

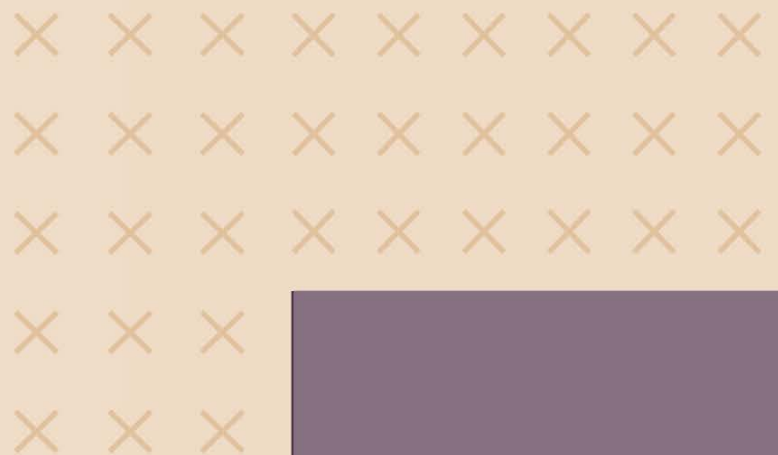
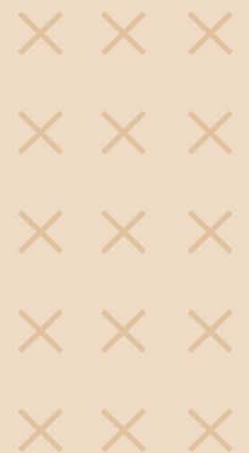


NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

A.1 AR (2026)
**B.14 (2026 - Minister of
Foreign Affairs' report
on non-departmental
appropriation)**

Annual Report

2025–26



About this report

This document contains two reports, one on the performance of the Ministry of Foreign Affairs and Trade, and one on the International Development Cooperation non-departmental appropriations administered through Vote Foreign Affairs.



The Annual Report provides an overview of the Ministry of Foreign Affairs and Trade's performance and operations for the 2025–26 financial year (p.3).

The objectives of our Annual Report are to:

- Communicate our purpose and commitments to New Zealanders.
- Demonstrate the Ministry's delivery of outcomes for New Zealand.
- Report on key achievements and our performance in delivering against our strategic priorities.
- Demonstrate our commitment to accountable and transparent governance.
- Meet our statutory requirements in accordance with the Public Finance Act 1989.

Presented to the House of Representatives pursuant to section 44 (1) of the Public Finance Act 1989.

This report also provides an overview of International Development Cooperation Programme (IDC) performance for the 2025–26 financial year (p.141).

The first section features key achievements for the year, including the Ministry's work with its development partners, and delivery against New Zealand's 2022–25 climate finance commitment.

The second section sets out achievements across the IDC Programme, and their impact in advancing the Ministry's three strategic goals:

- A safe, secure and just future.
- A prosperous and resilient future.
- A sustainable future.

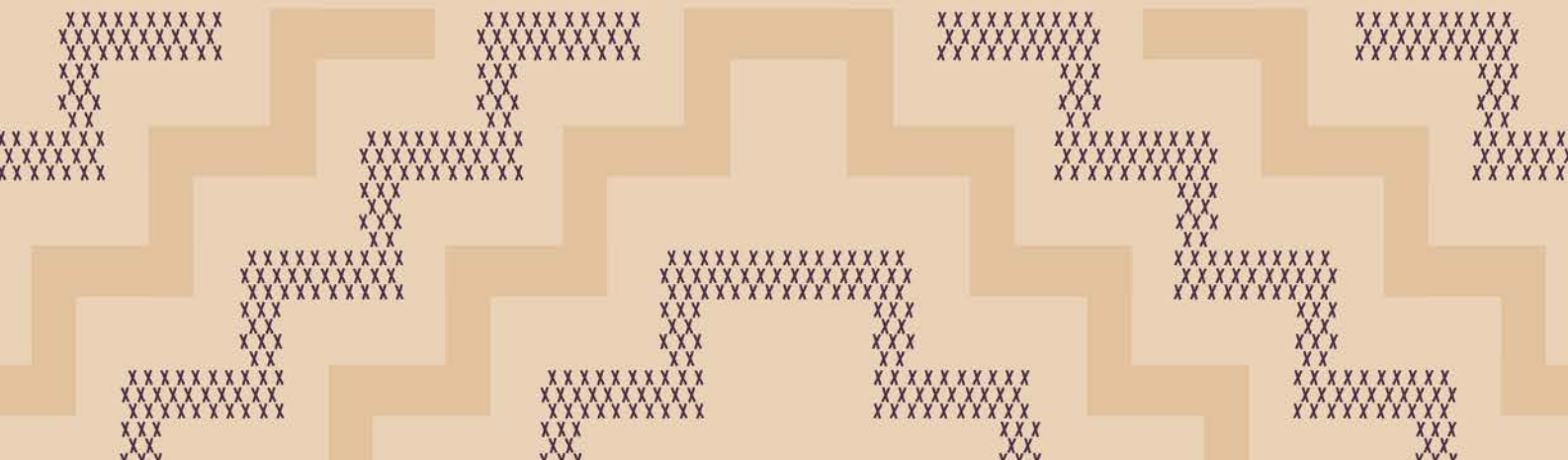
Presented to the House of Representatives pursuant to section 19B of the Public Finance Act 1989.



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Foreword including statement of responsibility



Chief Executive's foreword

Over the past year, the Ministry of Foreign Affairs and Trade has advanced and defended New Zealand's foreign policy priorities in an international environment that has become more contested, fragmented, and volatile.

It was a year in which conflict expanded across multiple regions and challenged global stability. Economic security concerns continued to increase in prominence, and supply chain disruption and vulnerabilities had significant economic impacts. Long-standing international rules and norms continued to come under pressure, while strategic competition deepened, especially in the Indo-Pacific.

In this challenging international context, the Ministry worked to ensure New Zealand remains well positioned to progress and protect its interests. We strengthened our relationships in the Pacific and across Asia, supported trade and economic growth, advanced and defended New Zealand's interests in multilateral and regional fora, and assisted New Zealanders affected by conflict and crisis overseas.

This report details the Ministry's performance during 2025–26 against our Strategic Intentions, which incorporate the Government's foreign policy priorities. It demonstrates the breadth of the Ministry's contribution to advancing and defending New Zealand's security, prosperity and resilience in an increasingly complex operating environment.

New Zealand's security and prosperity are closely entwined with those of our region, and the Ministry focused on deepening New Zealand's partnerships in the Pacific and Indo-Pacific.

In the Pacific, we concluded significant new partnership arrangements with the Cook Islands, Niue, and Kiribati, and continued to deliver a substantial programme of development cooperation focused on supporting Pacific resilience, economic stability, governance, security, and education.

We also worked closely with Pacific partners, including Australia and regional institutions, to respond to natural disasters, support climate resilience, and prepare for New Zealand's hosting of the Pacific Islands Forum in 2027.

We significantly expanded engagement across South, Southeast and North Asia. The year marked important progress in the Government's objective of deepening New Zealand's relationships with some of the world's

most dynamic and strategically important economies. We concluded Comprehensive Strategic Partnerships with the Association of Southeast Asian Nations (ASEAN), Singapore, and the Republic of Korea and elevated relationships with other key regional partners. And we achieved a significant milestone through the conclusion and signing of the New Zealand–India Free Trade Agreement.

The investment in relationships in our region will help create new strategic and economic opportunities for New Zealand while also strengthening New Zealand's role as an active and constructive partner in the wider Indo-Pacific.

These and other key foreign policy objectives were enabled through sustained high-level political engagement. The Ministry supported an intensive programme of 59 visits to 34 countries by the Prime Minister and the Ministers of Foreign Affairs, Trade and Investment, and Climate Change. In addition, we supported 51 high-level inwards visits to New Zealand by foreign leaders and ministers.

International trade remains central to New Zealand's prosperity. Against a backdrop of increased uncertainty in the global trading environment, the Ministry pursued a significant programme of trade and economic diplomacy to support the Government's ambition to double the value of exports by 2034 and strengthen economic resilience.

Alongside securing the New Zealand–India Free Trade Agreement and bringing the United Arab Emirates (UAE) agreement into force, we intensified work to maximise the value of existing agreements, resolve non-tariff barriers, support trade missions and assist exporters navigating a more complex international environment.

We also worked closely with international partners to strengthen supply-chain resilience and launched innovative initiatives such as the Future of Investment and Trade Partnership (FIT-P) and the Agreement on Trade in Essential Supplies with Singapore (AOTES).

The Ministry continued to place strong emphasis on New Zealand's relationships with Australia, the United States, the United Kingdom, Canada, Japan, the Republic of Korea, Singapore, Europe and other likeminded partners. These relationships are essential to advancing New Zealand's interests and contributing to regional and global security.

During the year we strengthened defence and security cooperation with these partners, supported Ukraine

through humanitarian, reconstruction, and defence assistance, and worked with others to address challenges ranging from cyber threats to supply chain disruption and maritime security, including in the Strait of Hormuz. We also continued to engage through emerging plurilateral and minilateral arrangements that provide new opportunities to pursue practical outcomes on issues of shared concern, including our cooperation with the North Atlantic Treaty Organization (NATO) alongside other Indo-Pacific partners.

The international rules-based system remains fundamental to New Zealand's security and prosperity. Throughout the year, the Ministry advocated consistently for adherence to international law, including the United Nations Charter and international humanitarian law.

We played a leadership role in the United Nations' UN80 reform process, upheld New Zealand's long-standing commitment to nuclear disarmament and non-proliferation, defended the Antarctic Treaty System, and contributed to international efforts on climate change, oceans governance, cyberspace and outer space. These efforts reflect New Zealand's enduring interest in a world in which international rules, institutions and cooperation remain effective.

The year also highlighted how rapidly international crises can affect New Zealanders at home and abroad. The Ministry led a significant response to the conflict in the Middle East, while also coordinating with partner agencies on the wider security, economic and supply chain implications of the crisis, providing consular assistance and information to New Zealanders in affected countries. This response demonstrated the Ministry's ability to operate across consular, security, trade and economic domains simultaneously, and underlined the growing importance of crisis preparedness in our work.

In total, the Ministry's Coordination Centre was used to support six responses over the 2025–26 financial year, namely the dengue fever outbreak in Samoa; Tropical Cyclone Maila; the Philippines earthquake; and three responses relating to the events in Iran. The Centre was stood up for a total of 81 days over the course of the year with staff members contributing over 1,800 days to emergency response activities.

There has also been a continued focus on strengthening our organisational foundations. During the year we moved into a purpose-built Head Office in Wellington, completed a major programme of digital modernisation,

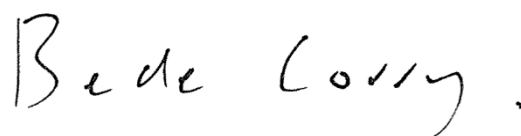
and continued to align resources with the Government's priorities. We reformed the operating model for International Development Cooperation to support a future-ready workforce that is scalable, flexible and responsive to the international context. These investments are strengthening our ability to operate as an agile, secure and globally connected foreign ministry capable of responding effectively to a rapidly changing international environment.

The Ministry supported Māori-Crown relations and met its Treaty of Waitangi/Te Tiriti o Waitangi and legislative obligations under the Public Service Act 2020. Our active engagement with a broad range of domestic partners and stakeholders, including with the business, education, and community sectors, underpinned much of the year's work programme.

None of the Ministry's achievements would be possible without the commitment and professionalism of its people. Across our offshore network of posts and in New Zealand, and in close connection with colleagues from other New Zealand government agencies, staff have worked in demanding, and at times dangerous, circumstances. Their expertise, dedication, and courage have advanced New Zealand's interests, supported Ministers, assisted New Zealanders overseas, and responded to international events that increasingly require sustained and often complex engagement.

The past year has reinforced that New Zealand does not have the option to be a passive observer of international developments. Our prosperity, security and resilience depend on active international engagement, strong relationships and effective diplomacy.

In an increasingly uncertain world, the Ministry will continue to work with energy and purpose to advance New Zealand's interests and to seek a safer, more prosperous and more sustainable future for all New Zealanders.



Bede Corry

Secretary of Foreign Affairs and Trade

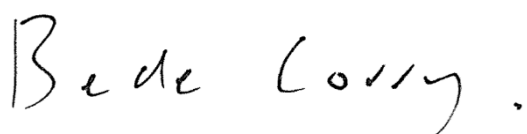
Statement of responsibility

I am responsible, as Chief Executive of the Ministry of Foreign Affairs and Trade (the Ministry), for:

- The preparation of the Ministry's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them;
- Having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting;
- Ensuring that end-of-year performance information on each appropriation administered by the Ministry is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this Annual Report; and
- The accuracy of any end-of-year performance information prepared by the Ministry, whether or not that information is included in the Annual Report.

In my opinion:

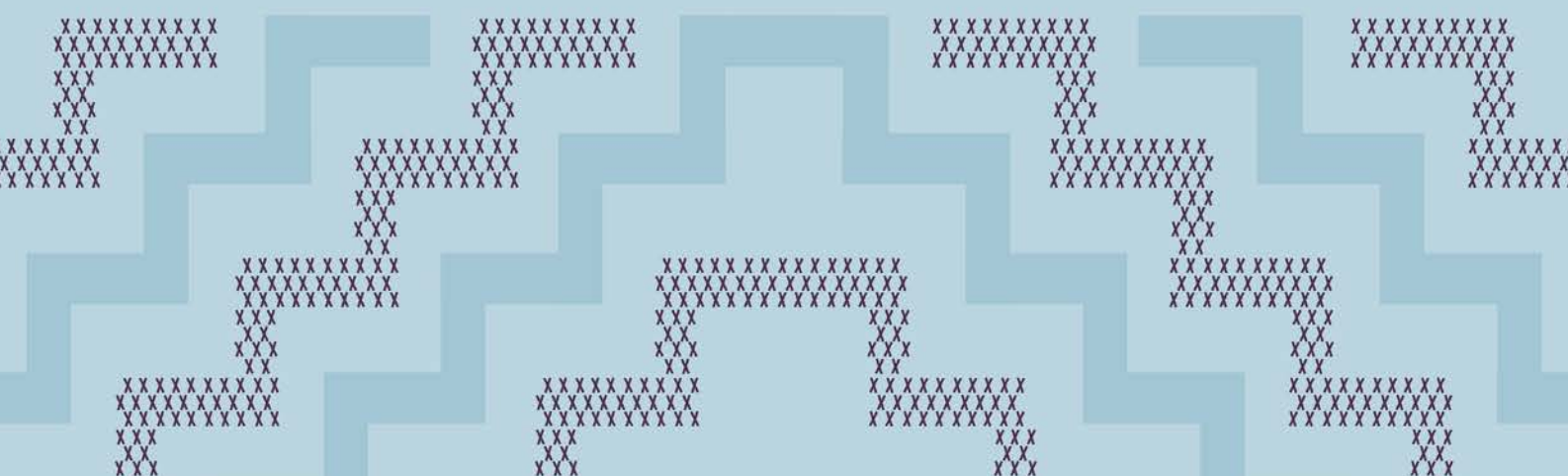
- The Annual Report fairly reflects the operations, progress, and organisational health and capability of the Ministry;
- The financial statements fairly reflect the financial position of the Ministry as of 30 June 2026 and its operations for the year ended on that date; and
- The forecast financial statements fairly reflect the forecast financial position and operations of the Ministry as of 30 June 2027 to which the forecast financial statements relate.

A handwritten signature in black ink that reads "Bede Corry." The signature is written in a cursive, slightly informal style.

Bede Corry

Chief Executive and Secretary of Foreign Affairs and Trade
29 September 2026

Progress on Strategic Intentions



We influence

Ko tā tātou he aweawe

Through our partnerships and international rules, norms and institutions

Our purpose

Tō tātou aronga

The Ministry acts in the world to build a safer, more prosperous and more sustainable future for New Zealanders

*Ko tā te Manatū, kia haumarū, kia tōnui,
kia ukauka ake te ao, mō Aotearoa,
ā anamata ake nei*

Our values

Ō tātou whanonga pono
Impact, Kotahitanga, Manaakitanga, Courage

Goals

Ngā whāinga

A safe, secure and just future

He Ao Haumarū

A prosperous and resilient future

He Ao Tōnui

A sustainable future

He Ao Pūmau

The Treaty of Waitangi

Te Tiriti o Waitangi

The Ministry is committed to honouring its Treaty of Waitangi/Te Tiriti o Waitangi obligations.

*E manawa ū ana a Te Manatū
ki te whakamana i ōna haepapa
o Te Tiriti o Waitangi*

Focus Areas

Ngā Wāhi Arotahinga

Partnering for the Pacific

Deepening our relationships with
India, Southeast Asia and ASEAN

Growing export value and resilience

Organisational Foundations

Ngā Tūapapa Whakahaere

Our enablers, capabilities and relationships

Strategic Framework

Te Anga Rautaki





Reporting against the Ministry's Strategic Framework

Delivering impact for New Zealanders

The Ministry acts in the world to build a safer, more prosperous, and more sustainable future for New Zealanders.

The Ministry has three enduring goals framed around safety, prosperity, and sustainability. Each goal has three associated outcomes, which set out our objectives over a ten-year period, reflecting the longer-term nature of the Ministry's foreign policy work.

A high-level assessment of progress on our goals and outcomes is set out on pp.12 to 20.

Goal: A safe, secure and just future

Outcomes:

- 1.1 New Zealand and its people are safer abroad and at home
- 1.2 The rule of law, human rights, and global security are protected and advanced
- 1.3 The Pacific and Indo-Pacific regions are secure and stable

Goal: A prosperous and resilient future

Outcomes:

- 2.1 The international trade and economic environment is fair and favourable for New Zealand businesses
- 2.2 New Zealand exporters have the tools, knowledge and support they need to thrive in overseas markets
- 2.3 The Pacific and Indo-Pacific regions are more prosperous and resilient

Goal: A sustainable future

Outcomes:

- 3.1 Antarctica is protected, and the natural environment, particularly in our region, is conserved and sustainably managed, including its oceans and biodiversity
- 3.2 The impact of climate change is mitigated through an effective global response
- 3.3 Pacific countries have increased resilience to natural hazards and the intensifying impacts of climate change

These longer-term goals and outcomes are complemented by the Government's Foreign Policy Priorities¹, and the Ministry's targeted medium-term "Focus Areas"². Together, these set direction for the Ministry's effort and delivery.

An assessment of progress on the Foreign Policy Priorities and the Focus Areas is set out on pp.22 to 32.

Foreign Policy Priorities and Focus Areas

Sustain our deep and comprehensive focus on the Pacific

Focus area: Partnering for the Pacific

Significantly increases focus on Southeast, South and North Asia

Focus area: India, Southeast Asia and ASEAN

Deliver an intensive, targeted programme of trade and economic diplomacy

Focus area: Growing export value and resilience

Apply renewed attentiveness to likeminded partners and support new minilateral groupings

Targeted Multilateral Engagement

This section also outlines how the Foreign Policy Priorities and Focus Areas contribute to the Ministry's longer-term outcomes.

Example of contribution linkage:



Our organisational foundations — our people, culture, capabilities, structures, and operational practices — enable delivery of the Ministry's foreign policy and organisational priorities and focus areas. An outline of our progress on these organisational foundations can be found on p.33.

¹ The Government's Foreign Policy Priorities (the Foreign Policy Reset) were first articulated by the Minister of Foreign Affairs in a speech on 1 May 2024.

² The Ministry identified three focus areas as part of its Strategic Framework (see p.8): Partnering for the Pacific; Deepening our relationship with India, Southeast Asia and ASEAN; Growing export value and resilience.

Global operating environment

The three big shifts in the global operating environment identified in the Ministry's 2023 Foreign Policy Assessment — from rules to power, from economics to security, and from efficiency to resilience — have accelerated and intensified. New Zealand's foreign policy must now navigate a world that is more contested, more fragmented, and more volatile.

This presents a more challenging international environment for the Ministry to pursue its goals of a safer, more prosperous, and more sustainable future for New Zealanders. While these goals are aspirational and long-term, they remain a touchstone against which to assess the Ministry's actions.

However, in this more challenging environment, the balance between mitigating risk and pursuing opportunity is shifting. In some cases, the Ministry's markers of success will need to be recalibrated in terms of what its actions have preserved and protected, as well as the objectives that have been advanced.

Assessing our performance

Measuring foreign policy outcomes is inherently challenging. This is due to a dynamic and complex global context, the fact that many outcomes are achieved over time, and the need to work with partners, and through regional and multilateral institutions to maximise our impact.

While measuring some activity is straightforward (for example, the percentage of our trade covered by free trade agreements (FTAs)), other outcomes can take time and will be influenced by external factors (for example, an international treaty negotiation can be impacted disproportionately by the actions of a small number of larger, or better resourced, countries).

Sustained efforts, such as building high-level relationships, negotiating compromise outcomes, and investing in likeminded groupings, will often be critical in advancing our objectives, but results and impacts can be difficult to quantify. For this reason, the Ministry uses a range of qualitative and quantitative approaches to measure performance.

The Ministry uses different types of indicators to describe our outcomes:



Ministry-attributable indicators: Directly linked to our work (for example, consular service satisfaction; trade coverage by FTAs).



Global indicators: Used as proxy measures when they meaningfully support the performance story (for example, Sustainable Development Goals³), as high-level outcomes are seldom directly attributable to the Ministry's activity. External factors frequently drive changes in outcome indicators.

Indicators used by the Ministry supplement qualitative assessment and are supported by data where available. As such, not all outcomes have an indicator, while some may have several. Where appropriate, commentary is provided to explain results.

³ For more information: <https://sdgs.un.org/>

Our performance story – section guide

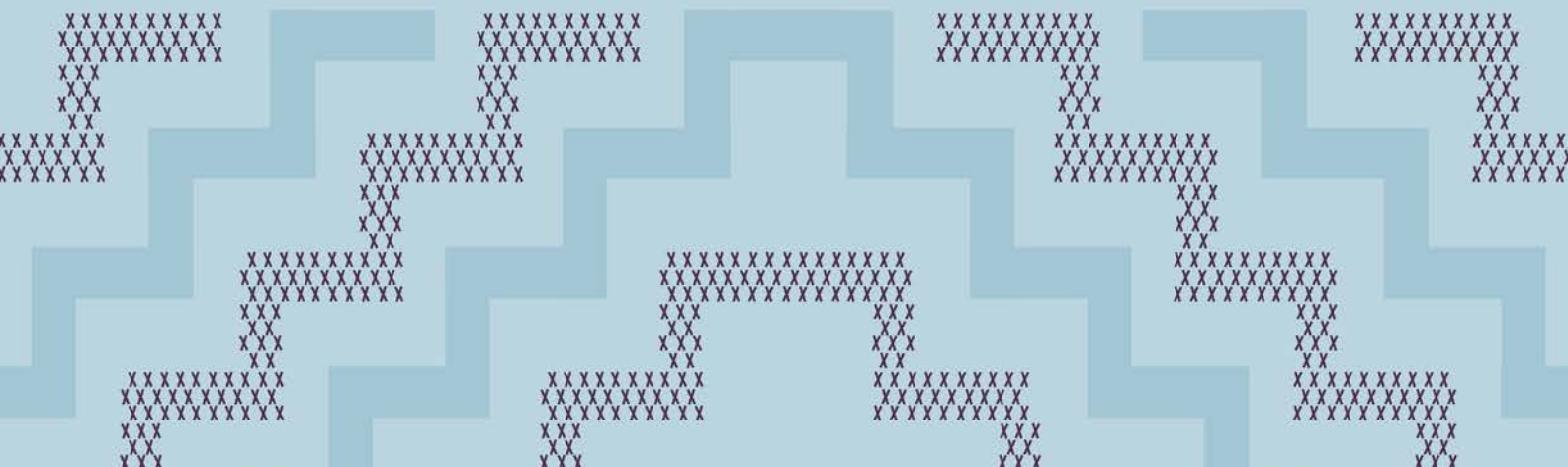
The following sections of the report represent the Ministry's progress against our Strategic Intentions, enabled by the different outputs and activities achieved in 2025–26.

From pp.7 to 32 — [Progress on Strategic Intentions](#). The first part of this section provides a brief qualitative assessment of the Ministry's progress against each goal and its related outcomes, noting that these are long-term in nature. This is supplemented by quantitative outcome indicators. The second part of this section provides details on the Ministry's delivery of the Government's foreign policy priorities and the Ministry's focus areas. These cover a significant percentage of our overall foreign policy, trade and development effort. Information on the Ministry's organisational foundations is provided on p.33.

From pp.39 to 72 — [Assessment of operations](#). This section covers the Ministry's activities on implementing the Government's broader priorities, with a focus on major operating spending and savings decisions, and an assessment of the department's operations during the financial year.

From pp.54 to 72 — [Year-end performance information on appropriations](#) (under [Assessment of operations](#)). This section contains the Ministry's service performance information.

Goals and outcomes





Goal: A safe, secure and just future

During 2025–26, the Ministry worked to advance New Zealand's security in an increasingly contested, fragmented, and volatile international environment. Geopolitical competition intensified. Conflict in Ukraine, the Middle East, and Africa continued to influence international stability, and actions of major powers further eroded the international rules-based system.

Against this challenging backdrop, the Ministry's efforts ranged from responding to international crises affecting New Zealanders, to helping shape collective international responses to security challenges. Through active diplomacy, multilateral engagement, development cooperation and the provision of consular services, the Ministry worked to support a safe and secure environment for New Zealanders at home and abroad.

Outcome 1.1: New Zealand and its people are safer abroad and at home

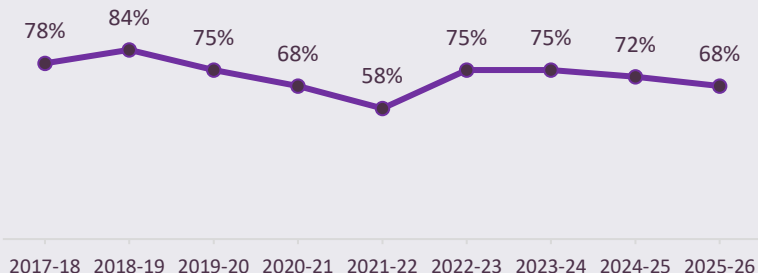
The year underlined the speed with which international developments can impact New Zealanders. The Ministry coordinated a substantial response to the Middle East crisis, supporting New Zealanders in affected countries, and playing a leadership role in framing the Government's response to trade, economic and security implications for New Zealand.

The Ministry also worked with international partners to improve New Zealand's resilience to supply chain disruptions and address energy insecurity and other risks with direct implications for New Zealand. Engagement with key fuel supply partners in Asia and the Gulf helped strengthen New Zealand's responses to shocks to global trade and transport networks.

Working closely with other relevant agencies, the Ministry's efforts on cyber security, sanctions implementation and maritime security helped defend New Zealand's interests in a highly interconnected world.



Quality of consular services



This year, **68%** of respondents were satisfied with the quality of consular services.

While we strive to provide the highest levels of service, for a range of reasons respondents to the survey are not always satisfied.

TREND

We are operating in a highly challenging international context. Consular services continue to be delivered in an uncertain global environment in which international crises are increasingly prevalent. Over the last two years, the Ministry has had to run multiple evacuation operations to help New Zealanders impacted by war, civil unrest, and natural disasters. Complex casework, particularly in relation to detentions and travel bans, has been on the rise. Border security continues to be tightened in many countries.

In some circumstances, there is a gap between the expectations New Zealanders have, and the assistance the Ministry can provide. That is particularly so for some of the most dangerous international travel destinations. We warn New Zealanders against travelling to these locations, in part because of the significant limitations on our ability to help them in adverse situations.

An ongoing focus in our training for consular staff is responsiveness to clients and providing options when we cannot assist them. Digital tools also play an increasing role in supporting consular work. Upgrades to the SafeTravel registration portal delivered several security enhancements for users and enhanced the crisis response tools available to the Ministry.

Outcome 1.2: The rule of law, human rights, and global security are protected and advanced

The Ministry worked with close partners to uphold international law, defend human rights and promote international peace and security.

New Zealand has a strong interest in a rules-based international system where disputes are resolved peacefully, and states act in accordance with agreed rules and norms. The Ministry continued to advocate for compliance with the United Nations Charter and international humanitarian law, while working alongside partners to respond to a range of threats to international peace and security.

New Zealand continued to support Ukraine's self-defence and territorial integrity by providing humanitarian, reconstruction and defence assistance, and by imposing additional sanctions on Russia. The Ministry advocated for unimpeded access for humanitarian support to Gaza, and for all parties to the Hamas-Israel conflict to uphold their obligations under international law.

New Zealand continued its contribution to the Multilateral Sanctions Monitoring Team to uphold United Nations Security Council sanctions against the Democratic People's Republic of Korea. We contributed to multi-national diplomatic efforts to defend international norms relating to maritime security and freedom of navigation in the Strait of Hormuz and cooperated with likeminded partners to support freedom of navigation and overflight in the Indo-Pacific.

New Zealand also invested significant effort in strengthening key multilateral institutions. The Ministry played a leadership role in the United Nations' UN80 reform process, helping shape practical reforms to improve the effectiveness and sustainability of the organisation.

The Ministry defended New Zealand's long-standing nuclear disarmament objectives, including through active participation in the Nuclear Non-Proliferation Treaty review process.

The Ministry worked to advance and defend New Zealand interests in the development of emerging international rules and norms, in domains such as cyberspace and outer space. These efforts reflected our ongoing focus on shaping evolving international rules and norms that are consistent with our values and interests.

Outcome 1.3: The Pacific and Indo-Pacific regions being secure and stable

The Ministry continued to prioritise New Zealand's immediate region by investing in strong partnerships and regional institutions, and by supporting regional responses to shared challenges.

In the Pacific, New Zealand maintained an intensive programme of engagement with regional partners. High-level visits, new partnership arrangements and sustained development cooperation reinforced New Zealand's role as a trusted and enduring partner.

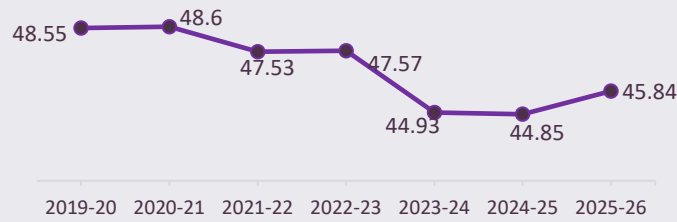
Newly concluded declarations with Niue and the Cook Islands, and a new Statement of Partnership with Kiribati, demonstrated our commitment to long-term, comprehensive relationships grounded in shared interests and mutual respect. New Zealand also worked closely with Pacific partners to respond to natural disasters, strengthen critical infrastructure and support regional resilience.

The Ministry led significant expansion of New Zealand's relationships across South, Southeast and North Asia. Comprehensive Strategic Partnerships with ASEAN, Singapore and Republic of Korea, the conclusion of a Free Trade Agreement with India, and strengthened engagement with a range of Indo-Pacific partners contributed both to economic objectives and enhanced regional security and stability.

Through these relationships, the Ministry helped position New Zealand as an active and constructive contributor to a more secure and resilient Indo-Pacific.



Government effectiveness of Pacific bilateral partners



Note: 2019–25 figures vary from the values reported previously due to revised source data being published by World Bank.

TREND

Government effectiveness across Pacific partner countries has remained relatively stable but weakened modestly over the past seven years.

While 8 of 14 countries have improved over the longer-term, the regional average has remained broadly stable with performance around the middle of global rankings but below the global median, suggesting that strengthening public sector capability and institutional performance remains an ongoing challenge.

The World Bank Government Effectiveness Index is a percentile rank, meaning that the average Pacific bilateral partner performs better than approximately 46 percent of countries globally on government effectiveness, but worse than approximately 54 percent of countries.

8 out of 14 Pacific countries showed an improving trend on the World Bank Government Effectiveness Index **

This year the average rank was **45.8** across **14** Pacific countries where data was available.

The Government Effectiveness Index demonstrates overall governance effectiveness for individual countries by measuring the quality of public services, civil service, policy formulation and implementation, and the credibility of government commitment to improving or maintaining these aspects.

Results against this measure demonstrate the progress made by Pacific states towards more effective and accountable institutions and better public services, which the Ministry supports through our development and foreign policy engagement in the region — specifically that focused on strengthening transparency and accountability; improving access to justice; civic participation; and building public sector capacity and capability.

**** measured over the past 10 years (2015–24)**



Goal: A prosperous and resilient future

During 2025–26, the Ministry advanced an ambitious programme of trade and economic diplomacy, to advance the strategic objective of building a more prosperous New Zealand. Against a backdrop of increased uncertainty in the global trading environment, the Ministry focused on developing new opportunities for exporters, strengthening New Zealand's economic resilience and advancing the Government's goal of doubling the value of exports by 2034.

The Ministry's efforts combined traditional trade policy and market access work with broader economic diplomacy aimed at strengthening supply chains, deepening economic partnerships and helping businesses navigate a disrupted international trading environment.

Outcome 2.1: The international trade and economic environment is fair and favourable for New Zealand businesses

The Ministry created new opportunities for exporters by expanding and strengthening our network of trade agreements, addressing barriers to trade, and advocating for open, rules-based trade.

A significant achievement during the year was the conclusion and signature of the New Zealand–India Free Trade Agreement, creating new opportunities in one of the world's fastest-growing major economies.

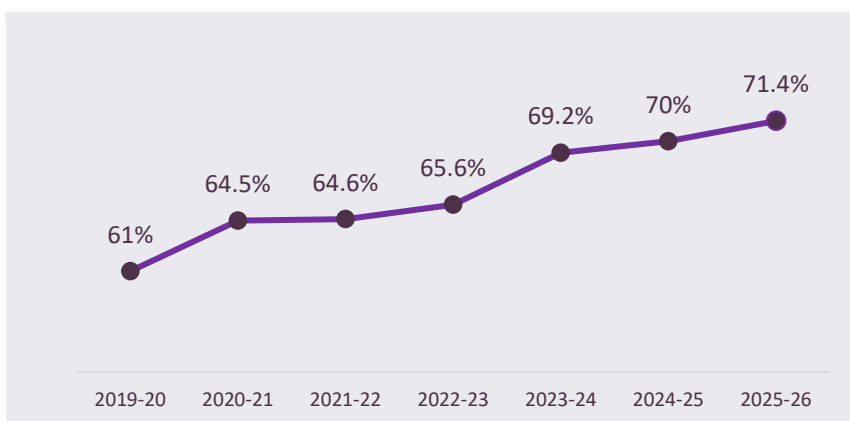
The Ministry was also active in implementing our recent trade agreements with the European Union (EU), the United Kingdom (UK) and United Arab Emirates (UAE), with strong export growth evident in all three markets.

At the same time, the Ministry continued efforts to expand and upgrade plurilateral trade arrangements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and develop new ones including Future of Investment and Trade Partnership (FIT-P) (see p.30). These initiatives create new trade opportunities, reduce costs and barriers, support the diversification of New Zealand's trade relationships, and strengthen our economic resilience.

The Ministry intensified efforts to address non-tariff barriers (NTBs) including standards and certification requirements, labelling rules, and testing regimes. NTBs impact an estimated value of almost NZD\$9 billion of New Zealand exports across over 50 markets. During 2025–26, the Ministry helped resolve NTBs impacting an estimated value of NZD\$389 million of exports, reducing compliance costs and creating new opportunities for businesses.



Free Trade Agreement (FTA) coverage



TREND

The increase in FTA coverage was driven by strong growth in trade with key partners such as China, Australia, and the EU, alongside the entry into force of the Comprehensive Economic Partnership Agreement (CEPA) with the UAE in August 2025.

71.4% FTA coverage of goods and services exports to partners with FTAs in force⁴ was achieved.

The value of New Zealand's exports of goods and services totalled **NZD\$120.2 billion in 2025–26** compared to NZD\$108.4 billion⁵ in 2024–25.

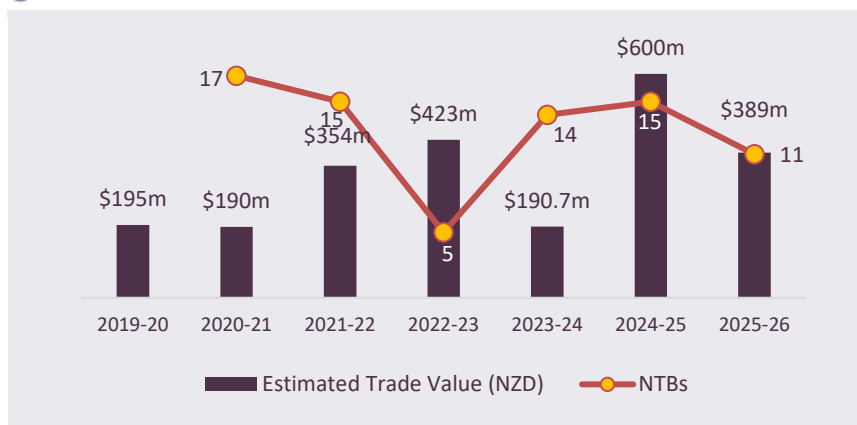
New Zealand is a strong advocate for free and open trade, governed by rules. FTA coverage of New Zealand trade is an important measure, as an increase in coverage supports New Zealand's economic resilience and growth.

⁴ FTAs in force including UK, EU, and UAE but not the GCC.

⁵ Stats NZ adjusted the method of measuring travel service trade which has adjusted historical trade total. NZD\$108.7 billion was reported in MFAT 2024–25 Annual Report.



Resolving non-tariff barriers (NTBs)



TREND

The medium-term trend indicates a lower number of NTBs were resolved, but with a high value of annual trade impacted. Given the range of factors that influence outcomes on NTBs, we expect fluctuations year-on-year.

11 NTBs resolved

impacting an estimated annual trade value of

NZD\$389 million.

The Ministry supports New Zealand exporters by promoting expanded market access and better commercial conditions for our businesses. Resolving non-tariff barriers is an indicator for this.

Outcome 2.2: New Zealand exporters have the tools, knowledge, and support they need to thrive in overseas markets

The Ministry supported New Zealand businesses through market intelligence, trade missions, commercial advocacy and practical export support.

Working closely with New Zealand Trade and Enterprise (NZTE) and other New Zealand government agencies (NZ Inc) partners, the Ministry delivered a comprehensive programme of ministerial-led trade missions across Asia, the Middle East, Europe, Pacific and Latin America. These missions enabled New Zealand businesses to build new commercial connections, strengthen existing relationships, and pursue opportunities in growing markets. To date, NZTE has estimated these missions

have contributed to more than 200 commercial outcomes, with an approximate value exceeding NZD\$2 billion. In China, for example, a major trade event that included 80 New Zealand companies generated business deals and partnerships with a commercial value of over NZD\$450 million during that Ministerial visit.

The Ministry also worked directly with exporters through its export support services, market reporting, and trade policy engagement, including during the Middle East crisis. Through a period marked by supply chain disruption and geopolitical uncertainty, these services helped businesses better understand changing market conditions, manage emerging risks, and respond to evolving challenges.



The Ministry's suite of export services to support the New Zealand export community

Of the Ministry's data base of
4,563 contacts, **84.6%**
(3,862 contacts) now subscribe to
market intelligence reports – a 3%
increase in subscription year-on-year

86.6% of readers found the
reports useful

320 new requests were
received by the Export Helpdesk,
with **255** requests resolved

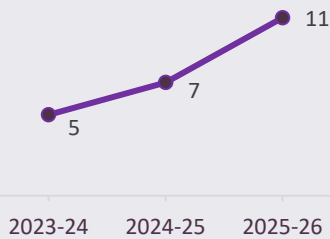
158,038 tariff-finder ⁶
searches were recorded

The Ministry offers a suite of export services that help New Zealand businesses to navigate the international trading environment. These tools provide insights on international markets which assist New Zealanders with their exporting journey.

⁶ **Tariff Finder** is an online tool designed to help goods exporters and importers maximise benefits from New Zealand's FTAs and compare tariffs in more than 140 other international markets. Good exporters and importers can use it to check the tariff rate for over 164 WTO members and observers. Link: www.tariff-finder.govt.nz



Government support for businesses that profile New Zealand and help to strengthen economic connections



This year, **11** ministerial-led trade missions were undertaken.

New Zealand's prosperity depends on trade and economic connections. Trade missions are an important mechanism for promoting New Zealand, strengthening business connections, and developing opportunities for trade and investment growth. The Ministry and NZTE have worked closely together to plan and deliver successful ministerial-led trade missions.

Twenty-three missions have been delivered this parliamentary term. Five missions were delivered between November 2023–June 2024, 7 missions between July 2024–June 2025, and 11 missions between July 2025–June 2026.

Outcome 2.3: The Pacific and Indo-Pacific regions are more prosperous and resilient

The Ministry supported prosperity and resilience across the Pacific, and Indo-Pacific, through development cooperation, economic engagement and regional partnerships.

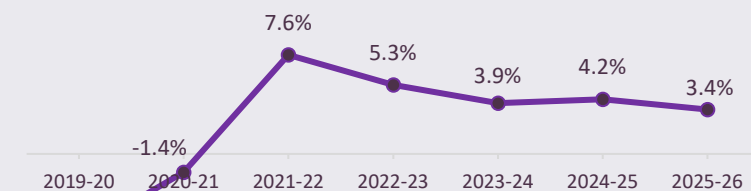
New Zealand development assistance supported improved connectivity, workforce capability, governance and economic opportunity across the region. Examples included support for digital infrastructure projects, scholarships and training initiatives, and programmes aimed at enhancing economic resilience and public sector capability. These investments helped strengthen the foundations for sustainable growth while bolstering relationships with countries that are important to New Zealand's long-term interests.

The Ministry also worked to strengthen economic partnerships across Asia, including through enhanced cooperation with ASEAN and Singapore, and deeper engagement with India. These relationships have supported deeper regional integration, created new trade and investment opportunities, and contributed to a more prosperous and resilient region.

The Ministry has worked with the Asian Development Bank (ADB), Australia, the EU, and the World Bank to support Pacific countries' fiscal and macroeconomic reforms, and to deliver budget support aligned to the achievement of those reforms. In times of fiscal crisis, most recently during energy price shocks related to conflict in the Middle East, additional budget support has helped countries manage the fiscal impact and provide social protection support to the most vulnerable.



Growth rate of GDP (percent per year) of our Pacific bilateral partners



Note: Figures for 2019–25 differ for those reported previously, due to revised source data being published by Asian Development Bank.

This year, the **average growth rate of GDP across all Pacific bilateral partners** that have data available was **3.4%**.

The growth rate of GDP measures the annual percentage change in economic output across Pacific countries. It is a widely used indicator of economic performance and provides insight into the strength, resilience, and growth of Pacific economies.

Results show the extent to which Pacific countries are achieving sustainable economic growth, creating opportunities for improved livelihoods and wellbeing, which the Ministry contributes to through investments and partnerships that support economic resilience, trade, private sector development, and inclusive growth across the Pacific.

TREND

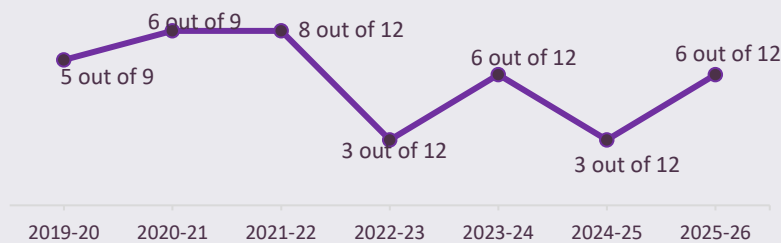
Over the past five years, Pacific economies have demonstrated resilience in the face of multiple global and regional challenges. The ADB notes that economic growth has strengthened since the COVID-19 pandemic, supported by the recovery of tourism, increased remittances, and ongoing investment, helping many Pacific countries return to pre-pandemic levels of economic activity.



Progress towards Sustainable Development Goals by our Pacific bilateral partners

Pacific countries have continued to face significant challenges, with only six of the 12 countries showing improving trends for at least half of the Sustainable Development Goals (SDGs) where data is available. This has highlighted the substantial distance still to travel to achieve the 2030 Agenda. Comparing across the SDGs, countries in the Pacific region are making the strongest progress on climate action and environmental sustainability goals, while progress remains slowest on poverty, hunger, and governance-related goals.

Across the 12 Pacific countries assessed, SDG 13 (Climate Action) is the most frequently achieved goal, demonstrating positive trends in several countries, and reflecting the sustained regional and international investment in climate resilience. In contrast, SDGs 1 (No Poverty), 2 (Zero Hunger), and 16 (Peace, Justice and Strong Institutions) continue to face significant challenges across most Pacific countries, with progress often stagnating or declining.



Overall, **6 out of 12** Pacific partners (with data available) **showed an improving trend for at least 50% of the SDGs.**⁷

The Ministry has committed to support Pacific countries to achieve the SDGs. This indicator demonstrates the extent to which Pacific countries are making progress towards SDG indicators at an aggregate level.

The following Pacific countries showed an **improving trend in over half** of their SDGs: Fiji (6/14), Marshall Islands (6/11), Palau (6/9), Samoa (7/12), Tonga (10/14) and Tuvalu (6/11).

The following Pacific countries showed an **improving trend in less than half** of their SDGs: Federated States of Micronesia (3/9), Kiribati (4/12), Nauru (3/10), Papua New Guinea (1/16), Solomon Islands (1/14), and Vanuatu (3/14).

TREND

This indicator measures whether countries are moving in the right direction on their SDGs indicators and should be interpreted as a measure of momentum rather than achievement. In 2025–26, 6 of 12 partner countries recorded improving trends across at least half of their SDGs indicators, indicating mixed but continuing progress in difficult global and regional conditions.

The trend line indicates that Pacific countries are making variable progress towards their SDGs, with an overall downward trend since COVID-19. Progress towards the SDGs has slowed globally, with the United Nations reporting that few targets are likely to be met by 2030. Reductions in Official Development Assistance (ODA), climate change, conflict, economic pressures, debt vulnerabilities, and persistent inequality continue to impact development gains and hinder implementation across many countries.

⁷ The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which are an urgent call for action by all countries—developed and developing—in a global partnership. The SDGs build on decades of work by countries and the UN, including the [UN Department of Economic and Social Affairs](#).



Goal: A sustainable future

During 2025–26, the Ministry advanced New Zealand's sustainability objectives through advocacy on climate change, environmental governance and protection of shared natural resources. The Ministry worked to strengthen international cooperation on environmental challenges while supporting Pacific partners facing some of the world's most significant climate impacts.

The Ministry's focus reflected the growing impact of climate change, biodiversity loss and environmental degradation on both New Zealand's interests, and the stability and prosperity of the wider region.

Outcome 3.1: Antarctica is protected and the natural environment, particularly in our region, is conserved and sustainably managed, including its oceans and biodiversity

In the context of increasing geopolitical tensions, the Ministry worked to protect Antarctica and support sustainable management of the natural environment

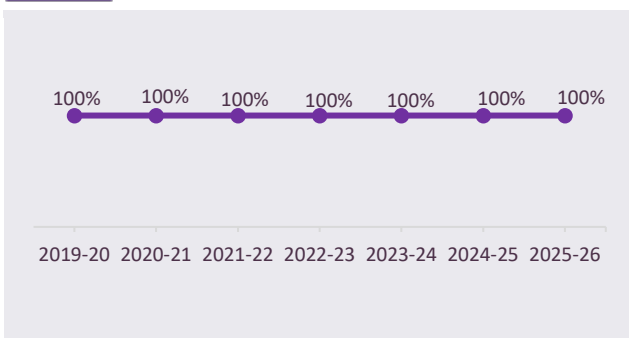
through international diplomacy and cooperation (see *case study on p.32*).

New Zealand continued its active leadership role within the Antarctic Treaty System, helping defend the rules and norms that preserve Antarctica for peaceful purposes, scientific research and environmental protection. Through Antarctic Treaty meetings, New Zealand worked with likeminded partners to strengthen transparency, support environmental protection measures and maintain confidence in the system.

The Ministry also contributed to international discussions on oceans governance, fisheries management and biodiversity conservation. These efforts support sustainable management of natural resources that are important to the livelihoods, prosperity and well-being of New Zealand, and the Pacific.



Proportion of key tuna stocks within biologically sustainable levels in the Pacific (SDGs indicator: 14.4.1)



TREND

The medium-term trend remained stable, indicating key tuna stocks are within biologically sustainable levels in the Pacific (not overfished).

This year, **100% / 4 out of 4** key tuna stocks have been assessed as being within biologically sustainable levels.

These are skipjack tuna, yellowfin tuna, bigeye tuna, and albacore tuna.

Sustainably managed, healthy fisheries are fundamental to food and income security for Pacific Island countries and territories. The Western and Central Pacific region accounts for over 50 percent of the global tuna catch. This SDGs indicator assesses whether the Pacific's tuna stocks are maintained within sustainable levels.

New Zealand's support for sustainable tuna fisheries in the Pacific contributes to maintenance of a 100 percent result for this indicator. In particular, funding to the Forum Fisheries Agency that supports advice and services to Pacific countries to maximise the economic and social benefits of sustainably managed tuna fisheries, and for the Pacific Community that provides scientific and technical expertise relating to fisheries.

Outcome 3.2: The impact of climate change is mitigated through an effective global response

The Ministry contributed to international efforts to address climate change through climate finance, diplomacy and active engagement in multilateral processes.

During the year, the Ministry worked closely with Pacific partners and Australia to coordinate regional priorities ahead of key climate negotiations, including preparations for the 31st United Nations Framework Climate Change Conference (UNFCCC COP31). The Ministry also advanced work on international carbon markets, climate finance and wider efforts that support emissions reductions and sustainable economic development. Through this engagement, New Zealand

contributed to collective international action on one of the most significant long-term challenges facing the international community.

Outcome 3.3: Pacific countries have increased resilience to natural hazards and the intensifying impacts of climate change

The Ministry supported Pacific countries to strengthen resilience to climate impacts and natural hazards through development cooperation, climate finance and regional partnerships.

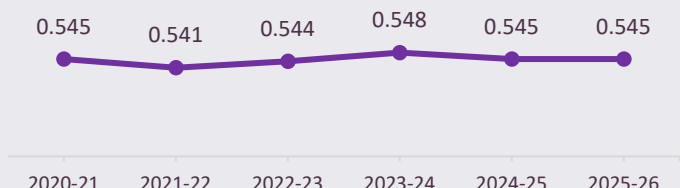
New Zealand's climate finance commitment delivered substantial support for adaptation and resilience initiatives across the Pacific, including investments in

climate-resilient infrastructure, disaster preparedness and community resilience. Examples included coastal protection initiatives and programmes to improve water security, strengthen climate adaptation planning, and enhance preparedness for extreme weather events.

The Ministry also worked with Pacific countries to ensure their priorities were reflected in international climate change discussions, adaptation finance, and sea-level rise. These efforts helped strengthen the resilience of Pacific communities, while reinforcing New Zealand's commitment to a sustainable and secure region.



Vulnerability of Pacific bilateral partners to climate change



Note: 2020-25 figures vary from the values reported previously due to revised source data being published by World Bank.

TREND

Pacific Island countries remain among the world's most climate-vulnerable nations, and the region continues to experience relatively high levels of climate vulnerability compared with global averages.

Average ND-GAIN vulnerability scores for Pacific Island countries have remained relatively stable over the past six years, fluctuating narrowly. This suggests that while vulnerability has not risen significantly, there has also been limited overall progress in reducing underlying climate vulnerability across the region. The small year-to-year movements are unlikely to represent a material change in regional resilience.

While several Pacific countries have improved their institutional readiness and adaptation planning, vulnerability remains elevated due to geographic isolation, limited economic diversification, small domestic markets, and concentration of people and assets in low-lying coastal areas.

This year, 36 indicators contribute to the Notre Dame Global Adaptation Initiative (ND-GAIN⁸) Country Index scores of **0.545** aggregated for Pacific countries⁹ (where data is available).

The ND-GAIN Country Index measures a country's vulnerability to climate change and its readiness to improve resilience through adaptation. It aims to help governments, businesses and communities better prioritise investments for a more efficient response to the immediate global challenges ahead.

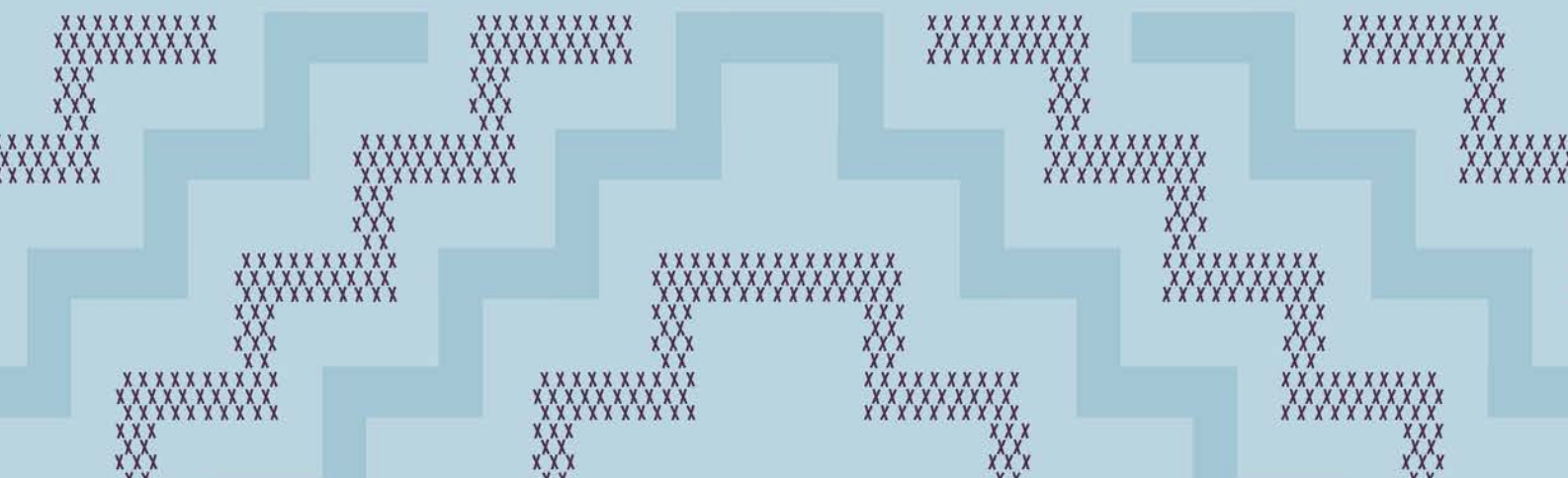
A higher index score indicates that a country is more exposed to climate change impacts, has a higher dependence on sectors negatively affected by climate hazards, and has a greater capacity to adapt to these impacts.

⁸ ND-GAIN aims to help private and public sectors prioritise climate adaptation, ultimately lowering risk and enhancing readiness. The ND-GAIN Country Index uses two decades of data across 45 indicators to rank 185 countries annually based upon their vulnerability and their readiness to successfully adapt.

⁹ 14 Pacific countries (Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Palau, Papua New Guinea, Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu).

Foreign policy priorities and focus areas*

***For a summary of foreign policy priorities and focus areas, see p.9.**



Sustain our deep and comprehensive focus on the Pacific



Ministerial engagement

Prime Minister or Minister of Foreign Affairs visited 9 Pacific countries and received 18 inward visits by Pacific Prime Ministers or Ministers



Climate resilience

61% of the 2022–25 Climate Finance commitment delivered in the Pacific



Pacific Island Forum (PIF) centrality

support for regional attendance at PIF and focus on NZ hosting of PIF in 2027



Pacific fuel security

coordinated support to respond to impacts of the Middle East conflict on fuel affordability and access

At a time when our Pacific region faces significant geopolitical challenges, a stable, prosperous, and resilient Blue Pacific Continent is an enduring focus for New Zealand's foreign policy. We remain committed to partnering with Pacific countries to deliver improved outcomes for our region, and to address both immediate and long-term challenges to their resilience.

New Zealand's **International Development Cooperation (IDC)** contributes to better security outcomes in the Pacific through investments in capacity and capability building in border management, maritime security, law enforcement, and regional cooperation — including crises response efforts.

These investments also help counter transnational, serious and organised crime, illegal fishing, and other security threats, while supporting Pacific partners' ability to maintain stability, uphold sovereignty, and respond effectively to crises and emergencies.

The Ministry supported an **intensive programme of high-level visits** to deepen New Zealand's relationships across the Pacific. Prime Minister Luxon visited Papua New Guinea in August 2025 and attended the **Pacific Island Forum (PIF)** Leaders Meeting in Solomon Islands in September. He led the Prime Minister's Pacific Tour to Samoa and Tonga in March 2026, building relationships with the new political leaders of both countries, while celebrating the breadth of our broad linkages and people-to-people connections in Polynesia. The inaugural New Zealand–Niue Leaders Meeting took place in November 2025.

The Minister of Foreign Affairs, Rt Hon Winston Peters attended the PIF Foreign Ministers Meeting in Fiji in August 2025 and visited Papua New Guinea in September for its 50th anniversary celebrations. In January 2026, the Minister visited Palau, Fiji, and Kiribati.

During his visit to Tarawa, the Minister signed the *Te Mauri Dialogue*, the first Kiribati–New Zealand Statement of Partnership. This provides a roadmap to deepen our bilateral relationship across development, regional and global issues. The Minister visited Cook Islands and French Polynesia and attended Samoa Independence Day celebrations in Apia in June 2026.

Minister Peters' visit to Kiribati also marked the completion of visits by him to all PIF member states

within the past three years, underscoring New Zealand's commitment to maintaining strong high-level political relationships throughout the Pacific.

In 2025–26, the Ministry supported sustainable development in the Pacific through delivery of **NZD\$637.6 million of IDC support**, focused on governance and democratic institutions; security; climate adaptation; and economic and social resilience.

New Zealand responded to all major disaster events in the Pacific, including through provision of critical humanitarian assistance for Papua New Guinea and Solomon Islands following Tropical Cyclones in April 2026, and the deployment of a 14-person New Zealand Medical Assistance Team to the Samoa Dengue response in August 2025.

Under the **Manaaki New Zealand Scholarship Programme**, 32 officials from across the Pacific completed Pacific Diplomatic Training, building capacity in Pacific foreign services and supporting connections and collaboration between Pacific diplomats and officials. This year's programme included modules delivered in Wellington, Honiara, and at the PIF Secretariat in Suva.

New Zealand's Climate Finance Commitment 2022–25 (NZD\$1.3 billion) concluded in December 2025. Of the total commitment, 61 percent (NZD\$813.2 million) supported climate resilience in the Pacific. Addressing climate resilience in the Pacific remains a focus of the IDC Programme, and many resilience outcomes enabled by this funding will continue to be realised beyond the life of the commitment.

Total IDC expenditure was below budget in 2025–26, due to a range of factors that impacted project implementation. These included natural disasters and incidents in the Pacific, changes in partner governments, contractual issues, and delayed launch of internationally co-funded investments. The Ministry is undertaking careful pipeline planning and management for the final year of the 2024–27 triennium, and beyond, to ensure that the multi-year appropriation will be utilised fully (*see Annex 2 p.141 for more on the Ministry's delivery of the IDC Programme in 2025–26*).

New Zealand **worked closely with regional partners** to support a resilient and prosperous Pacific. Robust and effective regional institutions — with the PIF at the centre — are central to this effort.

New Zealand was confirmed as host and Chair of the 56th PIF in 2027, reinforcing our enduring commitment to PIF centrality and providing a significant opportunity for New Zealand to reinforce regional architecture and cooperation.

This will be a major Ministry focus over the next three years, with New Zealand also being part of the ‘Forum Troika’ (comprising the incoming, current, and outgoing Chairs) from 2026–29. Preparations have commenced for hosting, which will require substantial coordination and effort across the Ministry, NZ Inc, and our diplomatic Posts.

Addressing the growing need for regional connectivity remains a New Zealand priority. Recognising ongoing regional air connectivity challenges, we provided transport for North Pacific delegations to and from the 2025 PIF Leaders Meeting in Solomon Islands.

The Government announced **further improvements to Pacific visitor visa settings**, making it more affordable for Pacific visitors to travel to New Zealand, and building on earlier improvements to visitor visa duration and recognition of certain Australia visas.

Collaboration with Australia on regional priorities continues to deepen. In line with recommendations from the 2024 Activity-based Review¹⁰ of the IDC Programme, we have commenced work with Australia’s Department of Foreign Affairs and Trade on ways to more effectively and efficiently pool resources for joint Pacific projects.

During the year Australia and New Zealand worked with Pacific Island countries and UN development agencies to advocate for and advance ambitious reform that preserves delivery and support in the Pacific.

The Australia and New Zealand-funded **Tu’i Vava’u Tonga undersea Information and Communication Technology (ICT) cable was completed**. Connecting Vava’u to the Tongan branching unit from the Hawaiki trunk system, this cable will help Tonga’s development of a dynamic, knowledge-based economy, while protecting the resilience of Tonga’s cyber infrastructure.

Responding to the impacts of the **Middle East crisis on Pacific fuel and critical goods supply chains**, and related economic implications, became a major focus of our work in the final quarter of 2025–26. This is expected to continue to be the case in 2026–27.

Our close relationship with Australia was key as we worked to understand the impacts of the Middle East crisis on Pacific countries. We also worked in consultation with the PIF and with The Pacific Community (SPC).

Our response to the Pacific was coordinated, alongside Australia, Japan, and the United States, as well as the Asian Development Bank and the World Bank. New Zealand worked with other development partners on analytical work to better understand the fuel impacts of the crisis on Pacific countries, as well as providing technical assistance and emergency financial support.

Ensuring Pacific diaspora communities in New Zealand are informed about the Government’s work and priorities is a key focus of our Pacific Connections engagements, including through the Ministry’s commitment to building effective partnerships.

The Ministry held its annual **Pacific Update outreach** from January to March 2026 in 17 locations across New Zealand. Over 750 stakeholders participated, representing a diverse cross-section of Pacific-facing government agencies, local government leaders, community leaders, academics, Pacific business representatives, non-governmental organisations, youth, arts and culture stakeholders.

The Ministry will continue to focus on ensuring impactful development cooperation driven by Pacific partner priorities; strong bilateral relationships; and collaboration with Australia and other likeminded partners on shared priorities.

¹⁰ A Ministry-led review of New Zealand’s IDC Programme, commissioned by the Minister of Foreign Affairs, to test alignment to Government priorities, impact, and efficiency.



Case study: New Declarations with the Cook Islands and Niue

New Zealand's relationships with the Cook Islands and Niue are unique. As members of the Realm of New Zealand, both countries are self-governing in free association with New Zealand. We are connected by history, constitutional ties, our New Zealand citizenship, economic ties and deep people-to-people connections, including our significant Cook Islands and Niuean diaspora communities.

In 2025–26, New Zealand signed two important Declarations with Niue and the Cook Islands. These set out the constitutional parameters of our free association relationships; our shared interests and values; New Zealand's responsibility for the security and defence of the Realm; and the consultation commitments that underpin the effective functioning of the relationships.

On 13 November 2025, Prime Minister Christopher Luxon and Niue Prime Minister Hon Dalton Tagelagi held the **inaugural annual New Zealand–Niue Leaders' Meeting**, signing a Political Declaration encapsulating the partnership between our countries. The meeting

built on a series of engagements between the two Prime Ministers, and the Declaration highlighted the depth of our connection and mutual commitments as Realm partners.

On 1 April 2026, the Minister of Foreign Affairs, Rt Hon Winston Peters, and Cook Islands Prime Minister Hon Mark Brown signed the **Cook Islands–New Zealand Defence and Security Declaration**. The Declaration was concluded following a difficult period between the two countries. It provided clarity on core aspects of our constitutional relationship, including in the defence and security domains. It paved the way for normalisation of New Zealand–Cook Islands relations following a series of serious disagreements from late 2024 — and a renewed focus on a shared road ahead for our countries.

As Minister Peters noted, the Declaration was about “setting a course together for the future” in a strategic environment “more complex and contested today than at any other point since New Zealand and the Cook Islands formed our free association relationship in 1965”.

Significantly increase focus on Southeast, South and North Asia



ASEAN

concluded a Comprehensive Strategic Partnership



Singapore

concluded a Comprehensive Partnership



India

taking the relationship to the next level



China

political resilience and economic growth

Deepening our engagement with Asia

Asia is integral to New Zealand's prosperity, security, sustainability, and resilience. Two-way trade reached over NZD\$112.9 billion in the year ending June 2026, with 46 percent of our exports heading to Asian markets, underlining the region's critical importance for the Government's "Going for Growth" agenda. Many Asian countries are key partners for critical imports, investment, lifting innovation and growing and diversifying exports.

Asia is also critical to New Zealand's energy supply chains, with close partners the Republic of Korea (ROK), Singapore, Malaysia and Japan supplying over 90 percent of our refined petroleum products.

New Zealand's security is closely tied to the security of the wider Asia region. Transnational organised crime, irregular migration and radicalisation in the region impact New Zealand. We continue to engage with defence and law enforcement partners and through regional forums to strengthen New Zealand's support for broader regional stability and resilience.

Over the last year, **New Zealand has continued its extensive engagement with key regional partners and forums.** The Prime Minister, Minister of Foreign Affairs and other Ministers led 20 visits to South and Southeast Asia. Significant progress has been made in deepening New Zealand's engagement with India and Southeast Asia. Relationships with Association of Southeast Asian Nations (ASEAN) and Singapore were elevated to Comprehensive Strategic Partnerships (CSP). A free trade agreement (FTA) was concluded with India.

International Development Cooperation (IDC) assistance contributed to strengthening New Zealand's partnership with ASEAN, including through our Manaaki Scholarship Programme. Over the last year, the Ministry delivered training for 736 government officials, professionals and post-graduate scholars from ASEAN countries, boosting people-to-people links, deepening our regional networks and strengthening technical capability.

