New Zealand Aid Programme

Investment Priorities

2015-19

Focus for countries in South East Asia, Africa, Latin America and the Caribbean
New Zealand Aid Programme
Investment Priorities 2015–19

Focus for countries in South East Asia, Africa, Latin America and the Caribbean

Ministry of Foreign Affairs and Trade
Manatū Aorere

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1 A woman selling produce in Kenya
2 Ngatamariki geothermal plant. Photo: NZ Story
3 Growing dragonfruit for a commercial market, Viet Nam. Photo: Marcus Adams
4 Humanitarian aid in the Philippines
5 Disaster preparedness in ASEAN
6 Scholarship students at Victoria University
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Investment Priorities
2015-19
Strategic overview

The Ministry of Foreign Affairs and Trade acts in the world to make New Zealanders safer and more prosperous. It seeks to deliver value to New Zealand through:

- **Improved prosperity** for New Zealand and our region
- **The stability, security and resilience** of our country, our people, and our region
- **Leadership**, by amplifying New Zealand’s influence and standing in the world
- **Stewardship** or kaitiakitanga, or delivering solutions to the global challenges for the benefit of present and future generations

### Purpose

The purpose of New Zealand’s aid is to develop shared prosperity and stability in our region and beyond, drawing on the best of New Zealand’s knowledge and skills.

The New Zealand Aid Programme invests money, knowledge, and skills to deliver sustainable development and poverty reduction in partner developing countries. It also provides humanitarian support in response to crises around the world.

New Zealand’s development and humanitarian investment:

- reflects New Zealand’s responsibility as a Pacific neighbour and global citizen
- mirrors New Zealanders’ values supports shared regional and global prosperity and stability
- reinforces New Zealand’s international reputation
- strengthens New Zealand’s international connections

### A framework for our investments

We have 12 investment priorities that reflect where New Zealand's aid can have the greatest impact. In the Pacific, we will deliver activities within all of the Aid Programme's 12 investment priorities.

Outside of the Pacific, we will target investment within four priorities:

- agriculture
- renewable energy
- education
- resilience

and respond to major humanitarian emergencies.

Agriculture and renewable energy are sectors where New Zealand has recognised international expertise and leadership. These are our flagship priorities. Along with our funding investment, we aim to play a leading role in regional and international development policy engagement for these sectors.
Country focus and coherence

Country partnerships are at the heart of our aid approach, and the majority of our aid is delivered to individual countries. Our partner country relationships are based on an understanding of their priorities, a clear sense of where New Zealand can add most value, and a shared understanding of the results we want to achieve. Our relationships and investments vary with the different development contexts in each of our partner countries. Not all priority areas will be a focus in every country.

For each country where we have sizeable aid investment we will develop a strategy based on engagement with our partners, robust evidence, and analysis. These strategies will shape the different components of New Zealand’s overall aid and provide a coherent country aid framework. Our staff in partner countries lead engagement on New Zealand’s aid investments and related policy issues. Details of New Zealand’s development engagement with each partner country are published on the MFAT website: www.mfat.govt.nz.

Partnerships with countries where we have our larger aid programmes are reinforced by Joint Commitments for Development or equivalent documents. These high-level commitments give an integrated view of New Zealand’s aid investments, outline the process of policy dialogue, and set out mutual accountabilities and results.

Our focus on sustainable economic development

Our priorities emphasise private-sector-led growth that contributes to sustainable economic development. Growth increases income and employment opportunities and boosts tax revenues that support affordable and accessible public services, including education. These are essential for reducing poverty and improving well-being in developing countries.

Taking a sustainable approach to economic development ensures that growth is economically, environmentally and socially sustainable, and that outcomes we are working towards now don’t compromise development opportunities for future generations.
Strengthening development outcomes by integrating cross-cutting issues

The cross-cutting issues of environment and climate change, gender equality and women’s empowerment, and human rights have a significant impact on development outcomes. We will aim to deliver better outcomes and manage risks by taking these issues into account in the design, implementation and evaluation of activities. Areas where close attention to cross-cutting issues offers particular benefits are outlined within each investment priority.

We will also work with partner governments and implementing partners to build understanding of the contribution of gender equality, human rights and environmental sustainability to economic growth and sustainable development.

Private sector engagement

Sustainable economic development relies on a strong private sector to finance investment, create jobs, contribute to public revenues and produce goods and services that people want.

The private sector in New Zealand and other countries can play a transformational role by investing capital into developing economies, integrating local firms into global markets and supply chains, and building in-country knowledge and capability.

