reported to the Minister.</p>	Accountability, consistency of treatment
6: Measures to prevent and detect corruption enshrined in ODA contracts	<p>The IDC Programme's procurement must comply with MFAT's procurement policy, meet the Principles of Government Procurement and comply with the Government Procurement Rules and the Office of the Auditor General Good Practise Guide – Procurement Guidelines.</p> <p>As noted above MFAT template transaction documents address fraud, corruption and sanctions in different ways dependent upon, among other things, the context, kind of activity, method of implementation and recipient. In cases where this is relevant these can include a right to terminate or suspend an activity or to require the return of funding. MFAT will seek to have similar kinds of provisions included in third party-originated documents.</p>	Fraud prevention.



7: Reporting/whistle-blowing mechanism	The Ministry has a fraud mailbox (MFAT-FRAUD) which is independently administered by the Ministry's Audit and Risk Division. If aid programme fraud is reported through this mechanism, then the Audit and Risk Division will follow up with the relevant PDG division to investigate as appropriate.	Fraud reporting and response.
	The Ministry of Foreign Affairs and Trade has a Speak Up Safely programme for staff who wish to raise issues. This aims to create an environment where staff on and offshore feel safe to raise any matter with the assurance that it will be treated with appropriate confidentiality, sensitivity and appropriate action. This programme includes management of any disclosures under the Protected Disclosures Act 2000, which provides whistleblowers with a degree of protection against retaliation. As this legislation is only enforceable within Aotearoa New Zealand, it applies to staff employed in Aotearoa New Zealand, whether based onshore or seconded overseas. For Staff Employed at Post, when they make a disclosure they are entitled to receive the following protections: confidentiality, no retaliation, no victimisation and immunity from proceedings. In the last five years, no potential cases of foreign bribery have been reported through the Speak Up Safely procedures or their predecessor programme.	Fraud reporting and response.
	In Aotearoa New Zealand, the legislation governing 'whistleblowers' is the Protected Disclosures Act 2000 (the Act). The Act protects employees who wish to disclose 'serious wrongdoing' by or within their employer organisation. There is no statutory protection for 'public interest disclosures' outside the Act.	Fraud reporting and response.
	All contracts and grants with an anti-corruption clause require that the implementing partner immediately report to MFAT within five Business Days all suspected or detected Fraud and consult MFAT before the matter is referred to police. MFAT reserves the right to investigate cases of suspected or detected Fraud.	Fraud reporting and response.
8: Sanctioning regime	All contracts and grants with an anti-corruption clause can be immediately terminated or suspended. MFAT also has the right to be reimbursed. MFAT will also consider referring the matter for prosecution on a case by case basis.	Having consequences for fraud.
9: Joint responses to corruption	Information re corruption in relation to an activity may be shared between its participants subject to relative confidentiality, natural justice, privacy, security, and privileges and immunities considerations. The strength of the relationship between participants will be a key factor in this respect but there may also be specific applicable provisions in transaction documents.	Improved donor coordination
10: Take into consideration the risks posed by the environment of operation	PDG has a robust approach to Risk Management which includes operating risks.	Standards and guidance for corruption risk are tailored to the environment of the activity.



	<p>Supplier / partner due diligence checks are undertaken. These differ depending on the type of partner that the IDC Programme is working with. Where activities involve using partner government financial systems, MFAT officials review diagnostic assessments of the fiduciary risks, including of corruption, that are associated with using those systems. Tools used include the multi-agency Public Expenditure and Financial Accountability Assessment (PEFA) or the Australian Department of Foreign Affairs' Assessment of National Systems (ANS). Different levels of financial autonomy will be provided depending on the nature of the implementing partner and the country or region that the activity is operating in. For example, a new implementing partner who is deemed higher risk may be funded by reimbursement of actual expenses.</p>	<p>Standards and guidance for corruption risk are tailored to the environment of the activity.</p>
	<p>MFAT also seeks to strengthen partner countries' capacity to respond to corruption through dedicated development programming. Promoting transparency and accountability is a priority of our Governance programming. This includes increasing support for Pacific-led anti-corruption efforts at both regional and national levels. Examples of anti-corruption activities include: the UN Pacific Regional Anti-Corruption programme that assists countries meet states obligations to the UN Convention Against Corruption; a partnership with Transparency International to strengthen CSO capacity and capability that includes the work of national chapters in Fiji, PNG, Solomon Islands, and Vanuatu; and supporting the Pacific Islands Forum with the implementation of the Teieniwa Vision, which is a Forum Leaders' endorsed call to unite against corruption.</p>	<p>Standards and guidance for corruption risk are tailored to the environment of the activity.</p>
<p>Missing element(s) in the Recommendation</p>	<p>N/A</p>	



### **Annex Three: Implementation of the DAC Recommendation on Ending Sexual Exploitation, Assault and Harassment in Development Cooperation and Humanitarian Assistance**

The following annex is to be completed by the team of the DAC member undergoing peer review. It is intended to monitor the implementation of the **2019 Recommendation on Ending Sexual Exploitation, Abuse and Harassment in Development Co-operation and Humanitarian Assistance**. Respondents are requested to address each of the six provisions of the Recommendation, underlining the progress made in each and, where possible, the impact that the measures taken have had - or are anticipated to have - on ending **Sexual Exploitation, Abuse and Harassment (SEAH)**. Finally, it would be extremely helpful if respondents could signal any element(s) that they feel is currently missing from the scope of the Recommendation, or what additional guidance would be useful.

<b>Pillar of the Recommendation</b>	<b>Progress Made</b>	<b>Actual or Anticipated Impact</b>
1: Develop policies and professional conduct standards and seek to foster organisational change and leadership on SEAH in the provision of international aid	We have a PSEAH policy, available on our website and have recently drafted a Child Safeguarding/Protection policy. The Pacific and Development Group is in the process of working with our People Division to update our Code of Conduct and Unacceptable Behaviour policy to reflect a stronger approach to child safeguarding in particular <sup>46</sup> .	Strengthen culture and systems for safeguarding in the programme.
2: Develop or support survivor- and victim-centred responses and support mechanisms	Our reporting, investigation and response system places the victim at the centre of response. We are acutely aware of the need for confidentiality and to avoid further harm. We acknowledge the need to build stronger local systems for response.  Within the Ministry we have a Speak up Safely approach and adviser for addressing internal workplace complaints.	Appropriate response and no further harm.

<sup>46</sup> <https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/preventing-sexual-exploitation-abuse-and-harassment/>





<p>3: Establish organisational reporting and response systems and procedures for the prevention of SEAH</p>	<p>The Ministry's complaints email for external partners (beneficiaries, implementing partners) to report instances of SEAH, or to flag welfare concerns about a vulnerable person, is advertised on the 'Preventing SEAH' page on our website<sup>47</sup>. In the first instance this complaint is assessed by a staff member in our Development Capability and Insights Division, who would assess the appropriate response (e.g. the extent to which our country office should be involved in the response) depending on the nature of the complaint raised.</p> <p>The Ministry has a number of mechanisms for staff to report incidents and allegations of sexual harassment and assault, providing both informal and formal options. Any employment relationship problems (ERPs), including those that require an investigation are managed through the People and Delivery team within the Ministry's HR function. Both internal and external independent options are available.</p> <p>Employers are required to undertake a fair process before taking any adverse action against an employee, including dismissal. They must also have substantively justified grounds for taking the action.</p>	<p>Appropriate treatment of reports in a way that protects confidentiality and is driven by a victim centred response.</p>
<p>4: Conduct training, raise awareness and communicate on SEAH prevention</p>	<p><sup>s9(2)(g)(i)</sup> We are building safeguarding into our new Development Quality curriculum. We did some outreach when our PSEAH policy was launched.</p>	<p>Increase awareness and reporting.</p>
<p>5: Ensure international coordination for SEAH prevention and response</p>	<p>Three teams in MFAT work jointly on our international engagement: the Development Capability and Insights Division (who have overall responsibility for our safeguarding approach); our Multilateral team within the Pacific and Development Group who are responding for our funding to multilateral development organisations, and United Nations, Human Rights and Commonwealth Division who are responsible for our policy positions at the UN and other multilateral bodies. Most recently, we made a statement at the Seventy-Fifth World Health Assembly (WHA75) with the Geneva Group of Friends, and we have been working with likeminded donors to support increased responses in the UN system. At a recent donor support group meeting we advocated for UNOCHA to strengthen PSEAH references in its strategic plan for 2023-26.</p>	<p>International advocacy and change.</p>
<p>6. Develop mechanism for monitoring, evaluation, and reporting on SEAH prevention and response</p>	<p>PSEAH Policy: MFAT will monitor compliance through a range of approaches. Delivery partners are expected to apply principle-based measures to ensure they and their downstream partners comply with this Policy. Delivery partners are also expected to have robust PSEAH policies, procedures and assurance systems in place to comply with this Policy. Non-compliance may lead MFAT to immediately suspend or terminate funding arrangements with the delivery partner.</p>	<p>Monitor progress and challenges.</p>

<sup>47</sup> <https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/preventing-sexual-exploitation-abuse-and-harassment/>



<p>Comments on missing element(s) in the Recommendation</p>		
<p>Comment on New Zealand's approach to the questionnaire</p>	<p>As Aotearoa New Zealand has recently responded to the Secretariat's interim monitoring survey on the Recommendation on Ending Sexual Exploitation, Abuse and Harassment in Development Co-operation, we have kept this response reasonably concise and focused on information that is new/additional.</p>	



## **Annex Four: DAC Recommendation on Enabling Civil Society in Development Cooperation and Humanitarian Assistance**

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The following annex is to be completed by the DAC member undergoing peer review. It is intended to monitor the implementation of the 2021 DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance<sup>48</sup>.

Respondents are requested to answer a general question on what changes have been or will be made since the Recommendation came into force on 6 July, 2021. They are invited to share implementation progress and/or plans, as well as implementation constraints, related to each of the Recommendation's three pillars, indicating the most relevant provisions that their responses address. Respondents are also invited to share areas of their enabling civil society work that they deem as offering lesson learning opportunities for other DAC members (e.g. particularly good practice). Finally, they are invited to share areas of the Recommendation they deem as needing additional toolkit(s) or guidance to help advance implementation.

### **Part A: General question**

What has changed or will be changed since the Recommendation came into force?

This question could address steps taken or planned in relation to dissemination, implementation or monitoring of the Recommendation.

The DAC Recommendation came into force on 6 July, 2021, and we have not made any major changes in response to it. Instead, we will focus our response on changes that we have made to our engagement and partnership with civil society over a longer timeframe (since the 2015 DAC Peer Review). We are well placed through Partnering for Impact to deliver on the DAC Recommendation and three pillars. The steps we have taken since 2015 include completing an evaluation of our then Partnerships for International Development (contestable) Fund (responding to the DAC Recommendation), and consultation and shared work with our NGO / CSO partners on a new way of partnering. The result of this work has been our new Partnering for Impact approach, NZIDC's primary mechanisms for engaging with NZ NGOs who are working with local partners to achieve sustainable development impact and empower local communities in the Pacific and South East Asia. Standing up Partnering for Impact has involved considerable consultation with the NGO sector, testing and refinement. We are now fully in implementation. A recent Benefits Realisation assessment has highlighted tangible development results being delivered across thematic and geographical priorities. The new approach has proven its value through a challenging COVID-19 context with emphasis on open partnership, and supporting the resilience of local partners. The approach is still early in its implementation and we will continue looking for areas where it can be strengthened, particularly with reference to the DAC Recommendation on Enabling Civil Society. A Mid Term evaluation for the Partnering For Impact programme (scheduled for 2023) will actively appraise our progress and challenges in implementing this DAC Recommendation.

Through our answer we refer to the two primary funding mechanisms introduced through the Partnering for Impact approach. These are:

1. Negotiated Partnerships: Multi-year, multi-country and multi-sector arrangements, which are agreed with those (generally larger) Aotearoa New Zealand NGOs with relevant expertise, established relationships, resources and the capability to manage an outcomes-focused programmatic approach to delivering development cooperation.

<sup>48</sup> [DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance](#)





2. Manaaki: A streamlined contestable fund for registered Aotearoa New Zealand non-governmental organisations (NZNGOs) seeking co-investment for smaller-scale development activities.

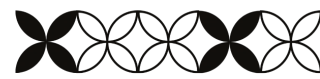
Our approach to engaging with NZ NGOs on humanitarian issues has not undergone such significant change in recent years. We will take the opportunity of the forthcoming evaluation of the New Zealand Disaster Response Partnership with NZ NGOs to assess strengths and consider areas for further strengthening in respect of the DAC recommendations.