ASEAN: A Comprehensive Strategic Partnership

During his visit to Malaysia in October 2025 for the East Asia Summit (EAS), the Prime Minister marked the 50th anniversary of dialogue relations between New Zealand and ASEAN, **launching a CSP.** This put New Zealand in

the highest rank of ASEAN's diplomatic partnerships, joining only six other countries with CSP status — China, the United States, ROK, Japan, India and Australia.

As Comprehensive Strategic Partners, New Zealand and ASEAN will further deepen ties in priority cooperation areas, including security, trade and innovation, education, agriculture and climate change. New Zealand and ASEAN will cooperate in support of a stable, prosperous, rules-based regional order, ensuring we deepen connections with one of the world's fastest-growing and most dynamic regions.

Singapore: A Comprehensive Strategic Partnership

In marking 60 years of diplomatic ties, Prime Ministers Christopher Luxon and Lawrence Wong elevated the **New Zealand–Singapore relationship to a CSP** in October 2025. The CSP deepens cooperation across six pillars: trade and economics; supply chains and connectivity; defence and security; science and innovation; people to people links; and climate and green technology.

The **world-first Agreement on Trade in Essential Supplies (AOTES)** was negotiated and established under the supply chains and connectivity pillar (*see case study on p.26*).

In May 2026, the Prime Ministers opened the inaugural **Singapore–New Zealand Leadership Forum**, a business-led, government-supported, platform for deepening commercial links and identifying opportunities in supply chains, agri-food, digital innovation, artificial intelligence (AI), and green growth. More than 70 chief executives attended, agreeing recommendations for both governments and businesses to take forward.

India: Taking the relationship to the next level

New Zealand's relationship with India continued to strengthen through sustained high-level engagement by both governments.

In November 2025, India's Minister of Commerce and Industry, Piyush Goyal, visited New Zealand with a 43-member business delegation to advance trade and economic ties. In April 2026, Minister Todd McClay visited Delhi with a delegation of Member of Parliament and business representatives and signed the **New Zealand–India FTA** with Minister Goyal.

Inaugural defence talks were held in 2025, setting a framework for regular dialogue and new areas of collaboration.

China: A comprehensive and mature relationship

In the last 12 months, nine Ministerial visits to China and the Speaker's visit with a cross-party delegation advanced and **reinforced New Zealand's commitment to a mature, constructive bilateral relationship**: one where substantial areas of bilateral cooperation are pursued where our interests align, and differences addressed by being clear, consistent and proactive in communicating New Zealand's concerns where needed.

New Zealand's total trade with China continued to grow strongly, reaching NZD\$44.4 billion in the year ending March 2026. In November 2025, the Minister for Trade and Investment led a large trade delegation to Shanghai which facilitated business deals worth up to NZD\$450 million. Following visa changes in November 2025, Chinese visitor arrivals have increased over 30 percent, injecting significant additional impetus into New Zealand's tourism industry.

Budget 2025: Doubling Exports and Asia Uplift

Budget 2025 included new funding of NZD\$83.8 million over four years under Vote Foreign Affairs to support the

Government's priorities to **double export value and deepen relationships in Asia**. This funding has been allocated to increase engagement with India and Southeast Asia partners; tackle non-tariff barriers; and implement, leverage, and expand the existing trade agreements.

Utilising Budget 2025 funding, the Ministry has:

- Established new roles at New Zealand missions in Southeast Asia, to help advance bilateral priorities, including negotiating enhanced market access and tackling non-tariff barriers.
- Established contestable **India and Southeast Asia Growth Funds**, worth NZD\$18 million over four years, for targeted activities supporting Government priorities to double export value and deepen New Zealand's regional relationships.

New Zealand will continue to focus on lifting effort and engagement in Asia, to enhance our security and prosperity. Funding from Budget 2025 will continue to be allocated to strengthening engagement with India and priority Southeast Asian partners, to reducing non-tariff barriers and unlocking greater value from existing and new trade agreements.



Case study: Agreement on Trade in Essential Supplies (AOTES) with Singapore

During his visit to Singapore in early May 2026, Prime Minister Luxon and his Singaporean counterpart, Prime Minister Wong, signed the AOTES, a key element of New Zealand's CSP with Singapore.

AOTES is an agreement that aims to keep the flow of essential supplies open during a crisis

The AOTES is a world first, treaty level binding agreement in which New Zealand and Singapore have committed not to impose export restrictions on an agreed list of goods during a supply chain disruption. AOTES grew out of cooperation between New Zealand and Singapore to maintain flows of essential goods during COVID-19.

New Zealand's essential products are focused on fuel, health-related goods and inputs for construction. Singapore is focused on foodstuffs, including dairy, meat, seafood, cereals, fruits and vegetables. The relevance of an agreement on trade in essential supplies was demonstrated during the global fuel supply disruptions related to the recent Middle East crisis. Singapore is currently New Zealand's fifth largest trade partner, and second largest source for mineral oils and fuels, with New Zealand's fuel imports from Singapore totalling NZD\$3.12 billion in 2025.

Under AOTES both parties have agreed to forgo application of the critical shortages exception in the

General Agreement on Tariffs and Trade for the AOTES-agreed list of essential products. The AOTES does not, however, require the governments to intervene in the market to ensure the private sector supplies essential goods to each other, which will remain subject to market forces.

Supply Chain Cooperation

The AOTES also includes provisions related to enhancing New Zealand's supply chain cooperation with Singapore, primarily in information sharing and ensuring that the movement of goods across borders is as smooth as possible.

A unique agreement built on respect and trust

The AOTES provides a practical example of a cooperative, rules-based approach to strengthening supply chain resilience, and helping ensure the continued flow of essential goods during crises. By being legally binding, it is a world-first agreement, reflecting the strong, collaborative relationship between New Zealand and Singapore. Prime Minister Wong has described the AOTES as representing a new "gold standard" for supply-side resilience. New Zealand continues to explore opportunities for further arrangements to bolster supply chain resilience with other key trading partners.

Deliver an intensive, targeted programme of trade and economic diplomacy 2.3



India FTA
concluded and signed



Future of Investment and Trade Partnership (FIT-P) launched
with first outcomes supporting supply chain resilience



Intensified FTA implementation and expansion efforts
generated new opportunities and increased trade



Trade in Essential Supplies focus, including agreement with Singapore (AOTES) concluded and signed

In the context of an increasingly turbulent international trade environment, the Ministry has continued to pursue an **intensive programme of trade initiatives and economic diplomacy** to boost New Zealand's trade resilience and advance the Government's goal of doubling the value of exports by 2034.

Changes in approaches to tariff policies, disrupted supply chains, and changing regulatory environments have contributed to ongoing uncertainty for New Zealand exporters. Recent developments in the Middle East have compounded challenges within the international trade environment.

New Zealand's trade performance has held up well. Strong export growth in 2025 has continued into 2026, with exports up 10.9 percent (to NZD\$120.2 billion) over the year ending June 2026. This puts export performance ahead of the growth trajectory required to double the value of exports by 2034.

The Ministry's trade strategy encompasses three key pillars: (i) working to shore up trade rules to provide stability and predictability for exporters; (ii) building trade resilience; and (iii) innovating to grow new opportunities.

In 2025–26, the Ministry has expanded New Zealand's FTA network with the conclusion of a new FTA with India; and the early entry-into-force of the UAE Closer Economic Partnership Agreement (CEPA).

The India FTA, signed in April 2026, provides New Zealanders with preferential access to an economy forecast to grow to NZD\$12 trillion by 2030. The FTA will eliminate or substantially reduce 95 percent of tariffs on our current exports to India, with 57 percent of exports duty-free from the outset. Following entry-into-force of the UAE CEPA in August 2025, exports to the UAE have risen 12 percent in the year to March 2026, despite significant recent disruption to regional trade.

In 2025–26, 71.4 percent (NZD\$120.2 billion) of New Zealand exports were covered by FTAs. This is due to rise to 75 percent once the India and Gulf Cooperation Council FTAs enter into force.

To help New Zealand business to extract maximum value from our FTA network, the Ministry has re-doubled its FTA leveraging efforts. An FTA Boost Unit has been established this year to galvanise further work in this area, and to intensify work to resolve **non-tariff barriers (NTBs)**, which impede the growth and diversification of our exports.

New Zealand's recently concluded FTAs continue to deliver strong outcomes. **Exports to the EU were up 23 percent, to NZD\$9 billion**, in the year to March 2026; and **exports to the UK continued to grow, up 11 percent** over the same period (to NZD\$4.3 billion).

Working with NZTE and other NZ Inc partners, the Ministry supported **23 Government Trade Missions**, to 18 countries since 2024. These are estimated to have generated **over NZD\$2 billion** in deals, contracts and commercial commitments for New Zealand business.

The Ministry made further progress in its proactive approach to **expanding New Zealand's existing FTAs**. Costa Rica is set to join the 12 strong Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Uruguay's CPTPP accession process is advancing, as are preparations with the Philippines, Indonesia and UAE. Argentina has become the newest aspirant.

As part of the Government's response to the Middle East conflict, the Ministry **maintained close contact with key international fuel supply partners**, including Singapore, Republic of Korea, Australia, Japan, and Malaysia.

Together with NZTE, the Ministry also participated in regular NZ Inc webinars to provide up-to-date information to business on the Middle East crisis.

Building on New Zealand's innovative approach to trade issues, we joined Singapore, Switzerland and the UAE in launching the **Future of Investment and Trade Partnership (FIT-P) in 2025**.

FIT-P is designed to address emerging trade issues, generate new opportunities, and foster economic growth and security. It brings together 16 economies from across the globe.¹¹ At its first Ministerial Meeting

¹¹ Brunei, Chile, Costa Rica, Iceland, Liechtenstein, Morocco, Malaysia, New Zealand, Norway, Panama, Paraguay, Rwanda, Switzerland, Singapore, UAE, Uruguay.

in Singapore in November 2025, there was a focus on supply chain resilience. New Zealand hosted the second FIT-P Ministerial meeting in Auckland in July 2026, representing one of the largest international trade meetings New Zealand had hosted in two decades.

New Zealand has also welcomed substantial conclusion of Peru's accession to the Digital Economy Partnership Agreement (DEPA) in January; and Uruguay joining the Global Trade and Gender Arrangement in March 2026.



Case study: New Zealand-India Free Trade Agreement

As part of a focus on deepening our bilateral relationship with India, New Zealand formally launched negotiations on an FTA in March 2025. Negotiations concluded nine months later, in December 2025. The FTA was signed in April 2026, and both countries were now undertaking domestic ratification procedures, with a view to early entry-into-force.

The FTA creates valuable opportunities to expand New Zealand's trade and economic connections with one of the largest and fastest-growing economies in the world. India is forecast to become the third largest global economy by 2030, with GDP estimated at NZD\$12 trillion. It has a population of 1.4 billion and a middle class expected to number more than 700 million by 2030. There is significant potential for growth in our trade with India, which is currently only New Zealand's 11th largest trading partner — representing around 1.8 percent of all exports.

Under the FTA, 95 percent of New Zealand's current exports to India will have tariffs either eliminated or substantially reduced. 57 percent of current exports will enter India duty-free from entry-into-force of the FTA, with this due to increase to 82 percent when it is fully implemented. A further 13 percent of exports will be subject to tariff cuts. This is estimated to generate tariff savings of NZD\$43 million from day one of entry-into-force, growing to NZD\$62 million (based on current trade levels, but likely to rise due to anticipated trade growth).

The FTA also secures New Zealand's services trade interests, with commitments that go beyond those India has made at the WTO, including in areas such as tertiary and private education, professional services, fintech, engineering, audiovisual and environmental services.

As well as significantly increasing access for New Zealand goods and services, the FTA will create a more level playing field with those of our competitors who already have FTAs or other trade advantages in the Indian market. The FTA will create further opportunities for trade diversification. The agreement incorporates

The Ministry has continued to defend established norms that support New Zealand's trade and economic interests, and build confidence with key partners, through its work in organisations such as the World Trade Organization (WTO), Asia-Pacific Economic Cooperation (APEC), and the Organisation for Economic Cooperation and Development (OECD).

trade-facilitative outcomes, including to address NTBs, and to streamline customs procedures, for example setting clear timeframes for release of goods.

For New Zealand's part, and in line with our other recent trade agreements, the FTA will remove all tariffs on Indian imports from day one. We have also made commitments on temporary entry for certain categories of Indian visitors, including business visitors, and on three-year temporary employment entry visas (up to a total of 5,000 (an average of 1,667 per year), of which 4,400 are in areas of recognised New Zealand skill shortage, and the other 600 in iconic Indian occupations).

Consistent with established practice, the Ministry and other government agencies engaged a range of domestic stakeholders, including Māori, non-governmental organisations (NGOs), unions, business, industry associations and civil society throughout the negotiations. This engagement helped inform and shape New Zealand's negotiating positions and priorities. Consistent with New Zealand's other trade agreements, the FTA includes a Treaty of Waitangi exception that preserves the Government's ability to adopt any policy it considers necessary to fulfil its obligations to Māori.

The FTA includes investment cooperation and promotion chapters to enable deeper cooperation on trade and investment. This includes a commitment for New Zealand to promote investment into India, with the aim of increasing investment by USD\$20 billion over 15 years. It also includes an Indian commitment to establish a bespoke 'New Zealand Investment Desk' to assist investors with issues across the investment cycle.

There is significant focus, also, on other cooperation and technical assistance activities to grow durable, long term, mutually beneficial partnerships between India and New Zealand, including in the forestry, horticulture, apiculture, livestock, fisheries and aquaculture, wine, traditional knowledge and medicine, tourism, audio visual production, and sports sectors.

Apply renewed attentiveness to likeminded partners and support new minilateral grouping



Supply chains

launched new multi-regional initiative to support supply chain resilience



Security partnerships

formalised new security arrangements with likeminded countries



Defending sovereignty

joined partners supporting Ukraine with humanitarian and military aid



Freedom of navigation

supported efforts to defend freedom of navigation and maritime security

In a more contested, fragmented and volatile world, cooperation, and collaboration, with key international partners is essential to addressing shared challenges. We have continued to work closely with likeminded partners to advance and defend New Zealand's foreign policy interests.

As New Zealand's only ally, **Australia** is an essential partner across a range of shared interests. High-level engagement between our Prime Ministers and Ministers continued in 2025–26 through Australia New Zealand Leaders' Meetings and the 2+2 Foreign and Defence Ministers' Dialogue; as well as more than 25 ministerial visits across the Tasman.

Progress was made to operationalise the Alliance, with an agreed objective of achieving an increasingly integrated, combat capable Anzac force by 2035. A regulatory alignment work programme is focused on deepening bilateral economic integration. New Zealand and Australia continue to coordinate closely on our Pacific and Indo-Pacific regional engagement, and in regional and multilateral fora.

The **United States (US)** remains a critical partner, with which New Zealand shares a deep, enduring relationship. The change in US Administration in 2025 saw significant shifts in US foreign policy priorities and direction, including an explicit focus on "America first" foreign policy objectives. This has had a range of implications for New Zealand and our international partners.

The Ministry has focused on maintaining constructive senior political-level connections, including engagement at the Leader and Ministerial levels. We have engaged the US in a deliberate way on priority issues for New Zealand. For example, we have encouraged continued, and constructive, US engagement, and cooperation in the Pacific, in the Indo-Pacific and in Antarctica. We have urged dialogue and de-escalation in relation to the conflict in the Middle East.

Some Administration actions, such as the unilateral imposition of tariffs, have challenged New Zealand's interests. We have continued to advocate against these measures, rejecting the US' claim of "forced labour in supply chains" as the basis for imposing tariffs on New Zealand exports.

Regular high-level ministerial engagement across foreign affairs, defence, climate, and trade reinforced the importance of New Zealand's partnership and cooperation with the **United Kingdom (UK)** on a range of issues. We continued to deepen connections with **Canada**, including through the launch of a new Strategic Dialogue, led by respective foreign ministry heads,' to further enable engagement on geopolitical issues.

We maintain **close cooperation with Australia, Canada, the UK and the US** across a broad range of issues, including through the Five Eyes security and intelligence partnership, consular cooperation, and the Five Country Ministerial meeting covering national security matters.

Progress has been made in deepening **defence and security partnerships** with other likeminded partners. This included signing two important security agreements with **Japan**, and, agreeing with the **European Union (EU)** to progress work towards a Security and Defence Partnership and an Information Sharing Agreement.

New Zealand continues to partner with the North Atlantic Treaty Organization (NATO), including through the **NATO Indo-Pacific Four (IP4)**, which aims to deepen cooperation between NATO and New Zealand, Australia, Japan and the Republic of Korea (ROK). The Prime Minister attended the NATO Summit in 2025 and the Minister of Defence attending in 2026. As well as engaging with NATO members on shared security concerns, the Prime Minister and Minister of Defence met with regional counterparts in the IP4 configuration.

New Zealand has continued to work alongside partners to provide support for **Ukraine's** self defence against Russia's illegal and unprovoked invasion. This included a NZD\$15 million contribution to NATO's Prioritised Ukraine Requirements List (PURL) to supply Ukraine with weapons and equipment, along with an additional NZD\$13 million support package for humanitarian and reconstruction assistance. In response to a request from Ukraine, the New Zealand Defence Force (NZDF) has continued the delivery of training to the Ukrainian Armed Forces.

As progress through multilateral consensus becomes more challenging, New Zealand is pursuing opportunities to advance shared foreign policy

objectives by working with a range of partners in **plurilateral and minilateral groupings**.

This year, for example, we participated in an inaugural Foreign Ministers meeting of Australia, France, Germany, Japan, New Zealand, Poland, the ROK and the UK in the margins of the 2025 UN General Assembly (UNGA). Ministers discussed Euro-Atlantic and Indo-Pacific security and reaffirmed our shared interests in open, free and fair trade, rule of law, democracy, sovereignty and human rights.

In September 2025, New Zealand was one of four founding members of the **Future of Investment and Trade Partnership (FIT-P)**. Having subsequently evolved into a multi-regional grouping of 16 small-to-medium, trade dependent economies, the FIT-P is committed to promoting a forward-looking investment and trade agenda. FIT-P also proved a useful mechanism when faced with supply chain disruptions resulting from the Middle East crisis this year (*see case study below*).

New Zealand continues to support international efforts to hold actors accountable for actions that threaten

global peace and security. We have maintained our contribution to the Pacific Security Maritime Exchange and Multilateral Sanctions Monitoring Team, which upholds **United Nations Security Council sanctions against the Democratic People's Republic of Korea**, including through the deployment of NZDF air and maritime assets. Over the past year, we have taken action to counter malicious cyber activity. This has included announcing sanctions against Russian cyber actors and issuing cyber security advisories that support New Zealand entities to protect themselves against state-sponsored cyber threats.

We have continued to express New Zealand's strong support for **maritime security** by supporting diplomatic initiatives aimed at defending international rules and norms around freedom of navigation.

Looking ahead, we will continue to strengthen engagement with likeminded partners, while seeking opportunities to advance and protect New Zealand interests through new plurilateral and minilateral initiatives.



Case study: Future of Investment and Trade Partnership: new minilateral grouping helps combat fuel supply disruption

In an era of growing pressure on the rules-based international system, New Zealand aims to uphold critical multilateral rules and institutions, while also pursuing new, purpose-built minilateral groupings to advance and defend our interests.

The FIT-P is such a grouping. In September 2025, New Zealand became one of four founding members of the FIT-P. This grouping has since evolved into a multi-regional grouping of 16 small-to-medium economies committed to promoting a forward-looking investment and trade agenda.

The Ministry played a leading role in shaping the FIT-P agenda to address emerging trade issues, generate trade and investment opportunities amongst members, and foster economic growth and security. FIT-P has four priority areas: supply chain resilience, investment facilitation, reducing non-tariff barriers, and integrating trade technologies. The FIT-P is an incubator for new ideas, enabling members to test and advance practical solutions and inform wider global discussions.

The FIT-P demonstrated its value early. In 2026, the Middle East crisis disrupted global fuel supply chains. These disruptions impacted New Zealand. As a small, geographically distant, trading economy, we rely heavily on imported fuel. Around 95 percent of this is sourced

from Southeast Asian refineries, which in-turn are dependent on Gulf oil supplies.

FIT-P members worked together to issue a Joint Statement on Maintaining Open and Resilient Supply Chains. They also cooperated to share information and coordinate responses. This included identifying alternative supply routes and supporting restoration of disrupted trade flows.

This cooperation through FIT-P was directly relevant to New Zealanders. Coordinated international action can have more impact than action by individual countries. Working collaboratively with likeminded partners helps mitigate risks to energy security and economic stability, reducing impacts on businesses and households.

New Zealand further strengthened this work by hosting the second FIT-P Ministerial Meeting in Auckland in July 2026, one of the largest and most diverse trade-focused gatherings to be hosted in New Zealand in many years.

The FIT-P demonstrates how early engagement, and proactive cooperation with diverse groupings of partners can help New Zealand advance specific, foreign policy objectives, including when broader multilateral processes are constrained.

Targeted multilateral engagement



Upheld the UN Charter and International Humanitarian Law

by speaking up to put on record New Zealand's expectation that all states must abide by these fundamental principles which underpin our security including through statements at UN Security Council and General Assembly and through public statements



Delivered meaningful UN reform through the UN80 Mandates Review

New Zealand co-led, with Jamaica, a "UN80 reform" process which culminated in a well-supported UN General Assembly decision to improve how Member States task the UN and better align tasking with available resources



New Zealand actively supported the Nuclear Non-Proliferation Treaty,

leading a widely backed initiative to strengthen transparency and accountability of nuclear weapon states despite the Review Conference not reaching consensus



Enhanced regional coordination on climate change and COP31 preparation

through sustained engagement with Australia and Pacific partners, New Zealand supported Pacific priorities and planning for COP31, including agreement on envoys and arrangements for Pre-COP and Leaders' meetings in Fiji and Tuvalu

Multilateral engagement remains central to advancing New Zealand's interests and values in a complex, increasingly contested international environment. Intensifying geopolitical competition is placing the rules-based international system under pressure, with major powers increasingly willing to challenge, reinterpret, or ignore long-standing international rules, norms, and institutions in pursuit of their interests.

New Zealand relies on the rules, norms, and institutions that underpin global cooperation for our security and prosperity. For small and medium states in particular a functional United Nations (UN) is essential for the pursuit of security and prosperity.

In 2025–26, the Ministry worked to:

- defend the global rules and norms that underpin our sovereignty, security and prosperity;
- shape UN reform in a way that reflects our priorities;
- protect New Zealand's national interests through Antarctic and global governance frameworks;
- shape emerging rules and norms in line with New Zealand's interests and values;
- ensure the multilateral system delivers value for the Pacific region; and
- uphold core human rights protections and mechanisms.

New Zealand actively defended the international rules-based system, advocating for compliance with the UN Charter and international law in all circumstances, including through advocacy in UN forums, regional organisations and public statements.

The UN system is facing a fiscal and liquidity crisis. Reform is essential to preserve its core functions and ensure it can deliver effectively and sustainably. **New Zealand played a leading role in the UN80 reform initiative** launched in 2025, including co-leading the mandate review process with Jamaica. In doing so, we helped build broad support for ambitious, practical reforms to better align Member State mandates with the UN's capacity to deliver.

This contribution has advanced efforts to improve the UN's effectiveness and efficiency and has enhanced New Zealand's standing as a pragmatic, collaborative and solutions-oriented multilateral actor.

To ensure Pacific perspectives were reflected in UN reform discussions, New Zealand — in partnership with the Pacific Islands Forum (PIF) and the Centre for International Cooperation — facilitated a survey on the UN's engagement in the Pacific.

The **Nuclear Non-Proliferation Treaty (NPT)** contains the only legally binding commitment to nuclear disarmament by the five recognised nuclear weapon states and remains central to limiting the spread of nuclear weapons, including in the Indo-Pacific.

Though the 2026 NPT Review Conference was unable to achieve a substantive consensus result due to differences over Iran's compliance with the NPT, we played an active role in the Review Conference, working to preserve the NPT regime, including leading a joint initiative to strengthen transparency and reporting by nuclear weapon states.

Climate change remained a central focus for New Zealand. We worked closely with Australia and Pacific partners in preparation for 31st United Nations Climate Change Conference (COP31), to be held in November 2026. This has included a planned international preparatory meeting (Pre-COP31) and Leaders' event in the Pacific that will help elevate regional priorities on the global stage.

Through sustained ministerial and senior official engagement, New Zealand helped shape and **advance Pacific priorities** particularly on renewable energy investment, the ocean-climate nexus and improved access to climate finance. This early coordination has strengthened regional alignment, ensured Pacific perspectives are reflected in preparations for COP31, and positioned the region to advance outcomes that support Pacific interests and climate resilience.

Reflecting New Zealand's commitment to preserving and protecting Antarctica and the Southern Ocean, the

Ministry continued to enhance New Zealand's leadership role in the **Antarctic Treaty System (ATS)**. We established an annual strategic dialogue with Australia, reinforced international support for the ATS by negotiating a Comprehensive Strategic Partnership (CSP) with Republic of Korea incorporating Antarctica; and through Joint Statements with Germany and Uruguay.

New Zealand supported **the peaceful, safe, and sustainable use of outer space** through engagement in the UN Committee on the Peaceful Uses of Outer Space (COPUOS) and related bodies. This included contributing to work on space debris, sustainability, and international space, contributing to work on space debris mitigation, the long-term sustainability of space activities, and the application of international space law.

Engagement in the Open-ended Working Group (OEWG) on the Prevention of an Arms Race in Outer Space (PAROS) supported efforts to reduce risks of conflict and miscalculation, and to preserve space as a peaceful domain. This work also supports New Zealand's space

sector and protects critical space-based services that increasingly underpin everyday activities for New Zealanders.

Core human rights rules and norms are under pressure.

New Zealand contributed to Universal Periodic Reviews of 18 countries, including four Pacific states, and supported accountability mechanisms. We continued to promote respect for human rights and call out abuses including in Afghanistan, Gaza, Iran, the Occupied Palestinian Territories, Sudan and Ukraine.

New Zealand will continue to contribute to UN reform and to defend international rules and norms. Multilateral institutions and the rules they uphold remain critical to New Zealand's interests. Conflicts in Ukraine, Gaza and the Gulf region made 2025–26 especially challenging. We expect 2026–27 will be similarly challenging. Success in some areas may be defined by our ability to defend the status quo, rather than being able to advance new initiatives.



Case study: Defending Antarctic rules: protecting New Zealand's interests through diplomacy and international cooperation

In May 2026, the Ministry led New Zealand's delegation to the 48th Antarctic Treaty Consultative Meeting (ATCM) and the 28th meeting of its Committee for Environmental Protection in Hiroshima, Japan. The ATS remains the foundation of Antarctica's governance.

The 1959 Antarctic Treaty together with the 1991 Protocol on Environmental Protection ensures Antarctica is used exclusively for peaceful purposes, supports international scientific cooperation, sets aside territorial disputes and bans mining indefinitely. It also prohibits military activity and establishes Antarctica as the world's first nuclear weapon-free zone.

The ATS has been fundamental to protecting Antarctica and the Southern Ocean. However, growing geostrategic competition and increasing strategic interest in Antarctica are placing the system under sustained pressure, risking the erosion of longstanding norms that have underpinned Antarctica's demilitarised and protected status.

New Zealand plays an active leadership role in defending the ATS. Recognising that its resilience depends on broad international support — particularly in an environment of sharper geopolitical competition — the Ministry engaged widely and actively in the margins of the ATCM, holding discussions with 17 countries on strengthening cooperation to uphold Antarctic rules and norms.

At the meeting, the Ministry worked closely with partners to maintain momentum on key priorities. Two new protected areas were adopted, alongside a New Zealand-led resolution to enhance information exchange and improve transparency. Parties also

continued discussions on regulating Antarctic tourism, an area of increasing importance as visitor numbers grow. US-led Antarctic Treaty inspections of Australian, Chinese, Indian and Russian stations were positively received, reinforcing confidence in compliance mechanisms.

Despite these advances, consensus remained challenging on several issues. Applications from four countries (Canada, Belarus, Türkiye and Colombia) for full consultative status did not proceed. Proposals to designate the Emperor Penguin as a specially protected species were blocked by China and Russia. More broadly, obstruction by these countries continues to test the resilience of the system.

In this more contested environment, New Zealand's proactive engagement is vital. The Ministry's diplomatic efforts — both in formal negotiations and through targeted outreach — help sustain cooperation and reinforce our commitment to the Treaty's principles.

New Zealand also contributes beyond formal meetings. Hosting the Antarctic Parliamentarians Assembly in December 2025 demonstrated our commitment to raising awareness of Antarctica's global value and strengthening political support for its protection.

Together, these efforts help ensure the ATS remains effective in addressing emerging challenges, from climate change to strategic competition, in safeguarding Antarctica for future generations and protecting New Zealand's enduring interests there.

Progress on Organisational Foundations



Head Office move
moved into purpose-built
premises for our Head Office



New operating models
future-ready operating model
for International Development
Cooperation



Modernised technologies
delivered a modern, secure,
and collaborative digital
workplace



**Hosted All-of-Government
(AoG) response**
hosted AoG response on Iran in
our purpose designed Head
Office

In 2025–26, the Ministry continued work to strengthen workforce capability and culture; modernise its digital and physical infrastructure; embed more flexible and integrated ways of working; and enhance collaboration with government and external partners.

Together, these initiatives helped position the Ministry to deliver high-quality advice, respond to crises, and advance and defend New Zealand’s foreign policy priorities in an increasingly complex operating environment.

The Ministry works to function as a happy, healthy, and high performing community for all

Workplace culture at the Ministry is co-created. It is shaped through structured programmes, and everyday interactions that reflect and reinforce our values.

A significant change for New Zealand-based Ministry staff was the **move into a purpose-built Head Office** in Wellington in February 2026. This building represents and supports the way modern diplomacy is conducted: collaboratively, securely, and at pace. It enables our people to connect more easily, respond quickly to crises, and host international partners (*see the case study on p.35 for more detail*).

This year, the **Ministry reviewed its International Development Cooperation (IDC) operating model**. Changes were introduced to deliver savings and efficiencies, while ensuring a future-fit workforce that is scalable, flexible, and able to respond to shifting priorities in a complex and rapidly changing regional and global environment.

These changes also reinforce an integrated approach in which development is a key foreign policy enabler — combining contextual knowledge and foreign policy judgement to inform funding decisions, and thus ensuring effective, high-quality development delivery that supports our foreign policy goals.

The Ministry also **reviewed and updated its Finance, Human Resources (People), and Communications functions**. These changes aim to focus specialist capability where risk and impact are greatest, while enabling greater flexibility in how resources are deployed to respond to evolving priorities.

The Ministry continued to implement the **realignment of foreign policy resource** initiated in the previous year, including the phased reallocation of diplomatic resources and funding to support priority relationships in South and Southeast Asia.

With an increasing frequency of crisis responses, the Ministry piloted an approach to **strengthen its crisis response capability**, including specialist training, enhanced health and safety arrangements for deployment, and a more structured approach to surge staffing during crises. This approach creates a deeper pool of Ministry staff trained in crisis response, and certainty for both staff and managers. Lessons identified from the pilot will inform the future roll-out of the crisis cadre programme.

The Ministry progressed core people-system initiatives, most notably on the **performance approach and health and safety systems**, laying the groundwork for implementation in 2026–27. Together these initiatives are expected to strengthen organisational performance by supporting clearer accountability, improving staff experience, and further supporting our people to work safely and effectively.

The **Ministry’s Engagement Survey** showed that overall employee engagement is consistent with previous results and is comparable with the wider public sector. Trust in Managers is strong, staff see a clear link to the Ministry’s strategic objectives, and teams collaborate effectively to get the work done.

Te Taunaki Public Service Census results for the Ministry highlighted a strong sense of purpose and engagement, with 92 percent of staff seeing their work contributing to outcomes for New Zealanders, a solid engagement score of 79 percent, and 89 percent reporting effective team collaboration.

Key areas to improve are psychological safety and operational enablers, with a significant number citing inefficient processes (48 percent) and inadequate tools and technology (39 percent) as barriers to performance, themes that were also echoed in the engagement survey. This reinforces the importance of Ministry’s ongoing work on workplace experience and its global networks, systems, and services.

See *Workforce diversity* on p.74 and *Health and safety* on p.77 for more details.

The Ministry has effective and efficient global networks, systems, and services

In 2023–24, the Ministry identified a range of **serious issues with the Cloud Acceleration Programme** designed to modernise the Ministry's digital services. Following an Independent Quality Assurance process, the programme was paused to undertake a fundamental reset: establishing strengthened governance arrangements and developing a revised business case for the Digital Workspace Programme (DWP), to ensure delivery of the critical digital capabilities and infrastructure required to support the Ministry's core business and future operational needs.

This year, the **programme concluded on time and within budget**, having delivered a modern, secure, and collaborative digital workplace. Key outcomes include migration to cloud services, rollout of Windows 11, implementation of Microsoft 365 tools, improved mobile device management, and enhanced security. Staff have described the ability to connect with more work tools from mobile devices as a 'game changer'.

Other technology-enabled changes have provided a solid, secure platform from which the Ministry can focus on improving the efficiency of its processes; a frustration identified by staff in the Ministry's engagement survey. Projects to refresh the Ministry's internal ticketing help desk, document management system, and intranet were either completed or entered design and delivery phases this year. A refresh of the business process management system is also planned.

The Ministry has established a solid foundation for the **safe and appropriate use of AI**. Appropriate guard-rails are in place, uptake is good, and planning is underway for next steps, including developing capability with AI tools for Unclassified tasks.

Major Ministry property projects are underway in Port Vila and Suva, with staff moving into temporary Chanceries in both these locations during the year. Construction began on the new High Commissions in Port Moresby, Rarotonga and Suva, a new Official Residence in Suva, and new staff housing in Tarawa. Cabinet approved the Business Case for the fit-out of New Zealand House in London.

The Ministry has also transitioned fully to facilities management for ten Pacific posts, partnering with Downer Group.

See *Asset Performance* section on p.84 for more detail.

The Ministry's commitment to its Treaty/Te Tiriti partnership with Māori is understood and embedded in our work

See *Strengthening the Ministry's Māori-Crown relations capability* section on p.82 for more detail.

The Ministry engages with a spirit of public service and fosters constructive relationships with other agencies, suppliers, and partners

The Ministry remains committed to delivering high-quality, timely advice and to building and maintaining effective collaboration with other agencies, partners, and stakeholders.

The Ministry is committed to working with NZ Inc partners, and relevant stakeholders to provide high-quality support for ministerial travel, consular and emergency responses, international security deployments, humanitarian efforts and trade and economic outcomes, as detailed throughout this report.

Shortly after relocating to our new Head Office building, the Ministry responded to a **major crisis in the Middle East**, an early test of its purpose-built crisis management facilities. This response highlighted many of the Ministry's strengths: staff professionalism, and willingness to step forward, commitment to collaboration with NZ Inc agencies, the provision of high quality and timely advice, proactive advocacy and reporting by our diplomatic network, and strong commitment to supporting New Zealanders, including our own people, in challenging circumstances.

The Ministry supported Ministers and other agencies as part of the **All-of-Government (AoG) fuel-crisis response**, including by hosting the multi-agency response structure. This enabled rapid, coordinated advice on impacts for New Zealand, including supply chains, critical goods, and security (see p.37).

The Ministry measures performance through **biennial stakeholder surveys** (see p.54) and monitors broader perceptions of the Ministry through the annual Public Sector Reputation Index. The latest Partner and Stakeholder Survey results for 2026 show the Ministry continuing to perform strongly and consistently.

Of those surveyed, 87 percent were satisfied with the Ministry's engagement, and 84 percent considered the Ministry effective at representing New Zealand interests. Stakeholders reported high satisfaction with staff, noted improving responsiveness and communication, and expressed confidence in our global capability.

Areas identified for improvement included raising awareness of the Ministry's strategy and improving internal processes and systems. The Ministry will seek to address these areas in advance of its next survey.

The Ministry's overall reputation score in the **Public Sector Reputation Index** decreased by two points to 61, compared with a public sector benchmark average of 66. While the Index provides useful insights into broader public perceptions of government agencies, it is one measure of how the Ministry is viewed and should be considered alongside other indicators, including direct feedback from our partners and stakeholders.

The Ministry will continue to monitor these results to better understand public expectations and identify opportunities to strengthen trust and confidence in the Ministry. Opportunities remain, also, to further improve efficiency, staff experience, and understanding of public perceptions of the Ministry.

In 2026–27, the Ministry will focus on embedding recent changes and improving the effectiveness of systems and processes, particularly in performance and health and safety. The goal is to enable a high-performing, resilient organisation that is well positioned to advance New Zealand’s interests in a rapidly changing world.



Case study: The Ministry’s new Head Office

Wellington Head Office – Strengthening our organisational foundations

The Ministry’s purpose-built Head Office in Wellington represents a once-in-a-generation investment in the organisational foundations that enable the Ministry to deliver for New Zealand.

The new Head Office is a workplace that reflects New Zealand’s identity, strengthens critical capability, supports our people, and enables the Ministry to operate effectively in an increasingly complex operating environment.

The new Head Office reflects the Ministry’s history and is a foundation for its future. It is seen as the taproot of the vine that connects the Ministry around the world and reflects the Head Office role as the anchor of New Zealand’s global diplomatic network.

The Ministry’s move to its new Wellington Head Office represents the culmination of a multi-year programme. Construction of the building was delayed by six months due to severe weather events and the complexity of the building design. Collaborative working arrangements with the main contractor and the developer contained the delay and resulted in a successful completion of the building on 30 January 2026, with the Ministry’s fit-out delivered within the Cabinet approved capital budget.

Capability for a changing world

From secure communications and modern digital infrastructure to dedicated crisis response facilities, the new Head Office enhances the Ministry’s ability to operate in a complex international environment. Improved resilience, security and connectivity mean the Ministry is appropriately equipped to protect sensitive information, work seamlessly with Posts and partners,

lift our productivity and respond effectively during crises and emergencies.

Purpose-built hosting, secure facilities, meeting and engagement spaces provide enhanced capabilities for diplomacy, crisis coordination and representation, further enabling the Ministry’s ability to advance and defend New Zealand’s foreign policy interests.

Reflecting New Zealand identity

The new Head Office significantly enhances the Ministry’s representational capability and incorporates facilities and representational areas that profile New Zealand’s history and identity, allowing the Ministry to host high-level international visitors to an appropriate level.

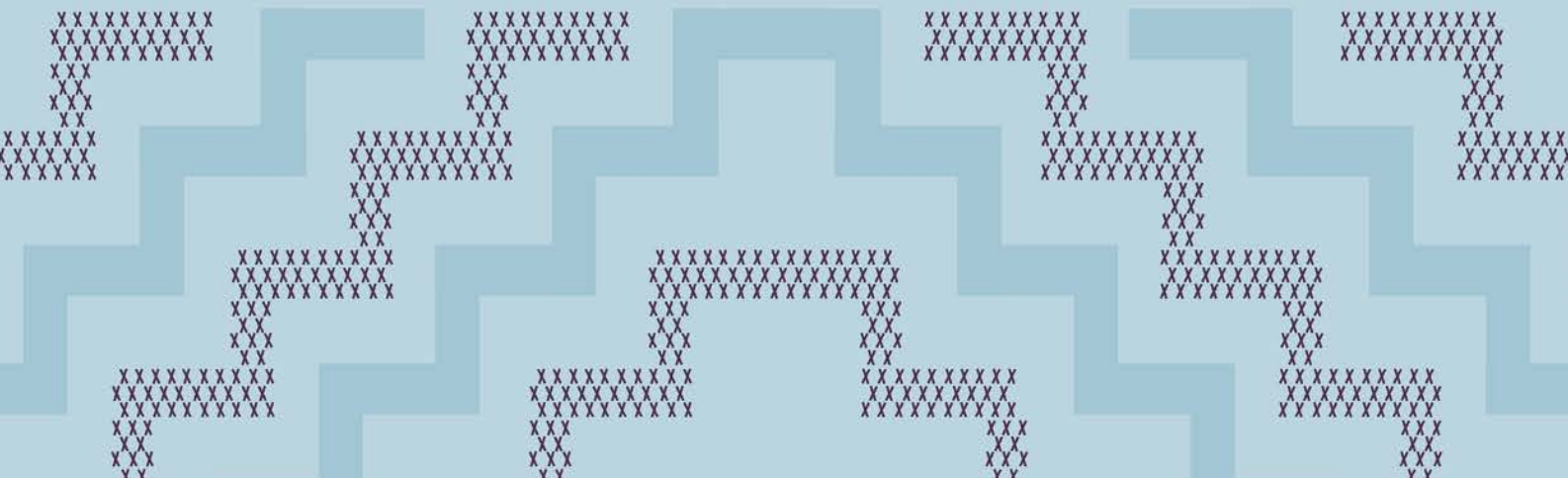
Developed in collaboration with mana whenua, the new Head Office also acknowledges the significance of its location on the historic Pipitea Pā site. The building design reflects Māori knowledge/mātauranga Māori, and appropriate cultural narratives and protocols.

Connecting with partners and the world

Positioned in the heart of Wellington’s government precinct, the Ministry is now more proximate to the Beehive, parliament and key partner agencies. This has enhanced our efficiency in engaging Ministers, and agency and NZ Inc partners.

For the first time in its 82-year history, the Ministry has a Head Office building designed specifically around its needs: working with other government agencies in managing crises, protecting the secure conduct of the Ministry’s work, enabling collaboration across its global network, and providing an appropriate environment in which to welcome international guests to New Zealand.

Other highlights





Case study: Ministry response to the Middle East crisis



Approximately
189 Ministry staff
worked on the response for an
equivalent of over 1,000 working
days



1,325 Consular queries
were responded to during the
crisis



91 SafeTravel updates
were sent and SafeTravel had
1,181,971 views on social media



11 agencies
were represented in the
All-of-Government (AoG)
response hosted by the Ministry

As global geopolitical competition sharpens and the Ministry's operating environment becomes more complex, responding to crises is becoming an increasing focus of the Ministry's business. The Ministry is the lead agency for protecting and assisting New Zealanders offshore and coordinating the Government's response to consular emergencies.

On 28 February 2026, a major conflict between the United States (US), Israel and Iran broke out when US and Israel launched military strikes against Iran. Iran responded with attacks against Israel, the Gulf States, and other regional targets, rapidly escalating the confrontation into a wider Middle East conflict, endangering civilians, leaving travellers stranded and vulnerable, disrupting shipping through the Strait of Hormuz and triggering significant regional and global economic instability.

Though the Middle East is geographically far from New Zealand, conflict there can impact our interests significantly. The region is a global trade and transport hub, and a major source of the world's energy supplies. It is also a major aviation hub linking New Zealand with Europe.

Initial response

The Ministry's response to the conflict was activated on 28 February 2026. Following a series of inter-agency coordination meetings chaired by the Department of Prime Minister and Cabinet (DPMC), the Ministry stood up its Coordination Centre (MCC) on 1 March.

The crisis started within days of the Ministry's move into our new Head Office building. Rapidly utilising the additional crisis response facilities and capability the new Head Office building provided, allowed the Ministry to both operate a significant MCC, and then also accommodate the All-of-Government (AoG) multi-agency operations.

Initially, around 100 Ministry personnel were working on the response each day — approximately 15 percent of our Wellington-based staff. The MCC also incorporated staff from the New Zealand Defence Force (NZDF) and Immigration New Zealand (INZ).

The MCC operated 24/7 during peak periods, with overnight shifts also covered by staff through the Ministry's network of overseas posts.

Reflecting the rapidly evolving, multi-faceted nature of the crisis, the Ministry's response incorporated consular, foreign policy, and trade and economic workstreams. A consular contact centre was activated.

Staff in the MCC produced regular situation reports for Ministers covering developments in the conflict, impacts on New Zealanders and the implications for our economic and trade interests. The MCC provided Ministers with policy advice relating to the crisis and provided inter-agency and stakeholder briefings on the conflict, and its economic ramifications for New Zealand.

As the crisis quickly evolved into a regional conflict, the Ministry's diplomatic posts in Tehran, Abu Dhabi and Riyadh were directly impacted — with implications, also, for our posts in Cairo and Ankara. Despite significant disruption, our Tehran Embassy continued operations remotely.

A critical Ministry objective from the outset of the crisis was keeping our staff and dependants at Embassies in the region safe. As our post teams continued to contribute to the crisis response with professionalism and commitment, the importance of network contingency planning, and supporting operational resilience for posts under pressure was highlighted. Support from Wellington and the Ministry's broader diplomatic network was important, also, in providing surge support to our Middle East posts.

All-of-Government contribution

As the Middle East crisis developed, it quickly became clear that it would have significant economic impacts for New Zealand, the Realm and Pacific partners, and that it would also impact our Antarctica-related interests.

While continuing to deliver the Ministry's offshore response, the Ministry hosted and contributed to the DPMC-led AoG response, which led coordination of advice on the economic dimensions of the crisis.

From 13 March, the Ministry hosted a cross-agency AoG team in our recently opened Head Office building. The AoG response incorporated representatives from 11 agencies, and operated from the Ministry, until its transfer to Ministry of Business, Innovation and Employment (MBIE) on 17 April.

Through this period, the Ministry worked closely with AoG partner agencies in the provision of focused policy

advice to Ministers on the fuel and broader economic implications of the crisis.

Together with MBIE and NZTE, the Ministry also participated in stakeholder engagements to provide advice and updates on the crisis — with some public webinars attended by over 800 participants. Feedback from stakeholders on this outreach was positive.

Middle East Response Mechanism

On 1 April, the Ministry transitioned to a Middle East Response Mechanism to integrate policy response workstreams across business-as-usual structures. Middle East policy, trade and economic, Pacific and Consular workstreams were retained under a Senior Responsible Officer (SRO). These functions continued to provide coordinated policy advice and reporting to inform New Zealand's response to the conflict, while supporting AoG efforts to address energy security challenges affecting both New Zealand and the Pacific and strengthen supply chain resilience.

Fuel diplomacy

Throughout the crisis, the Ministry provided regular reporting, analysis and advice on geopolitical developments. This analysis was an important input into the Government's domestic and international policy advice and responses.

The Ministry's diplomatic network, in particular, played a key role in supporting New Zealand's energy and supply chain resilience. In close coordination with MBIE and DPMC, diplomatic posts engaged government and other stakeholders, with a focus on key energy supply partners (particularly Singapore, Republic of Korea, Malaysia and Japan), with Australia and in the Middle East, with the objective of securing fuel supply continuity, and protecting New Zealand's critical goods supply chains.

Given the significant implications of the crisis on our Pacific neighbours, our Pacific posts engaged closely with Pacific partners to work through the implications of rising fuel prices and the impact of potential supply constraints on Pacific domestic economies.

Engagement also occurred with Pacific regional organisations such as the Pacific Islands Forum (PIF) and the Pacific Community, as well as the Asian Development Bank, Australia, Japan, the US, and World Bank, to develop potential regional responses to the

immediate impacts of the crisis and build longer-term resilience.

Consular response

The crisis demonstrated the importance of the Ministry's role in supporting New Zealanders during major consular crises. Our consular response, coordinated through the MCC and then the Middle East Response Mechanism supported thousands of New Zealanders affected by the crisis across the region. Ninety-one SafeTravel updates were issued and social media messaging reached over one million people.

In a complex, challenging operating environment, strong coordination across government agencies was important. Six Ministry staff deployed to the region as part of the Emergency Response Team, supported by the NZDF's Joint Response Team and the pre-positioning of two NZDF C-130 aircraft as contingencies. Consular teams also provided dedicated case management support for a further 25 people with complex consular needs. Demand for assisted departures ultimately remained lower than anticipated, as commercial travel options became available and some people chose to remain in place.

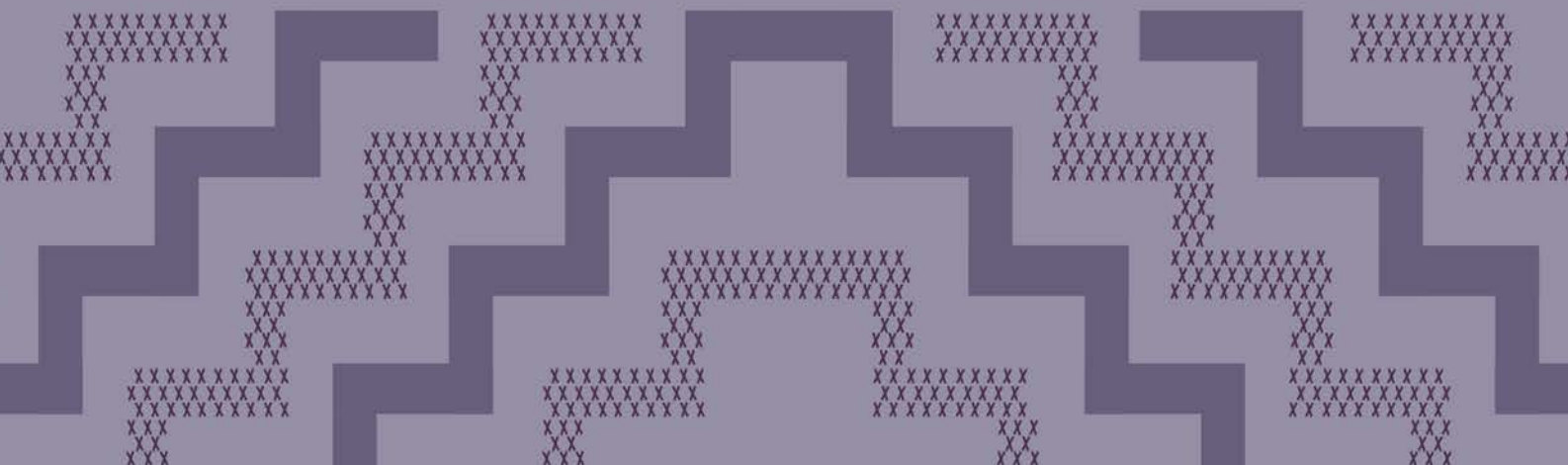
Future responses

The Ministry continues to adapt to the pace, scale and complexity of crisis events. Recent responses including to the Middle East crisis have highlighted the importance of maintaining a pool of specialist crisis management expertise. To strengthen organisational resilience and ensure continuity of response, the Ministry has begun work to develop a Crisis Cadre.

Fifty-five staff joined initial Crisis Cadre training, with further staff to be trained over time. This approach will enable the Ministry to maintain surge capacity while developing, and retaining, relevant expertise within business-as-usual operations.

In an increasingly complex operating environment, the Ministry expects that future crises will require coordinated, multi-faceted, multi-agency responses. Deliberate capability development in crisis management will allow the Ministry to continue to be well-placed to respond effectively, and support our staff to deliver timely, high-quality support to Ministers and impacted New Zealanders.

Assessment of operations





Implementing the Government's priorities

Baseline Savings

The Ministry was not required to make further baseline savings for either departmental or non-departmental in 2025–26 through Budget 2025.

Consultant and contractor spending in 2025–26 was NZD\$16.1 million, a reduction of NZD\$1.4 million from the previous year.

Baseline Programme

In 2024, the Ministry established the Baseline Programme to ensure its foreign policy and development work remained aligned with Government priorities while responding to financial constraints. As part of the Programme, a comprehensive review of the Ministry's operating model:

- Realigned New Zealand's diplomatic capability towards priority regions and objectives.
- Achieved efficiencies through reductions in non-diplomatic back-office costs across the International Development Cooperation (IDC) operating model and the Communications, Finance, and People and Culture functions.
- Established a foundation for ongoing organisational optimisation through targeted reviews and process improvements, including streamlining the Official Information Act (OIA) approval process.

As part of this work, the Ministry reprioritised resources to create additional positions across its South and Southeast Asia, Pacific, and Trade divisions, as well as in its India and Southeast Asia offshore network.

This supports the Government's strengthened focus on lifting relationships with India, Southeast Asia and Association of Southeast Asian Nations (ASEAN), maintaining New Zealand's deep engagement with the Pacific, and advancing trade and economic objectives, including the doubling of export value over the next decade.

Significant Budget decisions

Budget 2025

International Development Cooperation

The IDC budget received a baseline increase of NZD\$50 million per annum in 2025–26, rising to NZD\$100 million per annum from 2026–27.

This will partially offset the end of time-limited funding of NZD\$200 million per year on 31 December 2025 associated with New Zealand's international climate finance commitment. The Ministry also received an increase in its departmental budget to fund the costs of administering this new funding (see Annex 2 p.141).

Doubling Exports and Asia Uplift

The Ministry received NZD\$83.8 million over four years (just under NZD\$21 million per year), to support the

Government's goal of doubling export value over the next decade and deepening relationships in South and Southeast Asia.

This funding will be focused on:

- Increasing engagement with India, Singapore and other priority Southeast Asian partners.
- Tackling non-tariff barriers.
- Implementing, leveraging, and expanding existing trade agreements.

See pp.25 to 28 on delivery.

Budget 2026

International Development Cooperation (IDC)

The IDC budget received a baseline increase of NZD\$33.3 million per annum from 2027–28 to support the resilience of the Indo-Pacific Region in a changing global context.

The Ministry also received an increase in its departmental budget to fund the costs of administering this new funding.

Protecting a Resilient, Safe, and Secure Offshore Diplomatic Network for New Zealand

The Ministry received NZD\$145.3 million over four years to protect a resilient, safe and secure offshore

diplomatic network for New Zealand. This initiative provided funding for interventions that will protect New Zealand's frontline diplomatic and trade network.

In particular, this funding will avoid the need to reduce the size of New Zealand's offshore network, improve the security of Ministry information and technology systems, increase the Ministry's preparedness for crisis response, and enable it to respond to emerging strategic challenges.

Pacific Island Forum (PIF) Hosting

The Ministry received NZD\$20 million to chair and host the Pacific Island Forum in New Zealand in 2027.

Also refer to performance reports on the Ministry's major operating spending and savings decisions published on our website: <https://www.mfat.govt.nz/en/about-us/performance-reporting>

For our progress on implementing other Government and Ministerial priorities of public interest, please refer to pp.22 to 32 for information.



Assessment of operations

The Ministry has a number of statutory and operational responsibilities. These are reflected in the range of our work via the following key functions, which align with the Ministry's appropriation structure in Vote Foreign Affairs:

Policy analysis and advice

A core function of the Ministry is to provide clear and timely policy advice to the Government. The quality of the Ministry's policy advice continues to be rated highly, with our portfolio Ministers assessing the quality of our policy advice service as 4.8 out of 5. The New Zealand Institute of Economic Research (NZIER) assessed the quality of our policy advice papers as 3.64 out of 5 (rated from a sample of 40 policy papers). The Ministry also received the top award for the 2024–25 year at the NZIER Policy Excellence Awards (*see p.55 for related output measures*).

Ministerial services

The Ministry provides Ministerial services that include responding to Ministerial correspondence and Official Information Act (OIA) requests. Over the year, 99 percent of OIA requests to the Ministry were responded to within statutory timeframes.

The Ministry's portfolio Ministers assessed the quality of our ministerial services as 4.67 out of 5 (*see p.56 for related output measures*).

The Ministry supports Select Committee processes — a key means of providing information to Parliament and the public on Ministry activities and outcomes.

Monitor Crown Entities

The Ministry is responsible for the monitoring of Antarctica New Zealand (a Crown Agency) and Asia New Zealand Foundation (a Crown Charitable Trust). Over the year, the Ministry continued to focus on strengthening our monitoring capability, with our Responsible Minister providing a satisfaction score of 5 out of 5 with our monitoring.

Domestic engagement with stakeholders on New Zealand's foreign policy

Strong relationships with domestic partners and stakeholders, including NZ Inc agencies, iwi and Māori, business, Pasifika communities, non-government organisations, and civil society, are essential to delivering foreign policy outcomes for New Zealand.

The Ministry's biennial Partner and Stakeholder Survey found 87 percent of stakeholders were satisfied with our engagement, noting high satisfaction with staff, improved responsiveness and communication, and confidence in our global capability. Areas identified for

improvement included raising awareness of the Ministry's strategy and improving internal processes and systems (*see p.56 for related output measures*).

In 2025–26, the Ministry led or participated in a range of domestic engagement initiatives. These included supporting All-of-Government (AoG) outreach to businesses in relation to the Middle East conflict; policy advice and stakeholder engagement; working with NZ Inc partner agencies and stakeholder to inform New Zealand's negotiating positions in the New Zealand-India Free Trade Agreement; delivering the annual Pacific Update across 17 locations, engaging more than 750 stakeholders; and facilitating engagement between the Diplomatic Corps and Māori Iwi, and stakeholders at significant national events.

Services to New Zealand exporters and businesses

Through the Economic Diplomacy Programme (EDP), the Ministry provides New Zealand exporters and businesses a range of services, tools, and insights to help them succeed in international markets. Services provided include the export helpdesk, policy insights, market intelligence reports, a tariff finder, non-tariff barriers, and services exporter tool. The EDP is a core tool in the Ministry's focus on contributing to the Government's goal of doubling export value over the next decade.

During the year, 109 market insight reports were published on the Ministry's website and the Trade barriers and Tariff finder websites continued to be good sources of information for exporters, as evidenced by the number of website visits. Exporters' satisfaction that the Ministry addressed their queries via our Export Helpdesk increased from 70 percent to 82 percent (*see p.48 for related outcome indicators and p.58 for related output measures*).

Consular services and crisis response

The Ministry provides consular services and SafeTravel advice to New Zealanders overseas and leads responses to overseas emergencies that impact them. Over the year, the Ministry continued to respond to a high tempo of activity, with 35,719 general inquiries received and 2,487 consular services provided. Sixty-eight percent of survey respondents were satisfied with the quality of consular services received (a decline from the previous year's result of 72 percent).

Emergencies and major events in which the Ministry assisted or provided support and advice to significant numbers of New Zealanders included: the Dengue outbreak in Samoa (August 2025); Tropical Cyclone Maila (April 2026); the Philippines earthquake (August

2026); and the three responses relating to the events in the Middle East — Iran 12 Day War (June/July 2025), Iran Civil Disorder (January 2026) and the Iran, Middle East crisis (February–April 2026).

In total, the Ministry Coordination Centre (MCC) was stood up for a total of 81 days. In terms of effort, staff members contributed over 1,800 workdays¹² to emergency response activities. By comparison, in 2024–25 the MCC was operated for five responses for a total of 92 days, with staff members contributing 1,082 workdays to emergency response activities. Although the MCC was in use for less days in 2025–26, the responses were larger.

Services to the diplomatic corps in New Zealand

The Ministry provides host government services to the foreign diplomatic corps resident in New Zealand or accredited to New Zealand from offshore. There are 175 foreign diplomatic missions and consular posts resident in New Zealand. Foreign diplomatic representation is growing. In addition to Iraq, Sri Lanka, Colombia, and the Indian Consulate, which opened in 2024–25, Bangladesh has opened a High Commission in Wellington.

Services provided by the Ministry include credentials ceremonies, arrival and departure procedures, and the provision of diplomatic privileges. The Ministry also supports participation by the Diplomatic Corps in national events such as Waitangi Day, provides key information (for example, Guidelines to the Diplomatic and Consular Corps), and oversees diplomatic immunity matters (*see pp.60 and 137 for related output measures*).

Supporting other NZ Inc agencies in our overseas posts

The NZ Inc offshore network consists of approximately 1,500 staff operating from 69 MFAT or NZTE led posts and other offices, across 51 countries and territories. As well as the Ministry, 11 other NZ Inc agencies have seconded staff overseas. NZ Inc agencies co-locate with the Ministry at 40 of our posts. MFAT is the lead government agency for this network.

The Ministry supports both co-located and non-co-located agencies by providing shared premises, infrastructure, residential accommodation, diplomatic facilitation, and administrative support.

During the year, progress was made on revising the NZ Inc Managed Services Memorandum of Understanding, informed by engagement with partner agencies and the refinement of shared service arrangements. A 98.9 percent acceptance rate of fee schedules without amendment or query by NZ Inc

agencies indicate a high-level of satisfaction with these services.

Management of New Zealand’s International Development Cooperation (IDC)

The Ministry is responsible for administering New Zealand’s IDC funding, through the IDC Programme. In 2025–26, the Ministry spent NZD\$956.2 million — 31 percent of the total NZD\$3.064 billion allocation for 2024–27.

The Ministry maintains a quality standard for IDC Programme activity management, with annual assurance provided through reviews conducted by the Audit and Risk Division. In 2025–26, all 40 activities reviewed achieved ratings of 4 or higher (good or very good) against the quality standard, demonstrating strong management and oversight across the IDC portfolio. This included 15 climate finance activities (*see p.64 to 65 for related output measures*).

The 2024 Activity Based Review¹³ (ABR) of the IDC Programme recommended ongoing reshaping of the IDC Programme to strengthen its strategic alignment.

An operating model review of the IDC Programme completed in 2025 recommended a strengthened structure to deliver against key ABR recommendations. In March 2026, the Pacific and Development Group, which is responsible for delivering the IDC Programme, transitioned to a new structure and operating model that provides greater flexibility and scalability, enabling the workforce to respond to evolving priorities in an increasingly complex operating environment. It also strengthens the Group’s capacity and capability to steward New Zealand’s NZD\$5 billion development portfolio in line with government foreign policy priorities and international standards.

The new operating model supports more coherent and collaborative delivery across the Ministry, with NZ Inc agencies and Pacific and international partners throughout the Pacific and globally. Ongoing implementation and continuous improvement initiatives will help embed the model, ensuring it remains fit for purpose and delivers the intended long-term outcomes.

Representation and advocacy

The Ministry represents the New Zealand Government offshore through a diplomatic network of 58 posts across 50 countries. Our posts, and the teams that work at them, advance New Zealand’s foreign policy priorities by building and maintaining key relationships, promoting and defending New Zealand interests and values, and supporting New Zealanders overseas.

We build relationships with international partners; actively participate in regional and multilateral bodies such as the Pacific Islands Forum (PIF), East Asia Summit

¹² A standard workday is approximately seven and a half to eight hours long.

¹³ See: <https://www.mfat.govt.nz/assets/Media-and-resources/Ministry-statements-and-speeches/Activity-based-review-of-the-IDC-Programme-report-on-findings.pdf>

(EAS), Asia-Pacific Economic Cooperation (APEC), World Trade Organization (WTO) and the United Nations (UN); and negotiate, implement, and defend the international instruments, rules and norms most important to New Zealand.

During the year, the Ministry achieved some significant outcomes. These are outlined in the section on *Progress against Strategic Intentions on pp.11 to 20*.

In 2025–26, the Ministry supported 117 high-level inward and outward visits, including 59 visits to 34 countries by the Prime Minister and the Ministers of Foreign Affairs, Trade and Investment, and Climate Change. The Ministry supported 51 visits to New Zealand by foreign leaders and ministers and worked with NZTE on 11 ministerial-led trade missions. A review of visits management found that 91.7 percent of visits met or exceeded quality standards (*see p.68 for related output measures*).



Year-end performance information on appropriations

Statement of compliance

The service performance information and the financial statements have been prepared in accordance with the Public Benefit Entity Financial Reporting Standard 48 (PBE FRS 48) Service Performance Reporting.

The performance information included in PBE FRS 48 are:

- Outcome indicators — *pp.48 to 50*.
- Output measures — *pp.50 to 72*.
- Three IDC non-departmental performance measures, as mentioned on *p.63*.

Statement of performance

The Ministry of Foreign Affairs and Trade/Manatū Aorere, is a New Zealand government department as defined by section 5 of the Public Service Act 2020.

The Ministry's statutory and operational responsibilities are diverse and reflect the range of work the Ministry undertakes. Key Acts that we administer include the Foreign Affairs Act 1988, the Russia Sanctions Act 2022 and Antarctica (Environmental Protection) Act 1994. Other Acts we administer relate to Foreign Affairs; Peace, Rights and Security; Antarctica; Law of the Sea; and the Realm of New Zealand and the Pacific.

The Ministry is responsible for leading work to advance the Government's foreign policy priorities and provides advice on how international events and activities impact New Zealand. The Ministry delivers New Zealand's International Development Cooperation programme; negotiates international trade agreements and arrangements; provides consular services to New Zealanders; leads New Zealand's effort to support peace and resilience internationally, particularly in the Pacific region, and leads New Zealand's engagement on global issues such as climate change and disarmament. The Ministry operates the Government's offshore network of 58 diplomatic posts.

This section reports on our performance against performance targets (known as budget standards), as included in 2025–26 Estimates of Appropriations for Vote Foreign Affairs ¹⁴ and the 2025–26 Supplementary Estimates of Appropriations for Vote Foreign Affairs ¹⁵, as required by section 19C of the Public Finance Act 1989.

The Minister of Foreign Affairs purchased the following from **Vote Foreign Affairs**:

- Analysis and advice to inform New Zealand's foreign policy.
- Deliver consular, business and diplomatic support services.
- Representation and advocacy on New Zealand's foreign policy.
- Management of New Zealand's International Development Cooperation.
- Policy advice and representation — other countries (PLA).

In addition, the Ministry has a capital expenditure appropriation for the purchase of assets by and for the use of the Ministry.

¹⁴ www.treasury.govt.nz/publications/estimates/vote-foreign-affairs-external-sector-estimates-appropriations-2025-26

¹⁵ www.treasury.govt.nz/publications/supplementary-estimates/vote-foreign-affairs-supplementary-estimates-appropriations-2025-26

Vote Foreign Affairs departmental expenditure is funded through the following:

- Annual multi-category output expense appropriation, comprising four categories within the Multi-Category Appropriation (MCA).
- An annual output expense appropriation for policy advice and representation – other countries (PLA).
- An annual Departmental Capital Expenditure appropriation (PLA).

The service performance information in the multi-category output expense appropriation “Act in the world to build a safer, more prosperous, and more sustainable future for New Zealanders” represents the key outputs the Ministry delivers:

- The provision of analysis and advice to inform New Zealand’s foreign policy.
- The delivery of representation, advocacy, and negotiation of New Zealand’s foreign policy.
- The delivery of consular services to New Zealanders overseas, assisting New Zealand businesses in overseas markets, corporate and other support services to New Zealand government agencies overseas, and services to the foreign diplomatic corps in New Zealand.
- The management of New Zealand’s International Development Cooperation.

