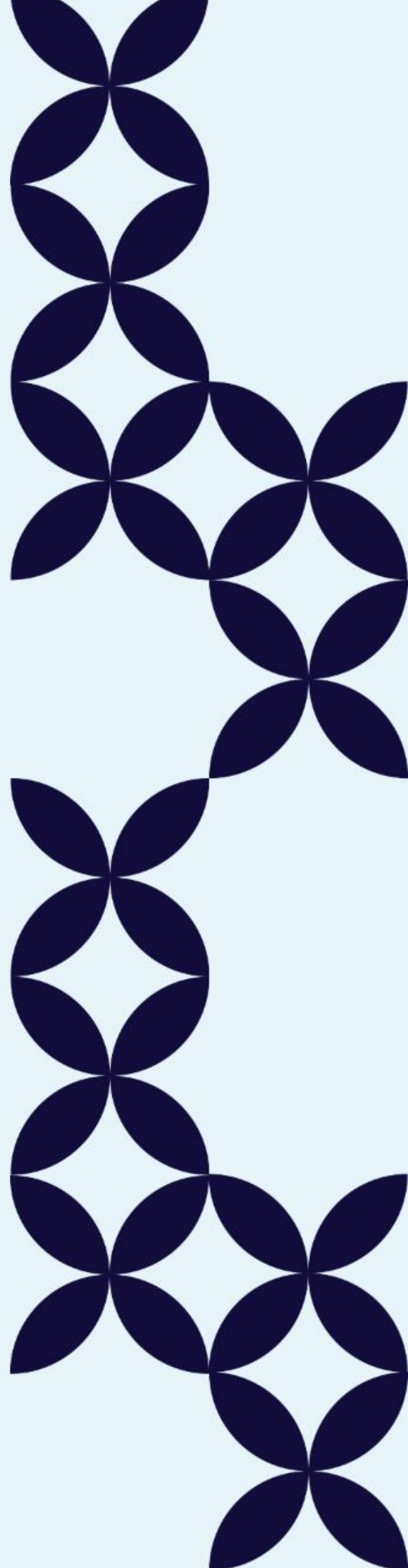
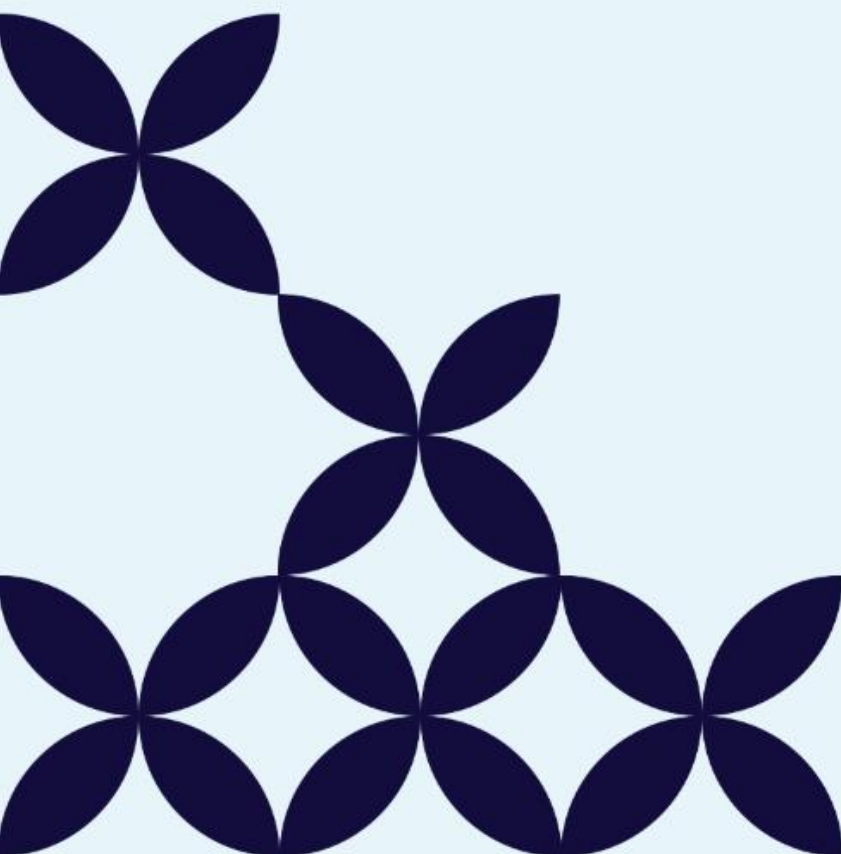


