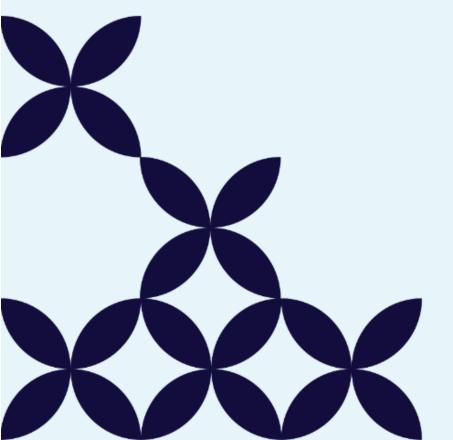


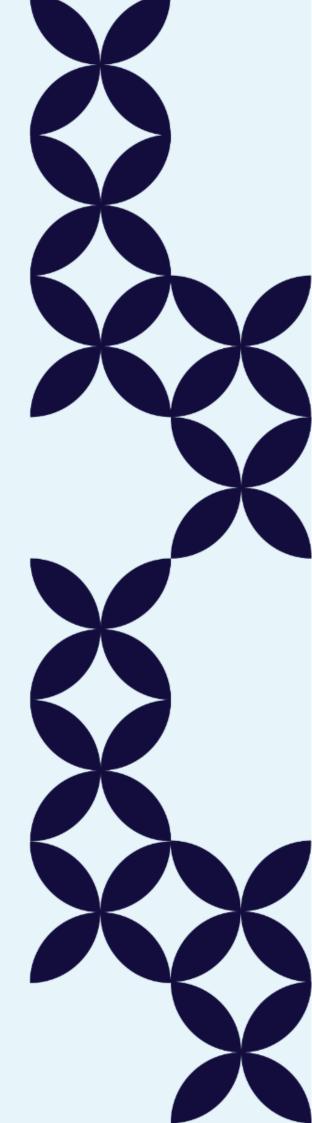
NEW ZEALAND FOREIGN AFFAIRS & TRADE Manatū Aorere

# Tuvalu

## **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 Tuvalu, 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 Tuvalu. We focus on coherence across our diplomatic, trade and economic, climate change, environment, security and development objectives to deliver sustainable progress in partnercountries, 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**

Tuvalu is a Polynesian country with nine inhabited islands and a population of almost 11,000, making it the fourth smallest independent state in the world. A quarter of Tuvalu's population currently lives below the national poverty line and, as 40.5% of the population is under 20, the country's education and healthcare systems face increasing demand.

With an average elevation of 1.83m above sea level, it is one of the countries that is most vulnerable to the effects of climate change. This is in the form of sea level rise, storm surges, salt water intrusion, coastal zone inundation, and extreme weather events such as drought. These impacts are placing increased strain on nearly every facet of life in Tuvalu, especially as Tuvalu has limited ecological and socio-economic capacities to mitigate the impacts of climate change disasters. Tuvalu takes a leading regional and global role in climate change diplomacy and negotiations, including as a signatory to many relevant international agreements and conventions related to environment and climate change – many alongside New Zealand.

Tuvalu gained its independence from Britain in 1978. Traditional governance structures at the island level – Kaupule (island councils) and Falekaupule (councils of elders) – ensure that cultural values and community consultation underpin parliamentary democracy. Tuvalu maintains diverse diplomatic ties and is one of the few Pacific countries to recognise Taiwan. As a Least Developed Country (LDC) and a Small Island Developing State (SIDS), climate change and sustainable economic development are key domestic and foreign policy issues. Tuvalu's most significant development partners are Australia, New Zealand, Taiwan, Japan, the World Bank and the Asian Development Bank.

Tuvalu has a narrow economic base. The fisheries sector contributes up to 60% of government revenue. Other significant revenue sources including sovereign wealth contracts and development assistance are important given the sector's unpredictability. Delivering public services, including healthcare and education, is costly because of Tuvalu's small, dispersed population and geography and impacted by considerable infrastructure, system, and workforce capacity and capability constraints. Interisland ferries are a lifeline for its communities, maintaining supply chains and enabling people to travel. Tuvalu only has one airport, which significantly limits the flow of goods and people into the country and increases vulnerability to commodity price fluctuations. The increasingly frequent and severe effects of climate change have flow-on impacts for connectivity and service delivery.