The Ministry works with NZ Inc agencies — onshore and offshore — to achieve the Government’s foreign policy objectives as expressed in our Strategic Framework.

Significant reporting judgement

Our service performance framework describes how we track the progress we are making toward our goals as set out in our Strategic Intentions. The framework shows the departmental appropriations the Ministry is responsible for and how our appropriations and outcomes are connected. Each appropriation contributes to one or more of our goals and associated outcomes.

The Ministry reviews our performance measures each year. Performance measures are selected through consultation with subject matter experts with consideration for measures that best demonstrate performance against our outputs, the availability of data and relevance to the outcomes we are trying to achieve.

In selecting and reporting service performance information, the Ministry adheres to the qualitative characteristics (relevance, faithful representation, understandability, timeliness, comparability, and verifiability) of information and the pervasive constraints (materiality, cost-benefit and balance between the qualitative characteristics) on information per PBE FRS 48.

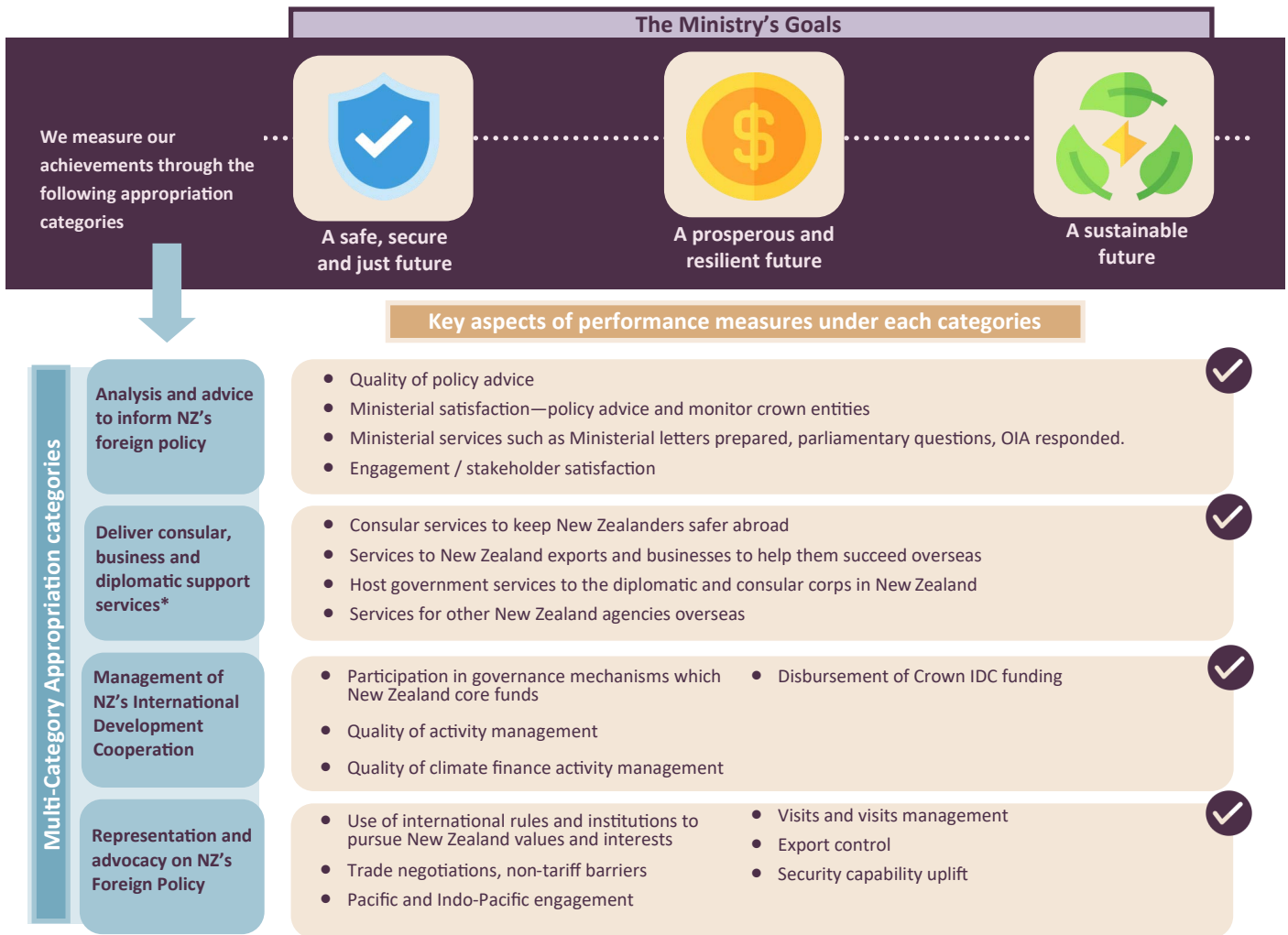
Proposed changes to output measures and standards are approved by the Deputy Chief Executive – Policy. Except for policy advice measures and portfolio Ministers’ satisfaction measures, the Ministry has discretion to select our measures and budget standards to cover outputs delivered under appropriations.

For visibility, information about any changes that have been made to output measures are provided in the Budget Estimates appropriation for Vote Foreign Affairs and listed on *pp.50 to 52*. The annual budget standards for output and asset performance measures are reviewed annually based on historical performance, with consideration of factors that may impact future performance as the nature of foreign policy evolves.

For comparability, both output measures and outcome indicators are reported with trend-over-time results across five years where possible or data is available.

Our performance measures show what we have achieved

In selecting our performance measures, we have centred it on the three goals that the Ministry strive to realise in our purpose statement.



*This includes providing consular advice and assistance to New Zealanders who live or travel overseas; providing services, tools, and market insights to New Zealand exporters to help them succeed in international markets; supporting other NZ Inc agencies in our overseas posts; and providing services to the diplomatic corps in New Zealand.

What the Ministry intends to achieve in broad terms over the medium to long term

Key activities in working towards the goals



- Working with international partners to reduce threats from cyber and terrorist attacks, illegal migration, and transnational crime and strengthen regional resilience.
- Advancing international disarmament, and rules against the proliferation of weapons of mass destruction.
- Promoting global rules and legal frameworks on key issues, including the prohibition on the use of force, law of the sea and human rights.
- Responding to humanitarian crises and natural disasters, with a focus on the Pacific.
- Providing safe travel information and assisting New Zealanders affected by crises overseas.



- Reinforcing global and regional trade rules and frameworks through the WTO and other forums, such as APEC to make it easier for New Zealanders to transact business internationally.
- Opening up and protecting diverse exporting and investment opportunities through negotiating free trade agreements and reducing non-tariff barriers.
- Defending New Zealand's trade access including through taking dispute settlement action when other countries do not keep their commitments.
- Supporting New Zealand businesses to succeed in international markets and build international connections through our network of overseas posts.



- Supporting international and regional institutions tasked addressing global and transboundary issues, such as pandemics.
- Working with other countries to negotiate and implement agreements on key issues, such as climate change, over-fishing and biological diversity.
- Contributing to global sustainable development efforts.
- Promoting the international rules and legal frameworks that support New Zealand's interests in Antarctica and the Southern Ocean.



Key activities in achieving security, prosperity, and sustainability in the Pacific and beyond include **managing and delivering of International Development Cooperation programme (IDC)**. The IDC is New Zealand's official support for developing countries, with a particular focus on development partnerships in the Pacific.

Our outcome indicators

The Ministry has made judgements in identifying the most relevant outcome indicators that best supplement our output measures and on how we are progressing towards our purpose, as follows:

A prosperous and resilient future

Grow sustainable economic returns and resilience from trade, investment, and other international connections.

This is linked to the Vote Foreign Affairs Multi-Category Appropriation —

Representation and advocacy on New Zealand's foreign policy

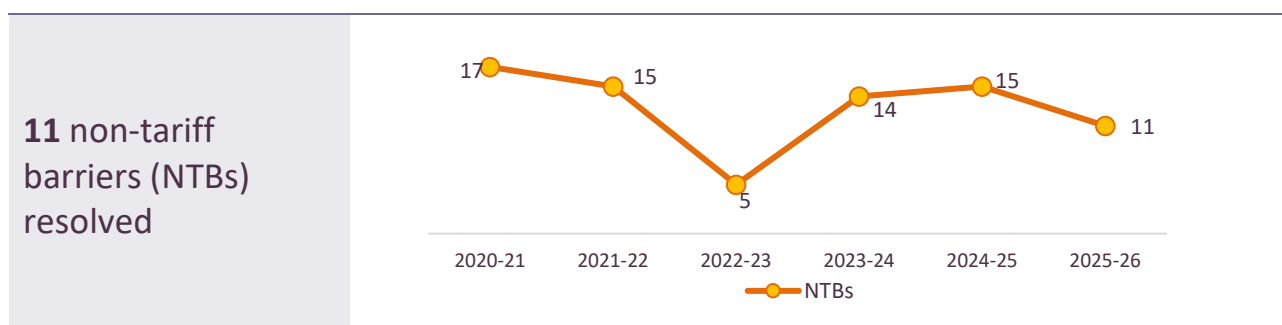
What we intend to achieve

This category is limited to international representation, advocacy, and negotiation on New Zealand's foreign policy.

Indicator:

Increase in the number of non-tariff barriers (NTBs) resolved

The Ministry helps New Zealand exporters by securing better market access and commercial conditions for them. An increase in the number of NTBs resolved by NZ Inc is an indicator of achieving this.



Eleven NTBs were resolved in 2025–26, impacting an estimated annual value of trade worth NZD\$389 million. These resolutions range from reducing the costs of exporting, to restoring access into a market. Compared with 15 NTBs resolved in 2024–25, the number of NTBs resolved has not increased. Year-on-year results can fluctuate due to the wide range of factors that influence NTB outcomes.

New Zealand supports an international rules-based system for trade. We rely on this system to create clarity and consistency, so that businesses and their customers can be confident in both the goods and services traded, and in the processes to facilitate trade. As part of this system, countries may put in place non-tariff measures (NTMs) to ensure trade is safe and fair. NTMs can become non-tariff barriers (NTBs) when these measures make it too expensive or complicated to compete on a market where domestic products are not subject to the same measures as imported products.

The Ministry works alongside other New Zealand Government Agencies, referred to collectively as NZ Inc, to deliver a coordinated approach to NTB resolution. Key partners include the Ministry for Primary Industries (MPI), New Zealand Customs, the Ministry of Business, Innovation and Employment (MBIE), and New Zealand Trade and Enterprise (NZTE).

In the past year, NZ Inc have removed barriers to trade through the negotiation of new agreements, new or better non-tariff measures (NTMs), and clarified interpretation of existing NTMs. This has resulted in retaining, re-establishing, or improving access into the markets of our trading partners.

Most significantly, New Zealand and Canada resolved the dispute the Ministry brought against Canada under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in 2022. Canada has committed to change the way it administers its dairy quotas under CPTPP. These changes will improve New Zealand exporters' access to Canada's dairy market. Importers will be able to access quota faster and more efficiently, making it easier to trade more dairy under Canada's CPTPP quotas.

Other examples of significant outcomes in the past year are the result of negotiating non-tariff measures (NTMs) to secure access into a market. MPI have secured uninterrupted access to the EU market for NZ wild caught seafood exports, following amendments to the European Union Illegal, Unreported and Unregulated (IUU) regulation. MPI also

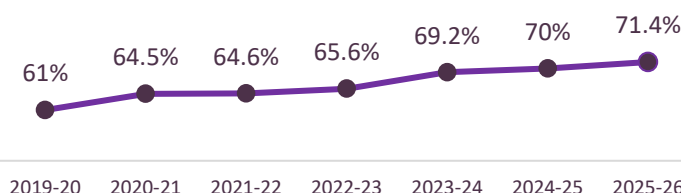
negotiated appropriate measures to restore access to China for heat-treated petfood containing avian products, which had been restricted since the December 2024 outbreak of highly pathogenic avian influenza (HPAI) in New Zealand (see p.68 for related performance measures).

Indicator:

FTAs will cover 75% of New Zealand goods and services exports by 2028

New Zealand is a trade dependent economy. As such, we are a firm supporter of free and open trade, with one of the most open market economies in the world. FTA coverage of New Zealand trade is an important measure, as an increase in coverage supports New Zealand's economic growth.

71.4% FTA coverage of New Zealand goods and services exports to partners with FTAs in force¹⁶ in 2025–26



The increase in FTA coverage was driven by strong growth in trade with key partners such as China, Australia, and the EU, alongside the entry into force of the Comprehensive Economic Partnership Agreement (CEPA) with the UAE in August 2025 (see p.67 for related performance measures).

A safe, secure and just future

Lead New Zealand's international action to advance and protect New Zealanders' safety and New Zealand's security.

This is linked to the Vote Foreign Affairs Multi-Category Appropriation —

Delivery consular, business, and diplomatic support services

What we intend to achieve

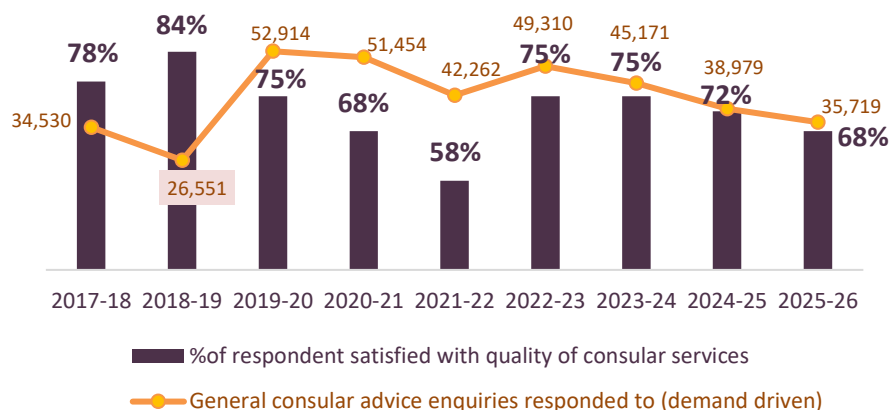
This category is limited to the delivery of consular services to New Zealanders overseas, assisting New Zealand businesses in overseas markets, corporate and other support services to New Zealand government agencies overseas, and services to the foreign diplomatic corps in New Zealand.

Indicator:

80% or more respondents are satisfied with the quality of consular services

A key Ministry role is helping support New Zealanders when they are travelling and living abroad and ensuring they can access consular assistance and emergency advice, when required. Survey respondents' satisfaction with the quality of consular services received reflects the successfulness of the Ministry's consular service.

68% of respondents are satisfied with the quality of consular services received



Between 2019–20 and 2021–22, the Ministry's ability to provide New Zealanders overseas with access to consular assistance was heavily affected by the COVID-19 pandemic. 2022–23 showed a rebound in satisfaction levels to pre-COVID levels. This year, 68 percent of respondents were satisfied with the quality of consular services, (a decline from the previous year's result of 72 percent). The result showed a downward trend in the last three years. While we strive

¹⁶ FTAs in force including UK, EU, and UAE but not the GCC.

to provide the highest levels of service, for a range of reasons respondents to the survey are not always satisfied. Of note, also, is the fact that the complexity of consular cases has increased in recent years (*see p.58 for related performance measures*).

Review of 2025–26 output performance measures and budget standards

The Ministry reviews our performance measures and targets each year to ensure they reflect the services we deliver and our operating environment, and that they support the achievement of our outcomes. We apply the reporting standard PBE FRS 48¹⁷ to ensure reporting is appropriate and meaningful to users. We also consider the qualitative requirements of relevance, faithful representation, understandability, and verifiability.

Changes to measures and targets, survey methodology update (including new survey)

Analysis and advice to inform New Zealand’s foreign policy — Ministerial services

- A new performance measure has been added — “Satisfaction of the portfolio Minister with the Ministerial service”. The Ministerial satisfaction score will reflect the Ministry’s performance on providing ministerial services. The budget standard is on a scale of 1 to 5 and is based on DPMC’s Ministerial satisfaction survey to assess ministerial satisfaction with the policy service (*see below*).

New survey — Ministerial satisfaction survey

The DPMC Policy project has issued a new Ministerial satisfaction survey and associated guidance. The Ministry has used the new survey to obtain the Minister’s feedback on satisfaction to report in this Annual Report. The new survey has a rating scale that is different to that published in the Estimates of Appropriations:

Original rating scale per Estimates of Appropriations	New survey rating scale
1 — Never	1 — Needs significant improvement
2 — Sometimes	2 — Needs improvement
3 — About half the time	3 — Satisfied
4 — Usually	4 — Very satisfied
5 — Always	5 — Extremely satisfied

In addition, there are changes to the questions asked and a new formula for calculating the overall satisfaction score. As a result, the Minister’s policy advice satisfaction score may not be directly comparable with the result for the prior year or the basis on which the target for the year was determined.

The new survey rating scale also impacted the following measures, as these are the additional questions added to the Ministerial satisfaction survey:

- Satisfaction of the portfolio Ministers with the Ministerial service.
- Ministerial satisfaction with the Ministry’s Crown entity monitoring.

Deliver consular, business and diplomatic support services — Services to New Zealand exporters and businesses to help them succeed overseas

- The standard for measure “Number of unique visits on Tradebarriers.govt.nz and Tariff finder online services” has been adjusted from 40,000–50,000 to 175,000–200,000 due to an increase in unique visits. Exporters are keen to understand the different aspects of FTAs and their benefits. With the NZ-UAE FTA signed in January 2025, the Ministry expects the number of website unique visits to continue to rise and have revised the standard to reflect this.
- The standard for measure “Number of “market insight” reports on the conditions in offshore countries published by the Ministry for exporters” has been adjusted from 90–110 to 100–120. The actual standard since 2021–22 has consistently exceeded the upper range of the original budget standard. Increasing the standard is a more realistic approach.
- The standard for measure “Number of unique visits on “market insight” report pages on the Ministry website” has been adjusted from 90,000–1000,000 to 120,000–140,000. The average actual standard between 2021–22 — 2023–24 is 133,064. Revising the standard is a more realistic approach.

¹⁷ PBE FRS 48 — Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting.

Deliver consular, business and diplomatic support services — Consular services to keep New Zealanders safer abroad

- The standard for measure “Number of distressed New Zealanders overseas who received consular services (demand driven)” has been adjusted from 3,500–4,000 to 3,000–4,000. Expanding the standard range better reflects the performance based on previous demand. “Number of” has been added to the measure wording to improve clarity.
- The standard for measure “Number of general consular advice enquiries responded to (demand driven)” has been adjusted from 45,000–55,000 to 40,000–55,000. Revising the standard range better reflects the performance based on previous demand. “Number of” has been added to the measure wording to improve clarity.
- “Number of” has been added to the measure “Number of notarial services provided (demand driven)” to improve clarity.
- The standard for measure “Number of consular emergencies responded to (demand driven)” has been adjusted from 30 to 25–40. Revising the budget standard to a range better reflects the performance based on previous demand. “Number of” and “demand driven” has been added to the measure wording to improve clarity.
- The standard for measure “Percentage of respondents who report that the SafeTravel website contains the information they need” has been adjusted from 75 percent to 80 percent. The Ministry launched an updated SafeTravel website in December 2024. The new website has been designed to provide a significantly improved user experience, including through the use of plain language on general advice pages, a simplified navigation structure, and more accessible presentation. Based on the improvements, the standard has been revised to reflect the expected performance.

Methodology update — Consular services satisfaction survey

In recent years, the annual Consular Services Satisfaction Survey has been conducted using an external, independent vendor (Verian). In 2025, a decision was taken to not renew MFAT’s contract with Verian, in favour of using internal systems to conduct the survey. The survey was run by a Ministry unit independent from MFAT’s Consular division. Two considerations drove this decision:

- 1) Seeking to lift survey response rates by increasing the frequency of surveying (aiming to survey New Zealanders within 90 days of receiving consular services), and
- 2) Achieving efficiency gains by utilising existing survey tools the Ministry holds licenses for.

The 2025–26 survey is the first to be managed by the Ministry’s Knowledge, Information and Analytics (KIA) unit, with consular clients surveyed on a quarterly basis. The survey is conducted online, where an e-mail with a link to an online survey is sent to all people who have received consular support in the respective quarter. Except for one-off nominal change to the survey period (June 2025 consular clients will be included in the 2025–26 survey), no other changes will be made to survey questions or the methodology used to measure client satisfaction. The 2026–27 survey will revert its survey period to 12 months, from 1 July 2026 to 30 June 2027.

Management of New Zealand’s International Development Cooperation

- The standard for measure “Percentage of evaluations (or summaries) that are published to the MFAT website within 3 months of approval of management report” has been updated and has reverted to 100 percent. The revised performance measure improves clarity by explaining and defining “completion”.

Original measure: “Percentage of evaluations (or summaries) that are published to MFAT website within 3 months of completion”.

Original budget standard: “Maintain or improve”.

- The standard for the following measures has been revised from “New measure – Establish baseline” to “Maintain or improve trend”, as this reflects development of baseline for these measures:
 - o Proportion of IDC activities where climate objectives are mainstreamed.
 - o Proportion of IDC activities where gender objectives are mainstreamed.
 - o Proportion of funding to the Pacific channelled through Pacific partner governments.

Representation and advocacy on New Zealand's foreign policy

- The standard for measure “Number of statements delivered in UN multilateral meetings on disarmament, arms control and non-proliferation in line with New Zealand’s disarmament strategy” has been updated from “New measure – Establish measure” to 110, as the baseline has been established.
- The standard for measure “Number of trade negotiations (including accessions negotiation) concluded in line with Cabinet mandate and signed has been adjusted from 3 to 2, to reflect the expected level of engagement and delivery for 2025–26. The measure working has been revised to reflect an increased focus on accession to existing agreements.

Original measure: “Number of trade negotiations concluded in line with Cabinet mandate and signed”.

- The standard for measure “Number of trade negotiations (including accession negotiation) in progress” has been adjusted from 7 to 5, to reflect the expected level of engagement and delivery for 2025–26. The measure working has been revised to reflect an increased focus on accession to existing agreements.

Original measure: “Number of trade negotiations in progress”.

- A new measure “Number of bilateral diplomatic dialogues held with India, Southeast Asia, and ASEAN at the Leader, Ministerial and MFAT’s senior officials’ level” has been added. “Deepening our relationships with India, Southeast Asia and ASEAN” is one of the focus areas from the Ministry’s refreshed Strategic Framework, which also coincides with the government priority of “significantly increasing New Zealand’s focus on and resources applied to Southeast Asia, South Asia and North Asia.” The performance measure is intended to measure the volume of engagement through diplomatic dialogue with the stated countries, and ASEAN organisation, as a way to quantify the effort towards this focus area.
- The standard for measure “Percentage of New Zealand’s commitments in the ASEAN Plan of Action assessed as on track or completed at the end of the financial year” has been revised from 94 percent to 2–5 percent. The 94 percent standard belongs to the ASEAN-NZ Plan of Action (2021–2025) which was completed in December 2025. ASEAN-NZ Plan of Action (2026–30) implementation is underway, with an implementation target of 2–5 percent by end of FY2025–26.

Retired measures

Seven measures have been retired from the multi-category appropriation (MCA) appropriation. The following five measures have been retired to improve meaningfulness of the overall performance. These measures relate to standard processes and procedures and have limited relevance to external stakeholders:

Policy advice

- Policy submissions produced for Ministers

Ministerial services

- Number of Ministerial letters prepared for Ministers based on correspondence received from the public
- Number of parliamentary question responses provided to the Minister’s office so that answers can meet the time frame set in Parliamentary standing orders
- Number of Ministry OIA responses provided

Monitor Crown entities

- Ministers receive advice on the performance of Crown entity monitoring

Representation and advocacy

- “Number of resolutions New Zealand leads or co-sponsors in the UN General Assembly and the Human Rights Council” has been retired. Multilateralism is currently experiencing significant shifts. While the quantitative assessment of leading or co-sponsoring resolutions remains important, qualitative assessment provides a more appropriate way to demonstrate the Ministry’s performance on multilateral representation and advocacy.
- “Number of official-level Indo-Pacific regional meetings MFAT participates in” has been retired and replaced by the new measure “Number of bilateral diplomatic dialogues held with India, Southeast Asia, and ASEAN at the Leader, Ministerial and MFAT’s senior officials’ level” as noted above.

Service performance information

The service performance information is aligned with the Ministry's Strategic Framework. The Ministry uses its Strategic Framework to define its purpose and the impacts it is seeking to make, how it will realise its purpose and achieve collective impact. The Ministry measures the performance of our services against output measures and budget standards as set out in Vote Foreign Affairs — The Estimates of Appropriations 2025–26.

We have two types of output measures and budget standard



Quality & Timeliness

These measures assess the overall quality, effectiveness and timeliness of our service performance. Performance targets (known as budget standard) for this type of measures is predominately set as a number or as a percentage, as service performance is within our control.



Quantity

These measures represent key outputs the Ministry delivers, of which some are demand driven. Performance targets (known as budget standard) for this type of measure is predominately set as a range (i.e. 30–40) as service performance is global events dependent. For demand driven measures, as the name suggests, the results cannot be controlled by the Ministry and we exclude these from the total count of achieved measures.

Performance results categories

The key we use to show our performance against measure

- ✓ **Achieved** (at or exceeding budget standard / budget standard range upper value)
- **Not achieved** (falls short of budget standard / budget standard range lower value)

Performance measures footnotes or additional information

The Ministry includes footnotes or additional information for some performance measures. We applied the following criteria to ensure disclosure of the most relevant and useful information:

- The reason for not achieving a standard.
- Assessment criteria used for survey scale.
- Contextual information to aid understandability.
- Any change in measurement methodology from the previous year.
- Any correction to previously reported result.

How we performed against our output measures



Quality & Timeliness

We achieved **21 out of 30 (70%)** of performance targets compared to **24 out of 30 last year (80%)**



Quantity

We achieved **9 out of 14 (64.3%)** of performance targets compared to **14 out of 19 last year (73.7%)**

Multi– Category Appropriation	Analysis and advice to inform New Zealand's foreign policy	Deliver consular, business and diplomatic support services	Management of New Zealand's IDC	Representative & Advocacy on New Zealand's foreign policy
1/1 Achieved	6/8 Achieved	3/4 Achieved	7/10 Achieved	4/7 Achieved
—	—	2/5 Achieved	—	7/9 Achieved

What we intend to achieve

This appropriation is intended to achieve: the provision of analysis and advice, and delivery of New Zealand's foreign policy through representation, advocacy, and negotiations; the delivery of services to support New Zealand individuals, businesses and agencies overseas, and host government services to the diplomatic and consular corps in New Zealand; and management of New Zealand's International Development Cooperation.

Assessment of performance

		Standard	Results				
		2026	2026	2025	2024	2023	2022
	Percentage of stakeholders who are satisfied with MFAT's effectiveness at representing New Zealand interests~	80%	84% (Biennial Survey)		83% (Biennial Survey)		85% (Biennial Survey)
		Achieved. ~ The Ministry conducts the Stakeholder Engagement Survey biennially. As the majority of the Ministry's work is longitudinal and often takes a few years before impact or results become available, surveying annually is unlikely to see major changes in trends. For the 2026 survey, satisfaction has remained high with most stakeholders satisfied that MFAT are effective at advocating for New Zealand on the world stage. A total of 1,318 stakeholders were invited to take part in the survey, of which 281 stakeholders responded (21% response rate). The maximum margin of error on a sample of 281 is $\pm 4.6\%$ (at the 95% confidence level, assuming simple random sampling). The Ministry's stakeholders include: Government, business, NZ Inc, NGO, Māori/Māori affiliated and non-Māori.					



Analysis and advice to inform New Zealand's foreign policy

6/8
Achieved

What we intend to achieve

This category is limited to providing analysis, advice and Ministerial services, and undertaking related domestic engagement with stakeholders on New Zealand's foreign policy.

Assessment of performance

		Standard	Results				
		2026	2026	2025	2024	2023	2022
Policy advice							
	Assessment of performance of the quality of the Ministry's policy advice papers~	3.5	3.64	3.71	3.8	3.7	3.93
Achieved — NZIER appraised a randomised sample of 40 substantive MFAT policy submissions (excluding routine or process submissions) submitted during the 2025–26 financial year. This sample was drawn from a pool of 195 policy submissions produced in 2025–26. The score dropped slightly this year to 3.64, down from 3.71 last year. The median remained at 3.5 — the same as 2024–25. 98 percent of papers met the Policy Quality Framework (PQF) standards (scored 3 or above) and 35 percent of papers scored above 4. While there were still a significant number of very high-scoring papers (13 percent), the proportion of papers that scored 4 or more decreased. ✓ ~ The budget standard is on a scale of 1 to 5 and is based on using DPMC's PQF to assess the quality of policy advice papers. An average score will be reported from the assessment of policy advice papers. Scale for scoring the quality of policy advice: 1 - Unacceptable: Does not meet the relevant quality standards in fundamental ways. 2 - Poor: Does not meet the relevant quality standards in material ways. 3 - Acceptable: Meets the relevant quality standards overall, but with some shortfalls. 4 - Good: Meets all the relevant quality standards. 5 - Outstanding: Meets all the relevant quality standards and adds something extra.							
	In relation to the quality of policy advice, the distribution of scores for policy papers assessed using the common Policy Quality Framework: Score of 4.5 or higher will be no less than	25%	13%	17.5%	15%	17.5%	30%
— Not achieved — Five papers (of 13 percent of the sample NZIER reviewed) scored 4.5 or 5. This proportion is much higher compared to other agencies. NZIER feedback was positive, as these papers were extremely well written, free and frank, nuanced and demonstrated considerable expertise and a deep understanding of the history of the issues. The Ministry will look at revising the budget standard for the next financial year to accurately reflect the performance.							
	In relation to the quality of policy advice, the distribution of scores for policy papers assessed using the common Policy Quality Framework: Score of 3 or higher will be no less than	100%	98%	100%	100%	100%	New measure
— Not achieved — This year one paper scored 2.5.							
	Satisfaction of the portfolio Ministers with the policy advice service~	4 or above	4.8	4.63	4.73	3.86	3.95
Achieved. ✓ ~ The Ministerial satisfaction score will reflect the Ministry's performance on providing policy advice service. The Standard is on a scale of 1 to 5 and is based on DPMC's Ministerial Satisfaction Survey to assess ministerial satisfaction with the policy service. Note: DPMC issued a revised Ministerial Policy Satisfaction Survey and accompanying Guide for agencies to use in July 2026, which the Ministry adopted for this Annual Report. The new survey has a more granular scoring scale. The revised scale for scoring Ministerial Satisfaction survey: 1 – needs significant improvement; 2 – needs improvement; 3 – satisfied; 4 – very satisfied; 5 – extremely satisfied. The original scale for scoring as stated in Budget Estimates 2025–26: 1 – never; 2 – sometimes; 3 – about half the time; 4 – usually; 5 – always							

Ministerial services							
	Satisfaction of the portfolio Ministers with the Ministerial service~	New measure – 4 or above	4.67	—	—	—	—
Achieved ~ The Ministerial satisfaction score will reflect the Ministry's performance on providing ministerial services. The Standard is on a scale of 1 to 5 and is based on DPMC's Ministerial Satisfaction Survey to assess ministerial satisfaction with the policy service. ✓ Note: DPMC issued a revised Ministerial Policy Satisfaction Survey and accompanying Guide for agencies to use in July 2026, which the Ministry adopted for this Annual Report. The new survey has a more granular scoring scale. The revised scale for scoring Ministerial Satisfaction survey: 1 – needs significant improvement; 2 – needs improvement; 3 – satisfied; 4 – very satisfied; 5 – extremely satisfied. The original scale for scoring as stated in Budget Estimates 2025–26: 1 – never; 2 – sometimes; 3 – about half the time; 4 – usually; 5 – always							
	Percentage of Ministry OIA requests responded to within statutory timeframes~	95%*	99%	98%	99%	56%	89%
Achieved. ~ The Official Information Act 1982 (OIA) helps New Zealand citizens, permanent residents and anyone in New Zealand access information held by Government organisations and Ministers. This promotes openness and transparency and enables greater public participation in government. ✓ * The Ministry always strives for 100% to align with the statutory obligations of making and communicating a decision to the requester “as soon as reasonable practicable” and no later than 20 working days after the day on which the request was received, unless an extension is required (refer to Section 15 A – Extensions and the Official Information Act - https://www.legislation.govt.nz/act/public/1982/156/en/latest/#DLM65394). Given the volume of OIA requests in a period, this can result in a decrease in the budget actual. Therefore, the budget standard is set at 95% to allow some room to account for any unforeseen circumstances.							
Monitor Crown entities							
	Ministerial satisfaction with the Ministry's Crown entity monitoring	4*	5	4.3	New measure	—	—
Achieved. * The Ministerial satisfaction score will reflect the Ministry's performance on Crown entity monitoring. The Standard is on a scale of 1 to 5 and is based on DPMC's Ministerial Satisfaction Survey to assess ministerial satisfaction with the policy service. ✓ Note: DPMC issued a revised Ministerial Policy Satisfaction Survey and accompanying Guide for agencies to use in July 2026, which the Ministry adopted for this Annual Report. The new survey has a more granular scoring scale, and this may result in lower ministerial policy satisfactions scores compared to previous years. The revised scale for scoring Ministerial Satisfaction survey: 1 – needs significant improvement; 2 – needs improvement; 3 – satisfied; 4 – very satisfied; 5 – extremely satisfied. The original scale for scoring as stated in Budget Estimates 2025–26: 1 – never; 2 – sometimes; 3 – about half the time; 4 – usually; 5 – always							
New Zealand domestic engagement							
	Percentage of domestic stakeholders who are satisfied with their engagement with MFAT~	80%	87% (Biennial Survey)	86% (Biennial Survey)	86% (Biennial Survey)		
Achieved. ✓ ~ The Ministry conducts the Stakeholder Engagement Survey biennially. As majority of the Ministry's work is longitudinal and often takes a few years before impact or results become available, surveying annually is unlikely to see major changes in trends. For the 2026 survey, satisfaction has remained high with most stakeholders satisfied with their recent interactions with MFAT. The maximum margin of error on a sample of 281 is +/-4.6% (at the 95% confidence level, assuming simple random sampling).							

Financial performance (figures are GST exclusive)

30/06/25 Actual \$000		30/06/26 Actual \$000	30/06/26 Appropriation \$000	30/06/26 Variance \$000
86,248	Analysis and advice to inform New Zealand's foreign policy	91,781	103,157	11,376

Explanation of significant budget variance

The drivers of this under expenditure are a small number of project and ring-fenced activities, including for software-as-a-service. These are timing variances. The Ministry has approved in-principle expense transfers to carry forward most of this expenditure from 2025–26 to 2026–27.



Deliver consular, business and diplomatic support services

5/9*
Achieved

*Demand driven measures under *Consular services to keep New Zealanders safer abroad* are excluded from the total count

What we intend to achieve

This category is limited to the delivery of consular services to New Zealanders overseas, assisting New Zealand businesses in overseas markets, corporate and other support services to New Zealand government agencies overseas, and services to the foreign diplomatic corps in New Zealand.

Assessment of performance

		Standard	Results				
		2026	2026	2025	2024	2023	2022
Services to New Zealand exporters and businesses to help them succeed overseas							
	Percentage of exporters who are satisfied that MFAT solved their queries	85%	82%	70%	86%	86%	84%
	Not achieved — While the percentage of satisfied exporters increased 12% from the previous year, the rating fell 3% short of the standard. Only 14% of exporters gave a rating, as it is not compulsory to do so. Of those who provided an unsatisfactory rating, the reasons given included slower than desired resolution time, the issue being referred to another agency, and not enough detail being provided in the Ministry’s response. The maximum margin of error on a sample of 35 is ± 15 percent at the 95 percent confidence estimate. Note — Methodology: The Ministry uses the Zendesk software to log, track, and resolve exporter queries. Zendesk offers customers a Customer Satisfaction (CSAT) survey. Admin rights on the Zendesk stats allow MFAT to review the survey results and associated comments, including percentage of customers satisfied with their service, which we report on. For more information on CSAT survey, visit: https://support.zendesk.com/hc/en-us/articles/7689997846554-Sending-a-CSAT-survey-to-your-customers						
	Number of unique visits on Tradebarriers.govt.nz and Tariff finder online services	175,000–200,000*	TB: 7,158 TF: 158,038 Total = 165,196	TB: 5,312 TF: 168,978 Total = 174,290	TB: 32,105 TF: 173,459 Total = 205,564	TB: 2,573 TF: 27,721 Total = 30,294	TB: 12,035 TF: 33,760 Total = 45,795
	Not achieved — This could be a result of greater awareness of publicly available sources and updates on trade barriers, which exporters could be accessing themselves. Note: TB = Trade Barrier / TF = Tariff Finder. * There has been an increase in unique visits, where exporters are keen to understand the different aspects of FTAs and their benefits. With the NZ-UAE FTA signed in January 2025, we expect the number of website unique visits to continue to rise, and have revised the standard to reflect this.						
	Number of “market insight” reports on the conditions in offshore countries published by the Ministry for exporters	100-120*	109	103	121	132	134
	Achieved. * The actual standard since 2021–22 has consistently exceeded the upper range of the original standard of 90-110. Increasing the standard is a more realistic approach.						
	Number of unique visits on “market insight” report pages on the Ministry website	120,000–140,000*	161,871	143,289	132,922	135,637	131,698
	Achieved — The higher than anticipated views of the market insight report pages, were a direct result of the high interest in the trade and economic impacts of the Middle East conflict. In response to the conflict, targeted market intelligence reports analysing the trade and economic impacts of the conflict were produced and uploaded to the market report pages. These reports received a high number of views. The weekly global economic report was also used as a medium for updates on the conflict. * The average actual for this performance measure between 2021–22–2023–24 is 133,064. The revised standard is a more realistic approach.						
Consular services to keep New Zealanders safer abroad							
	Number of distressed New Zealanders overseas who received consular services~ (demand driven)	3,000–4,000*	2,487	2,405	2,925	3,185	3,864
~ Volume of Consular services provided and requests for advice varies depending on international events and conditions. The Ministry has no control over the volume of requests received. “Number of” has been added to the measure wording to improve clarity. * Expanding the standard range better reflects the performance based on previous demand.							

		Standard	Results				
		2026	2026	2025	2024	2023	2022
	Number of general consular advice enquiries responded to~ (demand driven)	40,000–55,000*	35,719	38,979	45,171	49,310	42,262
~ Volume of Consular services provided and requests for advice varies depending on international events and conditions. The Ministry has no control over the volume of requests received. "Number of" has been added to the measure wording to improve clarity. * Revising the budget standard better reflects the performance based on previous demand.							
	Number of notarial services provided~ (demand driven)	7,000–10,000	6,448	6,214	7,050	8,789	6,710
~ Volume of Consular services provided and requests for advice varies depending on international events and conditions. The Ministry has no control over the volume of requests received. "Number of" has been added to the measure wording to improve clarity.							
	Number of consular emergencies responded to~ (demand driven)	25-40*	54	15	29	25	23
~ Volume of Consular emergencies responded to varies depending on international events and conditions. The Ministry has no control over it. Consular emergencies responded to include political unrests & disorders, conflicts, natural disasters such as hurricane and typhoon, severe floodings and earthquakes. "Number of" and "demand driven" has been added to the measure wording to improve clarity. * Revising the budget standard to a range better reflects the performance based on previous demand.							
	Percentage of respondents satisfied with the quality of consular services	80%	68%	72%	75%	75%	Re-instated measure
	Not achieved — This year, 68 percent of respondents were satisfied with the quality of consular services, compared with 72 percent in the previous year. This decline, despite continuing a modest trend since 2022–23, falls within the range of normal year-to-year variation and is within the margin of error. The Ministry strives to deliver the highest possible standard of consular support, though it is evident that not all respondents are satisfied with the assistance they receive. Analysis of responses from dissatisfied customers suggests that this is likely due to them being in a location or situation where expectations exceeded the extremely limited assistance options available. Of particular note, satisfaction levels for those directly impacted by the ongoing crisis in the Middle East (41%) were significantly lower than those who received consular services in other global locations (79%). Despite these challenges, respondents were largely satisfied with the quality of the service they received in terms of being treated fairly (84%) by staff who were knowledgeable (73%) and delivered on their promises (74%). While it is likely that options will remain significantly constrained, the Ministry continues to work closely with domestic and international partners to assess all available options for assisting New Zealanders in conflict-affected areas. Survey feedback is shared widely across the Ministry and continues to inform consular training of staff in Wellington and across our post network. The response rate for the 2025–26 survey was 15.4 percent compared to 2024–25 response rate of 17 percent. The results have a maximum margin of error of ± 7.4 percent at the 95 percent confidence estimate. Note — Methodology change: In recent years, the annual Consular Services Satisfaction Survey has been conducted using an external, independent vendor (Verian). In 2025, a decision was taken to not renew MFAT's contract with Verian, in favour of using internal systems to conduct the survey, run by a Ministry unit independent from MFAT's consular division. Two considerations drove this decision: 1) Seeking to lift survey response rates by increasing the frequency of surveying (aiming to survey New Zealanders within 90 days of receiving consular services); and 2) Achieving efficiency gains by utilising existing survey tools the Ministry holds licenses for. The 2025–26 survey is the first to be managed by the Ministry's Knowledge, Information and Analytics unit, with consular clients surveyed on a quarterly basis. Except for a one-off nominal change to the survey period (June 2025 consular clients will be included in the 2025–26 survey), no other changes will be made to survey questions or the methodology used to measure client satisfaction.						
	Percentage of respondents who report that SafeTravel website contains the information they need~	80%*	78%	68%	New measure	—	—
	Not achieved — The Ministry has continued to improve the content of the SafeTravel website and is pleased that more people find the information was up-to-date, accurate, and had the information they needed. ~ The SafeTravel website is a key information tool for the Ministry. The Ministry recommends New Zealanders register their travel details on SafeTravel. Registering means we can send important travel information and provide updates about emergencies, natural disasters, or terrorist attacks. The measure helps the Ministry to understand whether the SafeTravel website is meeting their need and helps towards continuous improvement and keeping New Zealanders safe abroad. Note — Methodology change (please refer to notes in measure above). * The Ministry launched an updated SafeTravel website in December 2024. The new website has been designed to provide significantly improved user experience, including the use of plain language on general advice pages, a simplified navigation structure, and more engaging and accessible presentation. Based on the improvements, the budget standard has been revised to reflect the performance.						

		Standard	Results				
		2026	2026	2025	2024	2023	2022
Host government services to the diplomatic and consular corps in New Zealand							
	Percentage of relevant formal New Zealand appointment documentation prepared in compliance with the Diplomatic Privileges and Immunities Act 1968 and Consular Privileges and Immunities Act 1971 and the Vienna Convention on Diplomatic Relations and the Vienna Convention on Consular Relations	100%	100%	100%	100%	100%	100%
 Achieved.							
	Percentage of arrival and departure documentation for foreign diplomatic and consular staff resident in New Zealand completed within 10 working days	80–100%	96.4%	97.4%	96.4%	89%	84%
 Achieved.							
Services for other New Zealand agencies overseas							
	Percentage of fee schedules (based on the agreed level of Ministry's services provided to other New Zealand agencies) accepted without amendment~	95%	98.9%	98.4%	98.4%	97%	New measure
 Achieved. ~ The fee schedules are issued annually to New Zealand agencies overseas for services the Ministry provides them based on the level of support required. Services may include: co-location, shared infrastructure, residential accommodation, resource support, diplomatic facilitation, and any other specified additional services. Acceptance of fee schedules without amendment or queries reflects satisfactory service provided by the Ministry. Please note that any amendments to a fee schedule because of an administrative error would be excluded, as this would be considered as correcting a data entry/similar error.							
The following information is provided for context only. This relates to "Host government services to the diplomatic and consular corps in New Zealand"							
Foreign representation in New Zealand is growing. In addition to three diplomatic missions opened in Wellington (Iraq, Sri Lanka, and Colombia) and India opened a Consulate-General in Auckland in 2024–25, Bangladesh has now opened a High Commission in Wellington. Other countries have indicated an interest to open in the next few years. Some diplomatic missions have also increased their staff numbers.							
	Number of foreign diplomatic missions and consular posts resident in New Zealand (including those headed by Honorary Consuls or Honorary Consuls General)		175	174	173	167	167
This is a contextual measure. The number of foreign diplomatic missions and consular posts is growing gradually with 54 Embassies/High Commissions in Wellington, 16 career consulates in Auckland and Christchurch and a total of 105 Honorary Consulates. The number of Honorary Consuls vary due to the establishment of new Honorary Consuls or departures/retirements from the role, which is a matter for the appointing government. Foreign Missions and Posts opening or closing is a matter for foreign governments. The administration of diplomatic and consular privileges and immunities fulfils our Vienna Convention obligations. While this measure is specifically related to host government services to the diplomatic and consular corps within New Zealand, Protocol Division also provides services to 100 non-resident diplomatic missions with a number of new non-resident accreditations being requested.							
	Number of foreign diplomatic and consular staff (and their dependents) resident in New Zealand		1,392	1,367	1,259	1,252	1,302
This is a contextual measure. The Ministry's Protocol Division administers host government services to all resident (and non-resident) members of the foreign diplomatic and consular corps. The number of accredited staff has been steadily increasing each year, however, the total number shown here can fluctuate depending on family composition of each diplomat. Increased foreign diplomatic staffing places pressure on the delivery of host government services provided by Protocol Division.							

Financial performance (figures are GST exclusive)

30/06/25 Actual \$000		30/06/26 Actual \$000	30/06/26 Appropriation \$000	30/06/26 Variance \$000
80,272	Deliver consular, business and diplomatic support services	85,853	88,095	2,242

Explanation of significant budget variance

This variance is less than 2% and is not significant.

International Development Cooperation (IDC) Departmental and Non-Departmental Performance Information – applying the PBE FRS 48 reporting standard

IDC Programme — this refers to the totality of work carried out to support international development outcomes, including foreign policy engagement, multilateral advocacy and development programming funded out of other New Zealand Government agencies. The Ministry's management of the overall IDC Programme is funded by Vote Foreign Affairs – Departmental Multi-Category Appropriation. Please see *Management of New Zealand's International Development Cooperation* on p.64.

IDC appropriation — this refers to the Ministry's development cooperation funded from *Vote Foreign Affairs – Non-Departmental Appropriation*. Please see *Annex 2: Minister of Foreign Affairs' report on the International Development Cooperation Non-Departmental within Vote Foreign Affairs 2025–26* p.141 for complete results from the IDC Programme. Non-departmental information is not subject to audit.

The Ministry's IDC performance framework is based on the All-of-Government international development policy (NZ's International Cooperation for Effective Sustainable Development — ICESD¹⁸), the Ministry's Strategic Framework, and Plans that cover our bilateral, regional, multilateral and humanitarian programmes. These documents provide the strategic and planning mechanisms to help the Ministry determine what outcomes we will deliver and how we will know if we have delivered them.

An *IDC Priorities Framework* aligns delivery of the IDC Programme to the Ministry's strategic objectives and defines how impact will be determined — from indicators that demonstrate movement towards the Ministry's long-term outcomes, through to Estimates performance measures that are directly attributable to New Zealand's IDC funding.

The Ministry's performance measurement framework is not intended to cover the entirety of IDC Programme activities. It focuses on priorities set out in guiding documents for the IDC Programme, and provides an appropriate and meaningful mix of performance measures for the reporting period.

Performance measures have a limited ability to fully communicate the breadth and depth of impact delivered across our IDC. For this reason, the IDC Annex, which

provides quantitative results for the IDC Programme, also includes case studies and additional narrative to provide further qualitative evidence and examples of impact delivered over the reporting period.

We regularly review and refine our outcomes, aggregated result, and appropriation output class measures to ensure they remain meaningful and relevant. This includes considering the qualitative characteristics and constraints of performance information set in PBE FRS 48. Most of our measures have been in place for a number of years, to ensure an understanding of performance over time and to track the impacts of external events. Information about comparability and consistency of performance measures is included throughout the report and IDC Annex by providing the prior year's results (as a minimum).

In establishing our outcome indicators and IDC non-departmental performance measures, the Ministry made judgments in identifying the most relevant performance information to establish progress towards our strategic direction and appropriation intention. In all instances outcome indicators and non-departmental performance measures align directly with the Ministry's Strategic Framework. Where possible, performance measures are focused on the real benefit or impact made (in people terms) of funded programmes or activities.

Results delivered through training and capability-building is a specific focus across the IDC Programme, aligned to our ICESD development approach of providing sustained impact beyond IDC funding. We also include performance information specifically focused on assessing the effectiveness of activities. These are, based on pre-defined objectives agreed with our partners. Performance measures relating to climate resilience are becoming more prominent due to scaled up investment in this outcome.

To support a complete view of the Ministry's performance story in the Annual Report 2025–26, we have provided three non-departmental performance measures as examples of effective performance and impact across the IDC Programme, for consideration as part of the Ministry's audited performance information (see over page):

¹⁸ <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealand's-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf>

International Development Cooperation (MYA)

What we intend to achieve

This appropriation is intended to achieve progress by Pacific Island and developing countries against their sustainable development priorities and against the 2030 Agenda and Sustainable Development Goals.

ASSESSMENT OF PERFORMANCE

	Standard		Results			
	2026	2026	2025	2024	2023	2022
Non departmental — International Development Cooperation						
Number of people directly benefitting from improved infrastructure and services	Standard dependent on need	2,605,999 people (M: 691,236; F: 819,551; unspecified: 1,095,212)	2,192,954 people (M: 395,735; F: 400,177; unspecified: 1,397,042)	136,272 people (M: 48,164; F: 47,910; unspecified: 39,526)	64,145 people (M: 9,453; F: 9,491; unspecified: 45,201)	45,271 people (M: 3,922; F: 3,903; unspecified: 37,447)
The primary reason for increasing results over the past two years, is because large infrastructure projects that have the potential to impact on large populations (such as the Pacific Aviation Security Programme) have moved into implementation or completed.						
Number of people receiving training or capability-building support in priority sectors¹⁹	Standard dependent on need	381,326 people (M: 163,853; F: 155,606; gender diverse: 663; unspecified - 61,204)	140,068 people (M: 40,947; F: 47,120; gender diverse: 7; unspecified: 51,994)	92,325 people (M: 44,404; F: 37,714; gender diverse: 519; unspecified: 9,452)	101,536 people (M: 26,480; F: 26,828; gender diverse: 5; unspecified: 48,222)	88,441 people (M: 31,090; F: 42,495; unspecified: 14,856)
The primary reason for increasing results over the past two years is due to a focus on training and capability support in peace and security, including landmine awareness and training in Cambodia (see Annex 2, p.165).						
Quality						
Percentage of Activities with effectiveness rated as good or better²⁰	Maintain or improve trend	67%	72.5%	70%	73%	62%
This is an internal assessment, carried out by Activity Managers at the completion of an activity. It assesses how effectively IDC Activities delivered the defined outcomes. Confidence in the assessments is provided through the Management of IDC output measure 'Percentage of Activity Monitoring Assessments and Activity Completion Assessments rated as robust (as assessed annually by the Internal Annual Assessment of Results)' that is carried out by MFAT Internal Audit.						

¹⁹ Priority sectors are Health, Education, Equity and Inclusion, Infrastructure, Fisheries and Oceans, Governance, and Peace and Security.

²⁰ Ministry Activity Completion Assessments



Management of New Zealand's International Development Cooperation

7/10*
Achieved

*One measure result is not available this year — excluded from the total count

What we intend to achieve

This category is limited to the management of New Zealand's International Development Cooperation.

Assessment of performance

		Standard	Results				
		2026	2026	2025	2024	2023	2022
Management of New Zealand's International Development Cooperation							
	Participation in governance mechanisms of targeted multilateral institutions which New Zealand core funds (% of institutions)	100%	93%	100%	100%	100%	100%
	Not achieved — New Zealand was not represented at the annual meeting of one targeted multilateral institution (IPPF) due to resource constraints and competing priorities when the meeting was held.						
	Participation in governance mechanisms of targeted Pacific regional institutions which New Zealand core funds (% of institutions)	100%	100%	100%	100%	100%	100%
	Achieved.						
	Percentage of Crown IDC for the partner government sector disbursed in year for which it was scheduled (bilateral programmes only)~	90%	99.42% (\$131.7m)	100% (\$144.3m)	100% (\$186.5m)	100% (\$198.1m)	97% (\$248m)
	Achieved. ~ Partner government sector refers to funding disbursed directly to Pacific bilateral partner governments, including for general budget support and sector support. It measures annual predictability of development cooperation for partner countries, which enables country ownership and successful implementation of development plans and budgets.						
	Percentage of Activity Monitoring Assessments (AMAs) and Activity Completion Assessments (ACAs) rated as robust (as assessed annually by the Internal Annual Assessment of Results)~	Increasing trend*	AMAs: 78% ACAs: 86%	AMAs: 72% ACAs: 75%	AMAs: 70% ACAs: 67%	N/A	AMAs: 71% ACAs: 61%
	Achieved. ~AMAs are annual internal assessments completed by MFAT to monitor the performance of Activities in implementation, while ACAs are internal MFAT assessments of performance undertaken after the completion of the Activity. *The "increasing trend" budget standard has been selected because we considered seeing an increased trend as success.						
	Percentage of evaluations (or summaries) that are published to MFAT website within 3 months of approval of management report~	100%*	100%	N/A	100%	100%	100%
	Achieved. ~* The revised performance measure improves clarity by explaining and defining "completion". The budget standard has been updated and has reverted to 100%. <i>Original measure: Percentage of evaluations (or summaries) that are published to MFAT website within three months of completion. Original budget standard: Maintain or improve.</i>						
	Percentage of Activities rated 4 or higher on a scale of 1–5 by review against the Ministry's quality standard for activity management~	Maintain or improve trend	100%	75%	74%	100%	100%
	Achieved — A sample of 40 activities were reviewed by the Ministry's Audit and Risk Division against the Ministry's quality standard for activity management (including the 15 climate finance activities below). The scale of rating programmes and activities: 1 — Poor: None of the criteria have been met and are of an unacceptable standard. Significant improvements are required that need to be urgently addressed. 2 — Not adequate: Few criteria have been met or barely adequate. Improvements are required that need to be addressed at the earliest opportunity. 3 — Adequate: Some criteria have been met or adequately met. Improvements would be beneficial and are recommended to be addressed. 4 — Good: Most criteria have been met/well met. Minor improvements would be beneficial. 5 — Very Good: All criteria have been met/met very well. No improvements necessary.						

		Standard	Results				
		2026	2026	2025	2024	2023	2022
	Percentage of Climate Finance Activities rated 4 or higher on a scale of 1–5 by review against the Ministry’s quality standard for activity management	Maintain or improve trend	100%	95%	100%	New measure	—
	Achieved — A sample of 15 climate finance activities were reviewed by the Ministry’s Audit and Risk Division against the Ministry’s quality standard for activity management, using the rating outlined below: The scale of rating programmes and activities: 1 — Poor: None of the criteria have been met and are of an unacceptable standard. Significant improvements are required that need to be urgently addressed. 2 — Not adequate: Few criteria have been met or barely adequate. Improvements are required that need to be addressed at the earliest opportunity. 3 — Adequate: Some criteria have been met or adequately met. Improvements would be beneficial and are recommended to be addressed. 4 — Good: Most criteria have been met/well met. Minor improvements would be beneficial. 5 — Very Good: All criteria have been met/met very well. No improvements necessary.						
	New Zealand score in Aid Transparency Index~	Maintain or improve trend	N/A	Biennial Index 60.4% in 2023-24		Biennial Index 64.4% in 2021–22	
	Not available — Please note this is the first year that the Aid Transparency Index is operating under Publish What you Fund’s new funding model. The results are not due to be published until October 2026, and will be reported in MFAT’s 2026–27 Annual Report. ~ The Aid Transparency Index is produced by Publish What You Fund (www.publishwhatyoufund.org) and serves as a benchmark for assessing how transparently major international aid organisations report their funding and activities. The Index evaluates quality and accessibility of aid data, which is crucial for accountability and effective decision-making in development aid.						
	Proportion of IDC activities where climate objectives are mainstreamed~	Maintain or improve trend*	29.4% (182 activities)	28.9% (178 activities)	New measure	-	-
	Achieved. ~ Mainstreaming is the process of systematically and deliberately addressing targeted policy issues (such as gender equality disability inclusion, climate change, biodiversity etc.) in the design, implementation, monitoring and evaluation of international development initiatives. * A measure of New Zealand’s effectiveness in integrating a climate perspective into the design, implementation, monitoring and evaluation of activities to support sustainable development. The revised budget standard reflects the development of the baseline for the new measure.						
	Proportion of IDC activities where gender objectives are mainstreamed~	Maintain or improve trend*	40.6% (252 activities)	43.7% (269 activities)	New measure	-	-
	Not achieved — Gender equality was a significant objective in 40.6% of IDC expenditure in FY2025–26, compared with 43.7% in FY2024–25. As this measure is expenditure-based, annual fluctuations are expected and can be influenced by the timing and nature of programme payments. Greater consistency and improved application of gender markers (aligned with OECD standards) may also have influenced the result. Maintaining a positive trend over time will be more indicative of progress than results in a single year. ~ Mainstreaming is the process of systematically and deliberately addressing targeted policy issues (such as gender equality disability inclusion, climate change, biodiversity etc.) in the design, implementation, monitoring and evaluation of international development initiatives. * A measure of New Zealand’s effectiveness in integrating a gender perspective into the design, implementation, monitoring and evaluation of activities to promote equality and combating discrimination. The revised budget standard reflects development of baseline for the new measure.						
	Proportion of funding to the Pacific channelled through Pacific partner governments	Maintain or improve trend*	22%	25.5%	New measure	-	-
	Not achieved — Annual fluctuations are expected and can be influenced by the timing and nature of programme payments. Maintaining a positive trend over time is more indicative of progress than results in a single year. * Using country financial management systems allows better integration of development programmes with countries’ own expenditure. This reduces duplication of effort and increases the leveraging effect of development co-operation resources and the sustainability of activities and results. The revised budget standard reflects development of baseline for the new measure.						

Financial performance (figures are GST exclusive)

30/06/25 Actual \$000		30/06/26 Actual \$000	30/06/26 Appropriation \$000	30/06/26 Variance \$000
92,927	Management of New Zealand's International Development Cooperation	93,252	101,105	7,853

Explanation of significant budget variance

This under expenditure is most related to projects and ring-fenced activities. Most are timing variances. The Ministry has an approved in-principle expense transfer to carry forward most of this expenditure from 2025–26 to 2026–27.



Representation and advocacy on New Zealand's foreign policy

11/16
Achieved

What we intend to achieve

This category is limited to international representation, advocacy, and negotiation on New Zealand's foreign policy.

Assessment of performance

		Standard	Results				
		2026	2026	2025	2024	2023	2022
Representation and advocacy							
	Number of statements delivered in UN multilateral meetings on disarmament, arms control and non-proliferation in line with New Zealand's disarmament strategy~	110*	85	122	New measure	—	—
Not achieved — due to several UN Meetings occurring at simultaneous times and resourcing pressures (at times also influenced by the impacts of the Middle East conflict on booked flights) we were not represented at four UN multilateral meetings on disarmament and so did not deliver statements at them. One further meeting – the UN Convention on Certain Conventional Weapons – also failed to confirm a Chair and thus was not held. ~This measure reflects the Ministry's effort and performance in disarmament and non-proliferation work within multilateral forums. While the nature of this work is best captured through qualitative assessment, the new measure provides a quantifiable indicator of New Zealand's engagement in the multilateral system. The New Zealand Disarmament Strategy is available at: http://www.mfat.govt.nz/en/peace-rights-and-security/disarmament/ United Nations Multilateral Treaties cover a broad range of subject matters such as human rights, disarmament and protection of the environment. Multilateral treaties are between three or more countries, with an aim to promote integration and cooperation among the parties. * Budget standard has been revised as the baseline has been established.							
	Proportion of issues raised by New Zealand in WTO committees resolved to the satisfaction of our domestic traders	10%*	5% (1 issue partially resolved, 6 raised)	20% (2 issues resolved, 10 raised)	7.7% (1 issue resolved, 13 raised)	7.7% (1 issue resolved, 13 raised)	No issues to resolve
Not achieved — New Zealand raised a total of 6 specific trade concerns (STC) in 2025–26, 1 of which is treated as partially resolved. We expect year-on-year fluctuations given the range of factors that determine whether an STC can be resolved, including ongoing regulatory processes and other WTO Members bilateral solutions that remove the STC from the relevant WTO committee. * The budget standard recognises that issues can span a number of years with few resolved in any one year through being raised in the WTO alone. However, New Zealand traders benefit significantly when issues are resolved.							
	Percentage of WTO notification obligations that New Zealand has complied with in a timely manner~	90%	91%	89%	92%	96%	90%
Achieved. ~Data source for New Zealand compliance with WTO notifications: https://notifications.wto.org/en/status-by-member/new-zealand							
	Number of trade negotiations (including accession negotiation) concluded in line with Cabinet mandate and signed~	2*	4	3	4	5	2
Achieved — India-New Zealand FTA, the New Zealand-Singapore AOTES, agreement reached on Costa Rica's accession to CPTPP, and agreement reached on Peru's accession to DEPA. ~ The measure wording has been revised to reflect an increased focus on accession to existing agreements. * The budget standard has been revised to reflect the expected level of engagement and delivery for 2025–26.							
	Number of trade negotiations (including accession negotiation) in progress~	5*	3	7	5	7	12
Not achieved — In 2025–26, new negotiations for a Green Economy Partnership Agreement (GEPA) were launched and accession processes to grow existing agreements were intensified. New Zealand was successful in advancing progress towards accession by a larger number of CPTPP aspirant economies. New Zealand was also active in advancing accession processes in DEPA and RCEP. The change in the number of individual agreement negotiations in progress follows the successful conclusion of several major negotiations in recent years and reflects increased use of existing agreements as a mechanism for expanding New Zealand's FTA network, for example, through accession by Latin American partners to CPTPP and DEPA. ~ The measure wording has been revised to reflect an increased focus on accessions to existing agreements.							

		Standard	Results				
		2026	2026	2025	2024	2023	2022
		* The budget standard has been revised to reflect the expected level of engagement and delivery for 2025–26. The change in the number of trade negotiations in progress follows the close of significant negotiations, including with the European Union, the United Kingdom and three pillars of the Indo-Pacific Economic Framework. While there will continue to be a focus on launching negotiation of new trade agreements, such as with the UAE, there will also be an increased focus on accessions to existing agreements such as the CPTPP and DEPA.					
	Number of Non-Tariff Barriers resolved for exporters	15	11	15	14	5	15
	Not achieved — 11 non-tariff barriers (NTBs) were resolved in 2025–26, compared to 15 NTBs in 2024–25. Given the range of factors that influence outcomes on NTBs, we expect fluctuations year-on-year.						
	Number of bilateral diplomatic dialogues held with India, Southeast Asia, and ASEAN at the Leader, Ministerial and MFAT's senior officials' level	New measure – establish baseline*	27	—	—	—	—
	Achieved. * “Deepening our relationships with India, Southeast Asia and ASEAN” is one of the focus areas from the Ministry’s refreshed Strategic Framework, which also coincides with the government priority of “significantly increasing New Zealand’s focus on and resources applied to Southeast Asia, South Asia and North Asia.” The performance measure is intended to measure the volume of engagement through diplomatic dialogue with the stated countries and organisation as a way to quantify the effort towards this focus area.						
	Number of policy statements and initiatives led or co-sponsored by New Zealand in Indo-Pacific regional forums	18–28	33	21	27	17	20
	Achieved — This year’s actual result reflects greater engagement by New Zealand in the Indo-Pacific, consistent with the foreign policy reset. Given the range of factors that influence policy statements and initiatives led or co-sponsored by New Zealand, we expect fluctuations year-on-year.						
	Percentage of New Zealand’s commitments in the ASEAN Plan of Action assessed as on track or completed at the end of financial year	2-5%*	47%	100%	94.2%	91.3%	80%
	Achieved — In May 2026, ASEAN officials assessed 47% of New Zealand’s commitments in the ASEAN-NZ Plan-of-Action (POA) as being either ‘addressed’ or on ‘track’. This falls well above the expected 2-5 percent expected budget standard. Our expected budget standard was inaccurate for two main reasons: i) When the budget standard was set for the first year of the new five-year POA, we were yet to finalise negotiations on the new five-year POA so did not have a finalised plan which we could use to inform expectations; and ii) We expected to be affected by significant staffing changeover scheduled for February 2026 and therefore underestimated what the team would be able to achieve in the first year of the new five-year POA. * The standard for measure “Percentage of New Zealand’s commitments in the ASEAN POA assessed as on track or completed at the end of the financial year” has been revised from 94 percent to 2–5 percent. The 94 percent standard belongs to the ASEAN-NZ POA (2021–2025) which was completed in December 2025. ASEAN-NZ POA (2026-30) implementation is underway, with an implementation target of 2–5 percent by end of FY2025–26.						
	Number of inwards Guest of Government visits supported by the Ministry	30–45	51	62	61	New measure	—
	Achieved.						
	Number of outward visits (bilateral, multilateral, plurilateral) on which New Zealand Ministers are supported by the Ministry~	50–70	66	89	57	New measure	—
	Achieved — The Ministry supported 66 visits to 37 countries. ~ This measure reports the number of outward visits in which the Governor-General, Prime Minister and MFAT Ministers are supported to participate.						
	Percentage of visits rated as 4 or better on a scale of 1–5 by internal review against the Ministry’s quality standard for visits management~	80%	91.7%	90.4%	88.8%	85%	N/A
	Achieved — Overall, the Ministry continued to have a very good/clear demonstration on identifying visits’ objectives, programme, logistics and meeting visits’ outcomes. The increasing trend over recent years is positive, as this reflects incremental improvements in visits management. ~ We use a survey to obtain the percentage of visits rating. A random generated sample of ten visits from FY2025–26 were selected, and Ministry staff who were involved in the visit management were asked to fill in the survey (16 questions in total) and provide a rating. The survey results were moderated, and a weighted average score was calculated (result excludes “don’t know/not applicable”). The survey is intended to inform learnings to improve the visits management process.						