**Part B: Progress and/or challenges with implementation**

Recommendation Pillar	Progress and Plans
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**Pillar ONE: Respecting, Protecting and Promoting Civic Space (10 provisions)**

<p>1.1 What are you doing or planning in order to implement the Pillar One provisions? Please specify to which provisions these actions apply.</p>	<p>5. / 8. / 9. Across Partnering for Impact, we have specific programming with certain NZNGOs in the areas of Governance and Democracy that work with local partners in building civil society in partner countries. Examples include:</p> <p><i>Strengthening support to local civil society organisations in Vanuatu to build governance capability in order to access climate finance (Oxfam Aotearoa)</i></p> <p><i>Enhanced capability of community partners across multiple countries to support greater advocacy and enhance the overarching civil society voice and influence (Caritas Aotearoa).</i></p> <p>1. / 2. Aotearoa New Zealand helped support a meeting of Pacific Forum island countries in Kiribati in February 2020. This resulted in the <i>Teieniwa Vision on Pacific Unity Against Corruption</i>, which was adopted by Pacific Leaders as a regional priority in February 2021. The Vision includes a number of specific references to protecting and enhancing the role of civil society, including:</p> <p><i>‘We recognise and support the right to information, the need to protect genuine whistle-blowers and for an independent civil society and responsible media to be involved in national and regional anti-corruption efforts;’</i></p> <p><i>‘We will partner with non-State actors through a Pacific network of anti-corruption champions to elevate and strengthen our shared vision of Pacific Unity Against Corruption;’</i></p> <p><i>‘We resolve to develop and review our National Anti-Corruption Strategies and policies and implementation arrangements, including within our national plans, through a participatory process which includes our civil society, youth, private sector, Parliamentarians, media and other stakeholders’</i></p>
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	<p><i>(extracts from the Teieniwa Vision)</i></p>
<p><b>1.2</b> What constraints are you facing to implement the Pillar One provisions? Please specify to which provisions these constraints apply.</p>	<p>Given the DAC Recommendation only came into force on 6 July 2021, further assessment is needed to identify our key challenges and constraints in this area.</p> <p>2. We recognise that there is benefit in increasing dialogue between partner governments and civil society in their countries to support an inclusive and independent civil society. As an integrated foreign ministry implementing a values-based foreign policy, MFAT has dialogue with partner governments about steps to enable a vibrant civil society. Reflecting the variable contexts for CSOs in partner countries this work is highly country-specific, and is identified at a broad level in Aotearoa New Zealand’s plans for our work with partner countries (‘four-year plans’).</p> <p>Our active engagement on the Teieniwa Vision is a good example of our support, (at the highest, Leaders, level), for action which has helped to protect and strengthen the space for civil society. Not all governments welcome CSO engagement, especially when this risks being critical of their policies and strategies. <sup>s9(2)(g)(i)</sup></p> <p>MFAT remains alert to opportunities to protect and enhance engagement with civil society, including for ways to promote this through our work with other partners. For example the Pacific Parliamentary Effectiveness Initiative (PPEI), managed by the UNDP, includes an activity where Pacific countries’ Parliamentary support services help provide support for MPs to understand national budgets. As part of these engagements the PPEI team will also provide a budget briefing for local CSOs.</p> <p>More generally, our Posts are aware of the importance Aotearoa New Zealand attaches to engagement with civil society as part of our inclusive approach to development, including in support of increased transparency and accountability, and are alert to the importance of protecting and enhancing this space in their dialogue with partner governments. This includes direct support for CSOs promoting gender and LGBTQ+ rights through grants to local and regional CSOs, and the targeted use of Posts' fund for small community projects (High Commission/Embassy fund).</p>
<p><b>Pillar TWO: Supporting and Engaging with Civil Society (10 provisions)</b></p>	



<p><b>2.1</b> What are you doing or planning in order to implement the Pillar Two provisions? Please specify to which provisions these actions apply.</p>	<p>1. While applications to our Negotiated Partnerships and Manaaki funding mechanisms are limited to NZNGOs, applicants must use local CSO implementing partners, with a view to capacity building and supporting locally led priorities.</p> <p>2. Our focus on emphasising the voice, capacity and capability of local partners to deliver on local priorities, provides a solid platform for sustainable development impact. We strongly encourage local voice and ownership in design and implementation, including reporting, and adaptive management of programming. All designs to date under the Partnering for Impact mechanism have been appraised to ensure they are aligned with local priorities. We continue to track this through implementation. In a 2020/21 survey, 72% of Council for International Development NGO members agreed or strongly agreed MFAT's support enhances the capability of local partners to deliver and support local priorities. In addition, the Ministry has established an external reference group with rotational membership from the NZ NGO sector to inform its strategic approach. The reference group meets with MFAT around three times a year.</p> <p>3. / 4a. Negotiated Partnership arrangements in particular provide predictable (5-year) support through NZNGOs. All ten Negotiated Partnership and 15 Manaaki designs to date have been appraised through concept and design to ensure an appropriate focus on the vulnerable and marginalised communities. All Partnering for Impact programmes and projects are monitored and appraised on a regular basis to ensure relevance, alignment and focus on marginalised and vulnerable continues through implementation.</p> <p>6. Through our Negotiated Partnerships contracts, we have increased efficiency of reporting through a programmatic approach, and introduced 6 and 12 month meetings between MFAT and partners which have a focus on discussion supported by shorter written reporting. We also encourage local partners to join these meetings via video. We have developed more efficient processes for managing contract variations, which are aligned to 6 and 12-month reporting and adaptive management processes. Also, our Negotiated Partnership partners, which have consistently accessed the majority of IDC funding over many years, no longer go through contestable funding rounds, which, over time, will reduce transaction costs and open up space for reflection, learning and collaboration for these NZ NGOs. As an example: <i>'Moving away from a competitive mechanism has opened up opportunities for sharing experiences and learning. NP NGOs hold regular, useful meetings, and have felt able to share key documents (designs, budgets, reports) to help other NGOs along.'</i> (Oxfam Aotearoa)</p>
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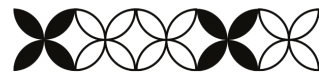


	<p>9. Under Partnering for Impact, NZ NGOs partners are required to have good safeguarding (including PSEAH) policies and systems, and to help build capacity of their local partners in these areas, and NZ policy and systems are assessed independently through due diligence processes.</p> <p>10. As above (pillar 1, provisions 1 and 2) re the work with PIF on the <i>Teieniwa Vision</i>.</p>
<p><b>2.2</b> What constraints are you facing to implement the Pillar Two provisions? Please specify to which provisions these constraints apply.</p>	<p>6. In general, our Partnering for Impact approach is more streamlined and has lower transaction costs. This is the case for Manaaki where efficiency gains (e.g. shorter concept notes and time for decision making) have been beneficial. While there is a significant up front work and process in design of multi country/sector programmatic negotiated partnerships, which some partners have found more challenging than others, there will be efficiency gains for partners that have the capabilities to manage programmatic approaches in the longer run. We continue to invest in assessing how we can further streamline process and in strengthening work with our partners.</p> <p>2. and 9. Further work is needed to monitor the capacity and capability of in-country partners as we move through implementation, to allow more effective monitoring of progress and targeting of interventions. Given the complexity of measuring in-country partner capacity, further consideration will be given to developing a simple, consistent and comprehensive measure(s) of capacity.</p> <p>7. As part of the IDC programme, Aotearoa New Zealand is supporting the Transparency International Secretariat (TI) to step up its support for civil society efforts to raise awareness about and assist in the fight against corruption across the region. As well as direct support for four Transparency International Chapters in PNG, Solomon Islands, Vanuatu and Fiji, this includes providing technical support and training for civil society organisations interested in becoming more involved in anti-corruption activities in other Pacific island countries.</p>
<p><b>Pillar THREE: Incentivising CSO Effectiveness, Transparency and Accountability (8 provisions)</b></p>	
<p><b>3.1</b> What are you doing or planning in order to implement the Pillar Three provisions? Please specify to which provisions these actions apply.</p>	<p>2 and 3. As part of Partnering for Impact, we have a robust, independently assessed due diligence process which requires NZNGOs to report and build on safeguarding and PSEAH policy and standards, as well as other areas such as financial management and governance. Adequate meeting of these due diligence standards is required before Activity designs are approved and activity funding released (although there is also scope for design funding to be used by a NZNGO to assist in early strengthening of local implementing partners in the areas of safeguarding, PSEAH, financial management and governance).</p>



	<p>We also use an independently assessed capability mapping process to identify vulnerabilities in organisational capability (e.g. programmatic management, MERL, Partnership, Design) and provide strengthening options. Our NZNGO partners take a capacity building approach to working with local CSOs.</p> <p>4. and 5. A strategic goal of Partnering for Impact is to support and empower local partners and communities - leading to a more vibrant and resilient civil society. Local ownership, direction and leadership is a key focus in design and implementation.</p> <p>6. and 7. We have spent the last 4 years building trust and developing a 'partnerships' approach with NZNGO partners, for example through 'Partnership Health Checks' and will continue to look for innovative approaches to solving development and humanitarian challenges.. We are supporting three of our larger NGOs partners to trial a joint programme in one country.</p> <p>8. All laws, regulations and regulatory requirements (e.g. licences) are required to be followed and fulfilled as part of standard contracting.</p>
<p><b>3.2</b> What constraints are you facing to implement the Pillar Three provisions? Please specify to which provisions these constraints apply.</p>	<p>2. / 3. Further work is needed to evaluate the impact that our capability-support approach is having to the capacity and capability of in-country partners.</p>
<p><b>Part C: Lessons and guidance</b></p>	
<p>What, if any, areas of your enabling civil society work do you deem as offering lesson learning opportunities for other DAC members (e.g. particularly good practice)?</p> <p><b>Partnership</b></p> <p>Through Partnering for Impact, we have implemented an approach with NGO and CSO actors that has a very intentional focus on partnership. Through this focus we strive to ensure that local partners and communities are at the forefront of our work. Examples of our good practice include: development of partnership agreements and inclusion of partnership principles in outcomes contracting; and regular partnership health-checks, with independent facilitation, and assessment against rubrics. This approach has proven to be very valuable in facilitating more positive and deeper relationships with our NGO partners and increasingly our in-country partners. As an example: <i>'we are only 2 years in, but the effect of this approach has already seen more inter-partner sharing and mentoring and the ability to be on a shared path together, which I believe is huge in achieving sustainable impact.'</i> (NZ NGO partner)</p>	
<p>What, if any, areas of the Recommendation do you deem as needing additional toolkits or guidance to support implementation?</p>	



**Localisation with CSOs**

For Aotearoa New Zealand, localisation and supporting local voice is consistent with our Pacific Resilience Approach. Despite some examples of progress towards a more localised approach, this is an area where there is room for improvement, including the development of tools and guidance to implement it systematically across our International Development Cooperation (IDC) programme. We would welcome additional guidance to support implementation. Note that we have identified Localisation (both with CSOs, and more broadly) as one of the five challenges we would like to focus on in our Peer Review, and there is more detailed reporting on areas where we see scope for improvement in the ‘strengths and challenges’ section of our self-assessment report.



## Annex Five: Implementation of the 2019 Recommendation of the Council on Policy Coherence for Sustainable Development

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The OECD Council has requested the Development Assistance Committee (DAC) to monitor progress of members against the recommendation (together with the Public Governance Committee). **This annex is focused only on coherence of policies with potential to have transboundary impacts on developing countries (Policy Coherence for Development).** Respondents are kindly requested to provide information on action under the eight principles of the recommendation. Where a dedicated PCSD profile<sup>49</sup> exists, respondents should provide updated information as needed, or confirm the validity of information previously provided. Attention is also drawn to a guidance note<sup>50</sup> on implementing the recommendation.

For each principle, please indicate a) actions taken; b) effects of these actions; and c) challenges encountered

### Vision and Leadership

#### 1. Political Commitment and Leadership

Clear Government mandates affirm that Pacific and/or global policy coherence for development should be considered during the policy-making process, and that Aotearoa New Zealand's engagement in the Pacific will draw on a wide range of government agencies.

- In the Government's international development policy released in late 2019, the International Cooperation for Effective Sustainable Development (ICESD) Policy Statement, Aotearoa New Zealand re-committed to pursue greater policy coherence in our domestic policy settings that impact on global sustainable development.
- The significant overlap between Aotearoa New Zealand's domestic and international policies where the Pacific is concerned is central to the Pacific Resilience Approach, the policy guiding Aotearoa New Zealand's engagement in the Pacific. One of the five enduring principles embedded in the approach is Turou Hawaiiiki (Navigating Together), under which Aotearoa New Zealand commits to actively consider the implications of regional and domestic policies on the Pacific.
- The Government has committed to more extensive policy coherence obligations to the Cook Islands, Niue and Tokelau, countries to which Aotearoa New Zealand holds particular constitutional obligations.

These Government mandates empower officials to consider policy coherence considerations for Pacific and/or global development during the policy process.

#### 2. Strategic Long-term Vision

As a small country with an open economy, Aotearoa New Zealand's values, interests and identity are served by a rules-based international system that effectively addresses global challenges. This commitment is reflected in the Ministry of Foreign Affairs and Trade's (MFAT's) Strategic Framework. It is critical that we play our part with domestic policy settings that align to the liberal international norms that we wish to see, like open markets, the rule of law, democratic participation, transparency and accountability. This means that in a number of areas Aotearoa New Zealand's policy settings align well with the interests of developing countries. For example, our significant natural resources (including the ninth largest Exclusive Economic Zone in the world) mean we are deeply invested in effective international stewardship of the environment.