Our investment priorities of renewable energy and agriculture offer strong opportunities to increase private sector investment and trade. Our Strategic Plan identifies partnerships as central to our effectiveness. Over the next four years we will engage more actively with the private sector.

This will include co-investment that shares risks and increases the appetite for businesses to work in and invest in partner countries. Our overseas posts and our relationships with other governments can help New Zealand and international businesses contribute to sustainable development through:

• identifying in-country commercial opportunities and potential partners
• providing in-depth local knowledge and market intelligence
• assistance in developing business-to-business and business-to-government relationships.

We will work with private sector partners to understand their goals and identify mutually beneficial opportunities to work together, aligned with partner countries’ development priorities. Success means increased investment in priority sectors and more jobs created locally.
Agriculture (FLAGSHIP)

**GOAL:** Increase economic and food security benefits from agriculture

Our aspiration is to enable agriculture to drive economic growth in the countries we work with. A shift from subsistence agriculture to commercialised market-led agriculture is needed to increase returns along value chains and ensure sectors are viable in the long term.

Market-oriented production requires changes to integrate production decisions and market signals, new farming systems, new technology and practices, and optimised input supplies. These changes enable people at all points of the value chain to realise economic opportunities and provide sustainable economic growth and food security.

New Zealand is well-placed to assist developing countries to realise the economic opportunities in improving the performance of their agriculture sectors.

Our farmers are among the most productive and competitive in the world. We have an innovative agribusiness sector and efficient, export-led value chains. We have world-class food safety and biosecurity systems and skills, and research and development facilities that respond to the needs of industry.

For these reasons our assistance is sought after by developing countries. We will strengthen our impact by working with others in innovative ways, including co-investments and strategic relationships.

Our investments will support:

- market identification
- vocational training and extension services
- agriculture equipment, technology and infrastructure
- applied research and development
- industry and regulatory development.

**OUR FOCUS AREAS**

- Promote market-led agriculture by strengthening value chains
- Improve market access through better biosecurity and food safety systems
- Build resilience and tackle food security and nutritional challenges.
**OUR APPROACH**

Our activities will centre on aspects of the dairy, livestock and horticulture sectors where our expertise and the needs of partner countries intersect.

We will look for ways to encourage investment by New Zealand businesses where this is a priority for our partner country and can be aligned with our development, trade, and economic objectives.

Our work in strengthening value chains will develop market-led commercial agriculture solutions that are sustainable beyond our aid funding. Activities will target key points along the agribusiness supply chain from behind the farm-gate to market. This will extend to aspects of the policy and regulatory enabling environment that impact on agriculture and trade in agricultural products.

As an export-driven economy, New Zealand has had to maintain its edge to compete in the global market. We will use this expertise to strengthen and develop systems and processes in partner countries to improve market access and underpin international trade competitiveness.

We will take a portfolio approach to our investments, with lessons from agricultural initiatives applied across our support for the sector. For example, we have a portfolio of dairy sector activities, with over $40 million being invested in development activities in eight countries over the next three years. We will build a network of shared learning among our partners, creating efficiencies and generating better results.

Resilience, food security and nutritional challenges will be primarily addressed by investments with multilateral partners and through our Partnerships for International Development Fund. Though our approach generally focuses on commercial agriculture, we will respond to requests for assistance from post-conflict, climate-impacted and fragile states to meet the food needs of populations under stress.

Women make up 43% of the agricultural work force across developing countries. Increasing women farmers’ access to agricultural support including extension services, training, and inputs such as seeds can lift agricultural output, boost economic growth and contribute significantly to women’s economic empowerment.

We will seek to mitigate the environmental impacts of our activities and ensure they are delivered in accordance with local industry best practice. We will also ensure that we make provision for climate change mitigation and adaption strategies, technologies and techniques.

We will develop modular services that can be delivered in a range of contexts with known cost and delivery times.

**Myanmar Dairy Excellence Project**

This $6 million, five-year project aims to boost the quantity and quality of milk produced in Myanmar. The project develops farm plans, improves forage, animal husbandry, milk quality and farm management practices, and enhances the capability of the government laboratory.

After one year, farmers have already reduced their costs of forage, increased calf growth rates and milk output, and are increasingly utilising modern farming practices. Many are investing their own money into improvements, indicating strong project buy-in.

Delivery partners include New Zealand experts The Agribusiness Group, PGG Wrightsons, Gallaghers QCONZ, Livestock Improvement Corporation, Agricultural Services Limited, Dairy Link Limited, Taratahi Agricultural Training Centre and Tuia International. Fonterra has provided market analysis and participates in project governance.
Renewable energy (FLAGSHIP)

**GOAL:** Expand access to affordable, reliable and clean energy

Reliance on fossil fuels has a negative effect on developing countries’ economies. Renewables ensure a more secure and lower-cost energy source. Switching to renewable energy has environmental benefits locally through reduced pollution, and globally through lower greenhouse gas emissions.