		Standard	Results				
		2026	2026	2025	2024	2023	2022
	Percentage of implemented Pacific Security Fund projects which meet stated objectives*	100%	100%	100%	100%	100%	100%
		Achieved. *Based on internal assessment.					
	Percentage of implemented Pacific Enabling Fund projects which meet states objectives*	100%	96%	100%	100%	92%	86%
		Not achieved — 21 out of 22 projects successfully delivered. The remaining project was cancelled. *Based on internal assessment.					
	Number of people trained to lift security and disarmament capability from MFAT's Combined Security and Disarmament Fund~	120–180	395	853	138	112	190
		Achieved — The large increase in “numbers of people trained by the CSDF” in 2025–26 over last year is due to a specific project in Sri Lanka, providing police and community capacity building related to child sexual exploitation. The programme reached 300 direct beneficiaries (and approximately 10,000+ indirect beneficiaries, which we did not count). ~The Combined Security and Disarmament Fund is a specialised fund that was created in 2024. Its objective is to support bilateral, regional, and global initiatives related to security, disarmament and non-proliferation.					
	Number of export control permits assessed	900–1,200	1,623	1,406	1,154	1,048	812
		Achieved — We have experienced a significant increase in export permit applications for the 2025–26 period, and a doubling since 2022. Comparison of our data of the previous year by month indicates that permit applications in 2025–26 were up on every month 2024–25 except one. This suggests the continuation of an upward average trend rather than an anomaly due to something in particular. It may also be due to MFAT export control outreach activities, as well as the export control legislative reform team's public consultation activities increasing general awareness amongst stakeholders of the need to seek permits.					

Financial performance (figures are GST exclusive)

30/06/25 Actual \$000		30/06/26 Actual \$000	30/06/26 Appropriation \$000	30/06/26 Variance \$000
282,580	Representation and advocacy on New Zealand's Foreign Policy	292,022	291,267	(755)

Explanation of significant budget variance

This variance is less than 1% and is not significant.

Policy advice and representation – other countries PLA

1 /1
Achieved

What we intend to achieve

This appropriation is limited to meeting the costs, as set out in section 11 of the Foreign Affairs Act 1988, of superannuation for local staff employed by overseas posts to help with the management of New Zealand's foreign and trade relations with other countries.

Assessment of performance

		Standard	Results				
		2026	2026	2025	2024	2023	2022
	New Zealand Government Superannuation Scheme for locally recruited staff in the United States of America continues to be funded to the required level by the Crown	Met	Met	Met	Met	Met	Met
 Achieved.							

Financial performance (figures are GST exclusive)

30/06/25 Actual \$000		30/06/26 Actual \$000	30/06/26 Appropriation \$000	30/06/26 Variance \$000z
94	Policy advice and representation – other countries PLA	99	105	6

Explanation of significant budget variance

This variance is due to foreign exchange conversion as majority paid in US Dollar.

What we intend to achieve

This appropriation is intended to achieve the provision of modern, secure and effective premises for accommodating NZ Inc's requirements offshore and modernising the Ministry's IT systems.

Assessment of performance

		Standard	Results				
		2026	2026	2025	2024	2023	2022
	Percentage of chanceries with a Fit-for-Purpose performance gap of <=2~	80%	78%	83%	84%	83%	82%
	Not achieved — For the properties that did not meet the target, the primary reason is that we have raised our building quality target standard across the portfolio. Building quality encompasses elements such as building compliance and the condition of critical assets. Lifting the target helps us to identify and focus on those areas for attention. In all cases, our focus is on closing these gaps through a combination of targeted investment (as reflected in the investment plan), operational changes, and, where appropriate, planned minor capital investment and maintenance works. ~The Ministry uses a Fit-for-Purpose framework that rates every chancery (office) and official residence property against five asset management criteria of location, building and infrastructure quality, brand, functionality, and flexibility. Weighted sub-criteria are used to reflect the criticality of each asset management criteria relative to specific locations. The current performance of each property asset in the above-mentioned class is scored against pre-determined business defined target scores. The target scores reflect the relative importance of each of the five asset criteria as an enabler supporting the specific objectives and business model in each location.						
	Percentage of official residences with a Fit-for-Purpose performance gap of <=2~	90%	82%	89%	90%	95%	95%
	Not achieved — For the properties that did not meet the target, the primary reason is that we have raised our building quality target standard across the portfolio. This has impacted on several properties, both in terms of overall Fit for Purpose performance and the Building Quality gap measure. Building quality encompasses elements such as building compliance and the condition of critical assets. Lifting the target helps us to identify and focus on those areas for attention. In all cases, our focus is on closing these gaps through a combination of targeted investment (as reflected in the investment plan), operational changes, and, where appropriate, planned minor capital investment and maintenance works. In leased Official Residences, this may involve relocating to a more suitable property. ~The Ministry uses a Fit-for-Purpose framework that rates every chancery (office) and official residence property against five asset management criteria of location, building and infrastructure quality, brand, functionality, and flexibility. Weighted sub-criteria are used to reflect the criticality of each asset management criteria relative to specific locations. The current performance of each property asset in the above-mentioned class is scored against pre-determined business defined target scores. The target scores reflect the relative importance of each of the five asset criteria as an enabler supporting the specific objectives and business model in each location.						
	The average score for assessment of sustainability of on-premise virtualisation environment, comprised of: Carbon footprint, Power consumption, Environmental impact, Clean demand, Lean operation~	70% or above	69.9%	71.3%	New measure	-	-
	Not achieved — The result was marginally below the target at 69.91% against a budget standard of 70%. This was primarily due to a decision not to invest additional effort in optimising a number of workloads that are planned for near-future decommissioning. While this had a minor impact on the sustainability score, it represents a pragmatic approach to prioritising resources and supporting our longer-term strategy to reduce the on-premises footprint. ~ MFAT uses a mix of cloud and on-premise systems to get the benefits like flexibility and scalability, while keeping control and security of its own infrastructure. This measure is focused on making the on-premise virtualisation system more sustainable. This involves running virtual machines (VMs) on physical servers in our data centres. By using fewer servers for multiple tasks, we save on hardware, energy, and costs. The Ministry tracks sustainability by using appropriate tools, which also gives us a sustainability score to measure our progress towards a greener data centre. In line with New Zealand's government policy to prioritise cloud services, the Ministry is moving more of its services to the cloud to stay up-to-date and fully supported. The measure below is about improving cloud performance, reliability, cost, and security. We use a Cloud Adviser score to follow best practices, which helps the Ministry optimise cloud workloads and track progress by prioritising actions that will give the best results.						

		Standard	Results				
		2026	2026	2025	2024	2023	2022
	The average score measuring cloud workloads alignment to best practices from the following perspectives: Cost, Security, Reliability, Operational excellence, Performance~	70% or above	77.45%	82.4%	New measure	-	-
	Achieved — The cloud workload alignment score achieved 77.45%, surpassing the budget standard of 70% by 11%. This result reflects continued improvements in cloud governance, optimisation activities, and alignment of workloads with Microsoft best practices across cost, security, reliability, operational excellence, and performance ~Refer to notes in the measure above.						

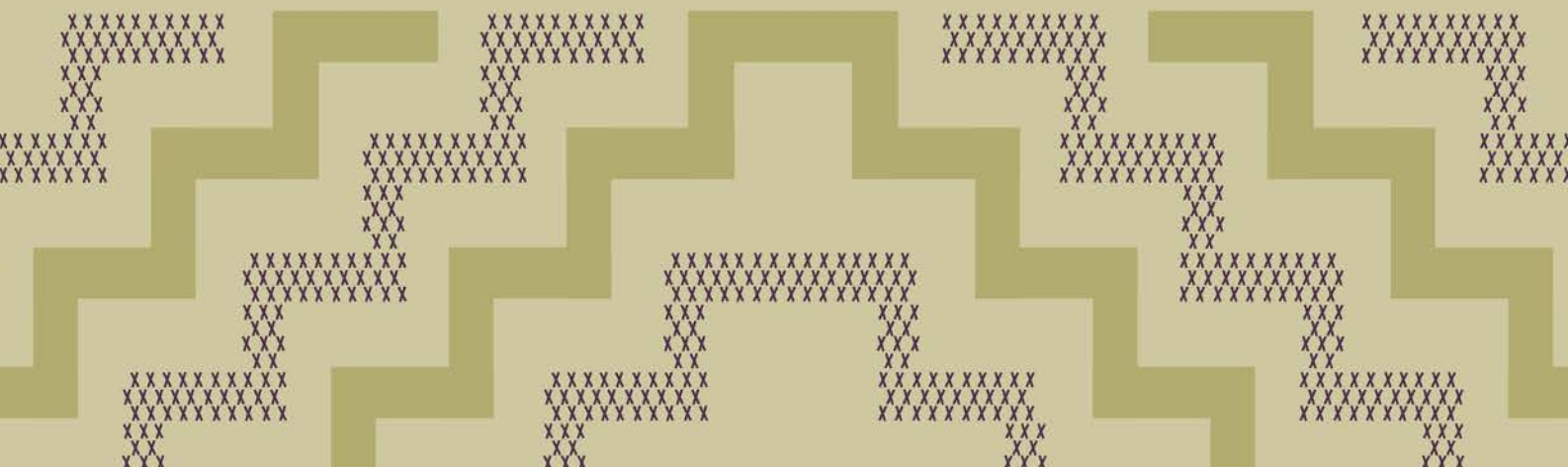
Financial performance (figures are GST exclusive)

30/06/25 Actual \$000		30/06/26 Actual \$000	30/06/26 Appropriation \$000	30/06/26 Variance \$000
—	Land			—
58,440	Property, Plant and Equipment	85,093	116,377	31,284
585	Intangibles	155	326	171
59,025	Total	85,248	116,703	31,455

Explanation of significant budget variance

This variance is primarily due to minor delivery delays in our large property projects including three new chanceries in Suva, Rarotonga and Port Moresby, coupled with budget phasing based on main contractor payment schedules.

Organisational health and capability



Workforce diversity

The Ministry is committed to a workplace culture that is positive, safe and inclusive, in which all of our people feel they belong and can contribute fully and authentically.

In accordance with the Public Service Act 2020, the Ministry continues to uphold its obligations as a good employer by implementing Equal Employment Opportunities (EEO) principles through its Diversity and Inclusion work programme and policies. The Ministry's [Diversity and Inclusion Strategy](#) ²¹ has framed our activity to achieve this.

In 2025, Te Kawa Mataaho (TKM) | Public Service Commission refreshed the Public Service DEI work programme with the Workforce Diversity Strategy (WDS). New guidance was provided to support agencies to align DEI objectives with the new strategy and the Government's current priorities. The Ministry is reviewing its DEI priorities in line with this updated guidance.

Diversity

During 2025–26, the Ministry continued regular staff surveys, including onboarding, exit, and regular employee experience surveys, to gain deeper insights into what it is like to work at the Ministry. These surveys help identify opportunities to improve the employee experience and foster a more inclusive culture. Survey results have also enabled our Employee-led Networks to better understand the experiences of their members.

The annual Diversity and Inclusion Fellowship Programme continues to support the development of the Ministry's diverse workforce. The programme provided financial support for formal and informal learning opportunities and was fully subscribed this year. By enabling targeted professional development, it supports diverse staff to build capability, advance their careers, and helps strengthen leadership diversity across the Ministry.

The Ministry maintained its focus on inclusive recruitment practices, with our early-in-career recruitment campaigns including outreach to diverse communities.

Equity

The Ministry remains committed to enhancing equity across our workforce. One way we track progress is through our annual analysis of gender and ethnic pay gaps.

The Ministry's mean gender pay gap stands at 8.6 percent, representing a three percent reduction from the previous year and a four percent decrease over the past two years. This downward trend is consistent with the Ministry's ongoing efforts to create a more equitable workplace.

To address these disparities, we are strengthening our policies and practices in line with Public Service guidance to promote equitable access to senior level roles. While the Ministry already considers pay relativity during recruitment, we will place more emphasis on monitoring starting salaries to support consistency and fairness across all demographic groups.

While pay gaps for Māori, Pacific, Middle Eastern/Latin American/African, and 'Other' ethnicities continued to reduce, the pay gap for Asian staff increased this year. Given the smaller representation of Asian staff at the Ministry, this gap is sensitive to individual movements, such as senior staff departures, or recruitment of new staff in junior roles. We will continue to monitor this trend and seek to understand and address its underlying drivers.

Inclusion

We strive to create a workplace where all people feel respected, safe, supported, and empowered to contribute fully and authentically.

The Ministry maintained its Rainbow Tick accreditation this year. This reflects our commitment to providing a safe, supportive, and inclusive environment for our Rainbow communities.

The Ministry supports ten active employee-led networks that foster connection, inclusion, and engagement across the organisation:

- Women's Network.
- Te Pou Māori.
- Vaka Pasifika.
- Rainbow Network.
- Disability Network.
- Kaitiaki Network.
- Ethnic Network.
- Solo Parent Network.
- Flexible Work Network.
- Specialists' Network.

²¹ Diversity and Inclusion Strategy: https://www.mfat.govt.nz/assets/About-us-Corporate/MFAT-corporate-publications/Diversity-and-inclusion/MFAT_Diversity-and-Inclusion-Strategy-Booklet-FINAL-19Jun.pdf

These networks also provide valuable inputs into organisational policy development and engage regularly with senior leaders. This year, we supported the work of our networks through events and planning sessions, many of which were attended by members of the Senior Leadership Team.

To further empower our networks, we continued a funding model that enables our networks to apply for funding to support significant initiatives and events.

Demographic profile

The Ministry has a distribution of 59 percent female, 40 percent male, and one percent gender diverse, the same as the previous year. Regarding our ethnic distribution, 67 percent of our staff identify as European, 12 percent

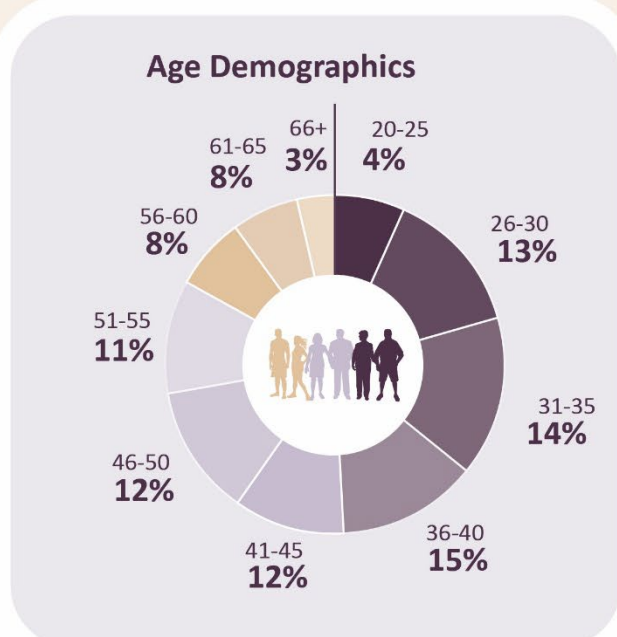
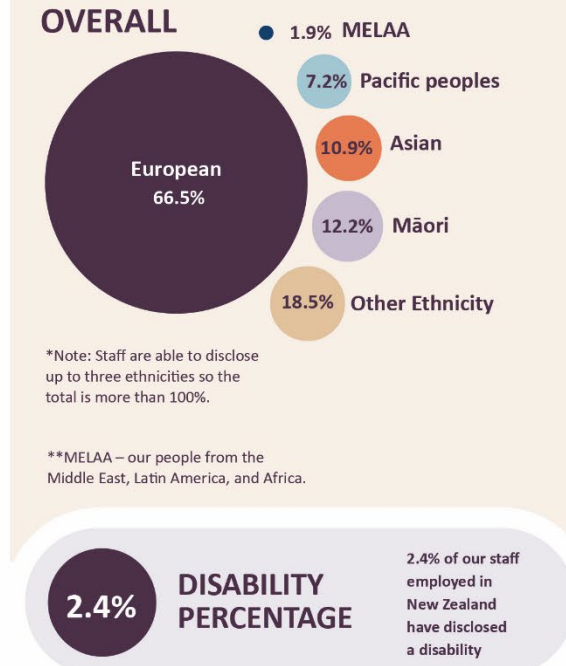
as Māori, 11 percent as Asian, 7 percent as Pacific Peoples, 2 percent as Middle Eastern, Latin American, and African (MELAA), and 19 percent as Other Ethnicity. Compared to the previous year, the proportion of staff identifying as European has increased by 1 percent, while the rest remained the same.

The number of staff members who have disclosed living with a disability increased from 2.3 percent in 2024–25 to 2.4 percent in 2025–26.

Looking ahead

Looking ahead to 2026–27, we will continue to align our planning and reporting with guidance from the Public Services Commission on workforce diversity.

The following demographic information is based on voluntary, self-disclosed information on our New Zealand-employed staff. Data as at 30 June 2026.



Health and Safety

The Ministry is committed to the health and safety (H&S) of all of our people and those who work with us, and alongside us.

The Ministry's operating environments — particularly offshore — can be complex. Strong H&S practices are fundamental to delivering on our mission as a public service agency, and in line with our responsibilities under the Health and Safety at Work Act 2015 (HSWA).

This year, the Ministry benefited from a comprehensive, independent review of its approach to H&S. The review was commissioned by the Chief Executive following the Vanuatu earthquake in December 2024 which raised questions about potential shortcomings in the Ministry's management of Health and Safety.

The review made 14 recommendations to strengthen the Ministry's approach to H&S. In response, the Ministry has initiated a comprehensive programme of work to lift our system performance and strengthen our health and safety culture.

Governance and leadership

The MFAT Board members are accountable for meeting due diligence requirements of Officers under the HSWA.

The Board has been supported over the past year in meeting these requirements by the Organisational Development and People Committee (ODP). This committee is responsible for governance of health, safety and well-being, as well as broader people and corporate strategies and policies.

An independent external adviser provides expert health, safety and well-being advice and guidance to the ODP Committee. They also provide relevant governance training to Committee members.

ODP Committee oversight of the Ministry's H&S Management System is supported by regular reporting from Divisions, risk analysis and updates on critical risks.

As a result of the review, the Ministry is developing its governance processes, and reporting, to better support the MFAT Board to understand and prioritise critical risks and to drive improvements to the Ministry's H&S Management System. This includes professional development and support tools for Officers.

Worker engagement and participation

The Ministry is working with H&S Representatives to increase the reach of the network and to better leverage insight and more active engagement. The H&S Improvement Programme will focus on strengthening

the role of H&S Representatives as an important component of the Ministry's H&S Management System.

Mitigating psychosocial risk

In 2025–26, the Ministry strengthened its approach to psychosocial safety. Exposure to distressing material, vicarious trauma²², or highly stressed environments is a real and concerning experience for staff, particularly those deployed to humanitarian responses, crises, or Posts with elevated risks. The Ministry has developed guidance, training, and resources to help managers and staff recognise and mitigate these risks.

Well-being support services were expanded, including broader access to our Employee Assistance Programme (to include couples counselling and financial coaching), wellbeing coaching sessions for staff going to higher risk posts, return to New Zealand transition support sessions, a Post research guide and videos, lunchtime wellbeing seminars, and bespoke training. Work is being done to raise awareness of such services.

Leadership capability and development

The Chief Executive continues to emphasise the importance of H&S for the Ministry. This has been reinforced in various Ministry-wide communications throughout the year, the most recent of which confirming that H&S is one of two organisational priorities for the year to come.

Pre-posting briefings continue to embed key H&S messaging, with tailored sessions ensuring outgoing Heads of Mission and Posts understand the role they play in keeping staff H&S, as well as identification and mitigation of local risks, and where to access support.

A set of People Leader Expectations was launched at the start of the year, which includes identification and management of risk and operating within H&S delegations as a key expectation for anyone managing staff. Delivering on these expectations is a performance objective for People Leaders at the Ministry.

Building organisational capability

We continue to build practical H&S capability across the Ministry. Prior to going offshore, Administration Managers receive in-person training on H&S including their role in identifying and mitigating hazards and risks at Post. A H&S pre-posting online module has been developed for those heading offshore.

As part of building Ministry capability to respond to crises, a Crisis Cadre has been established to staff Ministry Coordination Centres (MCC). H&S training was included as part of this training and a dedicated 'Safety

²² This is the emotional and mental toll you feel resulting from empathetic engagement with trauma survivors, leading to changes in how you view the world. It commonly affects helpers like counsellors, social workers, first responders and sometimes leaders.

Officer' role features as part of any MCC. The Safety Officer is responsible for working with coordination centre teams to identify and mitigate H&S risks specific to a response.

The H&S team within the People Division continue to provide in person H&S briefings for Heads of Mission, and delegations, in addition to teams deploying offshore as part of a crisis response.

Critical risk management

Relevant divisions in the Ministry, led by the People Division H&S team, report internally bi-monthly on incidents related to critical risks and the effectiveness of controls. This includes crime, civil unrest, and security threats; risks associated with outsourced activity; and risks associated with infrastructure.

In relation to infrastructure, since the Vanuatu earthquake, the Ministry has worked to identify and assess seismic vulnerabilities associated with Ministry occupied buildings. Actions to address identified seismic risks are being taken where required.

The Ministry also continues to support Posts facing elevated hazards, such as air pollution, through health monitoring and mitigation measures, such as providing air purifiers.

The current set of Ministry Critical Risks is being reviewed as part of the H&S Improvement Programme. The review will ensure the Ministry is focussing on the key risks within a dynamic operating environment, and responding to these risks deliberately, with robust policies, processes and guidelines.

Shared risks and partnerships

Effective risk management relies on strong partnerships with those on the ground. During events offshore over the year e.g. the response to the Middle East crisis, the Ministry worked closely with NZ Inc partners to deliver urgent support and manage fast-

evolving risks. This collaboration highlighted the importance of aligned safety protocols, clear communication, and shared commitment to dynamic risk management during crisis deployments.

Assurance and continuous improvement

Regular assurance activities help test the effectiveness of our systems and guide continuous improvement. This year, the Ministry conducted eight Post audits, incorporating H&S requirements. Additional audits and control self-assessments strengthened oversight and informed improvements.

Reported incidents

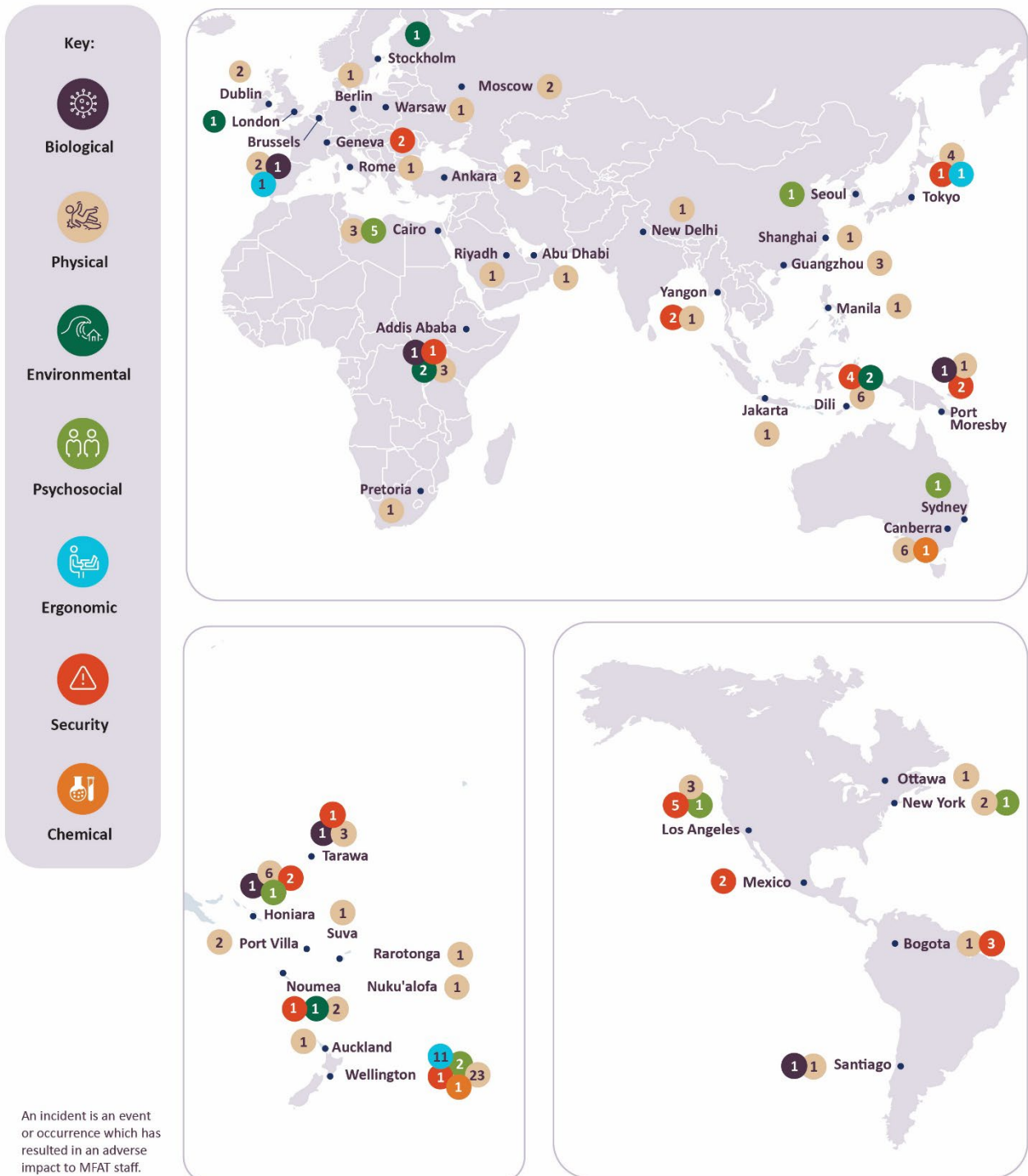
Over the 2025–26 year, 160 incidents were reported across the Ministry. The map below depicts seven types of incidents reported through the Ministry's *Risk Manager* tool, with some also reported through other channels (for example, Security). All incidents entered in *Risk Manager* are triaged and investigated at an appropriate level: low to medium incidents (including near misses) are subject to a streamlined simple investigation, while major to severe incidents undergo a comprehensive investigation. Each investigation results in corrective actions with defined timeframes. This process enables the Ministry to review and learn from incidents, strengthen preventive measures, and continuously improve its risk management.

Looking ahead

As our environments evolve, so must our approach to protecting the people who deliver our work. We remain committed to continuous improvement, strong governance, and robust systems to keep our people and those who work with us, healthy and safe wherever the Ministry operates. The H&S Improvement Programme underway will enable the Ministry to mature our practice in this area and build on the good work done to date.

Where incidents happened

The graphic below illustrates incidents across MFAT's network at a glance. The map depicts seven types of incidents (biological, chemical, environmental, ergonomic, physical, psychosocial, and security) that occurred during 2025–26.



Organisational sustainability

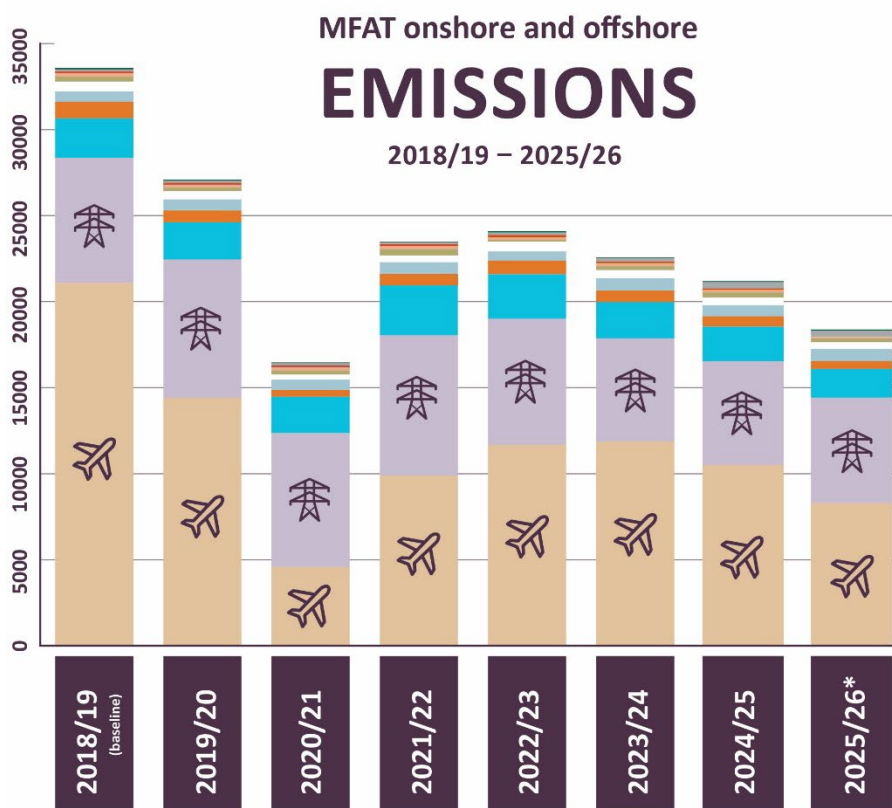
A key element of the Ministry's strategic direction is a sustainable future, which is enabled through operations that are affordable and sustainable.

Throughout 2025–26, the Ministry continued to identify and realise opportunities to reduce costs and emissions while enhancing operational resilience. These organisational sustainability initiatives are in line with the Ministry's Emissions Reduction Plan.

Examples of activities undertaken include:

- Installation of solar and battery systems to ensure price certainty, energy security, and business continuity.
- Identifying properties where operational efficiency and cost-effectiveness can be improved.
- Continuing to replace fossil-fuelled vehicles – as they come up for replacement and where conditions are suitable – with hybrids and electric vehicles.

The Ministry has also been examining climate-related risk to its operations, services, and assets. An initial risk assessment provided a high-level understanding of areas of potential vulnerability and resilience, as well as identifying where more detailed analysis is required. Ongoing work will strengthen the evidence base for future planning, risk management, and investment decisions.



TYPE:



Air travel



Electricity



Freight



Short term Accommodation



Natural gas



Vehicle fuel



Fuel oil



Diesel for generators



LPG**



Refrigerants



Waste/water



Taxis, rail, rental cars

*2025/26 subject to minor changes following third-party verification and audit.

**Data collection for LPG started in 2022/23

Table 1: The Ministry's onshore and offshore emissions, 2018–19 — 2025–26 (tCO₂e). Every year, our emissions data are audited and verified by an independent third party, providing assurance that the Ministry meets ISO 14064-1 and Carbon Neutral Government Programme requirements.

Source	2018–19 (baseline)	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26*
Air travel	21,092	14,410	4,578	9,885	11,681	11,864	10,462	8,298
Electricity	7,254	8,037	7,777	8,161	7,325	5,995	6,076	6,114
Freight	2,306	2,158	2,113	2,897	2,581	2,063	2,031	1,681
Short-term accommodation	957	690	392	671	792	673	583	461
Natural gas	601	640	608	678	533	711	654	694
Vehicle fuels	584	480	298	383	588	471	439	393
Fuel oil	281	213	230	365	78	230	296	209
Diesel for generators	206	169	201	183	122	134	121	103
LPG**	0	0	0	0	28	18	14	13
Refrigerants	106	106	106	106	106	97	97	0
Waste/water	101	112	121	120	156	194	373	352
Taxis, rail, rental cars	90	67	37	39	81	58	58	58
TOTAL tCO₂e	33,578	27,082	16,461	23,488	24,071	22,508	21,204	18,376
Change from baseline		-19%	-51%	-30%	-28%	-33%	-37%	-45%

*2025–26 subject to minor changes following third-party verification and audit.

**Data collection started in 2022–23.

Strengthening the Ministry's Māori-Crown relations capability

The Treaty of Waitangi/Te Tiriti o Waitangi sets out a partnership framework between Māori and the Crown. The Public Service Act 2020 requires public service agencies to build their capability to support the Māori-Crown relationship.

The Ministry supports Māori-Crown relations, including to meet its obligations under the Treaty/Te Tiriti, and legislative obligations under the Public Service Act 2020. This includes through building effective engagement with Iwi and Māori stakeholders; incorporating Māori perspectives appropriately into policy advice and initiatives; and developing Māori knowledge/Mātauranga Māori capability within the Ministry.

Supporting the Government's foreign policy priorities, the Ministry's Māori Division, Houtina, supported a number of high-level inward and outward official visits, and provided support to the Diplomatic Corps in New Zealand. Houtina also worked with posts to identify opportunities to deepen New Zealand's bilateral relationships through new initiatives in areas such as indigenous economic and cultural exchanges.

Some examples have included:

- Facilitating engagement with Māori during inward study tours for Pacific businesses to share approaches to Māori economic development, leadership and governance models.
- Collaborating with Te Matatini to leverage kapa haka in our cultural diplomacy, including supporting Te Kapa Haka o Ngāti Whakaue's participation in the Prime Minister's trade mission to Malaysia in October 2025 marking 50 years of New Zealand-ASEAN relations.
- Providing advice on cultural and organisational issues, including the repatriation of Māori artefacts, cultural integration in the building and refurbishing Ministry properties, and connecting diplomatic posts with iwi/Māori.
- Facilitating positive engagement between the Diplomatic Corps and Māori leaders at significant national events, including Waitangi, Koroneihana, and the National Iwi Chairs Forum to support the strengthening of trade, cultural, and international connections.

Engagement with Iwi and Māori stakeholders

The Ministry's engagement with Iwi and Māori stakeholders supports Māori-Crown relations, including by helping build our awareness of, and responsiveness to, Māori perspectives and priorities.

The Ministry's biennial stakeholder survey found that overall perceptions of the Ministry among Māori stakeholders remained stable. 45 percent of respondents reported that the Ministry's engagement had improved, compared with 40 percent who perceived no change, while 11 percent considered it to have deteriorated and four percent were unsure.

Feedback highlighted improvements in relationship-building and responsiveness, reflecting continued progress in strengthening trusted partnerships with Māori. The results also indicated opportunities to further strengthen the consistency and effectiveness of engagement across the Ministry.

Te Hurumanu, the Ministry's Māori strategic advisory group, provides advice to our leadership on foreign policy and organisational matters. Its members bring a range of Māori perspectives into discussions with the Ministry's senior leaders on issues of significance to both Māori, and New Zealand's foreign policy interests.

The Ministry engages with a range of Māori stakeholders on trade policy initiatives including Te Taumata, the Federation of Māori Authorities, Ngā Toki Whakarururanga, and the National Iwi Chairs Forum. This helps ensure Māori economic and trade interests, priorities and perspectives are understood and reflected appropriately in trade policy advice and initiatives.

Continuing to build Mātauranga Māori capability

The Ministry continues to build our Mātauranga Māori capability, to enhance staff understanding of the Ministry's Māori-Crown relations, and Treaty obligations, and so our people feel confident representing New Zealand knowledgeably, effectively and with impact in their work onshore and overseas.

Houtina and the Ministry's People Division have continued to develop and implement learning resources, activities and tools aligned with the Ministry's Mātauranga Māori, and the Government's cross-agency 'Whāinga Amorangi,' capability frameworks.

Houtina continued to support Ministry staff in building awareness and knowledge of Māori customs and cultural protocols, to ensure these are applied appropriately in our work, to help the Ministry engage effectively with Māori, and to support our staff in

building their confidence to represent New Zealand both onshore, and overseas.

Interest in building Mātauranga Māori and Te Reo Māori competencies remains strong across the Ministry.

Over 104 Ministry staff registered for Te Reo Māori classes in 2025–26, providing opportunities to develop Māori language skills across foundational, comfortable, and confident competency levels.

One hundred and twenty-eight staff participated in Treaty of Waitangi workshops. These strengthened staff

understanding of Māori-Crown relations and Te Tiriti/Treaty concepts and principles. Post-workshop surveys showed 94.6 percent of respondents felt more confident applying this knowledge in their work.

Over 152 Ministry and NZ Inc staff across eight Ministry posts participated in Mātauranga Māori workshops, with a focus on strengthening understanding of Māori-Crown relations; the Māori economy and the Ministry's trade and economic objectives; and concepts for engaging effectively, and appropriately, with Iwi and Māori stakeholder groups.

Treaty Settlement Commitments

The Ministry is not currently responsible for Treaty settlement commitments, so is not required to provide an update in accordance with the He Korowai Whakamana framework.

Asset performance

The Ministry is a tier-two investment-intensive²³ public service department. We are responsible for a NZD\$802 million asset base that comprises property (97 percent); information and communications technology assets (2 percent); and motor vehicles (1 percent).

Our properties

The Ministry actively manages a portfolio of 363 owned and leased properties globally. These are essential to maintaining New Zealand's international diplomatic network and connecting our people around the globe.

Ensuring Ministry staff have appropriate, safe and secure, fit-for-purpose accommodation and workspaces is an important element of our focus on the well-being of our people, and in enabling them to deliver outcomes for New Zealand around the world.

The Ministry's property portfolio is made up of 59 chanceries, 62 official residences, 242 staff houses and our Head Office in Wellington. The Ministry's property portfolio programme focuses on three principles:

- Enabling our people to reach their maximum potential while keeping them safe and embodying New Zealand.
- Supporting modern work practices, choices and styles to meet a variety of needs.
- Enacting balanced and targeted investment, to ensure we deliver value from our portfolio while ensuring it remains fit for purpose.

This year the Ministry began the redevelopment of three of our Pacific High Commissions (Suva, Rarotonga and Port Moresby). In February 2026, the Ministry moved into our new head office on Molesworth Street (*see p.35 for case study*). New ways of working that have been

adopted in the new building are designed to help us fully leverage its tailored fit-out. This includes through improved meeting areas, dedicated facilities for emergency coordination, and expanded fit-for-purpose secure areas.

These enhancements have already improved how we collaborate with NZ Inc and international partners, and support our offshore and onshore teams to advance New Zealand's foreign policy priorities in a complex and dynamic geopolitical environment.

How we performed

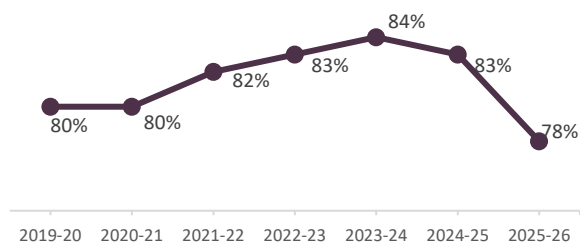
The Ministry uses a fitness-for-purpose framework that rates every chancery (office) and official residence against five asset management criteria of location, building and infrastructure quality, brand, functionality, and flexibility. Weighted sub-criteria are used to reflect the criticality of each asset management criteria relative to specific locations.

The current performance of each property asset in the above-mentioned class is scored against pre-determined business defined target scores. The target scores reflect the relative importance of each of the five asset criteria as an enabler supporting the specific objectives and business model in each location. A larger gap (greater than two) is an indication that a property may not be delivering the level of service that the Ministry expects.

While each building is assessed individually, they are reported in aggregate, reflecting an orthodox asset management planning approach and the service-critical nature of the portfolio as a whole, rather than the performance of each individual component.



78% of Chancery buildings with a fitness-for-purpose performance gap ≤ 2 against of target of more than 80%

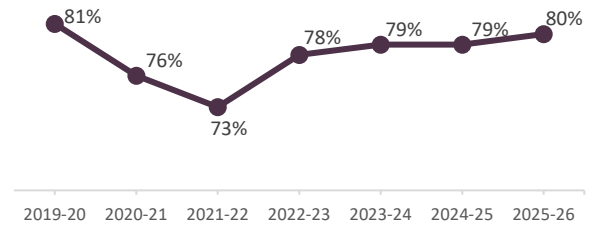


Not achieved — For the properties that did not meet the target, the primary reason is that we have raised our building quality target standard across the portfolio. Building quality encompasses elements such as building compliance and the condition of critical assets. Lifting the target helps us to identify and focus on those areas for attention. In all cases, our focus is on closing these gaps through a combination of targeted investment (as reflected in the investment plan), operational changes, and, where appropriate, planned minor capital investment and maintenance works.

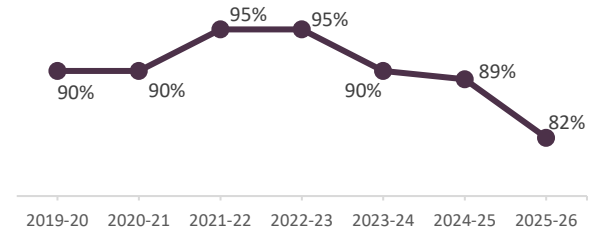
²³ Investment-intensive agencies are tier 1 and tier 2 agencies that manage large or service-critical portfolios, programmes and projects.
<http://www.treasury.govt.nz/statesector/investment-intensive-agencies>



80% of Chancery buildings assessed with an overall building quality gap of ≤ 2 against a target of more than 80%



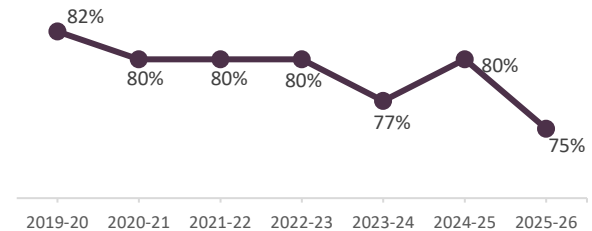
82% of official residences with a fitness-for-purpose performance gap of ≤ 2 against a target of more than 90%



Not achieved — For the properties that did not meet the target, the primary reason is that we have raised our building quality target standard across the portfolio. This has impacted on several properties, both in terms of overall Fit for Purpose performance and the Building Quality gap measure. Building quality encompasses elements such as building compliance and the condition of critical assets. Lifting the target helps us to identify and focus on those areas for attention. In all cases, our focus is on closing these gaps through a combination of targeted investment (as reflected in the investment plan), operational changes, and, where appropriate, planned minor capital investment and maintenance works. In leased Official Residences, this may involve relocating to a more suitable property.



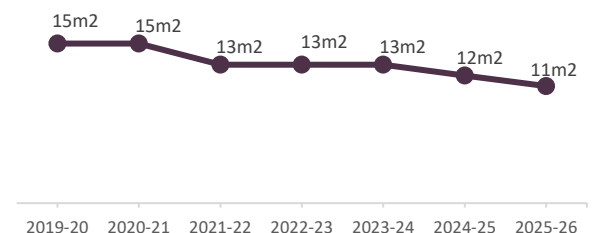
75% of official residences assessed with an overall building quality gap of ≤ 2 against a target of more than 80%



Not achieved — please refer to explanation in measure directly above.



Head Office occupancy rate is **11m²** per person against a utilisation target of less than 16m²



Our technology

The Ministry continues to modernise its technology environment, with a strong focus on cloud-based and Software-as-a-Service solutions. Over the past year, we have further reduced our on-premises technology footprint and transitioned our IT service management capability to a fully cloud-based platform.

We continue to retire legacy systems and non-essential services, enabling us to simplify our environment and significantly reduce the infrastructure needed to support it.

Work to modernise our web platforms has continued, including the successful migration of SafeTravel registrations to a contemporary Content Management

System. This provides the public with a more modern, secure experience, while making the service easier for our Ministry teams to administer, support and enhance.

Other significant outcomes included simplifying the Ministry's identity and email environments by retiring duplicate legacy platforms, progressing the transition of collaboration and information to the cloud, continuing the rollout of modern workplace devices, cloud printing and replacing legacy mobile device management with a modern cloud-based capability.

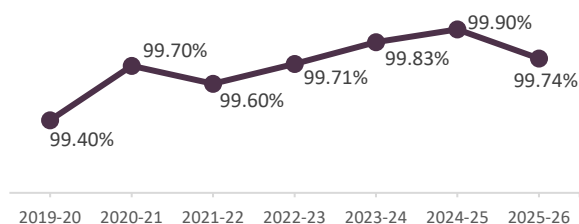
These advances further strengthen the Ministry's cloud-first approach and support the delivery of more efficient, resilient, secure and user-focused services.

How we performed

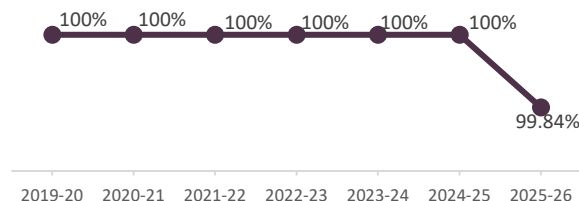
Performance across core infrastructure indicators remained strong:



99.74% of time our networks are available against a fitness-for-purpose target of more than 99.70%

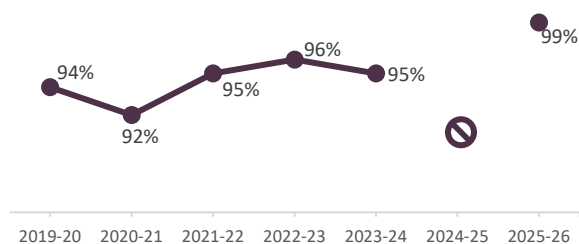


99.84% of time our critical services are available against a fitness-for-purpose target of more than 99.70%



99% of server machines patched each month against a target of over 95%

Note: 2024–25 data is not available due to system issues. However, the team managing patching has confirmed verbally confirmation that patching has exceeded 95 percent each month for the financial year.



The following indicators reflect the Ministry's use of mixed cloud and on-premise systems to achieve flexibility and scalability, while maintaining control and security over its own infrastructure.



69.9% of our on-premises virtualisation environment were assessed as sustainable, falls below the target of 70%

This measure focuses on making the on-premises virtualisation environment more sustainable by running virtual machines on fewer physical servers in our data centres, reducing hardware, energy use, and costs. Sustainability is tracked using tools that provide a score to measure our progress towards a greener data centre. In alignment with New Zealand government policy, the Ministry is transitioning more services to the cloud.

Not achieved — The result was marginally below target. This was primarily due to a decision not to invest additional effort in optimising certain workloads that are planned for near-future decommissioning. While this had a minor impact on the sustainability score, it represents a pragmatic approach to prioritising resources and supporting our longer-term strategy to reduce the on-premises footprint.



77.5% of cloud workloads were aligned to best practices, exceeding the target of 70%

This measure aims to improve cloud performance, reliability, cost-efficiency, and security by using a Cloud Adviser score to guide best practices and optimise cloud workloads.

Our legal responsibilities

For the year ended 30 June 2026

Crown entities

The Ministry of Foreign Affairs and Trade's relationship with Crown entities and other organisations that provide non-departmental output classes funded under Vote Foreign Affairs is as follows.

New Zealand Antarctic Institute (Antarctica New Zealand)

The New Zealand Antarctic Institute is a Crown entity established under the New Zealand Antarctic Institute Act 1996. Its purpose is to develop, manage, and execute New Zealand's activities in Antarctica and the Southern Ocean, in particular the Ross Dependency, and maintain and enhance the quality of New Zealand Antarctic scientific research while cooperating with other institutions and organisations that have similar objectives.

Our main responsibility is to monitor on behalf of the Minister the Institute's effectiveness, efficiency, and management of risks. We do this by providing advice on strategic direction and capability, assessing the appropriateness of output and performance measures for the Statement of Intent, providing advice to the Minister on board appointments and inductions, and monitoring performance against expected outputs and outcomes.

Asia New Zealand Foundation — Te Whītau Tūhono

The Asia New Zealand Foundation — Te Whītau Tūhono was established in 1994 as an incorporated trust with accountability to the Crown under the Public Finance Act 1989. The Government provides funding to the Foundation through MFAT on the basis of an annual statement of performance expectations agreed at the beginning of each financial year by the Foundation and the Responsible Minister.

The Foundation works to deepen New Zealanders' knowledge and understanding of Asia through its activities in education, business, media, Track II informal diplomacy dialogues, research, arts, entrepreneurship, leadership and sports. The Ministry acts on behalf of the Minister as purchase adviser and contract manager in respect of the Foundation. We oversee the preparation of the annual statement of performance expectations and coordinate the appropriation process as part of the Foundation's performance and financial monitoring.

New Zealand Trade and Enterprise — Te Taurapa Tūhono

New Zealand Trade and Enterprise (NZTE) is a Crown entity. MFAT, in conjunction with the Ministry of Business, Innovation and Employment (MBIE), has a joint role in monitoring the performance of NZTE on behalf of the Ministers for Trade and Export Growth and the Minister for Economic Development, although NZTE is not funded from Vote Foreign Affairs. We work with MBIE to provide briefing and comment to Ministers on NZTE's performance. Our Chief Executive acts as a special adviser to the NZTE Board. This dialogue ensures high-level policy coordination and close alignment of goals between the two organisations.

PRIMARY LEGISLATION WE ADMINISTER

Foreign affairs

- Commonwealth Countries Act 1977
- Consular Privileges and Immunities Act 1971
- Diplomatic Privileges and Immunities Act 1968
- Foreign Affairs Act 1988

Peace, rights and security

- Anti-Personnel Mines Prohibition Act 1998
- Brokering (Weapons and Related Items) Controls Act 2018
- Chemical Weapons (Prohibition) Act 1996
- Cluster Munitions Prohibition Act 2009
- Geneva Conventions Act 1958
- International Crimes and International Criminal Court Act 2000 (jointly administered with the Ministry of Justice)
- Maritime Powers Act 2022
- Mercenary Activities (Prohibition) Act 2004
- New Zealand Nuclear Free Zone, Disarmament and Arms Control Act 1987
- Nuclear Test Ban Act 1999
- Russia Sanctions Act 2022
- Terrorism Suppression Act 2002 (jointly administered with the Ministry of Justice)
- United Nations Act 1946

Antarctica

- Antarctica Act 1960
- Antarctica (Environmental Protection) Act 1994
- Antarctic Marine Living Resources Act 1981
- New Zealand Antarctic Institute Act 1996

Law of the sea

- Continental Shelf Act 1964
- Territorial Sea, Contiguous Zone, and Exclusive Economic Zone Act 1977
- United Nations Convention on the Law of the Sea Act 1996

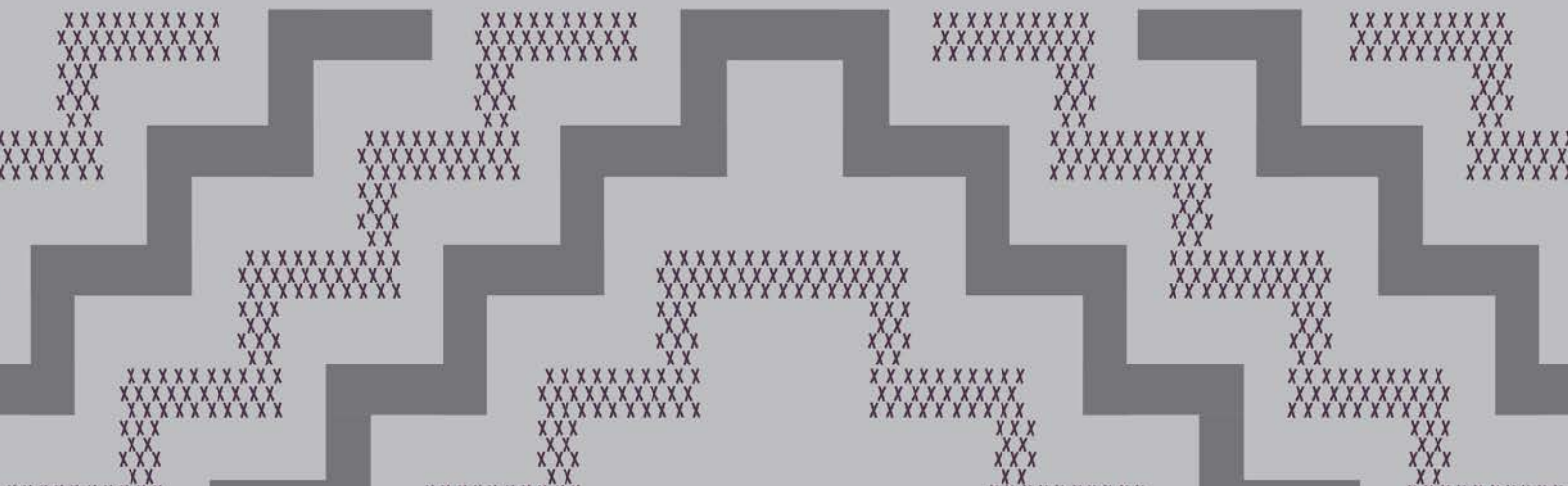
The Pacific

- Cook Islands Act 1915
- Cook Islands Constitution Act 1964
- Niue Act 1966
- Niue Constitution Act 1974
- Pitcairn Islands Act 2002
- Tokelau Act 1948
- Tokelau (Territorial Sea and Exclusive Economic Zone) Act 1977
- Western Samoa Act 1961

2025–26 TREATIES

1. Agreement between the Government of New Zealand and the Government of Japan on the Security of Information.
Signed 19/12/2025, entered into force 23/03/2026.
2. Protocol to Amend the Agreement between New Zealand and Singapore on a Closer Economic Partnership.
Signed 4/05/2026, not yet entered into force.
3. Agreement between the Government of New Zealand and the Federative Republic of Brazil Concerning Audio-Visual Co-Production.
Signed 4/03/2026, not yet entered into force.
4. Agreement between the Republic of Croatia and New Zealand for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance (and Protocol).
Signed 20/11/2025, not yet entered into force.
5. Agreement to Establish the Pacific Resilience Facility.
Signed 10/09/2025, ratified 15/04/2026, not yet entered into force.
6. Convention on Cybercrime (Budapest Convention).
Acceded 28/8/2025, entered into force 1/12/2025.
7. New Zealand-India Free Trade Agreement.
Signed 27/04/2026, not yet entered into force.
8. Agreement between the Government of New Zealand and the Government of Japan concerning reciprocal provision of supplies and services between the New Zealand Defence Force and the Self-Defence Forces of Japan.
Signed 19/12/2025, not yet entered into force.
9. Air Services Agreement between the Government of New Zealand and the Government of Iceland.
Signed 25 September 2025, entered into force 20/04/2026.
10. Air Services Agreement between the Governments of the Member States of the Association of Southeast Asian Nations and the Government of New Zealand.
Signed 28/05/2026, not yet entered into force.

Annual and forecast financial statements



Financial statements

Statement of Comprehensive Revenue and Expense For the year ended 30 June 2026

Actual 2025 \$000		Notes	Actual 2026 \$000	Unaudited Budget 2026 \$000	Unaudited Forecast 2027 \$000
	Revenue				
541,606	Revenue Crown	2	571,561	579,810	602,767
13,193	Other Revenue	2	14,968	11,769	11,738
554,799	Total revenue		586,529	591,579	614,505
	Expenses				
243,460	Personnel	3	258,642	250,390	261,576
213,486	Operating	4	224,382	261,520	263,089
36,245	Depreciation	8	35,833	36,089	42,321
6,166	Amortisation on intangible assets	9	1,556	1,689	407
42,764	Capital charge	5	42,595	41,871	47,092
542,121	Total expenses		563,008	591,559	614,485
12,678	Surplus/(deficit) before re-measurement		23,521	20	20
	Re-measurement				
(8,027)	Loss/(gain) on derivative financial instruments	17	331	-	-
73	Remeasurement - other	18	(822)		
(7,954)	Total re-measurement		(491)	-	-
534,167	Total expenses		562,517	591,559	614,485
20,632	Net surplus/(deficit)		24,012	20	20
	Other comprehensive revenue and expense				
-	Gain on property revaluations		38,991	-	-
20,632	Total comprehensive revenue and expense		63,003	20	20

The accompanying accounting policies and notes form part of these financial statements. For information on major variances against budget refer to Note 19.

Statement of Changes in Equity For the year ended 30 June 2026

Actual 2025 \$000		Notes	Actual 2026 \$000	Unaudited Budget 2026 \$000	Unaudited Forecast 2027 \$000
857,903	Balance at 1 July		850,795	842,771	879,204
20,632	Total comprehensive revenue and expense		63,003	20	20
(12,605)	Return of operating surplus to the Crown	11	(24,343)	(20)	(20)
1,350	Capital injections	20	28,406	3,550	13,729
(16,483)	Capital withdrawals		-	-	-
850,798	Balance at 30 June	14	917,861	846,321	892,933

The accompanying accounting policies and notes form part of these financial statements. For information on major variances against budget refer to Note 19.

Statement of Financial Position

For the year ended 30 June 2026

Actual 2025 \$000		Notes	Actual 2026 \$000	Unaudited Budget 2026 \$000	Unaudited Forecast 2027 \$000
	ASSETS				
	Current assets				
28,659	Cash and cash equivalents		43,139	36,853	18,037
164,599	Debtor Crown		142,410	69,626	32,599
3,606	Debtors and other receivables	6	2,574	2,532	4,322
9,062	Prepayments	7	9,803	10,493	9,063
4,355	Derivative financial instruments	17	4,052	125	4,355
210,281	Total current assets		201,978	119,629	68,376
	Non-current assets				
5,450	Debtors and receivables	6	5,707	5,150	4,734
2,811	Prepayments - leased land	7	3,237	2,885	2,811
711,555	Property, plant, and equipment	8	802,148	775,895	891,392
3,984	Intangible assets	9	1,436	5,346	2,579
723,800	Total non-current assets		812,528	789,276	901,516
934,081	Total assets		1,014,506	908,905	969,892
	LIABILITIES				
	Current liabilities				
13,937	Creditors and other payables	10	16,591	7,967	19,522
12,605	Return of operating surplus	11	24,343	20	20
6,716	Provisions	12	8,200	4,344	7,294
29,627	Employee entitlements	13	28,354	30,752	29,605
468	Derivative financial instruments	17	496	4,264	468
63,353	Total current liabilities		77,984	47,347	56,909
	Non-current liabilities				
7,464	Employee entitlements	13	7,637	7,819	7,584
12,466	Provisions	12	11,024	7,418	12,466
19,930	Total non-current liabilities		18,661	15,237	20,050
83,283	Total liabilities		96,645	62,584	76,959
850,798	Net assets		917,861	846,321	892,933
	EQUITY				
501,756	General funds	14	531,100	497,279	543,891
349,042	Property revaluation reserve	14	386,761	349,042	349,042
850,798	Total equity		917,861	846,321	892,933

The accompanying accounting policies and notes form part of these financial statements. For information on major variances against budget refer to Note 19.

Statement of Cash Flows

For the year ended 30 June 2026

Actual 2025 \$000		Notes	Actual 2026 \$000	Unaudited Budget 2026 \$000	Unaudited Forecast 2027 \$000
	Cash flows from operating activities				
556,633	Receipts from Revenue Crown		593,750	643,254	677,584
11,701	Receipts from other revenue		15,363	11,769	11,738
42	Interest		43	-	-
(1,163)	Goods and services tax (net)		1,281	-	-
(243,373)	Payments to employees		(257,908)	(250,390)	(261,576)
(199,903)	Payments to suppliers		(227,597)	(261,520)	(263,089)
(42,764)	Payments for capital charge		(42,595)	(41,871)	(47,092)
81,173	Net cash flow from operating activities	19	82,337	101,242	117,565
	Cash flows from investing activities				
154	Sale of property, plant, equipment		482	300	300
(58,440)	Purchase of property, plant, equipment		(85,093)	(85,500)	(142,727)
(585)	Purchase of intangible assets		(155)	(2,000)	(252)
(58,871)	Net cash flow from investing activities		(84,766)	(87,200)	(142,679)
	Cash flows from financing activities				
1,350	Capital injections		28,406	3,550	13,729
(16,483)	Capital withdrawal		-	-	-
(41,258)	Return of operating surplus		(12,605)	(20)	(20)
(56,391)	Net cash flow from financing activities	22	15,801	3,530	13,709
(34,089)	Net increase/(decrease) in cash		13,372	17,572	(11,405)
62,748	Add cash at the beginning of the year		28,659	19,281	29,442
-	Effect of exchange translation adjustments		1,108	-	-
28,659	Closing cash at the end of the year		43,139	36,853	18,037

The GST (net) component of operating activities reflects the net GST paid and received to/from the Inland Revenue Department. The GST component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying accounting policies and notes form part of these financial statements.

Statement of Commitments

As at 30 June 2026

Actual 2025 \$000		Actual 2026 \$000
	CAPITAL COMMITMENTS	
	Land and buildings	
36,785	Less than one year	97,533
-	One to five years	-
36,785	Total capital commitments	97,533
	Non-cancellable operating leases	
	Accommodation	
45,546	Less than one year	187,076
100,144	One to five years	116,800
343,464	More than five years	313,155
489,154	Total non-cancellable operating lease commitments	617,030
525,939	Total commitments	714,563

Capital commitments

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant and equipment and intangible assets that have not been recognised as a liability as at 30 June 2026.

Non-cancellable operating leases

MFAT leases for property, plant and equipment in the normal course of its business. The majority of these leases are for premises which have a non-cancellable leasing period.

Our non-cancellable operating leases have varying terms, escalation clauses and renewal rights. There are no restrictions placed on us by any of these leasing arrangements.

Where MFAT co-locates with other NZ Inc. agencies and is reimbursed for their share of lease costs, non-cancellable operating lease commitments are disclosed net of those reimbursements.

The total of future minimum sublease payments expected to be received under non-cancellable subleases at the reporting date are \$28,651,875.

Statement of Contingent Liabilities and Contingent Assets

As at 30 June 2026

MFAT has a contingent liability in the form of an indemnity as at 30 June 2026 to HSBC for \$1.102 million as part of the Chancery lease conditions in New York (30 June 2025: \$1.026 million).

MFAT also has a contingent liability in the form of an indemnity authorised in November 2021 for \$8.020 million to cover staff in certain posts where no insurance is available for personal accident, personal effect and car self-insurance (30 June 2025: \$8.020 million).

We have other contingent liabilities relating to employment and property disputes as at 30 June 2026 for \$1.006 million (30 June 2025: \$1.022 million). Disclosure of the individual disputes may prejudice the Ministry's position.

MFAT has no contingent assets as at 30 June 2026. (30 June 2025: Nil).

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2026

Note 1: Statement of accounting policies

REPORTING ENTITY

The financial statements presented are those of the Ministry of Foreign Affairs and Trade (“MFAT”). MFAT has also reported on Crown activities and trust monies that it administers.

MFAT manages the Government’s business with foreign countries and their governments, and with international organisations. The primary objective of MFAT is to provide services to the Government rather than making a financial return.

MFAT has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

STATUTORY BASE

MFAT is a government department as defined by section 5 of the Public Service Act 2020 and is domiciled in New Zealand, operating globally. The relevant legislation governing MFAT’s operations includes the Public Finance Act 1989, Public Service Act 2020 and the Foreign Affairs Act 1988. MFAT’s ultimate parent is the New Zealand Crown.

BASIS OF PREPARATION

MFAT’s financial statements have been prepared in accordance with the requirements of the Public Finance Act 1989, which include the requirement to comply with New Zealand generally accepted accounting practice (“NZ GAAP”) and Treasury Instructions. NZ GAAP includes Public Benefit Entity (“PBE”) accounting standards. These financial statements have been prepared in accordance with these Standards – Tier 1. These standards are based on International Public Sector Accounting Standards (IPSAS).

The financial statements for MFAT are for the year ended 30 June 2026 and were approved for issue by the Chief Executive on 29 September 2026.

Basis of measurement

The financial statements have been prepared on a going concern basis and are presented in New Zealand Dollars which is MFAT’s functional currency. All values are rounded to the nearest thousand dollars (\$000).

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are:

Estimating the fair value of land and buildings and the useful lives — see note 8.

Estimating the retirement and long service leave obligations — see note 13.

New or amended standards adopted

There are no new amendments or standards required to be applied this year.

Standard issued and not yet effective

2024 Omnibus Amendments to PBE Standards (amendments to PBE IPSAS 1)

This amendment clarifies the principles for classifying a liability as current or non-current. The amendment is effective for the year ending 30 June 2027. The amendments have no impact on the Ministry.

PBE IFRS 17 Insurance Contracts

PBE IFRS 17 establishes principles for recognising, measuring, presenting and disclosing insurance contracts, and will replace PBE IFRS 4. This standard is effective for the year ending 30 June 2027. The Ministry acts as an insurer and issues insurance to New Zealand staff based overseas where no commercial insurance is available. The new Standard will not have a material impact on the Ministry’s financial statements.

Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented.

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Foreign currency transactions

Foreign currency transactions, including those for which forward exchange contracts are held, are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive revenue and expense.

Goods and services tax (GST)

All items in the financial statements, including appropriation statements, are stated exclusive of GST except for Creditors and Payables and Debtors and Receivables, which are stated

on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The amount of GST owing to, or owed by Inland Revenue at balance date, being the difference between Output GST and Input GST, is included in Creditors and Payables or Debtors and Receivables (as appropriate).

Commitments and contingencies are disclosed exclusive of GST.

Income tax

As a government department, MFAT is exempt from the payment of income tax (Income Tax Act 2007) and no charge for income tax has been provided for.

Statement of cost accounting policies

MFAT has determined the cost of outputs using the cost allocation system outlined below:

Our policy is to directly charge costs to outputs wherever possible. Other costs are allocated to categories within the Multi-Category Output appropriation. This is done using the following activity-based principles:

- i) total corporate costs are allocated to operational cost centres based on head count, and
- ii) operating costs are accumulated in operational cost centres and attributed to categories based on pre-established ratios. Output allocation factors are based on estimates of the time that staff intend to spend on producing various outputs. They are reviewed annually as part of an operational planning and evaluation exercise to ensure they provide an accurate measure of resource consumption.

There have been no changes in cost accounting policies since the date of the last audited financial statements.

Basis of the budget and forecast figures (unaudited)

The 2026 budget figures are for the year ended 30 June 2026 and were published in the 2024–25 Annual Report. They are consistent with MFAT's best estimate financial forecast information submitted to Treasury for the year ending 2025–26 in the Budget Economic and Fiscal Update (BEFU) for Budget 2025.

The 2026 forecast figures for the year ending 30 June 2027 are consistent with MFAT's best estimate financial forecast information submitted to Treasury as part of the Budget Economic and Fiscal Update (BEFU) for Budget 2026.