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<sup>49</sup> [dedicated PCSD profile](#)

<sup>50</sup> [guidance note](#)



We also identify policy coherence priorities through our long-term, all-of-government strategies for Aotearoa New Zealand's engagement with Pacific partner countries (and the Pacific region). Country and regional strategies are restricted documents that set out Aotearoa New Zealand's long term goals and interests in each country or region, across all areas of foreign policy, including international development, diplomatic, trade, and environmental issues. They are led by MFAT and represent an all of Aotearoa New Zealand Government view, having been consulted and shared with other Aotearoa New Zealand Government agencies. Because these documents are confidential, they enable a free and frank assessment of potential opportunities to strengthen policy coherence that warrant particular attention.

### *3. Policy Integration*

Aotearoa New Zealand implements the SDGs domestically through the Government's wellbeing approach to policy-making. This approach takes a broad, integrated and holistic approach to sustainable development, focused on improving well-being and living standards. It is strongly aligned to (though does not explicitly reference) the SDGs. This framework is based on Treasury's Living Standards Framework, and monitoring is provided by Statistics New Zealand's Indicators Aotearoa. This domestic policy-making framework is strongly aligned to the SDGs as it outlines a series of interconnected goals that define well-being in terms of natural, human, financial/physical and social capital, mirroring the SDGs' three pillars of sustainable development. While the primary focus of this approach is the well-being of all Aotearoa New Zealanders, it also provides a framework to assess the impacts of domestic policy on developing countries.

Aotearoa New Zealand's trade policies offer examples of this integrated thinking about developing country impacts in practice:

- The Pacific Agreement on Closer Economic Relations (PACER) Plus is a landmark trade and development agreement between a number of Pacific Island countries, Aotearoa New Zealand, and Australia. It acknowledges and responds to the unique challenges that Pacific island countries face to economic development, including their small size and difficulty achieving the economies of scale needed to compete in international markets. It does this through the core trade rules agreed; through a dedicated development cooperation fund to support Pacific island countries to implement and benefit from the agreement; and through an associated regional labour mobility package that seeks to increase opportunities for labour mobility for Pacific workers.
- An example of more specific policy integration is the bilateral free trade agreement that Aotearoa New Zealand and the United Kingdom entered into in 2021, which includes a chapter on Trade and Development. This chapter articulates the impact that trade can have on sustainable development in developing countries, and how Aotearoa New Zealand and the United Kingdom will seek to support positive impacts for developing countries through their own trade policies.

## **Policy interactions**

### *4. Whole-of-Government Coordination*

MFAT is the responsible agency for implementing policy coherence for development initiatives across government, and in doing so coordinates with a range of other government agencies. MFAT maintains an extensive network of working relationships with other government agencies, at the operational and management levels. Cross-government coordination in the Pacific is a particular focus of this engagement. Cross-government



working groups with a focus on particular Pacific sub-regions or themes (e.g. security) enable better agency alignment and dialogue around Aotearoa New Zealand's international objectives, priorities, and core values that underpin our work.

A recent example of this coordination in practice relates to border setting changes in early 2022 as Aotearoa New Zealand gradually 'opened up' following a period of very tight border restrictions in response to COVID-19. The interests of Pacific island countries were a consideration that factored into the Government's decision-making.

MFAT could take a more systematic approach to this work. MFAT currently engages with other government agencies when it becomes aware of a policy issue (for example, through our own analysis or feedback from a partner government). While this 'demand-driven' approach to policy coherence for development mostly serves us well, it could be strengthened by a more formal planning approach to manage our policy coherence for sustainable development initiatives, setting inter-departmental targets and monitoring progress, as recommended in our 2015 Peer Review and reiterated in our 2018 Mid-Term Review.

### *5. Subnational Engagement*

Aotearoa New Zealand is a small country in which central government retains responsibility for most government policy and administrative functions that impact on developing countries. There is little opportunity for our subnational government entities to pursue policy coherence for development initiatives.

### *6. Stakeholder Engagement*

Policy coherence issues form part of Aotearoa New Zealand's regular and ongoing dialogue with partner countries to understand their priorities, both through regular formal whole-of-government partnerships talks ('High Level Consultations') and through less structured regular engagement led by our embassies and high commissions. Reforms to strengthen policy coherence in Aotearoa New Zealand are one of a number of levers available to respond to requests or feedback that we receive from our partner governments about their priorities. We believe that one benefit of closer integration of our international development and broader foreign policy functions within MFAT is better responsiveness to partner governments' feedback on policy coherence issues.

Policy coherence initiatives are often reflected in our Four-year Plans with a given partner or region. For example, in the 'How to put this Plan into Action' section of our Four-year Plan for Kiribati,<sup>51</sup> we identify that our goal that 'Kiribati benefits from greater shared prosperity' will be achieved by a mixture of ODA and policy coherence interventions:

"Aotearoa New Zealand will continue to work with Government of Kiribati to increase access to quality, inclusive employment. Our development support will focus on improving the quality of education and training for I-Kiribati, both domestically and through access to New Zealand scholarships. We also recognise the importance of labour mobility to Kiribati communities. While COVID-19-related border restrictions will impact access in the short term, we will continue to engage with Government of Kiribati on its ambitions to grow labour mobility opportunities in Aotearoa New Zealand."

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<sup>51</sup> Available here: [Kiribati | New Zealand Ministry of Foreign Affairs and Trade \(mfat.govt.nz\)](https://mfat.govt.nz/kiribati)



We do not have any forums dedicated to discussing policy coherence with Aotearoa New Zealand-based stakeholders, but policy coherence issues are part of our engagement with civil society on international development issues in Aotearoa New Zealand. For example, our ‘Pacific Update’ seminars led by a senior MFAT official seek to inform stakeholders about MFAT’s key priorities for engagement with the Pacific region, such as COVID-19 response and climate change, which have a strong policy coherence impact. These public seminars are particularly focused on Pacific diaspora, who have a particular insights on policy coherence issues. We also periodically engage with NGOs through their umbrella body (the Council for International Development), and with academia through the national development studies network (DevNet). Though policy coherence is not a primary focus of our engagement with these groups, it is sometimes part of the agenda.

## Impact

### 7. Policy and Financing Impacts

As noted in the ‘Political Leadership and Commitment’ section, Aotearoa New Zealand’s Government has a clear mandate that policy coherence for both global and Pacific policy coherence should be considered in the policy-making process. This mandate is often given effect through the involvement of MFAT’s Pacific and Development Group in policy-making.

In terms of research, MFAT commissioned a major external research project to identify areas for potential future policy coherence gains<sup>52</sup>. The findings of the report, published in 2015, indicated that the broad areas of focus for existing PCSD work were fit for purpose, but that more could be done to strengthen policy coherence within the priority areas. Subsequent research on policy coherence opportunities has focused on specific initiatives. One example where there has been substantial research is Pacific labour mobility. Aotearoa New Zealand’s Recognised Seasonal Employer Scheme, a scheme administered by the Ministry of Business, Innovation and Employment, has been the subject of significant research and evaluation on impacts, as well as the subject of independent research conducted by academics and researchers. This wide-ranging research into the impacts of this scheme has been used to inform policy development to strengthen Pacific labour mobility in the future.

Aotearoa New Zealand also utilises work done by other researchers and institutions to help identify the most significant global and regional policy coherence challenges that we can seek to address. One example in our region is the World Bank’s *Pacific Possible* series,<sup>53</sup> which identified the sectors most likely to drive sustainable long-term economic growth for developing countries in our region. Aotearoa New Zealand’s domestic policy settings in trade, information technology, migration, education and other sectors can play a meaningful role in supporting Pacific island countries to take advantage of the longer-term economic opportunities they are presented with.

One recent example of the policy impact of a long-standing Aotearoa New Zealand policy coherence priority is the WTO Agreement on Fisheries Subsidies, agreed in June 2022.<sup>54</sup> Aotearoa New Zealand has a long-standing policy of not subsidising its fisheries fleets because subsidies to an industry based on an open-pool resource lead to harmful outcomes for both the environment (overfishing) and for developing countries’ economies

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<sup>52</sup> The report is published here: <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Research/Opportunities-to-Improve-NZ-Policy-Coherence-for-Development.pdf>

<sup>53</sup> [Pacific Possible : long-term economic opportunities and challenges for Pacific Island Countries \(worldbank.org\)](https://www.worldbank.org/en/publication/pacific-possible)

<sup>54</sup> Refer here for more detail: [New Zealand leadership contributes to significant progress at the WTO | Beehive.govt.nz](https://www.beehive.govt.nz/news/new-zealand-leadership-contributes-to-significant-progress-at-the-wto)  
INTD-94-2968



(creating an unfair playing field for their commercial fisheries industry). After over twenty years of diplomacy on this issue, this recent WTO Agreement is an example of global policy coherence improvements that were delivered by the leadership of Aotearoa New Zealand and other nations who champion the removal of fisheries subsidies.

#### *8. Monitoring, Reporting and Evaluation*

Aotearoa New Zealand monitors our score on the Commitment to Development Index, run by the Centre for Global Development, as the pre-eminent global index of policy coherence for development. We analyse our annual results and disseminate reporting on them both across MFAT and to a range of other government departments. We have periodically discussed the index with CGD, including areas where we believe the methodology used doesn't fairly reflect Aotearoa New Zealand's policy settings.

Responsibility for monitoring, reporting and evaluation of specific policy coherence initiatives is held by the lead agency responsible for that area i.e. we do not have a broader monitoring and evaluation framework for all of Aotearoa New Zealand's policy coherence initiatives. For example, monitoring of the impact of trade, environmental or labour mobility policies on developing countries would be the responsibility of the lead policy agency in each area.



## Annexes Six and Seven: Human Resources Information for the IDC Programme by Location (On-shore and Off-shore) and Gender | MFAT PDG Organisational Chart

This is a summary of the organisational structure of the New Zealand Ministry of Foreign Affairs and Trade's Pacific and Development Group (PDG), providing the number of Full-Time Equivalent (FTE) staff working in international development roles and a breakdown of PDG staff by gender.

In summary, we have 224 FTE in development roles in our head office, and 110 in our country offices, giving a total organisational headcount of 334 development staff.

Our response calculates the number of Full-Time Equivalent (FTE) MFAT staff working on international development. It is important to note that the integration of our foreign policy and development function makes it difficult to perfectly categorise whether a role is in international development. This is particularly true in management roles. For this reason, to arrive at our figures for the Pacific Polynesia and French Pacific and Pacific Melanesia and Micronesia Divisions we have removed the equivalent of one FTE for each country in a division's given area, and then 0.5 FTE for each of the leadership roles in a division (Unit Manager, Lead Adviser and Division Manager) to reflect the foreign policy function of our teams. The remaining FTE count is an indicative figure for development staffing.

For our Pacific country offices, we attribute 50% of the time of the head of the country office (High Commissioner/Ambassador) and of all corporate roles (e.g. Administration Manager; Finance Manager; High Commissioner's Executive Assistant) to development.

### On-Shore Positions

Division	Position Title	Number of SNZ Positions	Number of Development Positions
Business Support	Business Operations Manager	1	
	Senior Group Administrator	1	
	Team Administrator	1	
	Team Administrator/Development Support Officer	8	
	Team Leader, Business Services	1	
			<b>12</b>
DCI	Adviser PQC	1	
	Adviser - Data Quality	1	
	Adviser MERL	3	
	Business Analyst	1	
	Business and Online Tools Analyst	1	
	Business Architect	1	
	Business Systems Trainer	2	
	Change Manager	1	
	Data and Reporting Analyst	3	
	Development Legal Counsel	4	
	Development Legal Counsel - Team Leader	1	
	Divisional Manager	1	





	Enquire Systems Tester	1	
	Governance & Training Coordinator	1	
	Lead Adviser Development Quality	1	
	Project Coordinator Development	6	
	Senior Adviser Business Cases & Governance	1	
	Senior Adviser MERL	4	
	Senior Adviser Practice & Capability	1	
	Senior Adviser Transparency	1	
	Senior Adviser, Safeguarding	1	
	Senior Data and Reporting Analyst	1	
	Senior Health, Safety and Risk Adviser	1	
	Systems Business Analyst	1	
	Systems Service Support	1	
	Team Leader, Project Coordination	1	
	Test Lead	1	
	Unit Manager Development Data and Systems	1	
	Unit Manager MERL	1	
	Unit Manager Practice, Quality & Capability	1	
<b>DCI Total</b>		<b>46</b>	<b>46</b>
<b>DEVECO</b>			
	Adviser Energy & Transport	1	
	Adviser Trade and Economic	1	
	Divisional Manager	1	
	Lead Adviser	2	
	Lead Adviser Energy	1	
	Lead Adviser Infrastructure	1	
	Lead Adviser, Governance	1	
	Policy Officer	8	
	Portfolio Manager, Multi Country Fund	1	
	Programme Manager	2	
	Senior Adviser	1	
	Senior Adviser Agriculture	1	
	Senior Adviser Economics	2	
	Senior Adviser Governance	1	
	Senior Adviser Industry and Innovation	1	
	Senior Adviser Infrastructure	1	
	Senior Adviser Private Sector	1	
	Senior Adviser Tourism	1	
	Senior Adviser Transport	1	
	Unit Manager Governance & Economics	1	
	Unit Manager Industry & Innovation	1	
	Unit Manager Infrastructure and Energy	1	
<b>DEVECO Total</b>		<b>32</b>	<b>32</b>
<b>DEVPP</b>	Adviser	3	



