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**DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE**

Peer Review

Review of the development co-operation policies and programmes of New Zealand

A snapshot of New Zealand's development co-operation

15 March 2023

This snapshot of New Zealand's development co-operation has been prepared as part of the 2023 DAC peer review of New Zealand, complementing the [peer review report](#). It presents information on New Zealand's policies, processes and systems, using the indicators presented in the analytical framework for peer reviews as a reference [[DCD/DAC\(2020\)69/FINAL](#)]. Additional information, particularly on New Zealand's ODA allocations, is presented in [New Zealand's Development Co-operation Profile](#).

The snapshot has been fact-checked by New Zealand and was shared with delegates for information in advance of the DAC meeting on the New Zealand peer review on 15 March 2023. It is now issued as final and has been unclassified.

This document is only available for download from O.N.E. in PDF format.

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A snapshot of New Zealand's development co-operation system

Policy

Policy framework

1. **New Zealand's [Policy Statement on International Cooperation for Effective Sustainable Development \(ICESD\)](#)** provides the policy direction for development co-operation and other key foreign policy areas that contribute to sustainable development. Approved by Cabinet in 2019, it defines the overall purpose of New Zealand's international co-operation: to contribute to a more peaceful world in which all people can live in dignity and safety, all countries can prosper, and the environment is protected. It re-affirms New Zealand's primary focus on the Pacific and small island developing states (SIDS) and is accompanied by a set of four [principles](#) that guide its implementation (effective, inclusive, resilient, sustained).
2. **New Zealand's engagement in the Pacific is guided by a whole-of-government policy, the "Pacific Resilience Approach."** The policy is set out in two Cabinet papers: [From Reset to Resilience](#) (October 2021), and [Moving from COVID-19 response to recovery and longer-term resilience](#) (December 2021), and is intended to shape New Zealand's engagement with Pacific governments and other stakeholders through to 2024. The Pacific Resilience Approach builds on the March 2018 Pacific Reset, which sought to reflect the scale of challenges stemming from climate change and poor economic and social outcomes in the region; aimed to move beyond donor/recipient interaction to achieve genuine, mature political partnerships; and committed to increasing New Zealand's official development assistance (ODA) to 0.28% of gross national income (GNI) in the 2018/19 financial year, and to maintain this through to 2021/22.
3. **The Ministry of Foreign Affairs and Trade's (MFAT) [Strategic Intentions](#) further define the impact the ministry aims to achieve over a 10-year horizon.** The document's seven goals reflect the integration of MFAT's development, foreign policy and trade functions in the Pacific.
4. **A [Humanitarian Action Policy](#) published in 2019 guides New Zealand's humanitarian aid.** It defines New Zealand's priorities for humanitarian action: Pacific disaster preparedness and rapid response, fast effective and targeted contributions to emergencies outside the Pacific, inclusive humanitarian action, and multilateral diplomacy to achieve better humanitarian outcomes.

Guidance and basis for decision making

5. **Ten-year country strategies guide a whole-of-government effort in Pacific partner countries and go beyond development co-operation. They are restricted documents.** The strategies set out New Zealand's long-term goals and interests in each country or region, across all areas of foreign policy, including international development, diplomatic, trade and environment. They are developed by MFAT in headquarters, with input provided by posts (embassies and high commissions) and in consultation with other government agencies. The strategies assess each partner country's development challenges and set long-term objectives and priorities for engagement. They are viewed as strategic planning instruments

for engagement by all government ministries and agencies in each country. Pacific Regional and Global Development strategies cover a 20-year period and are also restricted in access.

6. **Publicly available Statements of Partnership are agreed with each of New Zealand's Pacific partner countries, with a different approach adopted for non-Pacific partners.** Their purpose is to formally document and agree on shared principles, values and priorities that will guide engagement between the two countries. Statements of Partnership generally cover four to five years of engagement, are co-signed at a high level by both governments (Prime Minister, Deputy Prime Minister, or Minister) and are mostly published online.¹ For non-Pacific development programmes, the previous Joint Co-operation Arrangement approach is used, and these documents are also published online.²

7. **Alongside Statements of Partnership and Joint Commitments, MFAT has 23 four-year plans covering bilateral partnerships, regional and thematic issues.**³ Bilateral four-year plans are updated annually following a yearly review and reflection process and provide reference points for planning and reporting on development co-operation activities in a partner country. They draw on the objectives laid out in the restricted country strategies and guide monitoring and results. They are managed from headquarters and overseen by internal Governance Groups (see below). In addition to being an internal planning tool, they are consulted and discussed with partner countries (a requirement for Pacific bilateral partners) as a basis for shaping and directing the total ODA footprint. Allocations for each four-year plan are managed over a three-year period (the funding triennium) and are published externally on the [MFAT website](#) and updated quarterly. Non-bilateral or regional four-year plans guide New Zealand's partnerships. For example, the [Four-Year Plan on Partnerships, 2021-24](#) describes MFAT's approach to engaging with non-government organisations (NGOs), while multilateral ODA is guided by a [Four-Year Multilateral Plan](#) published in 2022.