The purpose of the forecast financial statements is to facilitate Parliament's consideration of the appropriations,

and planned performance of the Ministry. Use of this information for other purposes may not be appropriate.

The forecast financial figures have been prepared in accordance with the PBE FRS 42 Prospective Financial Statements and comply with PBE FRS 42.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

While MFAT regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2026 will not be published.

Significant assumptions used in preparing the unaudited forecast financial figures

The forecast figures contained in these financial statements reflect MFAT's purpose and activities and are based on a number of assumptions on what may occur during the 2026–27 year.

The forecast figures have been compiled based on existing government policies and Ministerial expectations at the time the Main Estimates were finalised. The main assumptions are:

- MFAT's activities and output expectations will remain substantially the same as in the previous year focusing on the Government's priorities;
- input costs for personnel and other operating costs will be consistent with MFAT's current cost structure;
- Estimated year-end information for 2025–26 was used as the opening position for the 2026–27 forecasts.

The actual financial results for 30 June 2027 are likely to vary from the forecast information presented, and the variations may be material.

There are no significant events or changes that would have a material impact on the BEFU forecast. Factors that could lead to material differences between the forecast financial statements and the 2026–27 actual financial statements include changes to the baseline budget through new initiatives, or technical adjustments.

Authorisation statement

The forecast figures reported are those for the year ending 30 June 2027 included in BEFU 2026. These were authorised for issue on 29 April 2026 by the Chief Executive who is responsible for the forecast financial statements as presented.

It is not intended that the prospective financial statements will be updated subsequent to presentation.

Note 2: Revenue

Accounting Policy

Revenue crown

Revenue from the Crown is measured based on MFAT's funding for the reporting period. The funding is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, MFAT can only incur expenses within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding authorised by Parliament.

Revenue department

MFAT derives revenue through the provision of services to other New Zealand agencies. This revenue is recognised at the fair value of the consideration received or receivable when earned. Rental revenue, from sub-let and residential accommodation provided to support other New Zealand agencies offshore is also included. Rental revenue is recognised on a straight-line basis over the lease term.

Revenue other

Includes revenue earned from Consular services and the provision of other miscellaneous services (e.g., insurance claim, rent received, proceeds of sale) to third parties. Revenue in advance is recognised in the balance sheet as unearned revenue until the period the service is provided. This also includes insurance premium issued to New Zealand staff based overseas.

Actual 2025 \$000		Actual 2026 \$000
541,606	Revenue Crown	571,561
	Revenue Other	
10,761	Revenue Department - Services for other New Zealand agencies	10,671
437	Revenue Other — Consular fees from third parties	520
1,876	Revenue — Miscellaneous	3,398
42	Interest	43
77	Gain on sale of assets	336
13,193	Total Revenue Other	14,968
554,799	Total Crown and other revenue	586,529

Note 3: Personnel costs

Accounting Policy

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

The Ministry only supports defined contribution schemes. Employee contributions to the State Sector Retirement Savings Scheme, Kiwi Saver, Individual Retirement Plans and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Actual 2025 \$000		Actual 2026 \$000
218,709	Salaries and wages	228,432
1,544	Vacancy backfill	1,910
11,017	Employer contributions to defined contribution plans	12,179
218	Accident Compensation Corporation levy	192
1,133	Increase in employee entitlements	4,005
10,839	Fringe Benefit Tax	11,924
243,460	Total personnel costs	258,642

Note 4: Operating costs

Accounting Policy

Grant expenditure

Grants maybe provided as either conditional or unconditional. Where grants are conditional, the expense is recognised when the conditions have been met. Where the grants are unconditional the expense is recognised once the grants contract has been signed.

Where grants are paid in advance of the conditions being met, these will be recorded as prepayments and expensed when the conditions are met. The departmental grants are generally unconditional.

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives for accommodation are recognised evenly over the term of the lease as a reduction in rental expense.

Actual 2025 \$000		Actual 2026 \$000	Unaudited Budget 2026 \$000	Unaudited Forecast 2027 \$000
667	Audit Fees (Note 4.1)	632	600	709
66,902	Rentals and operating leases	71,113	65,371	71,117
20,792	Travel	20,409	23,887	22,990
13,405	Contractors	9,041	7,984	6,966
13,203	Dedicated and special funding (includes grants)	17,233	22,574	29,520
(1,002)	Net foreign exchange loss/(gain), excluding derivatives	(6,806)	-	-
11,175	Maintenance	14,992	13,504	14,378
12,336	Contracted services	13,214	25,380	22,874
6,734	Wide area network costs	5,983	7,028	6,581
2,571	Consultants fees	5,178	2,596	3,146
10,506	Software maintenance	11,548	11,284	13,910
5,875	Rates, taxes and communal charges	6,194	5,777	7,047
5,632	Utilities	6,055	6,195	7,262
3,951	Representation	4,348	3,504	4,516
4,205	Freight	4,794	4,078	4,439
3,321	Staff training	3,704	4,607	5,639
1,870	Telecommunication charges	2,229	2,042	2,327
31,343	Other operating	34,521	55,109	39,668
213,486	Total operating costs	224,382	261,520	263,089

Note 4.1: Fees for Audit Services

Actual 2025 \$000		Actual 2026 \$000
630	Fees for audit or review of the financial reports	632
-	Fees to other services from the Audit Office.	-
-	• Fees for Audit or review related services	-
37	• Fees for other assurance services	-
-	Assurance over the tender process for MFAT Security Services contract	-
-	• Fees for taxation services	-
-	• Fees for other services	-
667	Fees to Audit Office	632

The Ministry also provided non-departmental funding to the Audit Office for services to support Pacific nations, including auditing the financial statements of the Governments of Tokelau and Niue and providing support to Supreme Audit Institutions in the Pacific.

Note 5: Capital charge

Accounting Policy

The capital charge is expensed in the financial year to which the charge relates. MFAT pays a capital charge to the Crown on its taxpayers' funds balance as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2026 was 5.0 percent (2025: 5.0 percent).

Note 6: Debtors and receivables

Accounting Policy

Trade and other receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

Actual 2025 \$000		Actual 2026 \$000
	Current	
2,535	Trade debtors	808
1,071	Other receivables	1,766
3,606	Total current	2,574
	Non-Current	
255	Deposit bonds	275
5,195	Lease deposits	5,432
5,450	Total non-current	5,707
9,056	Total debtors and receivables	8,281
	Total receivables	
9,056	Receivables from the sale of goods and services (exchange transactions)	8,281

As at 30 June 2026 and 2025, all receivables have been assessed for impairment, and no provision was required as majority are due from other Government entities.

Actual 2025 \$000		Actual 2026 \$000
1,193	Not past due	418
601	Past due 1-30 days	116
65	Past due 31-60 days	207
304	Past due 61-90 days	8
372	Past due >91 days	59
2,535	Total	808

Note 7: Prepayments

Current prepayments include expenditure paid in advance for property leases. Non-current prepayments include our Beijing Embassy land lease which is amortised over the remaining life of the lease.

Note 8: Property, plant, equipment

Accounting Policy

Property, plant and equipment

Property, plant and equipment (PPE) consists of the following asset classes:

- Land
- Buildings
- Furniture and fittings
- Plant and equipment
- Motor vehicles
- Computer equipment

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation. All other asset classes are measured at cost, less accumulated depreciation, and impairment losses.

Individual assets, or group of assets, are capitalised if their cost is greater than \$5,000.

Additions

The cost of an item of PPE is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to MFAT, and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

Realised gains and losses arising from disposal of PPE are generally recognised in the statement of comprehensive revenue and expense when the significant risks and rewards of ownership of the asset have transferred to the acquirer. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to taxpayers' funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to MFAT and the cost of the item can be measured reliably. The cost of day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive revenue and expense as they are incurred.

Depreciation

Depreciation is calculated to write down the cost of assets on a straight-line basis to an estimated residual value over their economic lives as follows:

Buildings		
• Structure	35 to 60 years	1.6%–3%
• Fit out/services	3 to 20 years	5%–33%
• Furniture & Fittings (includes Leasehold improvements)		
Leasehold improvements	5 to 15 years	7%–20%
Furniture & Fittings	7 to 10 years	10%–15%
Plant & Equipment		
• Plant	10 to 15 years	7%–10%
• Equipment	5 to 20 years	5%–20%
• Motor Vehicles	8 years	12.5%
• Computer Equipment (excluding computer software)	3 to 8 years	12.5%–33%

*The economic life may be altered from the policy standard if deemed to be more appropriate.

Impairment of property, plant and equipment (PPE) and intangible assets

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in extinguishing the balance in the revaluation reserve, the residual loss balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

Revaluations – Overseas Properties

Land and buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from their fair value and at least every three years by an independent valuer.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Buildings are valued at fair value using market-based evidence. The Optimised Depreciated Replacement Cost approach has been used when the fair value of an asset cannot be determined by reference to the price in an active market for the same asset or a similar asset. Under these circumstances, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value.

When an item of PPE is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Unrealised gains and losses arising from changes in the value of PPE are recognised as at balance date. Gains are added to the asset revaluation reserve for that class of asset. To the extent that there is a balance in the asset revaluation reserve for the asset class, any loss is deducted from that reserve.

Critical accounting estimates and assumptions

Estimating the fair value of land and buildings

Land and Buildings were revalued at fair value as at 30 June 2024. This valuation was conducted by an independent registered valuer, Kane Sweetman, National Director – Valuation and Advisory Services, Colliers International New Zealand Limited, FNZIV, AREINZ and FPINZ, on MFAT's behalf. In performing the valuation, 95% of the value of the entire portfolio was individually inspected. A market indexation approach has been adopted for the remaining uninspected portfolio. At 30 June 2026, a desktop valuation exercise was completed to assess whether property carrying values remain materially consistent with fair value. This resulted with a foreign exchange related valuation increase. A full revaluation is planned for the 2026–27 financial year.

	Freehold Land \$000	Freehold Buildings \$000	Furniture & Fittings \$000	Plant & Equipment \$000	Motor Vehicles \$000	Computer Equipment \$000	Total \$000
Cost or valuation							
Balance at 1 July 2024	380,435	220,989	167,972	45,295	11,430	61,585	887,706
Additions	-	32,678	15,606	4,915	837	4,404	58,440
Asset class adjustment - reclassification	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Disposals	-	-	(1,432)	(658)	(372)	(7,581)	(10,043)
Balance at 30 June 2025	380,435	253,667	182,146	49,552	11,895	58,408	936,103
Balance at 1 July 2025	380,435	253,667	182,146	49,552	11,895	58,408	936,103
Additions	-	15,609	49,303	11,633	1,034	9,197	86,776
Asset class adjustment - reclassification	-	-	-	-	-	1,147	1,147
Revaluation	20,825	(13,973)	-	-	-	-	6,852
Transfer to held for sale	-	-	-	-	-	-	-
Disposals	-	(887)	(12,098)	(4,982)	(937)	(17,885)	(36,789)
Balance at 30 June 2026	401,260	254,416	219,351	56,203	11,992	50,867	994,089
Accumulated depreciation							
and impairment losses							
Balance at 1 July 2024	-	-	105,969	31,778	7,076	52,714	197,537
Depreciation expense	-	17,660	10,022	3,145	1,130	4,288	36,245
Eliminate on disposal	-	-	(720)	(658)	(274)	(7,581)	(9,233)
Asset class adjustment - reclassification	-	-	-	(1)	-	-	(1)
Revaluation	-	-	-	-	-	-	-
Balance at 30 June 2025	-	17,660	115,271	34,264	7,932	49,421	224,548
Balance at 1 July 2025	-	17,660	115,271	34,264	7,932	49,421	224,548
Depreciation expense	-	15,083	10,777	4,501	1,090	4,382	35,833
Eliminate on disposal	-	(888)	(11,943)	(4,974)	(895)	(17,885)	(36,585)
Asset class adjustment - reclassification	-	-	-	-	-	-	-
Revaluation	-	(31,857)	-	-	-	-	(31,857)
Balance at 30 June 2026	-	(2)	114,105	33,791	8,127	35,918	191,939
Carrying amounts							
At 1 July 2024	380,435	220,989	62,003	13,517	4,354	8,871	690,169
At 30 June and 1 July 2025	380,435	236,007	66,875	15,288	3,963	8,987	711,555
At 30 June 2026	401,260	254,416	105,246	22,411	3,865	14,949	802,148

Work in progress is included in the property, plant and equipment cost figures above.

Work in progress

The total amount of property, plant and equipment in the course of construction is \$54.476 million (2025: \$55.015 million).

Actual 2025 \$000		Actual 2026 \$000
	Property, plant and equipment under construction	
20,634	Freehold buildings	34,562
26,631	Furniture and fittings	9,397
6,505	Plant and equipment	6,671
258	Vehicles	208
987	Computer equipment	3,638
55,015	Balance at 30 June 2026	54,476

Restrictions on sale of land and buildings

MFAT owns property in 13 locations globally that have restrictions on their sale, mostly in relation to their use, or requiring that country's Government's approval to sell. The carrying amount of the property is \$356.212 million (2025: \$336.793 million).

There are conditions that apply to the land leased by MFAT in New Delhi. The following restrictions in relation to the sale and treatment of sale proceeds apply:

- If the sale is to another diplomatic mission, MFAT retains 100 percent of the proceeds and the purchaser inherits the same terms of ownership;
- If the sale is to other than a diplomatic mission, then the Indian Government has the first right of refusal and if accepted, MFAT retains 20 percent of the land value increase since the original purchase and 100 percent of the buildings proceeds; and
- If the Indian Government does not purchase it, then it can be offered to a non-diplomatic third party with MFAT retaining 20 percent of the increased value of the land proceeds, and 100 percent of the buildings proceeds, with the Indian Government receiving 80 percent of the land value. The purchaser inherits the same terms of ownership.

Note 9: Intangible assets

Accounting Policy

Intangible assets

Costs that are directly associated with the development of software for internal use by MFAT are recognised as an intangible asset. Direct costs include the costs of materials and services, employee costs and any directly attributable overheads.

Expenditure incurred on research of internally generated software is expensed when it is incurred. Costs of software updates or upgrades to intangible assets are only capitalised when they increase the usefulness or value of the software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

The configuration and customisation costs related to Software as a Service (SaaS) solutions, where the Ministry does not control the software, will be expensed as costs are incurred.

Website development costs are only recognised as an intangible asset if they will provide future services potential.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of comprehensive revenue and expense.

The useful lives have been estimated as follows:

Computer software	3 to 8 years	12.5%–33%
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Impairment of intangible assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

For further details, refer to the policy for impairment of property, plant and equipment in Note 8.

Cost	Computer software \$000
Balance at 1 July 2024	67,577
Additions	585
Reclassification	-
Disposals	-
Balance at 30 June 2025	68,162
Balance at 1 July 2025	68,162
Additions	155
Reclassification	(1,147)
Disposals	(15,062)
Balance at 30 June 2026	52,108
Accumulated amortisation and impairment losses	
Balance at 1 July 2024	58,012
Amortisation expense	6,166
Eliminate on disposals	-
Balance at 30 June 2025	64,178
Balance at 1 July 2025	64,178
Amortisation expense	1,556
Disposals	(15,062)
Balance at 30 June 2026	50,672
Carrying amounts	
At 1 July 2024	9,564
At 30 June and 1 July 2025	3,984
At 30 June 2026	1,436

The total amount of intangible assets in the course of development is \$0.178 million (2025: \$1.169 million).

There are no restrictions over the title of MFAT's intangible assets, nor are any intangible assets pledged as security for liabilities.

Note 10: Creditors and payables

Accounting Policy

Short-term creditors and other payables are generally settled within 30 days so are recorded at their face value.

Actual 2025 \$000		Actual 2026 \$000
	Payables under exchange transactions	
992	Trade creditors	331
8,378	Accrued expenses	10,436
9,370	Total payables under exchange transactions	10,767
	Payables under non-exchange transactions	
3,688	FBT payable	3,664
879	GST payable	2,160
4,567	Total payables under non-exchange transactions	5,824
13,937	Total payables	16,591

Note 11: Return of operating surplus

Actual 2025 \$000		Actual 2026 \$000
20,632	Net surplus/(deficit)	24,012
	Plus/(Minus)	
(8,027)	Net loss/(gain) on derivative financial instruments	331
12,605	Total return of operating surplus payable to Crown	24,343

Note 12: Provisions

Accounting Policy

Provisions

A provision is recognised when MFAT has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the provision can be reliably measured.

Actual 2025 \$000		Actual 2026 \$000
	Current	
27	Holidays Act 2003 Unclaimed	27
2,530	Onerous Lease	5,934
71	Redundancy	-
4,088	Lease make-good	2,239
6,716	Total current	8,200
	Non-current	
6,546	Lease make -good	7,610
5,920	Onerous Lease	3,414
12,466	Total non-current	11,024
19,182	Total provisions	19,224

	Holidays Act Unclaimed 2003 \$000	Onerous Lease HO \$000	Onerous Lease - ANK \$000	Redundancy \$000	Make good \$000	Total \$000
Balance as 1 July 2024	27	357	-	1,336	10,694	12,414
Additional provision made		8,450	-	-	-	8,450
Amounts used		(357)	-	(1,265)	(60)	(1,682)
Balance as at 30 June 2025	27	8,450	-	71	10,634	19,182
Balance as 1 July 2025	27	8,450	-	71	10,634	19,182
Additional provision made	-	1,490	1,914	-	1,063	4,467
Amounts used	-	(2,506)	-	(71)	(1,848)	(4,425)
Balance as at 30 June 2026	27	7,434	1,914	-	9,849	19,224

Holidays Act Unclaimed 2003

The Ministry has a provision of \$27,000 as part of Unclaimed Holiday Act 2023.

Onerous Lease — HO

The provision for onerous lease is for the new head office, for surplus space to July 2029.

Onerous Lease — ANK

The provision for Ankara Chancery Rent.

Redundancy

The provision for redundancy is to facilitate the voluntary early exist of staff arising from MFAT's organisational change decision in 2023–24 to be completed by 2024–25 & 2025–26.

Make-good

MFAT is required, at the expiry of its leases, to make-good any damage caused and remove any fixtures and fittings installed by us. In many cases, we have the option to renew these leases, which may change the timing of the expected cash outflows to make-good the premises.

Note 13: Employee entitlements

Accounting Policy

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides that related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and sick leave.

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlement information; and
- the present value of the estimated future cash flows.

Sick leave, annual leave and vested long service leave are classified as a current liability. Non-vested retirement and long service leave expected to be settled within 12 months of balance date are also classified as a current liability. All other employee entitlements are classified as a non-current liability.

Critical accounting estimates and assumptions

Estimating retirement and long service leave obligations

An independent actuarial valuation was undertaken by AON Consulting New Zealand Limited as at 30 June 2026 to estimate the present value of retirement leave and long service leave. The key assumptions used in determining the present values were:

- a weighted average discount rate of 5.22% (2025: 5.38%).
- a salary inflation rate of 3.10% (2025: 2.96%).

The discount rates and salary inflation factor used are those advised by Treasury.

If the discount rate were to increase/decrease by 1 percent more than the actuarial estimates, with all other factors held constant, the carrying amount of the liability would be \$0.394 million higher (2025: \$0.319 million) or \$0.354 million lower (2025: \$0.291 million) respectively.

If the salary inflation factor were to increase/decrease by 1 percent more than the actuarial estimates, with all other factors held constant, the carrying amount of the liability would be \$0.361 million lower (2025: \$0.298 million) or \$0.395 million higher (2025: \$0.320 million) respectively.

Actual 2025 \$000		Actual 2026 \$000
	Current Liabilities	
17,135	Annual leave	18,436
884	Long service leave	1,062
2,283	Retirement leave	2,783
2,997	Retirement gratuities	3,062
63	End of posting leave	9
5,747	Salaries and allowances	2,282
290	Sick leave liability	468
228	ACC levy	252
29,627	Total current	28,354
	Non-current liabilities	
2,163	Long service leave	2,921
3,885	Retirement leave	3,310
1,289	Retirement gratuities	1,406
127	End of posting leave	-
7,464	Total non-current	7,637
37,091	Total Provision for employee entitlements	35,991

Note 14: Equity

Accounting Policy

Equity

Equity is the Crown's investment in MFAT and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as taxpayers' funds and property revaluation reserves.

Property revaluation reserves

These reserves relate to the revaluation of land and buildings to fair value.

Actual 2025 \$000		Actual 2026 \$000
	Taxpayers' funds	
508,862	Balance at 1 July	501,755
20,632	Surplus/(deficit)	24,012
1,350	Capital injections	28,406
(16,483)	Capital withdrawal	-
-	Transfer from revaluation reserve on disposal of property	1,270
(12,605)	Return of operating surplus to the Crown	(24,343)
501,756	Balance at 30 June	531,100
	Property revaluation reserve	
349,042	Balance at 1 July	349,042
-	Transfer from revaluation reserve on disposal of property	(1,272)
-	Property revaluation	38,991
349,042	Balance at 30 June	386,761
850,798	Total Equity	917,861
	Property revaluation reserve consists of:	
242,461	Land revaluation reserve	263,713
106,581	Buildings revaluation reserve	123,048
349,042	Total property revaluation reserve	386,761

Note 15: Capital (Equity) management

MFAT'S capital is its equity, which comprises taxpayers' funds and property revaluation reserves. In 2025–26 equity is represented by net assets.

MFAT manages its revenue, expenses, assets, liabilities and general financial dealings prudently. MFAT's equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities and compliance with the Government budget processes, Treasury instructions and the Public Finance Act 1989.

The objective of managing MFAT's equity is to ensure we effectively achieve goals and objectives for which MFAT has been established, whilst remaining a going concern.

Note 16: Related party transactions

MFAT is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect MFAT would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Key management personnel compensation

Actual 2025 \$000		Actual 2026 \$000
	Leadership Team, including the Chief Executive	
3,904	Total Remuneration, including long-term benefits	3,715
8.90	Total full-time equivalent personnel	9.0

The above key management personnel disclosure excludes the Minister of Foreign Affairs who is the responsible Minister for the Ministry. The Minister's remuneration and other benefits are set by the Remuneration Authority under the Civil List Act 1979 and are paid under Permanent Legislative Authority and not paid or funded by the Ministry.

Note 17: Financial Instruments

Accounting Policy

Cash and cash equivalents

Cash and cash equivalents includes balances denominated in foreign currencies translated to New Zealand dollars at the foreign exchange rate at balance date.

MFAT is only permitted to expend its cash and cash equivalents within the scope and limits of its appropriations.

Derivative financial instruments

MFAT uses forward foreign exchange contracts to manage exposure to foreign exchange movements. MFAT does not hold these contracts for trading purposes. MFAT has not adopted hedge accounting.

Forward foreign exchange contracts are initially recognised at fair value on the date a contract is entered into and are subsequently re-measured at their fair value at each balance date. Movements in the fair value are recognised in surplus or deficit.

Foreign exchange derivatives are classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, the full fair value of foreign exchange contracts are classified as non-current.

17A Financial Instrument categories

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are as follows:

Actual 2025 \$000		Notes	Actual 2026 \$000
	Financial assets at amortised cost		
28,659	Cash and cash equivalents		47,633
9,056	Debtors and other receivables (excluding taxes receivable)	6	8,281
164,496	Debtor Crown	2	142,410
202,211	Total Financial assets measured at amortised cost		198,324
	Fair value through surplus and deficit		
4,355	Derivative financial instrument assets		4,053
(468)	Derivative financial instrument liabilities		(496)
3,887	Total fair value through surplus and deficit		3,557
	Financial liabilities measured at amortised cost		
9,370	Creditors and other payables (excluding unearned income and taxes payable)	10	9,087

17B Fair value hierarchy

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy.

- Quoted market price (level 1) — Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) — Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) — Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

There were no transfers between the different levels of the fair value hierarchy.

Actual 2025 \$000		Actual 2026 \$000
	Financial assets	
-	Quoted market prices	-
4,355	Observable market inputs	4,052
-	Significant non-observable inputs	-
4,355	Total financial assets at fair value	4,052
	Financial liabilities	
-	Quoted market prices	-
468	Observable market inputs	496
-	Significant non-observable inputs	-
468	Total financial liabilities at fair value	496

17C Financial Instrument Risks

MFAT is exposed to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. We have a series of policies to manage the risks associated with financial instruments and seek to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Currency risk

Currency risk is the risk that debtors and creditors, due in foreign currency, will fluctuate because of changes in foreign exchange rates. The Ministry is permitted to deposit funds in New Zealand only with Westpac (Standard & Poor's credit rating of AA-), a registered bank, and hold for operational purposes, funds in overseas locations primarily through the Citibank NA (Standard & Poor's credit rating of A+) and ANZ Banking Group (Standard & Poor's credit rating of AA-) networks. The Ministry is also permitted to enter into foreign exchange forward contracts with the New Zealand Debt Management Office (Standard & Poor's credit rating of AA+) and Citibank NA.

The notional principal amounts of outstanding forward exchange contracts in New Zealand dollar equivalent at 30 June 2026 was:

2025 \$000	Foreign Exchange Contracts	2026 \$000
20,161	United States Dollar	24,347
4,289	Japanese Yen	3,421
24,365	European Union Euro	25,691
62,478	Other	62,876
111,293	Total	116,335

Sensitivity analysis

Forward foreign exchange contracts

The following table summarises the impact of a 10 percent movement in foreign exchange rates on the valuation of MFAT's foreign exchange contracts.

2025 \$000	Impact on surplus/deficit	2026 \$000
6,583	Increase in foreign exchange rates of 10%	7,343
16,685	Decrease in foreign exchange rates of 10%	11,989

Creditors denominated in foreign currencies

The following table summarises the movement in the surplus/deficit for the year, attributable to foreign exchange gains/losses if, at 30 June 2026, the NZD had weakened/strengthened by 5 percent, with all other variables held constant.

2025 \$000	Impact on surplus/deficit (5% movement in NZD on creditors)	2026 \$000
5	United States Dollar	11
16	Japanese Yen	-
21	European Union Euro	6
577	Other	621

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could impact on the return on investments or the cost of borrowing. MFAT has no significant exposure to interest rate risk on its financial instruments.

The Public Finance Act 1989 stipulates that MFAT cannot raise a loan without ministerial approval, and no such loans have been raised. Accordingly, there is no interest rate exposure as no funds were borrowed.

Credit risk

Credit risk is the risk that a third party will default on its obligations to MFAT, causing us to incur a loss. In the normal course of its business, MFAT incurs credit risk from trade debtors, and transactions with financial institutions.

Our maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, net debtors, and derivative financial instrument assets. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

MFAT does not require any collateral or security to support financial instruments with financial institutions that we deal with as these entities have high credit ratings. For its other financial instruments, we do not have significant concentrations of risk.

Liquidity risk

The liquidity risk is the risk that MFAT will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting our liquidity requirements, we closely monitor our forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. MFAT maintains a target level of available cash to meet its liquidity requirements.

The table below analyses the Ministry's financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$000	Contractual cash flows amount \$000	Cash flows less than 6 months \$000	Cash flows 6 months to 1 year \$000	Cash flows 1 year to 5 years \$000	Cash flows over 5 years \$000
2025						
Creditors and other payables (excl. unearned income and taxes)	9,370	9,370	8,905	-	465	-
2026						
Creditors and other payables (excl. unearned income and taxes)	9,087	9,087	8,587	-	500	-

The table below analyses MFAT's forward exchange contract derivatives into the relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Liability carrying amount \$000	Asset carrying amount \$000	Contractual cash flows \$000	Less than 6 months \$000	6-12 months \$000	Greater than 12 months \$000
2025						
Gross settled foreign exchange contracts:	468	4,355				
- outflow			111,293	56,175	55,118	-
- inflow			115,180	58,197	56,983	-
2026						
Gross settled foreign exchange contracts:	496	4,053				
- outflow			116,337	103,982	12,355	-
- inflow			119,892	106,760	13,132	-

Note 18: Remeasurement - other

Actual 2025 \$000		Actual 2026 \$000
73	Movement in discount rate for Long service and Retirement Leave	656
-	Revaluation of foreign currency-denominated monetary assets and liabilities	(1,760)
-	Remeasurement related to assets	282
73	Total	(822)

Note 19: Reconciliation of net surplus to net cash flow from operating activities

Actual 2025 \$000		Actual 2026 \$000
20,632	Net Surplus/(deficit)	24,012
	Add/(less) non-cash items	
42,411	Depreciation and amortisation expense	37,388
(8,027)	Net (gains)/loss on derivative financial instruments	331
-	Other non-cash movement	-
73	Movement in discount rate for long service leave and retirement leave	(822)
34,457	Total non-cash items	36,897
	Add/(less) items classified as investing or financing activities	
656	(Gains)/losses on disposal of property, plant and equipment	(278)
	Add/(less) movements in statement of financial position items	
13,652	(Increase)/decrease in receivables	22,960
1,505	(Increase)/decrease in prepayments	(1,167)
3,692	Increase/(decrease) in payables	(3,523)
6,768	Increase/(decrease) in provisions	42
(189)	Increase/(decrease) in employee entitlements	3,394
25,428	Total net movement in working capital items	21,706
81,173	Net cash flow from operating activities	82,337

Note 20: Major budget variations

Explanations for major variances from MFAT's original 2025–26 budget are as follows:

Statement of comprehensive revenue and expense

The total 2025–26 Budget Estimate Appropriation Funding was \$591.559 million with total revenue Crown of \$579.810 and other revenue of \$11.749 million.

The total 2025–26 Supplementary Estimate Appropriation Funding was \$583.729 million with total revenue Crown of \$571.561 million and other revenue of \$12.168 million.

The Revenue Crown budget of \$579.810 million reduced to \$571.561 million.

The net budget decrease in Revenue Crown of \$8.249 million mainly relates to:

- a decrease of \$24.356 million for expense transfers to 2026–27, 2027–28, 2028–29 and 2029–30 due to expenditure on specific and discrete projects delayed by circumstances outside the Ministry's control,
- a decrease of \$2 million for a transfer to Non-Departmental Other Expense - Support for Ukraine for the provision of support to Ukraine, and,
- a decrease of 0.4 million New Zealand Memorial Museum Trust to build awareness and sustainability of the New Zealand Liberation Museum - Te Arawhata in Le Quesnoy, France.

These decreases are partially offset by:

- an increase of \$10.406 million due to additional initiatives in the Pacific.
- an increase of \$7.022 million for expense transfers from 2024–25 to 2025–26.
- an increase of \$1.079 million resulting from foreign exchange and overseas inflation movements.

The actual expenditure is under the appropriation of \$583.729 million by \$20.721 million. This primarily reflects timing variances in a small number of projects and ring-fenced activities. The under-expenditure of \$20.721 million includes \$14.3 million of approved in-principle expense transfers from 2025–26 to 2026-27 and a retention of underspend \$1.3 million.

Statement of financial position

Debtor Crown recognises funding due to the Ministry that has not being drawn down as cash. The debtor crown balance of \$142.410 million is higher than forecast reflecting the 2025–26 surplus to be repaid and lower than forecast capital expenditure

Statement of cash flows

The net surplus for 2025–26 financial year is \$24.012 million with non-cash items of depreciation and amortisation expenses (\$37.388 million) resulting in the net cash flows from operating activities of \$86.831 million

Net cash flow from investing activities are mainly derived from purchase of property, plant and equipment. (\$84.766 million).

Net cash flow from financing activities includes capital injections of \$28.403 million and 2024–25 return of operating surplus \$12.605 million. The 2025–26 return of operating surplus of \$24.343 million will be paid in October 2026.

Note 21: Events after the balance date

There have been no significant events after the balance date of 30 June 2026 (2025: NIL).

Note 22: Changes in Liabilities Arising from Financing Activity

The Ministry's only financing activities are from the Crown, Capital Injections 2026: \$28.406 million, (2025: \$1.350 million), Capital withdrawals 2026: NIL, (2025: \$16.483 million) which is reported as part of Note: 14 Equity.

Non-departmental financial statements and schedules

For the year ended 30 June 2026

The Minister of Foreign Affairs purchased from various New Zealand Government agencies provision of the following output expenses in Vote Foreign Affairs.

Output expense	Supplier
Antarctic Research and Support	New Zealand Antarctic Institute
Promotion of Asian skills and relationships	Asia New Zealand Foundation

The performance information for the output expenses will be reported by the supplier in its Annual Report to be tabled in the New Zealand House of Representatives.

The Minister of Foreign Affairs also requires us to administer the following non-departmental other expenses in Vote Foreign Affairs.

- Subscriptions to International Organisations.
- Disbursements made and exemptions from taxation.
- Consular loan expenses.
- International Development Cooperation.
- Support for Ukraine.

The following statement of performance records results and services delivered for each of the above other expenses as agreed between the Minister of Foreign Affairs and the Secretary of Foreign Affairs and Trade in the *Strategic Intentions 2024–2028* and the 2025–26 Estimates of Appropriations as required by section 19C of the Public Finance Act 1989.

Non-departmental statements and schedules

For the year ended 30 June 2026

The following non-departmental statements and schedules record the revenue expenses, assets, liabilities, commitments, contingent liabilities, contingent assets and trust accounts that we manage on behalf of the Crown.

Schedule of non-departmental revenue

For the year ended 30 June 2026

Actual 2025 \$000		Actual 2026 \$000
	Non-departmental revenue	
334	Other operational revenue	264
131	Net gain on foreign exchange	(418)
465	Total revenue	(154)

Other operational revenue is primarily the repayment of unspent grant funding, on completion of development activities by partners. These grants were provided for the delivery or implementation of development activities under the New Zealand Development Cooperation Programme in prior years.

The accompanying accounting policies and notes are an integral part of these statements and schedules. These non-departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2025–26.

Schedule of non-departmental expenditure

For the year ended 30 June 2026

Actual 2025 \$000		Actual 2026 \$000
	Output funding	
26,936	New Zealand Antarctic Institute	24,436
5,145	Asia New Zealand Foundation	5,145
32,081	Total output funding	29,581
	Other expenses	
63,346	Subscriptions to International Organisations	60,038
3,605	Diplomatic exemptions	4,489
14,000	Support for Ukraine	15,000
953,134	International Development Cooperation	956,234
49	Consular loan expenses	26
-	Net loss on foreign exchange	418
1,034,134	Total other expenses	1,036,205
1,066,215	Total operating expenses	1,065,786

The accompanying accounting policies and notes are an integral part of these statements and schedules. These non-departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2025–26.

Schedule of non-departmental assets

As at 30 June 2026

Actual 2025 \$000		Notes	Actual 2026 \$000
	CURRENT ASSETS		
212,191	Cash and cash equivalent		267,008
1,304	Debtors and receivables		1,002
15,544	Prepayments	2	14,850
229,039	Total current assets		282,860
	NON-CURRENT ASSETS		
-	Total non-current assets		-
229,039	Total assets		282,860

Current Assets

Debtors and receivables include Consular Loans (\$0.338 million) being the temporary financial assistance to New Zealanders in distress overseas. Consular Loans are generally required to be repaid within 30 days.

In addition, MFAT monitors the New Zealand Antarctic Institute — a Crown entity. MFAT also monitor Asia New Zealand Foundation as defined by Schedule 4 of the Public Finance Act 1989. The investment in these entities is recorded within the Crown Financial Statements on a line-by-line basis. No disclosure is made in this schedule.

The accompanying accounting policies and notes are an integral part of these statements and schedules. These non-departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2025–26.

Schedule of non-departmental liabilities

As at 30 June 2026

Actual 2025 \$000			Actual 2026 \$000
	CURRENT LIABILITIES		
57,193	Creditors and payables		59,032
57,193	Total current liabilities		59,032
	NON-CURRENT LIABILITIES		
1,154	Creditors and payables		320
1,154	Total non-current liabilities		320
58,347	Total liabilities		59,352

Current Liabilities

Creditors and payables, includes \$59.032 million of accruals and accounts payable for contracts providing for the delivery or implementation of development activities under the New Zealand International Development Programme.

Non-Current Liabilities

Creditors and payables of \$0.320 million is for promissory notes issued to Global Environment Fund by New Zealand, that will be due for encashment during 2027–28.

Creditors and other payables are non-interest bearing and are normally settled no later than 20 business days from receipt of an accurate and valid invoice, therefore the carrying value of creditors and other payables approximate their fair value.

Schedule of non-departmental commitments

As at 30 June 2026

MFAT on behalf of the Crown has no non-cancellable capital or lease commitments (2025: Nil).

The accompanying accounting policies and notes are an integral part of these statements and schedules. These non-departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2025–26.

Statement of non-departmental contingent liabilities and contingent assets

As at 30 June 2026

Currency type	Foreign Currency 2025 '000	NZD 2025 \$000		Currency type	Foreign Currency 2026 '000	NZD 2026 \$000
			Guarantees – Asian Development Bank for loans to the Cook Islands Government			
SDR	841	1,904	Telecommunications Loan	SDR	841	2,020
SDR	200	454	Multi-Project Loan	SDR	200	481
SDR	236	533	Development Bank Loan	SDR	236	566
SDR	84	190	Telecommunications Loan	SDR	84	201
SDR	1,361	3,081		SDR	1,361	3,268
			OECD			
EUR	12,514	24,169	Pensions & Healthcare	EUR	7,637	15,413
		27,250	Total non-departmental contingent liabilities			18,681

Unquantified contingent liabilities

The Crown has an unquantifiable Contingent Liability for site restoration costs at Scott Base Antarctica should New Zealand withdraw from the Antarctic programme (2025: unquantifiable).

In addition to this the Crown has an unquantifiable Contingent Liability for the cost of replacement of Scott Base, the base fit-out, and any other Antarctica New Zealand assets in Antarctica, in the event of any material loss or damage totalling more than \$100,000 (2025: unquantifiable).

The Crown also has an unquantifiable Contingent Liability to indemnify vaccine manufactures to allow New Zealand to provide vaccines to Polynesia and the Realm countries.

Contingent assets

The Crown has no contingent assets (30 June 2025: Nil).

The accompanying accounting policies and notes are an integral part of these statements and schedules. These non-departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2024–25.

Statement of Trust Monies

For the year ended 30 June 2026

As at 2025 \$000	Trust Account	Contribution \$000	Distribution \$000	Revenue \$000	Expense \$000	As at 2026 \$000
203	Construction Contracts Retention Money Trust	678	(176)	13	-	718
7,306	Enga Electrification Project, PNG Trust	-	(3,352)	189	-	4,143
40	Pacific SME Finance Facility Trust Fund	-	-	1	-	41
796	Pacific Community CFA Trust	-	(363)	20	-	453
3,362	Solomon Islands Provincial Airfields Trust	-	(2,500)	87	-	949
5,644	SI Provincial Airfields DFAT Trust Account	-	(3,900)	146	-	1,890
15,819	Tonga Parliament Buildings Project Trust	2,322	(5,172)	427	-	13,396
33,170	Total	3,000	(15,463)	883	-	21,590

Purpose of Trust Accounts

Construction Contracts Retention Money Trust

The Construction Contracts Retention Money Trust was set up to hold retention money for construction contracts in accordance with the Construction Contracts (Retention Money) Amendment Act 2023.

Enga Electrification Project, Papua New Guinea Trust

The Enga Electrification Project, Papua New Guinea Trust account was set up to enter into a Delegated Cooperation Arrangement with the Australian Government to deliver power line construction and connections in the Enga Province of Papua New Guinea.

Pacific SME Finance Facility Trust Fund

The Pacific SME Trust account was opened to receive funds from the Australian Government to manage the delivery of this pilot programme to enhance financial capability in Pacific SMEs. This was established via a Delegated Cooperation Arrangement with the Department of Foreign Affairs and Trade (DFAT).

Pacific Community CFA Trust

The purpose of this Trust was to enter into a delegated cooperation arrangement with the Australian Department of Foreign Affairs and Trade for the management and delivery of the Pacific Community Coastal Fisheries and Aquaculture Activity project.

Solomon Islands Provincial Airfields Trust

The purpose of this Trust account is to receive funds from the Solomon Islands government towards the delivery of the New Zealand Aid Programme's Solomon Islands provincial airfields upgrade project.

SI Provincial Airfields DFAT Trust

The purpose of this Trust was to enter into a delegated cooperation arrangement with the Australian Department of Foreign Affairs and Trade to make financial contributions to the management and delivery of the New Zealand Aid Programme's Solomon Islands provincial airfield upgrade project.

Tonga Parliament Buildings Project Trust

The purpose of this Trust account is to receive funds for the management and delivery of the Tonga Parliament Buildings project in cooperation with the Australian Department of Foreign Affairs.

The accompanying accounting policies and notes form part of these financial statements.

Notes to the non-departmental statements and schedules

For the year ended 30 June 2026

Note 1: Non-departmental statement of accounting policies

REPORTING ENTITY

These non-departmental schedules and statements present financial information on public funds managed by MFAT on behalf of the Crown.

These non-departmental balances are consolidated into the Financial Statements of the Government for year ended 30 June 2026. For a full understanding of the Crown's financial position, results of operations and cash flows for the year, reference should also be made to the Financial Statements of the Government.

BASIS OF PREPARATION

The non-departmental schedules and statements have been prepared in accordance with the accounting policies of the Financial Statements of the Government, Treasury Instructions and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental schedules and statements are consistent with New Zealand generally-accepted accounting practice (Tier 1 Public Sector Public Benefit Entity Accounting Standards) as appropriate for public benefit entities.

SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Grants

Grants may be provided as either conditional or unconditional. Where conditional the expense is recognised when the conditions have been met. Where the grants are unconditional the expense is recognised once the Grants contract has been signed.

Where grants are paid in advance of the conditions being met these will be recorded as prepayments and expensed when the conditions are met. The majority of International Development Cooperation (IDC) expenditure is accounted for as discretionary grant funding with conditions and milestones.

Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the schedule of non-departmental revenue or expenses.

Contingent liabilities

Contingent liabilities and contingent assets are recorded in the Statement of Contingent Liabilities and Contingent Assets at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

Other liabilities and provisions

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Goods and Services Tax (GST)

All items in the financial statements, including appropriation statements, are stated exclusive of GST. Receivables and payables are stated on a GST inclusive basis. In accordance with Treasury instructions, GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the financial statements of the Government.

Presentation currency and rounding

The non-departmental statements and schedules are presented in New Zealand dollars (NZ dollars), and all values are rounded to the nearest thousand dollars (\$000).

Critical accounting estimates and assumptions

There are no critical estimates or assumptions that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Note 2: Prepayments

Prepayments relate to the International Development Cooperation (IDC) programme for advances made under contracts for service and New Zealand's membership to Regional Agencies recognised over a calendar year.

Note 3: Financial Instruments — Non-departmental

Accounting Policy

Cash and cash equivalents

Cash and cash equivalents includes balances denominated in foreign currencies translated to New Zealand dollars at the foreign exchange rate at balance date.

MFAT is only permitted to expend non-departmental cash and cash equivalents within the scope and limits of the appropriations.

4A Financial Instrument categories

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are as follows:

Actual 2025 \$000			Actual 2026 \$000
	Financial assets measured at amortised cost		
212,191	Cash and cash equivalents		267,008
1,304	Debtors and other receivables (excluding taxes receivable)		1,002
213,495	Total financial assets measured at amortised cost		268,010
	Financial liabilities measured at amortised cost		
58,347	Creditors and other payables (excluding unearned income and taxes payable)		59,352

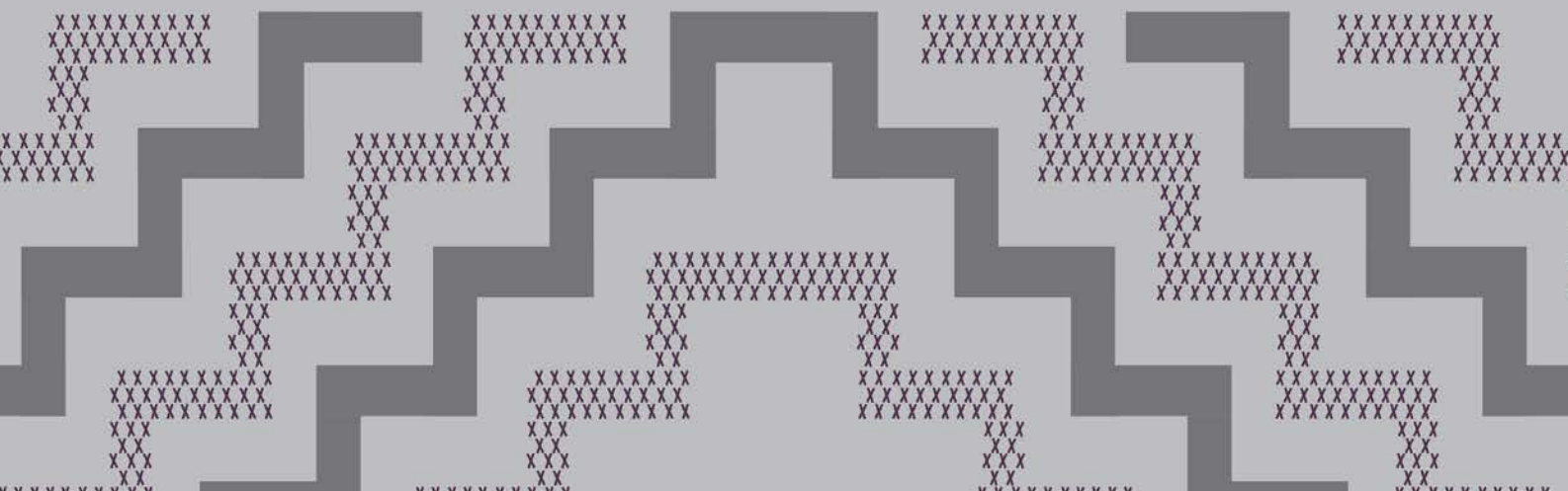
Liquidity risk

The liquidity risk is the risk that MFAT will encounter difficulty raising liquid funds to meet commitments as they fall due. In meeting our liquidity requirements, we closely monitor our forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. MFAT maintains a target level of available cash to meet its liquidity requirements.

The table below analyses the Ministry's financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$000	Contractual cash flows amount \$000	Cash flows less than 6 months \$000	Cash flows 6 months to 1 year \$000	Cash flows 1 year to 5 years \$000	Cash flows over 5 years \$000
2025						
Creditors and other payables (excl. unearned income and taxes)	58,347	58,347	57,193	-	1,154	-
2026						
Creditors and other payables (excl. unearned income and taxes)	59,352	59,352	59,032		320	

Statements of expense and capital expenditure for appropriation



Appropriation statements

Statement of departmental expenditure and capital expenditure against appropriations

For the year ended 30 June 2026

Actual 2025 \$000		Actual 2026 \$000	Appropriation Voted* 2026 \$000	Location of end-of -year performance information **
VOTE: FOREIGN AFFAIRS				
94	Annual Policy Advice and Representation: Other Countries (Permanent Legislative Authority)	99	105	1
86,248	Act in the world to build a safer, more prosperous and more sustainable future for New Zealanders MCA Analysis and advice to inform New Zealand's foreign policy	91,781	103,157	1
282,580	Representation and advocacy on New Zealand's foreign policy	292,022	291,267	1
80,272	Deliver consular, business and diplomatic support services	85,853	88,095	1
92,927	Management of New Zealand's International Development Cooperation	93,253	101,105	1
542,121	Departmental Output expenses Annual	563,008	583,729	
542,121	Departmental Output expenses	563,008	583,729	
542,121	Total departments expenditure/Appropriation	563,008	583,729	
(8,027)	Re-measurements Unrealised (gain)/loss on the re-measurement of foreign exchange contracts	331	-	
73	Remeasurement - other	(822)	-	
(7,954)	Total re-measurements	(491)	-	
534,167	Total departmental expenditure including re- measurements	562,517	583,729	
59,025	Appropriations for Departmental Capital Expenditure Ministry of Foreign Affairs and Trade - Capital expenditure (Permanent Legislative Authority)	85,248	116,703	1
59,025	Total Capital Expenditure	85,248	116,703	

* This includes adjustments made in the supplementary estimates.

** The numbers in this column represent where the end-of-year performance information has been reported for each appropriation administered by MFAT, as detailed below:

1. MFAT's Annual Report

Statement of Departmental Expenses and Capital Expenditure incurred without, or in excess of, appropriation or other authority

For the year ended 30 June 2026

The Ministry has not had any departmental expenses and capital expenditure during the year without, or in excess of, authority.
(30 June 2025: Nil)

Statement of Departmental Capital Injections and Capital Withdrawals

For the year ended 30 June 2026

Actual 2025 \$000		Actual 2026 \$000	Approved appropriation 2026 \$000
	VOTE: FOREIGN AFFAIRS AND TRADE		
1,350	Ministry of Foreign Affairs and Trade - capital injection	28,406	28,406
(16,483)	Ministry of Foreign Affairs and Trade - capital withdrawal	-	-

Statement of Departmental Capital Injections, Capital Withdrawals without, or in excess of, authority

For the year ended 30 June 2026

MFAT has not received any capital injections or paid any capital withdrawals during the year without, or in excess of, authority. (30 June 2025: Nil)

The accompanying accounting policies and notes form part of these financial statements.

Statement of Non-Departmental Expenditure and Capital Expenditure against appropriations

For the year ended 30 June 2026

Actual 2025 \$000		Actual 2026 \$000	Appropriation Voted* 2026 \$000	Location of end- of-year performance information**
	VOTE FOREIGN AFFAIRS			
	Non-Departmental output expenses			
	Annual			
26,936	Antarctic Research and Support	24,436	24,436	2
5,145	Promotion of Asian Skills and Relationships	5,145	5,145	3
32,081	Total non-departmental output expenses	29,581	29,581	
	Non-departmental other expenses			
	Annual			
63,346	Subscriptions to International Organisations	60,038	68,976	4
14,000	Support for Ukraine	15,000	15,000	1
49	Consular Loans Expense	26	50	1
	Non-Annual			
953,134	International Development Cooperation *(MYA)	956,234	996,045	1
3,605	Disbursements made, and exemptions from taxation - permanent legislative authority	4,489	4,800	1
1,034,134	Total non-departmental other expenses	1,035,787	1,084,871	
1,066,215	Total non-departmental expenditure	1,065,368	1,114,452	
	Non-departmental capital expenditure			
22,000	New Zealand Antarctic Institute	22,580	22,580	2
90	Consular Loans	96	100	1
22,090	Total capital expenditure	22,676	22,680	

* Multi-Year Appropriation

** The numbers in this column represent where the end-of-year performance information has been reported for each appropriation administered by MFAT, as detailed below:

1. To be reported in the Minister of Foreign Affairs report appended to this Annual Report.
2. To be reported by Antarctica NZ in their Annual Report to be tabled in Parliament.
3. To be reported by the Asia New Zealand Foundation in their Statement of Service Performance to be tabled in Parliament.
4. Exemption from reporting performance measures for this appropriation has been granted under section 15D (2) (b) (ii) of the Public Finance Act 1989.

The accompanying accounting policies and notes are an integral part of these statements and schedules. These non-departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2025–26.

Multi-year appropriation for Vote Foreign Affairs: International Development Cooperation

For the year ended 30 June 2026

During the year ended 30 June 2026, MFAT had one non departmental multi-year appropriation in Vote Foreign Affairs: International Development Cooperation.

This appropriation funded non-departmental expenses to be incurred by the Crown for the provision of assistance for development activities for Pacific Island and non-Pacific countries (including Asian, African, Latin American, Caribbean, and Middle Eastern countries).

This assistance, which included some humanitarian assistance, was provided to development organisations, partner countries and through other delivery mechanisms, to implement a range of development activities including the design, management, implementation and evaluation of those partner-led activities. This assistance is also provided to multilateral agencies and international voluntary agencies to assist them to provide development.

This appropriation commenced on 1 July 2024 and expires on 30 June 2027.

International Development Cooperation	\$000
Original appropriation	2,910,020
Adjustments 2024–25	153,518
Adjustments 2025–26	(3,000)
Adjusted appropriation	3,060,538
Actual to 2024–25 year end	(953,134)
Actual to 2025–26 year end	(956,234)
Appropriation remaining	1,151,170

The accompanying accounting policies and notes are an integral part of these statements and schedules. These non-departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2025–26.

Statement of Non-Departmental Expenses and Capital Expenditure incurred without, or in excess of, appropriations or other authority

For the year ended 30 June 2026

The Ministry had no unappropriated capital expenditure at as 30 June 2026 (30 June 2025: Nil).

The accompanying accounting policies and notes are an integral part of these statements and schedules. These non-departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2025–26.

Independent Auditor's Report

To the readers of the Ministry of Foreign Affairs and Trade's annual report for the year ended 30 June 2026

The Auditor-General is the auditor of the Ministry of Foreign Affairs and Trade (the Ministry). The Auditor-General has appointed me, Robert Cox, using the staff and resources of The Audit Office, to carry out the audit of the information required to be audited on his behalf.

Opinion

We have audited:

- The financial statements of the Ministry that comprise the statement of financial position, statement of commitments, and statement of contingent liabilities and contingent assets as at 30 June 2026, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information on pages 91 to 116.
- The end-of-year performance information for appropriations of the Ministry for the year ended 30 June 2026 on pages 45 to 72.
- The statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2026 on pages 127 to 130.
- The schedules of non-departmental activities managed by the Ministry on behalf of the Crown, that comprises the schedules of assets, liabilities, commitments, contingent liabilities, and contingent assets as at 30 June 2026, the schedules of expenses and revenue for the year ended 30 June 2026, and the notes to the schedules that include accounting policies and other explanatory information on pages 117 to 125.
- The statement of trust monies for the year ended 30 June 2026 on page 122.

In our opinion:

- The financial statements of the Ministry present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with Public Benefit Entity Reporting Standards.
- The end-of-year performance information for each appropriation for the year ended 30 June 2026 is appropriate and meaningful and prepared in accordance with the Ministry's measurement bases or evaluation methods and Public Benefit Entity Reporting Standards, and presents fairly, in all material respects:

- what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred in relation to the appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred.
- The statements of expenses and capital expenditure have been prepared, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
 - The schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown have been prepared, in all material respects, in accordance with the Treasury Instructions.
 - The statement of trust monies for the year ended 30 June 2026 has been prepared, in all material respects, in accordance with the Treasury Instructions.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the information to be audited* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Secretary of Foreign Affairs and Trade for the information to be audited

The Secretary of Foreign Affairs and Trade is responsible on behalf of the Ministry for preparing financial statements and end-of-year performance information for appropriations that are fairly presented and comply with Public Benefit Entity Reporting Standards and legislative requirements.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of end of year performance information for an appropriation that is appropriate and meaningful; and
- the preparation of end-of-year performance information for an appropriation in accordance with the Ministry's measurement bases or evaluation methods and Public Benefit Entity Reporting Standards and legislative requirements.

The Secretary of Foreign Affairs and Trade is responsible on behalf of the Ministry for preparing Statements of expenses and capital expenditure, schedules of non-departmental activities managed by the Ministry on behalf of the Crown, and statement of trust monies in accordance with the Public Finance Act 1989 and Treasury Instructions.

The Secretary of Foreign Affairs and Trade is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Secretary of Foreign Affairs and Trade is responsible on behalf of the Ministry for assessing the Ministry's ability to continue as a going concern. The Secretary of Foreign Affairs and Trade is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Ministry, or there is no realistic alternative but to do so.

The Secretary of Foreign Affairs and Trade's responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audit, our procedures are limited to checking that the information agrees to the Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2026. For performance information for appropriations, we agree any changes from the performance measures and standards in the Estimates to the Supplementary Estimates. For the forecast financial information for the year ending 30 June 2027, our procedures are limited to checking to the best estimate financial forecast information based on the Budget Economic Fiscal Update for the year ending 30 June 2027.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary of Foreign Affairs and Trade.
- In respect of the end-of-year performance information for appropriations, we:

- obtain an understanding of the process applied by the Ministry to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods and evaluate whether these present an appropriate and meaningful assessment of the Ministry's service performance.
 - evaluate whether the end-of-year performance information for appropriations is prepared in accordance with the Ministry's measurement bases or evaluation methods, in accordance with Public Benefit Entity Reporting Standards.
- We evaluate whether the statements of expenses and capital expenditure, schedules of non-departmental activities, and statement of trust monies have been prepared in accordance with legislative requirements.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Secretary of Foreign Affairs and Trade and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Secretary of Foreign Affairs and Trade regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Secretary of Foreign Affairs and Trade is responsible for the other information. The other information comprises all of the information included in the annual report other than the information we audited and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Minister of Foreign Affairs' reports on the non-departmental statement of performance (Annex 1) and the International Development Cooperation non-departmental appropriation within Vote Foreign Affairs (Annex 2) that are appended to the Ministry's annual report are not part of the Ministry's annual report. The Public Finance Act 1989 does not require the information in the Minister's reports to be audited and we have performed no procedures over the information in the Minister's reports.

Independence

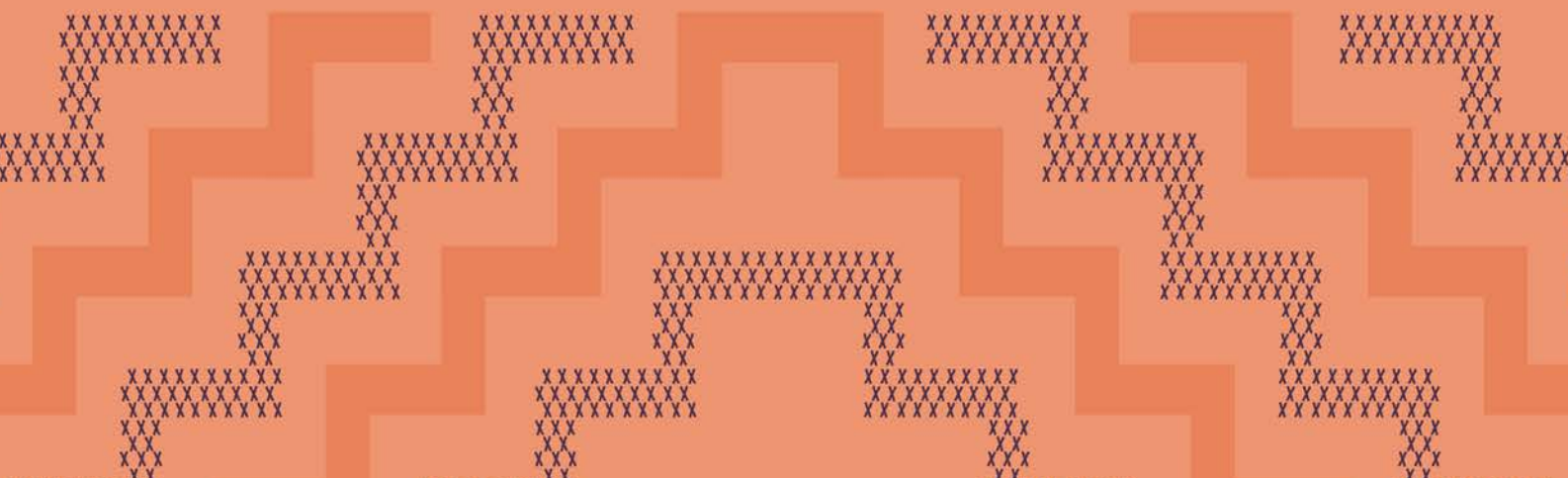
We are independent of the Ministry in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* as applicable for audits of public interest entities issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, the Ministry provides non-departmental funding to The Audit Office for the Auditor-General's role as Auditor-General for both Niue and Tokelau, as well as funding for The Audit Office's work with the Pacific Association of Supreme Audit Institutions (PASAI) to support the development of Supreme Audit Institutions in Pacific countries. This work is compatible with the independence requirements. Other than the audit and this funding arrangement, we have no relationship with, or interests in, the Ministry.



Robert Cox
The Audit Office
On behalf of the Auditor-General
Wellington, New Zealand
29 September 2026

Other matters



Diplomatic immunity cases

For the year ended 30 June 2026

In the interests of transparency, the Ministry of Foreign Affairs and Trade publishes an aggregate list of alleged serious criminal offences committed by foreign representatives and accredited family members, along with requests for waivers of foreign diplomatic immunity.

The dates of the incidents and the names of the countries involved are not published. Given the small number of cases and the small size of the [Diplomatic Corps](#) resident in New Zealand (*see p.60*), releasing the yearly statistics on immunity cases could lead to the identification of the individual(s) concerned (including the alleged victims). We therefore use a rolling five-year reporting period. Not all requests for waivers of immunity relate to offending; in many cases waivers are requested to enable New Zealand Police to interview members of the Diplomatic Corps when they are witnesses to or victims of crime in New Zealand.

The table below outlines the number of alleged serious offences involving foreign representatives (and members of their families) who held immunity, whether the offences were considered to warrant prosecution by Police, whether a waiver of immunity was sought by the Ministry, and whether a waiver of immunity was granted by the sending Government.

Offence reporting period: July 2021—June 2026	
Number of alleged serious offences	3
Number of alleged serious offences considered to warrant prosecution	2
Waivers of immunity sought	16
Waivers of immunity granted	11
Percentage of cases warranting prosecution where waiver sought	100%
Percentage of waivers granted to waivers sought	69%

Notes:

1. A serious offence is defined as one which carries a penalty of imprisonment for 12 months or more.
2. Police do not prosecute in every serious case for a variety of reasons, for example, strength of evidence, alleged offender no longer in New Zealand.
3. A waiver can be requested for any matter that involves the New Zealand judicial or administrative system.

ANNEX 1: Minister of Foreign Affairs' report on the Non-departmental Statement of Performance

Consular loans (capital)

This appropriation is limited to recoverable financial assistance provided to New Zealanders in distress overseas to help them meet essential and immediate needs, including the costs of repatriation.

Assessment of performance

	Standard			Results		
	2026	2026	2025	2024	2023	2022
Number of new consular loans, approved in accordance with policy, issued to support New Zealanders in emergency situations overseas~	30–40*	21	19	64	39	25
Not achieved — number of new consular loans approved and issued to support New Zealanders is demand driven. ~ The revised measure wording improves clarity and accuracy of the measure. Consular loans are issued to both individuals and to family groups to support them in an emergency. The number of New Zealanders supported is significantly higher than the number of New Zealanders who received a loan, as partners and children and also beneficiaries of the consular loan. <i>Original measure: "Number of New Zealanders assisted in emergency situation overseas through the provision of new consular loans (approved in accordance with policy)."</i> <i>Approved in accordance with policy:</i> the Ministry can provide short term financial assistance through a consular loan to New Zealanders and permanent residents in financial difficulty overseas to ensure their immediate safety and wellbeing or return to New Zealand. The loan must be necessary and in the public interest, no more generous than is necessary, and the New Zealanders must have no other financial options available to them, and a plan and commitment to repay the loan. * The revised standard better reflects previous trend of actual results.						

Financial performance (figures are GST exclusive)

30/06/25 Actual \$000		30/06/26 Actual \$000	30/06/26 Appropriation \$000	30/06/26 Variance \$000
90	Consular loans (Capital Expenditure)	96	100	4

30/06/25 Actual \$000		30/06/26 Loans \$000	30/06/26 Repayments \$000	30/06/26 Impairment \$000	30/06/26 Balance \$000
362	Consular loans (Asset Balance)	96	(94)	(26)	338

Explanation of significant budget variance

The variance was as expected.

Consular loan expenses

This appropriation is limited to unrecoverable financial assistance provided to New Zealanders in distress overseas and expenses arising from any concessional terms and conditions that apply to recoverable financial assistance provided.

Assessment of performance

	Standard		Results			
	2026	2026	2025	2024	2023	2022
Under 10% of opening loans balance is written off in the year~	Met	Met	Not Met	Not Met	Met	Met
Achieved. ~ The measure has been revised as write-off is a more fitting accounting action compared to expense, given the appropriation is limited to unrecoverable financial assistance provided to New Zealanders in distress overseas. <i>Original measure: "Under 10% of opening loans balance is expensed in the year".</i>						

Financial performance (figures are GST exclusive)

30/06/25		30/06/26	30/06/26	30/06/26
Actual		Actual	Appropriation	Variance
\$000		\$000	\$000	\$000
49	Consular loans expenses	26	50	24

Explanation of significant budget variance

Loan impairment \$0.026 million is under the threshold of the performance measure of 10 percent of Opening Loan balance.

Subscriptions to international organisations

This appropriation is limited to non-discretionary payments required as formal obligations arising from New Zealand's membership of international organisations, and as signatory to international treaties and conventions.

An exemption from reporting performance measures for this appropriation has been granted under section 15D (2) (b) (ii) of the Public Finance Act 1989.

Financial performance (figures are GST exclusive)

30/06/25		30/06/26	30/06/26	30/06/26
Actual		Actual	Appropriation	Variance
\$000		\$000	\$000	\$000
63,346	Subscription to international organisations	60,038	68,976	8,938

Explanation of significant budget variance

This variance is due to foreign exchange movements and expected increases in subscriptions didn't occur to the level expected.

Disbursements made and exemptions from taxation PLA

Refund of New Zealand local body rates for offices and residential premises of overseas diplomatic missions and consular posts pursuant to section 21 of the Diplomatic Privileges and Immunities Act 1968.

Assessment of performance

	Standard		Results			
	2026	2026	2025	2024	2023	2022
Number of diplomatic/consular properties reimbursed council rates payments~	120 – 150*	107	New measure	-	-	-
Not achieved — A number of foreign missions sold their properties and did not claim for reimbursements of council rates payment. There are foreign missions who did not claim for reimbursement in 2025–26, and some foreign missions claimed twice within the FY2024–25 for two rating years.						
~ This is a revised/new measure. The original measure stated in Budget Estimates 2024–25 was “ <i>Number of rate reimbursement processes</i> ”. The revised/new measure was put in place to improve clarity and accuracy of performance. The measure wording revision has resulted in a change of methodology. Previous actual results reported in Annual Report 2024–25 were associated with the original measure and will not be carried over.						
*Based on actual reimbursement of 132 properties in 2024–25, coupled with four new embassies opened in Wellington and one new consulate-general in Auckland (opened in 2025), the revised budget standard is a more appropriate measure. <i>Original standard: 115–130.</i>						

Financial performance (figures are GST exclusive)

30/06/25 Actual \$000		30/06/26 Actual \$000	30/06/26 Appropriation \$000	30/06/26 Variance \$000
3,605	Disbursements made and exemptions from taxation PLA	4,489	4,800	311

Explanation of significant budget variance

The timing of these refunds is dependent on claims being submitted by the New Zealand based overseas diplomatic missions and the appropriation includes an allowance for prior year claims.