	Adviser Climate Change & Environment	2	
	Adviser, Health	1	
	Divisional Manager People and Planet Division	1	
	Education Adviser	1	
	Lead Adviser Climate Change and Environment	1	
	Lead Adviser Delivery	1	
	Lead Adviser Education	1	
	Lead Adviser Equity and Inclusion	1	
	Lead Adviser Peace, Fragility & Security	1	
	Lead Adviser, Climate Change: Social & Security	1	
	Lead Adviser, Health	1	
	Policy Officer	3	
	Programme Manager	2	
	Programme Manager Health	1	
	Senior Adviser	5	
	Senior Adviser Climate Change and Environment	2	
	Senior Adviser Climate Finance	1	
	Senior Adviser Design and Delivery	2	
	Senior Adviser Education	1	
	Senior Adviser Environment & Biodiversity	1	
	Senior Adviser Gender	1	
	Senior Adviser Human Rights	1	
	Senior Adviser Youth	1	
	Senior Communications Adviser	1	
	Unit Manager Climate Change & Environment Delivery	1	
	Unit Manager Climate Change & Environment Policy	1	
	Unit Manager Education & Social Inclusion	1	
	Unit Manager Health	1	
<b>DEVPP Total</b>		<b>41</b>	<b>41</b>
Dep Sec Office	Executive Assistant	1	
	Lead Adviser - Planning & Results	1	
	Lead Adviser Development Policy	1	
	Policy Officer	2	
	Principal Adviser	1	
	Special Adviser	2	
PDG	Ambassador for Gender Equality (Pacific) - Tuia Tāngata	1	
	Deputy Secretary PDG	1	
<b>DSO Total</b>		<b>10</b>	<b>8</b>
GDS			



	Campaigns and Communities Specialist	1	
	Development Support Officer	1	
	Divisional Manager	1	
	Lead Adviser	1	
	Policy Officer	7	
	Portfolio Manager	1	
	Senior Management Accountant	1	
	Scholarships	1	
	Senior Policy Adviser	1	
	Senior Policy Adviser Scholarships	2	
	Senior Policy Officer	3	
	Senior Position Adviser, Scholarships Improvement	1	
	Senior Scholarships Officer	1	
	Unit Manager	2	
<b>GDS Total</b>		<b>23</b>	<b>23</b>
PACMM	Divisional Manager	1	
	Policy Officer	9	
	Portfolio Manager, 4 Year Plan	1	
	Senior Policy Officer	7	
	Unit Manager	2	
<b>PACMM Total</b>		<b>20</b>	<b>12.5</b>
PACPF	Administrator - Tokelau	1	
	Divisional Manager	1	
	Lead Adviser	1	
	Lead Adviser Realm/French Pacific	1	
	Policy Officer	9	
	Portfolio Manager	1	
	Senior Adviser Cook Islands Development	1	
	Senior Policy Officer	6	
	Unit Manager	2	
<b>PACPF Total</b>		<b>23</b>	<b>14.5</b>
PHM	Adviser - Fund Manager	1	
	Adviser - Partnerships	3	
	Divisional Manager	1	
	Lead Adviser Partnering & Insights	1	
	Lead Adviser Policy Strategy & Sector Engagement	1	
	Lead Adviser, Development Banks	1	
	Lead Adviser, Humanitarian	2	
	Lead Adviser, United Nations	1	
	NZ Disaster Response Partnership Fund Manager	1	
	Policy Officer	7	
	Portfolio Manager, Partnerships	1	
	Programme Manager	2	



	Senior Policy Adviser	2	
	Senior Policy Officer	3	
	Unit Manager	1	
	Unit Manager Climate & Environment	1	
	Unit Manager, Humanitarian and Disaster Management	1	
<b>PHM Total</b>		<b>30</b>	<b>30</b>
PRG	Adviser Pacific	1	
	Director for Pacific Connections	1	
	Divisional Manager	1	
	Executive Assistant	1	
	Lead Adviser	1	
	Lead Adviser, Pacific Ocean and Fisheries	1	
	Policy Officer	10	
	Portfolio Manager	1	
	Senior Adviser	1	
	Senior Adviser Pacific	1	
	Senior Adviser, Fisheries	1	
	Senior Adviser, Pacific and Tokelau Fisheries	1	
	Senior Adviser, Pacific Regional Division	1	
	Senior Policy Adviser	1	
	Senior Policy Officer	6	
	Unit Manager	2	
	Unit Manager Fisheries	1	
<b>PRG Total</b>		<b>32</b>	<b>16</b>
<b>Grand Total</b>		<b>269</b>	<b>224</b>

### Off-Shore

Division	Unit	Position Title	Number of SNZ Positions	Staff Employed at Post - Positions	Grand Total	Development Roles
PACMM	Solomon Islands - HONIARA (HON)					
		Counsellor Development	1		1	
		Development Program Coordinator		1	1	
		Development Programme Coordinator		3	3	
		First Secretary	1		1	
		First Secretary/DHOM	1		1	
		High Commissioner	1		1	



	Housekeeper/Maintenance/Gardeners		5	5	
	Research / Communications Officer		1	1	
	Second Secretary	2		2	
	Team Administrator		6	6	
<b>HON Total</b>		6	16	<b>22</b>	10
Papua New Guinea - PORT MORESBY (PMY)	Administration Manager	1		1	
	Housekeeper/Maintenance/Gardeners		4	4	
	Counsellor	1		1	
	Development Programme Coordinator		4	4	
	First Secretary	1		1	
	First Secretary (Development)	1		1	
	High Commissioner	1		1	
	Policy Adviser		1	1	
	Second Secretary (Development)	1		1	
	Team Administrator		7	7	
<b>PMY Total</b>		6	16	<b>22</b>	11.5
Fiji - SUVA (SVA)	Administration Manager	1		1	
	Counsellor	1		1	
	Counsellor Development	1		1	
	Development Programme Coordinator (Bilateral)		2	2	
	Development Programme Coordinator (Regional)		1	1	
	Development Programme Coordinator (Scholarships)		1	1	
	First Secretary	1		1	
	First Secretary (Development)	1		1	
	First Secretary (Trade and Economic)	1		1	
	High Commissioner	1		1	
	Housekeeper/Maintenance/Guards		5	5	
	Policy Adviser		1	1	
	Property & Services Manager		1	1	
	Second Secretary	1		1	
	Senior Development Programme Coordinator		1	1	
	Senior Team Administrator (Finance)		1	1	
Team Administrator		4	4		



		Team Administrator Development		1	1	
	SVA Total		8	18	<b>26</b>	15
	Kiribati - TARAWA (TAR)	Development Officer		2	2	
		Development Programme Coordinator		1	1	
		First Secretary	2		2	
		Administration Manager	1	1	1	
		High Commissioner	1		1	
		Housekeeper/Maintenance/Guards		7	7	
		Senior Development Programme Coordinator		2	2	
		Team Administrator		2	2	
	TAR Total		4	14	<b>18</b>	7.5
	Vanuatu - PORT VILA (VLA)	Counsellor	1		1	
		Development Programme Coordinator		1	1	
		First Secretary	1		1	
		First Secretary (Political)	1		1	
		Gardener/Housekeeper		4	4	
		High Commissioner	1		1	
		Administration Manager	1		1	
		Policy Adviser		1	1	
		Programme Manager		1	1	
		Second Secretary	1		2	
		Senior Programme Manager		2	2	
	Team Administrator		4	4		
	VLA Total		6	13	<b>19</b>	11
	PACMM Total		30	77	<b>107</b>	<b>55</b>
PACPF	Samoa - APIA (API)	Administration Manager		1	1	
		Development Programme Coordinator		3	3	
		First Secretary	1		1	
		High Commissioner	1		1	
		Maintenance Assistant/Domestic Staff		2	2	
		Scholarship Programme Coordinator		1	1	
		Second Secretary	1		1	
		Second Secretary (Political)	1		1	
		Senior Development Programme Coordinator		1	1	
	Team Administrator		6	6		
	API Total		4	14	<b>18</b>	11



Niue - NIUE (NIU)	Administration Manager		1	1	
	Development Program Coordinator		1	1	
	First Secretary	1		2	
	Gardener/Domestic Staff		4	4	
	High Commissioner	1		1	
	Team Administrator		1	1	
<b>NIU Total</b>		<b>2</b>	<b>7</b>	<b>9</b>	<b>3</b>
New Caledonia - NOUMEA (NOU)	Administration Manager		1	1	
	Consul-General	1		1	
	Gardener/Domestic Staff		2	2	
	Policy Adviser		2	2	
	Second Secretary	1		1	
	Team Administrator/Executive Assistant		1	1	
<b>NOU Total</b>		<b>2</b>	<b>6</b>	<b>8</b>	
Tonga - NUKU'ALOFA (NUK)	Administration Manager		1	1	
	Counsellor/Deputy Head of Mission	1		1	
	Development Programme Coordinator		2	2	
	First Secretary	1		1	
	High Commissioner	1		1	
	Housekeeper/Cleaner		2	2	
	Public Diplomacy & Policy Adviser		1	1	
	Scholarships and Team Administrator		1	1	
	Second Secretary	1		1	
	Senior Development Programme Coordinator		1	1	
	Team Administrator		4	4	
<b>NUK Total</b>		<b>4</b>	<b>12</b>	<b>16</b>	<b>9.5</b>
Cook Islands - RAROTONGA (RRO)	Administration Manager		1	1	
	First Secretary - Development	1		1	
	First Secretary			1	
	High Commissioner	1		1	
	Housekeeper		1	1	
	Senior Development Programme Coordinator		2	2	
	Maintenance and Groundskeeper		2	2	
	Team Administrator		4	4	





	RRO Total		3	10	<b>13</b>	5.5
<b>PACPF Total</b>			15	50	64	<b>29</b>
Non-Pacific Development Roles	US (Covering Federated States of Micronesia, Republic of Marshall Islands and Palau) - HONOLULU (HLU)	First Secretary	1			
	HLU Total					1
	Thailand - BANGKOK (BKK)	First Secretary	1			
		SEP	3			
	BKK Total					4
	Timor-Leste - DILI (DIL)	First Secretary	1			
		SEP	3			
	DIL Total					4
	Viet Nam -HA NOI (HAN)	SEP	2			
	HAN Total					2
	Indonesia - JAKARTA (JAK)	Counsellor	1			
		SEP	5			
	JAK Total					6
	Philippines - MANILA (MLA)	SEP	1			
	MLA Total					1
	US - NEW YORK (NYK)	First Secretary	0.5			
	NYK Total					0.5
	Switzerland - GENEVA (GVA)	SEP	1			
	GVA Total					1
	Belgium - BRUSSELS (BRU)	Counsellor	1			
BRU Total					1	
Japan - TOKYO (TKY)	First Secretary	1				
TKY Total					1	
Australia - CANBERRA (CBA)	First Secretary	1				
CBA Total					1	



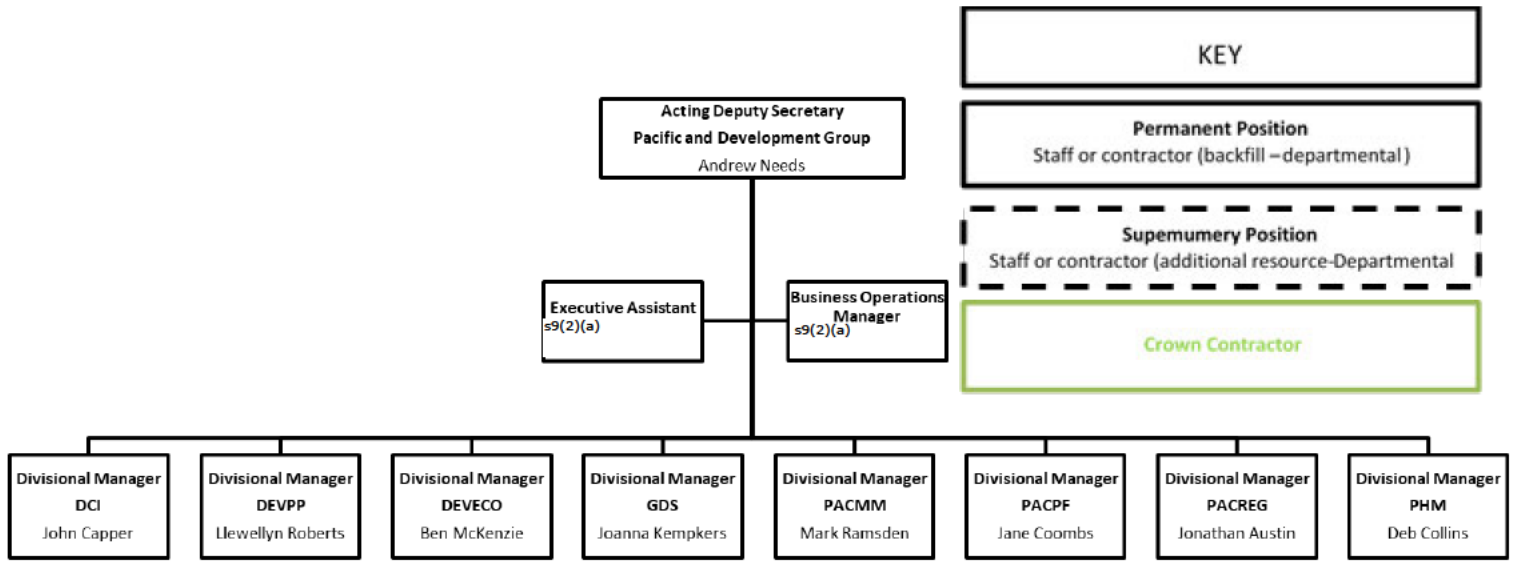
	France - PARIS (PAR)	First Secretary	0.5			
	PAR Total					0.5
	Ethiopia - ADDIS ABABA (AUE)	First Secretary	1			
		SEP	1			
	AUE Total					2
	South Africa - PPRETORIA (PRE)	SEP	1			
	PRE Total					1
Non-Pacific Total						26
Grand Total			47	127	171	110

