



NEW ZEALAND
MINISTRY OF FOREIGN AFFAIRS & TRADE
Aid Programme



International Development Group Strategic Plan 2012-2015

Development that Delivers

September 2012

Vision	Development that Delivers						
Mission	<i>Supporting sustainable development in developing countries in order to reduce poverty and to contribute to a more secure, equitable and prosperous world.</i>						
Strategic focus (what we will do)	Improved economic well-being	Improved human development	Improved resilience and recovery from emergencies	Improved governance, security and conditions for peace (“Building Safe and Secure Communities”)	Strategic development partnerships.		
Priorities for funding	<ul style="list-style-type: none"> ↑ Returns from sustainable agriculture ↑ Returns from sustainable fisheries ↑ Returns from sustainable tourism ↑ Access to clean efficient affordable energy ↑ Improved transport infrastructure and management services ↑ Enabling environment for economic growth and private sector development 	<ul style="list-style-type: none"> ↑ Education outcomes ↑ Tertiary and skills training outcomes ↑ Health outcomes ↑ Living conditions 	<ul style="list-style-type: none"> ↑ Resilience to disasters and climate risks ↑ Effective responses to emergencies 	<ul style="list-style-type: none"> ↑ Democratic governance ↑ Community safety and rule of law 	Partnerships which leverage strength of others to support the NZ development assistance programme		
Operational and Organisational Priorities	Ensuring development effectiveness		Innovating and scaling up		Focusing our efforts		Strengthening our partnership framework
	Invest in our staff and capability	Knowledge management	Communication and outreach	Monitoring results	Systems and processes	Management efficiency	
Programmes	Country	Cook islands – Fiji – Kiribati – Nauru – Papua New Guinea – Samoa – Solomon Islands – Tonga – Tuvalu – Vanuatu – Tokelau – Niue – Afghanistan – Indonesia – Timor-Leste					
	Regional	Pacific regional – Mekong – ASEAN regional – Africa regional – Latin America and Caribbean regional					
	Agency/ Other	Multilateral agencies – Pacific regional agencies – Partnerships and funds – Humanitarian – Scholarships					

Introduction

This strategic plan sets out the medium-term goals for New Zealand's assistance for international development and the overall strategy that is to be pursued to deliver these goals over the three year period from 2012/13 to 2014/15. It has been developed to operationalise our overarching policy and as such is intended primarily for Ministry of Foreign Affairs and Trade internal use.

The New Zealand development assistance programme's mission is to **'support sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable and prosperous world'**. This is one of the five intermediate outcomes that the Ministry is seeking to achieve.

Good development outcomes are good for New Zealand, in the Pacific, Asia and further afield. New Zealand's assistance for international development is integral to New Zealand's wider international engagement. It is a vital pillar of our foreign policy that draws together and helps reinforce our development, diplomatic and trade objectives.

The New Zealand development assistance programme contributes to the Ministry's vision to give New Zealand an edge internationally in several ways, by:

- ✓ Building on New Zealand's good reputation as a fair-minded, responsive international citizen
- ✓ Forming strong, trusted, productive partnerships with a wide range of international and New Zealand-based partners
- ✓ Using New Zealand's areas of comparative advantage to address development challenges
- ✓ Pursuing sustainable, innovative solutions, and
- ✓ Contributing to the realisation of a more stable, secure, fair and prosperous international environment.

The development assistance programme contributes to the strategic priorities set out in the Ministry's Statement of Intent 2012-2015 by helping:

- ✓ Build our relationship with Australia
- ✓ Support trade and economic integration in Asia and the Pacific
- ✓ Position New Zealand to greatest advantage with the US and China
- ✓ Strengthen international rules-based systems
- ✓ Achieve influential partnerships with key emerging economies
- ✓ Improve prosperity and reduce risk in the Pacific region
- ✓ Build comprehensive partnerships with the EU and the Middle East
- ✓ Construct an agenda for increased engagement to complement the Business Growth Agenda, and
- ✓ Deliver the Ministry's 20/20 change management programme.

In March 2011 the Ministry published the *'International Development Policy Statement: Supporting Sustainable Development'*. This overarching policy reflects the importance New Zealand attaches to inclusive growth and underlines the priority we give to sustainable economic development. It articulates our focus on the Pacific region, sets out a targeted approach for aid and development in

other parts of the world, and identifies environment, gender, and human rights as cross-cutting issues for all development activities.

New Zealand's development assistance must make a real and positive difference for people in need. We need to show tangible, measurable results. We are committed to the principles and practical implementation of the Global Partnership for Effective Development Cooperation.

Our focus on *sustainable* economic development recognises the importance of ensuring that the policies and activities we support take into account the interests of future generations, including the common vision agreed at the 2012 UN Rio+20 Conference on Sustainable Development. This underpins the programmes of assistance we agree with our development partners.