Multilateral Four Year Plan

January 2022



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² <https://www.legislation.govt.nz/act/public/1981/0047/latest/DLM51358.html>



Purpose of this document

The Ministry of Foreign Affairs and Trade (MFAT) has developed this Four Year Plan (4YP) to guide the planning and management of Aotearoa New Zealand's overall engagement with its core multilateral development partners and as a platform for dialogue.

The 4YP is used to bring clarity to what work should be prioritised and to help monitor progress to achieve shared outcomes and strategic goals.

This is a living document that will be refreshed annually to ensure it responds to changes in context, including impacts of external shocks and events such as COVID-19.

An integrated approach

Aotearoa New Zealand pursues an integrated approach to engagement with the multilateral development system. 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 Aotearoa 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.

Enduring principles for New Zealand's development cooperation

The **enduring principles** which guide New Zealand's engagement are:

- **Te Puna Manaaki** (Fountain of support):

Our engagement will be underpinned by the values of whakahoahoa (partnership), including honesty, trust and respect. We will listen and consult, and act in partnership with predictability and consistency. We will confidently share New Zealand's views and perspectives, being clear about the things we will do and the things we will not do. The strength of our partnerships empower us to communicate openly even where our views may differ.

- **Raranga te Muka** (Weaving the strands):

New Zealand's global development investments contribute towards global and regional security and prosperity, and to our national interests. Our support helps to address global development challenges and issues that are too big for any country to address on its own, while securing a platform on which to advocate for the things we value, including the Pacific. Through this approach we achieve pānga ngātahi (collective impact).

- **Tātou Tātou** (All of us together):

We will focus on collaborating with partners to upscale our ambition and magnify our impact, especially in the Indo-Pacific region where our engagements will contribute to ensuring New Zealand's own prosperity together with that of our regional and country partners. Through this approach we achieve painga takirua (mutual benefit).



- **Te Pae Tawhiti** (A shared horizon):

Our engagement will bring a long-term pakari (resilience) perspective, consistent with New Zealand's enduring interests. We will seek lasting impact through a focus on human capability development; economic and climate resilience, and kaitiakitanga/ stewardship.



Context overview

Global development context

The Sustainable Development Goals (SDGs)³ are shared ambitions for our work. They set out the collective responsibility of all states to take action to improve the lives of our peoples and our planet. They help us and our partners to prioritise the issues that matter most, and to decide where to focus our resources.

Globally, progress on the SDGs has been mixed. The COVID-19 pandemic has also been a setback. Before the pandemic, good progress had been made against SDG 1 (no poverty), led by Asia, and SDG 9 (innovation, industry and infrastructure). However, progress on other SDGs was limited, particularly on SDG 2 (zero hunger), SDG 6 (clean water and sanitation) and SDGs 13-15 (relating to the environment).