### Gender Breakdown

Employment Type	Female	Male	Gender Diverse	Self-Describe	Prefer Not to Say	No Data	Grand Total
SNZ	174	88	4	2		3	271
Seconded In		1					1
Staff Employed at Post	25	11		1	72		109
Contractor	21	12					33
<b>Grand Total</b>	<b>220</b>	<b>112</b>	<b>4</b>	<b>3</b>	<b>72</b>	<b>3</b>	<b>414</b>



### Pacific and Development Leadership Team



### Office of the Deputy Secretary Pacific and Development Group Planning, Policy and Results – DS PDG PPR

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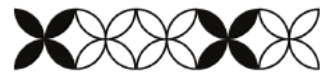


**Pacific and Development Group Communications and Media Team – PDG CMD**

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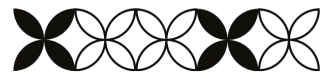
**Business Services and Operations – BSO**

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**Partnerships, Humanitarian and Multilateral – PHM**

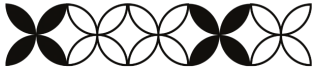
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**Development Capability and Insights – DCI**

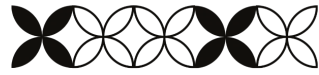
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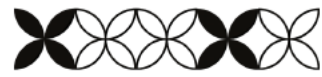
**Global Development and Scholarships – GDS**

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**Development Economy and Prosperity - DEVECO**

s9(2)(a)



**Development People and Planet – DEVPP**

s9(2)(a)



**Pacific Regional - PACREG**

s9(2)(a)



**Polynesia and French Pacific – PACPF**

s9(2)(a)



**Melanesia and Micronesia – PACMM**

s9(2)(a)



## **Annex 11: PDG Policies and Strategies**

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**This guidance note sets out the policy and strategy settings for the Pacific and Development Group (PDG) and its International Development Cooperation (IDC) programme within the Ministry of Foreign Affairs and Trade.**

*It is useful to first clarify the difference and relationship between policies and strategies.*

**Policies** guide ‘how’ we work, articulating fixed commitments, values and guiding principles. We can broadly differentiate between “big P” Policies, which confirm the Government’s intent, and “small p” policies, which translate the intent of Government to organisational rules and guidelines.

**Strategies** (and corresponding plans) set out time-bound objectives or goals, and the roadmap for achieving these goals. The principles and values identified within policy direct both the context and content of strategies, but our planning and performance measurement are based on strategy, not policy.

### **PDG Policy Settings**

*Cabinet-mandated policies reflect international commitments, and Government views, and set PDG and the IDC programme’s direction at the highest level*

### **The International Cooperation for Effective Sustainable Development (ICESD) Policy<sup>55</sup>**

The ICESD policy agreed by Cabinet late 2019 sets out the guiding principles for the allocation and delivery of our international development cooperation (both financial and policy). The policy confirms our support for the 2030 Agenda for Sustainable Development, including the Sustainable Development Goals (SDGs), with its four pillars of people, planet, prosperity and peace. It states that our funding will have a primary geographic focus in the Pacific (at least 60 percent of our total IDC funding), a secondary focus on South East Asia, and achieve global reach through a range of programmes, including strong multilateral engagement and humanitarian assistance.

The policy also establishes that through our IDC we will seek effective, inclusive, resilient, and sustained outcomes. We refer to these as our ‘IDC Quality Domains<sup>56</sup>.’ Our commitment to global agreements on Development Effectiveness is also embedded in ICESD.

The ICESD policy is operationalised in various internal ‘small p’ policies as well as in guidance and templates that drive the IDC programme (such as the humanitarian action policy and the forthcoming IDC Quality and Safeguarding Policy and in the AMA template). It is also reflected in our strategies and plans.

### **The ‘Resilience Approach’ – our New Approach to Pacific Engagement**

On 4 October 2021, Cabinet approved a new approach to Aotearoa New Zealand’s Pacific Engagement across two Cabinet papers:

New Zealand’s Pacific Engagement: From Reset to Resilience<sup>57</sup>

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<sup>55</sup> [The International Cooperation for Effective Sustainable Development \(ICESD\) Policy](#)

<sup>56</sup> [IDC Quality Domains](#)

<sup>57</sup> [Proactive Release – New Zealand’s Pacific Engagement: From Reset to Resilience | New Zealand Ministry of Foreign Affairs and Trade \(mfat.govt.nz\)](#)





New Zealand's Pacific Engagement: Moving from COVID-19 response to recovery and longer term resilience<sup>58</sup>

The papers confirm a move from a “Reset” to a “Resilience” approach to Aotearoa New Zealand's engagement in the Pacific, putting Pacific countries at the centre of our engagement. The Reset to Resilience paper:

- Recognises the mana of each nation, reinforcing our whanaungatanga connections to the wider Pacific
- Affirms that we will accompany our partners on a path towards achieving the Sustainable Development Goals as a shared commitment
- Targets our international development cooperation to support long-term resilience
- Harnesses regional and multilateral action to support Pacific priorities.

Through these papers, Cabinet has confirmed new enduring principles, which will guide Aotearoa New Zealand's overall engagement, and how we partner, in the Pacific region. They are:

- **Tātai Hono (The recognition of deep and enduring whakapapa connections)**
- **Tātou Tātou (All of us together)**
- **Whāia te Taumata Ōhanga (Journey towards a circular economy)**
- **Turou Hawaiiki (Navigating together)**
- **Arongia ki Rangiātea (Focus towards Excellence).**

The Minister of Foreign Affairs has approved a tailored version of the enduring principles for our IDC engagement outside the Pacific, and these are reflected in our new ‘Global Development Strategy’ and in GDS four-year plans. Partnerships, Humanitarian and Multilateral (PHM) division has also adopted these principles for its four-year plans. The enduring principles for IDC engagement beyond the Pacific are:

- **Te Puna Manaaki (Fountain of support)**
- **Raranga te Muka (Weaving the strands)**
- **Tātou Tātou (All of us together)**
- **Te Pae Tawhiti (A shared horizon).**

The second Cabinet paper confirms that taking a resilient development approach will target investments that strengthen the environment, economy, and societies to withstand shocks and manage crises while protecting future well-being. It clarifies that alongside long-term investment in resilience, we also need to continue to provide short-term support to deal with the immediate and continuing impacts of COVID-19. To emphasise the very broad conceptualisation of resilience, the paper introduces five interconnected resilience ‘pillars’: cultural and intergenerational resilience, social resilience, governance resilience, climate and disaster resilience, and economic and fiscal resilience. Together, the two papers form the ‘Pacific Resilience Approach’ Policy.

*The ICESD Policy, alongside the Pacific Resilience Approach (including the enduring principles), help guide ‘how’ PDG delivers its goals across its integrated settings.*

The ‘Pacific Resilience Approach’ complements and reinforces the ICESD policy, to guide our development cooperation in the Pacific region. The enduring principles and the domains underpinning the policies outlined above help shape ‘how’ PDG delivers across all our integrated actions. Like the two Policies they are drawn from, each set of principles has a slightly different purpose, but they are complementary and mutually reinforcing and one does not replace the other.

<sup>58</sup> <https://www.mfat.govt.nz/en/media-and-resources/proactive-release-new-zealands-pacific-engagement/>



*The ‘Resilience Approach’ deals with how we partner and engage in the Pacific, while the ICESD resilience principle refers to how we deliver development.*

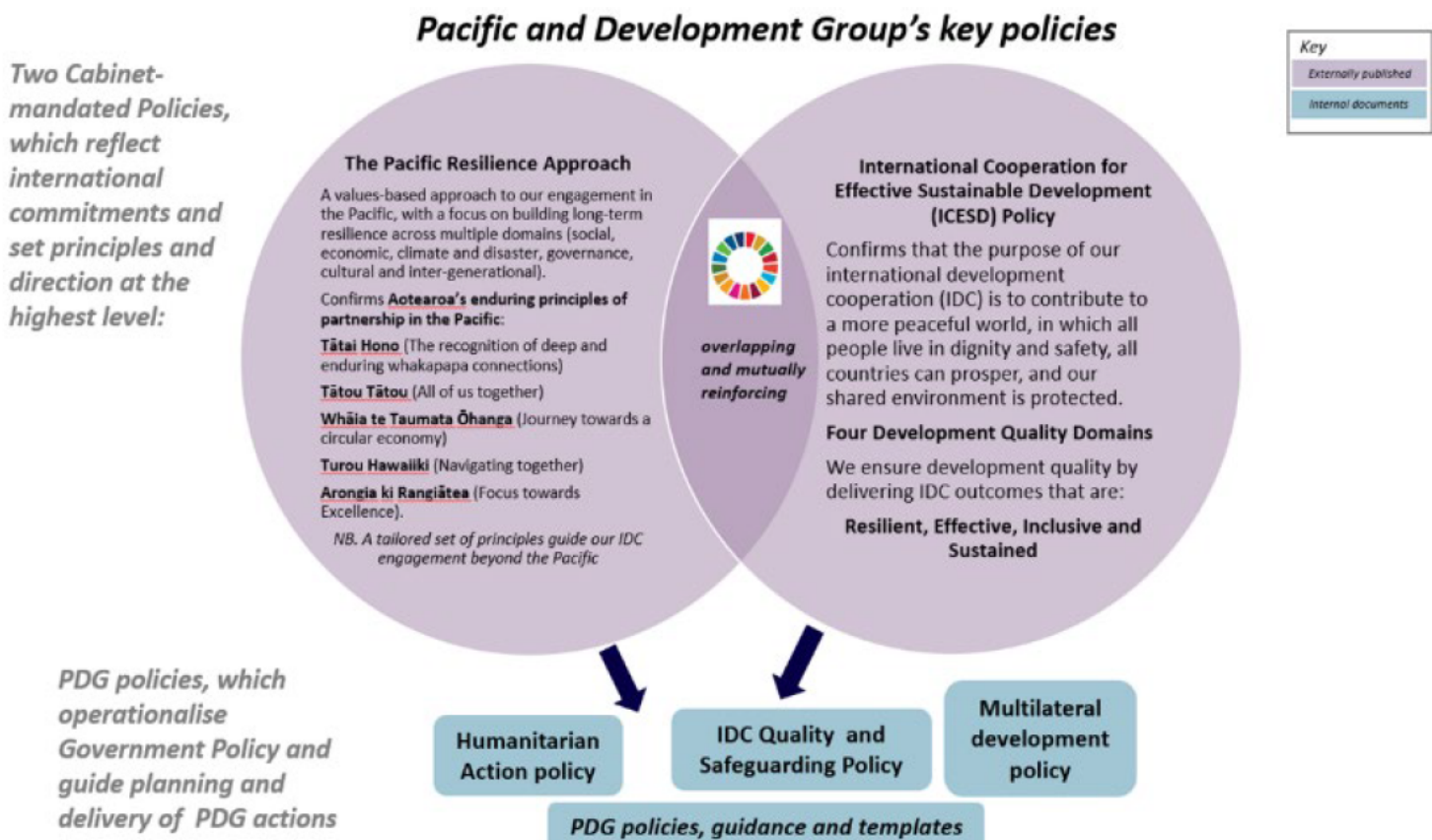
The ICESD policy confirms that we pursue development cooperation outcomes that are effective, inclusive, resilient and sustained. This deals with what we can do to support resilience. The guidance identifies five elements of ‘resilient’ as:

- Strengthening responses to climate change, and supporting countries’ transition away from fossil fuel use
- increasing economic and social resilience to disasters and other external shocks,
- supporting durable and inclusive peace and security, particularly addressing causes of instability.
- identifying and managing negative impacts on the environment, and promoting sustainable management of natural resources.