Support for Ukraine

This appropriation is limited to the provision of support for Ukraine not within the scope of other appropriations.

Assessment of performance

	Standard	Result	
	2026	2026	2025
Funding to enable the provision of support to Ukraine is delivered as directed by the Government of New Zealand	Achieved	Achieved	Achieved

Financial performance (figures are GST exclusive)

30/06/25 Actual \$000		30/06/26 Actual \$000	30/06/26 Appropriation \$000	30/06/26 Variance \$000
14,000	Support for Ukraine	15,000	15,000	-

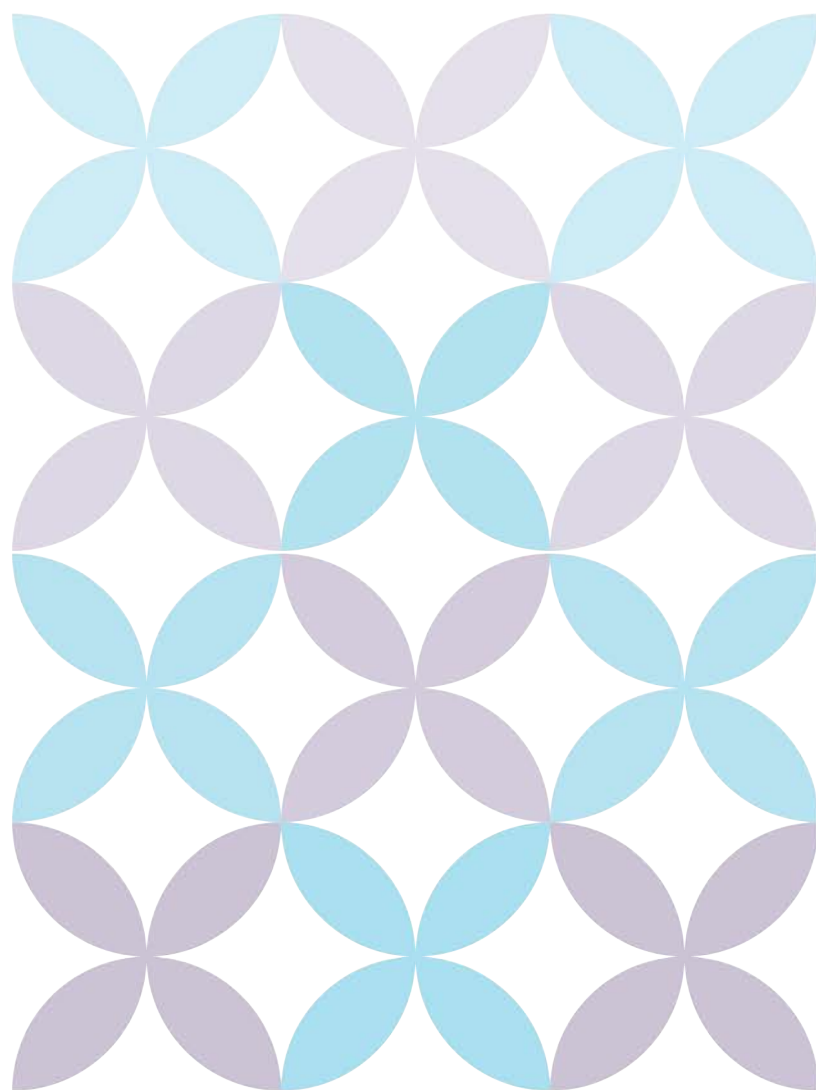
Explanation of significant budget variance

No budget variance.



Annex 2

Minister of Foreign Affairs' report on the International Development Cooperation non-departmental appropriation within Vote Foreign Affairs 2025–26



This report is prepared under s19B of the Public Finance Act 1989: Provision of end of year performance information by Ministers.

Cover photo: Volunteer Service Abroad partners with Loto Taumafai Society for People with Disabilities to address key gaps in inclusive education and disability support services across Samoa. A major achievement from the long-term partnership has been the introduction of Community Disability Services – a programme that has supported more than 200 children and young people with disabilities through assessments, therapies, learning resources, community awareness, and advocacy.
Credit: Te Tūao Tāwāhi/Volunteer Service Abroad (VSA)

New Zealand's International Development Cooperation (IDC) Programme — Ngā Hoe Tuputupu-mai-tawhiti²⁴ is funded by a non-departmental appropriation within Vote Foreign Affairs. The Pacific and Development Group of the Ministry of Foreign Affairs and Trade (hereafter 'the Ministry') manages the IDC Programme, disbursing the funding provided under this appropriation to a range of delivery partners (including New Zealand government agencies, partner governments, non-government organisations, companies, and regional and multilateral organisations).

The non-departmental IDC appropriation for the triennium July 2024-June 2027 is **\$3.061 billion**²⁵. Three-year appropriations allow expenditure to be managed across years, which enables the Ministry to focus on longer-term quality and impact. A separate departmental appropriation is provided under Vote Foreign Affairs to fund the Ministry's management of the IDC Programme.

This report provides an overview of IDC Programme performance for the 2025–26 financial year. The first section features key achievements for the year, including the Ministry's work with the multilateral development system and with other development partners, and delivery of New Zealand's 2022–25 climate finance commitment.

The second section sets out achievements from across the entire IDC Programme, and impact towards the Ministry's three strategic goals:

- a safe, secure and just future
- a prosperous and resilient future
- a sustainable future.

²⁴ Ngā Hoe Tuputupu-mai-tawhiti can be translated as 'The paddles that bring growth from afar'

²⁵ As at 1 July 2026. For latest allocation figures see: <https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/where-our-funding-goes/our-planned-idc-expenditure>



The redeveloped Savalalo Market on Apia's waterfront reopened in March 2026. Rebuilding this important economic and community hub restored a vital asset lost in a 2016 fire, providing local vendors with a modern, accessible space to trade while attracting both residents and visitors. The project contributes to the wider revitalisation of Apia's waterfront and supports Samoa's ongoing economic recovery. By creating employment opportunities, strengthening local enterprise, and providing inclusive facilities for market vendors, the redevelopment is helping to boost tourism, support private sector growth, and enhance economic resilience for communities across Samoa. Credit: MFAT

International Development Cooperation Programme — Ngā Hoe Tuputupu-mai-tawhiti

The Ministry has primary responsibility for administering New Zealand's international development cooperation, which it does through the IDC Programme. We deliver funding²⁶, knowledge and skills to improve sustainable development and reduce poverty in developing countries, with a strong focus on the Pacific. Our humanitarian action saves lives and relieves suffering in natural disasters and protracted crises. We seek coherence across development, diplomatic, security, economic, climate change, and environmental objectives to ensure sustainable progress and advancement of New Zealand's interests and values. New Zealand's international development cooperation is an integral pillar of our foreign policy, reflecting our network of international relationships and commitments, and our values.

New Zealand's Policy Statement on International Cooperation for Effective Sustainable Development²⁷, and the Ministry's Strategic Framework provide an overarching strategic direction for our IDC — including how we allocate and deliver funding, work with partners, and achieve outcomes. We seek effective, inclusive, resilient, and sustained outcomes, and work in line with international development effectiveness principles.

²⁶ OECD Development Assistance Committee (DAC) determines at a high-level what can be counted and reported as Official Development Assistance (ODA) — i.e. support with a primary purpose of economic development and welfare of developing countries and provided on concessional terms. New Zealand's support under the IDC is more expansive than ODA, as some high-income Pacific countries are also eligible.

²⁷ ICESD. See: <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf>

Overview of 2025–26: Responding to global challenges while maintaining a strong Pacific focus

As global challenges continue to reshape the international development landscape, development needs across the Pacific and beyond are intensifying. New Zealand remains committed to working with likeminded partners to deliver practical and sustainable outcomes for our priority partner countries, while adapting to a rapidly changing global environment.

Global challenges and responses

Geopolitical fragmentation and reductions in international development funding continued to reshape global development cooperation in 2025–26. In 2025, official development assistance (ODA) from OECD Development Assistance Committee (DAC) members and associates declined by 23 percent to USD\$174 billion — the largest annual decrease on record. ODA levels are projected to decline further in 2026.

Initial OECD data for 2025 indicates that declining ODA was largely concentrated in core contributions to the United Nations system, which fell by 27 percent. In contrast, core support to the World Bank and regional development banks increased by 6.4 percent and 11.9 percent respectively.

At the same time, the international humanitarian system faced growing pressure. Global humanitarian funding fell from USD\$43.3 billion in 2022 to USD\$20.5 billion in 2025, limiting the ability of humanitarian organisations to respond to increasing need. In response, the United Nations has scaled back humanitarian plans globally and prioritised assistance to an estimated 87 million people facing the most urgent needs — out of 239 million people requiring humanitarian support in 2026.

Outside the Pacific, New Zealand's development cooperation remained focused on Southeast Asia, where targeted investments supported economic and climate resilience, governance, peace and security, and improved access to knowledge and skills. Priority support was directed to the least developed countries of Cambodia, Lao PDR, Myanmar and Timor-Leste, and the middle-income countries of Indonesia, the Philippines and Viet Nam. New Zealand also continued to deliver a substantial regional programme through ASEAN.

In response to global crises, New Zealand provided IDC funding to conflict-affected contexts including Afghanistan, the occupied Palestinian territories, Ukraine and Myanmar. As a direct result of this support, more than 532,000 people received essential humanitarian assistance in 2025–26. IDC investments also supported climate and economic resilience initiatives in eastern and southern Africa, alongside programmes in Latin America and the Caribbean focused on low-emissions agriculture, renewable energy and scholarships.

A Pacific focus

While the impacts of reductions in ODA are beginning to emerge in the Pacific, effects have so far been uneven and partially mitigated by Australia, Japan and New Zealand broadly maintaining their levels of support. Although impacts on UN agencies operating in the Pacific have largely been indirect to date, risks are increasing as global funding pressures continue and donor resources become more constrained.

The flow-on effects of conflict in the Middle East, which intensified in early 2026, were strongly felt across the Pacific. Rising fuel prices, increased shipping costs and inflation placed additional pressure on Pacific economies that rely heavily on imported fuel and goods. The region remains among the most vulnerable to fuel price shocks globally due to limited transport connectivity, dependence on diesel-generated electricity and a high reliance on imported food. Ongoing conflict risks increasing poverty and food insecurity across Pacific country populations.

New Zealand's engagement in the Pacific remains partner-led, supporting the development priorities identified by Pacific countries themselves. Of the \$956.2 million total IDC expenditure in 2025–26, 66.7 percent (\$637.6 million) was invested in the Pacific, demonstrating New Zealand's enduring commitment to the region and its people.

During the year, New Zealand worked alongside like-minded partners to deliver long-term development outcomes, with a particular focus on social and economic resilience, peace and stability, climate change adaptation and good governance. New Zealand also supported responses to emerging crises, including a coordinated New Zealand Government response to the impacts of Tropical Cyclone Maila in Papua New Guinea and Solomon Islands in April 2026; and a response to the dengue fever outbreak in Samoa in August 2025.

New Zealand continued to invest in regional unity and Pacific-led solutions through active participation in regional organisations and consistent advocacy for Pacific priorities. In our engagements with global partners, New Zealand championed approaches that align with established regional practices, strengthen regional institutions and support Pacific countries to lead on the issues that matter most.

Results at a glance

In 2025–26, as a direct result of New Zealand's international development cooperation funding:



20,225+
PEOPLE

participated in a **labour mobility initiative**



5,250+
PEOPLE

received training or capability-building support in **fisheries and oceans**



2,000+
PEOPLE

in the **education workforce** received training or capability-building support

930+
PEOPLE

completed tertiary or vocational scholarships

295+
PEOPLE

benefitted from **enhanced learning through ICT**



273,700+
PEOPLE

benefitted from **sexual and reproductive health services**

6,110+
PEOPLE

in the **health workforce** received training for capability-building support



28,050+
PEOPLE

received training or capability-building support in **equity and inclusion**



5,346,500+
PEOPLE

benefitted from initiatives which aim to increase **resilience to climate change and environmental degradation**



532,560+
PEOPLE

were provided with essential and useful **humanitarian assistance** following a natural or human-induced disaster



2,605,950+
PEOPLE

benefitted from **improved infrastructure and services**

5,195+
PEOPLE

received training or capability-building support in **infrastructure**



313,470+
PEOPLE

received training or capability-building support in **peace and security**



21,220+
PEOPLE

received training or capability-building support in **governance**



1,509,057+
PEOPLE

were supported to **improve their livelihoods**



Solomon Islands

TOTAL SPEND: \$53.58m

New Zealand support to the Solomon Islands' High Court contributed to fair and transparent handling of sensitive constitutional and economic matters- strengthening public confidence and judicial independence during politically sensitive periods, and contributing to stability and trust in Solomon Islands' justice system.



Naoero

TOTAL SPEND: \$8.55m

Repair and upgrade of rainwater harvesting systems across 14 districts improved water storage by 300,000 litres and supported 96 vulnerable households, reducing water loss and strengthening drought resilience.



Papua New Guinea

TOTAL SPEND: \$53.29m

Improved access to disability inclusive health and education services, with a focus on women and girls in rural and underserved communities. In Christian Blind Mission's first year, it reached more than 36,500 people with integrated eye care, ear and hearing services, and rehabilitation.



French Pacific

TOTAL SPEND: \$1.60m

Funding supported refitting of three mobile enterprise resource vans operated by Association pour le Droit à l'Initiative Economique (ADIE) New Caledonia, providing financial inclusion and support for very small enterprises, particularly in rural, remote, and socially vulnerable areas of New Caledonia.



Vanuatu

TOTAL SPEND: \$50.62m

50 returned seasonal workers received business training and support through Yumi Growem Vanuatu, resulting in increased business registration, revenue growth, and a shift toward local entrepreneurship.

Pacific impacts

Each box shows total IDC expenditure in that country. It also provides one example of a result achieved during 2025–26.

(Note that the funding is not directly linked to the result).



Fiji

TOTAL SPEND: \$47.07m

Cure Kids Fiji strengthened early detection of rheumatic heart disease through screening of more than 13,500 people in schools, antenatal care and families, and training 25 health professionals and 43 community champions, improving continuity of care nationally.



Tonga

TOTAL SPEND: \$47.70m

New Zealand and Australia supported construction of a 405km long undersea cable, greatly enhancing the reliability of internet connectivity in Vava'u and providing Tonga with a vital backup connection in the event of an emergency.



Niue

TOTAL SPEND: \$39.89m

35 public servants across key infrastructure sectors received heavy machinery and vehicle training, strengthening workforce capability and safety, and contributing to more effective public services and long-term infrastructure resilience.



North Pacific

TOTAL SPEND: \$17.06m

Hands-on training in risk assessment, vessel monitoring systems, and adoption of an electronic Port State Measures system strengthened fisheries oversight in FSM, significantly enhancing capability to detect illegal, unreported, and unregulated fishing.



Kiribati

TOTAL SPEND: \$31.76m

Distribution of internationally recognised electronic Seafarer Identification (eSID) cards to 400 seafarers, allowing them to maintain mobility, access global employment opportunities, and comply with maritime industry requirements.



North Pacific

PALAU

FSM

RMI

NAOERO

KIRIBATI

PAPUA
NEW
GUINEA

SOLOMON
ISLANDS

TUVALU

WALLIS AND
FUTUNA

TOKELAU

VANUATU

SAMOA

FRENCH
POLYNESIA

NEW
CALEDONIA

FIJI
TONGA

NIUE

COOK
ISLANDS

French Pacific



Cook Islands

TOTAL SPEND: \$37.13m

Fourteen participants from across the Cook Islands Government attended maritime incident response training through the Pacific Maritime Safety Programme, deepening incident response capability.



Samoa

TOTAL SPEND: \$40.34m

The Savalalo Market rebuild completed and the market opened in March 2026, attracting locals and tourists, supporting vendors' livelihoods, and contributing to the revitalisation of the waterfront in Apia.



Tuvalu

TOTAL SPEND: \$28.46m

8 hectares of newly reclaimed and elevated land on Fongafale delivered, and a Land Use Plan adopted by the Government of Tuvalu, through the Tuvalu Coastal Adaption Project Phase 1.



Tokelau

TOTAL SPEND: \$51.33m

Three students completed the Diploma in Medical Laboratory Science and short courses in Microbiology/Molecular, Biochemistry, and Blood Transfusion Services. They are now employed in Tokelau as Laboratory Technicians, reducing reliance on offshore recruitment.



Business training session at a UN Women-funded Multi-Purpose Women's Centre in Nangarhar, Afghanistan. The Centres provide multi-sectoral support to women and girls, including emergency cash assistance, mental health and psycho-social support, literacy and numeracy training, and business and livelihood skills development. Credit: UN Women Afghanistan/Sayed Habib Bidell

Investment in multilateral development

New Zealand's investment in, and engagement with, the multilateral development system enables us to achieve development outcomes at a scale that would not be possible through bilateral programmes alone. Through financial contributions, governance engagement, and policy advocacy, New Zealand helps strengthen the international system that addresses global challenges such as poverty, conflict, instability, climate change, and human rights.

New Zealand works with a range of multilateral partners, including multilateral development banks, United Nations agencies, humanitarian organisations, and non-government organisations (NGOs). We focus our investment and engagement where it can have the greatest impact, combining financial support with active participation in governance and policy discussions to promote effective, innovative, and principles-based development. New Zealand is also a strong advocate for Pacific priorities within the multilateral system. In 2025–26 New Zealand actively engaged in reforms under the Secretary-General's UN80 Initiative in support of a more effective and efficient UN development system that delivers for our region.

As global ODA to multilateral organisations continues to decline — particularly core funding for United Nations agencies — New Zealand's contributions have become increasingly important. These reductions are being felt most acutely in the world's poorest and most fragile contexts. Through our financial support and engagement in international decision-making forums, New Zealand helps ensure resources remain focused on those most in need while supporting outcomes that align with both New Zealand and Pacific interests.

In 2025–26, New Zealand provided \$95 million in core funding to multilateral organisations and actively participated in the governance mechanisms of funded agencies. Around 36 percent of New Zealand's total funding to the United Nations system is core funding or contributions to pooled funds, making New Zealand one of a small group of countries to meet the 30 percent target under the UN Funding Compact. Core funding provides multilateral organisations with the flexibility to respond to emerging priorities and deliver assistance where needs are greatest.

Examples of the impact achieved by UN agencies that New Zealand core funds include:

- A contribution of **\$8 million to the United Nations Development Programme (UNDP)** supported efforts to strengthen participatory governance across Asia and the Pacific, helping marginalised communities exercise their rights and influence public decision-making. UNDP strengthened human rights systems and institutions in 63 countries and territories and continued to drive innovation through its network of 91 Accelerator Labs operating in 115 countries. Its Youth Co:Lab initiative reached more than 300,000 young people, supporting youth leadership, social innovation, and entrepreneurship to advance the UN's Sustainable Development Goals.
- New Zealand's **\$6 million contribution to the United Nations Children's Fund (UNICEF)** supported inclusive education, child protection, and social services in multiple countries. This included expanding access to education for children with disabilities in Viet Nam, strengthening social work systems in Sierra Leone, supporting near-universal birth registration in Côte d'Ivoire and Cabo Verde, and contributing to social protection reforms in the Republic of Moldova that expanded support to nearly 50,000 vulnerable children.

Examples of impacts from multilateral development banks that New Zealand core funds include:

- New Zealand contributed **\$21.7 million to the International Development Association (IDA)**, the World Bank's concessional financing arm for low-income countries. During 2024–25, IDA committed USD\$33.8 billion across Africa, South Asia, East Asia, the Pacific, and other regions, supporting investments in health, education, water, energy, climate adaptation, and crisis response. IDA continues to play a particularly significant role in the Pacific, where 96.5 percent of the World Bank's USD\$3.5 billion regional portfolio is financed through IDA grants and concessional loans.
- New Zealand also provided **\$12.5 million to the Asian Development Bank (ADB)**. In 2025, ADB committed USD\$29.3 billion in development finance and mobilised a further USD\$14.7 billion from partners. Across the Pacific, ADB manages a portfolio of USD\$3.9 billion across 95 active projects. During the reporting period, these investments delivered 917 kilometres of roads, broadband connectivity in five countries, 21.86 megawatts of renewable energy generation, and improved water and sanitation services for more than 303,000 people.

New Zealand also contributed to multilateral funds that deliver outcomes globally. For example:

- A **\$3 million contribution to the United Nations Peacebuilding Fund** supported 48 initiatives across 28 countries, advancing women's empowerment, youth participation, conflict prevention, and peacebuilding. This included support for the Bougainville peace process and efforts to strengthen political, institutional, and social conditions following the 2019 referendum.
- Through a **\$23.5 million commitment to the Global Environment Facility (GEF)** for 2022–26, New Zealand is contributing to large-scale environmental outcomes. GEF-8 projects are projected to protect more than 222 million hectares of critical ecosystems, restore 10 million hectares of degraded land, mitigate 2.18 billion tonnes of greenhouse gas emissions, improve management of shared water resources across 47 transboundary ecosystems, and eliminate significant volumes of hazardous chemicals and waste.
- New Zealand's **NZD\$9 million contribution to the World Bank's Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund (URTF)** for 2024–26 supported essential services and recovery efforts in Ukraine. During 2025, the Trust Fund helped restore electricity to 3.5 million consumers, heating services to 1.5 million residents, and repairs to 135,000 war-damaged homes, while also supporting health, education, and agricultural services.

Strengthening Multilateral Effectiveness

Alongside financial investments, New Zealand works to ensure that multilateral organisations deliver strong results and provide value for money. Through membership of the Multilateral Organisation Performance Assessment Network (MOPAN), New Zealand contributes to independent assessments of multilateral organisations and uses evidence from these assessments to inform funding decisions and advocate for organisational improvements.

By combining targeted investment, governance engagement, and policy influence, New Zealand helps strengthen a multilateral system that delivers development and humanitarian outcomes at scale, advances Pacific priorities, and responds effectively to global challenges.

Supporting expansion of the World Bank's delivery in the Pacific

The **World Bank Papua New Guinea and Pacific Islands Umbrella Facility (PPIUF)**, funded by New Zealand and Australia, supports the World Bank to increase both the scale and effectiveness of its work across the Pacific. The facility enables delivery of development programmes, including project implementation, policy advice, and analytical work, while also helping Pacific countries access additional funding through World Bank financing mechanisms.

A key measure of the facility's success is the growth of the World Bank's Pacific portfolio. Since 2013, **the portfolio has expanded more than seven-fold**, increasing from 32 operations with commitments of USD\$432 million to 84 operations with commitments of USD\$3.49 billion in 2025. This growth reflects the increasing demand for development support across the region and the World Bank's enhanced ability to respond to Pacific priorities. During 2024–25, World Bank-supported programmes delivered tangible benefits for Pacific communities. These programmes:

- **provided health and nutrition services to 1.2 million people**
- **improved transport access for 1.1 million people**
- **strengthened climate resilience for 288,109 people**
- **expanded broadband access to 129,700 people**
- **improved education outcomes for 8,843 students**
- **provided social protection support to more than 553,000 people**
- **strengthened food security for 26,647 people**
- **improved access to water and sanitation for 26,647 people**
- **provided access to electricity for 22,000 people, and**
- **placed 2,100 hectares under enhanced environmental management.**

The PPIUF has also strengthened the World Bank's operational presence in the Pacific. Since 2013, **World Bank staffing in the region has more than doubled, increasing in-country expertise and support for Pacific governments.** In 2025, the World Bank further strengthened its regional focus by replacing a single Country Management Unit based in Sydney with two Country Management Units based in Fiji and Papua New Guinea. This change brought decision-making and leadership closer to Pacific countries, improving responsiveness to local priorities and development needs.

Pacific countries also benefited from significant additional financing beyond their regular national allocations. In the second half of 2025, total World Bank commitments reached USD\$448 million, with 42 percent sourced from contestable financing windows, crisis response mechanisms, trust funds, and co-financing arrangements. The PPIUF played a critical role in enabling access to these resources, **helping to increase the scale and impact of development investments across the region.**

At a time when global Official Development Finance is under pressure, the PPIUF remains an important mechanism for attracting additional development finance to the Pacific. **Through the World Bank's financing model, every USD\$1 contributed by donors is estimated to leverage between USD\$3-USD\$4²⁸ in development finance through global capital markets, significantly increasing the value of donor investments.**

In 2025, following advocacy from New Zealand and other partners, the World Bank **launched its Small States Strategy**, reinforcing its commitment to addressing the unique challenges faced by small states, including Pacific Island countries. The strategy outlines how the World Bank will tailor its policies, financing, and support to better respond to the circumstances of small and vulnerable economies. Australia and New Zealand have committed to continue funding the PPIUF through to the 2028–29 fiscal year, providing an important platform for sustained development support across the Pacific.

²⁸ See <https://thedocs.worldbank.org/en/doc/4d9f3d42dedc0bb5eb452fbf887ec0c5-0410012024/original/IDA-Financing-the-Future-V1-04-15-24.pdf>

Working with other development partners

With a primary focus on the Pacific, New Zealand collaborates and coordinates with Australia and other governments to amplify development impact, mobilise additional resources, and support Pacific-led solutions to shared challenges. These partnerships support a Pacific-led approach to development and align with the priorities set out in the 2050 Strategy for the Blue Pacific Continent. New Zealand advocates for development financing and assistance to be coordinated in ways that support regional priorities and complement existing efforts. Examples of collaborative initiatives supported during 2025–26 include:’

Strengthening regional connectivity and resilience

- **New Zealand and Australia are jointly funding the Tu’i Vava’u international undersea cable in Tonga.** As a second international telecommunications connection for the country, the cable will reduce reliance on a single network link, improve resilience to natural disasters and technical disruptions, and enhance the reliability, capacity and quality of telecommunications services for businesses and communities.
- The **Pacific Humanitarian Warehousing Programme** demonstrates the value of coordinated international action to strengthen disaster preparedness. **New Zealand has partnered with Australia, the United States, France, Germany, Japan and the United Kingdom** to establish a network of humanitarian warehouses serving 14 Pacific Island countries and Timor-Leste. The programme enables emergency relief supplies to be deployed within 48 hours of a disaster, helping affected communities receive critical assistance more quickly. A warehouse has been completed in Kiribati and a second is under construction in Palau.

Investing in climate resilience and sustainable development

- **New Zealand and the United Kingdom** have jointly committed NZD\$40 million to the **Transforming Island Development through Electrification and Sustainability (TIDES)** initiative. By using blended finance approaches that combine public and private investment, TIDES is expected to mobilise up to USD\$100 million in additional financing for renewable energy projects across the Pacific. The initiative supports locally led energy transitions while building domestic capability and creating economic opportunities.
- New Zealand also contributes to the **Kiwa Initiative, alongside France, Australia, Canada and the European Union.** Through investments in nature-based solutions and technical assistance, the initiative helps Pacific countries strengthen climate resilience while protecting ecosystems and delivering benefits for communities.
- Similarly, **New Zealand and Ireland jointly fund the Low Emission Climate Resilient Development (LECRD) Programme,** which supports six Pacific governments to develop climate policies, legislation and planning frameworks. The programme strengthens countries’ ability to respond to climate change while pursuing low-emissions and climate-resilient development pathways.

Supporting inclusive economic development

- In Papua New Guinea, **New Zealand, Australia and the Lae City Authority** are partnering to redevelop the **Lae Main Market** into a modern, safe and inclusive community facility. The project is expected to improve livelihoods and stimulate local economic activity, particularly for women market vendors. It is also generating local employment opportunities, with more than 150 people currently working on the project, including trainees and students from the Papua New Guinea University of Technology.
- **New Zealand, Australia and the Asian Development Bank** co-fund the **Pacific Private Sector Development Initiative (PSDI),** that supports reforms to improve the business enabling environment across the Pacific. In Fiji, PSDI technical assistance helped develop the *Access to Business Funding Act 2025*, establishing the Pacific’s first regulatory framework for crowdfunding and peer-to-peer lending. The legislation expands access to finance for small businesses that may not meet traditional lending requirements, supporting entrepreneurship and growth.

Strengthening essential services

- The **LaKaRo Renewable Energy Project** in Fiji is funded through the UAE-Pacific Partnership Fund, a joint initiative supported by **New Zealand and the United Arab Emirates.** The project will improve access to reliable electricity in the island communities of Lakeba, Kadavu and Rotuma, reducing dependence on fossil fuels, increasing energy security, and supporting local economic development.



Upgraded solar energy system in Nukunonu, Tokelau. The project is renewing and expanding Tokelau's renewable energy infrastructure, improving access to reliable clean energy, and reducing Tokelau's reliance on expensive imported fossil fuels. Commissioning of the upgraded system in Nukunonu is planned by August 2026. Following completion of similar upgrades in Atafu and Fakaofu in late 2026, most Tokelau's electricity needs will be generated by solar energy. Credit: SPREP

Delivering New Zealand's climate finance commitment

In October 2021, Cabinet agreed that New Zealand would provide NZD\$1.3 billion in grant-based climate finance²⁹ between 2022 and 2025. This commitment elevated climate as a major strategic investment priority within New Zealand's IDC Programme. The commitment required at least 50 percent of the funding to be directed to the Pacific and at least 50 percent to adaptation, reflecting New Zealand's longstanding commitment to the region and the importance of building climate resilience. In December 2025, New Zealand met and exceeded this commitment, delivering NZD\$1.32 billion in climate finance over four years through the IDC Programme. Of this, 61 percent was invested in the Pacific, 16 percent was directed to Southeast Asia, and 62 percent supported adaptation activities.

The Ministry designed the portfolio to deliver effective, inclusive and sustainable climate support. Climate finance was integrated into existing development systems, guided by a strategy and delivered through a mix of established and new partnerships. We trialled new and innovative mechanisms with potential for transformational change — enabling rapid scale-up while maintaining a focus on development effectiveness, partner ownership and long-term impact.

Positive results have already been delivered, as presented in this and previous annual reports. See *Goal 3: A Sustainable Future* (p.187–197) for a broad demonstration, and specific examples of multilateral investments and work with likeminded partners on p.150–152.

Many investments are expected to generate benefits over the longer-term. In July 2026, 221 activities funded through the commitment remain under implementation. New Zealand continues to provide significant climate finance to developing countries, particularly in the Pacific. Future investments will build on the foundations established through the 2022–25 commitment, support Pacific priorities, and strengthen resilience, sustainable development and climate action across the region and globally.

²⁹ Climate finance is the international term for funding that supports climate-related activities in developing countries. It includes grants, loans, technical assistance and other support for projects and programmes that reduce greenhouse gas emissions or help communities adapt to climate change.

HOW WE PLANNED



Integrating climate finance into the IDC Programme

Rather than establishing a standalone climate fund, New Zealand embedded climate finance within existing IDC systems and partnerships. This enabled partner-led support through trusted mechanisms and delivery across bilateral, regional and multilateral channels.

Between 2022 and 2025, MFAT delivered \$813 million of climate finance in the Pacific, supporting resilience and sustainable development across multiple sectors. Climate finance also enabled New Zealand to expand development cooperation in Southeast Asia, where \$207 million was invested, primarily in renewable energy and climate-smart agriculture.

Establishing a strategic framework for investment

Delivery was guided by New Zealand's International Climate Finance Strategy, which focused on accelerating mitigation, enhancing resilience and adaptation, strengthening institutional capability and evidence-based decision-making, and leveraging investment for greater climate impact. In 2024, our strategic approach was updated to align with the Government's Foreign Policy Reset and MFAT's Strategic Framework, ensuring continued alignment with foreign policy and development objectives.

Prioritising adaptation and resilience

More than half of climate finance supported vulnerable countries to manage climate impacts, including sea-level rise, extreme weather events, food insecurity and water stress.

Key investments included climate-resilient infrastructure; disaster preparedness and early warning systems; climate-smart agriculture; climate information for decision-making; and community resilience initiatives, including water security, climate mobility, ecosystem restoration and fisheries.

For example, *Weather-Ready Pacific* is a Pacific-led programme to strengthen Pacific meteorological services, including natural disaster early warning systems, delivered by the Secretariat for the Pacific Regional Environment Programme (SPREP).

HOW WE WORKED



Leveraging additional finance

The Ministry strengthened collaboration with Australia, France, Japan, Ireland, the European Union and United Kingdom, helping to deliver larger-scale investments and greater collective impact (see p.153). New Zealand funding also attracted additional investment from, and utilized the expertise and technologies of, the private sector.

For example, through the Asian Development Bank (ADB) Ventures activity, the ADB is co-investing with commercial investors in early-stage technology companies that contribute to achieving economic, climate and equity goals in Southeast Asia.

Expanding engagement with multilateral partners

Multilateral organisations played a significant role, delivering around 15 percent of the commitment. New Zealand increased support to the Green Climate Fund, Adaptation Fund and Global Environment Facility, and contributed to the Fund for Responding to Loss and Damage and the Global Biodiversity Framework Fund. These global funds invest at a large scale and reach into countries where New Zealand has limited presence. They provide access to specialised expertise and financing tools.

In 2025, the *Green Climate Fund* approved a USD\$157m project, covering 14 Pacific countries, to enhance access to tuna for coastal and urban communities, strengthen national fisheries systems, and improve forecasting to manage tuna redistribution effectively.

Partnering with NZ agencies

The Ministry collaborated more deeply with government agencies and Public Research Organisations that contributed technical expertise across a range of sectors, delivering practical, evidence-based climate solutions.

The Ministry worked with Ministry of Primary Industries through the Global Research Alliance to reduce overseas agriculture greenhouse gas emissions at scale; and with MetService and Earth Sciences New Zealand to support Pacific capability in weather, climate monitoring, forecasting and warnings.

Supporting innovation

We used a wider range of innovative approaches to climate action.

For example, we were the first contributor to the Global Green Growth Institute's carbon markets capacity-building and transaction facility; supported the Marshall Islands Climate Change Directorate to use innovative approaches such as digitally preserving cultural resources, and utilising advanced geospatial technologies for surveying and shoreline change analysis. (See p.194)

HOW WE PROVIDED ASSURANCE



Independent assurance and accountability

The Ministry established a risk-based external assurance programme for our climate finance commitment to provide confidence that appropriate governance, management and delivery arrangements were in place.

A 2025 review by the Office of the Auditor-General gave us confidence that we had robust systems to deliver value for money and identified opportunities to make better use of activity-level information and strengthen portfolio-wide reporting on outcomes and impacts.

The Ministry will continue to monitor the effectiveness of investments, supported by a programme of climate finance evaluations between 2026 and 2028.

New Zealand's development and humanitarian programmes in 2025–26

The following pages provide an overview of how the Ministry works to deliver results, the focus on impact across the IDC Programme, and highlights of results achieved through New Zealand's IDC Programme in 2025–26.



An NH90 Helicopter successfully completed two drops to assist Papua New Guinea after Tropical Cyclone Maila on 21 April 2026. The second drop was to Open Bay, where East New Britain Governor Michael Marum joined the crew for the flight. Members of the community assisted with unloading. The load included food, household kits, water containers and shovels (pre-positioned International Organization for Migration stores) and medical supplies (UNICEF).

How we deliver results

International development cooperation is delivered through various partnerships and mechanisms, including:

Support for Pacific regional agencies

Pacific regional organisations play a vital role in helping Pacific countries and territories address shared challenges and pursue common opportunities. Strong regional institutions enable Pacific-led solutions and support implementation of regional priorities under the 2050 Strategy for the Blue Pacific Continent. As a member and major funder of Pacific regional agencies, New Zealand supports these organisations apply their technical expertise, regional knowledge, established partnerships and policy capacity to strengthen resilience and sustainable development across the region.

In 2025–26, New Zealand provided \$24.1 million in core funding to support the work programmes and strategic priorities of the following six Pacific regional agencies:

- **Pacific Islands Forum Secretariat (PIFS)** — coordinates implementation of Pacific leaders' priorities, including policy advice on regional economic growth, political governance, and security.
- **The Pacific Community (SPC)** — provides scientific and technical expertise across sectors including health, education, agriculture, fisheries, climate change, disaster resilience, energy, gender and human rights.
- **University of the South Pacific (USP)** — research institute and the region's primary provider of tertiary education, including distance and flexible learning.
- **Forum Fisheries Agency (FFA)** — advice and services to support Pacific countries maximise the economic and social benefits of sustainably managed tuna fisheries.
- **Secretariat for the Pacific Regional Environment Programme (SPREP)** — delivers technical and policy expertise on environmental issues such as climate change, biodiversity, ecosystem management and pollution control.
- **Pacific Aviation Safety Office (PASO)** — delivers aviation safety and security services to the Pacific.

Support for civil society partnerships

Civil society organisations play an important role in promoting sustainable development and resilience while supporting human rights, democratic participation, social cohesion and community wellbeing. The IDC Programme works with New Zealand non-government organisations (NGOs) to deliver development and humanitarian outcomes across the Pacific and beyond. Through their established relationships with local organisations, communities and authorities, NGOs help ensure New Zealand's support reaches those who need it most, including vulnerable and marginalised populations and people living in remote and hard-to-reach areas.

In 2025–26, the IDC-funded Partnerships for Impact programme supported activities in 20 countries across the Pacific and South and Southeast Asia through 23 NGO partners and 45 programmes and initiatives. During the year, NGO partners reported that approximately 247,000 people benefited from development initiatives across a range of IDC priority areas, including improving livelihoods and economic opportunities; strengthening climate resilience and adaptation; advancing social inclusion and human rights; and supporting democratic governance and participation.

Support to multilateral agencies

Multilateral organisations remain critical to addressing global development and humanitarian challenges. They continue to operate in a difficult environment characterised by funding pressures, increasing humanitarian needs, declining progress on human rights and democratic governance, and setbacks in achieving the SDGs. Through its engagement with multilateral partners, New Zealand advocates for Pacific priorities, supports an effective and innovative multilateral system, and promotes principles-based development. The Ministry works with partners to advance sustainable and inclusive development, support peace and stability, uphold human rights, and respond to humanitarian needs.

In 2025–26, New Zealand provided \$95 million in funding to 26 multilateral organisations and actively participated in their governance arrangements. Funding decisions were guided by New Zealand's foreign policy and development priorities, opportunities to maximise impact, and the value of maintaining New Zealand's international influence and credibility.

Manaaki scholarships

The Manaaki New Zealand Scholarship Programme (MNZSP) supports individuals to access education and training that contributes to the development priorities of their communities and countries. Through scholarship and training pathways³⁰, the Programme builds knowledge, skills and leadership capability in areas identified by partner governments. In 2025–26, 814 scholars completed their studies and training programmes, including:

- 202 tertiary scholarship recipients (114 women)
- 518 participants in thematic and vocational short-term training programmes
- 94 participants in English Language Training for Officials programmes (57 women).

The largest proportion of graduates came from the Pacific (51 percent), followed by Southeast Asia (40 percent).

New Zealand also continued implementation of the Southeast Asia expansion of the Manaaki programme. During the year, 150 additional tertiary scholars from Indonesia, Malaysia, the Philippines, Thailand, Timor-Leste and Viet Nam commenced study in New Zealand, while a further 150 scholars were selected to begin studies in 2027. The scholarship programme remains an important contribution to the ASEAN–New Zealand Comprehensive Strategic Partnership Plan of Action 2026–2030³¹.

Humanitarian assistance

Humanitarian assistance remains a core component of New Zealand's international engagement. In 2025–26, New Zealand support provided essential humanitarian assistance to more than 532,500 people across 24 countries. A total of \$70.9 million³² was disbursed in response to humanitarian crises and disasters, including:

- \$5.7 million (8 percent) for responses in the Pacific
- \$21.6 million (30 percent) for responses in Southeast Asia
- \$43.6million (62 percent) to global responses

In the Pacific, New Zealand responded to requests for assistance from Papua New Guinea and Solomon Islands following Tropical Cyclone Maila in April 2026. Support included emergency relief supplies, aerial damage assessments, New Zealand Defence Force logistical assistance to remote communities, and funding for non-government organisations. A financial contribution assisted the Federated States of Micronesia's response to Super Typhoon Sinlaku, and deployment of a 14-person New Zealand Medical Assistance Team (NZMAT) to Samoa supported the response to a dengue fever outbreak.

Beyond the Pacific, New Zealand contributed to responses in several major humanitarian crises, including those affecting Myanmar, Ukraine, the occupied Palestinian Territories, Sudan, Afghanistan, Lebanon, Yemen, Syria, and Rohingya refugees in Bangladesh. New Zealand also supported the Red Cross and Red Crescent Movement's response to the Bundibugyo Virus Disease outbreak in eastern Democratic Republic of Congo and Uganda, contributed to the United Nations Central Emergency Response Fund, and continued to provide core funding to international humanitarian organisations.

Alongside operational support, New Zealand continued to advocate for compliance with international humanitarian law, the protection of civilians and humanitarian personnel, and safe, rapid and unimpeded humanitarian access. New Zealand also promotes humanitarian action that is effective, accountable and locally led.

New Zealand's humanitarian assistance also focuses on preparedness and resilience. In 2025–26, New Zealand invested \$10.5 million in Pacific preparedness initiatives, including support for the Pacific Humanitarian Warehousing Programme, a new phase of partnership with the New Zealand Red Cross, preparedness missions to Niue and Tokelau, early warning information provided by New Zealand's National Emergency Management Agency (NEMA) through the Deep Ocean Assessment and Reporting of Tsunamis (DART) assets and the Meteorological Service of New Zealand, and technical assistance to Pacific national disaster management agencies through NEMA. This investment also maintained New Zealand's readiness to respond to future requests for assistance, including deployable emergency management, firefighting, urban search and rescue and medical response capabilities, humanitarian relief supplies, and early warning and forecasting services.

³⁰ The six scholarship and training pathways are in-New Zealand Tertiary; in-Pacific Tertiary; Thematic Short-term Training; Vocational Short-term Training; English Language Training for Officials; and ASEAN-New Zealand Dialogue Relations Fellowships

³¹ See: <https://asean.org/wp-content/uploads/2025/10/Final-ASEAN-New-Zealand-POA-2026-2030.pdf>

³² This figure excludes funding for the Ministry's humanitarian preparedness investments.

FIGURE 1: HUMANITARIAN ASSISTANCE — PACIFIC & SOUTHEAST ASIA

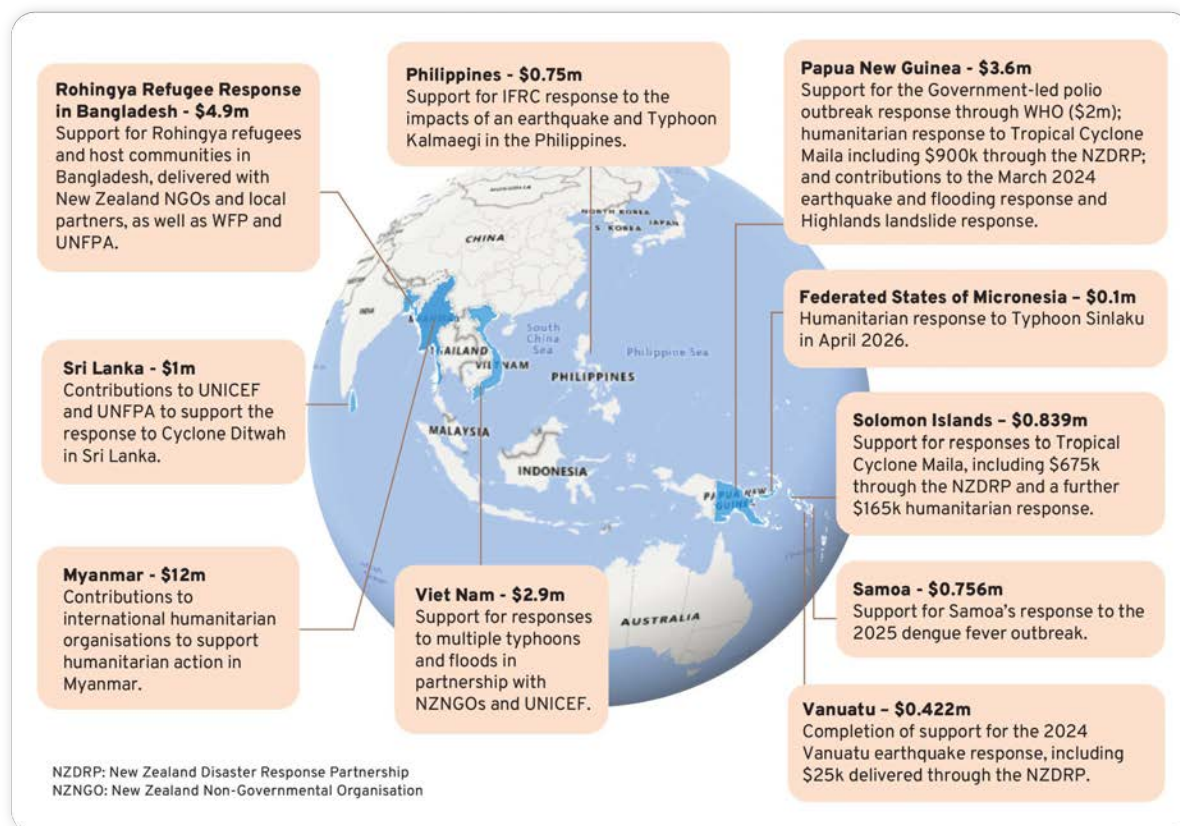
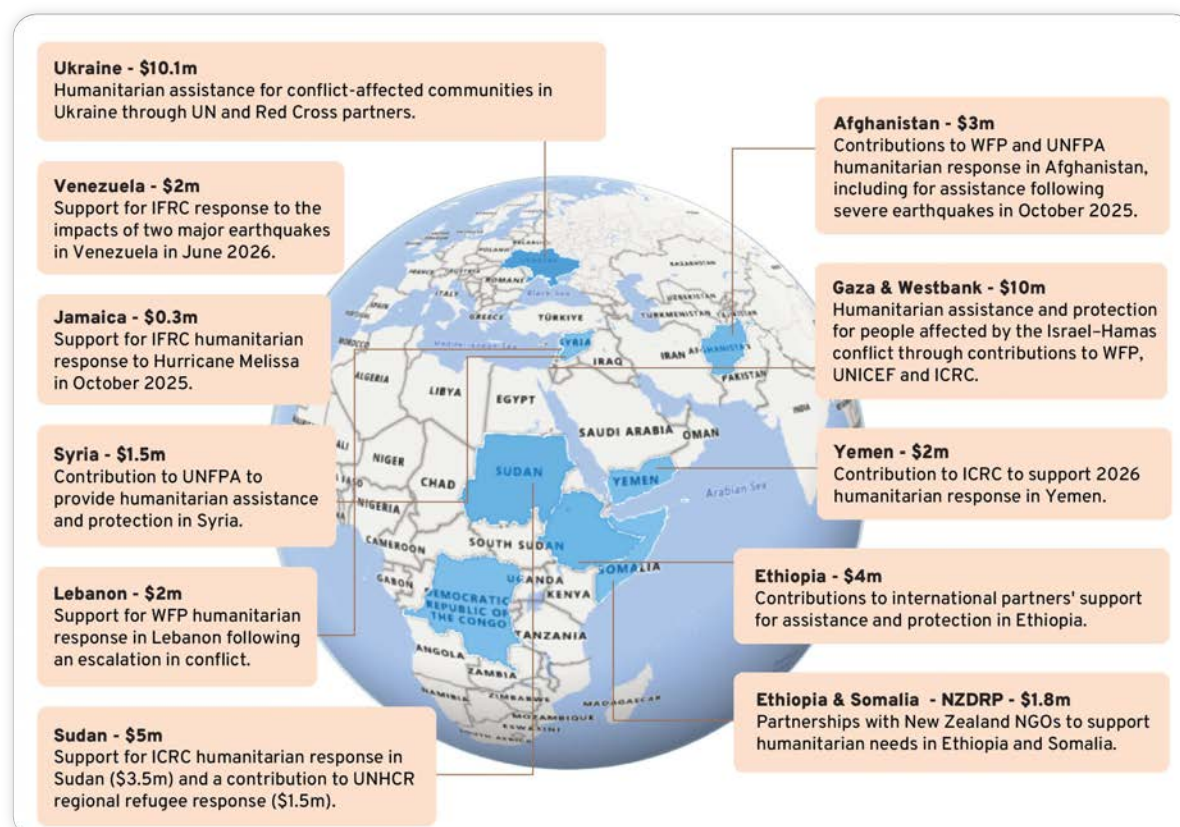


FIGURE 2: HUMANITARIAN ASSISTANCE — REST OF THE WORLD



Focus on impact

The IDC Priorities Framework³³ demonstrates how the IDC Programme contributes to the Ministry's three strategic goals³⁴ and sets out the key outcomes sought.

STRATEGIC GOAL 1: A SAFE, SECURE AND JUST FUTURE

New Zealand promotes security and stability in the Pacific and Indo-Pacific through bilateral partnerships and engagement with regional forums. We deliver initiatives that address trans-boundary security issues; champion the rule of law; deliver regional capacity-building initiatives; and support well-governed institutions and established regional architecture. We also support our partners to prepare for, respond to, and recover from natural disasters and other crises. Our objectives for 2024–27 are:

- Pacific countries have strengthened democratic norms, accountable institutions, and public services.
- The Pacific has enhanced ability to address wide-ranging trans-boundary security threats.
- Pacific national security sectors can manage internal security challenges, consistent with human rights.
- Partner governments and other humanitarian actors in the Pacific are prepared for, and lead effective and inclusive humanitarian responses to, disasters and crises.
- New Zealand's global development assistance contributes to peace, security, and stabilisation.
- Crisis affected countries and communities can access the assistance and protection they need, especially those most vulnerable.

STRATEGIC GOAL 2: A PROSPEROUS AND RESILIENT FUTURE

We work with partners to strengthen and support the social and economic resilience of Pacific and Indo-Pacific partners. We support inclusive human development, including in health, education, civic empowerment, and social protection; invest in sustainable economic development, including through trade, employment, labour mobility, food security, debt management, and support for private sector investment; and promote investment in essential services. Our objectives for 2024–27 are:

- Strengthened social resilience and inclusion supports achievement of the SDGs in the Pacific.
- Functioning Pacific economies, with strong and stable institutions, support livelihoods and benefit from trade, labour mobility and other safe people movement.
- South and Southeast Asia benefit from enhanced resilience and economic integration.
- Climate-smart agriculture generates increased economic returns and food security benefits.

STRATEGIC GOAL 3: A SUSTAINABLE FUTURE

New Zealand promotes international cooperation to address climate change and other global environmental and natural-resource challenges. We enable, and advocate for, action to enhance the resilience of Pacific countries to climate impacts and natural hazards. We support developing countries to mitigate and adapt to climate change and deliver initiatives that address water insecurity and threats to biodiversity; champion climate-resilient infrastructure and emissions-reducing technologies; and support sustainable management of natural and shared resources, including fisheries. Our objectives for 2024–27 are:

- Pacific countries have enhanced resilience and adaptation to the impacts of climate change.
- Across the Pacific, biodiversity is sustainably used and managed, and ecosystems valued, maintained, and enhanced.
- Developing countries accelerate action on their mitigation priorities in a cost-effective way.
- Developing countries increasingly adopt emissions-reducing technologies and practices in agriculture, land-use, forestry, tourism, energy and land and maritime transport.

The following pages provide highlights of key achievements from across the entire IDC Programme toward each of the Ministry's three strategic goals.

³³ See: <https://www.mfat.govt.nz/assets/Aid/Aid-General/IDC-Priorities-Framework-2024.pdf>

³⁴ See the Ministry's Strategic Intentions: <https://www.mfat.govt.nz/assets/About-us-Corporate/MFAT-strategies-and-frameworks/Strategic-Intentions-2024-2028.pdf>



'Make it 18' campaign. Credit: Save the Children Solomon Islands

Goal 1: A safe, secure and just future

Supporting children and young people to champion child rights in Solomon Islands

Children in Solomon Islands are helping to build safer futures for themselves and their communities through advocacy, awareness, and collective action in children's rights, safety, and wellbeing. They are doing this in partnership with three New Zealand NGOs (**ChildFund, Save the Children and World Vision**) and Solomon Islands civil society organisations known as the SIEVAP coalition (Solomon Islands Endim Vaelens Agenstim Pikinini / Solomon Islands Ending Violence Against Children).

Through awareness-raising activities, Child Advocacy Committees and youth clubs, children gained the confidence to speak up about harmful practices and promote the importance of protecting children at home and in the community. The initiatives helped parents, families, and community leaders better understand child safety and protection, strengthened respectful relationships between adults and children, and created safer environments where children's voices are valued and heard. The SIEVAP coalition has also empowered young people to take an active role in community decision-making and advocacy, enabling them to become leaders and agents of positive change within their communities.

At the national level, civil society organisations collaborated to advocate for stronger legal protections for children through the 'Make it 18' campaign. Working alongside children and young people, the campaign called for amendments to the Solomon Islands Marriage Act to raise the legal age of marriage from 15 to 18 years. The advocacy **contributed to the Solomon Islands Government announcing a proposed legislative amendment to align marriage laws with international human rights standards** and strengthen protections against child marriage.

Together, these initiatives demonstrate the value of supporting children's participation in decisions and actions that affect their lives. From community awareness and child protection efforts to national policy advocacy, children and young people are helping to create safer, more inclusive and more supportive communities. Their leadership and engagement are contributing to stronger protection systems, greater respect for children's rights, and better outcomes for future generations in Solomon Islands.



The ChildFund Children's Advocacy Committee dialogue with Honiara City ward members. Credit: ChildFund

Strengthening economic resilience and public sector reform across the Pacific

New Zealand provides **reform-linked general budget support** to nine Pacific Island countries, helping partner governments implement economic and public sector reforms that strengthen resilience, improve service delivery and support sustainable development. In **Samoa and Tonga**, budget support is delivered through coordinated multi-donor arrangements alongside the Asian Development Bank (ADB), Australia, the European Union and the World Bank. Funding is released when agreed reform commitments are met, supporting progress in areas such as economic and fiscal management, public financial management, disaster resilience and private sector development. Both countries made strong progress in 2025–26.

In Samoa, reforms **improved access to finance, strengthened disaster preparedness and enhanced fiscal transparency**. The Credit Information Register Bill progressed through Parliament, supporting improved access to credit for businesses and individuals by reducing lending risks. The launch of the Instant Funds Transfer system enabled real-time payments and expanded access to digital financial services. Samoa also approved a new National Disaster Management Plan to strengthen preparedness for cyclones and floods. Legislative reforms to improve tax transparency resulted in Samoa's removal from the European Union's list of non-cooperative tax jurisdictions.

In Tonga, several important reforms **laid the foundations for greater digital connectivity and economic resilience**. A new Digital Identification Act established a national digital identification system, improving the delivery of government services and support. The Privacy Act strengthened personal data protections, while the Electronic Transactions Act provided legal recognition for digital transactions and signatures, supporting the growth of the digital economy. Tonga also approved operational guidelines for issuing domestic government bonds, an important step toward developing domestic capital markets and diversifying sources of financing.

Following progress reviews in 2026, both Samoa and Tonga met the agreed requirements for New Zealand's planned budget support payments, demonstrating the value of reform-linked financing in supporting lasting economic reforms.

ADB's '**Strengthening Fiscal Resilience for Sustainable Development**' is a policy-based and technical assistance initiative designed to help governments build economic stability and integrate climate-resilience into national budgeting and public finance management. In **Palau**, the programme **supported adoption of a national debt policy, strengthened institutional capacity, and improved debt management systems**. Reforms have also been carried out to strengthen fiscal resilience and climate integration — a Volatility Fund framework is now operational, and a Climate Resilience Fund framework is nearing completion, creating mechanisms to manage shocks and disasters. Implementation of a new government budget submission template mandates climate impact assessments for all spending proposals, embedding climate considerations into fiscal policy.

New Zealand's grant funding to Palau was used to purchase a modernised taxation system and complete Palau's final ADB policy reform item. This enabled the Government of Palau to unlock the full ADB policy reform funding commitment, further enabling delivery of essential services and strengthening long-term fiscal resilience.

New Zealand also partners with the Asian Development Bank to support the **Government of Naoero's** key economic reforms across fiscal and debt management, state-owned enterprise governance, and support for vulnerable groups, including women. Naoero's achievements over the past year include **increasing its revenue base** by raising Business Profits Tax from 20 percent to 25 percent for entities operating the offshore refugee processing infrastructure; increasing duties on sugary products from 30 percent to 50 percent; and **securing Cabinet approval of the National Women's Policy and the Gender-Responsive Climate, Disaster, and Pandemic Response Policy**.

New Zealand is a member of the **Government of Kiribati's** multi-donor Economic Reform Taskforce. During 2025–26 the inaugural Kiribati Public Financial Management (PFM) Act was passed, **establishing a robust and integrated legal framework for fiscal discipline, transparency and accountability**. The Act reduces the window for publishing audited government accounts to strengthen public trust; computerises the public finance cycle to ensure better control over budget execution and cash flow management; and establishes strict borrowing limits and financial reporting to minimise fiscal risks.

As part of New Zealand's continued support to the **Tuvalu Trust Fund**, New Zealand contributed to costs for the Tuvalu Trust Fund Advisory Committee (TTFAC) to travel to the islands of Vaitupu, Nanumaga and Nanumea to assess the implementation of a modernised Financial Management Information System on streamlining financial procedures and enhancing timeliness of reporting for local kaupule (island councils). Transition to a digital, modernised system aims to provide reliable infrastructure to reduce the administrative burden on outer-island local governments while **improving transparency and strengthening Tuvalu's public financial and public sector management**.

New Zealand's response to Tropical Cyclone Maila in Solomon Islands and Papua New Guinea

Tropical Cyclone Maila formed over the Solomon Sea in April 2026 as a slow-moving, high-intensity weather system. The cyclone caused widespread damage across Solomon Islands and Papua New Guinea, disrupting livelihoods and essential services. New Zealand mobilised its response at the request of both governments.

In Solomon Islands, the New Zealand Defence Force (NZDF) conducted **aerial damage assessments using P-8 surveillance flights, enabling authorities to identify and prioritise the most affected areas**. Relief support included distribution of New Zealand-funded pre-positioned supplies held by World Vision Solomon Islands in Honiara, including **shelter materials, hygiene and kitchen kits, blankets, and tarpaulins**. **Agricultural tools were also donated to support early recovery efforts**.

In Papua New Guinea, an NZDF P-8 aircraft was deployed to undertake **aerial damage assessments, followed by the deployment of two C-130 aircraft to deliver humanitarian supplies**. These supplies included **agricultural and shelter toolkits, tarpaulins, chainsaw packs, generators, collapsible water containers, family hygiene kits, and mother-and-infant kits**. NZDF airlift operations continued to transport New Zealand, Papua New Guinea, and partner-funded relief supplies to affected communities across the country. In total, **more than 40,000 kilograms of relief supplies were transported from Port Moresby and Lae to affected provinces**. An NZDF NH90 helicopter also supported **critical last-mile delivery to remote communities in East New Britain** that had become inaccessible by road due to landslides.

New Zealand's financial assistance included support for immediate in-country response activities and contributions through the New Zealand Disaster Response Programme to enable early recovery through NGO partners. The total value of New Zealand's relief and early recovery assistance was just under NZD\$3 million across both countries.

New Zealand's response supported communities in some of the most remote and severely affected areas of Solomon Islands and Papua New Guinea, where access to water, food, and health services had been significantly disrupted. Rapid aerial assessments enabled assistance to be targeted effectively, while airlift operations ensured the timely delivery of essential supplies. Agricultural assistance supported communities to begin replanting, contributing to food security and early recovery. By responding quickly to identified needs and government priorities, New Zealand helped reduce the immediate impacts of the disaster, supported recovery efforts, and strengthened relationships with Solomon Islands and Papua New Guinea.

Strengthening community policing in Timor-Leste

The **Programa Apoiou Seguransa Komunitade (PASK)** supports the Timor-Leste National Police (PNTL) build safer, more resilient communities. By promoting closer collaboration between police and communities, the programme is helping improve public safety, strengthen trust in law enforcement, and enhance policing capability.

During 2025–26, community policing approaches expanded beyond the PNTL's central Community Policing Directorate and became increasingly integrated into police operations at the municipal level. This reflects **growing institutional adoption of community policing practices and is contributing to more proactive, prevention-focused policing that strengthens community trust and reduces the risk of conflict**. A key achievement was delivery of 44 Community Policing Council (CPC) training programmes across 10 municipalities, reaching 1,263 participants (30 percent were women). The training **strengthened local governance structures** by improving understanding of the respective roles of police, community leaders and local institutions in maintaining safety and security. The programme particularly strengthened the capability of Suco Councils to respond to public safety concerns and engage effectively with formal justice processes. As Suco Councils play a central role in community life — including coordinating health, agriculture, disaster response and social initiatives — enhancing their capacity contributes to broader community resilience, social cohesion and access to justice.

PASK also supported innovative approaches to community engagement. The **Women's Futsal PolKom Cup**, organised by the PNTL Community Policing Directorate, involved 48 secondary schools and culminated in a national tournament opened by Timor-Leste Prime Minister Xanana Gusmão. The tournament **provided opportunities for young women to participate in leadership and community activities while strengthening positive engagement between youth and police**. It helped increase visibility of the PNTL as a supportive and approachable institution, complementing its law enforcement role and encouraging greater trust and participation.



Players and PNTL at the Women's Futsal POLKOM Cup. Credit: PNTL

Supporting parliamentary capability in Fiji

The **United Nations Development Programme (UNDP) Fiji Parliament Support Project**, funded by Australia, New Zealand and Japan, continued to strengthen parliamentary processes, enhance institutional capability, and improve public engagement with Parliament. A key achievement during the year was successful delivery of the **Fiji Youth Parliament**, a week-long programme that strengthened young people's understanding of parliamentary democracy, governance, and public policy. The initiative brought together 59 young participants from across Fiji, ensuring broad geographic representation and diverse perspectives. Women comprised half of all participants, and the programme included two persons with disabilities, reinforcing its commitment to inclusive participation.

Participants received training in parliamentary procedure, debate and policy analysis before taking part in a simulated parliamentary sitting. They debated issues such as youth employment, gender equality and public health, while engaging directly with government agencies and other policy stakeholders — enabling participants to explore national development challenges using evidence-based approaches, including SDGs and economic data.

Programme evaluations showed **strong gains in participants' knowledge, skills and confidence**, with demonstrated improvements in public speaking, debating and policy analysis skills, as well as a stronger understanding of Parliament's law-making and oversight functions. The programme also strengthened Parliament's civic education role by re-establishing large-scale youth outreach and testing innovative engagement approaches.

The initiative generated practical recommendations for future youth engagement, including establishing a Youth Parliament alumni network, expanding participation from rural and maritime communities, and creating opportunities for youth perspectives to inform parliamentary processes.

Follow-up surveys conducted five months after the programme found that its impact had been sustained, with most participants continuing to apply the skills and knowledge gained through the programme:

- **88 percent reported increased confidence in speaking on national issues,**
- **92 percent felt more confident engaging with Members of Parliament and government officials,**
- **81 percent had become involved in community initiatives,**
- **77 percent had taken on leadership roles, and**
- **65 percent had engaged with youth councils or similar organisations.**

Participant feedback also highlighted lasting improvements in leadership aspirations and access to opportunities, demonstrating the programme's contribution to developing informed and engaged future leaders in Fiji.

Strengthening cyber resilience in the Cook Islands

In June 2026, the **Cook Islands Cybercrime Laboratory** opened through a partnership between the Cook Islands Police Service and New Zealand Police. The laboratory provides specialist tools and capability to conduct mobile device forensics, investigate online fraud, combat cyber-enabled crime, and preserve digital evidence to court standards.

The new capability strengthens the Cook Islands Police Service's ability to protect vulnerable people and businesses from online harm, while reducing reliance on overseas forensic processing. It also enhances regional security cooperation by enabling more timely and effective responses to cybercrime across the Pacific. Supported by ongoing training and partnerships, the laboratory will **improve the Cook Islands Police Service's capacity to prevent, detect, investigate, and respond to evolving cyber threats**. This will help deliver faster investigations, strengthen criminal justice outcomes, and build long-term cyber resilience in the Cook Islands.

Supporting mine-affected communities to build safer and more prosperous futures in Cambodia

The **Clearing for Results Phase IV (CFRIV) programme** delivered significant development outcomes in Cambodia by combining mine clearance with livelihood support, rehabilitation services and stronger national mine action systems. Implemented by the UNDP and the Cambodian Mine Action and Victim Assistance Authority (CMAA) between 2020 and 2025, the programme was supported by New Zealand and other international partners.

CFRIV integrated technical mine action activities with community development initiatives. This included conducting surveys of contaminated areas, clearing minefields, and disposing of explosive remnants of war. The programme also provided mine risk education, livelihood support, skills training and rehabilitation services for people affected by mines and unexploded ordnance.

Support for survivors included access to prosthetics, physiotherapy and vocational training, as well as assistance to establish small businesses and pursue employment opportunities. The programme also strengthened Cambodia's mine action sector through investments in data management, quality assurance systems and policy development, helping to improve the effectiveness and sustainability of national mine action efforts.

Over the five-year programme, **182.8 square kilometres of contaminated land were cleared and returned to safe use, benefiting more than 364,000 people**. The land released has supported agriculture, housing, schools and infrastructure development, creating new opportunities for communities and contributing to local economic growth. The programme also contributed to a **50 percent reduction in mine and explosive ordnance casualties**, reflecting improved safety and awareness in affected communities.