**OUR FOCUS AREAS**

- Improve access to reliable and renewable energy through new infrastructure and technical assistance
- Identify and support greater private sector participation in the energy sector
- Strengthen sector planning and asset management to improve service quality and efficiency

**OUR APPROACH**

We will focus on renewable energy technology that is appropriate to country conditions and capability. We will work with partners to ensure investments in energy are more cost-effective by promoting sector planning, project prioritisation, asset management, and the involvement of the private sector.

In addition, we will deliver our investments more quickly and efficiently by developing replicable modular services that can be delivered in a broad range of contexts and with known cost and delivery times.

Switching to renewable energy has environmental benefits locally through reduced pollution, and globally through lower greenhouse gas emissions.

Resilience to climate change is built into the design of projects wherever possible. We will encourage partner governments to increase energy accessibility and affordability for all people, including the most disadvantaged, through regulatory and tariff reform and a fair distribution of all benefits.

We will continue to work closely with the donor community and the private sector to coordinate and leverage our investments in renewable energy to maximise their impact, visibility and effectiveness.
Education

GOAL: Improve knowledge, skills and basic education

Education and training opportunities lead to skilled workforce participation, strengthened management of public institutions, and support for the development and growth of the private sector. Recipients of scholarships and training awards also build connections between New Zealand and their home countries and, as part of the New Zealand Scholarships alumni networks, across their region and the world.

OUR FOCUS AREAS

- Strengthen the provision of education in the Asia-Pacific region
- Provide scholarships and vocational training to support economic opportunities and in response to skills shortages

Scholarships

The Scholarships Programme manages over $50 million annually, with students studying mainly in New Zealand.

Students graduate with diplomas; bachelors, masters, and doctoral degrees; and other qualifications in a range of fields, including agriculture, renewable energy and disaster risk management.

New Zealand Scholarships are offered to citizens of over 90 eligible developing countries. These students study subjects that contribute to the social and economic development needs of their countries, and that are aligned with our investment priorities and the expertise of New Zealand tertiary education institutions.

Short-term Training Scholarships in ASEAN countries and Timor-Leste provide targeted opportunities to address vocational training, work-based learning and professional development needs.

English language training provides the language skills students need to succeed in their studies and increases fluency for selected individuals in South East Asia and Africa.

OUR APPROACH

To ensure that our investment is effective:

- Skills and training opportunities will match agreed development priorities, so that scholars return to employment in their home country and make use of their new skills
- Selection processes will be transparent, merit-based and efficient
- Scholars, including those with disabilities, will be provided with the support they require to succeed academically
- We will maintain support for and connection with alumni
Resilience

**GOAL:** Strengthen resilience

The number and impact of natural disasters globally is increasing and developing countries are disproportionately affected. The situation is worsening with the acceleration of climate change. Our support will strengthen resilience so that communities are better able to prepare for, survive and recover from disasters and climate change impacts.

New Zealand has experienced natural hazards including earthquakes, volcanic eruptions, drought, fires, storms, floods, epidemics and disease outbreaks. As a result we have established preparation, response and recovery measures that have increased our resilience. We will share this expertise as part of our goal to strengthen resilience in line with international best practice and our partner country priorities. Strengthening resilience also aligns with global and regional policies, especially the Sendai Framework for Disaster Risk Reduction 2015-30.

**OUR FOCUS AREAS**

- Improve the preparedness of Pacific and ASEAN partners to manage and recover from disasters
- Invest in targeted disaster risk reduction and climate change adaptation initiatives
- Mainstream disaster risk reduction and climate change adaptation measures across our aid investment portfolio

**OUR APPROACH**

We strengthen resilience through specific and practical actions. We also integrate disaster risk reduction and climate change principles across our development initiatives.

We pay particular attention to the most serious hazards. Our support at a country level includes ensuring public infrastructure is able to withstand earthquakes, adverse weather conditions and storm surges; improving preparedness; supporting low-carbon economic growth through the provision of clean, efficient and affordable energy; supporting economic and agricultural diversification; and strengthening governance structures.

We will build on existing regional actions in South East Asia and the Caribbean with new initiatives that leverage New Zealand’s experience and expertise, including science and technical research, hazard and risk assessments, and climate information.
**Humanitarian response**

**GOAL:** Respond to humanitarian emergencies

New Zealand is recognised internationally as an effective, principled actor in humanitarian affairs. We support fast, effective and coordinated responses to save lives and alleviate human suffering in natural disasters and other emergencies.