The Pacific Resilience Approach deals with how we manage our relationships and approaches to support resilience. It cuts across all PDG’s actions (both development and foreign policy), and reinforces all four ICESD quality domains. The Resilience Approach for our Pacific engagement strongly draws upon ideas in the ‘sustained’ quality domain, about ensuring that our work, is locally-led and owned, and that we build partner’s capacity through our support.

The five resilience ‘pillars’, reflect how to support resilience across multiple interconnected domains, while the enduring principles help frame how we engage with our partners. As is appropriate for Policy, the overall approach will be embedded across all our work rather than used as a planning and performance framework.

**Figure one**





## PDG Strategies and Plans

### *MFAT's strategic framework represents the overarching strategy for our work*

With its seven goals, and accompanying outcomes and results, the Ministry's strategic framework<sup>59</sup> is the overarching strategic plan supporting MFAT's purpose statement. PDG contributes to all of MFAT's goals, but most significantly the Pacific Goal. The Pacific Goal references and reinforces both the ICESD Policy and the Resilience Approach, and clarifies how PDG contributes to the Ministry's objectives.

### *Recently refreshed Country Strategies and Four-year plans should crystallise all our policies and commitments, and guide the 'what'*

PDG's internal planning and performance system is based on a set of strategies and corresponding Four Year Plans. These documents provide the strategic and planning mechanisms to help us determine 'what' outcomes we will deliver, and how we will know if we have delivered them.

<sup>59</sup>(2)(f)(iv)

**The global development strategy** guides our IDC beyond the Pacific, and provide strategic direction for relevant 4YPs.

The forthcoming **International Climate Finance Strategy**, will provide the strategic framing for Aotearoa's new Climate Finance Commitment, which PDG is responsible for delivering. This will be a published document. This strategy will inform climate investment within 4YPs.

**Four-year plans**<sup>60</sup> are rolling plans, which guide the integrated planning and management of Aotearoa New Zealand's overall engagement and guide a pipeline of IDC programme investments. Most are geographic, but some are thematic (partnerships, multilateral, humanitarian). 4YPs are developed by MFAT and consulted at officials' level with partner countries as well as with Aotearoa New Zealand government agencies (where relevant). The plans are published on MFAT's external website, and refreshed on an annual basis.

Additionally, **Statements of Partnership** – are political-level arrangements between the Aotearoa New Zealand and Pacific (and some South East Asian) partner governments setting out joint principles, values and priorities of both countries for mutual benefit and accountability. The Aotearoa side of these statements should be directly consistent with four-year plans.

Strategies and four-year plans reflect Aotearoa New Zealand interests and values, the commitments and policies we have signed up to internationally and domestically, and align to our partners' priorities. The strategies and

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<sup>59</sup> [Our strategic direction | New Zealand Ministry of Foreign Affairs and Trade \(mfat.govt.nz\)](#)

<sup>60</sup> [Four-year plans](#)

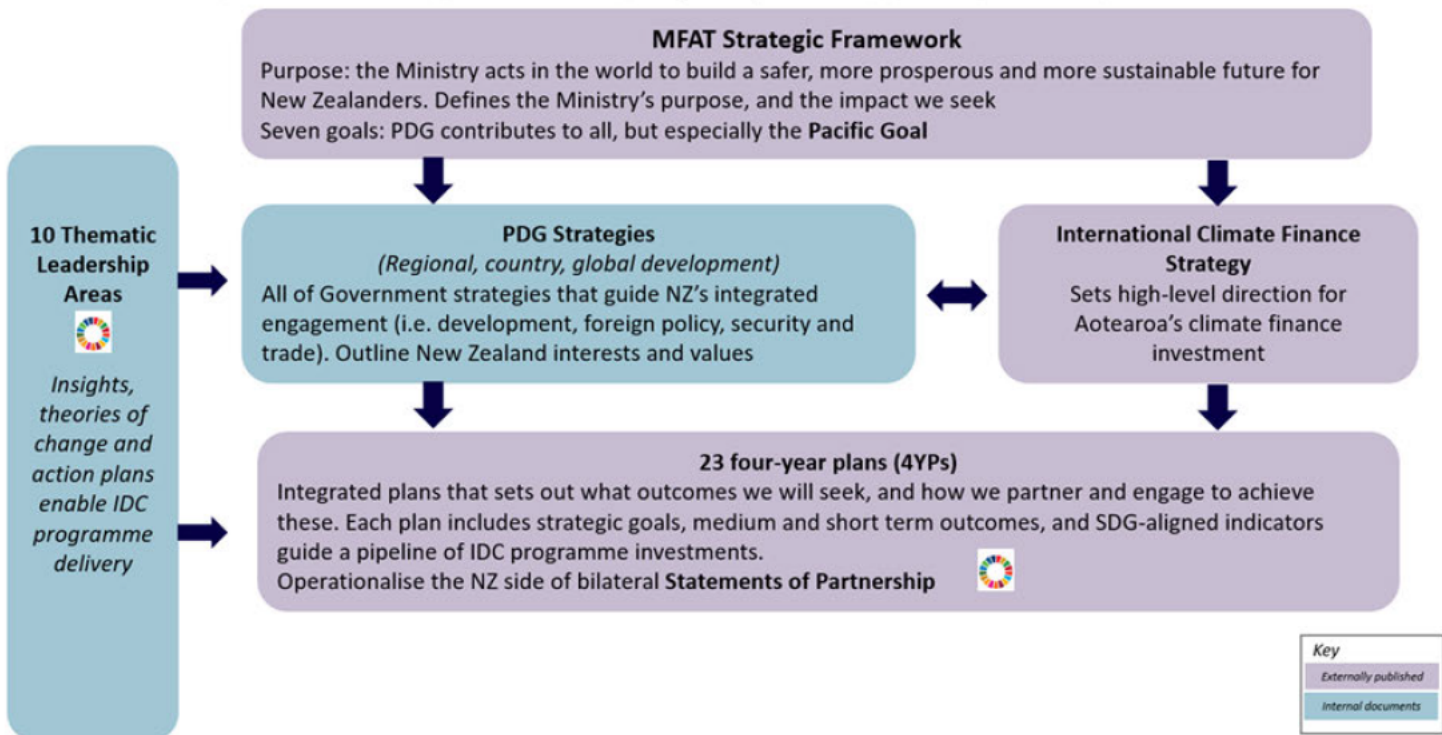




four-year plans reinforce our commitment to partnership and country ownership, reflecting both the Resilience Approach, and the Development Quality Domains. Importantly, the four-year plans are a key document to affirm and bring to life our support for the SDGs. While our policies confirm our commitment to the SDGs, our four-year plans are where we take action to support the SDG goals and targets which our partners prioritise, and monitor against these. Four-year plans are refreshed on an annual basis, reflecting any changes in context and/or policy/strategy settings.

**Figure two**

***Pacific and Development Group’s (PDG) strategy and planning architecture***



***Ten thematic leadership areas support delivery of our strategies and four-year plans***

PDG has confirmed ten **thematic leadership areas**. Thematic leadership areas guide and support delivery of four-year plans, and are not standalone strategies. In addition insights from across the thematic leadership areas help shape our strategies. Our new four-year plans set out which thematic leadership areas will be a focus for each, and PDG teams which lead on these areas are developing guidance, theories of change, ‘action plans’ and other material to support delivery of four-year plans.

The Development Quality Domains confirm and clarify that some of the thematic leadership areas should be ‘mainstreamed’ across all of our work (regardless of sector) to help ensure that the IDC we deliver is effective, inclusive, resilient and sustained. These include human rights, gender, children and youth and climate change. Work is ongoing to help guide staff on mainstreaming and how to apply the quality domains more broadly.



**Figure: PDG's Thematic Leadership Areas**





## A Note on Language

USE	DON'T USE
The International Development Cooperation (IDC) Appropriation	Vote: ODA
The IDC Programme	The New Zealand Aid Programme
Development assistance, IDC funding, development cooperation funding, development financing	ODA
Aotearoa New Zealand	New Zealand
<sup>s6(a)</sup>	
Pacific Island Countries	PICs/PICTs

### Ngā Hoe Tuputupu-mai-tawhiti

The Te Reo Māori name meaning 'the paddles that bring growth from afar'. This name was given to the New Zealand Agency for International Development (as it was then known), when it was a standalone agency. MFAT has endorsed and encouraged us to use this term to refer to the IDC programme.

### Aotearoa New Zealand

As a bilingual nation, both the Te Reo Māori name and English name for our country (i.e. Aotearoa New Zealand) should be used. The exception to this is when 'New Zealand' alone is included in an official name; for example, the 'New Zealand Defence Force'.

### Votes, Appropriations and Allocations

Vote:ODA as a separate appropriation no longer exists and Aotearoa New Zealand's International Development Cooperation is now funded by a separate appropriation within Vote:Foreign Affairs. In the IDC appropriation money is divided into five programme allocations aligned to Aotearoa New Zealand's focus areas: Pacific Development Cooperation, Global (Non-Pacific) Development Cooperation, Humanitarian Assistance, Multilateral Agency and Partnerships, and Other Funds (e.g. Strategic International Development Fund (SIDF) and Monitoring, Evaluation, Research and Learning (MERL)).

As we move through the triennium, we update programme allocations based on reallocation and re-prioritisation decisions. 'Appropriation' refers to the whole IDC funding envelope. 'Allocation' refers to the five sub-groupings listed above.

There is an important distinction between the IDC appropriation and the IDC programme. The IDC appropriation refers to the envelope of money within Vote: Foreign Affairs, which is used to fund MFAT's development cooperation work. The IDC programme refers to the totality of work done to support international development, including policy work and development programming funded out of other Aotearoa New Zealand Government agencies. Our relationships with partner countries are also an important aspect of the IDC programme.

### New Zealand Aid Programme vs the International Development Cooperation programme



In formal communications (MFA submissions, Cabinet Papers, publications), ‘the IDC programme’ should be used in place of ‘the New Zealand Aid Programme’ to refer to the totality of our work in the international development space. There is no longer a discrete aid programme, rather, Aotearoa New Zealand’s development engagement is wholly integrated and indivisible from our approach to foreign policy. Our foreign policy work supports our development goals, and our development work supports our foreign policy goals.

We acknowledge that ‘the New Zealand Aid Programme’ is a recognisable part of our external facing brand, and therefore may still need to be used in communications products and with certain country partners. However, where possible, we should be transitioning towards using ‘the IDC programme’ to refer to our development work.

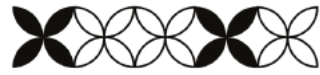
### **ODA/IDC Funding**

It is no longer appropriate to use the term ‘Official Development Assistance (ODA)’ to refer to the totality of our funding under the IDC appropriation. ODA refers to concessional and development-centric finance flows to countries and territories on the OECD’s Development Assistance Committee (OECD-DAC) List of ODA Recipients and to multilateral development institutions.

As of January 2020, the Cook Islands have graduated from the DAC list, and both Palau and Nauru are poised to graduate within the current triennium. As Aotearoa New Zealand continues to provide support to the Cook Islands under the IDC programme, it is no longer appropriate to refer to the totality of this support as ODA. Instead, the total money spent on development activities can be referred to as development assistance, IDC funding, development cooperation funding, development financing, or, more informally, our support/contribution. ODA can still be used to refer to the money we report officially to the OECD-DAC.

s6(a)





**Annex 12: ‘PDG Synthesis Reflections Report 2021’ paper for Pacific and Development Strategic Governance Group<sup>61</sup>**

s9(2)(g)(i)

















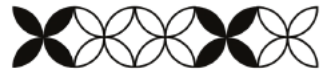












## **Annex 13: Nga Hoe-Tuputupu-Mai-Tawhiti – DRAFT**

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Note: Redacted under s9(2)(f)(iv)

See separate attachment.





## Annex 14: Understanding and Aligning with the International Development Cooperation Programme Quality Domains

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### Purpose

To provide guidance on applying the New Zealand’s international development quality and effectiveness agenda as outlined in the New Zealand’s International Cooperation for Effective Sustainable Development<sup>63</sup> (ICESD).

### Application

The guidance applies to MFAT’s international development cooperation including our policy engagement and delivery of official development assistance. It provides guidance for Ministry staff at all stages of the planning, programme and activity and programme life cycles and in relevant results, research and evaluation work.

### Development Quality Domains

Aotearoa New Zealand takes a principles-based approach to guide decision making for our development initiatives. This approach emphasizes that critical thinking and good decision-making are needed to deliver outcomes in the best way, rather than using a prescriptive rules-based system.

We aim to achieve impact through a set of four development quality domains that guide our development cooperation: Effectiveness, Inclusiveness, Resilience, and Sustainability. Aotearoa New Zealand’s Policy



Statement<sup>64</sup> on International Cooperation for Effective Sustainable Development (ICESD) affirms these four domains, which align with the 2030 Agenda for Sustainable Development.