New Zealand is home to the largest Tuvaluan diaspora. This community, which is mostly resident in Auckland, numbers around 4,000 and is an active and vibrant part of the wider Pacific diaspora. Remittances from the Tuvaluan community in New Zealand and the region are an important contributor to Tuvalu's economy. Many Tuvaluans come to work in New Zealand each year, including around 155 under the Recognised Seasonal Employer Scheme (RSE).

Tuvaluan students study at New Zealand tertiary institutions. Pathways to New Zealand residency exist through education, employment and under the Pacific Access Category visa, which provides for 75 Tuvaluan citizens each year to be granted New Zealand residency.



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#### New Zealand's partnership with Tuvalu

New Zealand's bilateral relationship with Tuvalu is genuine, warm and respectful; founded on sovereign equality; and governed by a spirit of close friendship. Our priority areas for cooperation include: prosperity, climate change, people, and peace, mobility and security.

New Zealand does not have a diplomatic mission in Tuvalu. The New Zealand High Commissioner to Tuvalu is based in Wellington and is supported by a bilateral team and a Senior Development Programme Coordinator based in Funafuti. The Tuvalu Development Programme is managed from Wellington. The Government of Tuvalu maintains a High Commission in Wellington.

A number of New Zealand Government agencies have established relationships with their counterpart agencies in Tuvalu, either as part of their core business or through MFAT-facilitated programmes. These connections demonstrate the value of our partnership as they offer targeted, relationship-driven support at the bilateral and regional level, in areas of shared interest. They also develop and sustain communities of practice and the exchange of ideas.

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, 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 disasters, and increase resilience; and in helping countries be better prepared for disasters through regional, bilateral and NGO partner initiatives.

#### Partner plans relevant to the relationship

The Government of Tuvalu released the "<u>Statement of Priorities for the New Government of Tuvalu after the</u> <u>National General Elections on 26 January 2024</u>", that covers the Government's term of four years (this spans the entirety of the IDC 2024–27 funding triennium). The Statement outlines Tuvalu's 21 development priorities and forms the basis of its international development cooperation with donor partners. The key priorities that align with our IDC Programme in Tuvalu are: addressing impacts of climate change, economic resilience and prosperity for Tuvaluans, digital connectivity, an effective public service, and the implementation of the Australia – Tuvalu Falepili Union<sup>1</sup>.

<sup>&</sup>lt;sup>1</sup> Australia-Tuvalu Falepili Union | Australian Government Department of Foreign Affairs and Trade



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#### Strategic framework for the the Tuvalu Country Plan

The IDC Priorities Framework 2024-27<sup>2</sup> is a guiding document for the Tuvalu Country Plan. It shows how the IDC Programme contributes to the Ministry's overall goals, as set out in the Ministry's Strategic Framework<sup>3</sup>, and articulates the priority outcomes that we aim to advance through the IDC Programme.

The Tuvalu programme logic diagram that is included on the next page, sets out our ambitions for our work with Tuvalu, 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 investments, NGO partnerships and scholarships.

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 Tuvalu. 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.

<sup>&</sup>lt;sup>3</sup> See: <u>https://www.mfat.govt.nz/assets/About-us-Corporate/MFAT-strategies-and-frameworks/Strategic-Intentions-2024-2028.pdf</u>



<sup>&</sup>lt;sup>2</sup> https://www.mfat.govt.nz/assets/Aid/Aid-General/IDC-Priorities-Framework-2024.pdf

## Logic diagram for the Tuvalu Country Plan

efficient public services across

the archipelago for all Tuvaluans.