8. **Guidance on quality domains is available to staff internally and guides decision making in line with the ICESD Policy Statement and its four principles.** These are considered the core objectives of New Zealand's development co-operation, i.e. that it is inclusive, effective, resilient and sustained.⁴ The guidance provides direction to staff for planning and activity and programme life cycles, including formulating four-year plans and business cases, and implementing activities. The quality domains guidance also describes MFAT's safeguarding approach, which states that staff are expected to identify unintended negative consequences across three intersecting areas: social, environmental and economic/political.

9. **Several recent documents describe New Zealand's approach to delivering on priority cross-cutting areas:**

- The [Human Rights Strategic Action Plan 2021-2025](#) focuses on people and groups most at risk of being left behind. It establishes the framework for New Zealand's human rights-based approach.
- The [Gender Action Plan 2021-2025](#) commits New Zealand to increasing investments with gender as a principal objective to 4% of ODA, and with gender as significant objective to 60% of ODA. It aims to achieve transformative change in formal and informal customs, norms, practices, and laws that create or perpetuate gender inequality and social exclusion based on gender identity.
- The [Child and Youth Well-being Strategic Action Plan 2021-2025](#) aims to advance human rights for children and youth through a targeted approach from birth through to their thirties. The broad scope is to promote multi-sectoral development for child and youth well-being.
- A new [Climate Finance Strategy](#) (2022) complements the [Climate Action Plan 2019-2022](#). It identifies four goals for international climate finance: (1) accelerated climate change mitigation; (2) enhanced resilience and adaptation to the impacts of climate change; (3) improved institutional capability and evidence-based decision making; and (4) leveraged investment to achieve greater climate impact.

10. **A set of “sector snapshots” describe high-level objectives across MFAT’s 10 thematic priority areas:** climate change and environment; economics; education; equity and inclusion; governance and institutions; health; industry and innovation; infrastructure and energy; Pacific oceans and fisheries; and peace and security. MFAT are planning to publish the snapshots online in 2023.

Institutional arrangements

Leadership, responsibility, and accountability for whole-of-government development co-operation

11. **The Minister of Foreign Affairs is responsible for New Zealand's international development co-operation,** with responsibility for several specific issues delegated to an Associate Minister of Foreign Affairs.⁵ The Pacific Resilience Approach also assigns all government ministers responsibility for Pacific relationships and recognises the linkages between domestic and international policy.

12. **MFAT leads on development policy and is responsible for managing the majority of New Zealand’s ODA (96.9% in 2021).** MFAT’s Pacific and Development Group (PDG), established in 2016, leads an integrated approach to foreign policy and development engagement with Pacific countries. The PDG captures all dimensions of development policy and programming both in and outside the Pacific under the same Deputy Secretary. Since November 2022, a cross-MFAT International Development Co-operation Committee (IDCC) provides strategic oversight of the International Development Co-operation Programme to ensure overall alignment with MFAT’s strategic priorities, while the Pacific and Development Leadership Team (PDLT) is responsible for managing the PDG as a business group.

13. **ODA is allocated to MFAT through three-year appropriations.**⁶ Until recently, the development co-operation budget was primarily held in a separate three-year “Vote ODA” appropriation (94% of reportable ODA). This was accompanied by a second, smaller appropriation, “International Agency Funding”. As of 2020, development funding is provided through a ring-fenced appropriation within “Vote Foreign Affairs”. This three-year appropriation is approved by Parliament as separate legislation. At the start of a multi-year appropriation, the Foreign Minister approves allocations for the three-year period based on indicative spend by allocation group, estimated total country flows and the strategic focus and funding implications for each programme. Expenditure is re-forecast annually and published in the budget estimates presented to Parliament each May.