Our Vision: Development that Delivers

New Zealand is a small donor in an increasingly complex world. We have to be smart and innovative in our approach. The past three years has seen a systematic refocusing of New Zealand's development assistance in support of sustainable economic development, particularly in the Pacific region. Our vision for the next three years must be even more transformational.

- Greater strategic prioritisation and focus – fewer, larger, deeper and more strategic contributions
 - Transformed Pacific economies that are on a path towards sustainable economic growth and self-reliance
 - Tangible progress in targeted interventions in our other programmes
 - A whole of New Zealand approach to development, with the Ministry leading with knowledge and expertise, and enabling New Zealand's public, private, and civil society sectors to contribute to positive development outcomes
 - Partnerships both in New Zealand and abroad to achieve greater scale of assistance and outcomes
 - New Zealand's areas of comparative advantage, especially in agriculture, fisheries, renewable energy, tourism, education and good governance, contributing to good development outcomes
 - Humanitarian and disaster relief work that is world class and innovative
 - Measurable results that clearly demonstrate our effectiveness and increase our accountability
 - Engagement among our staff and ambition for what New Zealand's development assistance can achieve, while embodying the Ministry's core values of professionalism, leadership, respect, collaboration and innovation.
 - Increased national and international recognition of the effectiveness of New Zealand's assistance for international development.
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Environmental scan

Volatility and resilience

Global trends are particularly important for a small, open economy like New Zealand and for our partner countries. Events including the global economic crisis and abrupt changes in international energy and food prices, together with the likely impacts of climate change, have contributed to significant volatility in recent years.

Such volatility underlines the importance of all countries investing in their future economic performance and increasing their resilience to such shocks. This is particularly the case for small Pacific island countries. Active diplomacy and significant government investment, including through New Zealand's programme of development assistance, must work seamlessly to support sustainable economic development, strengthen security and governance, and respond to humanitarian needs in order to help build resilience of our developing country partners. The full reintegration of the development programme within the Ministry of Foreign Affairs and Trade provides the platform for this more coherent and fully coordinated approach.

An increasingly complex international architecture

An increasing number of different donors and trust funds are engaged in supporting international development. The emerging importance of non-traditional donors is changing the balance of contributions to the global development effort. These changes, coupled with pressures on some traditional donors' budgets following the global economic crisis, has further heightened the importance of developing countries ensuring that all available resources are directed at priority areas of investment, and that these resources are used as effectively as possible. The agreements underpinning the Global Partnership for Effective Development Cooperation provide a way forward for beginning to address these opportunities and challenges.

Growth in presence of other donors in the Pacific

Already 10 times New Zealand's quantum in 2012, The Australian development assistance budget is set to continue to grow, with significant increases expected in the Pacific region and further afield. Other 'non-traditional', 'emerging' or 'South-South' cooperation partners' flows have also become increasingly important. The growing presence of Australia and others, including China, in the Pacific reinforces the need for New Zealand to explore new ways of working and to strengthen existing and develop new partnerships in order to ensure the most effective use is made of the resources different partners can bring to bear.

Increasing our impact

While some development successes have been achieved through support from donors to Pacific island countries over the years, very limited progress has been made in improving sustainable economic development and increasing overall self-reliance. After Sub-Saharan Africa, the Pacific (due mainly to Melanesia) remains the region second least likely to meet the Millennium Development Goals. A new and more focused effort is required to identify and build on transformational opportunities and help Pacific island countries address underlying constraints and vulnerabilities.

Development effectiveness

The 2005 Paris Declaration on Aid Effectiveness and the 2011 Global Partnership for Effective Development Cooperation provide frameworks for improving donor support for country owned policies, plans and systems, and development effectiveness more generally. New Zealand's development assistance must rise to the challenge of supporting the implementation of the principles and new practices associated with these frameworks, particularly in the Pacific, as demonstrated in the Cairns/Forum Compact.

More joined-up policies

Increased attention is being given to countries' wider interactions with developing countries beyond only ODA flows, including through increased coherence of policies that impact on development. There are opportunities also to improve coherence and better draw on the strengths of other New Zealand government agencies with shared interests in outcomes in developing countries.

The gap between rich and poor

Globally and in many South-East Asian countries, including those where overall growth rates have not been as badly affected as in other parts of the global economy, the economic gap between rich and poor is continuing to grow. Unless addressed, such gaps bring with them considerable political risks, including challenges to existing social contracts between governments and the people they govern.

Any economic or political instability in Asia, or in Pacific island countries with which New Zealand has a close relationship, will have a direct impact on New Zealand's own growth prospects and economic well-being.

The importance of demonstrating results

Fiscal pressures in New Zealand, due to both the global economic crisis and the impact of the Christchurch earthquakes, have given added impetus to efforts to ensure that New Zealand's development assistance is managed efficiently and effectively, and that we are able to clearly demonstrate how we have contributed to outcomes.