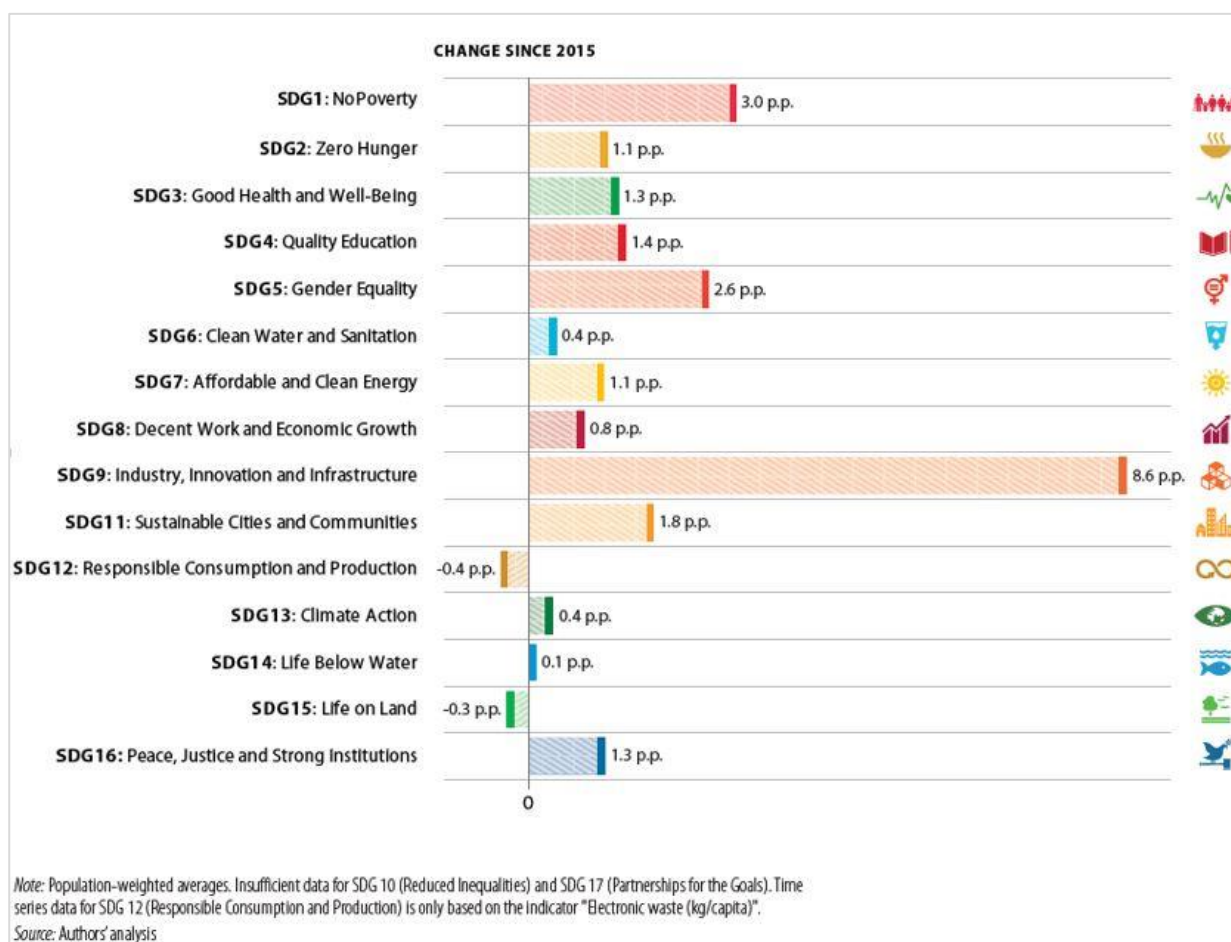


Figure 1: Progress in the world for each SDG since 2015 in percentage points⁴

³ The Sustainable Development Goals (SDGs) are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The 17 SDGs are defined in a list of 169 SDG Targets. Progress towards these Targets is agreed to be tracked by 232 unique Indicators. <https://sdgs.un.org/goals>

⁴ Source: *Sustainable Development Report 2021*, Sachs et al, <https://www.sdgindex.org/reports/sustainable-development-report-2021/>



The COVID-19 pandemic has also caused progress in some areas to reverse, at least temporarily. While estimates vary, the Brookings Institute has calculated that 2020's recession added 100 million people to the extreme poverty count, setting back global progress by approximately five years. With respect to longer term recovery from COVID-19's economic and social impacts, the Institute predicts that there will still be 50 million more people in extreme poverty by 2030, on top of the pre-COVID-19 estimates⁵.

Multilateral development context

The multilateral development system includes United Nations (UN) development organisations, multilateral development banks, specialised international agencies and funds, and organisations such as the Commonwealth.

Multilateral cooperation is a proven way to respond to global challenges such as poverty, climate change, pandemics, instability and humanitarian crises. Multilateral organisations can operate at scale (including investing in global public goods) and in complex contexts. In addition to delivering multilateral development and humanitarian outcomes, multilateral organisations play both a convening and lead role on multilateral and development norms and practice. They also contribute expertise and insights to international development thinking and practice.

