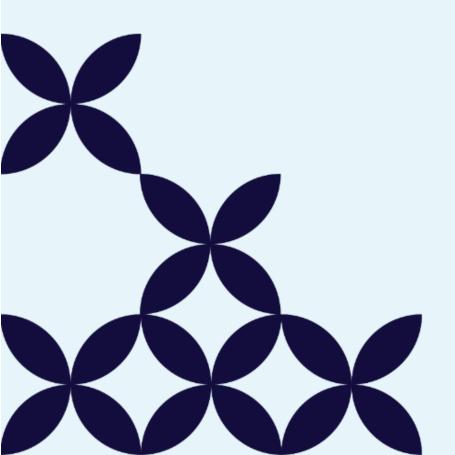
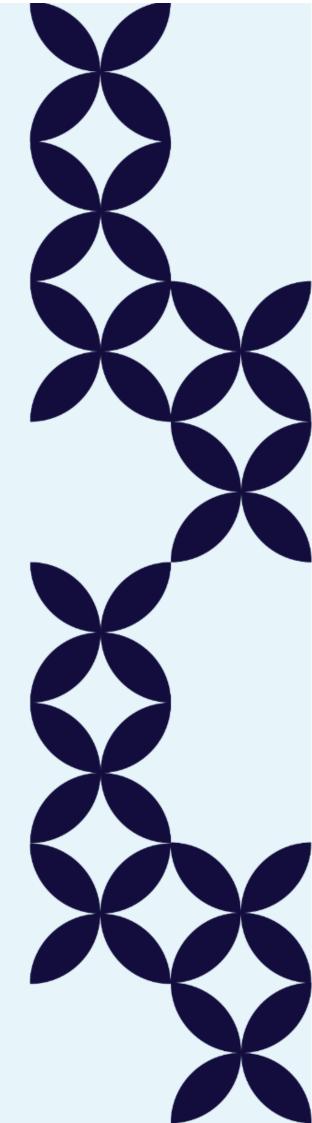


NEW ZEALAND FOREIGN AFFAIRS & TRADE Manatū Aorere

Global Development Cooperation Plan

February 2025





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Purpose of this document

The New Zealand Ministry of Foreign Affairs and Trade (MFAT) has developed this Plan to guide the planning and management of New Zealand's global development cooperation outside of the Pacific and Southeast Asia.¹ It serves as a foundation for dialogue with partners and stakeholders covered by this Plan.

The Plan is intended to indicate priorities and help monitor progress towards shared outcomes and strategic goals. It is a living document that will be reviewed with partners and updated periodically to ensure it reflects changes in country / regional context, including the impacts of any external shocks.

¹ Global comprises: Africa; Latin America and the Caribbean; select countries and territories in the Middle East and South Asia, including Afghanistan, Iraq, Occupied Palestinian Territories, Sri Lanka, Nepal, Bangladesh; plus regions of the Ukraine.



Global Development Cooperation

New Zealand's Global Development Cooperation is provided to Africa; Latin America and the Caribbean; and South Asia. It also covers conflict-affected countries and territories including Afghanistan, the occupied Palestinian Territories (oPT), and Ukraine.

This Plan encompasses New Zealand's targeted International Development Cooperation (IDC) commitments in a range of regions and contexts and with the inclusion of scholarship offerings expands New Zealand's partnerships to over 100 countries.

With a modest budget, we ensure that New Zealand remains a relevant global partner by providing targeted support in the following areas:

- contributing to stabilisation and recovery in several conflict and post-conflict settings;
- promoting resilient livelihoods and food systems; and
- strengthening the capacity of our partners, including small island states, to mitigate and adapt to climate change particularly through greater use of renewable energy sources and disaster management.

We do this by helping strengthen the capacity of public, private and civil society leaders; working through key regional institutions and multilateral agencies; supporting community-led initiatives; and leveraging New Zealand's internationally recognised expertise in innovative climate resilient technologies including climate-smart agriculture², and in the generation of geothermal energy.

Our development cooperation complements our humanitarian assistance, targeted to some of the world's most devastating and protracted crises³.

Common challenges in the global landscape for developing countries

Global rates of poverty and inequity have increased since the COVID-19 pandemic. Climate change impacts will further exacerbate poverty and inequality and are forecast to drive an estimated additional 132 million people into poverty by 2030⁴. The interconnection of global economic pressures, unemployment, a lack of social safety nets, climate-induced extreme weather events and associated food insecurity, and protracted conflicts, have made life less secure for billions of people.

These common challenges undermine governments' ability to deliver services to their citizens and hampers progress towards achievement of the sustainable development goals.