What the International Development Group team will focus on over the next three years

Over the next three years, New Zealand's development assistance will step up support for the sectors that help drive sustainable economic development for our developing country partners. We will leverage a broader range of partnerships across New Zealand and further afield in support of these efforts. Our aim is to improve livelihoods, reduce vulnerability, increase employment, and increase revenues that are fundamental to improved outcomes in health, education and other essential services.

Our overarching policy statement identifies four strategic themes:

- Investing in economic development

- Promoting human development
- Improving resilience and responding to disasters
- Building safe and secure communities

These themes are likely to extend beyond the period covered by this particular plan: they are expected to help guide the overall direction for New Zealand's development assistance across a number of strategic planning periods.

These four key strategic themes have been integrated into a strategic framework for the 2012-15 planning period, as follows:

- (1.1) Improved economic well-being
- (1.2) Improved human development outcomes
- (1.3) Improved resilience and recovery from emergencies
- (1.4) Improved governance, security and conditions for peace

Because of the importance of partnerships across all the sectors we work in, a fifth thematic area, reflecting our principal operational priority, has also been included in our framework:

- (1.5) Improved development outcomes through strategic partnerships with others

Each thematic area in the strategic framework has a number of supporting objectives, and these link to expected outcomes and related indicators. These and the longer term Millennium Development Goals, economic, governance and social indicators for New Zealand's development assistance are set out in Charts 1.0 – 1.6.

The strategic framework is supported by sector strategies setting out in greater detail the rationale, expected focal areas and expected outcomes for each of the main sectors, and by the programme strategies, Joint Commitments for Development and related results frameworks for individual development programmes. The strategic framework also helps inform priorities for consideration in whole-of-government regional strategy processes (e.g. the ASEAN strategy).

The indicators in Charts 1.2 – 1.6 have been selected to provide examples of the outputs of the different kinds of development activities that New Zealand supports. These are mostly quantitative and are not intended to capture all the outputs and outcomes of New Zealand's development assistance programme. They are supplemented at the overall programme level by indicators of overall development performance, including collective progress against a range of economic indicators and in achieving the MDGs (Chart 1.1). When reporting on overall performance such quantitative indicators will be supplemented with qualitative information derived from activity-level and programme-level monitoring, evaluation and reporting mechanisms.

We need to be better at measuring the impacts of New Zealand's development assistance and we will continue to strengthen our performance framework and reporting, including through establishing appropriate baselines and targets for the various indicators we have established at the activity, individual programme, sector strategy and overall programme levels.

We will continue to pay close attention to cross-cutting and other thematic issues that have a particularly significant impact on development outcomes. These include the environment (notably climate change), gender and human rights.

These cross-cutting issues will be taken into account in the mandatory processes for the design, implementation and evaluation of development initiatives in order to ensure good development outcomes and to manage any associated risks. Wherever appropriate this will include sex-disaggregated data and gender disaggregated reporting of progress.

Measuring the impact of our development assistance

Improving the way we target, measure and are accountable for the impact of New Zealand's development assistance lies at the centre of our new strategic framework and how we will manage the delivery of the New Zealand development assistance programme. We must improve how we measure and report on the outputs and outcomes of the activities we support.

We will monitor our impact and effectiveness across three distinct results areas:

- **Global development results** - this will monitor key development progress that the New Zealand development assistance programme and others contribute towards. While these results cannot be directly attributable to our development assistance efforts, these measures do provide an indication of the overall trend of our collective efforts. These indicators include many of the MDG standard indicators and a set of economic, worldwide governance, human development and development effectiveness indicators.
- **Direct New Zealand development results** - this will monitor key development results that New Zealand's development assistance programme directly contributes to and is also accountable for. This includes key development results (key outputs and short-term and medium-term outcomes) at a programme, sector, thematic, and activity level.
- **Operational and Organisational Performance** - this will capture how efficiently and effectively we as a Ministry are managing New Zealand's development assistance programme.

All New Zealand development activities and programmes will include results frameworks that set out their expected outputs and outcomes, including how these are to be measured. These results will cascade into reporting against our sector strategies and overall strategic framework. Individual activity and programme reports will be complemented by a more focused strategic evaluation and research programme.

Selected measures from the strategic framework will also be used in the Ministry's Statement of Intent, Information Supporting Budget Estimates and the Annual Report.

