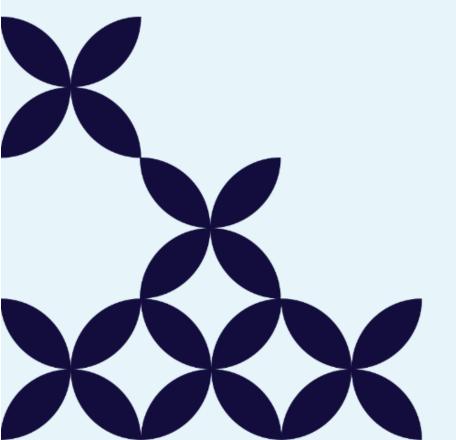


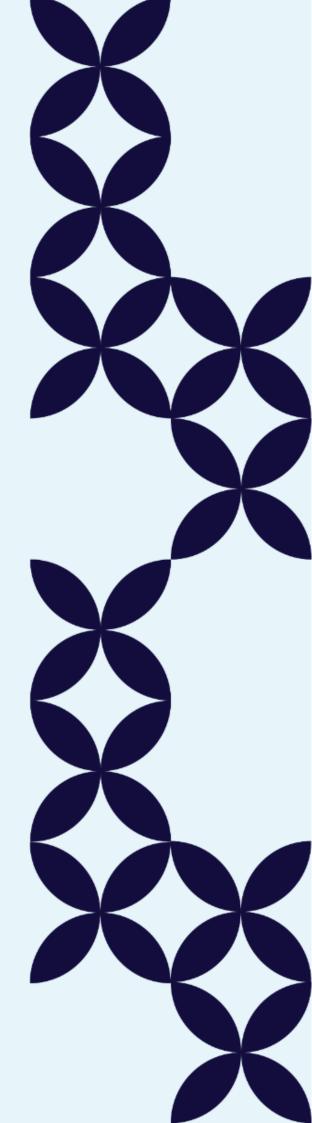
NEW ZEALAND FOREIGN AFFAIRS & TRADE Manatů Aorere

Niue

Country Plan

May 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 overall engagement with Niue, and as a foundation for dialogue with partners and stakeholders.

The Plan is used to bring clarity to what work should be prioritised, and to help monitor progress towards shared outcomes and strategic goals.

This is a living document that will be reviewed with partners and updated periodically to ensure it responds to changes in country context, including the impacts of any external shocks.

An integrated approach to Pacific engagement

New Zealand pursues an integrated approach to engagement with Niue. We focus on coherence across our diplomatic, trade and economic, climate change, environment, security and development objectives to deliver sustainable progress in developing countries, and advance New Zealand's interests and values. As such, our development contribution (both policy and financial) is an integral pillar of our foreign policy – it reflects our network of international relationships and commitments, and is an expression of our values.



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Country overview

Country context

Niue is a single-island Polynesian country with a land area of 260 square kilometers and an exclusive economic zone covering over 390,000 square kilometres. The resident population is approximately 1,670 people¹, and approximately 30,000 Niueans reside in New Zealand². Niueans are New Zealand citizens and can freely access services in New Zealand. Niue is a representative democracy with a parliamentary system. Since the establishment of its Constitution in 1974, Niue has exercised self-governance in free association with New Zealand, creating its own laws and managing its affairs.

Niue faces significant development challenges inherent to its small size and limited economies of scale, which are exacerbated by climate change impacts and external economic pressures. Niue's primary source of economic growth is tourism. Donor support, including budget support from New Zealand, accounts for over a third of all revenue in Niue. Approximately 70% of the working-age population is employed³, primarily in the public service. Due to Niue's small population size, many people work in both the private sector and the public sector, as well as having church/community commitments. Primary industries consist mainly of subsistence agriculture and low volume produce for export, including taro, coconut, honey, vanilla, and noni juice. Niue imports nearly all of its needs, particularly food, construction materials, and fuel, which contributes to a high cost of living.

Niue's reliance on tourism, which accounted for an estimated 28% of GDP before the COVID-19 pandemic⁴, has created economic risks and exacerbated pressures on essential infrastructure. While the economy is recovering well from pandemic-induced contractions, challenges remain. The low revenue base and constraints on borrowing limit the government's ability to invest in infrastructure, highlighting the continued need for external support. Diversifying Niue's economy would enhance resilience; however, viable options for significant development are largely confined to tourism. An increased level of revenue collection, such as increasing the rate and volume of collection of tax, would assist in raising domestic revenue.