The benefits extend beyond mine clearance. **More than 1,000 mine survivors and family members gained vocational skills or established small businesses, improving their ability to earn an income and support their households. In addition, 49,055 people with disabilities, including more than 21,000 mine survivors and 12,132 women, accessed rehabilitation services that improved mobility, independence and quality of life.**



A mine clearance instructor trains new deminers to operate a large-loop detector.
Credit: UNDP Cambodia



A risk education instructor delivers mine risk awareness sessions to communities and students, helping to keep people safe. Credit: UNDP Cambodia

These results demonstrate the value of integrating mine action with broader social and economic development. For individuals and families, access to safe land creates opportunities to farm, build homes, access services and generate income. For mine survivors, rehabilitation and livelihood support help restore independence and increase participation in community and economic life.

At the community level, safer environments and expanded access to productive land contribute to greater resilience, stability and development. New Zealand's support has helped transform mine-affected areas from places of risk into opportunities for growth and prosperity. The programme demonstrates that mine action is not only about removing hazards, but also about reducing poverty, promoting inclusion and supporting sustainable development outcomes.

Disaster preparedness across the Pacific

Alongside responding to major humanitarian events across the Pacific in 2025–26, New Zealand invested in initiatives to strengthen regional disaster preparedness and response capabilities.

Through a partnership with the New Zealand National Emergency Management Agency (NEMA), New Zealand **seconded personnel into National Disaster Management Organisations (NDMOs) in Samoa, Tonga and the Cook Islands**, providing additional capacity and specialist expertise to support national disaster management functions. Seconded personnel have helped develop sector and community disaster management plans that support implementation of national legislation. By assisting with technical drafting, community consultation, training and exercises, the programme has **strengthened disaster preparedness and planning**.

New Zealand also funds the International Planned Parenthood Federation to deliver the **Sexual and Reproductive Health in Emergencies in the Pacific Programme**. During the final year of this phase, the Programme focused on integrating the Minimum Initial Service Package (MISP) into national disaster preparedness and response systems in Kiribati, Tuvalu and the Cook Islands. The MISP helps **reduce sexual and reproductive health risks during emergencies**, including gender-based violence, HIV and other sexually transmitted infections, and unintended pregnancies. Its integration into national policies and preparedness frameworks has clarified roles and responsibilities, strengthened planning, and increased the likelihood that essential services can be delivered rapidly during emergencies.

In February 2026, further disaster response planning was undertaken in Tokelau, building on an interagency mission conducted in May 2025. This informed development of a **draft New Zealand Government Response Plan for Tokelau**, designed to improve New Zealand's ability to provide **timely and effective disaster assistance in a remote context**. The planning process incorporated local governance structures and community perspectives. Three containers of relief supplies were also pre-positioned in Tokelau, alongside firefighting equipment and residential smoke alarms, to support future rapid responses.

Through the World Health Organization, New Zealand invested in **strengthening Emergency Medical Team (EMT) coordination and health emergency response capability in the Cook Islands, Fiji, Samoa, Solomon Islands, Tonga and Vanuatu**. The programme delivered training, workshops and simulation exercises at national and provincial levels, with more than 140 EMT personnel trained across the six countries. Since July 2024, it has supported EMT deployments for mass gatherings and emergency responses in Fiji, Samoa and Vanuatu. Investment also supported standardised equipment, warehousing and supply chain systems, inventory management, and development of standard operating procedures. Together, these measures have **strengthened operational readiness, reduced reliance on international assistance, and enhanced national and regional health security**.

Together, these investments have strengthened disaster readiness, response coordination and health emergency capacity across the Pacific.

Supporting disaster responses in Southeast Asia

New Zealand provides humanitarian assistance in response to major disasters in Southeast Asia when support is requested by affected countries. During 2025–26, Viet Nam experienced an exceptionally severe weather season, with 21 significant weather systems, including 15 typhoons and six tropical depressions. The impacts were widespread, with more than 220,000 homes flooded, damaged, or destroyed, and significant disruption to education, health, and other essential services. In response, New Zealand committed **NZD\$3 million to support humanitarian response and early recovery efforts**. This assistance included a contribution to UNICEF to support **access to safe water, healthcare, nutrition services, child protection, education, and multi-purpose cash assistance for affected communities**. New Zealand also provided funding through the New Zealand Disaster Response Partnership (NZDRP) to World Vision New Zealand, ChildFund New Zealand, Habitat for Humanity, and Tearfund to deliver multi-sector humanitarian assistance and protection services.

In the Philippines, an earthquake in Cebu Province in September 2025 was followed by two typhoons, affecting an estimated 1.95 million people. New Zealand contributed **NZD\$750,000 through the International Federation of Red Cross and Red Crescent Societies to support the immediate response** of the Philippine Red Cross. This assistance helped provide **emergency shelter, hot meals, access to safe water, and health services for affected communities**.

By working through trusted international and non-governmental partners, New Zealand helped meet immediate humanitarian needs, support early recovery, and strengthen resilience in affected communities.

Strengthening community safety and access to justice through community policing in Vanuatu

Through the **Vanuatu New Zealand Policing Programme (VNZPP)**, New Zealand Police work in partnership with the Vanuatu Police Force to train volunteer Community Safety Teams (CST) across Vanuatu's six provinces. This grassroots policing initiative equips community members to work alongside traditional Chiefs to resolve disputes, maintain peace, and improve local access to justice. A significant achievement during the year was the **establishment of Vanuatu's 23rd Community Safety Team** in White Sands, Tanna, made up of 40 trained volunteers.

The Programme has also continued to build policing capability by supporting professional development within the Vanuatu Police Force and community policing structures. This has included **strengthening collaboration between police, Chiefs and local communities, and supporting the development of a competency-based training pathway for police recruits**. Key milestones include progress toward a Certificate in Policing for recruits and a Diploma in Policing for provisional constables.

These initiatives are contributing to safer and more resilient communities, improving access to policing and justice services, and increasing public confidence in the Vanuatu Police Force. By focusing on local ownership, community partnerships and workforce capability, the Programme is helping to build a strong foundation for sustainable improvements in community safety and justice over the long term.



A Community Safety Team volunteer receives their training Certificate of Completion from NZ Police. Credit: NZ Police

Supporting Women's Leadership in Peace and Security Across Southeast Asia

The **AMPLIFY (Amplifying Women, Peace and Security Actions in ASEAN)** programme supports women's leadership in peacebuilding, community safety and security across Southeast Asia. The programme seeks to address the disproportionate impacts that conflict and insecurity can have on women, while increasing their participation in decision-making and peacebuilding efforts. Operating across Cambodia, Laos and Myanmar, with regional engagement spanning ASEAN, the programme supports women-led initiatives that strengthen peace, resilience and community safety, particularly in conflict-affected and vulnerable communities.

AMPLIFY invests in practical activities that build women's skills, confidence and influence. These include training for civil society organisations and community groups, leadership development for women leaders and activists, and workshops on conflict resolution, gender-based violence, and community leadership. The programme also provides safe spaces for women to connect, share experiences and organise around common challenges.

Alongside community-level activities, AMPLIFY works with governments and institutions to strengthen policies and frameworks on women, peace and security, including support for National Action Plans. Research and evidence generated through the programme helps inform policy development and improve programme design and delivery. The programme is delivering meaningful results. During the past year:

- **more than 3,800 people participated in community-level activities (77 percent were women).**
- **more than 3,000 women strengthened their skills in leadership, mediation and community engagement.**
- **participants in Cambodia and Laos reported significant increases in knowledge, confidence and practical application of new skills within their communities.**
- **more than 80 percent of civil society participants reported improved understanding of women, peace and security issues and increased engagement in national and regional dialogue.**

In Myanmar, where ongoing conflict continues to create significant challenges, the programme supported more than 360 women through psychosocial support services and safe spaces. Participants reported feeling less isolated, more confident, and better equipped to continue their work under difficult circumstances.

These efforts contribute to greater participation by women in community leadership and decision-making. In several locations, women's groups and networks are now leading peacebuilding initiatives and working directly with local authorities to address community concerns. At a broader level, stronger connections between civil society, governments and regional institutions are helping ensure women's perspectives are reflected in policies and programmes.

Strengthening integrity and anti-corruption efforts across the Pacific

New Zealand works with the United Nations Office on Drugs and Crime (UNODC), Transparency International and other partners to **strengthen integrity systems, build anti-corruption capability, and promote accountability across the Pacific**. Through its partnership with UNODC, New Zealand supports Pacific governments to implement commitments under the United Nations Convention Against Corruption (UNCAC) and the Teieniwa Vision, the Pacific's regional anti-corruption framework. This includes **support for national anti-corruption strategies in the Cook Islands, Fiji, Naoero and Palau**, helping governments identify priorities, coordinate action, and strengthen prevention and response measures.



The Tuvalu delegate presenting a Pacific SIDS resolution at SoSP for UNCAC. Credit: UNODC

A significant achievement in 2025–26 was supporting Pacific countries to develop and submit a Small Island Developing States (SIDS) resolution at the 11th Conference of States Parties to UNCAC, held in Qatar in December 2025. Through coordinated regional engagement, a Pacific delegation representing 12 countries secured consensus support for the resolution, which highlighted the particular vulnerabilities of small island states to corruption. Sponsored by Tuvalu, the resolution — *Strengthening the implementation of the United Nations Convention against Corruption in Small Island Developing States* — attracted broad international support, including co-sponsorship from 15 countries and the European Union. This demonstrated **Pacific leadership and elevated regional perspectives in global discussions on emerging integrity challenges**, including technology, artificial intelligence and corruption.

New Zealand also supports Transparency International chapters and partner organisations across the Pacific, including in Papua New Guinea, Solomon Islands and Vanuatu, as well as Integrity Fiji, which is expected to regain full accreditation in 2026. These organisations **promote transparency, accountability and public awareness**, with programmes tailored to local priorities and focused on strengthening civic participation and understanding of integrity issues. During the year, their **training and awareness activities reached 6,634 people, including 3,259 women**.

Enhancing access to justice in the Pacific

The Ministry works through the **Pacific Justice Sector Programme (PJSP)** to improve access to justice across the Pacific. The Ina'ilau workstream focuses on **strengthening justice outcomes for women and children in Kiribati, Palau, Solomon Islands, Tonga and Vanuatu**. A key priority is supporting local courts to be accessible, inclusive and trusted justice institutions, particularly in rural and remote communities where they are often the primary point of access to justice.

Through Ina'ilau, judicial leaders have been supported to strengthen the role of Island Courts, Local Courts and lay judicial systems within national justice frameworks—including improving court administration and oversight, promoting more equitable resource allocation, strengthening supervision arrangements, and encouraging inclusive recruitment practices. The Programme also delivered human rights training, developed bilingual guidance materials, and supported community outreach to increase public understanding of justice processes.

The Programme developed practical tools to support sustainable justice sector reform, including the Ten Minimum Standards for Island Courts in Vanuatu, a Code of Conduct for court clerks, Supervision Guidelines for magistrates, and a Workplan for Strengthening Local Courts in Solomon Islands. It also explored innovative approaches to service delivery, including assessing the potential use of drone technology to improve land case management. Together, these initiatives **support more accountable, accessible and effective local justice services**.

Targeted training and capacity-building activities in Kiribati, Solomon Islands and Vanuatu **strengthened the capability and confidence of judicial officers and court staff**. In Vanuatu, 37 participants, including 18 women, completed training workshops, while 53 participants, including 26 women, participated in training in Kiribati. Ongoing mentoring was also provided in Solomon Islands. Training focused on human rights, procedural fairness, court operations and gender inclusion, contributing to more consistent and equitable justice outcomes.

The Programme has delivered tangible improvements in the inclusiveness and effectiveness of local justice systems. In Vanuatu, the introduction of Minimum Standards and targeted recruitment initiatives resulted in near gender parity among Island Court Justices in Malo, Shepherds, Santo and Tongoa, where women previously had limited or no representation. The Programme has also strengthened judicial capability, improved coordination between formal and community-based justice systems, and enhanced regional collaboration through Te Kura PJSP, contributing to more accountable, accessible and people-centred justice systems across the Pacific.

Strengthening democratic institutions and electoral integrity

Strengthening democratic governance in Naoero

Naoero successfully conducted a peaceful and orderly national election in October 2025. In the lead-up to the election, the **Naoero Accountable and Inclusive Governance (NAIG) project** provided targeted technical assistance to the Naoero Electoral Commission, supporting electoral administration, implementation of recommendations from the Electoral Act review, and capacity building for election management. The project also identified opportunities to strengthen Naoero's electoral legislation and institutional arrangements. This support **enhanced the Commission's operational readiness and institutional capability, contributing to a more transparent, effective, and resilient electoral system.**

NAIG also supported broader governance reforms beyond the electoral process. With project assistance, Naoero developed its first digital Births, Deaths and Marriages system, **improving the accuracy, accessibility, and management of legal identity records and creating a foundation for future digital government services.** Naoero also completed its first comprehensive review of parliamentary Standing Orders since 1968, **modernising parliamentary procedures and strengthening legislative oversight.** This builds on previous support for Parliament's first Strategic Plan and Community Engagement Strategy, contributing to a more transparent, accountable, and responsive institution.

Strengthened institutional capability and public confidence in Vanuatu

The **Vanuatu Electoral Environment Project** has continued to strengthen electoral integrity, institutional capability, and public confidence in democratic processes. The project has supported the Vanuatu Electoral Office and Electoral Commission to successfully deliver national and subnational elections that have been **assessed as free, fair, and transparent, reinforcing public trust and strengthening electoral administration.**

Electoral integrity has been enhanced through improvements to voter registration systems, including the introduction of a digital national identity system. Civic participation has also increased through nationwide voter education campaigns delivered across multiple platforms and in local languages. These efforts contributed to **increased voter turnout, from 44 percent in the 2022 election to 50 percent in the 2024 referendum and 70 percent in the 2025 election.**

The project has also promoted more inclusive democratic participation. Initiatives such as the *Liftemap Fuja Gender and Inclusion Strategy* and the *She Can Lead* programme have supported women's leadership and participation in politics, while accessibility measures have improved opportunities for people with disabilities to participate in electoral processes. The programme also contributed to significant legislative reforms, including electoral legislation and constitutional amendments aimed at improving political stability and strengthening democratic governance.

Manaaki scholarship boosts Fiji capability in civic participation

Manaaki New Zealand Scholarships continue to build leadership capability and strengthen institutions across the Pacific. One example is Ravneel Chand, who completed a Master of Politics at the University of Otago under a Manaaki New Zealand Scholarship before returning to Fiji to apply his skills within the electoral sector.

Ravneel now serves as Manager Learning and Development at the Fijian Elections Office, where he leads electoral and operational training and voter education initiatives that support the delivery of transparent and effective elections. His interest in electoral participation was shaped by his work with persons with disabilities in Fiji, which highlighted the barriers some people face in exercising their democratic rights. *"While voting is often treated as a simple act, for many it can be a powerful moment of dignity and visibility."*

His master's research examined voter motivation among persons with disabilities in Fiji using talanoa, a Pacific research approach based on open and respectful dialogue. The research provided valuable insights into how trust, accessibility, and inclusion influence participation in democratic processes and highlighted opportunities to strengthen engagement with underrepresented groups.

In addition to his current role, Ravneel contributes to the Institute of Democracy and Electoral Education, supporting the long-term professionalisation of electoral management in Fiji. He is also exploring how Pacific approaches can be applied more systematically to strengthen communication and trust between electoral institutions and communities.

Through his scholarship experience and subsequent leadership role, Ravneel is helping to strengthen electoral capability and civic participation in Fiji, demonstrating the long-term impact of New Zealand's investment in education and leadership development across the Pacific.

Supporting peace and social cohesion in the Papua New Guinea Highlands

The **United Nations Highlands Joint Programme** brings together multiple UN agencies to deliver coordinated support that addresses the needs of communities across Papua New Guinea's Highlands region. During 2025–26, the Programme strengthened inclusive service delivery, protection systems, and community resilience through support to frontline service providers and community-based protection mechanisms. A key focus was improving availability and quality of data to inform policy and service delivery. Family Support Centres were supported to strengthen the ethical and safe collection of data relating to gender-based violence (GBV) and sorcery accusation-related violence (SARV), **helping to address critical information gaps and support evidence-based decision-making.**

The Programme also **improved access to legal identity services** by integrating birth registration into hospital services across the Highlands. This approach enables families to register births at the point of service, strengthening coordination between health and civil registration systems while improving access to official identity documentation. **More than 200 births were registered between August–December 2025.**

To strengthen protection outcomes for vulnerable children and families, child-friendly spaces were established in communities and markets located in areas at risk of conflict. These spaces **provide safe environments for children** and can serve as hubs for emergency service delivery, including psychosocial support, child protection services, GBV prevention and response, and safeguarding against sexual exploitation and abuse. The Programme also supported **development of Standard Operating Procedures for Child Protection Case Management and Positive Parenting for Child Development initiatives in Western Highlands Province.**

In Southern Highlands Province, community engagement activities promoted awareness of gender-based violence, sorcery accusation-related violence, and peaceful conflict resolution. Through community dialogues and “Sports for Peace” activities, **youth-led anti-SARV awareness campaigns reached more than 3,000 community members.** Youth leaders involved in the programme have become recognised advocates against SARV and have played an important role in **supporting community dialogue and de-escalating violence.**



Anti-SARV awareness march, Mendi, Papua New Guinea, November 2025. Credit: ©UNFPA

The Programme also strengthened community-level planning and resilience. Consultations involving 146 government and non-government stakeholders supported development of Community Peace and Development Plans and Community-based Disaster Risk Management Plans, helping communities and local institutions to better manage conflict, reduce disaster risks, and strengthen social cohesion. Together, these initiatives have **improved access to essential services, strengthened community protection systems, and enhanced local capacity to prevent and respond to violence, conflict, and disaster risks across Papua New Guinea's Highlands regions.**

Strengthening police capability in Tonga

The **Tonga–New Zealand Police Programme (TNZPP)** successfully completed its fourth year supporting Tonga Police with training, curriculum development, investigations, intelligence, and leadership development. During 2025–26, TNZPP supported the Tonga Police College to redesign Recruit Training Modules, helping to modernise police training and ensure it aligns with operational requirements. A key achievement was development and handover of the Non-Commissioned Officer (NCO) Development Programme, which provides structured leadership training for frontline supervisors. Strengthening supervisory capability is critical to building effective middle management, supporting high professional standards, and improving leadership of frontline policing teams.

A central focus has been supporting Tonga Police to assume greater ownership of Programme activities and capability development. This approach is helping to ensure that gains made through the partnership are sustainable and embedded within Tonga Police systems and structures. The handover of the NCO Development Programme demonstrates significant progress towards local ownership and leadership of police training. By **reducing reliance on external advisers and strengthening in-house training capability, the Programme is supporting a more capable, self-reliant, and sustainable police service.**

Eliminating Unexploded Ordnance in Iraq

Decades of conflict have left Iraq heavily contaminated by landmines, unexploded ordnance, and improvised explosive devices, posing ongoing risks to communities and hindering recovery. Since 2018, New Zealand has supported the **United Nations Mine Action Service (UNMAS)** in Iraq, contributing to sustained improvements in safety, recovery, and resilience through mine clearance, risk reduction, and capacity-building activities.

In 2025, with UNMAS support, national partners **cleared nearly 1.9 million square metres of contaminated land and safely disposed of almost 20,000 explosive items** in Ninewa Governorate. These efforts **enabled communities to safely resume farming and livestock activities, supported the restoration of electricity infrastructure, and improved access to essential services**. In Mosul, clearance of complex sites, including hospital compounds, allowed rehabilitation works to proceed, supporting the recovery of critical public infrastructure. In other areas, mine clearance enabled displaced families to return home and begin rebuilding their lives.

UNMAS also delivered explosive ordnance risk education to 22,190 people living in affected communities near ongoing clearance operations. These activities **increased awareness of explosive hazards, promoted safer behaviour, and reduced the risk of injury and death**.

A key focus of the programme has been strengthening national capability and ownership. Iraqi organisations played a leading role, with locally-led teams implementing clearance and risk management activities — demonstrating the effectiveness of nationally owned approaches. Training for government personnel, including hundreds of police officers acting as first responders, **strengthened the ability of national institutions to identify and respond to explosive threats, improving public safety outcomes**.

Together, these efforts removed physical hazards, restored access to land and services, supported economic recovery, enabled the return of displaced populations, and strengthened Iraq's capacity to manage explosive contamination.

Between 2018 and 2025, New Zealand provided approximately NZD\$8 million in support of mine action in Iraq, including NZD\$1.3 million channelled through the international NGO HALO Trust. This investment has contributed to significant progress in Iraq's ability to manage explosive hazards and support recovery, leaving national institutions better equipped to continue this work independently into the future.

Promoting and protecting the rights and wellbeing of women in Afghanistan

Since 2024, New Zealand has contributed to **UN Women's work to promote and protect the rights and wellbeing of women in Afghanistan**. Despite severe restrictions on women's participation in public life, evidence shows that programmes combining protection, livelihoods, and social support are improving women's safety, wellbeing, and ability to engage in their communities.

UN Women provides life-sustaining services through a network of community-based centres that serve as safe and accessible spaces for women and girls. These centres offer counselling, health support, education, vocational training, and protection services, helping women access assistance, rebuild social connections, and cope with trauma. Many women report that these services **reduce isolation, improve mental wellbeing, and strengthen resilience**. Increased demand for protection services between 2023 and 2024 highlights their importance to women and girls.

The programme also delivers economic benefits by helping women develop skills, establish small businesses, increase savings, and expand income-generating activities. Economic support such as microcredit, training, and savings groups **strengthens women's economic participation and decision-making within households**. At the same time, flexible funding and capacity-building support local civil society organisations to continue delivering assistance and advocating for women's rights.

UN Women also plays an important international advocacy and coordination role. Through systematic data collection and reporting, it provides one of the most credible evidence bases on the experiences of Afghan women and girls, **informing United Nations processes and international policy discussions**. The programme also strengthens gender integration across humanitarian responses, helping mobilise resources, improve access to services for women, and increase support for women-led organisations.

Overall, the programme is delivering tangible outcomes in a highly constrained environment. Women and girls are accessing essential services, improving their wellbeing, generating income, maintaining community networks, and contributing their perspectives to international discussions, while building greater resilience for the future.



Vegetable farmer and user of Proximity Designs' biological inputs sorts her healthy eggplant harvest in Myanmar's Dry Zone. Credit: Proximity Designs

Goal 2: A prosperous and resilient future

Strengthening the resilience of farmers in Myanmar

The **Myanmar Resilient Horticulture Programme** supports smallholder farmers to increase their incomes and resilience through improved farming technologies, sustainable agricultural practices, and advisory services. The programme is a partnership between New Zealand's Bioeconomy Science Institute Maiangi Taiao (BSI) and Proximity Designs, a Myanmar social enterprise working across the Central Dry Zone, southern Shan, and Ayeyarwady Delta regions. BSI provides technical expertise to support Proximity Designs development of biological farm inputs, micro-irrigation systems, and improved pest, disease, and soil management practices. The Programme also contributes funding for Proximity Designs' operations, including delivery of farm advisory services through extension workers, digital platforms, and agro-dealer networks.

During 2025–26, Proximity Designs delivered advisory services to over 186,000 farmers. **More than 47,000 farmers adopted agro-biological products, almost 50,000 adopted efficient irrigation systems, and over 104,000 adopted improved fertiliser, soil management, or integrated pest management practices.** Following the March 2025 earthquake in central Myanmar, over 10,000 farmers received Farmland Recovery Packages to restore soil fertility ahead of the planting season.

Farmers served by Proximity Designs **generated an estimated USD\$45 million in additional net farm income while adopting regenerative farming practices that improved soil health across more than 546,000 acres of farmland.** These gains have strengthened both livelihoods and resilience by reducing production costs, improving productivity, and supporting more sustainable land management.

Regenerative farming practices have helped vulnerable smallholder farmers to reduce their dependence on loans for farm inputs, increase crop yields, break a cycle of recurring debt and begin building savings.

Strengthening literacy outcomes across the Pacific

Recent Pacific Islands Literacy and Numeracy Assessment (PILNA) data collected from more than 10,000 students across Fiji, Tuvalu, and Vanuatu identified significant challenges in reading comprehension while providing valuable insights into specific areas where learners were struggling. This deeper analysis enabled education systems to move beyond measuring achievement levels and focus on addressing the underlying barriers to learning.

PILNA provides reliable, regionally comparable data on literacy and numeracy outcomes, helping Ministries of Education identify learning gaps, monitor trends, and target interventions more effectively. This evidence has informed policy decisions and classroom practice, enabling more strategic investments in teaching and learning. Through the **Pacific Community's Educational Quality and Assessment Programme (EQAP)**, countries are strengthening their ability to use data and evidence to improve education planning, policy, and delivery.

Students in Fiji, Tuvalu, and Vanuatu are demonstrating greater confidence in reading, participating more actively in classroom discussions, and showing stronger reading comprehension skills. Teachers report that students who were previously reluctant to engage in literacy activities are now participating more confidently, with improvements in both achievement and self-belief. These changes reflect the benefits of more targeted teaching approaches and evidence-based education policies.

Pacific education systems continue to face challenges associated with geographic isolation, resource constraints, and climate-related disruptions. Initiatives such as PILNA are helping countries build more responsive and evidence-based education systems, strengthening learning outcomes and supporting the development of the skills and capabilities needed for long-term social and economic resilience.



Students engaged in Literacy and Numeracy Testing in Fiji. Credit: SPC Education Quality and Assessment Programme

Strengthening Pacific Media

Pacific Cooperation Broadcasting Limited (PCBL) is an IDC-funded initiative that supports free-to-air broadcasters across the Pacific through the provision of New Zealand-produced content, support for locally produced programming, and professional development opportunities for media practitioners.

Media organisations across the Pacific operate in a challenging environment, facing declining advertising revenue, small audience markets, the costs of digital transformation, and technical capacity constraints. In some countries, there is increasing pressure on media freedom. Strengthening the capability and sustainability of Pacific media is therefore important for ensuring access to reliable information and supporting informed public participation.

In March 2025, journalists and broadcasters from **Tonga, Naoero, Vanuatu, Papua New Guinea, Fiji, Tuvalu, the Cook Islands, and Samoa** attended the biennial PCBL conference in Auckland. The conference provided opportunities for **professional development, networking, and knowledge sharing**, with participants hearing from a range of media sector experts and exchanging experiences and ideas with regional counterparts. Participants also **gained practical experience** through engagement opportunities, including a media question and answer session with Foreign Minister Winston Peters during an event announcing changes to Pacific immigration settings.

The conference concluded with participants attending Auckland's Pasifika Festival as accredited media. Covering one of the world's largest celebrations of Pacific cultures provided **valuable experience in reporting on a major international event** and expanded opportunities for professional development.

Independent and capable media play an important role in supporting transparency, accountability, and public access to information. Through PCBL, New Zealand is helping strengthen the capability, connectivity, and resilience of Pacific media organisations, supporting a well-informed public and contributing to democratic governance across the region.

Strengthening agricultural export growth in Tonga

The **Pacific Horticultural and Agricultural Market Access Plus (PHAMA Plus)** programme, funded by New Zealand and Australia, helps Pacific countries strengthen agricultural export pathways by addressing biosecurity, quality standards, and market access constraints. Across its lifetime, the programme has **supported improved livelihoods for approximately 320,000 households** and contributed to increased incomes, market access, and inclusive value chain development. In 2025–26, 44,685 people directly benefited from increased income.

In Tonga, PHAMA Plus supported a coordinated package of activities to strengthen the watermelon export sector. This included revitalising the Tonga Watermelon Export Taskforce, introducing export standard operating procedures, training farmers and biosecurity officers, upgrading packhouse and cold-chain infrastructure, and strengthening compliance and verification systems.

These interventions have delivered measurable results. Around 210 households are now engaged in export-focused watermelon production, contributing approximately 122 metric tonnes of exports annually. Export performance has increased significantly, with Tonga's largest exporter to New Zealand **doubling shipments from 180,000 kilograms to 360,000 kilograms over two years**. Farm productivity has also improved, with some growers **more than doubling yields through improved irrigation and farming practices**. Strengthened biosecurity systems have enhanced the sector's ability to manage risks and maintain access to key export markets.



Nishi Trading worker conducting post-harvest grading and inspection at Nishi's packhouse - a critical control point for quality, hygiene and export compliance. Credit: PHAMA Plus

The benefits extend beyond increased export volumes. Watermelon production is **providing a more reliable and higher-value source of income for rural households, improving financial stability and supporting livelihoods**. Improved coordination across the sector has reduced inefficiencies and enabled challenges to be addressed more quickly, while strengthened compliance systems have enhanced Tonga's reputation as a reliable trading partner.

By transforming a fragmented and high-risk value chain into a more coordinated and commercially viable export sector, PHAMA Plus is **strengthening rural incomes, supporting economic resilience, and creating opportunities for future growth in Tonga's horticultural exports**.

Supporting Samoa's response to a dengue outbreak

In 2025, Samoa experienced a major dengue outbreak that placed significant pressure on the national health system, particularly paediatric services, with children under 15 years disproportionately affected. In response to a request from the Government of Samoa, New Zealand delivered a coordinated package of clinical, logistical, and technical support in August 2025. This included deployment of a Forward Planning Team and a 14-member New Zealand Medical Assistance Team (NZMAT), later complemented by Australian personnel. The response provided surge staffing to key health facilities, particularly paediatric services, alongside essential medical supplies and remote public health and epidemiological support.

New Zealand's assistance **helped strengthen Samoa's health system capacity during the peak of the outbreak**. Additional clinical personnel supported hospitals to **manage increased patient demand and maintain delivery of essential healthcare services**. The provision of medicines and medical consumables helped address shortages and ensure continuity of treatment. The deployment also enabled Samoan health workers to re-focus on critical outbreak control activities, including surveillance, prevention, and community outreach.

The response **improved access to timely healthcare, particularly for vulnerable children, reduced the risk of severe health outcomes, and supported efforts to limit ongoing transmission**. New Zealand's support helped reinforce confidence in Samoa's health system during a period of heightened demand and contributed to a faster recovery from the outbreak. Samoan health authorities noted that the deployment of New Zealand and Australian medical personnel, together with the provision of essential medical supplies, played an important role in strengthening the national response.

Supporting infrastructure, livelihoods and economic development in Cook Islands and Samoa

The **Avarua Town Plan project (Te Tau Papa o Avarua)** is funded through the Cook Islands Infrastructure Trust Fund — established by New Zealand and the Cook Islands in 2019 to invest in infrastructure that delivers essential services and supports community wellbeing. Since its establishment, New Zealand has contributed \$76 million to the Trust Fund, supporting projects that enhance economic resilience, public infrastructure, and quality of life in the Cook Islands.

The first phase of Te Tau Papa o Avarua, officially opened in October 2025, delivered Te Tāpora Kai (an authentic farmers and crafts market), Are Kai Moana fish market, and Terevete public amenities block. These facilities **provide safe, accessible, and modern trading environments for local vendors, strengthen grassroots economic activity, and enhance the visitor experience** at the Punanga Nui Market.

The project also included significant civil and landscaping improvements, including new accessways, permeable parking areas, and pedestrian safety enhancements, improving accessibility and traffic flow throughout the precinct.



Official opening of Te Tau Papa o Avarua. Credit: Cook Islands Investment Cooperation

Te Tāpora Kai now accommodates up to 70 vendors on Saturdays, alongside approximately 150 existing stalls across the wider market. The upgraded facilities support small business growth, cultural exchange, and community connection, while creating a more attractive destination for residents and visitors. Construction was delivered entirely by Cook Islands businesses and workers, ensuring the economic benefits of the investment remained within the local economy.

In Samoa, the redevelopment of the **Savalalo Market on Apia's waterfront** was completed in early 2026, with the market

reopening in March. The rebuilt market restores an important economic and community asset lost in a 2016 fire and supports the livelihoods of local vendors while attracting both residents and tourists.

The project contributes to the wider revitalisation of Apia's waterfront and supports Samoa's economic recovery following the impacts of COVID-19. By creating employment opportunities, supporting local enterprise, and providing inclusive spaces for market vendors, the redevelopment is helping **strengthen tourism, private sector growth, and economic resilience**.

Vocational short-term training scholarships enhance heavy machinery capability in Niue

In August and September 2025, 35 public servants (34 men and one woman) from key Niue Government departments, including Transport, Utilities, and Environment, completed an eight-day Heavy Machinery and Vehicle Training programme in Niue. Funded through the Manaaki New Zealand Vocational Short-Term Training Scholarships programme, the training combined classroom-based learning at the University of the South Pacific Niue Campus with practical workplace assessments.

The programme **strengthened participants' safety awareness, equipment maintenance practices, and operational skills, achieving a 100 percent completion rate**. Participants received a completion certificate and equipment-specific Certificates of Competency from AllTrain NZ.

By strengthening the capability of government plant operators, the training **improved workforce skills in critical public service sectors while supporting safer and more effective operation of infrastructure and equipment**. The programme also created pathways for further professional development and certification, helping to build long-term technical capability within Niue's public sector.



A trainee from the Heavy Machinery and Vehicle Training receiving their completion certificate. Credit: MFAT

Strengthening access to inclusive reproductive health services

For women facing disability, stigma, or previous pregnancy loss, the quality of healthcare can be as important as access itself. When women are treated with dignity, provided with clear information, and supported to make informed choices, they are more likely to seek care and maintain positive health outcomes. Through support to **Marie Stopes Asia Pacific**, women in **Papua New Guinea and Timor-Leste** are accessing reproductive health services that are both accessible and responsive to their needs.



A Marie Stopes International worker funded through New Zealand's Sexual and Reproductive Health and Rights programme. Credit: Department of Health of the Autonomous Region of Bougainville (AROB)

In Papua New Guinea, a 25-year-old woman with a hearing impairment chose to travel past a closer clinic to access services at a Marie Stopes centre in Port Moresby because she believed she would receive more respectful and non-discriminatory care. There, she received tailored counselling and was able to select a contraceptive method that suited her circumstances. In Timor-Leste, a woman with a history of multiple miscarriages received counselling with her partner before choosing a contraceptive implant, enabling her to recover fully and plan future pregnancies more safely. She later shared information about family planning and healthy birth spacing within her community, helping raise awareness of reproductive health and maternal wellbeing.

These examples highlight the value of person-centred care in building trust in health services and supporting informed choice. By encouraging women to seek information and support without fear of judgement, Marie Stopes Asia Pacific is helping improve health outcomes for women, families, and communities.

New Zealand's regional support for sexual and reproductive health and rights (SRHR), delivered through the **United Nations Population Fund (UNFPA)** and the **International Planned Parenthood Federation (IPPF)**, is also strengthening reproductive health services across Naoero and the North Pacific.

In **Naoero**, the number of women using modern contraception increased from 318 to 385 in 2025. All supported facilities maintained a full range of contraceptive methods with no reported stockouts, while **family planning coverage increased by 62 percent** compared with 2024. Reliable supplies of maternal health medicines and trained health workers across all health facilities also contributed to **safer and more accessible services**.

In the **Republic of the Marshall Islands**, IPPF support enabled *Youth to Youth in Health* to restore and expand services in Majuro, delivering 1,224 sexual and reproductive health services to 200 clients and reaching more than 880 young people through outreach and education. UNFPA support ensured **consistent access to essential medicines and contraceptives**, with more than 1,000 women using modern contraception. The introduction of the self-injectable contraceptive DMPA-SC is expected to further improve access for women living in remote outer atolls.

In **Palau**, strong supply chain systems maintained the availability of a broad range of contraceptive methods and prevented stockouts. In the **Federated States of Micronesia**, demand continued to grow, with 2,746 women using modern contraception in 2025. Improved supply chain management and reporting have supported **reliable service delivery and expanded access to family planning options**.

Together, these investments are strengthening health systems, expanding access to quality reproductive health services, and enabling women and girls across the Pacific to make informed decisions about their health and wellbeing.

Faster access to measles vaccines is helping protect Pacific children during outbreaks

When measles risk increases, delays in vaccine access can leave children vulnerable and limit countries' ability to respond quickly. UNICEF is helping reduce this risk by ensuring Pacific countries can access measles vaccines rapidly, enabling timely action to protect communities from potential outbreaks.

UNICEF has established a **regional stockpile of 65,000 measles vaccine doses in Fiji**, reducing reliance on lengthy international procurement and shipping processes. In 2025, the stockpile supported catch-up immunisation activities in **Solomon Islands, Fiji, Tonga, and Kiribati**, helping health authorities address immunity gaps and reduce the risk of outbreaks.

This capability is particularly important in Pacific countries, where outbreaks, natural disasters, and transport disruptions can affect access to essential health services. Having vaccines available within the region enables ministries of health to respond quickly while maintaining routine immunisation services and avoiding the need to divert resources to emergency procurement.

The vaccine stockpile is complemented by broader support to strengthen immunisation systems across the Pacific. UNICEF has worked with countries to improve vaccine storage, cold-chain planning, and supply management, helping **ensure vaccines remain safe, available, and ready for use**. In 2025, workshops in Naoero and Vanuatu built on earlier work across the region, with 185 participants developing **country-specific actions to strengthen vaccine management, cold-chain systems, maintenance planning, standard operating procedures, and supply reliability**.

Together, these investments are improving regional preparedness for measles and other vaccine-preventable diseases. By strengthening immunisation systems and ensuring rapid access to vaccines, they are helping build more resilient health systems that can respond effectively to future outbreaks and other disruptions, while safeguarding the health of Pacific children and communities.

Strengthening women's leadership in Pacific sport

While female athletes have played a central role in many of the Pacific's greatest sporting achievements, opportunities to transition into leadership and governance roles after retirement remain limited. Barriers such as restricted access to leadership development and limited pathways into decision-making roles continue to constrain women's participation in sports administration and governance.

To help address these challenges, the New Zealand Olympic Committee launched the pilot **Wāhine Toa Oceania Leadership Programme** in 2025. The programme supports retired female Pacific athletes to transition into leadership and governance roles within sport. Participants included former Olympians, Paralympians, and Pacific and Commonwealth Games athletes from across the region. Adapted from a successful New Zealand model, the programme combines leadership training, mentoring, and practical project work, while fostering regional connections and collaboration across countries and sporting codes.

Seven participants from six Pacific countries completed the nine-month pilot programme. Early results demonstrate **increased leadership confidence and capability, with participants taking up new governance, advisory, and technical roles within sporting organisations**. Projects undertaken during the programme also contributed to organisational improvements, including the **development of safeguarding policies and strengthened governance practices in several countries**.

The programme has amplified athlete perspectives in sports governance and strengthened advocacy for women and girls in sport. It has also established a growing network of female leaders, creating a pipeline of future mentors, administrators, and decision-makers who will help shape a more inclusive and effective sporting sector across the Pacific.



Wāhine Toa Oceania participants at workshop in Fiji. Credit: New Zealand Olympic Committee

Supporting resilient agricultural systems in East and Southern Africa

Since 2023, New Zealand has been the largest donor to the **Ukama Ustawi** (Agriculture Diversification in East and Southern Africa) initiative, implemented by the Consultative Group for International Agricultural Research (CGIAR). The programme supports farmers, governments, agribusinesses, and communities to develop more resilient, productive, inclusive, and nutrition-sensitive agricultural systems across the region.

A significant achievement in 2025–26 was completion of the **Tanzania Seed Sector Development Strategy**, which provides a roadmap for strengthening Tanzania’s seed sector and supporting agricultural growth, climate resilience, and food security. Developed through a partnership between CGIAR and Tanzania’s Ministry of Agriculture, the Strategy is the country’s first comprehensive framework for improving seed availability, access, quality assurance, and the enabling environment for investment and innovation through to 2030. It includes ambitious targets, such as increasing the area planted with improved seed to six million hectares and expanding the national agro-dealer network from 3,000 to 12,000.

The programme also delivered results through outreach, innovation, and partnerships that support climate-smart agriculture and resilience. During the year approximately 9.9 million people benefited from the programme — with **New Zealand’s contribution supporting an estimated 4 million people**. Around 27 percent of beneficiaries were women, and approximately **90 percent benefited from increased resilience to climate change and environmental degradation**. Of this:

- more than 800,000 people in Zambia accessed agro-climatic advice through the Munda Makeover television series.
- a partnership with ZEP-RE (Africa Reinsurance) and ACRE Africa provided 200,000 insured smallholder farmers with climate-smart advisory services, strengthening climate risk management and resilience.
- publication of Ethiopia’s Public-Private Partnership Strategy strengthened pathways for attracting private investment in climate-smart agriculture and water management through structured public-private collaboration.

Together, these initiatives are helping strengthen food security, improve agricultural productivity, and build resilience to climate change across East and Southern Africa, while supporting more sustainable and inclusive economic development.

Strengthening community resilience through defence cooperation in the Cook Islands

Exercise Tropic Twilight 2025 demonstrated how defence cooperation can deliver practical development outcomes for Pacific communities. Undertaken by the New Zealand Defence Force (NZDF), the exercise brought together engineers from the New Zealand Army 25 Engineer Support Squadron, alongside medical, logistics, and trade personnel from Australia, Fiji, Tonga, and Vanuatu, to deliver infrastructure improvements on the island of Ma’uke in the Cook Islands.

The activity focused on **strengthening climate and disaster resilience through upgrades to critical community infrastructure**. Works included remediation of water bores, improvements to Ma’uke School, maintenance of the solar farm, upgrades to community halls, and enhancements to water collection and storage systems. Additional projects included improvements at the hospital, installation of a solar hot water system, furniture assembly, and further upgrades to solar and water infrastructure. The exercise was supported by the delivery of 44 tonnes of equipment and building supplies by air and sea.

The works delivered immediate benefits to Ma’uke’s approximately 240 residents. Improvements to bore pumps and water systems helped **secure a more reliable water supply**, while upgrades to the solar farm reduced overheating risks and supported **more reliable electricity generation**. At Apii Ma’uke, the island’s only school, infrastructure improvements **enhanced safety and accessibility for students and staff**.

The exercise strengthened essential services and community infrastructure, including water, energy, education, health, and community facilities. It also provided opportunities for knowledge sharing and skills exchange in areas such as plumbing, carpentry, and electrical trades. Beyond the infrastructure outcomes, the exercise strengthened regional partnerships and people-to-people connections, reinforcing New Zealand’s longstanding relationship with the Cook Islands and its commitment to supporting resilient Pacific communities.

Strengthening health services and infrastructure in Kiribati

New Zealand is making significant investments to improve health infrastructure and health outcomes across Kiribati. Through its partnership with the Kiribati Ministry of Health and Medical Services, New Zealand is supporting the construction of 25 public health clinics across the outer islands. During 2025–26, **five clinics were completed** in Tabiteuea South, Arorae, Kuria, Taboiaki (Nonouti), and Abatao (North Tarawa). Clinics in Tabiteuea South and Arorae are already operational, while the remaining facilities are expected to open following completion of staff accommodation and patient facilities. Once fully operational, these clinics will **improve access to primary healthcare and sexual and reproductive health services for more than 20,000 people living in outer island communities**.



Sexual Wellbeing Aotearoa clinicians delivering training to health workers in North Tarawa. Credit: Sexual Wellbeing Aotearoa

New Zealand also supports the Healthy Families Project, implemented by the Kiribati Healthy Families Association in partnership with Sexual Wellbeing Aotearoa. During the reporting period, the project continued to expand access to quality sexual and reproductive health services while strengthening partnerships with government agencies, traditional and church leaders, communities, and youth. These efforts have increased community ownership of sexual and reproductive health initiatives and sustained advocacy at both national and local levels. As a result, **uptake of contraceptive services has increased, alongside greater participation in sexual health and cervical cancer screening services in both South Tarawa and the outer islands**.

In 2025, the Ministry of Health and Medical Services, with support from New Zealand, Australia, the World Health Organization, and the Pacific Community (SPC), developed the

Kiribati Health Promotion Foundation Bill. The Bill reached its second reading in Parliament in April 2026 and provides a legal framework for establishing a Health Promotion Foundation, mandated to **mobilise, receive, and manage dedicated funding for health promotion and non-communicable disease prevention activities in Kiribati**.

New Zealand's support is also strengthening the health workforce. Five of the twelve trainees enrolled in the Medical Assistant training programme **successfully completed their studies**, with a further five expected to graduate in 2026.

Through UNICEF's First 1,000 Days programme, a Child Community Nursing Outreach Programme was piloted in Betio to improve maternal and child health services. The programme reached more than 9,600 people — around 56 percent of Betio's population — and enrolled 1,375 households in ongoing follow-up systems. It **directly supported 131 pregnant women and 1,164 children under five** through 409 outreach visits across 29 communities, delivering growth monitoring, nutrition counselling, immunisation follow-up, and maternal health services at household level.

Together, these investments are strengthening healthcare infrastructure, expanding access to essential services, building workforce capability, and improving health outcomes for communities across Kiribati.

Increasing disability-inclusive health and education services in Papua New Guinea

In 2025, New Zealand supported Christian Blind Mission (CBM) to improve **access to disability-inclusive health and education services in Papua New Guinea**, with a particular focus on women and girls in rural and underserved communities. In its first year, the programme exceeded expectations, reaching more than 36,500 people through integrated eye care, ear and hearing services, and rehabilitation support. Significant results were achieved, including **928 eye surgeries, large-scale screening and treatment activities, increased access to assistive devices, and improved access to inclusive education services for children with disabilities**. Women and girls represented nearly half of all beneficiaries reached.

A key achievement has been strengthening local systems to deliver services closer to communities. Health workers across provincial hospitals, church-run health facilities, and community clinics were trained and equipped to provide services ranging from basic screening to specialised treatment and surgery. This hub-and-spoke model has strengthened referral pathways and expanded access to care in remote areas.

By building local capability and increasing access to community-based services, the programme is improving health and education outcomes for people with disabilities while supporting greater inclusion, gender equality, and long-term system strengthening in Papua New Guinea.

Building resilient businesses across the Pacific

Business Link Pacific (BLP) is a key component of New Zealand's support for private sector development in the Pacific, helping strengthen the resilience, productivity, and prosperity of micro, small, and medium-sized enterprises (MSMEs). In 2025, New Zealand invested in BLP initiatives across **Fiji, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu** to improve access to business advisory services and affordable finance.

In **Vanuatu**, following the December 2024 earthquake in Port Vila, BLP partnered with the Vanuatu Chamber of Commerce and Industry to establish an earthquake recovery grant scheme to help businesses rebuild, restore operations, and strengthen resilience to future shocks. By January 2026, 26 grants had been paid out, with a further 24 in progress. The grants supported businesses across a range of sectors, including arts and crafts, cleaning services, and food production, **enabling many to reopen, retain staff, and resume income-generating activities**. By supporting business continuity and recovery, the initiative contributed to economic recovery and community resilience in an earthquake-affected area.



Vanuatu bakery owner standing next to her new stove bought with BLP grant funding. Credit: Business Link Pacific



Handover of a new delivery truck in Fiji. Photo credit: BLP Pacific

In **Fiji**, BLP's Co-Investment Fund supports business growth by matching private sector investment in expansion projects. One recipient, Dispatch & Delivery PTE Limited, used co-investment funding to purchase a delivery truck, significantly increasing its transport capacity. The investment enabled the company to **expand delivery services across the Navua–Nausori corridor and improve distribution of hardware supplies, including to the outer islands**. This has enhanced business efficiency, supported growth, and improved access to goods for communities and businesses.

In **Papua New Guinea**, BLP expanded services into Western Highlands Province, an area with historically limited access to formal business support. By improving access to business advisory services and finance, the programme has created new opportunities for enterprise development, employment, and income generation. During the year, BLP's partnerships with Kina Bank and Women's Micro Bank (Mama Bank) **enabled 149 MSMEs to access NZD\$3.6 million in loans**. BLP provided subsidised business advisory services to 54 businesses, more than half of which were women-led.

Through targeted support for business recovery, growth, and access to finance, BLP is helping build more resilient and inclusive local economies across the Pacific, supporting long-term economic development.

When Florence Bunari wanted to grow her tourism business and reach more international customers, support from Business Link Pacific (BLP) helped turn that ambition into reality. Florence owns Buna Treks and Tours, a Papua New Guinea tourism company that has grown from a family-run business into a limited liability company employing three permanent staff and more than 35 guides and porters on a casual basis. The company operates trekking experiences, including on the iconic Kokoda Trail.

Through Business Link Pacific, Florence completed a business health diagnostic assessment to identify priority areas for growth. With support from a BLP-funded business adviser, an advisory subsidy, and the Centre for Excellence in Financial Inclusion, Buna Treks and Tours developed its first business website, creating new opportunities to connect with international customers and expand its global reach.

Reflecting on the experience, Florence said the BLP subsidy made the investment affordable and helped the business take an important step towards achieving its growth goals. She also highlighted the value of the tailored advice she received, which helped her better understand business improvement priorities and the website development process. The new website has strengthened the company's ability to market its services internationally, supporting business growth in Papua New Guinea's tourism sector. The case demonstrates how targeted business advisory services can help Pacific entrepreneurs build capability, adopt new technologies, and access wider markets, creating employment opportunities and supporting local economic development.



Buna Treks and Tours, Papua New Guinea. Credit: Business Link Pacific

Improving school readiness in Timor-Leste

The **HANDS programme** (Halimar, Aprende no Descobre Susesu) is a Timor-Leste Ministry of Education initiative, supported by New Zealand, to improve access, equity, and quality in early childhood education (ECE). Since 2020, through the programme, **the number of ECE facilities has increased from 454 to 792**, with steady growth in enrolment. In 2025, the ECE Intensive Programme — a 15-week school readiness programme — supported 3,411 children across 121 centres, almost double the number of participating centres from 2024. This expansion is helping **improve school readiness, increase participation in formal education, and support better learning outcomes**.

Significant progress has also been made in the quality of teaching and learning. By 2025, all 765 permanent ECE teaching positions were filled. **95 percent of teachers were qualified, and more than 560 completed professional development training during the year**. This included 230 teachers who successfully completed online training through a new Blended Learning Programme, demonstrating the potential of scalable and cost-effective approaches to teacher development. Strengthening teacher capability is a key contributor to improved learning outcomes and supports more consistent quality across the education system.

The institutional foundations of the ECE sector were strengthened through implementation of the Pre-School National Systems Decree Law. The legislation establishes **minimum standards, clarifies municipal responsibilities, and formalises the National Base Curriculum**, recognising preschool education as a formal part of the education system for children aged three to five years. During the year, 337 public preschools were licensed, and 13 municipal preschool network plans were developed, providing a structured approach to planning, resource allocation, and expansion.

Complementing sector-wide reforms, the Lafaek Learning Media programme distributed curriculum-aligned magazines to schools and households nationwide. **Regular reading rates reached 96 percent among Grade 1 students and 92 percent among Grade 2 students**, exceeding the programme target of 75 percent for both boys and girls. Among surveyed parents, 97 percent reported using the magazines at home to support their children's learning.



Distribution of Lafaek magazines in Bobonaro, Timor-Leste. Credit: Lafaek Learning Media

New Zealand's long-term support for early childhood education in Timor-Leste demonstrates how coordinated investment in access, quality, and system strengthening can deliver lasting improvements in education outcomes. The results achieved in 2025–26 have strengthened teaching quality, expanded participation in early learning, and improved literacy development, helping lay the foundation for lifelong learning and development.

Cacao farming and agritourism improves livelihoods in Samoa

The **Improved Livelihoods Cocoa Samoa programme** supported development of premium cocoa production and agritourism on the island of Savai'i. By strengthening these complementary value chains, the programme aimed to increase rural incomes, create employment opportunities, and improve resilience to climate and economic shocks.

During the reporting period:

- **grower income increased from WST2,800 to WST8,070 per hectare**, driven by a 53 percent increase in productivity, value add through processing cocoa beans into cacao paste, and higher market prices beans.
- **international market visibility expanded** through access to European markets and participation in events such as the Pacific Cacao and Chocolate Show.
- **four export supply chains were established**, providing access to markets in Japan, Australia, New Zealand, and the United States.

The programme has strengthened the role of cocoa as an important source of income in Savai'i, with 81 percent of households now engaged in cocoa cultivation and 70 percent of beneficiary households' agricultural income derived from cocoa production. These achievements have strengthened Samoa's cocoa sector by improving productivity, increasing incomes, and expanding market opportunities. The programme has contributed to greater economic resilience, enhanced food security, and stronger rural livelihoods. With increased agricultural output now exceeding the programme's total investment of less than NZD\$1 million, and with sustainable practices and market partnerships in place, the programme has established a strong foundation for continued growth and long-term impact.

Youth-led pathways to employment and empowerment in Tonga and Solomon Islands

Young people who are not in education, employment or training (NEET) often face significant and persistent barriers to economic participation. Addressing these barriers requires integrated approaches that combine skills development, psychosocial support and clear pathways into employment.

Through its partnership with the Pacific Community (SPC), the **Pacific Youth Engagement, Empowerment and Economic Pathways (PYEEEP) programme** supports young people in Tonga and Solomon Islands to transition from training into employment and income-generating activities. In 2025, **88 participants completed accredited training programmes, with most progressing to internships, further education or paid employment opportunities.**

Early results indicate positive employment outcomes. Approximately **65 percent of graduates from earlier cohorts in Tonga and 44 percent in Solomon Islands are currently engaged in income-generating activities**, including formal employment, self-employment and seasonal work overseas. Employers report improved work readiness, confidence and professionalism among participants, and many continue to provide opportunities for graduates.

PYEEEP prioritises young people facing the greatest barriers to participation, including women, young mothers, rural youth and young people with disabilities. Its wrap-around support model provides transport assistance, childcare, mentoring and psychosocial support, helping to address practical and social constraints that can limit participation. The programme has achieved an **overall graduation rate of approximately 84 percent across cohorts**, demonstrating the value of sustained, targeted support in enabling engagement among those most at risk of exclusion.

The programme is delivering tangible social and economic benefits. **Graduates are contributing to household incomes, supporting education costs and reducing financial pressure on their families.** Participants have also reported **increased confidence and leadership capabilities, resulting in greater involvement in community activities and decision-making processes.** The programme is contributing to positive shifts in gender norms and strengthening recognition of young people as active contributors to economic and social development.

Early detection and prevention of cervical cancer in Niue

In April 2026, with support from the **Polynesian Health Corridors (PHC) programme**, Niue launched its first organised **national cervical screening programme**. This represents a significant public health milestone, strengthening the early detection and prevention of cervical cancer, complementing Niue's existing HPV immunisation programme and contributing to the World Health Organization's global strategy to eliminate cervical cancer.

Moving from opportunistic screening to an organised national programme ensures eligible women are offered screening at regular intervals, improving coverage, equity of access and health outcomes. For small island nations, organised prevention and early detection can reduce avoidable illness, decrease the need for complex overseas treatment and enable more efficient use of limited health resources.

Led by the Niue Department of Health, the programme introduces human papillomavirus (HPV) testing using a self-collection method. Women can choose to collect their own sample using a simple swab either at home or at the hospital, or have a sample collected by a health worker. Samples are tested locally in Niue using point-of-care technology, enabling faster diagnosis and timely follow-up care where required.

PHC support focused on workforce capability and programme readiness. In-country training was provided to nurses and medical officers to support implementation of the screening programme, including clinical education and service delivery preparation. A total of **33 health workers (27 women and 6 men) received cervical screening education and training.**

New Zealand also funded a **colposcopy bed to support specialist follow-up care**. This enables referred patients to be **examined in-country by a regularly visiting gynaecologist** funded through New Zealand's core and sector support programme, improving access to diagnostic services and reducing the need for overseas referrals.



Staff from PHC, the Kirby Institute and Niue's Department of Health celebrating the completion of the cervical cancer screening training. Credit: Niue Ffoo Hospital

Restoring eyesight in Solomon Islands

Delivering eye health services in Solomon Islands presents challenges common across many Pacific countries. Large portions of the population live in geographically remote areas, making access to health services, including eye care, difficult. Workforce shortages, limited health infrastructure and vulnerability to environmental shocks further constrain access to essential eye health services. Through its partnership with **The Fred Hollows Foundation NZ**, New Zealand supports development of resilient and sustainable eye health services across the Pacific.

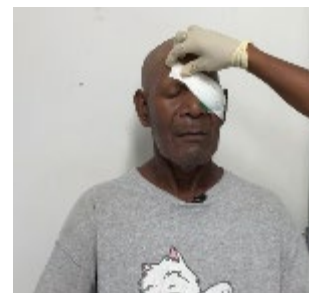
A key focus has been on developing the local eye health workforce and strengthening national eye care services. Solomon Islands **now has five resident eye doctors, three of whom are graduates supported by The Fred Hollows Foundation NZ. Of the country's 36 eye nurses, 32 have received Foundation-supported training.** The Foundation has also supported the **establishment of the Regional Eye Centre**, which provides specialist eye care services to patients from across Solomon Islands. The centre delivers a range of services, including sight-restoring cataract surgery, helping to reduce avoidable blindness and improve quality of life for people affected by vision impairment.

When Paul, a 62-year-old from Malaita Province in Solomon Islands, lost his sight due to cataracts, he was no longer able to work or carry out daily activities independently. For seven months, he was unable to see from either eye and relied heavily on his wife and children for support. Prior to losing his sight, Paul had spent almost 20 years operating a small business at a local market to provide for his family. Vision loss forced him to stop working, affecting both his independence and income.

After learning about the Regional Eye Centre in Honiara, Paul and his wife travelled from Malaita to access treatment. He underwent cataract surgery at the Centre and experienced an immediate improvement in vision when the bandages were removed following his first operation. Paul remained in Honiara for several weeks while medical staff monitored his recovery before undertaking surgery on his second eye. Following the successful completion of both procedures, his sight was restored and he is now preparing to return to work and resume supporting his family.



Paul, post-surgery. Credit: Fred Hollows Foundation



Reflecting on the impact of the treatment, Paul said: "I feel very happy. For seven months I couldn't see anything, but now I can see with both my eyes. What the Government of New Zealand did for us is very helpful. Thank you very much for helping the people of Solomon Islands."

Paul's experience illustrates the life-changing impact of accessible eye health services. Through support for The Fred Hollows Foundation NZ and the Regional Eye Centre, New Zealand is helping to restore sight, improve quality of life and strengthen access to essential eye care services for people across Solomon Islands.

Manaaki scholarships boost capability in health empowerment in Laos

Thepmala Sadettan of Lao PDR completed a Master of Public Management through a **Manaaki New Zealand Scholarship**. Following her studies, she returned to Lao PDR and joined the World Health Organization's Vaccine-Preventable Diseases Unit, where she **supports national immunisation programmes aimed at improving public health outcomes.** In her current role, Thepmala contributes to the nationwide HPV vaccination campaign, working with schools to increase vaccine coverage among adolescent girls and reduce the future burden of cervical cancer. She also supports routine childhood immunisation programmes, helping to deliver essential vaccines to children under five years of age, including in remote and underserved communities.

Thepmala's postgraduate studies focused on leading and managing change in public sector organisations, with a particular emphasis on health systems. The knowledge and skills she gained have supported her efforts to **strengthen**



Manaaki scholar, Thepmala Sadettan. Credit: New Zealand Ministry of Foreign Affairs and Trade.

health resilience in Lao PDR and promote improved health outcomes for women and girls. Reflecting on the value of the scholarship, Thepmala encourages others to apply: "*The scholarship will broaden your horizons, academically and professionally, and help you create positive change when you return to your home country.*"

Thepmala's experience demonstrates how Manaaki New Zealand Scholarships contribute to developing skilled professionals who are applying their expertise to address national development priorities and improve the wellbeing of their communities.

Building infrastructure capability in Kiribati

Prior to the **Kiribati Utilities Reform Programme (KURP)**, Bauro Mikaere and his colleagues in the Kiribati Public Utilities Board faced ongoing challenges associated with ageing infrastructure. Equipment failures and power outages regularly disrupted electricity services for the approximately 70,000 residents of South Tarawa. They had limited technical capability, few formal systems or procedures, and relied heavily on international funding and technical assistance to undertake complex work. Reflecting on this, Bauro recalls: *"We were under a lot of pressure. We didn't have the systems or confidence to handle many of the technical challenges ourselves."*

KURP was established to improve the reliability and efficiency of electricity services through infrastructure upgrades, replacement of ageing equipment, and the introduction of modern technology. A key feature of the programme was its investment in workforce development, including extensive training and capability building for local staff. The introduction of Standard Operating Procedures (SOPs) brought **greater consistency and professionalism to operations**. Combined with technical training and upgraded infrastructure, these changes **enabled staff not only to use modern equipment but also to operate and maintain it independently**.



The new Betio powerhouse, constructed by the Public Utilities Board, with NZ-funded generator units in the foreground.
Credit: Kiribati Public Utilities Board

A significant achievement was the increased capability and confidence of the workforce. For Bauro and his team, a defining moment came during installation of new powerhouse equipment. Rather than relying on external contractors, the team took the lead in carrying out installation and calibration work themselves. As Bauro explained: *"This was something we couldn't do before. It saved time, reduced costs, and showed us what we are capable of."*

The benefits of the programme became evident through **improved service reliability and stronger organisational capability**. **Power outages declined, operational performance improved, and staff developed the technical skills and confidence required to manage increasingly complex responsibilities**. **Reliance on external technical assistance also reduced significantly**.

Beyond the technical improvements, KURP helped foster a stronger culture of collaboration and continuous learning. *"We support each other more now,"* Bauro said. *"We share knowledge and continue learning together as a team."*

Today, the systems and practices introduced through KURP remain embedded in daily operations. Staff follow structured procedures, apply improved safety practices, and approach their work with greater professionalism and confidence. The organisation is better equipped to operate and maintain critical infrastructure independently, reflecting the lasting impact of investments in both systems and people.

Looking back on the programme, Bauro reflected on its contribution to the organisation and its staff: *"KURP has made a real difference in our lives and our work. It has helped us grow as professionals and as a team. Because of MFAT support, we are stronger, more capable, and ready for the future."*

Strengthening livelihoods and improving nutrition in the ASEAN region

New Zealand's partnership with the NGO **SurfAid** strengthened agricultural livelihoods and improved nutrition outcomes in remote communities in eastern Indonesia. Through the **Nusa Tani** programme, 19,202 people benefited from integrated interventions focused on nutrition-sensitive agricultural production and income generation, improved health and nutrition practices for mothers and young children, and increased women's access to resources and participation in decision-making. Key achievements during 2025 included:

- **improved child nutrition outcomes**, with the prevalence of stunting among children under five decreasing from 17 percent to 13 percent, and the prevalence of wasting decreasing from 8.5 percent to 6.5 percent.
- **increased adoption of sustainable farming practices** by participating households.
- **greater participation by women in household financial and agricultural decision-making**. The proportion of women contributing to decisions about the sale of harvests increased from 66 percent in 2024 to 85 percent in 2025, strengthening their confidence, agency and economic participation.

Together, these outcomes have contributed to more resilient farming systems, improved household wellbeing and greater economic empowerment for women in participating communities.

Enhancing food security and resilience in East Africa

The **Farm to Market Alliance (FtMA)** initiative is improving livelihoods and strengthening food systems for smallholder farmers in **Rwanda, Kenya and Tanzania**. By increasing the commercial viability of agricultural value chains, the initiative helps farmers improve market access, increase productivity and generate higher incomes, contributing to greater food security and resilience in rural communities. A cornerstone of the initiative is its network of Farmer Service Centres that provide access to trained model farmers and local hubs offering technical advice, market information, financial services and agricultural inputs. Through these Centres, farmers receive training in climate-smart agricultural practices, helping to improve crop yields and strengthen connections to markets.

The initiative has also expanded opportunities for women and young people. Through linkages with complementary programmes, including the FtMA Youth in Work initiative in Kenya, **participation by youth in agricultural value chains has increased, alongside greater inclusion of women and other underrepresented groups.**



Hannah Karanja practices and trains farmers on conservation agriculture as a sustainable practice for improved livelihoods.
Credit: WFP/FtMA by Speakout Media, Leonard Odini

By the end of 2025, **3,189 Farmer Service Centres were supporting 700,936 smallholder farmers across the three countries.** Evidence indicates that participating farmers are achieving stronger outcomes than non-participating farmers, demonstrating progress towards national and local food security, economic development and climate resilience objectives. Key results achieved between 2023 and 2025 include:

- **68 percent increase in volume of crops marketed through participating farmers** from 136,909 tonnes to 229,471 tonnes.
- 81 percent of farmers reported positive changes after adopting improved post-harvest handling and storage practices, **reducing losses and increasing the value of produce sold.**
- **Increased proportion of women, youth and marginalised groups reporting high levels of participation and growth from FtMA-supported value chains**, from 38 percent in 2024 to 45 percent in 2025.
- **Increased proportion of affiliated farmers reporting more knowledge and skills in business management, financial literacy, marketing, climate-smart agriculture and crop selection**, from 55 percent to 90 percent.

These results highlight the contribution of the Farm to Market Alliance to stronger agricultural productivity, enhanced market participation and more inclusive, climate-resilient food systems across East Africa.

Building skills for life beyond seasonal work

The **RSE Worker Training Programme** equips Pacific seasonal workers with practical skills to maximise the benefits of employment in New Zealand and support successful reintegration when they return home. Delivered in partnership with the Eastern Institute of Technology (EIT), the programme entered a new phase in 2025 with the launch of **NOA – Village of Learning**. Grounded in a Pacific framework, NOA emphasises cultural relevance, responsiveness to partner country priorities, and clear pathways from learning to employment, entrepreneurship and livelihood opportunities.

NOA delivers training through two complementary streams. *NIU – Planting the Seed* provides accessible learning modules that help workers prepare for a safe and successful experience in New Zealand. Participants can gain nationally recognised qualifications, strengthening their future employment prospects. *Mānava Learning* focuses on reintegration outcomes, offering vocational and life-skills training in areas such as small engine maintenance, construction, plumbing, business development and financial literacy through the Money Mastery course.

In its first year, NOA demonstrated strong uptake and reach. **More than 1,700 Recognised Seasonal Employer (RSE) workers completed 110 courses** across Hawke's Bay, Bay of Plenty, Nelson Marlborough, Central Otago, Auckland and Northland. Early results indicate **high levels of participant satisfaction, increased confidence in financial management, and greater preparedness for life and work after returning home.** Many participants reported plans to establish small businesses or apply newly acquired technical skills in their home countries.

