NEW ZEALAND

Leaving no one behind: New Zealand’s approach and priorities

New Zealand addresses leaving no one behind by focusing official development assistance (ODA) on the challenges of countries most in need, including small island developing states (where it allocates 60% of its ODA), least developed countries, landlocked developing countries, and fragile and conflict-affected states. It considers that ODA has a comparative advantage as a source of financing for countries that struggle to access other finance and as a catalyst for mobilising resources for regions and groups of people most at risk of being left behind.

New Zealand is trialling a Development Quality Policy with four key quality domains. One domain is “inclusive development”, under which New Zealand will pursue development that is inclusive, equitable and leaves no one behind. Inclusion will be treated as a quality concern across all areas of development co-operation.

New Zealand recently outlined (in 2018) a “Reset” of its relationship and development support in the Pacific. The Pacific Reset includes plans to increase focus on inclusive development themes such as human rights, gender and women’s empowerment, youth, health, and education and is accompanied by a plan to increase ODA for the region by one-third compared to the past three years starting from July 2018 and for a period of three years.

Financial flows from New Zealand to developing countries

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New Zealand’s performance against commitments for effective development co-operation

Table 33.1. Results of the 2016 Global Partnership monitoring round (updated), New Zealand

<table>
<thead>
<tr>
<th>New Zealand</th>
<th>Alignment and ownership by partner country (%)</th>
<th>Predictability (%)</th>
<th>Transparency</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Use of country-led results frameworks</td>
<td>Funding in countries’ national budgets</td>
<td>Funding through countries’ systems</td>
</tr>
<tr>
<td>Baseline</td>
<td>-</td>
<td>39.0%</td>
<td>36.1%</td>
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<tr>
<td>Trend</td>
<td>-</td>
<td>39.0%</td>
<td>36.1%</td>
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Note: Please refer to Annex B for details on the indicators. Data on untied ODA, retrospective statistics and publishing to the IATI have been updated according to the latest information available.
New Zealand’s official development assistance

In 2017, New Zealand provided USD 436 million in net ODA (preliminary data), which represented 0.23% of gross national income (GNI) and a decrease of 6.7% in real terms from 2016, due to annual expenditure fluctuations within a set three-year aid budget. New Zealand has committed to a NZD 220 million increase in official development assistance (ODA) over the 2015/16-2017/18 triennium. In 2017, in-donor refugee costs were USD 17 million and represented 3.9% of New Zealand’s total net ODA, compared to 3.8% in 2016.

Its share of untied ODA (excluding administrative costs and in-donor refugee costs) was 78.5% in 2016 (down from 84.7% in 2015), compared with the Development Assistance Committee (DAC) average of 81.2%. The grant element of total ODA was 100% in 2016.

In 2016, 80.7% of ODA was provided bilaterally. New Zealand allocated 19.3% of total ODA as core contributions to multilateral organisations. In addition, it channelled 12.1% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

In 2016, New Zealand programmed 81.2% of bilateral ODA with partner countries. New Zealand’s share of country programmable aid was above the DAC country average of 46.8% in 2016. Project-type interventions accounted for 28% of this aid.

In 2016, USD 50.3 million of bilateral ODA was channelled to and through civil society organisations (CSOs). ODA channelled to and through CSOs remained stable between 2015 and 2016 as a share of bilateral ODA (it was 13.6% in 2015 and 14.6% in 2016).
Bilateral ODA was strongly focused on Oceania and Asia. In 2016, USD 230.3 million was allocated to Oceania and USD 46.9 million to Far East Asia.

In 2016, 44.3% of bilateral ODA went to New Zealand’s top 10 recipients. All of its top 10 recipients are priority partner countries. Its support to fragile contexts reached USD 73.2 million in 2016 (20% of gross bilateral ODA). Support to fragile contexts was distributed between project-type interventions (29%), technical assistance (25%) and scholarships (20%).

In 2016, 25.4% of bilateral ODA was allocated to least developed countries (LDCs), reaching USD 91.7 million. This is down from 31.7% in 2015 but remains higher than the 2016 DAC average of 21.9%. Compared with other income groups, the LDCs received the highest share of bilateral ODA in 2016, noting that 34.9% was unallocated by income group. At 0.06% of New Zealand’s GNI in 2016, total ODA to the LDCs was lower than the UN target of 0.15% of GNI. This reflects the geographical focus of New Zealand’s ODA on small island developing states in Oceania and Asia, many of which are not LDCs.
In 2016, 37% of bilateral ODA was allocated to social infrastructure and services, representing USD 161.3 million, with a strong focus on education (USD 70.5 million) and government and civil society (USD 55.4 million). USD 78 million was allocated to production sectors, in particular to agriculture (USD 42.4 million). USD 36.8 million was allocated to humanitarian aid. In 2016, New Zealand committed USD 122 million to promote aid for trade and to improve developing countries’ trade performance and integration into the world economy.

USD 169.5 million of bilateral ODA supported gender equality. In 2016, 47.7% of New Zealand’s bilateral allocable aid had gender equality and women’s empowerment as a principal or significant objective, compared with the DAC country average of 36.5%. A high share of New Zealand’s aid to population and reproductive health, education, and other social infrastructure focuses on gender.

USD 89 million of bilateral ODA contributed to environmental outcomes in 2016. The share of New Zealand’s bilateral allocable aid that focused on the environment was 25% and 7.9% (USD 28.1 million) concentrated on climate change, compared with the respective DAC country averages of 33% and 25.7%.