14. **The development co-operation programme is managed centrally by MFAT in Wellington, including developing and managing country strategies and four-year plans and designing activities.** Eleven Governance Groups oversee 23 four-year plans covering bilateral partnerships, regional and thematic issues. Nine of the Governance Groups are each responsible for between one and six four-year plans. A tenth Multi-Country Governance Group manages activities that operate in more than one country, or require particular specialist capability. Each group is made up of the relevant Divisional Manager (Chair), a Divisional Manager from outside the division, the relevant Ambassador(s)/High Commissioner(s), a Unit Manager from outside the division, and between one and four staff from headquarters, mostly at working level. A small number of staff from other parts of MFAT, and other government departments, participate.

15. **MFAT partners and co-ordinates with other government agencies with external interests through an approach referred to as “New Zealand Inc.” (NZ Inc.).** MFAT is responsible for strategic leadership of the “NZ Inc” approach, facilitating collaboration and providing practical services for agencies with staff posted outside New Zealand. Other key ministries involved in development co-operation – mainly as implementing partners for MFAT – include the Ministry for Primary Industries (responsible for agriculture, biosecurity, fisheries, and forestry), the New Zealand Police, New Zealand Customs Service, and Ministry of Health. Cross-government co-ordination in the Pacific is a particular focus of MFAT’s work, enabled by thematic cross-government groups.

16. **Several other bodies also oversee the development programme.** The Foreign Affairs, Defence and Trade Committee (FADTC) of the New Zealand Parliament discusses the programme and occasionally undertakes inquiries, such as the [2020 inquiry into New Zealand's aid to the Pacific](#). New Zealand's Auditor-General carries out performance audits, including most recently the [review of the Government's Preparedness to Implement the Sustainable Development Goals \(SDGs\)](#).

Stakeholder consultation and participation

17. **While there is no council or advisory board to the Minister of Foreign Affairs or Associate Minister,** national stakeholders – including Pasifika organisations, civil society organisations (CSOs), academia and the private sector – are consulted through MFAT's partnerships approach. CSOs active in development co-operation, humanitarian assistance and global citizenship education collaborate through the Council for International Development (CID), an umbrella body that arranges annual conferences in which MFAT participates. The most recent conference focused on "localisation." MFAT also supports and participates in biennial conferences of the Development Studies Network ([DevNet](#)).

18. **Development communications are integrated into MFAT's wider communications strategy, which is not publicly available.** In 2019, MFAT commissioned and published a comprehensive survey of public attitudes to ODA and development. The Ministry of Education is responsible for the national curriculum and provides resources on [Education for Sustainability](#) to teachers as part of the curriculum. The national curriculum is currently under review.

Human resources, capabilities and skills

19. **The number of staff working on development has increased since the 2015 peer review** (Table 1). The PDG is staffed by a mixture of development specialists and rotational staff. Rotational staff in non-management roles rotate every two to three years around foreign policy, development and trade functions. Staff working in fragile contexts receive special incentives to work in these environments, including recuperation breaks, shorter postings and hardship allowances.

20. **A [10-year Diversity and Inclusion Strategy \(2018-2028\)](#) aims to increase the diversity and inclusiveness of MFAT's workforce,** to ensure the ministry draws from and supports diverse and inclusive thinking, people and behaviours and reflects the diversity of the population.

Table 1. Development staff numbers have increased since 2015

| Full-time equivalents | | |
|--|------------|--------------|
| | 2014-15 | 2022 |
| Total MFAT staff working on development, HQ based | 140 | 241.5 |
| ...of which, non-rotating ¹ | n/a | 178.5 |
| rotating | n/a | 62 |
| seconded from other government ministries | 0 | 1 |
| Staff in other ministries working on development, HQ based | n/a | n/a |
| Total development staff in post (High Commissions and Embassies) | 66 | 110 |
| ...of which, staff from MFAT HQ | 19 | 32 |
| locally engaged | 47 | 78 |
| Total | 206 | 351.5 |

Note: 1. "Non-rotating" staff include senior diplomatic staff in management roles with an international development aspect, and project support staff such as trainers, legal staff and software developers supporting New Zealand's aid management system.

Source: Information provided by the Government of New Zealand.

Financing for sustainable development

Official development assistance volume, allocations and transparency

21. **New Zealand provided USD 685 million as ODA in 2021, representing 0.28% of its GNI.** This was an increase of 14.5% in real terms from 2020, as well as an increase in the GNI share (Table 2). The government met its 2018 target of allocating 0.28% of GNI as ODA in 2021, but it does not have a plan to increase ODA allocations to meet its international commitment of allocating 0.7% of GNI as ODA by 2030. New Zealand's latest ODA statistics and approach to development finance are compiled and analysed in greater detail in its [OECD Development Co-operation Profile](#).