The programme's tailored delivery model, which matches facilitators and participants based on language, culture and lived experience, has contributed to strong engagement and completion rates. With more than 15,000 Pacific workers participating in the RSE scheme annually, the programme extends the benefits of seasonal employment beyond short-term income generation. By building transferable skills, strengthening financial capability and supporting pathways into employment and entrepreneurship, it is contributing to improved livelihoods, greater economic resilience and sustainable development outcomes across the Pacific.

Transforming smallholder livelihoods in Timor-Leste

New Zealand has supported the **Raising Incomes through Sustainable Export Agriculture (RISE)** programme since 2021 – improving smallholder livelihoods in Timor-Leste through agricultural rehabilitation, diversification and market access delivered in partnership with Cooperativa Café Timor (CCT). **By December 2025, RISE had reached more than 18,000 farmers, benefiting over 77,000 family members and dependants, and improved at least 2,100 hectares of farmland.**

The programme combines practical on-farm support with access to reliable markets. Farmers have rehabilitated low-productivity coffee trees, adopted climate-smart practices such as shade management and composting, and diversified into higher-value crops including cocoa, vanilla, cloves and pepper. The programme has also supported farmers through provision of tools, seedlings and extension services, alongside complementary health initiatives that contribute to household wellbeing. Improved farm management and rehabilitation have **increased coffee yields**, with further gains expected as trees mature. Higher productivity strengthens economic returns without expanding cultivated land, supporting both livelihoods and environmental sustainability.

The programme has also delivered **significant income gains**. In 2025, **farmers received USD\$7.85 million in payments for nearly 9,000 tonnes of produce**, including coffee, cocoa, vanilla, pepper and cloves—the highest revenues reported by CCT in three decades. **Average household income from coffee increased by 123 percent, from USD\$260 in 2021 to USD\$579 in 2025. These gains have strengthened household economic security and enabled greater investment in food, education and healthcare.**

A key strength of RISE is its market-linked approach. By maintaining reliable purchasing arrangements, CCT ensured farmers could continue selling their produce even when other buyers exited the market, helping to stabilise incomes in remote rural areas. The programme is also strengthening long-term resilience through crop diversification, which is emerging as an important secondary source of income. In a context where climate shocks and fluctuating commodity prices regularly affect rural livelihoods, RISE demonstrates how integrated support — combining agronomic improvement, diversification and market access — can increase incomes while laying the foundation for more resilient and sustainable rural growth.

Strengthening inclusive education in Tonga through partnership and system leadership

The **Tupu/Tubu Programme** is delivered in partnership with the University of the South Pacific to support teachers, school leaders and communities across **Tonga, Cook Islands, Fiji and Vanuatu** to create more inclusive learning environments. The programme aims to ensure all students can participate equitably in education and learn according to their individual needs.

In Tonga, a key focus has been strengthening teacher capability and supporting practical implementation of inclusive education. Over the past two years, **820 teachers, school leaders and education officials have participated in professional learning programmes and workshops to better identify diverse learner needs and apply appropriate support strategies in the classroom.**

The programme also builds collaboration between schools and families, **helping to improve participation of children who may otherwise face barriers to education.** Schools have reported instances of children enrolling or returning to school because of greater confidence among parents that their child's needs will be supported. One school principal described how a child was enrolled after their mother was encouraged by the school's strong reputation for inclusion.

Tupu/Tubu is implemented in close partnership with the Tonga Ministry of Education and Training's Inclusive Education team, ensuring activities align with national priorities and are embedded within existing systems. The programme also supports schools to incorporate inclusive education into their planning, translating inclusive education principles into practical actions at the school level.

The Tonga experience demonstrates how strong government partnership, teacher development and community engagement can create more inclusive school environments. By embedding inclusive education within national systems and school planning processes, Tupu/Tubu contributes to sustainable improvements in participation, belonging and learning outcomes for all children.



Educators engaging in inclusive education practice in Nuku'alofa Tonga.
Credit: MFAT



Distribution of Sawyer bucket water filters at Tabwakea village, Kiritimati Island, have improved access to safe drinking water. Credit: MFAT

Goal 3: A sustainable future

Extending access to safe and secure drinking water on Kiritimati Island

Kiribati faces significant water security challenges due to its limited freshwater resources. Most of the country's water supply is sourced from shallow groundwater reserves that are highly vulnerable to saltwater intrusion and contamination. Rising sea levels, population growth and inadequate infrastructure further reduce water quality and availability.

To address these challenges, the Pacific Community (SPC), in partnership with Kiribati's Ministry for Line and Phoenix Islands Development, is implementing a project to **improve water security on Kiritimati Island**. The project is strengthening water supply and reticulation infrastructure, expanding access to safe drinking water, and building institutional capacity for sustainable water resource management.

The project has delivered **substantial improvements in household water security**. More than 1,500 Sawyer bucket water filters have been distributed, and **over 90 percent of households, schools, health facilities, government offices and tourism operators now have access to safe drinking water**. Communities have reported **significant reductions in diarrheal disease and other water-borne illnesses, while the time spent treating water has decreased by 65 percent**. These time savings have particularly benefited women, who are typically responsible for household water management.

Women's leadership has been a key feature of the programme. Fifteen women from the Nei Baneawa and Itoingaina groups have been trained and engaged as Community WASH and Energy Champions, supporting household water security and water quality initiatives. The champions lead filter training, community outreach, household support, monitoring activities and public awareness campaigns.

The programme has also **strengthened women's participation in community decision-making and service delivery**. Women's leadership has been formalised through paid roles in filter distribution and monitoring, active participation in governance processes, and targeted support for vulnerable households, including people with disabilities. These approaches are helping to improve access to safe water while strengthening community ownership and the sustainability of water services on Kiritimati Island.

Safeguarding vulnerable coastal communities in Samoa

The **Climate Finance Partnership Arrangement** between the Governments of Samoa and New Zealand demonstrates a strong commitment to safeguarding vulnerable coastal communities from the impacts of climate change. Through targeted financing and technical collaboration, the partnership is helping Samoa respond to rising sea levels, coastal erosion and increasingly severe weather events that threaten communities, infrastructure and livelihoods.

A significant achievement under the partnership has been **construction of the Lau'i'i seawall**. The project was prioritised due to extensive coastal erosion and the community's exposure to coastal hazards. It was delivered through a coordinated effort involving Samoa's Ministry of Natural Resources and Environment (MNRE), Ministry of Works, Transport and Infrastructure, and Samoa Tourism Authority, reflecting a collaborative and evidence-based approach to climate adaptation.

The Lau'i'i seawall has **delivered immediate benefits by stabilising the coastline and reducing the impact of waves and storm surges**. Homes, community infrastructure and key transport links are now better protected from further erosion and coastal flooding. The project has **strengthened community resilience, reduced the risk of displacement and helped safeguard livelihoods. It has also improved the reliability of access routes that are critical for emergency response and economic activity**.



Newly constructed Lau'i'i seawall, Samoa. Credit: MNRE

Building on this success, the partnership is supporting additional coastal protection works in Fasito'o Uta, Satupaitea, Manase and Saipipi, including seawalls, rock walls and beach replenishment measures designed to address local conditions and risks. By investing in critical infrastructure and strengthening technical capability, the partnership is enhancing the long-term resilience of Samoa's coastal communities. It demonstrates how targeted climate finance can reduce climate-related risks, support sustainable development and strengthen the resilience of communities most exposed to the impacts of climate change.

Water catchment support for communities

A two-year project delivered by UNICEF Aotearoa, UNICEF Timor-Leste and local partner PERMATIL is improving community water security in Timor-Leste through the development of community-based water catchments. The project supports 9,177 people across 25 communities in the Aileu and Dili municipalities by helping communities retain and manage water during dry periods.

The initiative combines community consultation, local capacity building and practical conservation measures. Working closely with local authorities, the project has trained community facilitators and mobilised volunteers to construct water retention structures, including terraces and ponds. This community-led approach has **strengthened technical skills, built local ownership and increased confidence in managing water resources, resulting in improved access to water and stronger stewardship of the local environment**.

Communities report that nature-based water conservation measures have **reduced erosion and improved the reliability of local water sources during both heavy rainfall and dry periods**. The success of these activities has

encouraged neighbouring communities to adopt similar approaches. For example, Lismori sub-village implemented water conservation measures after observing the positive results. According to Ms Livia Mendonca, a youth community facilitator in Lismori, the water retention structures are creating opportunities to improve local livelihoods by increasing the availability of productive land for crops such as pineapple, taro and corn. *"Having a more stable water supply will support food security and generate additional income for farming families. If we can increase food production in the community, our people will have better nutrition, improved health, and greater financial stability."*



UNICEF staff hearing from Ms. Livia Mendonca, one of the community facilitators in Lismori sub-village. Credit: UNICEF Timor-Leste

The project demonstrates how community-led climate adaptation can strengthen resilience by combining traditional land stewardship knowledge with modern conservation practices. Improved water access, reduced environmental risks and enhanced livelihood opportunities are contributing to stronger community resilience. Active participation by young people, together with strong support from community elders, has also strengthened intergenerational knowledge sharing, social cohesion and shared responsibility for environmental protection.

Support for Niue's marine protection efforts

In 2025, New Zealand hosted a **Niue Ocean Wide (NOW)** delegation, made up of Resource Management Advisory Council representatives from Niue's 14 villages. The Ministry and other New Zealand government agencies including the Ministry for Primary Industries (MPI) and the Department of Conservation (DOC), worked alongside iwi representatives, non-government organisations, philanthropic partners, and community leaders to provide an overview of New Zealand's approaches to marine resource management and conservation.

During the visit, **delegates engaged with iwi leaders, scientists, business owners, and government agencies to learn about sustainable development and natural resource management practices.** Key sites visited included Te Hāwera-a-Maki/Goat Island,

where delegates explored the long-term benefits of marine protection; Tiritiri Matangi, which demonstrated predator-free conservation initiatives; and Waiheke Island, where species-focused rāhui are supporting ecological restoration. Delegates also visited Māori-led enterprises in Taupō and Rotorua that integrate environmental stewardship, education, and tourism.

These experiences provided opportunities for participants to reflect on how similar approaches could be adapted to support community-led resource management in Niue.

Through support from the Ocean Conservation Commitments initiative — an innovative financing mechanism that contributes to the protection of one square kilometre of Niue's ocean for 20 years — the NOW Trust continues to play a key role in advancing conservation outcomes within Moana Mahu, Niue's marine protected area. Trust-funded initiatives include community-led resource management across villages, as well as activities that strengthen climate resilience and support sustainable development.



NOW delegation visit to Goat Island Marine Discovery Centre. Credit: MFAT

Climate Resilient Islands in Papua New Guinea programme

The impacts of climate change pose significant risks to food security, coastal protection, and livelihoods in Papua New Guinea. **Climate Resilient Islands**, implemented by Live & Learn Environment Education, strengthens local knowledge and capacity to support more sustainable, equitable, and climate-resilient communities. During 2025–26, the programme achieved the following results:

- In partnership with the Red Cross, **disaster risk management training was delivered to eight communities.** Participants developed skills in hazard and vulnerability assessment, risk prioritisation, disaster preparedness planning, location-specific risk mapping, and community SWOT analysis. **Each community also received a disaster preparedness kit.**
- Support for communities in Limbin focused on **strengthening coffee production.** A technical assessment identified opportunities to relocate coffee plantations closer to homes to **improve accessibility and management.** Plans were developed to integrate coffee crops with fruit trees near taro fields, **helping to improve productivity and land use efficiency.**
- In Marai and Nokon (New Ireland Province), communities worked with Live & Learn PNG, Ailan Awareness, and local government partners to **restore mangrove and coral reef ecosystems.** These ecosystems play a vital role in supporting food security, protecting coastlines, and providing resources for daily living. Communities also **introduced traditional fishing restrictions to support the recovery of fish stocks and began developing alternative protein initiatives, including poultry projects, to reduce pressure on marine resources.**



Mangrove nursery for restoration work in Marai Village, Papua New Guinea. Credit: Live & Learn Papua New Guinea.

Manaaki scholarships boost capability in environmental sustainability

Nida Nafila, an environmental engineer from Indonesia, completed a Master of Water Science and Management through New Zealand's **Manaaki Scholarship Programme**. The scholarship equipped her with advanced technical expertise and new perspectives that have **strengthened her contribution to water and environmental management in Indonesia**.

Growing up near the Ciliwung River in Jakarta, Nida witnessed the impacts of flooding, water pollution, and poor waste management firsthand. These experiences inspired her commitment to improving environmental and water systems outcomes and motivated her to deepen her knowledge and skills. Following her return to Indonesia, Nida founded Generasi Ciliwung (Gen-C), a community-led river education initiative that works with young people living along the Ciliwung River. Drawing on knowledge gained through her studies, Nida **uses science-based learning, storytelling, and environmental activities to build awareness of water stewardship and environmental protection**.



Nida Nafila conducting a Generasi-Ciliwung workshop for children and women in the region.
Credit: Nida Nafila

Gen-C also promotes sustainable menstrual products and supports education on women's reproductive health. Through practical, community-based workshops, the initiative works with children and women in vulnerable and flood-prone communities. Participants learn how to make reusable sanitary pads from locally available natural materials, helping to **reduce waste and prevent single-use products from entering river systems**.

Nida credits her Manaaki Scholarship with helping her create lasting impact in her community. Reflecting on her experience, she said: *"The scholarship reminds me that support given to one person can create wider impact when that person returns home and shares it with others. For that I will always be grateful."*

Sustainable coastal fisheries and aquaculture

Coastal fisheries and aquaculture play a vital role in food security and economic resilience across Pacific Island countries and territories, providing 50–90 percent of dietary protein and generating income for many households. Through the **Sustainable Coastal Fisheries and Aquaculture (SCoFA) project**, the Pacific Community (SPC) is supporting Pacific Island governments and communities to strengthen local and national capacity and promote a coordinated regional approach to the **sustainable management and development of coastal fisheries and aquaculture**. In the fisheries sector, support focuses on strengthening legislation, developing fisheries management plans, improving compliance, and advancing community-based fisheries management. In aquaculture, the project supports production through improved biosecurity, mentoring, technical assistance, and the transfer of technology and knowledge to communities.

The project has delivered new training courses on fisheries legislation, compliance, and fisheries management planning, alongside the development of educational resources. Across the Pacific, **at least 10 legislative and regulatory instruments have been developed or updated to strengthen the sustainable management of coastal resources**. The **Pacific Regional Aquaculture Strategy** has been completed, and the **Pacific Regional Framework on Aquatic Biosecurity** has been updated. Training programmes and grants have **supported communities to cultivate and market traditional aquaculture species**, including tilapia, giant clams, and sea cucumbers.

The project is also investigating opportunities to diversify Pacific aquaculture through the **development of new species**, including freshwater eels, pearl oysters, mangrove oysters, freshwater prawns, sea cucumbers, and marine finfish. This work has the **potential to create new economic opportunities, strengthen food security, and increase the resilience of Pacific communities to future environmental and economic pressures**.

Strengthening water security and resilience in Tokelau and Naoero



Water quality testing in Tokelau.
Credit: Tokelau EDNRE

Tokelau and Naoero are two Pacific atoll nations participating in the **Pacific Partnership for Atoll Water Security**. Funded by New Zealand and delivered through the Pacific Community (SPC), the programme supports governments and communities to strengthen water security and build resilience to drought and climate change.

In Tokelau, the multi-year programme is led by the Department of Economic Development, Natural Resources and Environment (EDNRE). It focuses on upgrading and repairing water infrastructure, improving water quality monitoring, strengthening local technical capacity, and promoting sustainable water management practices. During 2025–26, activities included repairing leaking household and community water tanks across Fakaofu, Nukunonu, and Atafu; maintaining rainwater harvesting systems; and rehabilitating damaged spouting and catchment infrastructure. A major initiative, Operation Raindrop, mobilised trained teams to repair 193 household water systems and community tanks. This included cleaning, sealing, and recoating concrete tanks to reduce leakage and extend their lifespan. As a result, **communities gained an additional 520,000 litres of water storage capacity**.

Tokelau also introduced water quality testing programmes, installed filtration systems, and trained local staff and communities in safe drinking water management and water conservation. These efforts have **reduced water loss, increased the reliability of water supplies during dry periods, and improved access to safe drinking water**. Water quality monitoring has helped identify contamination risks, contributing to **improved public health**

outcomes, while capacity-building initiatives have enabled local technicians and community members to maintain water systems independently, **supporting long-term sustainability**.

In early 2026, 10 Tokelauan water technicians received hands-on training in polyethylene (PE) tank repair, equipping them with the skills and tools needed to repair damaged tanks and train others in their communities. More than 60 leaking PE tanks have already been identified for repair. For Tokelau's remote communities, where rainwater is the primary source of freshwater, these investments have **strengthened drought resilience, improved water security, and supported more sustainable, locally managed water systems**.

In Naoero, the programme is led by the Department of Climate Change and National Resilience (DCCNR). Activities focus on repairing and upgrading rainwater harvesting infrastructure, improving water monitoring systems, and strengthening community capacity for sustainable water management. Across all 14 districts, the programme is repairing leaking tanks and concrete cisterns, installing and rehabilitating gutters and downpipes to improve rainwater capture, and connecting harvesting systems to existing storage infrastructure. Additional support includes water quality testing, drought preparedness initiatives, training in system maintenance and water management, and water, sanitation and hygiene (WaSH) activities.

The programme has **increased accessible drinking water storage by approximately 300,000 litres**, significantly improving water availability for households. Repairs to tanks and rainwater harvesting systems have **reduced leakage, improved system efficiency, and enabled households to capture and store more rainwater for use during drought periods**. These improvements have **increased the reliability of water supplies while extending the lifespan of critical infrastructure**.

Training in water quality testing, system maintenance, and drought management has strengthened technical capability within the DCCNR, public health agencies, and local communities. This has supported **more coordinated, evidence-based decision-making** and helped ensure that water systems can be maintained locally beyond the life of the programme.

For Naoero, where freshwater resources are limited and climate variability is high, these outcomes are significant. Strengthened rainwater harvesting systems have **improved household resilience, reduced reliance on external water supplies, and contributed to better health outcomes**. By building local capability and strengthening water infrastructure, the programme is supporting a **more sustainable and resilient water future for Naoero**.



Water technicians from across Tokelau's three atolls training in repair of PE water tanks. Credit: SPC

Securing Tonga's soil for generations

Soil is a finite and non-renewable resource in Tonga, underpinning food security, livelihoods, water quality, climate resilience, and cultural identity. However, increasing population pressure, agricultural intensification, mechanisation, and geological and climate-related shocks — including the 2022 Hunga Tonga-Hunga Ha'apai volcanic eruption and tsunami — have contributed to declining soil health and fertility across the country. In the absence of long-term management goals and a shared understanding of soil condition and trends, farmers face pressure to prioritise short-term productivity, leading to practices such as excessive fertiliser use, reduced fallow periods, and abandonment of degraded land. These pressures accelerate soil degradation and threaten the long-term sustainability of agricultural production.

Through the **Climate Smart Agriculture and Sustainable Land Management (CALM) project**, long-standing national, regional, and international partnerships have transformed decades of scientific research and local experience into a coherent national framework for soil security. The project supported applied soil research, post-disaster reassessment of legacy and new soil monitoring sites, capacity building within Tongan institutions, and the co-development of the **Kingdom of Tonga National Soil Strategy, which was formally launched in March 2026.**

The Strategy is the product of collaboration between Tonga's Ministry of Agriculture, Food and Forests (MAFF), national non-governmental organisations, educational institutions, regional organisations, and scientific partners from Australia and New Zealand. It was developed under the leadership of Tongan soil scientists and policymakers, ensuring national ownership and relevance.

Tonga's first National Soil Strategy provides a clear roadmap for reversing soil degradation and safeguarding soil health for future generations. Grounded in Tongan values of stewardship and land inheritance, the Strategy promotes sustainable soil management practices, strengthened national capability, supportive policies and guidance, and robust monitoring and evaluation systems. It recognises soil as a living system and encourages practices such as improved fallow management, cover cropping, reduced soil disturbance, balanced nutrient management, and restoration of soil organic carbon.

Importantly, the Strategy responds to Tonga's unique land tenure context by establishing a shared evidence base to support sustainable land management decisions. This helps align the interests of landowners, farmers, and government around long-term productivity and soil stewardship, rather than short-term resource extraction.

The completion of Tonga's first National Soil Strategy marks a significant **shift from fragmented interventions to a coordinated, long-term approach to soil security.** It serves as a national call to action, clarifying roles and responsibilities across government, communities, the private sector, and development partners. By linking soil health to agricultural productivity, ecosystem resilience, and livelihoods, the Strategy provides a pathway for farmers to protect and enhance soil resources while maintaining production. For CALM, it demonstrates how sustained investment in science, local leadership, and partnerships can translate into nationally owned policy frameworks that safeguard critical natural resources and support the wellbeing of current and future generations.

Communities in New Caledonia act against coastal erosion

New Zealand's contribution to the **Kiwa Initiative**, alongside France, Australia, Canada, and the European Union, supports nature-based solutions and technical assistance that deliver tangible benefits for Pacific communities and ecosystems. Coordinated by the Secretariat of the Pacific Regional Environment Programme (SPREP), the **Scaling-up Ecosystem-based Adaptation to Climate Change in the Pacific Islands project** promotes restoration and sustainable management of coastal and terrestrial ecosystems in **Fiji, Vanuatu, Solomon Islands, New Caledonia, and Wallis and Futuna.**

In Ouvéa, in the Loyalty Islands of New Caledonia, communities are addressing coastal erosion through locally led, nature-based solutions. Eight low-cost coastal plant nurseries have been established to propagate native species, including *Scaevola taccada* and *Sporobolus virginicus*, which help **stabilise sandy soils and strengthen shorelines against storm surges and sea-level rise.** More than 200 community members, including women and young people, participated in training on nursery establishment and management. As the plants mature, seedlings will be planted along vulnerable coastlines to restore native vegetation and enhance natural coastal protection.

By combining traditional knowledge with ecosystem-based adaptation approaches, the project is **strengthening community ownership of climate adaptation efforts while improving the resilience of coastal ecosystems and the communities that depend on them.**

Supporting innovative finance for coral reef resilience in the Pacific

New Zealand continues to play an influential role in advancing innovative finance solutions for coral reef conservation and climate resilience through its position as the only Pacific member of the Executive Board of the **Global Fund for Coral Reefs (GFCR)**. Established in 2020 by the United Nations and a global public-private coalition, the GFCR is a 10-year blended finance initiative that supports sustainable businesses delivering positive outcomes for coral reef ecosystems, local economies and coastal communities. Through its strategic financing model, the Fund has leveraged more than USD\$161 million in public and private investment and supported over 150 reef-positive enterprises globally.

The GFCR delivered strong results in the Pacific during 2025. In **Fiji**, a 'Blue Lending Facility' was established in partnership with the Fiji Development Bank, combining concessional finance and guarantees to expand access to capital for reef-positive businesses. The facility has identified a pipeline of enterprises requiring more than USD\$1.3 million in investment, **directly supporting livelihoods while strengthening locally managed marine area resilience**.

In **Papua New Guinea**, GFCR financing is helping to grow small-scale reef-positive enterprises through technical assistance, grants, and a loan guarantee facility delivered in partnership with a women-focused microfinance institution. The initiative is expected to unlock finance for up to 375 women-led businesses, with early results demonstrating **increased income from sustainable fisheries activities**. This highlights how climate resilience, economic empowerment and gender inclusion can be advanced simultaneously through targeted investment.

As a member of the Executive Board, New Zealand has contributed to the strategic direction and governance of the Fund, including helping to shape the design of the newly approved Solomon Islands programme and providing oversight of fund performance and operations. Through this leadership role, New Zealand is helping to **increase Pacific access to innovative finance mechanisms that support coral reef protection, strengthen climate resilience, and create sustainable economic opportunities for coastal communities**.

By mobilising investment, strengthening local enterprises and promoting sustainable ocean-based livelihoods, the GFCR is demonstrating how blended finance can deliver tangible environmental, social and economic benefits. New Zealand's continued engagement is helping to ensure Pacific countries are well positioned to benefit from innovative financing approaches that protect critical marine ecosystems while supporting resilient and inclusive development.

Strengthening the foundation for climate smart agriculture in the ASEAN region

New Zealand's investment in the **ASEAN Climate Smart Agriculture Initiative**, delivered by MPI and the New Zealand Agricultural Greenhouse Gas Research Centre, has strengthened Southeast Asian countries' capacity to reduce agricultural emissions while improving resilience and productivity. The initiative has enhanced the technical systems, partnerships and evidence needed to support low-emissions agricultural development across the region.

A key achievement has been **improving countries' ability to measure and report greenhouse gas emissions**. Support for development of Tier 2 greenhouse gas inventories in six countries has improved the quality of emissions data, enabling governments to better inform Nationally Determined Contributions, agricultural mitigation strategies and policy decisions. The establishment of regional greenhouse gas measurement hubs in Viet Nam and the Philippines has also expanded access to technical equipment, specialist training and collaborative research, **strengthening regional capability in emissions measurement and management**.

Improved data collection and analysis have enabled countries to assess mitigation options — including more efficient livestock management practices — supporting evidence-based approaches to lowering agricultural emissions. Progress has also been made in strengthening national monitoring, reporting and verification (MRV) systems. In Viet Nam, the programme supported the development of a rice emissions MRV framework that now underpins the country's one million hectare low-emissions rice programme. Similar systems have been piloted in Indonesia, providing governments with **stronger tools to measure progress, demonstrate results and attract investment in low-emissions agriculture**.

By strengthening technical capability, improving emissions monitoring systems and fostering regional collaboration, the initiative has built a stronger foundation for climate-smart agriculture across Southeast Asia. The programme has **enhanced countries' ability to reduce emissions, improve productivity and access emerging opportunities in agricultural carbon markets, supporting a more resilient and sustainable agricultural sector**.

Supporting a regional approach to climate change research

The **Pacific Ocean Climate Crisis Assessment (POCCA)** is an initiative led by the University of the South Pacific (USP) and the University of Canterbury that addresses a critical gap in the Pacific region: the limited availability of locally grounded, evidence-based research to inform climate change policy, adaptation, and resilience planning. The project documents Pacific perspectives on the climate crisis, adaptation, and resilience across 16 Pacific island countries.



Pacific and New Zealand academics and researchers gather in Fiji to collaborate on the Pacific Ocean Climate Crisis Assessment research. Credit: USP

Completed in 2025, POCCA was a landmark undertaking in interdisciplinary climate research. It brought together more than 80 Pasifika academics and researchers spanning the sciences, social sciences, humanities, and Indigenous knowledge systems, alongside experts from all New Zealand universities and partner institutions in Australia and the United States.

As the largest climate research initiative undertaken in the Pacific to date, POCCA generated a robust body of regionally relevant evidence to **support more effective climate decision-making**. The assessment prominently featured at the 29th Conference of the Parties (COP29), where its analyses of climate finance, loss and damage, and economic impacts were widely referenced and well received. Its findings are now being used by Pacific

governments, regional organisations, and international partners to inform climate policy and advocacy at regional and global levels. Importantly, POCCA has **strengthened the credibility and visibility of Pacific perspectives on climate change by providing strong evidence grounded in Pacific knowledge, experiences, and priorities**.

The initiative's impact continues beyond the completion of the assessment. POCCA has established a lasting regional network of researchers and practitioners, strengthening opportunities for future collaboration and knowledge sharing. Its findings have also **informed curriculum development across tertiary education institutions and contributed to undergraduate, postgraduate, and professional training programmes**. POCCA stands as a transformative initiative that has **advanced interdisciplinary climate research, strengthened evidence-based policymaking, and elevated Pacific voices and knowledge systems in global climate discourse**.

Strengthening climate resilience and preserving cultural knowledge in the Marshall Islands

New Zealand is supporting the Republic of the Marshall Islands (RMI) to address **climate change-related loss and damage** by strengthening national capacity, improving climate data systems, and preserving Marshallese culture and knowledge. The RMI Climate Change Directorate (CCD) leads implementation of the programme, advancing evidence generation, partnerships, and community engagement.

The programme is delivering tangible results. Institutional capability has been strengthened through practical, on-the-job learning, with CCD staff working alongside Loss and Damage experts and applying Light Detection and Ranging (LiDAR) technology to map coastlines and generate high-quality risk and resilience data. This technology helps to quantify the impacts of climate change, including severe king tides, coastal erosion, and land loss, **providing evidence to support future investment and funding proposals for coastal protection and adaptation measures**. LiDAR surveys are generating detailed coastal elevation data that will strengthen national planning and decision-making, with final outputs expected in October 2026.

The programme is also improving the accessibility and use of climate information through partnerships with the Pacific Community (SPC) and local organisations. Through the Non-Economic Loss and Damage Project, Jo-Jikum (a youth-led non-profit) is documenting Indigenous knowledge, oral histories, and legends from outer atoll communities, while developing 12 Marshallese Language Arts booklets. These resources will be integrated into local school curricula, **helping to preserve cultural knowledge and strengthen understanding of climate change impacts among future generations**.

By combining scientific evidence generation with cultural preservation and inclusive community engagement, the programme is **strengthening the Marshall Islands' ability to understand, document, and respond to climate change impacts**. It is also helping to **safeguard Indigenous knowledge, reinforce cultural identity, and build a stronger evidence base** to support future adaptation and resilience efforts.

Leveraging New Zealand's renewable energy expertise outside of the Pacific

ASEAN Renewable Energy Facility – Lao PDR

Lao PDR has pursued an ambitious vision to become the “Battery of Southeast Asia”, granting hydropower concessions to private operators to supply domestic and regional electricity markets. As several major concessions approached expiry, the Government faced increasing fiscal pressures alongside unsolicited proposals offering substantial upfront payments in exchange for long-term control of strategic energy assets. This created a risk that short-term fiscal considerations could outweigh longer-term public value and energy security objectives.

Through support under the ASEAN Renewable Energy Facility, the Government **strengthened its capability to assess and negotiate concession options**. Technical assistance provided robust financial, legal, and economic analysis tools, alongside structured decision-making frameworks to evaluate options such as concession extensions, asset transfers, and competitive tendering processes. Capacity-building activities improved the Government's ability to independently assess complex proposals and understand associated fiscal, strategic, and economic trade-offs.

As a result, the Government has **strengthened its ability to make informed, evidence-based decisions regarding the future of key hydropower assets**. Analysis identified **opportunities to maximise long-term economic returns and enhance energy security**, while highlighting risks that some proposed arrangements could undervalue nationally significant assets. Overall, the project has **improved Lao PDR's ability to manage hydropower resources as strategic economic assets, supporting fiscal sustainability, reducing the risk of undervalued agreements, and promoting more resilient long-term development outcomes**.

New Zealand–Africa Geothermal Facility (AGF)

The New Zealand–Africa Geothermal Facility, established in 2017 through a partnership between New Zealand and the African Union Commission, supports geothermal development in East Africa by reducing early-stage project risks, improving project quality, and strengthening institutional capability. In 2025–26, the AGF delivered technical assistance across **Ethiopia, Kenya, Tanzania, Djibouti, and Rwanda**, complemented by regional training programmes available throughout East Africa. Geothermal professionals received training, mentoring, and technical support, while capacity building was reinforced through train-the-trainer models, peer learning, and project-based assistance.

The Facility contributed to **tangible progress in geothermal development across the region**, including support for applications to the Geothermal Risk Mitigation Facility, improvements in project preparation and proposal quality, and engagement with financiers that helped secure conditional grant funding.

Several interventions demonstrated strong value for money. In Tanzania, support advanced preparations for the country's first geothermal drilling campaign at Ngozi. In Ethiopia and Djibouti, technical advice strengthened project prioritisation, regulatory frameworks, and drilling readiness. Asset management training delivered across multiple countries improved preventative maintenance practices and strengthened health, safety, and environmental management systems, generating estimated lifecycle savings that exceeded programme costs.

Over time, the Facility is expected to **increase the success rate of geothermal investments, support reliable low-carbon energy generation, reduce dependence on fossil fuels and climate-sensitive hydropower systems, and strengthen institutional resilience across the sector**. The programme has also enhanced New Zealand's reputation as a trusted, flexible, and technically credible partner in renewable energy development.

New Zealand Caribbean Renewable Energy Facility (FRENZ)

The New Zealand Caribbean Renewable Energy Facility supports Caribbean partners to achieve their renewable energy and climate objectives by providing specialist technical expertise needed to attract investment and implement renewable energy projects, with a particular focus on geothermal energy. In 2025–26, FRENZ supported development of an **Integrated Resource and Resiliency Plan to guide the long-term development of Grenada's electricity sector over the next 20 years**. In addition to providing technical analysis, the Facility facilitated collaboration between the Government of Grenada, the energy regulator, and the state-owned utility to build consensus around a least-cost electricity strategy that delivers reliable and affordable energy, supports decarbonisation, and remains resilient under a range of future scenarios. Other FRENZ achievements during the year include:

- supporting geothermal exploration and development activities in **northern Dominica**.
- assessing geothermal infrastructure in **Saint Vincent** following a 2021 volcanic eruption and supporting the review and rehabilitation of solar assets damaged by Hurricane Beryl.
- completing a regional geothermal workforce and skills gap analysis in collaboration with the **Organisation of Eastern Caribbean States**.

Expanding renewable energy access and skills development in Fiji and Niue

New Zealand is supporting transition to renewable energy across the Pacific through investments that improve energy security, reduce reliance on imported fossil fuels, and create economic and educational opportunities.

The **LaKaRo Renewable Energy Project in Fiji**, co-funded with the United Arab Emirates, is improving access to reliable electricity for the island communities of Lakeba, Kadavu and Rotuma. Historically dependent on diesel generators, these communities have experienced routine electricity shortages, with scheduled blackouts of up to 12 hours per day affecting households, schools, health services, businesses and critical infrastructure. The project has installed renewable energy generation systems and battery storage to replace diesel-powered electricity generation, with commissioning scheduled for 2026.

Once fully operational, the new systems are expected to deliver substantial environmental and economic benefits. **Annual diesel savings are projected to exceed 175,000 litres across the three islands, reducing carbon emissions by more than 450 tonnes each year while improving the reliability and availability of electricity for communities and businesses.** This will support economic activity, public services and community wellbeing, while reducing exposure to volatile fuel costs.

The **Niue Renewable Energy Programme (NREP)**, implemented by Sunergise, is also due to be commissioned in 2026. It is expected to **save approximately NZD\$6,500–8,950 per day in diesel imports for electricity generation and contribute significantly to the Government of Niue's target of achieving 80 percent renewable energy generation.**

The programme has also invested in building local skills and knowledge.

A targeted Science, Technology, Engineering and Mathematics

(STEM) education programme engaged primary and secondary school students through practical activities focused on renewable energy, while teachers received training to incorporate these concepts into ongoing classroom learning. The Government of Niue, in partnership with Sunergise, provided the opportunity for tertiary students to complete online renewable energy courses.

By combining renewable energy infrastructure with education and skills development, these investments are strengthening energy resilience, reducing emissions, and helping build the workforce and expertise needed to support a more sustainable future across the Pacific.



The completed renewable energy site in Niue. Credit: Sunergise

Digitising fisheries monitoring to improve data quality and decision-making

New Zealand is supporting more efficient and reliable fisheries monitoring across the Pacific through the **Offline Longline Observer (OLLO) application**, developed by SPC. Tuna fishery observers play a critical role in collecting information on fishing effort, catch volumes, fisheries science and compliance with regulations. Historically, data was recorded on paper forms, creating challenges for data quality, accessibility and timely reporting.

OLLO is helping to modernise this process by enabling observers to collect and submit data electronically, reducing errors and minimising the need for data cleaning and double handling. The application is now used by the Cook Islands, Fiji, French Polynesia, New Caledonia, Papua New Guinea, Samoa, Solomon Islands and Tonga.

Adoption of the system continued to grow in 2025. Of the 145 longline fishing trips completed during the year, 57 percent were recorded using OLLO, up from 35 percent in 2024. Training has played an important role in increasing uptake, with all longline trips undertaken by French Polynesia and Samoa recorded through OLLO following observer training programmes.

The transition to digital data collection is already delivering significant benefits. Observer feedback highlights **improved data accuracy, easier access to information, and substantial gains in efficiency.** Most notably, data reporting timeframes have been reduced from weeks or months to just days or hours, **enabling fisheries agencies to access critical information more quickly for monitoring, management and compliance purposes.**

Strengthening capability for climate finance governance in Cook Islands

Climate action is a national priority for the Cook Islands under the National Sustainable Development Agenda 2020+ and their Nationally Determined Contribution, and additional support for implementation capacity is helping to translate these ambitions into sustained impact. Through the **Climate Finance Capacity Support Programme**, New Zealand is partnering with the Cook Islands to strengthen core public sector systems and embed specialist expertise across priority areas — including finance, infrastructure, energy, tourism, and monitoring, evaluation and learning. This country-led approach focuses on strengthening institutional foundations, improving cross-government coordination, and supporting delivery of climate initiatives aligned with national priorities.

To date, financial management reforms are reducing audit backlogs, improving data quality, and strengthening fiduciary oversight, helping to **enhance readiness for direct access to international climate finance**. Monitoring, evaluation and learning systems have also been strengthened, **enabling better tracking of results, increased accountability, and more adaptive management of climate investments**. In the infrastructure sector, government agencies are **increasingly applying climate risk assessments and improved asset management practices to support a shift from reactive maintenance to proactive, resilience-focused investment planning**. This includes planning for critical health infrastructure across Rarotonga and the Pa Enua.

Embedded technical support is also helping to advance renewable energy and tourism priorities. The New Zealand-funded Aitutaki Stage 2 Renewable Energy Project has progressed through improvements to system design, procurement readiness, and local capability. Once completed, the project is expected to **significantly reduce reliance on diesel** while incorporating community engagement and social inclusion considerations. The release of the Cook Islands Destination Stewardship Plan 2025–2035 in April 2026 established a new **framework for managing tourism in ways that support environmental sustainability, protect cultural heritage, and enhance community wellbeing**.

Collectively, these reforms demonstrate a shift towards a **more integrated and systems-based approach to climate governance**. While still at an early stage, the Cook Islands is now better positioned to **manage climate risks, coordinate climate action across government, and demonstrate the institutional capability required to access and manage larger and more complex sources of international climate finance**.

Turning climate risk information into action across the Pacific

While many Pacific island countries have extensive experience responding to natural hazards, limited access to detailed, locally relevant risk information has constrained long-term planning, investment prioritisation and early action. To address this challenge, New Zealand is supporting the **Pacific Risk Tools for Resilience (PARTneR) programme**, which is equipping Pacific governments with advanced climate risk mapping and forecasting tools that transform complex climate data into practical information for decision-making.

Led by Pacific institutions in partnership with regional and technical agencies, the programme supports the **Cook Islands, Marshall Islands, Samoa, Tonga, Tuvalu and Vanuatu** to model climate risks associated with cyclones, flooding, sea level rise and drought. By combining national data with local knowledge, countries are developing stronger evidence bases to inform planning, investment and resilience-building efforts.

The programme is already delivering practical benefits. In **Vanuatu**, climate risk maps are helping governments and communities identify areas that may become unsuitable for development due to sea level rise and coastal erosion, supporting more informed land-use planning decisions. In **Samoa**, flood modelling along the Vaisigano River has strengthened the evidence base for resilient infrastructure investments and informed funding decisions aimed at reducing future flood risk. In **Tuvalu and the Marshall Islands**, drought forecasting tools are improving preparedness by enabling governments to anticipate water shortages earlier, giving communities additional time to store water, protect crops and secure essential supplies.

A key achievement of the programme is its focus on developing country-owned systems. Risk models are developed collaboratively using the best available national data and are designed to be maintained, updated and used by government agencies over time. This approach **strengthens national capacity, improves coordination across climate, planning and infrastructure agencies, and ensures climate risk information remains relevant for future decision-making**. While the programme continues to evolve, the tools are already reshaping how Pacific governments plan for climate impacts. By turning climate forecasting into actionable insights, the PARTneR programme is helping countries move from reactive disaster response to proactive, risk-informed decision-making. This is **strengthening resilience, improving the targeting of scarce resources, and enabling Pacific Island countries to make more informed investments that support sustainable development and long-term climate adaptation**.

Helping Pacific children prepare for natural hazards

The **Weather Ready Pacific Programme** is improving disaster preparedness among Pacific children through the distribution of the child-friendly *COPE: Be Ready for Disasters!* booklets. Designed for children aged 6–12, the resources **help young people understand natural hazards, prepare for emergencies, and stay safe during disasters.**

The booklets cover seven key hazards that affect Pacific communities — cyclones, droughts, earthquakes, floods, storm surges, tsunamis and volcanic eruptions — and are translated into local Pacific languages to maximise accessibility and reach. In 2026, new editions were produced in Gagana FakaTokelau and Vagahau Niue, supporting hazard education in Tokelau and Niue.



Launch of the Weather Ready Pacific "COPE: Be Prepared for Disasters" booklets in Tokelau, May 2026. Credit: SPREP

A Tokelauan-language version, written in clear, accessible language and supported by engaging illustrations, was launched in Tokelau in May 2026. By providing culturally relevant and age-appropriate learning resources, the programme is helping to build disaster awareness from an early age, strengthen community preparedness, and equip the next generation with the knowledge and confidence to respond safely to natural hazards.

Combining coastal protection and coral restoration to build community resilience in Tuvalu

The **Tuvalu Coastal Adaptation Project Phase II** is strengthening the resilience of vulnerable coastlines through major coastal protection works while restoring the natural ecosystems that support communities and livelihoods. A key component of the project is coral transplantation, an ecosystem-based adaptation measure that helps protect and regenerate reef systems that are critical for food security, coastal protection and biodiversity.

As land reclamation and shoreline protection works have progressed, corals and other marine species from affected areas have been carefully relocated to safer reef sites. In partnership with the local youth organisation Fuligafou, the project has established coral nurseries, delivered technical training, and undertaken community awareness activities to support long-term reef restoration. The initiative is expected to **support restoration of coral reef along the 800m of reclaimed land, helping to offset construction impacts while enhancing marine biodiversity and strengthening the natural coastal defences that communities depend on.**

Significant progress was made during 2025, including the identification of donor and recipient reef sites and the establishment of a coral nursery to support ongoing regeneration. Training workshops strengthened local skills in coral propagation, monitoring and ecosystem management, building the capacity of government agencies, civil society organisations and community members to lead future conservation efforts.

The project has also empowered local communities, particularly youth and women, to take an active role in managing and protecting marine resources. **By combining engineered coastal protection with ecosystem restoration, the project is delivering lasting climate resilience while strengthening local ownership and stewardship of natural resources.** This integrated approach is helping safeguard both communities and the reef ecosystems they depend on, providing a model for climate adaptation in vulnerable atoll nations.



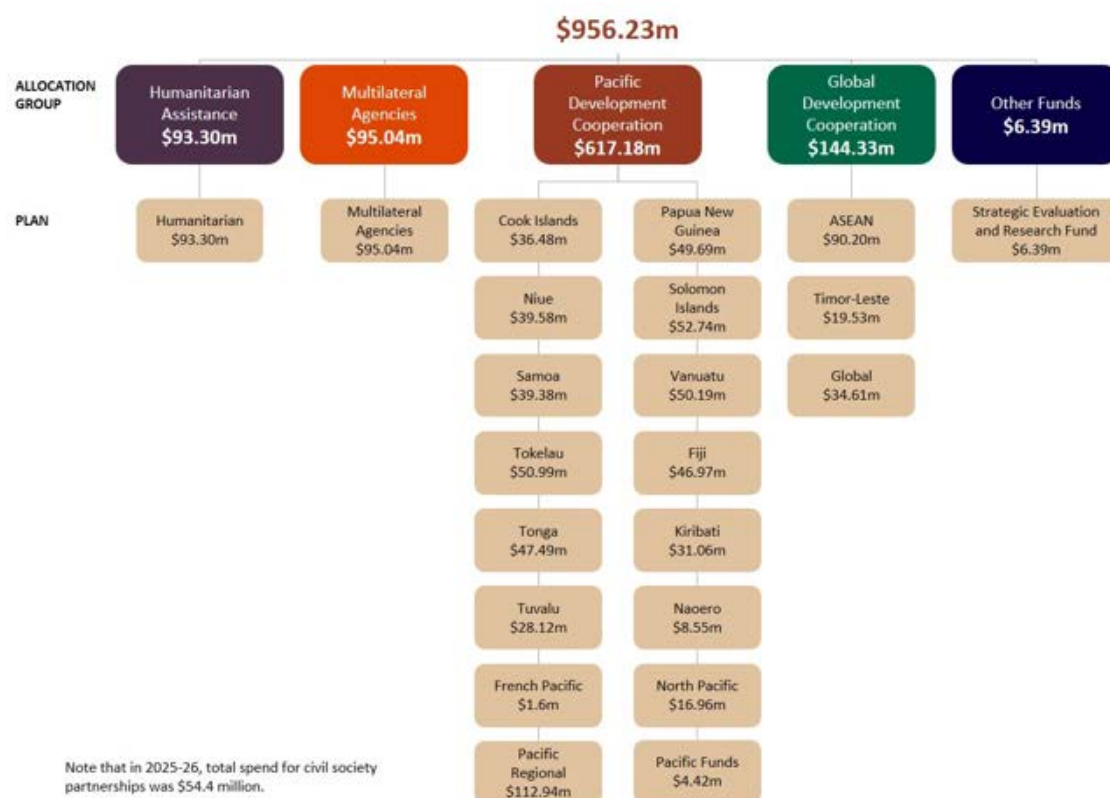
Coral nursery establishment and maintenance. Credit: UNDP

Delivery of the IDC in 2025–26

New Zealand’s total IDC spend for 2025–26 was NZD\$956.2 million. The following pages provide an overview of where IDC Programme expenditure was delivered, the sectors it contributed to, and performance against key indicators.

The Crown IDC appropriation is split into five allocation groups (Humanitarian Assistance, Multilateral Agencies, Pacific Development Cooperation, Global Development Cooperation, and Other Funds). For each of these allocation groups, multi-year plans provide strategic direction for how funding is planned and spent. The below diagram shows expenditure over the year by allocation group and plan. Each bilateral and regional plan includes expenditure on scholarships, multi-country activities, partnership activities, and High Commission/Embassy Funds for that country or region.

FIGURE 3: IDC 2025–26 EXPENDITURE BY ALLOCATION GROUP AND PLAN



The following table provides a geographic view of IDC expenditure, by region and sub-region. Individual countries are specified where they received more than NZD\$1 million in IDC. This view includes all spend apportioned to relevant countries, including humanitarian assistance.

New Zealand's primary focus is on the Pacific, where we spent NZD\$637.6 million, or 66.7 percent of IDC. Our secondary focus is on Southeast Asia, where we spent NZD\$124.48 million (13% of total IDC).

TABLE 1: IDC 2025–26 EXPENDITURE BY REGION, SUB-REGION AND COUNTRY

REGION, SUB REGION & COUNTRY	EXPENDITURE 2025-26 (\$)	% OF TOTAL IDC
PACIFIC	637,610,984	66.7%
Polynesia	247,790,145	25.9%
Cook Islands	37,131,313	3.9%
Niue	39,889,133	4.2%
Samoa	40,341,345	4.2%
Tokelau	51,331,340	5.4%
Tonga	47,697,841	5.0%
Tuvalu	28,464,030	3.0%
Polynesia regional / Other Polynesia	2,935,143	0.3%
Melanesia	207,047,037	21.7%
Fiji	47,067,751	4.9%
Papua New Guinea	53,294,309	5.6%
Solomon Islands	53,583,701	5.6%
Vanuatu	50,615,745	5.3%
Melanesia regional / Other Melanesia	2,485,531	0.3%
Micronesia	57,977,777	6.1%
Kiribati	31,764,778	3.3%
Republic of the Marshall Islands	7,578,558	0.8%
Federated States of Micronesia	3,730,102	0.4%
Naoero	8,552,244	0.9%
Palau	5,751,720	0.6%
Micronesia regional	600,375	0.1%
Pacific regional	124,796,024	13.1%
Pacific regional	124,796,024	13.1%
ASIA	161,752,472	16.9%
South & Southeast Asia	134,398,899	14.1%
Bangladesh	5,150,211	0.5%
Cambodia	16,125,239	1.7%
Indonesia	17,880,512	1.9%
Laos	17,479,803	1.8%
Malaysia	2,427,964	0.3%
Myanmar	24,150,238	2.5%
Philippines	10,831,716	1.1%
Sri Lanka	3,078,254	0.3%
Thailand	3,006,737	0.3%
Timor-Leste	19,729,459	2.1%
Viet Nam	12,832,384	1.3%
South & Southeast Asia regional / Other South & Southeast Asia	1,706,381	0.2%
Central Asia	6,450,150	0.7%
Afghanistan	6,400,000	0.7%
Asia Central regional / Other Central Asia	50,150	0.0%
Middle East	19,723,712	2.1%
Lebanon	2,000,000	0.2%
Occupied Palestinian Territories	14,009,938	1.5%
Syria	1,500,000	0.2%
Yemen	2,000,000	0.2%
Other Middle East	213,774	0.0%
Asia Regional	1,179,711	0.1%
Asia Regional	1,179,711	0.1%
AFRICA	25,982,704	2.7%
Ethiopia	5,618,732	0.6%

Kenya	1,359,136	0.1%
Tanzania	1,430,325	0.1%
Rwanda	1,085,714	0.1%
Sudan	3,500,000	0.4%
Africa regional / Other Africa	12,988,797	1.4%
EUROPE	13,040,000	1.4%
Ukraine	13,000,000	1.4%
Europe regional / Other Europe	40,000	0.0%
AMERICAS	9,054,016	0.9%
Venezuela	2,015,000	0.2%
America regional/Other America	7,039,016	0.7%
MULTILATERAL & WORLDWIDE	108,794,271	11.4%
GRAND TOTAL	956,234,446	100.0%

New Zealand's IDC funding is strategically directed to sectors that align with the needs of partner countries and New Zealand's strengths. These sectors address critical global and regional challenges while promoting sustainable, inclusive development. The three sectors with the highest expenditure in 2025–26 were multi-sector activities (core support to multilateral and regional agencies); government and civil society; and education.

TABLE 2: IDC 2025–26 EXPENDITURE BY SECTOR

SECTOR GROUP	TOTAL
MULTISECTOR AND GENERAL SUPPORT	296,772,697
Multisector	191,035,421
Commodity Aid and General Programme Assistance	89,792,769
Administrative Costs of Donors	10,742,541
Debt Relief	3,570,000
Unallocated/Unspecified	1,631,965
GOVERNANCE	186,850,955
Government and Civil Society	160,967,469
Other Social Infrastructure and Services	25,883,485
EDUCATION	116,478,491
Education	116,478,491
HUMANITARIAN	104,039,909
Humanitarian Aid	104,039,909
AGRICULTURE, TRADE AND OTHER PRODUCTION SERVICES	100,131,679
Agriculture	48,343,187
Fishing	28,403,280
Construction	8,863,898
Trade Policies and Regulations	6,137,719
Industry	5,412,863
Tourism	2,001,630
Forestry	969,102
HEALTH	93,270,708
Health	46,617,103
Water and Sanitation	27,380,730
Population Policies/Programmes and Reproductive Health	19,272,876
ECONOMIC INFRASTRUCTURE AND SERVICES	58,690,008
Energy	28,319,861
Transport And Storage	12,597,560
Banking And Financial Services	10,062,445
Communications	4,609,443
Business And Other Services	3,100,699
GRAND TOTAL	956,234,446

The Ministry has various targets and commitments associated with the way that IDC expenditure is managed. The tables below show how we are performing against key targets.

TABLE 3: IDC 2025–26 PERFORMANCE AGAINST KEY TARGETS

Commitment	Target	2025–26 actual	2024–27 triennium to date	Commitment source
IDC spend in the Pacific	At least 60% of IDC	\$637.6 million 66.7% of total IDC	\$1,210 million 63.4% of total IDC	ICESD Policy Statement
IDC spend on Aid for Trade in the Pacific ³⁵	At least 20% of IDC in the Pacific	\$109.8 million 17.2% of IDC in the Pacific	\$223.3 million 18.4% of IDC in the Pacific	PACER Plus Implementation Arrangement
IDC spend on initiatives where gender equality and women’s empowerment is a principal objective	4% of IDC	\$46.6 million 4.9% of total IDC	\$94.5 million 4.9% of total IDC	Ministry internal target, based on OECD DAC average
IDC spend on initiatives where gender equality and women’s empowerment is a significant objective	60% of IDC	\$434.1 million 45.4% of total IDC	\$911.1 million 47.7% of total IDC	Ministry internal target, based on OECD DAC average
IDC spend with NGO Partnerships	3.5% of IDC over 2024–27 triennium	\$54.4 million 5.7% of total IDC	\$94.1 million 4.9% of IDC	Ministry internal target for allocation of IDC

TABLE 4: IDC PERFORMANCE AGAINST 2022–25 CLIMATE FINANCE COMMITMENT

Climate Finance Commitment January 2022 to December 2025		
	Target for 2022–25 Commitment	Actual to 30 December 2025
Expenditure	\$1.300 billion	\$1.324 billion
Proportion of climate finance expenditure applied to the Pacific.	At least 50% in the Pacific	61.4% (\$813.2 million)
Proportion of climate finance expenditure applied to adaptation.	At least 50% for adaption	62.3% (\$824.5 million)

³⁵ Aid for Trade is an initiative developed by the World Trade Organisation to promote development assistance to developing countries to improve their ability to reap the benefits of trade liberalisation. New Zealand is a participating donor in this initiative, with a focus on enabling better outcomes for the Pacific.

International Development Cooperation (MYA)

13/14
MET BUDGET
STANDARD

What we intend to achieve

This appropriation is intended to achieve progress by Pacific island and developing countries against their sustainable development priorities and against the 2030 Agenda and Sustainable Development Goals.

TABLE 5: ASSESSMENT OF PERFORMANCE

	2025–26		2024–25	2023–24	2022–23
INTERNATIONAL DEVELOPMENT COOPERATION RESULTS	Budget Standard	Actual	Actual	Actual	Actual
Number of Pacific island countries that remain on track on their economic and public sector reform programme	Maintain or improve trend	9/ 9 assessed as on track. (Fiji, Kiribati, Nauru, Palau, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu)	7/7 countries assessed as on track (Kiribati, Naoero, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu)	8/8 countries assessed as on track (Fiji, Kiribati, Naoero, Samoa, Solomon Islands, Tonga, Tuvalu, PNG)	5/6 countries assessed as on track (Kiribati, Samoa, Tonga, Tuvalu, Solomon Islands)
Number of people participating in a labour mobility initiative	Maintain or improve trend	20,226 people (M: 18,614; F: 1,610; unspecified: 2)	17,348 people (M: 15,872; F: 1,476)	17,911 people (M: 16,214; F: 1,697)	15,792 people (M: 14,357; F: 1,418, unspecified: 17)
Number of people directly benefitting from activities that aim to increase resilience to climate change and environmental degradation	Standard dependent on need ³⁶	5,346,543 ³⁷ people (M: 3,682,474; F: 1,550,179; gender diverse - 1,567; unspecified - 92,324)	2,999,155 people (M: 747,102; F: 723,185; gender diverse: 84,152; Unspecified: 1,444,716)	79,994 people (M: 37,290; F: 38,276; unspecified: 4,428)	5,947 people (M: 2,344; F: 2,216, unspecified: 1,387)
Number of people supported to improve their livelihoods	Standard dependent on need	1,509,057 ³⁸ people (M: 777,009; F: 532,432; Unspecified: 199,616)	9,829,596 people (M: 4,721,871; F: 4,694,797; unspecified: 412,928)	480,518 people (M: 24,6297; F: 203,453; gender diverse: 71; unspecified: 28,528)	184,255 people (M: 72,459; F: 92,763; unspecified: 19,033)
Number of people directly benefitting from improved infrastructure and services	Standard dependent on need	2,605,999 people (M: 691,236; F: 819,551; unspecified: 1,095,212)	2,192,954 people (M: 395,735; F: 400,177; unspecified: 1,397,042)	136,272 people (M: 48,164; F: 47,910; unspecified: 39,526)	64,145 people (M: 9,453; F: 9,491, unspecified: 45,201)
Number of people benefitting from sexual and reproductive health services	Standard dependent on need	273,701 people (M: 30,588; F: 239,148; unspecified: 3,965)	163,842 people (M: 18,701; F: 136,727; unspecified: 8,414)	192,424 people (M: 713; F: 96,732; unspecified: 94,979)	172,123 people (M: 56,339; F: 115,784)

³⁶ Performance measures with standard 'dependent on need' aggregate the number of beneficiaries reached through a collection of IDC-funded initiatives every year. In general, where funding increases, we would expect the number of beneficiaries reached to slowly increase. However, this varies gently from year-to-year depending on the stage of delivery of individual initiatives. As such, it is not appropriate to assign a specific overall target of 'increasing trend' standard to these aggregated measures, and this could lead to perverse incentives around volume of delivery.

³⁷ The primary reason for the significant increase in results in 2024–25 and again in 2025–26 is because several IDC activities with potential to impact on large population groups have progressed to delivery and have continued to demonstrate impact (i.e. Ukama Ustawi Programme in Eastern and Southern Africa and Asia Mega-Deltas initiative in South and Southeast Asia).

³⁸ The primary reason for the significant increase in results in 2024–25 is primarily because the Ukama Ustawi Programme in Eastern and Southern Africa progressed to delivery. Results for 2025–26 are lower due to a reduced funding envelope for the programme effective January 2026. Results are conservative estimates and expected to increase once outstanding partner evidence is finalised, with further growth anticipated in the following reporting year as the UU+ Scaling Fund innovations, selected this year, move into full implementation, and the growing season resumes.

Number of people benefitting from enhanced learning through ICT	Standard dependent on need	298 people (M: 56; F: 75; unspecified: 167)	3,394 people (M: 97; unspecified: 3,297)	8347 people (M: 3,325; F: 4,371; unspecified: 651)	12,598 people (M: 5,030; F: 5,434; gender diverse: 39; unspecified: 2,095)
Number of people receiving training or capability-building support in priority sectors ³⁹	Standard dependent on need	381,326 people (M: 163,853; F: 155,606; gender diverse: 663; unspecified - 61,204)	140,068 people (M: 40,947; F: 47,120; gender diverse: 7; unspecified: 51,994)	92,325 people (M: 44,404; F: 37,714; gender diverse: 519; unspecified: 9,452)	101,536 people (M: 26,480; F: 26,828; gender diverse: 5; unspecified: 48,222)
Number and percentage of people, who have been awarded scholarships, that complete tertiary or vocational/professional scholarships	>90% of people who were awarded scholarships	Vocational / professional: 100%. 731/731. (M: 361, F: 370) Tertiary: 100%. 203/203. (M: 89; F: 113; unspecified: 1)	Vocational / professional: 100%. 758/758. (M: 372; F: 384; unspecified: 2) Tertiary: 100%. 209/209 (M: 95; F: 113; unspecified: 1)	Vocational / professional: 100%. 702/702. (M: 368; F: 330; unspecified: 4) Tertiary: 100%. 174/174. (M: 69; F: 105)	Vocational / professional: 100%. 332/332. (M: 145; F: 185; unspecified: 2) Tertiary: 82%. 164/201. (M: 75; F: 89)
Number of affected people provided with essential and useful assistance following a natural or human induced disaster	Standard dependent on need	532,567 people (M: 206,169; F: 284,615; unspecified: 41,783)	360,136 people (M: 95,234; F: 110,281; unspecified: 154,621)	159,652 people (M: 15,360; F: 18,828; unspecified: 125,464)	251,633 people (M: 75,934; F: 87,091; unspecified: 88,608)
Number of hectares of natural resources and natural ecosystems strengthened by NZ supported activities	Maintain or improve trend	490,566 hectares	1430.4 hectares		
Number of countries NZ is supporting to deliver on, and accelerate delivery of, their National Adaption Plan or equivalent	Standard dependent on need	22 countries	17 countries		
Tonnes of CO2 emissions reduced as a result of NZ's IDC Activities	Maintain or improve trend	1904.5 tonnes	47.81 tonnes		
Quality					
Percentage of Activities with effectiveness rated as good or better ⁴⁰	Maintain or improve trend	67%	72.5%	70%	73%

Financial Performance (figures are GST exclusive)

30/06/25 Actual \$000		30/06/26 Actual \$000	30/06/26 Appropriation \$000	30/06/26 Variance \$000
953,134	International Development Cooperation (MYA)	956,234	996,045	39,811

Explanation of significant budget variance

Expenditure for the year was lower than planned due to several factors including delays arising from partner country constraints, such as elections and natural disaster recovery; contractual delays, and delayed launch of internationally co-funded investments. This is a multi-year appropriation, to be delivered over a triennium, and as such, under-expenditure will be transferred to the remaining year of the triennium through the Retention of Underspend mechanism to fund delayed activities.

³⁹ Priority sectors are Health, Education, Equity and Inclusion, Infrastructure, Fisheries and Oceans, Governance, and Peace and Security.

⁴⁰ Ministry Activity Completion Assessments

Ensuring effective development cooperation

IDC Programme Strategic Framework

The IDC Programme, and its priorities and investments, is influenced by several strategies and strategic policies, three of which have been endorsed by Cabinet - the Ministry's Strategic Framework; the New Zealand Government's Pacific Reset, and its subsequent Resilience Approach; and New Zealand's International Cooperation for Effective Sustainable Development (ICESD) Policy Statement. The IDC Priorities Framework establishes the priorities for what we deliver - It provides a line of sight between the IDC Programme, and the Ministry's Strategic Framework and strategic policies.

These documents provide direction for 20 Plans that span our bilateral, regional and Multilateral / Humanitarian programmes. The Plans articulate what we will do, who we will work with, how we will work, and how we will measure success. They are an essential part of ensuring that New Zealand's IDC is effective – directing funding allocation, activity design, pipeline planning, performance measurement and governance.

Per our partner-led approach, the Plans align with New Zealand's Statements of Partnerships with partner governments to ensure they are focused on outcomes that we jointly prioritise.

IDC Programme policies and processes

The Ministry's approach to managing the IDC Programme draws on New Zealand's commitments to the ICESD Effectiveness Principles and Agenda 2030, which are articulated in our development quality domains. These are reflected in the standards we use to manage the IDC Programme, and how we report on its performance.

The Ministry has a set of standards that define 'high-quality activity design and management' that we audit and evaluate against. Compliance with these standards ensures that IDC will be effective, inclusive, resilient, and sustained. The standards focus on engagement with others based on values and transparency; mutual accountability with partner governments; responding and adapting to local context; and a focus on results.

Using credible evidence to make decisions, learn, improve, and stay accountable for the IDC funding we spend and the impact is key. We measure results and impact at all levels of the IDC Programme, including through annual assessments of all activities, independent evaluations of programmes, and qualitative and quantitative measurement of impact across the entire IDC.

- Internal assessments of progress are carried out annually through activity implementation, and at activity conclusion, to appraise achievement of outcomes.
- Independent evaluations of projects, and of entire country or region programmes, assess whether IDC interventions were relevant, cohesive, achieved the outcomes sought, and delivered results in an efficient and sustainable way. This allows us to trace the impact of IDC over time. Over the 2024–27 funding triennium the Ministry will evaluate progress against plans that guide the delivery of the IDC. To date, evaluations have been completed for the Fiji, Vanuatu, Samoa, Naoero, Tonga, and Timor-Leste programmes, and a formative evaluation for the Climate programme. Several others are underway. Evaluation findings inform the design of new activities and activity phases, and evaluation reports are published on the Ministry's website, making findings and recommendations publicly available.
- Performance measures for the IDC appropriation are reported on previous pages. Impact delivered through training and capability-building is a specific focus across the IDC Programme, aligned to our ICESD development approach of providing sustained impact beyond IDC funding.
- In addition, the Ministry is also measured on its effectiveness in managing the IDC Programme under the departmental appropriation category 'Management of New Zealand's International Development Cooperation'. The full set of measures against this appropriation is set out on p.64–65 of the Ministry's Annual Report 2025–26 and include key areas of focus such as mainstreaming of climate objectives and gender equality objectives across the Programme, channelling of funding through Pacific partner governments, and quality of activity management.

- We continue to make improvements to our performance measurement framework and reporting for the IDC Programme as data improves and becomes available, to ensure we are supporting effective decision-making and accountability.
- IDC Programme governance is focused on ensuring that New Zealand's IDC is on track to meet commitments and achieve outcomes; and has a role in balancing the IDC Programme's investment portfolio to achieve the government's strategic outcomes.

Improving how we manage the IDC Programme

The 2024 Activity Based Review (ABR) of the IDC Programme recommended ongoing reshaping to strengthen strategic alignment. An operating model review of the IDC Programme completed in 2025 recommended a strengthened structure to deliver against key ABR recommendations, including clarifying roles and responsibilities, improving policy and programming alignment, and improving international development cooperation delivery performance. The new structure and operating model maintain the integration of development and foreign policy, but with a clearer delineation between specialist policy and programming functions, and development design and Activity-delivery functions within the Pacific and Development Group. Increased capacity for international development policy engagement and for humanitarian responses are two key features of the new model.

In March 2026, the Pacific and Development Group transitioned to the new structure and operating model. The new structure supports a workforce that is scalable and flexible, able to respond to shifting priorities in a complex and rapidly changing region and world. It has the capacity and capability to steward the \$5 billion development portfolio in line with Government and international standards, and it will work coherently and collaboratively across the Ministry, with NZ Inc agencies, and across our wider network in the Pacific and globally. Longer-term initiatives to embed and evolve the operating model will ensure it achieves the desired outcomes and remains fit for purpose.

We will continue to focus on strengthening efficiency and effectiveness in our work, including through:

- building a more strategic and coordinated approach to how over 30 New Zealand government agencies work in the Pacific;
- working more strategically with regional agencies, to support Pacific Islands Forum (PIF) centrality and the ambitions of the 2050 Strategy for the Blue Pacific; and
- developing a more strategic cross-Ministry approach to leverage finance into Pacific from other donors, private sector and philanthropic organisations.

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