Over the past 40 years, Niue has experienced a significant population decline from around 5,500 to approximately 1,670, primarily due to the emigration of people seeking opportunities in New Zealand and Australia. While the population is currently stable, the loss of residents has eroded the tax base and workforce capacity, posing ongoing challenges for Niue's economic development. This makes it challenging to maintain robust public financial management principles – this has been identified and subsequently prioritised by the Government of Niue, but significant reform challenges remain.

Niue faces security threats common to other Pacific island countries:

• Climate change, environmental and food security – Niue is highly vulnerable to the impacts of climate change, including increased extreme weather events and coral bleaching, which threaten its infrastructure, freshwater supplies, and food, health and human security. Niue's reliance on tourism and fishing exacerbates the economic and food security risks associated with these climate challenges.

⁴ Pacific Private Sector Development Initiative, *PSDI Tourism Snapshot: Niue*, <u>https://pacificpsdi.org/assets/Uploads/PSDI-TourismSnapshot-NIU2.pdf</u>.



¹ Asian Development Bank, Knowledge and Innovation Database, <u>https://kidb.adb.org/</u>

² Statistics New Zealand, 2018 Census of Population and Dwellings, <u>https://www.stats.govt.nz/tools/2018-census-ethnic-group-</u>summaries/niuean

³ Asian Development Bank, Knowledge and Innovation Database, <u>https://kidb.adb.org/</u>

- Critical infrastructure vulnerabilities Niue's geographic remoteness and increasing risks from climatic events creates significant vulnerabilities in its transport infrastructure, which relies heavily on a limited number of air and sea operators.
- Health security Niue is facing high rates of non-communicable diseases (NCDs) such as cardiovascular disease, diabetes, obesity, cancer, and mental health issues. The health system struggles with a limited operational budget, workforce, and infrastructure. Access to specialist care is also an ongoing challenge, leading many Niueans to utilise New Zealand's health services.

New Zealand's partnership with Niue

New Zealand and Niue share a close constitutional relationship that is underpinned by historical, cultural, and economic ties, shared citizenship, linkages between our public sectors, and is further reinforced by New Zealand's position as Niue's foundational partner. As part of the Realm of New Zealand, this constitutional relationship between New Zealand and Niue (and other Realm partners, the Cook Islands and Tokelau) is fundamentally different to other Pacific relationships.

As set out in the Niue Constitution Act 1974, New Zealand has a continuing responsibility to provide necessary economic and administrative assistance to Niue. New Zealand also has responsibilities to deliver on Niue's foreign affairs, defence and security when requested by Niue.⁵ In turn, both countries have obligations to consult regularly on issues of mutual concern, and Niue can not enter into defence arrangements that would engage the competencies of the Sovereign right of New Zealand or engage in any act which may undermine the vital security interests of the Realm.

The New Zealand – Niue Statement of Partnership 2022-2025⁶ sets out the principles and priorities that guide cooperation and engagement between the Governments of New Zealand and Niue in shared priority areas. These areas are: partnership (strengthening public institutions and ties with New Zealand); prosperity (promoting sustainable economic development); resilience, environment, and climate change (protecting taoga and the environment); peace and security (fostering inclusivity and collaboration on security challenges); and people (supporting leadership, education, and health outcomes, and protecting cultural heritage).

Our partnership is anchored in the Niue Constitution Act 1974 and reinforced in regular and meaningful dialogue at both the political and officials levels. This includes an annual meeting of the Prime Ministers of New Zealand and Niue (agreed in 2024), and annual High-Level Consulations between senior officials.

New Zealand is represented in Niue by a High Commissioner and Deputy High Commissioner, along with a team of locally employed staff. Niue is represented in New Zealand by the Niue High Commission in Wellington.

New Zealand adopts a partnership approach to supporting humanitarian response and disaster management in the Pacific. We focus on responding quickly to requests by Pacific governments, and delivering practical and financial assistance for those most in need when a disaster strikes. This includes a 'whole of Government' commitment to work with other New Zealand Government agencies to deploy specialist emergency capabilities in a disaster response. We also work closely with other development partners, the United Nations, France and Australia through our FRANZ arrangement, international and local non-government organisations and the private sector. Our bilateral development programmes invest in our Pacific partner's longer-term recovery from disasters. We also recognise the value of investing in measures that reduce and manage the risks of

 ⁵ Parliamentary Counsel Office, Niue Constitution Act 1974, <u>https://www.legislation.govt.nz/act/public/1974/0042/latest/DLM412788.html</u>
 ⁶ <u>https://www.mfat.govt.nz/assets/Countries-and-Regions/Pacific/Niue/Aotearoa-New-Zealand-Niue-Statement-of-Partnership-2022-2025.pdf</u>



disasters, and increase resilience; and in helping countries be better prepared for disasters through regional, bilateral and non-governmental organisation (NGO) partner initiatives.