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<sup>63</sup> [New Zealand’s International Cooperation for Effective Sustainable Development](#)

<sup>64</sup> <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf>



The quality domains are intended to guide programming at all levels, including four-year plans, business cases, and activity implementation, and should be tailored to context. While the quality domains do not cover all aspects of development quality, they provide a balanced framework and common understanding that reflects Aotearoa New Zealand's approach to pursue positive impact and demonstrate public value.

The development quality domains build on our previous cross cutting issues policy that identified gender equality, human rights, and environment and climate change as cross-cutting issues. In the ICESD, Aotearoa New Zealand affirms its commitment to the following in its cooperation:

- human rights, effective governance and democracy
- the prevention and peaceful resolution of conflict
- gender equality and women's empowerment
- sound stewardship of the environment and climate and
- child and youth well-being

To ensure these commitment are reflected in our approach, the themes above will be treated as cross-cutting and as a meant to achieve the intent of effective development outlined in the quality domains.

The four development domains are **broad and interdependent**, which reflects the integrated nature of sustainable development. They promote:

- mutually accountable partnerships
- evidence-based decision making
- adaptive approaches
- equitable outcomes
- community and environmental resilience and
- sustained results through local solutions and ownership

### Safeguarding

Partnering for development and responding to humanitarian needs can have unintended environmental, political, social and economic consequences. Successful impacts in one area does not protect against inadvertently doing harm elsewhere. This means that, in the planning, design and implementation of development and humanitarian initiatives we must pay attention to the likelihood for unintended consequences. Safeguarding is essential for the delivery of development cooperation that adheres to the quality domains set out in the ICESD and ultimately supports delivery on its purpose of: *a peaceful world, in which all people live in dignity and safety, all countries can prosper, and our shared environment is protected.*

Safeguarding is broad and encompasses and includes policies and processes to prevent social (including economic and political) and environmental harm in the process of delivering the IDC programme:

- **Social Safeguarding:** consideration of impact, and actions required to protect individual and community health, wellbeing and human rights. This includes child safeguarding, sexual abuse and exploitation and sexual harassment prevention.
- **Environmental Safeguarding:** consideration of impact, and actions required to protect the natural environment. Key considerations include biodiversity conservation, sustainable natural resource management, pollution prevention and abatement, pesticide use and greenhouse gas emissions.

INTD-94-2968



- **Economic and Political Safeguarding:** consideration of impact, and actions required to protect formal and informal political and economic systems that have a positive function in relations to stability, shared prosperity, and resilience.

Aotearoa New Zealand's approach to safeguarding will focus on:

- addressing safeguarding in order to support the realisation of quality development cooperation as outlined in the ICESD
- addressing the intersections of social, environmental, political and economic dynamics in the creation of potential unintended negative consequences



## **DOMAIN 1: Effective**

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Effective development is values driven, partnership-focused, adaptive, outcomes-focused and evidence-based. Aotearoa New Zealand's approach to effective development focuses on:

- agreeing from the outset what we seek to achieve, and how we will measure progress toward outcomes
- an approach to engagement that is transparent and reflects Aotearoa New Zealand values
- strong and mutually accountable partnerships
- adaptive and innovative approaches that are driven by local context
- fostering a culture of results using evidence-based decision making

### **Agreeing from the outset what we seek to achieve, and how we will measure progress toward outcomes**

It is essential that in all our development cooperation we define what we are trying to achieve and how we understand change to occur, taking into account context and critical assumptions. We do this through a theory of change,<sup>65</sup> which sets out the intended impact or long-term outcomes for an initiative or programme, and works out the causal logic<sup>66</sup> of the short and medium term outcomes needed to achieve these. This enables better planning, a shared understanding with partners and stakeholders, and provides the basis to measure progress towards the achievement of outcomes.

### **An approach to engagement that is transparent and reflects Aotearoa New Zealand values**

Aotearoa New Zealand's values are rooted in whanaunga<sup>67</sup>, fairness, and manaaki<sup>68</sup>. We will act openly, as a constructive and pragmatic partner and honest broker. We seek to uphold human rights, peace, inclusive democracy, and global stewardship. We emphasise the importance of international law, inclusivity, economic integration, trade, and respect for sovereignty. While these are the values we champion in our development cooperation, the Ministry's values – Kotahitanga, Courage, Manaakitanga, and Impact – also guide us in how we engage with all partners.

### **Strong and mutually accountable partnerships**

Partnerships, grounded in mahi tahi and kotahitanga<sup>69</sup>, are fundamental for Aotearoa New Zealand's development cooperation. Our emphasis on partnership reflects our country's history, values, size, location, and whanaungatanga. Mutually accountable partnerships strengthen effectiveness through openness, trust, and a shared understanding of each partner's contribution to achieving outcomes, recognising different and complementary roles. We seek to fully draw on the knowledge and skills of partner governments, Aotearoa New Zealand agencies, and regional, multilateral and civil society organisations in delivering our development cooperation.

### **Adaptive and innovative approaches driven by local context**

Adaptive Management supports tailored responses to local needs, and is implemented in a staged and responsive manner with regular feedback loops, intensive leadership support, and robust monitoring and evaluation support.

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<sup>65</sup> In the Ministry we also use the term 'logic diagram', which describes the product that presents a theory of change

<sup>66</sup> Note that the causal logic does not need to be linear

<sup>67</sup> Our connectedness, or shared sense of humanity

<sup>68</sup> Kindness, or the reciprocity of goodwill

<sup>69</sup> Shared ambition and collective benefits





As sustainable development is non-linear and can have evolving risks in complex environments, being adaptive allows for iterative experimentation and learning, and encourages more ‘empowered accountability’ at local levels to drive course correction. Our approach to adaptive management recognises there may be a continuum between using a full adaptive management approach and a hybrid model, and requires resources to build capacity and capability of staff, partners and stakeholders. While not all activities are suited for adaptive management, all of our programmes and activities should be responsive and driven by local context.

### **Fostering a culture of results using evidence-based decision making**

A culture of results<sup>70</sup> is an important part of making our development cooperation more effective. This means using a credible evidence-base to support decision-making, learning, improvement, and accountability.

The Ministry uses Monitoring, Evaluation, Research, and Learning (MERL) frameworks as a key tool for supporting effectiveness. Aotearoa New Zealand’s development cooperation has an overarching performance system, and MERL frameworks at Four Year Plan and activity level.

### **Applying the Domains**

#### **Programme – Four Year Plans will be:**

- informed by an annual Political, Economic, Social, Technological, Environmental and Legal (PESTLE) analysis to ensure cooperation continues to respond to the local context
- grounded in an updated Statements of Partnership
- grounded in a theory of change including a set of high-level outcome indicators that align with partner government national development strategies, as well as aligning with Aotearoa New Zealand’s priorities
- evidence driven – including making use of the Country Statistical Reports, four-year plan reflection reports, independent evaluations, data, research, local knowledge and practice, and partner reports.
- considerate of donor coherence and coordination
- shared with partner governments, should make best efforts to ensure our forward spending intentions are reflected in partner governments’ national budgets

#### **Activity - Our activities should:**

- have a clear line of sight with, and contribute to, four-year plans which reflect partner priorities, plans and frameworks
- contain a good problem definition and responds to social, environmental, economic and political context – related back to the PESTLE
- foster the involvement of partners in in co-design of activities
- contain a comprehensive MERL Framework with adequate financial resourcing
- seek to untie aid<sup>71</sup>

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<sup>70</sup> The OECD DAC has updated this term to ‘Managing for Sustainable Development Results’ (MfSDR) <https://www.oecd.org/dac/results-development/guiding-principles-on-managing-for-sustainable-development-results.htm>

<sup>71</sup> Tied aid describes official grants or loans that limit procurement to companies in the donor country or in a small group of countries. Tied aid therefore often prevents recipient countries from receiving good value for money for services, goods, or works.

Untying aid – removing the legal and regulatory barriers to open competition for aid funded procurement – generally increases aid effectiveness by reducing transaction costs and improving the ability of recipient countries to set their own course. It also allows donors to take greater care in aligning their aid programmes with the objectives and financial management systems of recipient countries.



## DOMAIN 2: Inclusive

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Inclusive development addresses exclusions and inequality created across all dimensions of social identity, while promoting human rights, and equitable participation in the benefits of development. An inclusive development approach endeavours to enable the most marginalised groups to influence, and benefit equally from, development outcomes. Aotearoa New Zealand's approach to inclusive development focuses on:

- addressing social inequalities and advancing human rights
- advancing gender equality and women's empowerment, and child and youth well-being
- understanding and responding to the causes and incidence of poverty and exclusion
- supporting duty bearers and rights holders to ensure benefits are equitably shared
- enabling groups potentially impacted by an activity to meaningfully participate in the development process

### **Addressing social inequalities and advancing human rights**

Aotearoa New Zealand is committed to advancing the realisation of human rights and Aotearoa New Zealand's development cooperation promotes and protects equity, inclusivity, and human rights across all our programming. To achieve this we employ a human rights-based approach in our development cooperation. A rights-based approach<sup>72</sup> requires a participatory way of working from the outset. The approach addresses root causes such as entrenched social norms and power structures that prevent individuals from accessing resources, services and opportunities for development. Inclusive development addresses the conditions in which exclusion persists. Breaking this cycle is key to inclusive development.

### **Advancing gender equality and women's empowerment, and child and youth well-being**

Gender equality and women's empowerment, and child and youth wellbeing, are human rights, as well as core objectives of effective and sustainable development. Gender equality and women's empowerment is achieved by transformational change of those formal and informal customs, norms, practices and laws in society that create or perpetuate social exclusion of individuals based on gender identity. Gender equality and women's empowerment can be advanced by increasing women's participation and leadership, addressing gender-based violence, and ensuring equitable access to justice, education, health and economic opportunities for all. Children and young people experience multiple forms of risk and vulnerability globally. Our development cooperation should support all children, adolescents and young people to be nurtured across the lifecycle. This requires a holistic human development approach, including support for maternal health and safety.

### **Supporting duty bearers<sup>73</sup> and rights holders<sup>74</sup> to ensure benefits are equitably shared**

Inclusive development seeks to advance human rights through action and education. Equally, it seeks to strengthen governance systems and democratic accountability so that duty bearers are enabled to respect, protect, and fulfil human rights. Strengthened governance and accountability are outcomes of, and part of the process of, inclusive development. This regulates the exercise of power and ensures that those who have power are answerable to those who do not.

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<sup>72</sup> The principles of a human rights based approach are: indivisibility, non-discrimination and equality, participation, empowerment, accountability, legality, sustainability, and resilience.

<sup>73</sup> Duty bearers are those responsible for respecting, protecting and fulfilling human rights

<sup>74</sup> All humans are 'rights holders'



## Enabling groups potentially impacted by an activity to meaningfully participate in the development process

Enabling voice and agency is a critical component of inclusive development. In addition to better fulfilling human rights, societies that provide greater opportunities for participation, voice and leadership for women and other marginalised groups tend to be more peaceful.<sup>75</sup> People potentially impacted by an activity should be identified, considered ‘development participants’ and be invited to participate from problem identification and analysis through to the final evaluation. Working to support local civil society organisations is a proactive way of engaging with local people and can provide invaluable links into a community.

### Applying the Domains

#### Programme – Four Year Plans will be:

- informed by an annual Political, Economic, Social, Technological, Environmental and Legal (PESTLE) analysis to ensure cooperation continues to respond to the local context
- contain outcomes on inclusion and a clear explanation of the pathway to achieving inclusive outcomes
- informed by, and seek to strengthen outcomes in the Human Rights Strategic Action Plan for International Development Cooperation, Gender Action Plan, and Child and Youth Strategic Action and other Thematic action plans
- informed by the Pacific and Development Change Action Plan

#### Activity - Our activities should:

- have an environmental and social impact assessment and appropriate management actions
- demonstrate (for example in the MERL framework) **how** human rights, children and youth and GEWE have been addressed as cross-cutting
- make good use of policy objective markers
- prioritise participatory way of working
- strengthen social protection for vulnerable groups
- addresses barriers, such as entrenched social norms and power structures, that hinder inclusive development
- strengthen governance systems and democratic accountability
- align with, and contribute to:
  - Human Rights Strategic Action Plan for International Development Cooperation<sup>76</sup>
  - Gender Action Plan<sup>77</sup>
  - Child Youth Well-being Strategic Action Plan<sup>78</sup>
  - Pacific and Development Climate Change Action Plan 2019-22<sup>79</sup>

<sup>75</sup> Rao A., Sandler J., Kelleher D., Miller C. (2016). *Gender at Work: Theory and Practice for 21<sup>st</sup> Century Organisations*. London, New York: Routledge

<sup>76</sup> <https://www.mfat.govt.nz/assets/Aid/Aid-General/Aotearoa-New-Zealands-Human-Rights-Strategic-Action-Plan-for-International-Development-Cooperation-2021-2025-FINAL.pdf>

<sup>77</sup> <https://www.mfat.govt.nz/assets/Peace-Rights-and-Security/International-security/Gender-Action-Plan-2021-2025.pdf>

<sup>78</sup> [https://www.mfat.govt.nz/assets/Aid-Prog-docs/Child\\_Youth-Well-being-Strategic-Action-Plan.pdf](https://www.mfat.govt.nz/assets/Aid-Prog-docs/Child_Youth-Well-being-Strategic-Action-Plan.pdf)

<sup>79</sup> <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Pacific-and-Development-Climate-Change-Action-Plan-2019-22.pdf>





## DOMAIN 3: Resilient

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Resilient development strengthens the environment, economy, and societies to withstand shocks and manage crises while protecting future well-being. Aotearoa New Zealand's approach to resilient development focuses on:

- strengthening resilience to the impacts of climate change, and supporting countries' transition away from fossil fuel use
- increasing economic and social resilience to disasters and other external shocks
- supporting durable and inclusive peace and security, particularly addressing causes of instability
- identifying, avoiding and mitigating negative impacts on the environment, and promoting sustainable management of natural resources
- promoting the protection and enhancement of ecosystems

### **Strengthening resilience to the impacts of climate change, and supporting countries' transition away from fossil fuel use**

Climate change adaptation is cross-cutting: it impacts all areas of social, economic, and political life. Adaptation and adaptive capacity are ongoing processes of adjusting practices, structures and activities in response to climate and ocean changes, such as improving water and nutrition security; education and training; and designing, building and maintaining climate-resilient infrastructure. We support the transition away from fossil fuel use for long-term global resilience. We work with partner countries to achieve this including through: strengthening low-emission, climate-resilient planning; expanding the coverage of national climate change policy frameworks; and supporting multilateral and regional agencies to lead an effective global response to climate change.