Africa

Africa is a geographically vast, and culturally and economically diverse region with over 1.5 billion people across 58 countries. The continent is rich in natural resources, which are critical to sustainable growth, and one of the world's largest free trade areas⁵. Over the last two decades, the region has enjoyed economic growth and the strengthening of democratic institutions. The continent has one of the youngest populations in the world, with

⁵ See: <u>https://www.worldometers.info/population/countries-in-africa-by-population/</u>





² The FAO and World Bank Climate-Smart Agriculture" (CSA) definition is "practices that sustainably increase productivity and system resilience while reducing greenhouse gas emissions".

³ See MFAT Humanitarian Plan 2025

⁴ OECD Development Cooperation Report 2024

a median age of 19 years and getting younger. Despite this, development opportunities are hampered in part due to limited skilled labour in key growth sectors.

Sub-Saharan Africa is the focus of New Zealand's IDC programming in Africa. It has 22 fragile or conflict-affected countries⁶. An estimated 550 million people in these sub-regions are living in multidimensional poverty⁷. Prolonged drought in the Horn of Africa, resulting in a high number of displaced people, and a growing drought crisis in Southern Africa has seen the number of undernourished people rise by more than 45 percent since 2012 - now estimated to be 412 million. All countries in Eastern and Southern Africa have a Climate Vulnerability Index ranking of 50 or lower. Growth across the region has been slow and unequal between and within countries, exacerbated by governance challenges, conflict, inequality, instability, climate-related food insecurity and displacement. These factors, among others, continue to hinder sustainable, inclusive development.

New Zealand supports climate-smart agriculture and geothermal energy sector development through the engagement of technical support by New Zealand government and private sector experts. New Zealand also provides scholarships and other training opportunities to the broader Africa region.

Latin America and the Caribbean

With 50 countries/territories, 664 million people, and a combined gross domestic product (GDP) of US\$7.09 trillion, the Latin America and Caribbean region includes a widely diverse range of economies - from least developed to high per capita income countries, from stable democracies to autocracies, from benign security environments to those with extreme law and order problems - all overlaid with rich cultural diversity. Regional average growth was 2.2 percent in 2023, but this ranges from Guyana, with GDP growth of over 60 percent in 2022, to Dominica with just over 1 percent GDP growth⁸.

Developing Caribbean states, even those graduating from official development assistance (ODA) eligibility, share similar challenges to those faced by other small island developing states (SIDS). These include social, economic and environmental vulnerabilities related to small land areas - susceptibility to the impacts of climate change; limited populations and small bureaucracies; supply chain disruptions consequent to reliance on imported goods; and other external shocks such as the COVID-19 pandemic. For this reason, accessing development financing that takes account of wider vulnerability criteria is crucial to all Caribbean states – and a position New Zealand supports.

The Caribbean Community, known as CARICOM⁹, is a grouping of 15 member states, five associate members and eight observers. The total population of the member states is 18 million people, 60 percent of whom are under the age of 30. New Zealand provides technical support in renewable energy, with a focus on the geothermal sector in the Eastern Caribbean; climate-smart agriculture capacity building through the engagement of New Zealand government and private sector experts; and skills development through scholarships and training opportunities. New Zealand also provides targeted support in Disaster Risk Management, sharing our experience as a long-term ally of SIDS in our Pacific region, and a champion of SIDS issues in multilateral fora.

Many Latin American countries have attained Upper Middle-Income status¹⁰ and are nearing graduation from ODA eligibility. However, equitable development is challenged by large informal economies and governance and



⁶ See: <u>https://www.worldbank.org/en/region/afr/overview</u>

⁷ See: <u>https://hdr.undp.org/content/2024-global-multidimensional-poverty-index-mpi#/indicies/MPI</u>

⁸ See: <u>https://www.worldbank.org/en/region/lac/overview#1</u>

⁹ The Caribbean Community is an organisation of fifteen states and dependencies throughout the Caribbean – Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Lucia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Suriname, Tinidad and Tobago as well as five Associate Members.

¹⁰

¹⁰ per the World Bank definition

security issues. Latin America is one of the largest global emitters of agricultural greenhouse gases (almost double the global average), attributable to deforestation and the prevalence of land-intensive cattle raising and agriculture. New Zealand's modest IDC contribution to the region targets climate mitigation and adaptation, through skills and technical capacity strengthening.