Over the past decade, the multilateral development system has grown as a channel for development cooperation. According to the OECD the share of official development assistance channelled through the multilateral system increased from 34 percent to 38 percent in 2018⁶. The overall volume of multilateral aid also increased to USD 71.9 billion in 2018, a 32.4 percent increase in real terms since 2011.

Since then, and triggered by the COVID-19 pandemic, a significant amount of funding and in-kind vaccine contributions have been provided to the multilateral response mechanisms. However, recent years have seen some fluctuations in contributions to multilateral development agencies from major donors. There has also been a rise in the amount of funding earmarked for specific activities⁷, mostly humanitarian⁸. There is no available data on whether these trends have changed since the start of the pandemic.

United Nations development system reform

In recent years the UN has been implementing a once in a generation reform of its development system in order to improve coordination, delivery and impact. This includes an empowered UN resident coordinator function. All offices are headed by a UN resident coordinator who facilitates UN coordination.

Pacific context

The UN has a number of organisations working in the Pacific. A new multi-country office has been established for the north Pacific, adding to those based in Suva and Apia, and there is also a dedicated country office in Papua New Guinea.

⁵ <https://www.brookings.edu/wp-content/uploads/2021/06/Extreme-poverty-during-the-time-of-COVID-19.pdf>

⁶ <https://www.oecd.org/dac/multilateral-development-finance-2020-e61fdf00-en.htm>

⁷ Earmarked contributions reached 35 percent of multilateral Official Development Assistance in 2018, up from 30 percent in 2011.

⁸ 44 percent in 2018



The development banks are also active in the Pacific. The World Bank has more than doubled its portfolio of development investments in the region, to USD 2 billion in June 2021, since releasing its 2017 *Pacific Possible* strategy. Meanwhile, the Asian Development Bank's (ADB's) portfolio of Pacific operations reached USD 3.3 billion at the end of 2020.

Multilateral agencies have also made significant contributions to the COVID-19 response in the Pacific. The development banks have considerably increased their financing in the region, with the ADB increasing new lending by 142 percent to USD 1.098 billion in 2020 and the World Bank's portfolio of active projects up 29 percent. COVAX, with the support of the World Health Organisation (WHO) and UNICEF, was the earliest deliverer of vaccines for the region and continues to play a major part in vaccine supply. Other multilateral agencies are also looking to step up within their own mandates as the economic and human development pressures of the pandemic intensify.

Aotearoa New Zealand frameworks

Aotearoa New Zealand's international development support is guided by [New Zealand's International Cooperation for Effective Sustainable Development \(ICESD\) Policy](#)⁹. The policy affirms Aotearoa New Zealand's commitment to supporting our Pacific partners to achieve the SDGs, and frames our support around the SDG pillars of people, planet, prosperity, and peace. We are committed to pursuing development outcomes that are resilient, effective, inclusive and sustained.

Our approach to multilateral development and engagement is also shaped by Aotearoa New Zealand's [Pacific and Development Climate Change Action Plan 2019-2022](#) and the [Human Rights Action Plan 2019-2023](#), with a focus on gender equality and women's empowerment, the rights of persons with disabilities and indigenous groups, sexual orientation and gender identity, children and youth, and ending the death penalty. This approach is supported by the [Gender Action Plan](#) and [Child and Youth Well-being Action Plan](#). It is shaped further by the [Multilateral Development Policy](#) and the [Humanitarian Action Policy](#).

Aotearoa New Zealand's partnerships with multilateral agencies

Aotearoa New Zealand is a long term and consistent supporter of agencies that underpin global development. These include the World Bank, ADB, UN development agencies, the Commonwealth, and international NGOs. We believe in the principles of Te Puna Manaaki, Raranga te Muka, Tātou Tātou and Te Pae Tawhiti, whereby we contribute in a concrete way to collective action on global challenges. Aotearoa New Zealand contributes less than the OECD average of 44.5 percent of its official development assistance via multilateral agencies, but is a strong exemplar by contributing un-earmarked core funding¹⁰.

The multilateral development system is also a key pillar for building lasting resilience in developing countries. The size, expertise, footprint and independence of multilateral development agencies means they can deliver

⁹ Plans and policies referred to in this section are available at <https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/>

¹⁰ Information drawn from OECD Detailed Note, **COVID-19 spending helped to lift foreign aid to an all-time high in 2020**, 13 April 2021



support better than we could using bilateral channels. These agencies deliver support across a range of key thematic priorities such as addressing poverty, health, humanitarian assistance, climate change, and budget support.