A SUSTAINABLE FU	A PROSPEROUS AND RESILIENT FUTURE	A SAFE, SECURE AND JUST FUTURE
	STRATEGIC GOALS	
STRATEGIC GOAL 3: Strengthen Tuvalu impacts of climate change.	GIC GOAL 2: A resilient and well-managed economy ic sector that delivers for Tuvaluans.	STRATEGIC GOAL 1: Tuvalu is secure and well-governed.
	MEDIUM TERM OUTCOMES	
МО3:	M02:	M01:
Tuvalu has the capacity and	Tuvalu's natural resources (e.g.	Tuvalu delivers effective and

#### STO1:

Tuvaluans have access to quality healthcare, education and employment opportunities

#### STO2:

Tuvalu's public financial and public sector management is strengthened and streamlined for optimal gain and impact.

#### SHORT TERM OUTCOMES

fisheries) and sovereign wealth

are managed sustainably.

#### STO3:

Tuvalu has improved sustainability and resilience through secure ICT infrastructure.

#### STO4:

Tuvalu's fisheries are managed sustainably and the economic and social returns maximised for all.

## STO5:

Tuvalu is supported in its adaptation and Loss and Damage priorities and to raise the awareness of regional climate change issues on the global stage.



#### FUTURE

alu's resilience against the



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 (referred to as "triennium"). Current information about New Zealand's overall International Development Cooperation budget for the current funding triennium is on the MFAT website<sup>4</sup>.

#### How we will work to deliver on this Plan

New Zealand's International Cooperation for Effective Sustainable Development (ICESD) Policy<sup>5</sup> 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.

New Zealand's development cooperation with Tuvalu will need to factor in the capacity of Tuvalu's small public service and provide technical assistance, as appropriate. It is crucial New Zealand's cooperation is partner-led and deliver in priority areas while minimising duplication of effort in sectors supported by other development partners.

Delivery of New Zealand's assistance will be streamlined and continue to be channelled through Tuvalu's government systems through three broad modalities: budget support, capacity and capability building, and New Zealand's partnerships. These modalities depend on a strong relationship with a high level of trust, and are underpinned by our relationship architecture. Trust will be strengthened through regular dialogue, sharing of information, and continued investment in the relationship.

The New Zealand High Commission Fund (HEF) will be maintained at the 2021 – 2024 triennium level. The HEF will be utilised to supplement outcomes in priority sectors, delivered at the community level.

<sup>&</sup>lt;sup>5</sup> 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>



<sup>&</sup>lt;sup>4</sup> See: <u>www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/where-our-funding-goes/our-planned-aid-expenditure/</u>

#### Who we will work with to deliver on this Plan

New Zealand will use a range of actions and work with multiple partners to operationalise this Country Plan. The Government of Tuvalu is New Zealand's primary implementing partner.

The Government of Tuvalu is a trusted partner that has demonstrated fiscal responsibility and accountability. As such, New Zealand's 2024-27 development cooperation with Tuvalu primarily consists of bilateral funding, accounting for approximately 55% of Total Country Aid Flow to Tuvalu. As agreed with the Government of Tuvalu, New Zealand's assistance primarily consists of support to its fisheries sector, reform-linked budget support via the World Bank-led Policy Reform Matrix process, providing direction and funding contributions to the Tuvalu Trust Fund, implementation of an undersea telecommunications cable, and climate change projects. New Zealand will continue to support policy development, including climate mobility and forward preparedness.

Australia is one of two development partners with an in-country presence and is the most significant development partner of Tuvalu. Following the entry into force of the Australia – Tuvalu Falepili Union, Australia has committed to significantly lifting its development assistance to Tuvalu, particularly in the area of climate change and security. In parallel, Tuvalu and Australia are prioritising the implementation of their human mobility pathway. Taiwan is the second development partner with an in-country presence in Tuvalu.

Multilateral agencies, such as the World Bank and ADB, are also significant development partners of Tuvalu. The World Bank and ADB primarily support Tuvalu's public financial management through the reform-linked budget support programme and other grants, economy, infrastructure, climate change mitigation and adaptation, and health outcomes. The UN agencies also provide assistance to Tuvalu and provides assistance mainly in the health and climate change sectors. Agencies under the Council of Regional Organisations of the Pacific (CROP) provide policy advice and support to Tuvalu, helping it achieve national, regional and international ambitions.