22. **Statistical reporting to the OECD was complete in 2021, though timeliness is an issue.** In 2017, MFAT introduced a new software system – Enquire – for managing development co-operation activities. This is improving internal access to information on ODA allocations and the development programme. Nevertheless, New Zealand's statistical reporting to the DAC, while complete, has been extremely late for several successive years (OECD, 2022^[11]) including on 2021 data. New Zealand is a member of the International Aid Transparency Initiative (IATI).

23. **New Zealand almost fully complies with the DAC Recommendation on Untying ODA and meets the requirements of the Recommendation on the Terms and Conditions of Aid** (OECD, 1978^[2]), providing 100% grants (Table 2). The share of untied ODA provided to countries covered by the untying recommendation was 98% in 2020, falling slightly to 96% in 2021. Almost half of the tied aid was partially untied. When including the ODA to countries not covered by the recommendation, 80.6% of New Zealand's total bilateral ODA was untied in 2020-21 (OECD, Forthcoming^[3]), with scholarships and donor country personnel comprising significant shares. New Zealand could improve adherence to the transparency provisions of the untying recommendation by reporting on ex ante notifications and responding to the ex post contract awards data request, as it did until 2017.

Table 2. New Zealand's ODA mostly performs well against its commitments and DAC recommendations

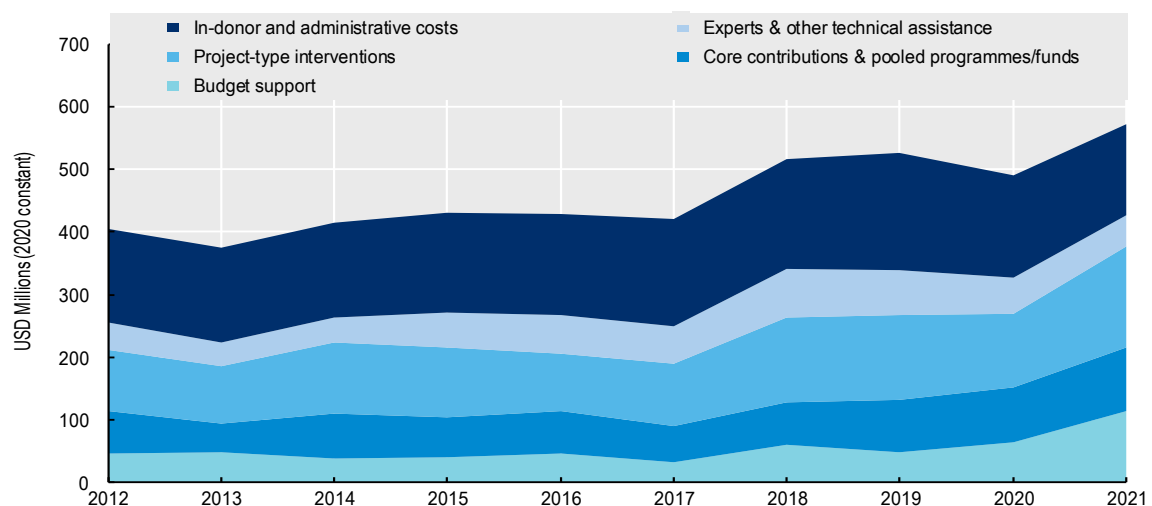
| | Target | 2019 | 2020 | 2021 |
|---|------------|-------|-------|-------|
| ODA as a share of GNI | 0.7% | 0.28% | 0.26% | 0.28% |
| Total ODA to LDCs as a share of GNI | 0.15-0.20% | 0.06% | 0.06% | 0.06% |
| Share of ODA covered by the DAC Recommendation that is untied | 100% | 97.5% | 98.0% | 96.2% |
| Grant element of total ODA | >86% | 100% | 100% | 100% |

Note: GNI: gross national income; LDCs: least-developed countries; ODA: official development assistance.
Source: OECD (2022^[4]), *Creditor Reporting System*, <https://stats.oecd.org/Index.aspx?DataSetCode=crs1>.

24. **New Zealand's geographic allocations match its priorities.** Priority partner countries receive two-thirds of bilateral ODA, in line with New Zealand's commitment to allocate at least 60% of bilateral and regional ODA to the Pacific. In 2021, 46.4% of gross bilateral ODA went to New Zealand's top 10 recipients, 9 of which are SIDS in the Pacific region. Allocations to least-developed countries (LDCs) accounted for 22.1% of bilateral ODA in 2021. In 2021, 3 of New Zealand's top 10 recipients were considered fragile (Myanmar, Papua New Guinea and Solomon Islands), and together received 22.4% of gross bilateral ODA (OECD, 2022^[5]).