New Zealand Aid Programme

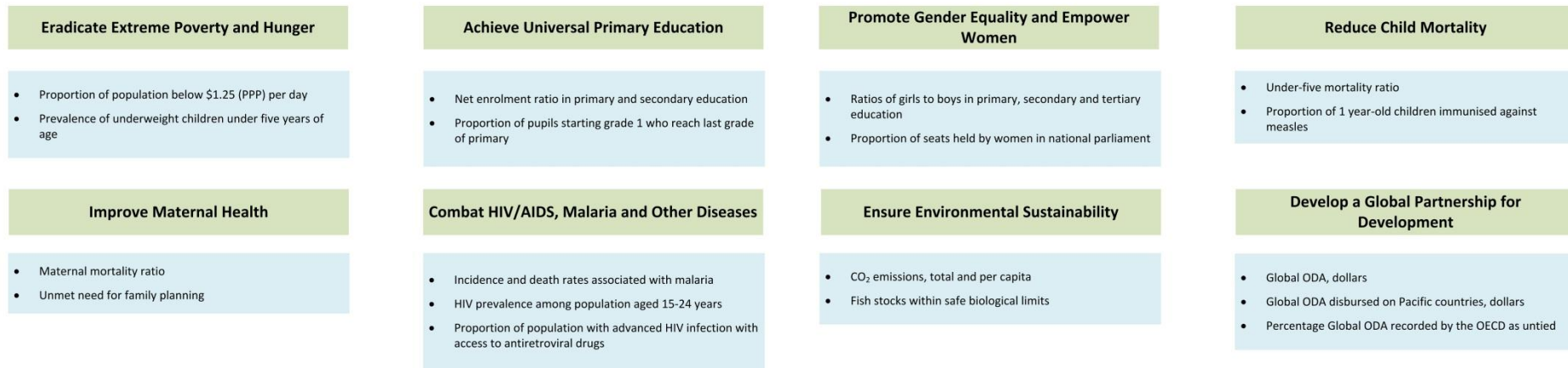
Our Purpose

A New Zealand whose engagement supports sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable, and prosperous world.

Global Development Results

(High Level indicators)

Millennium Development Goals (endorsed by UN members in 2000)



Other High Level Growth, Governance and Human Development Indicators



*Indicator is also an MDG indicator

** World Bank Worldwide Governance Indicators

Chart 1.1

New Zealand Aid Programme

Our Purpose

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Direct New Zealand Development Results

Theme: Improved economic well-being

Outcomes and Indicators

Increased returns from sustainable agriculture

Increased farm and rural incomes

Improved food security

- Additional value of agricultural production (Dollars)
- People who have gained access to agricultural technologies (Number, m/f)

Increased returns from sustainable fisheries

Increased revenue, income and employment from sustainable fishing

Fish stocks restored and maintained and local food security preserved

- Revenue for Pacific Island Countries from foreign fishing licences (Dollars)
- People who have received training for fisheries sector (Number, m/f)

Increased returns from sustainable tourism

Increased revenue, income and employment from sustainable tourism

- Value of average tourist spend (Dollars)
- People who have received training for tourism sector (Number, m/f)

Increased access to clean, efficient and affordable energy

Sustainable energy and reduced reliance on imported fuels

Increase the number of people with access to clean, reliable and affordable energy services

- Installed renewable energy capacity of new infrastructure (MW)
- People provided with new or improved access to electricity (Number, m/f)

Improved transport and infrastructure management services

Safe, reliable & affordable transport services that connect people to markets and services

Infrastructure investments are maintained and well-managed over their lifecycle

- People who have benefitted from improved transport infrastructure and services (Number, m/f)
- Significant transport infrastructure upgraded or built (Number/type)
- Road upgraded or built (Kilometres)

Improved enabling environment for economic growth and private sector development

Improved economic governance

Improved environment for business growth

- Countries supported to improve public financial management (including plans and PEFA assessments) (Number)
- People in private sector trained to support economic growth and private sector development (Number, m/f)

Chart 1.2

New Zealand Aid Programme

Our Purpose

A New Zealand whose engagement supports sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable, and prosperous world.

Direct New Zealand Development Results

Theme: Improved human development outcomes

Outcomes and Indicators

Improved education outcomes

- Improved access to quality basic education
- Improved student achievement (literacy and numeracy)
 - Children meeting national test levels at age 10 for numeracy and literacy (Percentage, m/f)
- Classrooms built or upgraded (Number)
- Teachers trained (Number, m/f)

Improved tertiary and skills training outcomes

- Increased vocational training opportunities for employment
- Increased tertiary trained workforce
- Building leadership skills for economic development
 - People that complete vocational training (Number, m/f)
 - People that complete tertiary scholarships (Number, m/f)

Improved health outcomes

- Reduced prevalence of non-communicable diseases
- Improved sexual and reproductive health and reduced child and maternal mortality
- Strengthened health systems
 - Health professionals trained (Number, m/f)
 - Mortality rates for key non-communicable diseases (cardiovascular, cancer, diabetes and chronic respiratory diseases) (Rate, m/f)

Improved living conditions

- Improved solid waste management practices to safeguard the environment
- Improved access to safe, reliable and affordable water and sanitation to protect public health and the environment
- Urban communities and housing development that provides safe, affordable and appropriate living conditions
 - People with increased access to safe water (Number, m/f)
 - People with increased access to basic sanitation (Number, m/f)
 - People provided with new or improved housing (Number, m/f)