Partner plans relevant to the relationship

The Government of Niue's Ko e Tohi Fakatokatoka Gahua ha Niue / National Strategic Plan (2016-2026)⁷ outlines a vision for sustainable development aimed at enhancing the quality of life for Niueans. The Plan has seven national development pillars: finance and economic development, governance, infrastructure, environment, social services, Tāoga Niue and the private sector.

The Plan emphasises the importance of community involvement and empowerment in the decision-making process to ensure that development aligns with the needs and aspirations of the local population.

Strategic framework for the Niue Country Plan

The International Development Cooperation (IDC) Priorities Framework 2024-27⁸ is a guiding document for the Niue Country Plan. It shows how the IDC Programme contributes to the Ministry's overall goals, as set out in the Ministry's Strategic Framework⁹, and articulates the priority outcomes that we aim to advance through the IDC Programme.

The Niue programme logic diagram on the next page sets out our ambitions for our work with Niue, in alignment with the IDC Priorities Framework. It represents integrated delivery across development, foreign policy, trade, and security and covers a total country view of our IDC investment, covering our core IDC programme, multi-country and regional investments, scholarships, and High Commission Fund.

The logic diagram sets out how our strategic goals drive more specific medium and short term outcomes. New Zealand will work towards these outcomes in partnership with Niue. The medium term outcomes in the logic diagram describe our interests in more detail. The short term outcomes cover our areas of immediate focus, rather than all the initiatives required to deliver these medium term outcomes.

⁹ See: https://www.mfat.govt.nz/assets/About-us-Corporate/MFAT-strategies-and-frameworks/Strategic-Intentions-2024-2028.pdf