**OUR FOCUS AREAS**

- Respond to requests for assistance in the Pacific and contribute to responses to larger scale emergencies elsewhere
- Invest in New Zealand’s capability for offshore responses
- Support economic recovery from emergencies in our region.

**OUR APPROACH**

In South East Asia, New Zealand plays a targeted, supporting role in responding to major natural disasters in this region, either directly or through contributions to responding agencies.

Globally, we will make targeted contributions to major crises where the international community has mobilised a coordinated response. Our contributions will typically be channelled through partners including affected governments, multilateral agencies, and the International Red Cross and Red Crescent Movement.

Strengthening resilience and responding to humanitarian emergencies are closely related priorities. We believe the most effective way to minimise human and economic loss is to reduce disaster risks and strengthen countries’ capacity to prepare for, respond to and recover from disasters.

In an emergency response, New Zealand government agencies work together. We also work closely with partners and with the UN system to ensure our efforts are complementary. Emergencies inevitably stretch capacity in an affected country, and we seek to minimise the coordination burden on affected governments.

We will seek to influence global humanitarian policy debates to ensure that the international humanitarian system is efficient, effective, and takes into account the needs of the Pacific, South East Asia, and small island developing states. We will do this through our high-level engagement with partner agencies, including OCHA, and participation in global processes and debates on humanitarian issues.

Women and girls are often disproportionately affected by disasters and conflicts, which can exacerbate underlying inequalities and risks of sexual and gender-based violence. We will identify the possible impacts of our humanitarian contributions on vulnerable groups, including women and girls, people with disabilities, the elderly, and children in need of protection. We will work with partners to align their interventions in support of these issues. We will identify and, where possible, support opportunities for women’s training and leadership in preparation and response activities, recognising the important and diverse roles that women play in emergencies.

All aspects of New Zealand’s humanitarian responses will respect internationally recognised standards and principles, including those of the Good Humanitarian Donorship Initiative. We will provide assistance based
Strategic Results Framework

The goal and the medium and long term outcomes for each investment priority are set out in this New Zealand Aid Programme Strategic Results Framework. These outcomes describe what success will look like for our investment priorities. We will contribute to each of these outcomes by implementing activities within the focus areas.

We will monitor our contribution to these outcomes via standard indicators at two levels.

- **Global development results** focus on development results to which the New Zealand Aid Programme is seeking to contribute in partner countries. These results cannot be attributed to New Zealand Aid Programme alone – they are supported by many actors including partner countries and other donors.

- **Direct development results** evidence the more direct contribution of the New Zealand Aid Programme to development results in partner countries.

Indicators mirror those being developed for monitoring progress against the Sustainable Development Goals wherever possible.

The standard indicators in this results framework only tell part of the performance story. We will also measure progress towards long and medium term outcomes with more context specific monitoring and evaluation.

We will use results information for learning and decision making as well as accountability and communications. Wherever possible, results measurement will be consistent with partner systems and approaches.
## Agriculture (Flagship)

**GOAL:** Increase economic and food security benefits from agriculture

<table>
<thead>
<tr>
<th>LONG TERM OUTCOMES</th>
<th>MEDIUM TERM OUTCOMES</th>
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<tbody>
<tr>
<td>Increased contribution of agriculture to the economy</td>
<td>Greater productivity from agriculture</td>
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<tr>
<td></td>
<td>Greater value from agricultural exports</td>
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<td></td>
<td>Increased demand for local produce</td>
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<td></td>
<td>Increased incomes and employment along the agriculture supply chain</td>
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<tr>
<td></td>
<td>Increased integrity of biosecurity and food safety systems</td>
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<tr>
<td>Enhanced food security and nutrition from agriculture</td>
<td>Increased adoption of more resilient and nutritional varieties of crops</td>
</tr>
<tr>
<td></td>
<td>Increased access to sustainable sources of nutritious food</td>
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<td></td>
<td>Increased yields from major staple crops</td>
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### DEVELOPMENT RESULT

<table>
<thead>
<tr>
<th>Global Results</th>
<th>Direct Results</th>
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<tbody>
<tr>
<td>Agriculture sector – added value of GDP (%)</td>
<td>People provided with new or improved electricity supply (No., M/F)</td>
</tr>
<tr>
<td>Agriculture export value ($)</td>
<td>Installed renewable energy capacity of new or upgraded infrastructure (Megawatts)</td>
</tr>
<tr>
<td>Prevalence of stunting among children under five years of age</td>
<td>Renewable energy generated/produced per annum (Megawatts/hour)</td>
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## Renewable energy (Flagship)