Theme: Improved resilience and recovery from emergencies

Outcomes and Indicators

Disaster and climate resilience strengthened and risks reduced

- Improved preparedness for disasters
- Improved resilience to the adverse impacts of disaster risk, climate variability and climate change
 - People trained to strengthen disaster risk reduction (Number, m/f)
 - Facilities and/or systems introduced or upgraded to improve preparedness or mitigate the effects of natural disasters or climate change (Number)

Effective needs based response to and recovery from emergencies

- New Zealand assistance contributes to saving lives, alleviation of suffering, maintaining human dignity, and to sustainable recovery from emergencies
 - Vulnerable people provided with essential assistance following natural disasters or armed conflict (Number, m/f)

* Common indicator with other donors (either AusAID, ADB, World Bank or DFID)

Chart 1.3 and 1.4

New Zealand Aid Programme

Our Purpose

A New Zealand whose engagement supports sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable, and prosperous world.

Direct New Zealand Development Results

Theme: Improved governance, security and conditions for peace 'Building safe and secure communities'

Outcomes and Indicators

Strengthened democratic governance

Strengthened democratic and transparent systems and processes

Strengthened, effective and accountable government

- Organisations supported (CSO, media, private sector) to strengthen democratic and transparent systems and processes (Number)
- Central and local governments strengthened through provision of technical assistance (Number)

Improved community safety and rule of law

Effective and accountable policing and border management services

Improved access to justice and improved judicial systems

Effective contribution to stabilisation in situations of fragility

- Police, judicial, court and legal officers trained (Number, m/f)

Theme: Improved development outcomes through strategic partnerships with others

Outcomes and Indicators

Partnerships that leverage the strengths of others to support New Zealand Aid Programme priorities

- Dollars leveraged from partnerships (by NZ, bilateral and multilateral and regional partnerships, dollars)
- Proportion of multilateral funding directed to the Pacific (for high priority agencies) (%)

Partnerships with NZ NGOs, private sector and other government departments help deliver Aid Programme outcomes

Results examples of:

- Specific contributions made to aid and country programme framework outcomes;
- Leveraging impacts, in terms of additional resources secured and or policy changes

Partnerships with bilateral donors help deliver Aid Programme outcomes

Results examples of:

- Specific contributions made to aid and country programme framework outcomes;
- Leveraging impacts, in terms of additional resources secured and or policy changes

Partnerships with multilateral and regional agencies help deliver Aid Programme outcomes

Results examples of:

- New Zealand's engagement in seeking improved agency performance, value for money and results on the ground;
- New Zealand's leverage in protecting and/or advocating for the interests of the Pacific;
- Outputs/outcomes achieved through multilateral and regional agencies

* Common indicator with other donors (either AusAID, ADB, World Bank or DFID)

Where we will focus our assistance

From 2012/13 New Zealand's overall development assistance programme will comprise 25 individual programmes (see Table 1). Our geographic focus will remain firmly on the Pacific and selected countries in South-East Asia, complemented by carefully targeted programmes covering: multilateral agencies; regional programmes in the Pacific, Asia, Africa, and Latin America and the Caribbean; and our support for partnerships and funds and humanitarian assistance. In 2012/13 a new programme has been added to accommodate the creation of a single consolidated scholarships programme, (strategic direction and oversight for scholarships will remain an internal function and administration will be outsourced, in line with the recommendations arising from the review of our support for scholarships undertaken in 2011/12).

Table 1: Individual Programmes within New Zealand's development programme

Country	
Fiji	Kiribati
Nauru	Papua New Guinea
Samoa	Solomon Islands
Tonga	Tuvalu
Vanuatu	
Cook Islands	Tokelau
Niue	
Afghanistan	Indonesia
Timor-Leste	
Regional	
Pacific Economic Development	Mekong
Pacific Human Development	ASEAN Regional
Pacific Regional Agencies	Africa Regional
	Latin America and Caribbean Regional
Agency/Other	
Partnerships and Funds	Humanitarian
Scholarships	Multilateral Agencies

How much we plan to spend

The strategic framework is being underpinned by a new approach to our forward allocation processes. Beginning in 2012, these changes will increase the predictability of our core contributions to partner countries, while enabling a proportion of the forward development programme to be used to support larger transformational projects. These larger projects are expected to require short-term surges of capital to create high impact ‘game changers’ for countries.

By July 2015 we aim to have disbursed at least \$100 million in order to support such transformational projects. This will be used to complement core annual country programmes that will increasingly be focused on general or sector-based budget support (partner government planning, financial management and procurement systems permitting). Such core support will usually be tied to the achievement of specified development outcomes and the implementation of mutually agreed changes to relevant areas of policy, regulation, and financial or other management processes.