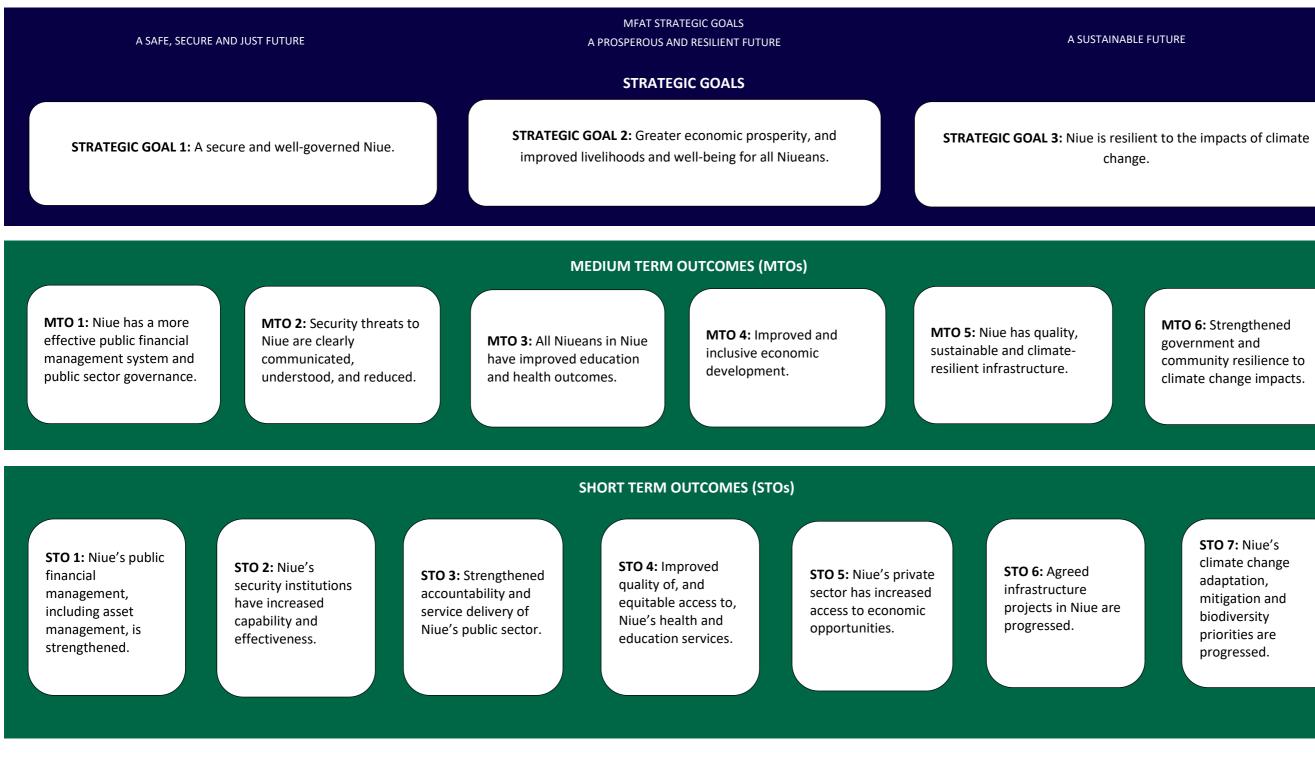


⁷ See: <u>https://www.theprif.org/sites/theprif.org/files/2020-08/Niue%20National%20Strategic%20Plan%202016-2026_0.pdf</u>

⁸ See: <u>https://www.mfat.govt.nz/assets/Aid/Aid-General/IDC-Priorities-Framework-2024.pdf</u>

Logic diagram for Niue Country Plan

Niue vision statement: Niue is well-governed, resilient and has a trusted partnership with New Zealand.





MTO 6: Strengthened government and community resilience to climate change impacts.

> STO 7: Niue's climate change adaptation, mitigation and biodiversity priorities are progressed.

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. There is flexibility to move funds into and between Plans in order to respond to rapidly changing contexts. Current information about New Zealand's overall International Development Cooperation budget for the current funding triennium is on the MFAT website¹⁰.

How we will work to deliver on this Plan

New Zealand's International Cooperation for Effective Sustainable Development (ICESD) Policy¹¹ identifies four development principles that guide New Zealand's work with partner countries and sets out a commitment to deliver development that is effective, inclusive, resilient and sustained.

To operationalise this Plan and contribute to the goals and outcomes, New Zealand will implement a range of actions, including:

- Further targeting New Zealand's IDC funding to support high-priority areas for Niue and the realisation of development benefits, particularly climate and the environment, infrastructure, budget and sector support (including health, education and tourism), public financial management, security and governance.
- Continuing to deliver a significant proportion of our bilateral IDC funding through budget and sector support. This model, which relies on a strong, trust-based partnership, utilises the Government of Niue's own systems and will be supplemented by technical advice and support, including capacity supplementation where appropriate.
- Continuing to leverage and draw on the expertise of, and strengthen our coordination with, New Zealand Government agencies to support Niue's development ambitions and needs;
- Close coordination between New Zealand Government agencies to ensure our support is well-aligned, effective, and right-sized for Niue.
- Collaborating with other development partners to support Niue's development priorities;
- Ensuring our IDC funding is delivered in line with the four development principles set out in New Zealand's ICESD Policy;
- Seeking to minimise the additional resource burden on Niue's government agencies arising from the delivery of, and engagement with, New Zealand's IDC Programme.

¹⁰ See: www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/where-our-funding-goes/our-planned-aid-expenditure/
¹¹ See: https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-EffectiveSustainable Development JCSD adf





Who we will work with to deliver on this Plan

The Government of Niue is New Zealand's primary strategic relationship partner. This partner-led approach ensures the Plan is well aligned to Niue's development priorities. We will take a strategic approach to working with other development partners to harmonise and leverage support, including New Zealand Government agencies and research organisations, multilateral and regional agencies, the Asian Development Bank, and other development partners.

New Zealand government agencies are required to provide necessary economic and administrative assistance to Niue. A significant number of agencies work in close partnership with the Government of Niue and MFAT to provide crucial policy and technical advice, as well as capability strengthening across a wide range of sectors. These include education, health, environment, border security (aviation security, customs, immigration, transnational crime), police, justice, and parliamentary support.

Pacific regional agencies directly and indirectly contribute to the goals and outcomes of this Plan, including through the Pacific Islands Forum Secretariat, Forum Fisheries Agency, Pacific Community Secretariat of the Pacific Regional Environment Programme, Pacific Tourism Organisation, Pacific Private Sector Development Initiative, and the Pacific Financial Technical Assistance Centre. In addition to New Zealand's core funding for multilateral agencies, such as United Nations Development Programme (UNDP), also play a key role in advancing the goals and outcomes of this Plan.