### **Increasing economic and social resilience to disasters and other external shocks**

Resilient people, communities, and systems have the ability to withstand and mitigate the impact of disasters and other external shocks. COVID-19 has underlined the critical importance of resilience to shocks. There are a wide range of ways in which economic and social resilience can be strengthened, including more effective public service delivery, making economic development more broad-based, and strengthening social protection measures for vulnerable groups. We seek to strengthen our partners' preparedness to withstand shocks, their immediate responses, and their long-term recovery plans. Where appropriate, we also incorporate disaster risk reduction measures into activities.

Local engagement is critical to building resilience, and we will incorporate local knowledge into our development cooperation. Pacific island countries in particular have developed traditional resilient practices given their high propensity for disasters and narrow resource base, and we will seek to enhance this through our support.

### **Supporting durable and inclusive peace and security, particularly addressing causes of instability**

The root causes of instability, including weak institutions; high unemployment; political, social and cultural exclusion; and resource scarcity must be understood and acted upon to achieve sustainable peace and security.<sup>80</sup> Addressing these underlying issues will build more resilient communities and increase confidence in institutions, which supports conflict prevention, peacebuilding, and stabilisation. Our approach utilises the

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<sup>80</sup> In line with the *Boe Declaration on Regional Security*, agreed by Pacific Island Forum Leaders in 2018, we take an expansive definition of security challenges, which includes transnational crime, biosecurity, cyber security and human security.





expertise of other Aotearoa New Zealand agencies and civil society, and is underpinned by Te Tiriti o Waitangi<sup>81</sup> principles of partnerships, participatory engagement, and valuing and protecting indigenous knowledge and practice. We take a broad and integrated approach that addresses the critical linkages between our humanitarian action, development, human rights, peace and stability work. Throughout all of our programing, we ensure conflict sensitive approaches at a minimum.

### **Identifying and managing negative impacts on the environment, and promoting sustainable management of natural resources**

Aotearoa New Zealand has committed to *kaitiakitanga* (stewardship) through our development cooperation. Natural resources such as fisheries and forests are critical sources of economic, environmental and social wellbeing for partner countries. Future benefits from these resources depend upon their sustainable management in the present. Sustainable natural resource management depends upon transparent and participatory national and local governance, effective information on and monitoring of stocks, and strong enforcement of harvesting rules. We will support local communities to protect, enhance and /or sustainably manage their natural resources and ecosystems by strengthening governance and enforcement capacity, and environmental data.

### **Promoting the protection and enhancement of ecosystems, recognising the services they provide**

Ecosystem integrity, and the services that ecosystems provide, are an important component of resilience. Intact ecosystems provide significant protective benefits to communities, supporting them to cope with environmental and climate hazards. We promote integrated management across land and seascapes, and seek to protect biological diversity at different scales (genetic, species, and landscapes). We will enhance our support to environmental management by acknowledging and engaging with indigenous knowledge and approaches.

### **Applying the Domains**

#### **Programme – Four Year Plans will be:**

- informed by an annual Political, Economic, Social, Technological, Environmental and Legal (PESTLE) analysis to ensure cooperation continues to respond to the local context
- developed in parallel with partner goals and expectations via the Joint Agreement
- reflective of the critical linkages between humanitarian action, development, human rights, peace and stability work
- treat climate and environment, effective governance and democracy and the prevention and peaceful resolution of conflict as cross cutting
- where appropriate, informed by an in depth Political Economy Analysis (in particular where there is risk of conflict and insecurity)
- in alignment with the [Pacific and Development Climate Change Action Plan 2019-22](#)

#### **Activity - Our activities should:**

- demonstrate **how** climate and environment, human rights, effective governance and democracy and the prevention and peaceful resolution of conflict have been addressed as cross cutting
- have an environmental and social impact assessment and appropriate management actions
- enhance support to resource management
- acknowledging and engaging with indigenous knowledge and approaches
- support partners to move away from fossil fuel use

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<sup>81</sup> Aotearoa New Zealand's founding constitutional document



- strengthen low-emission planning and/or expand coverage of national climate change policy frameworks across all sectors
- support effective public service delivery
- strengthens partner preparedness for disasters
- address the critical linkages between our humanitarian action, development, human rights, peace and stability work and ensures conflict sensitive approaches
- support local communities to sustainably manage their natural resources
- seek to protect biological diversity at different scales (genetic, species, and landscapes)
- align with Pacific and Development Climate Change Action Plan 2019-22<sup>82</sup>

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<sup>82</sup> <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Pacific-and-Development-Climate-Change-Action-Plan-2019-22.pdf>



## DOMAIN 4: Sustained

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Sustained development enables lasting progress and is locally owned in order to maintain results in the long-term. Aotearoa New Zealand's approach to sustained development focuses on:

- providing ongoing benefits through our development cooperation
- pursuing partner ownership and developing local capacity
- fostering more accountable institutions
- ensuring relevance to partner priorities and needs, without compromising the future

### **Providing ongoing benefits through our development cooperation**

Our business cases and proposed outcomes should take into account the local capacity and resources required to achieve lasting results. A sustainability plan should consider the resources (leadership, staff, utility and maintenance costs, etc.) needed to sustain the activity into the future. Activity designs should realistically and rigorously assess the timeframes in which change can happen, and have a jointly-owned transition strategy. Support may need to be longer-term in some contexts, and capacity augmentation may be necessary for some functions, particularly in small Pacific island countries with narrow resource bases.

### **Pursuing partner ownership and developing local capacity**

We progress sustained development by fostering ownership of the development process by our partner organisations. Developing, financing, implementing and adhering to long-term credible plans can be a major challenge for responsible agencies with limited capacity. An important aspect of our work is supporting partners to do this by strengthening national and local systems, including policy, judicial, public finance, and regulatory systems. Where possible, we will seek to use and invest in national systems and avoid creating parallel implementation structures. If this is not feasible, activities should still be incorporated into organisational plans and reported on national budgets.

### **Fostering more accountable institutions**

We seek to promote greater institutional accountability and transparency in the organisations that we partner with. We pursue this objective alongside building capacity and capability, as sustainability of benefits is driven by more than just technical know-how. Accountable and transparent public institutions are more likely to be effective in the long-term, and they bolster the legitimacy of our partner governments to their citizens. Fostering more accountable institutions requires that we understand local political economy, maintain ongoing dialogue with partner governments, support civil society, and collaborate with other actors and institutions critical to success.

### **Ensuring relevance to partner priorities and needs, without compromising the future**

Our development cooperation supports the present development needs of communities, but in doing so it must also support the development aspirations of future generations. To achieve meaningful impact our approach should balance immediate priorities with support for longer-term systemic change. This requires us to assess the implications of our development cooperation on economic, social and environmental sustainability.

The context in Pacific island countries adds additional challenges to implementing sustained activities because of their small size, remoteness, dispersed populations, and vulnerability to climate change and natural disasters.



We may need to consider longer timeframes and higher levels of ongoing support in Pacific island country contexts.

*A word on sustained:*

‘Sustained’ can have a number of different meanings in development. The 2030 Agenda for Sustainable Development<sup>83</sup> defines it as meeting the needs of the present without compromising the ability of future generations to meet their own needs. Aotearoa New Zealand’s development cooperation is primarily focused on sustainability as lasting impact. We will pursue approaches in all of our development cooperation that maximises the likelihood of continued long-term benefits after donor support has been completed.

The centrality of ownership to sustained development is highlighted in the 2011 Busan Partnership for Effective Development Co-operation. Aotearoa New Zealand and other donors commit to using partner government systems as far as possible, and to strengthen them where required. Strengthening partner capacity improves the impact of all of that partner organisation’s future work, making it an effective way to achieve lasting change.

### Applying the Domains

#### Programme – Four Year Plans will be:

- informed by an annual Political, Economic, Social, Technological, Environmental and Legal (PESTLE) analysis to ensure cooperation continues to respond to the local context
- developed in parallel with partner goals and expectations via the Joint Agreement
- future focused – the aspiration of future generations

#### Activity - Our activities should:

- take into account the local capacity and resources required to achieve lasting results and assess the timeframes in which change can happen
- consider longer-term and sustained engagement beyond the initial implementation phase and have a jointly-owned transition strategy
- strengthen national and local systems, including policy, planning, judicial, public finance, and regulatory systems to and avoid creating parallel implementation structures if this is not feasible, activities should still be incorporated into organisational plans and reported on national budgets
- demonstrate collaborate with other actors and institutions critical to success
- support the development aspirations of future generations
- balance immediate priorities with support for longer-term systemic change

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<sup>83</sup> <https://www.un.org/sustainabledevelopment/development-agenda/>





## Glossary

Acronym	Term	Notes/Definition
	Activity	An International Development Cooperation project or initiative.
	Aotearoa New Zealand	Within MFAT we refer to our country as 'Aotearoa New Zealand' in recognition of our bilingual nation.
	Aotearoa New Zealand International Development Cooperation Programme	There is no longer a discrete 'New Zealand Aid Programme'; rather, our development engagement is wholly integrated into our broader foreign policy. This term encapsulates the totality of our work in international development.
DCI	Development Capability and Insights Division	
DEVECO	Development Economy and Prosperity Division	
DEVPP	Development People and Planet Division	
DS-PDG	Deputy Secretary Office, Pacific and Development Group	
	Enquire	MFAT's software system for managing international development cooperation activities.
FADTC	Foreign Affairs, Defence and Trade Select Committee	The Parliamentary committee with responsibility for, <i>inter alia</i> , international development issues.
GDS	Global Development and Scholarships Division	
HLC	High Level Consultations	Senior officials-level meetings between Aotearoa New Zealand and partner governments to discuss aspects of relationship and/or development assistance.
ICESD	International Cooperation for Effective Sustainable Development Policy Statement	Aotearoa New Zealand's Government policy on international development cooperation.
IDC	International Development Cooperation	Our preferred term for development assistance. We no longer use the term 'Official Development Assistance (ODA)' to refer to the totality of Aotearoa New Zealand's funding under the IDC programme. We provide development assistance to countries that fall outside of the OECD-DAC List of ODA Recipients.
	Manaaki	An annual contestable fund for smaller projects from Aotearoa New Zealand non-government organisations, implemented over two to three years.
MERL	Monitoring, Evaluation, Research and Learning	
MFAT	Ministry of Foreign Affairs and Trade	
	Negotiated Partnerships	Funding agreements with larger Aotearoa New Zealand non-government organisations, focused on five-year, longer-term, multi-country programmatic approaches to address complex development problems.
NGO	Non-government organisation	Synonymous with 'civil society organisation' (CSO)
PACPF	Pacific Polynesia and French Pacific Division	



PACMM	Pacific Melanesia and Micronesia Division	
PACREG	Pacific Regional Division	
PDG	Pacific and Development Group	The Group in the Ministry of Foreign Affairs and Trade responsible for the administration of Aotearoa New Zealand's International Development Cooperation programme
	Partnering for Impact	MFAT's approach to partnering with Aotearoa New Zealand's non-government organisations
PHM	Partnerships, Humanitarian and Multilateral Division	
SIDF	Strategic International Development Fund	A flexible fund within the International Development Cooperation programme. The SIDF provides the flexibility to fund new initiatives which strongly align to Government priorities during the triennium, over and above existing programme baselines.
	Treaty of Waitangi	An agreement between the British Crown and a large number of Māori chiefs signed in 1840. It is a constitutional document that establishes and guides the relationship between the Crown in New Zealand (embodied by our government) and Māori.