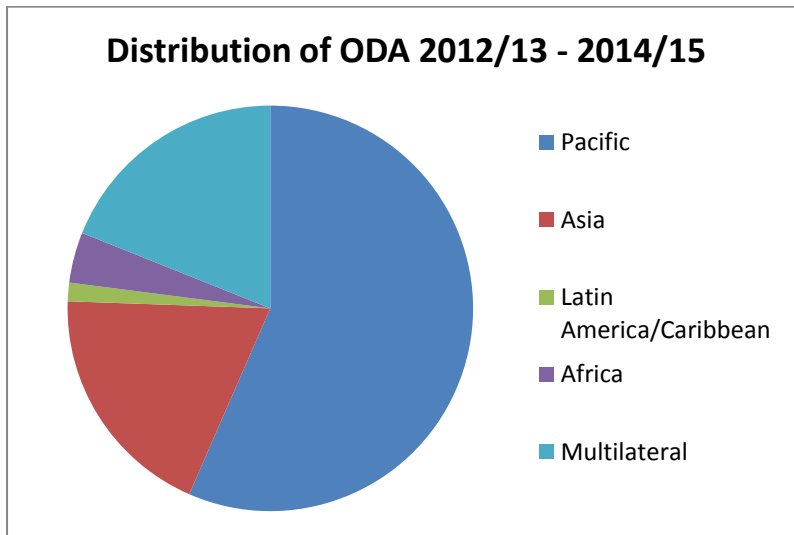
Annexes I and 2 set out the indicative financial allocations, by programme and sector, for 2012/13 – 2014/15 and Table 2.1 summarises this information by region. Total non-departmental appropriations over the three-year period are expected to amount to \$1,489 million. By 2015 we aim to have approximately 57 percent of our total disbursements focused on the Pacific, with 19 percent on Asia and 19 percent through multilateral agencies. In keeping with our focus on sustainable economic development we expect approximately 40 percent of our sector specific development assistance to be spent on seven sustainable economic development sectors (agriculture, tourism, fisheries, energy, transport, trade/private sector and water, sanitation and urban development), 9 percent on education and 11.5 percent on scholarships, and 7 percent on health. Approximately 25 percent of our overall spend will remain multi-sectoral (this includes support for multilateral and regional agencies, and our budget support for Niue and Tokelau).

Table 2.1: Indicative Allocations by Region, (\$NZ million), 2012/13 to 2014/15

Region	Percentage	Aid Volume (\$m)
Pacific	56.6	842
Asia	19.0	283
Africa	4.0	60
LA & Carib.	1.5	22
Multilateral	18.9	282

Total	100	1,489
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Anticipated distribution of ODA 2012/13 -2014/15



Just under 20 percent of New Zealand’s development assistance will continue to be disbursed through our support for multilateral agencies. We will continue to press for the improved effectiveness, particularly in the Pacific, of the agencies we support and will focus our resources on those agencies that can demonstrate results and represent good value for money. In this way not only do we increase the effectiveness of our own spend but we also leverage more effective aid from other donors’ contributions. Improved co-ordination and collaboration will be critical to this, including ensuring that multilateral agencies adhere to their core areas of expertise in a crowded donor environment.

How we will prioritise our assistance

Prioritisation is critical in an environment with limited resources and many opportunities. This strategic plan provides a framework for prioritisation in the following areas:

- Geographic prioritisation is determined by the programme framework and is reflected in the relative resourcing of programmes in the financial allocations.
- Sectoral priorities are reflected in the sector outcome areas identified.
- Priorities within sectors are identified for each sector outcome. These are further articulated within sector strategies.
- The relative priorities and performance of country, multilateral, scholarship and humanitarian investments are reflected in allocation decisions.

How we will make an impact through policy influence

Excellent use of the ODA budget is not the only way New Zealand can make a difference. Significant development impacts will be achieved through stepping-up our engagement on domestic, country, regional and international policy issues. We will prioritise efforts in the following areas:

New Zealand policy coherence

We will work to further strengthen policy coherence, building on the development assistance programme's reintegration with the Ministry. In particular we will seek coherence across Pacific trade, Pacific immigration, regional security, offshore fisheries and climate change financing issues. We will continue to develop partnerships that draw on the strengths of other government departments (for example in fisheries, policing, defence, customs, health and education) and Crown research institutes to support the delivery of key areas of development assistance. We will also be alert to possibilities for supporting the New Zealand Government's wider economic growth agenda.

Bilateral

We will increase our engagement with our main Pacific country partners around key policy areas that affect overall development outcomes, with a particular focus on strengthening management for development results, mutual accountability, and public financial management. Our aim will be to strengthen the environment needed to underpin the increased use of partner systems, including budget support. We will work closely with the wider Ministry and others to maintain and enhance New Zealand's partnerships and influence in the Pacific and elsewhere.

Pacific regional

We will give greater attention to regional integration and regional capacity issues and to the deliverables agreed at the 2011 and subsequent Forum Leaders' Meetings. We will continue to support the Cairns/Forum Compact as the main vehicle for strengthening the effectiveness of development cooperation in the region and will encourage other donors to follow the principles it sets out.