South Asia

New Zealand has long-standing development cooperation partnerships in South Asia dating back to the Colombo Plan in the early 1950s. The region is the most populous in the world, with over 1.8 billion people and a median age in the mid-20s. While substantial development progress has been achieved, (particularly in the areas of poverty reduction, improving literacy, education, and health outcomes), development challenges persist. These include high levels of inequality and rural poverty, youth unemployment, gender disparities, and environment and climate change challenges. Human security threats including trafficking and irregular migration, violent extremism and political instability.

Our support to the region focuses on social cohesion and the prevention of violent extremism; climate resilience and, as needed, humanitarian support in response to natural disasters and conflict.

Post-conflict Recovery and Reconstruction

In addition to humanitarian aid, New Zealand provides specific development support for stabilisation, recovery, and reconstruction in a number of conflict-affected or post-conflict settings, including Afghanistan, Iraq, occupied Palestinian Territories (oPT) and Ukraine. Some common challenges include religious, sectarian and ethnic conflicts that are fuelling violence, in particular violent extremism; governance challenges that undermine economic and social well-being; natural resource competition; and the active presence or legacy of foreign (military) interventions.

In view of the escalating conflicts (as at late-2024), oPT and Ukraine are expected to remain high priorities for support for the foreseeable future, with a focus on complementing New Zealand's humanitarian assistance with efforts across the humanitarian-development nexus - including support to protection of basic service provision. Our support in Afghanistan is focused on the empowerment of women and girls, and their access to services. With significant progress to stability in Iraq, New Zealand is in the process of transitioning out its development cooperation over 2025, as planned.

New Zealand's global partnerships

The prosperity and stability of New Zealand is heavily influenced by the global context, with events outside Asia-Pacific having profound impacts on our people, relationships, prosperity, and security. Given the highly dynamic environments we operate in, and our limited footprint, delivering through mechanisms such as multilateral or international NGO pooled funds allows New Zealand to achieve impact, whilst the risks inherent to the work are managed by large well-resourced organisations experienced in managing these risks. New Zealand also provides highly targeted technical support.

Our humanitarian assistance to Global regions focuses on supporting the coordinated efforts of other international humanitarian responders including other donors, the United Nations, the International Red Cross Movement and international non-government organisations.

We also extend scholarships for study in New Zealand to our global partners. We provide practical and relevant training opportunities to address knowledge and skills gaps in target sectors, aligned to areas of New Zealand's comparative expertise (e.g. renewable energy and/or climate-smart agriculture).



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Partner plans relevant to our relationships with Global partners

New Zealand's only Development Cooperation Arrangement outside of the Pacific and Southeast Asia is with the twenty CARICOM countries. Renewed in 2023, areas of cooperation include renewable energy, climate smart agriculture, disaster risk management, and knowledge and skills¹¹.

IDC programming aligns to OECD sustainable development goals (SDGs). Efforts are made to ensure activities are endorsed by national authorities and regional bodies, and align to their plans (e.g. Africa Union Agenda 2063) or support multilateral agency projects supported by like-minded donors.

Strategic framework for the Global Development Cooperation Plan

The IDC Priorities Framework 2024-27¹² guides this Plan. It shows contribution to MFAT's Strategic Framework¹³, and articulates the priority outcomes we aim to advance through the IDC Programme.

The Global IDC logic diagram on the next page sets out our ambitions, in alignment with the IDC Priorities Framework. It represents a total IDC view, covering core programme, multi-country investments, NGO partnerships and Manaaki New Zealand Scholarships. Humanitarian support is complementary and an essential input to the achievement of Global strategic development goals¹⁴.

It sets out how our strategic goals drive specific short and medium-term outcomes that we will work towards in partnership with Global development partners. Medium-term outcomes describe our interests in more detail, and short-term outcomes cover areas of immediate focus (i.e. rather than all the initiatives required to deliver the medium-term outcomes).