New Zealand collaborates closely with Australia, the only other resident mission in Niue. We harmonise our efforts and resources, including those related to development cooperation.



How we assess progress against this Plan

The logic diagram sets out the strategic goals, medium and short term outcomes we hope will result from New Zealand's activities and engagement with Niue. We report back on progress towards our goals in Niue via MFAT's Annual Report¹². We also report back on this Plan to the Government of Niue via our annual High Level Consultations and engagement with senior officials. This not only gives us an opportunity to discuss what has been achieved in partnership, but also to test whether our Plan remains fit-for-purpose or if we need to change anything.

Progress against the Plan will be assessed with the following indicators.

Strategic Goals	Indicators
Goal 1: A secure and well-governed Niue.	Worldwide Governance Indicator: Government Effectiveness.
Goal 2: Greater economic prosperity, improved livelihoods and well-being for all Niueans.	SDG 8.1.1: Annual growth rate of real GDP per capita. Blue Pacific 2050: Proportion of population living below national poverty line (sex, age and urbanisation level).
Goal 3: Niue is resilient to the impacts of climate change.	Notre Dame Global Adaptation Initiative Vulnerability score, split by sector (Water, Agriculture, Health, Infrastructure, Food, Ecosystems) (if available).

Short Term Outcome (STO)	Indicator
STO 1: Niue's public financial management, including asset management, is strengthened.	 Number of people receiving training or capability-building support in governance (M/F). Evidence of progress in advancing Public Expenditure and Financial Accountability recommendations. Government revenue collection (against agreed targets). Evidence of improved asset management practices.
STO 2: Niue's security institutions have increased capability and effectiveness.	 Number of people receiving training or capability-building support in peace and security (M/F) Evidence of New Zealand and Niue proactively sharing information on national security risks and threats. Evidence of progress in implementing the Niue National Security Strategy Roadmap.
STO 3: Strengthened accountability and service delivery of Niue's public sector.	 Number of people receiving training or capability-building support in governance (M/F). Public sector performance, transparency, and accountability measures. Evidence of improvements to Public Service Commission systems and processes.



¹² <u>https://www.mfat.govt.nz/en/about-us/mfat-annual-reports/</u>

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STO 4: Improved quality of, and equitable access to, Niue's health and	 Number of people receiving training / capability-building support in health (health workforce) (M/F).
education services.	 Number of people receiving training / capability-building support in education (education professionals) (M/F).
	 Proportion of students who successfully complete secondary school.
	Teacher/pupil ratios.
	Trajectory of NCEA results.
	 Number of visiting medical practitioners providing medical services.
	• Health outcomes for Niueans in Niue (in relation to Niue Public Health Strategy).
	• Evidence of inclusion of marginalised groups in the education sector.
STO 5: Niue's private sector has increased access to economic	 Number of people supported to improve their livelihoods (M/F).
opportunities.	 Number of tourists visiting annually (disaggregated by first time and repeat visitors).
	 Number of businesses that have accessed financial resources (e.g. loans, grants).
STO 6: Agreed infrastructure projects in Niue are progressed.	 Number of people directly benefitting from improved (climate resilient) infrastructure and services (M/F).
	• Evidence of prioritised infrastructure projects progressed.
STO 7: Niue's climate change adaptation, mitigation and biodiversity priorities are progressed.	 Number of people directly benefitting from activities that aim to increase resilience to climate change and environmental degradation (M/F) Evidence of New Zealand's contribution to progressing Niue's climate change and biodiversity priorities.
	Evidence of increased renewable energy generating capacity.

The Plan will be evaluated approximately once every four years. The next strategic evaluation of the Niue Country Plan is expected to take place in 2026. The Ministry's forward strategic evaluation schedule is available on the website¹³.

¹³ <u>https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/evaluation-and-research</u>



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For further information

Contact details for the New Zealand High Commission to Niue are available on the MFAT website ¹⁴.

To find out more about New Zealand's engagement with Pacific Island countries also go to the MFAT website, at www.mfat.govt.nz/en/countries-and-regions/australia-and-pacific/.

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 <u>www.mfat.govt.nz</u>

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For questions on attributing work to the Ministry of Foreign Affairs and Trade please contact: <u>cmd@mfat.govt.nz</u> Phone: +64 4 439 8000 Fax: +64 4 439 8511

¹⁶ https://www.legislation.govt.nz/act/public/1981/0047/latest/DLM51358.html



¹⁴ <u>https://www.mfat.govt.nz/en/countries-and-regions/</u>

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