International

We will prioritise our engagement on improving the norms for development effectiveness through the post-Busan Partnership, on efforts to simplify the international development architecture, and on contributing to the post 2015 MDGs and emerging Sustainable Development Goals results frameworks. We will continue to press for improved effectiveness, particularly in the Pacific, of the multilateral and UN agencies we support, including the Asian Development Bank and the World Bank.

How we will deliver our aid

Ten key operational and organisational priorities have been identified to support the delivery of our planned outcomes.

Three-year operational priorities

Strengthening our partnerships and building leverage from the way we work with others

As a small donor we need to draw on other development actors' strengths to help deliver on our and our partner countries' development objectives. These include partnerships with other development agencies, the private sector, civil society and New Zealand government departments and agencies.

Innovation and scaling-up

We need to be able to identify and then better respond to ideas with the potential to help transform economies and the livelihoods opportunities of people, and to scale-up those activities that have been shown to make a real difference.

Focusing our efforts

We must continue to build on our initial successes in reducing the number of different activities and increasing the average size of the activities we support, and ensure our efforts continue to be focussed on the priority sectors set out in this strategic plan.

Ensuring development effectiveness

This includes supporting the implementation of the Forum Compact for Aid Effectiveness and the Busan Partnership for Effective Development Co-operation, ensuring consistent attention is given to cross-cutting issues, and by promoting an increased focus on development results and value for money.

Three-year organisational priorities

Increasing the engagement of our staff

Our staff have been through a period of considerable organisational change, we need to build engagement and make increased use of our collective strengths and experiences.

Deepening our expertise

We need to be innovative in how we encourage knowledge transfer and strengthen our links with other sources of knowledge, particularly where New Zealand has special expertise, including through a more strategic research and evaluation programme.

Strengthening our communication and outreach

We need to broaden the understanding and support for our objectives and the way we work, both internally across the wider Ministry and through a more targeted approach towards specific groups of external stakeholders.

Strengthening our monitoring of results

We need to complete the development of our results framework and operationalise this, with a strong emphasis on ensuring its utility for planning, communication and accountability.

Ensuring our processes and systems are fit for purpose

Our IT systems are in urgent need of improvement and we need to look for ways to continue to simplify our business processes.

Improving the way we manage our business

We need to ensure that our management arrangements facilitate our new approaches to managing the aid programme, and encourage increased innovation and efficiency while strengthening our accountability for development results.

Further information on these priorities and how we propose to achieve them are set out in Charts 2.1 and 2.2.

New Zealand Aid Programme Operational Priorities for 2012 - 2015

Build leverage from partnerships with purpose	Innovate, replicate and scale up	Focus our efforts	Ensure effective development
<ul style="list-style-type: none"> • New quality partnership agreements with high priority donors, private sector and civil society or state sector agencies (aligned with coordination strategy, number) • Dollars leveraged from partnerships (Dollars) 	<ul style="list-style-type: none"> • Number of new 'transformative' approaches in implementation (Number) • Value of activities that have been 'scaled-up' or replicated (Dollars and number) 	<ul style="list-style-type: none"> • Number and value of activities, by total NZ Aid Programme, programme, sector, theme and geographical area (\$ mean annual spend)* • Value and proportion of sector-allocable ODA directed primarily to sustainable economic development (Dollars)* • Value of ODA delivered using higher order aid modalities (Percentage)* 	<p>Progress against Development Effectiveness Action Plan – four shared principles</p> <ul style="list-style-type: none"> • Ownership of development priorities by developing countries • Focus on results • Inclusive development partnerships • Transparency and accountability to each other <p>Cross-cutting issues</p> <ul style="list-style-type: none"> • Quality Management Review report confirms cross-cutting issues are being appropriately considered. <p>Value for money</p> <ul style="list-style-type: none"> • Knowledge programme (i.e. policy, guidance or knowledge note) agreed and key milestones met

* Indicator or performance measure from *Information Supporting the Estimates 2012/13*

Chart 2.1

New Zealand Aid Programme

Organisational Priorities for 2012 - 2015

Professional and engaged staff	Deepen expertise	Strengthen communication and outreach	Fit for purpose processes and systems	Manage our business effectively
<ul style="list-style-type: none"> • Staff engagement indicators (Percentage) • Formal IDG staff training/development programme agreed and in place 	<ul style="list-style-type: none"> • % of staff who have completed agreed professional development plans • Key strategic evaluation and research programme milestones are met • Number of Communities of Practice in place and meeting regularly 	<ul style="list-style-type: none"> • Communications and outreach strategy agreed by October 2012 and milestones met • Growth in number of visits to NZ Aid Programme website • Feedback from ODA recipients and other development actors on the quality of new Zealand Aid Programme engagement* 	<ul style="list-style-type: none"> • New Programme and Activity Management (IT) solution in-place by 2014 	<ul style="list-style-type: none"> • 100% compliance with activity monitoring assessments and activity completion assessments • Quality Management Review report confirming quality standards for programme and activity management are being met • Agreed recommendations from the annual Quality Management review implemented • Total ODA managed vs. FTEs • Crown/departmental ratio
				<h3 style="text-align: center;">Strengthening our monitoring of results</h3>
				<ul style="list-style-type: none"> • Develop and review results framework • Operationalise the new framework across all programmes • Build a results-orientated culture • Make full use of results information generated