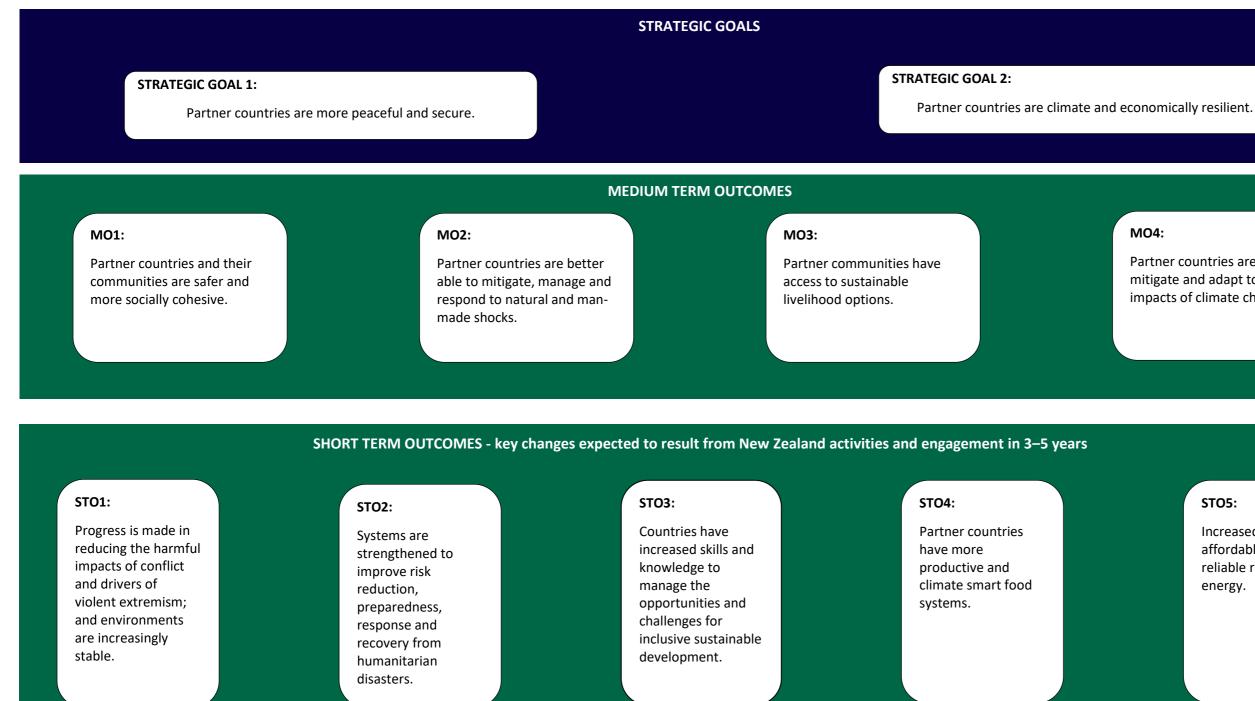
¹¹ No bilateral strategic partnership agreements. New Zealand does not provide direct budget support to governments within this Plan.

¹² Our approach to aid | New Zealand Ministry of Foreign Affairs and Trade (mfat.govt.nz)

¹³ Our strategic direction | New Zealand Ministry of Foreign Affairs and Trade (mfat.govt.nz)

¹⁴ MFAT Humanitarian Plan 2025

Logic diagram for Global Development Cooperation Plan





Partner countries are able to mitigate and adapt to the impacts of climate change.

STO5:

Increased access to affordable and reliable renewable energy.

Increasing influence of external /contextual factors MFAT has more influence

How we put this Plan into action

New Zealand's IDC funding for this Plan is managed over a three-year period commencing July 2024. There is flexibility to move funds into and between sub-regions to respond to rapidly changing contexts. Current information about New Zealand's overall IDC budget for the funding triennium is on the MFAT website¹⁵.

Several approaches underpin targeting of our IDC expenditure to have the greatest reach and impact:

- investing in multi-country and regional initiatives
- focusing on technical areas where New Zealand has expertise and unique value
- consolidating and investing in fewer, larger activities for higher impact
- creating a multiplier effect by partnering with other donors to expand or intensify initiatives
- sharing risk in challenging operating environments, through support to multi-donor and multilateral approaches

Across all Global regions we support international partners who work with community-led organisations, to ensure relevant expertise and local knowledge is leveraged for impactful and sustainable development outcomes.

How we will work to deliver on this Plan

New Zealand's International Cooperation for Effective Sustainable Development (ICESD) Policy¹⁶ identifies four development principles that guide New Zealand's work with partner countries. It sets out a commitment to deliver development that is effective, inclusive, resilient, and sustained.

Our programme has a focus on sustainability and resilience to ensure that we have enduring development impact. A number of activities specifically target equitable participation - particularly inclusion of youth and women. We ensure that inclusion is mainstreamed across all activities.

To ensure regional programming is aligned to bilateral and country-specific priorities and approaches, New Zealand's diplomatic posts work alongside partner governments, in-region agencies, like-minded donors and regional bodies.

In Africa and Latin America and the Caribbean, New Zealand supports regional initiatives that have broad coverage and impact, demonstrating our commitment to regional networks and regional-specific innovations, whilst also ensuring activities are tailored in niche thematic areas leveraging New Zealand technical expertise (such as geothermal energy or climate-smart agriculture). We seek to coordinate activities with others to amplify impact or act as a catalyst for further support in order to maximise the benefits from the limited funding available. This is complemented by scholarships and small grants for community level impact. In other conflict-affected countries, we primarily support multi-donor initiatives contributing to peace and security, stabilisation, recovery, and reconstruction.