**GOAL:** Expand access to affordable, reliable and clean energy

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<tr>
<th>LONG TERM OUTCOMES</th>
<th>MEDIUM TERM OUTCOMES</th>
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<tbody>
<tr>
<td>Increased and equitable access to affordable energy</td>
<td>Reduced reliance on fossil fuels</td>
</tr>
<tr>
<td></td>
<td>Increased renewable energy production</td>
</tr>
<tr>
<td></td>
<td>More efficient energy supply (production and delivery)</td>
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<tr>
<td></td>
<td>Increased private sector participation in the energy sector</td>
</tr>
<tr>
<td>More reliable and resilient energy supply</td>
<td>More effective operation, maintenance and renewal of assets</td>
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<td></td>
<td>Improved energy sector planning</td>
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### DEVELOPMENT RESULT

<table>
<thead>
<tr>
<th>Global Results</th>
<th>Direct Results</th>
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<tbody>
<tr>
<td>Energy supplied through the main grids produced from renewable energy sources (%)</td>
<td>People provided with new or improved electricity supply (No., M/F)</td>
</tr>
<tr>
<td>Prevalence of stunting among children under five years of age</td>
<td>Renewable energy generated/produced per annum (Megawatts/hour)</td>
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</tbody>
</table>
### Education

**GOAL:** Improve knowledge, skills and basic education

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<tr>
<th>LONG TERM OUTCOMES</th>
<th>MEDIUM TERM OUTCOMES</th>
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<tbody>
<tr>
<td>Increased workforce skills and capability in priority areas</td>
<td>Scholars and students successfully gain skills and qualifications</td>
</tr>
<tr>
<td></td>
<td>Scholars and students contribute to development in their home countries</td>
</tr>
<tr>
<td></td>
<td>Scholars maintain positive connections with New Zealand</td>
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### Resilience

**GOAL:** Strengthen resilience

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<tr>
<th>LONG TERM OUTCOMES</th>
<th>MEDIUM TERM OUTCOMES</th>
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<tbody>
<tr>
<td>Improved regional, national and community preparedness for future disasters</td>
<td>Improved capability of national disaster risk management systems</td>
</tr>
<tr>
<td></td>
<td>Improved availability and quality of information on risks and natural hazards and their impacts</td>
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<tr>
<td>Improved disaster risk reduction and adaptation to the impacts of climate change</td>
<td>Strengthened critical infrastructure to withstand impacts of disasters</td>
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<tr>
<td></td>
<td>Reduced human, economic and environmental loss</td>
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### Development Result

**GOAL:**

<table>
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<th>DEVELOPMENT RESULT</th>
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<tbody>
<tr>
<td><strong>Global Results</strong></td>
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<tr>
<td>Carbon emissions <em>(Metric tonnes per capita)</em></td>
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<tr>
<td><strong>Direct Results</strong></td>
</tr>
<tr>
<td>People trained to strengthen resilience <em>(disaster risk reduction and climate change adaptation)</em> <em>(No., M/F)</em></td>
</tr>
<tr>
<td>People trained to strengthen disaster preparedness <em>(No., M/F)</em></td>
</tr>
<tr>
<td>Government agencies, organisations supported to strengthen <em>(national and regional) resilience (disaster risk reduction and climate change adaptation)</em> <em>(No.)</em></td>
</tr>
<tr>
<td>Number of project proposals supported and submitted to the Green Climate Fund <em>(No.)</em></td>
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</table>
# New Zealand’s response to humanitarian emergencies

**GOAL:** Respond to humanitarian emergencies

<table>
<thead>
<tr>
<th>LONG TERM OUTCOMES</th>
<th>MEDIUM TERM OUTCOMES</th>
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<tbody>
<tr>
<td><strong>New Zealand’s response to humanitarian emergencies have a positive and tangible impact on countries</strong></td>
<td>Decreased human suffering associated with natural disasters and armed conflict</td>
</tr>
<tr>
<td></td>
<td>Effective, appropriate and reliable humanitarian response in support of affected governments</td>
</tr>
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<td></td>
<td>Enhanced transition from disaster response to recovery</td>
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<table>
<thead>
<tr>
<th>DEVELOPMENT RESULT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct Results</strong></td>
</tr>
<tr>
<td>Vulnerable people provided with essential and useful assistance following a natural or human induced disaster within Pacific and outside the Pacific (No., M/F)</td>
</tr>
<tr>
<td>NZ responses to natural disasters in the Pacific that are launched within mandated timeframe (No., %)</td>
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For more information about the New Zealand Aid Programme, see www.mfat.govt.nz