Aotearoa New Zealand supports agencies working in a broad range of thematic areas that recognise the breadth of interventions requested by developing countries. Even in the COVID-19 context, the main areas of work we support remain relevant and aligned to long term development goals. Examples include:

- Fiscal support – downturns in economic activity coupled with increases in social spending have placed significant strain on developing country budgets. This could turn into an economic and social crisis without sufficient external support.
- Socio-economic – analysis by the UN suggests that the COVID-19 pandemic could reverse approximately a decade of global progress in reducing poverty. The World Bank estimates that 100 million people were pushed into extreme poverty in 2020.
- Humanitarian and peacebuilding – the number of people across the world in need of humanitarian assistance nearly tripled in 2020 from 189 million to 433 million. This is the largest increase ever recorded by the UN.
- Climate change – this is an existential threat for our region. Over the next few years, there will be strong demands for more support to mitigate the effects of climate change and also for adaptation, especially as economies look to ‘build back better’ after COVID-19.
- Health – the COVID-19 pandemic has laid bare vulnerabilities in the primary healthcare systems of many countries and is exacerbating secondary health issues. UNICEF, for example, calculates that 80 million children are missing out on essential vaccines.
- Human rights – some countries and people have experienced an erosion of human rights in the current COVID-19 context.

Gender equality and the empowerment of women and girls is a core value underpinning our multilateral engagement. We are also committed to inclusive development more broadly, including improving the collection, analysis and use of disaggregated data (including by sex, gender, age and disability status), and taking into account the diverse needs, vulnerabilities and capacities of different people and groups.

Aotearoa New Zealand places a high priority on advocating for the recognition and inclusion of traditional and indigenous knowledge in development solutions, and the safeguarding of indigenous peoples’ rights and interests. The inclusion of indigenous and local perspectives in multilateral development builds a strong platform for long-lasting impact that will address issues of social exclusion, poverty and inequity.

The Pacific relies heavily on the global public goods provided by multilateral health organisations. In response to COVID-19 this has included the WHO working closely with The Pacific Community (SPC) to provide practical advice and public health technical assistance, procure medical equipment and supplies, and coordinate support at the regional level.

Aotearoa New Zealand was one of the first countries to support global initiatives to fight COVID-19. Our action to date has focused on vaccination, believing vaccine access and uptake to be the most important part of the solution to focus our efforts. The Pacific region has directly benefited from this system.



Aotearoa New Zealand's 4YP strategic goals

The 4YP has three main long term goals, as described below.

Strategic goals	
Goal One: The multilateral development system is strengthened, protected and used to deliver development outcomes and the SDGs	Tātou Tātou (All of us together). No country can solve the major issues of today alone. We have collective kaitiaki (guardianship) responsibilities for shared resources. We have a better chance to advance Aotearoa New Zealand's interests and values, such as sustainable development, human rights and high quality financing to developing countries, through collective negotiation and action. The multilateral system is a primary actor in delivering development outcomes globally. Strengthening the multilateral system therefore contributes to the achievement of the SDGs.
Goal Two: Pacific Island Countries' and other Small Island Development States' (SIDS) needs are effectively addressed by the multilateral development system	<p>Our hononga (connections) and whanaungatanga (kinship) with Pacific countries means that we have insights into, and often share, the unique circumstances and development challenges within our region. Aotearoa New Zealand will work with our partners in the Pacific to help ensure that Pacific perspectives are heard and our region is well served by the multilateral development system. We will track both the amount and the effectiveness of support provided by multilateral partners working in the Pacific.</p> <p>Many of the challenges faced by our Pacific partners are also common to other SIDS across the world. The reach and scale of multilateral development agencies makes them well suited to addressing these unique needs, through targeted and effective initiatives.</p>
Goal Three: Aotearoa New Zealand is a valued and influential partner in the multilateral development and humanitarian system	Aotearoa New Zealand's role in the governance of global institutions provides a platform for us to contribute to, and influence, their strategic directions and practices. We will aim to add value to our partnerships and use our influence, in line with our values and our objectives, to advocate for continuous improvements in multilateral organisations' governance processes and development outcomes.