 ¹⁵ See: www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/where-our-funding-goes/our-planned-aid-expenditure/
 ¹⁶ See: <u>https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf</u>



Who we will work with to deliver on this Plan

Channelling development funding through multilateral agencies allows us to contribute to impactful interventions in high risk, complex contexts where MFAT does not have a presence, and where we have limited resources to achieve an ambitious outcome. Our multilateral partners bring quality specialist experience and relationships, often partnering with community-based organisation who bring local knowledge and perspectives. New Zealand often has a seat at the table to engage in governance and information-sharing.

MFAT has several specific partnerships with New Zealand Government agencies that allow us to share high-level technical expertise, while strengthening profile and relationships between New Zealand and our priority partner countries.

Similarly, the geothermal facilities in Africa and the Caribbean utilise New Zealand private sector expertise for knowledge transfer and capacity building.

The Manaaki New Zealand Scholarships Programme provides education and training to scholars from across the Global Plan target regions, with an increased focus on professional development courses. These include courses in public sector leadership, governance, diplomacy, trade, climate smart agriculture and geothermal energy. In Africa, the latter two complement our engagement in geothermal and climate smart agriculture activities. The scholarship programme also provides English Language training at New Zealand education institutions for officials from non-English speaking countries.



How we will assess progress against this Plan

We report on progress towards our goals via the Minister of Foreign Affairs' annual report on the IDC appropriation¹⁷. Progress against this Plan will be assessed using the following indicators.

Strategic Goals	Indicators	
Goal 1: Partner countries are more peaceful and secure	World Bank <u>Worldwide Governance Indicators</u> (WGIs)	
Goal 2: Partner countries are climate and economically resilient	 ND-GAIN¹⁸ Vulnerability score SDG 8.1.1 – Annual growth rate of real GDP per capita 	
Short Term Outcome	Indicators	
STO1: Progress is made in reducing the harmful impacts of conflict and drivers of violent extremism; and environments are increasingly stable	 Number of people receiving training or capability-building support in peace and security (M/F)¹⁹ 	
STO2: Systems are strengthened to improved risk reduction, preparedness, response and recovery from humanitarian disasters	 Evidence of New Zealand's contribution to implementation plans and/or strategies for disaster risk reduction, response, prepared, and management. 	
STO3: Countries have increased skills and knowledge to manage the opportunities and challenges for inclusive sustainable development	 Number of people who complete tertiary or vocational/professional scholarships. Evidence of skills and knowledge obtained from scholarships/training being used in targeted sectors. 	
STO4: Partner countries have more productive and climate smart food systems	 Number of people directly benefitting from activities that aim to increase resilience to climate change and environmental degradation. Number of people supported to improve livelihoods 	
STO5: Increased access to affordable and reliable renewable energy	 Number of people directly benefitting from activities which aim to increase resilience to climate change and environmental degradation. Evidence of energy generated from clean or renewable sources or funds leveraged by partners for development of renewable energy, as a result of New Zealand support. Evidence of New Zealand activities contributing to climate national policies, strategies or actions plans. 	

The Plan will be evaluated approximately once every four years. The next strategic evaluation of the Global Development Cooperation Plan is expected to take place in 2026. The Ministry's forward strategic evaluation schedule is available on the website²⁰.

For further information

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¹⁷ See https://www.mfat.govt.nz/en/about-us/mfat-annual-reports

¹⁸ ND-Gain = Notre Dame Global Adaptation Index

¹⁹ Results are aggregated from activities across the Global programme

²⁰ Evaluation and research | New Zealand Ministry of Foreign Affairs and Trade

For more about MFAT's engagement beyond the Pacific and Southeast Asia, go to our website at <u>https://www.mfat.govt.nz/en/aid-and-development/our-development-cooperation-partnerships-beyond-the-pacific-and-south-east-asia</u> or contact <u>GDS@mfat.govt.nz</u>

This document is one in a series of Plans published by the New Zealand Ministry of Foreign Affairs and Trade (MFAT) and managed by the Ministry's Pacific and Development Group. For the latest version please go to www.mfat.govt.nz

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²¹ <u>https://creativecommons.org/licenses/by/4.0/</u>

²² https://www.legislation.govt.nz/act/public/1981/0047/latest/DLM51358.html



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