*Indicator or performance measure from *Information Supporting the Estimates 2012/13*

Chart 2.2

Annex 1 – Programme Allocations

2012/13 - 2014/15 Programme Allocations				
PROGRAMMES	12/13 Proposed Allocation	13/14 Proposed Allocation	14/15 Proposed Allocation	Total three year proposed allocation
CORE				
Cook Islands	14,000	14,000	14,000	42,000
Fiji	4,000	4,000	4,000	12,000
Kiribati	15,000	12,000	10,000	37,000
Papua New Guinea	18,000	18,000	18,000	54,000
Nauru	2,000	2,000	2,000	6,000
Samoa	13,000	13,000	12,000	38,000
Solomon Islands	25,000	25,000	20,000	70,000
Tonga	12,000	12,000	12,000	36,000
Tuvalu	4,000	3,500	3,500	11,000
Vanuatu	14,000	12,000	12,000	38,000
Tokelau	20,300	20,300	14,000	54,600
Niue	14,000	13,500	13,000	40,500
Afghanistan	20,000	5,000	4,000	29,000
Indonesia	16,000	16,000	16,000	48,000

Timor-Leste	8,000	7,000	7,000	22,000
Pacific Transformational Projects	25,000	35,000	40,000	100,000
Scholarships	54,000	56,000	58,000	168,000
Partnerships & Funds	50,198	45,000	45,000	140,198
Core Total:	328,498	313,300	304,500	946,298

PROGRAMMES	12/13 Proposed Allocation	13/14 Proposed Allocation	14/15 Proposed Allocation	Total three year proposed allocation
REGIONAL				
Pacific Economic and Human Development)	33,000	30,000	30,000	93,000
Pacific Regional Agencies	21,000	20,000	20,000	61,000
<i>Pacific Regional Total</i>	<i>54,000</i>	<i>50,000</i>	<i>50,000</i>	154,000
ASEAN Regional	5,000	5,000	5,000	15,000
Africa Regional	5,000	5,000	5,000	15,000
Latin America Regional	4,000	4,000	4,000	12,000
Mekong	15,000	12,500	12,500	40,000
Regional Total:	83,000	76,500	76,500	236,000

AGENCY				
Multilateral Agencies	94,000	94,000	94,000	282,000
Agency Total:	94,000	94,000	94,000	282,000
OTHER				
Humanitarian	17,000	17,000	17,000	51,000
Strategic Evaluation and Research	750	750	1,000	2,500
Pacific HOMF	1,000	1,000	1,000	3,000
Other Total:	20,750	20,750	21,000	62,500
TOTAL	524,248	502,550	494,000	1,520,798
Appropriation	499,143	494,945	494,945	1,489,033
Variance	(25,105)	(7,605)	945	(31,765)

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Annex 2 – Estimates of ODA Expenditure by Sector Spend

Estimates of ODA Expenditure by Sector Spend	2012/13 - 2014/15 Proposed Target	
	\$M	%
I. ECONOMIC		
Agriculture/Forestry	96.8	6.5%
Fisheries	38.7	2.6%
Tourism	59.6	4.0%
Energy (including renewable)	67.0	4.5%
Transport	89.3	6.0%
Trade/Private Sector	52.1	3.5%
Water Supply & Sanitation	44.7	3.0%
II. HUMAN DEVELOPMENT		
Education	134.0	9.0%
Scholarships*	171.2	11.5%
Health	104.2	7.0%
III. OTHER		
Law, Justice, Leadership, Governance, Security	148.9	10.0%
Humanitarian Aid	111.7	7.5%
SECTOR SPECIFIC TOTAL	1,118.3	75.1%
B. MULTISECTOR		
Activities/Projects across multi-sectors	67.0	4.5%
Multilateral Agencies (not able to allocate to sector)	183.5	12.3%
Regional Agencies (not able to allocate to sector)	40.3	2.7%
Budget Support for Niue and Tokelau	79.8	5.4%

MULTISECTOR TOTAL	370.7	24.9%
TOTAL ODA	1,489.0	100.0%
Indicative Sustainable Economic Development subtotal (% of Sector Specific total)**	448.2	40.0%
Indicative Sustainable Economic Development + Human Development subtotal (expressed as a % of Sector Specific total)	857.7	76.7%

Notes: * This total includes the Scholarships Programme (\$168 million) as well as bilateral expenditure (e.g. ELTO, ELTSO, and in-country training) (\$3.2 million).

** The Sustainable Economic Development percentage (40.0%) is calculated by adding the economic sectors – Agriculture/Forestry, Fisheries, Tourism, Energy, Transport, Trade/Private Sector, and Water Supply and Sanitation.