New Zealand will take a strategic approach to work with all development partners to ensure duplication of effort is minimised and ensure complementarity of development outcomes for Tuvalu. New Zealand currently works closely with development partners such as Australia, the World Bank, ADB, and UNDP to deliver our programme. We have jointly funded activities with each of these partners across our priority partnership areas.

MFAT partners with NZ NGOs through the *Partnering for Impact* programme, which supports inclusive economic, social and environmental resilience, health outcomes, good governance, and strengthening of civil society. Through this approach, we partner with NZ NGOs and local civil society to use their experience, knowledge and reach, to support delivery of locally-led solutions for people experiencing vulnerabilities.



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## How we will 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 Tuvalu.

We report back on progress towards our goals in Tuvalu via the annual Minister of Foreign Affairs Report on the IDC appropriation<sup>6</sup>. We also report back on this Plan to the Government of Tuvalu 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: Tuvalu is secure and well- governed.	<ul> <li>Government Effectiveness as measured by World Bank's World Governance Indicators (WGI).</li> </ul>
Goal 2: A resilient and well-managed economy and public sector that delivers for all Tuvaluans.	<ul> <li>SDG 8.1.1 - Annual growth rate of real GDP per capita.</li> <li>SDG 1.2.1 - Proportion of population below national poverty lines (% of population).</li> </ul>
Goal 3: Strengthen Tuvalu's resilience against the impacts of climate change.	ND-GAIN Vulnerability score

Short Term Outcome (STO)	Indicator
STO1: Tuvaluans have access to quality healthcare, education, and employment opportunities.	<ul> <li>Number of people participating in a labour mobility initiative.</li> <li>Number of people that complete tertiary or vocational scholarships.</li> <li>Number of people receiving training or capability-building</li> </ul>
	<ul> <li>support in health or health related services</li> <li>Evidence of increased access to quality healthcare and educational opportunities (PHC, MTS and Scholarship stories of access to health and education available through NZ investment)</li> </ul>
STO2: Tuvalu's public financial and public sector management is strengthered and streamlined for optimal gain and impact.	<ul> <li>Number of people receiving training or capability-building support in governance.</li> <li>Number of policy reforms completed under the Policy Reform Matrix.</li> </ul>

<sup>6</sup> <u>See https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid</u>



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STO3: Tuvalu has improved sustainability and resilience through secure ICT infrastructure.	<ul> <li>SDG 17.8.1 - Proportion of individuals using the Internet.</li> <li>Evidence of New Zealand's contribution to reliable ICT infrastructure.</li> </ul>
STO4: Tuvalu's fisheries are managed sustainably and the economic and social returns maximised for all.	<ul> <li>SDG 14.7.1 - Sustainable fisheries as a proportion of GDP.</li> <li>Number of people receiving training or capability-building support in fisheries and oceans.</li> </ul>
STO5: Tuvalu is supported in its adaptation and Loss and Damage priorities, including raising the awareness of regional climate change issues on the global stage.	<ul> <li>Evidence of New Zealand's contribution to Tuvalu's Long-term Adaptation Plan.</li> <li>Number of people directly benefitting from activities which aim to increase resilience to climate change.</li> <li>Evidence of supporting Tuvalu's engagement in international fora on climate priorities.</li> <li>Increase in the amount of water storage (m3).</li> </ul>

The Plan will be evaluated approximately once every four years. The next strategic evaluation of the Tuvalu Country Plan is expected to take place in 2027. The Ministry's forward strategic evaluation schedule is available on the website<sup>7</sup>.

<sup>&</sup>lt;sup>7</sup> See: <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 Tuvalu are available on the MFAT website<sup>8</sup>.

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

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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<sup>&</sup>lt;sup>10</sup> https://www.legislation.govt.nz/act/public/1981/0047/latest/DLM51358.html



<sup>&</sup>lt;u>\* https://www.mfat.govt.nz/en/countries-and-regions/</u>

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