Specific outcomes linked to our strategic goals

The logic diagram annexed to this 4YP sets out how our strategic goals, which are long term outcomes, drive more specific medium and short term outcomes. Aotearoa New Zealand will work towards these outcomes in partnership with the multilateral development and humanitarian system.

The medium term outcomes in the logic diagram describe our interests in the system in more detail. The short term outcomes cover some areas of particular emphasis rather than all the initiatives required to deliver these medium term outcomes.

Assumptions

In setting out the logic diagram and outcomes we have made the following **key assumptions** which we will continue to test and monitor during the implementation of this 4YP:

- The COVID-19 pandemic's social and economic impacts will set back developing countries by at least five years. SIDS will remain vulnerable to potential new COVID strains and future public health emergencies.
- Climate change impacts will continue to worsen – affecting resilience, maritime and land borders, natural resources and vulnerability to increased severe weather events – and this will exacerbate pressures in other sectors.
- Over time the multilateral development system will transition from COVID-19 response to recovery, and will eventually return to a focus on long-term development programming.
- We will see positive examples of improvements in how the UN system plans and delivers its development engagement with SIDS.
- The multilateral architecture has sufficient capacity during the COVID-19 pandemic for systemic governance improvements; for example, for Protection from Sexual Exploitation, Abuse and Sexual Harassment and in relation to health and safety.

Risks

We have noted the following **key risks** which we will continue to monitor and develop mitigation measures for during the implementation of this 4YP:

Strategic level risks	Mitigation measures
COVID-19 or subsequent variants enters Pacific Island countries and there is significant community transmission across the region.	We will continue to support Pacific partners through funding to the WHO, UNICEF and other multilateral agencies that have worked with Pacific Island countries through the pandemic. We will also continue to cooperate with New Zealand's Ministry of Health and other partners on equitable access to vaccines and strengthening pandemic preparedness and response.
Immediate COVID-19 responses divert available resources from long term development priorities.	Through coordinated monitoring and decision-making, we will actively manage tensions and risks around the trade-offs between



Strategic level risks	Mitigation measures
	immediate economic and health needs, and investments in long term resilience.
The global effectiveness of institutions is affected by the pandemic.	We will work with other member countries to closely monitor institutions' performance and governance, and will work with organisations to pivot operations appropriately.
Reform processes in UN agencies and multilateral banks are stalled, poorly designed or not implemented effectively.	We will stay closely engaged in discussions on governance and other reforms. We will make contributions to ensure reforms are practical, meet organisations' needs, and take into account Aotearoa New Zealand and Pacific regional interests.
There is overlap and congestion of activities in particular focus areas, reducing countries' capacity to absorb and achieve development outcomes.	We will use high-level dialogues and other engagements with multilateral organisations to encourage a coordinated and coherent approach to SIDS' development priorities.

Achieving development outcomes that are effective, inclusive, resilient and sustained

Aotearoa New Zealand's International Cooperation for Effective, Sustainable Development policy statement identifies four development principles that guide our work with partner countries: effective, inclusive, resilient and sustained¹¹. These principles are well aligned with those of the multilateral agencies with which we partner.

Effective development is values driven, partnership focused, adaptive, outcomes focused, and evidence based.

Inclusive development addresses exclusions and inequality created across all dimensions of social identity, while promoting human rights, and equitable participation in the benefits of development.

Resilient development strengthens the environment, economy, and societies to withstand shocks and manage crises while protecting future well-being.

Sustained development enables lasting progress and is locally owned to uphold results in the long term.

¹¹ <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf>



Multilateral development is a way for donors to group together and deliver better support to partner countries across a range of key interventions. The benefits of this approach to development for Aotearoa New Zealand include:

- transboundary challenges – priority issues for Aotearoa New Zealand (e.g. pandemics and climate change) cross borders and require global coordination and coherence that can only be provided by multilateral organisations.
- scale – some development interventions (e.g. infrastructure and fiscal support) are best delivered at scale. This increases purchasing power, reduces duplication, spreads risk, and provides enough leverage to incentivise domestic reform.
- independence – interventions which are sensitive for recipient governments (e.g. gender, sexual and reproductive health, human rights and governance) can achieve greater buy-in when delivered by institutions seen as neutral, such as the UN.
- technical expertise – pooling resources gives agencies the security they need to invest in the expertise (e.g. health and economic modelling) which developing countries rely on.
- improved reach – the world’s most vulnerable peoples live in locations where we do not have a significant presence or regular engagement. We rely on multilateral agencies’ global footprint to reach some of these groups.

The benefits of multilateral development have been demonstrated during the COVID-19 pandemic. Multilateral development banks have provided fiscal support that would have otherwise been unavailable to developing countries. Research into COVID-19 vaccines and their eventual distribution through the COVAX facility relied on platforms already established by multilateral agencies. A range of UN agencies have also helped to respond to the secondary impacts of the pandemic, such as food shortages (via the World Food Programme) and increased domestic violence (via UN Women).

How we put this plan into action

Aotearoa New Zealand has two main tools we will use to operationalise this 4YP: our influence through our governance role, and our funding support.

Influence through governance

Aotearoa New Zealand will:

- advocate on issues that matter to us – including to ensure Pacific issues are on the table at the global discussions and processes – through formal channels, such as Boards of Directors, Executive Boards or donor support groups. We will actively engage in replenishment negotiations for multilateral development banks.
- engage through informal bilateral routes; for instance, through regular high level consultations with partner agencies with a significant focus on the Pacific. Our Posts are also key frontline influences, especially in multilateral capitals.
- partner with Pacific Island countries and other SIDS to help amplify their voices in multilateral fora
- continue to work closely with Australia and other consistently likeminded partners, and form partnerships with those with similar interests and goals as us, especially supporters of SIDS



- prioritise our investment and engagement with partners on governance, placing the most emphasis on working with those partners that:
 - have a comparative advantage in their specialist area(s)
 - are able to mobilise significant resources and expertise in the Pacific
 - are open to engagement with Aotearoa New Zealand through formal governance or donor engagement structures, and high level consultations, and
 - may have less robust governance frameworks which would benefit from sustained investment.

Funding support

Aotearoa New Zealand will:

- provide predictable and long term core funding, to ensure the quality of our assistance
- contribute to and help shape multilateral organisations' programmes focusing on the Pacific, to help ensure that our region receives an equitable share of global development benefits
- seek to be a responsive partner recognising that, while we will never be the largest financier, we can be one of the most responsive when needs change or new opportunities present themselves
- use our funding to incentivise reform, and to reward co-ownership and shared responsibility for outcomes, and
- support the global response to the COVID-19 pandemic, including by making future investments as necessary.

Information on the financial allocation for this 4YP is available on the MFAT website¹².

Key indicators of progress

- Volume of concessional financing from ADB and the World Bank to the Pacific is maintained or increased
- Participation in governance mechanisms of targeted multilateral institutions to which Aotearoa New Zealand provides core funding (% of institutions)
- Number of Pacific Island countries improving against 50% or more of SDGs (where data is available)
- Growth rate of GDP for Pacific Island countries and other SIDS (% per year)
- Improvement in Human Development Index ratings and decrease in the proportion of people living below national poverty lines

¹² <https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/where-our-funding-goes/our-planned-aid-expenditure/>



How we assess progress against this plan

We report back on progress towards our multilateral development goals via MFAT's Annual Report¹³. We also report progress against MFAT's International Rules and Institutions Strategic Objective.

In addition, we monitor and evaluate our development activities to ensure effectiveness and ongoing strategic alignment. The results and any lessons learned from this process are compiled annually and fed into an Annual Reflection discussion and report on progress against the 4YP outcomes. This in turn informs the annual updates of the 4YPs.

Every 6-8 years we will commission an independent evaluation of MFAT's overall engagement in the multilateral development system in terms of progress against outcomes, challenges and lessons learned. This informs the ongoing improvement of our engagement towards the strategic goals.

For further information

To find out more about MFAT's overall engagement in the multilateral development system go to our website at <https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/our-partners/#bookmark4> or contact PHM@mfat.govt.nz.

¹³ <https://www.mfat.govt.nz/en/about-us/mfat-annual-reports/>



Appendix: Logic diagram for the Multilateral 4 Year Plan