25. **ODA is allocated to a broad set of sectors and themes:** mainly health, government and civil society, education and scholarships, as well as multi-sector interventions. New Zealand channels the largest share of its bilateral ODA through the public sector (49.0% in 2021).

26. **New Zealand delivers most of its ODA bilaterally, and country programmable aid (CPA) comprises a relatively high share, at 75% of gross bilateral ODA in 2021.** The share of bilateral ODA allocated to scholarships has fallen recently and declined in absolute terms from over NZD 80.0 million in 2018-19 to NZD 52.1 million in 2020-21. This is partially explained by the disruption to international travel caused by the COVID-19 pandemic. General budget support has increased, partly due to fiscal crisis financing during the pandemic (Figure 1).

Figure 1. New Zealand's bilateral ODA has increased since the last peer review

Note: In-donor and administrative costs include scholarships (NZD 52.1 million in 2020-21)

Source: OECD (2022^[4]), *Creditor Reporting System*, <https://stats.oecd.org/Index.aspx?DataSetCode=crs1>.

27. **A large but declining share of New Zealand's ODA is recorded on national budgets.** Monitoring data from the Global Partnership for Effective Development Co-operation in 2018 showed that 79% of New Zealand's funding was recorded on national budgets, and 46% passed through national systems (OECD/UNDP, 2019^[6]). This was a fall compared to the 2016 round.

28. **Funding to non-New Zealand CSOs is limited.** In 2021, New Zealand provided 3.8% of gross bilateral ODA to CSOs as core contributions, and 9.3% was channelled through CSOs to implement projects initiated by New Zealand (earmarked funding). CSOs in developing countries received just 1.3% of bilateral ODA in 2021, and the ODA share to international NGOs declined from 2.8% to 2.5% between 2020 and 2021.

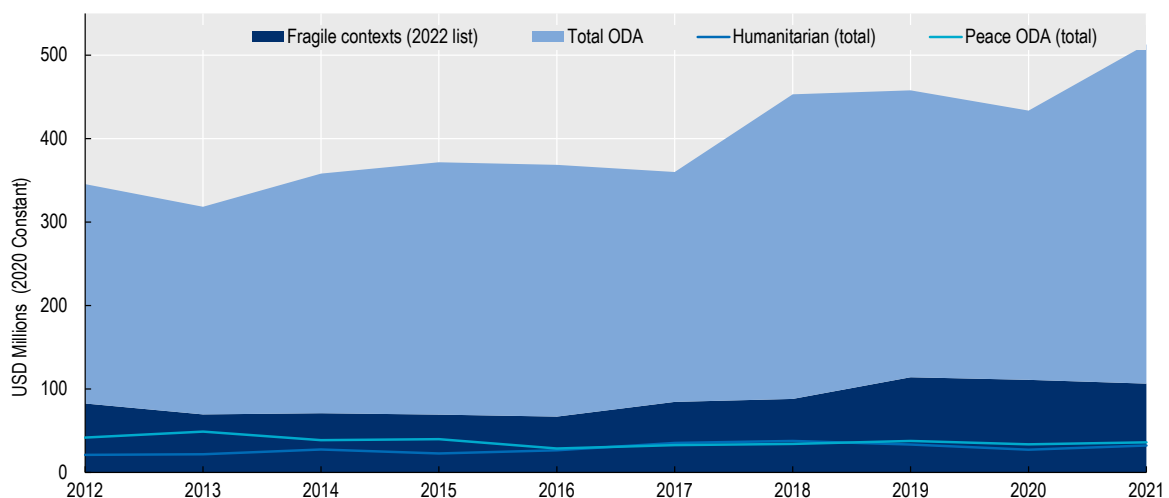
29. **New Zealand allocated 15.5% of total ODA as core contributions to multilateral organisations in 2021.** This amounted to USD 106.08 million. A further 20.3% of gross bilateral ODA was channelled through multilateral organisations as earmarked contributions. This was a similar level to 2020. In addition to its contributions to the United Nations system, New Zealand also makes contributions to vertical funds, notably Gavi and The Global Fund.

Finance with a focus on the humanitarian-development-peace nexus

30. **New Zealand's humanitarian and development priorities are well aligned.** The Pacific region is its top priority for humanitarian assistance, with South-East Asia its second priority. In 2021, New Zealand's humanitarian aid amounted to USD 36.6 million. Emergency response was the leading component of humanitarian assistance, at USD 27.6 million, followed by reconstruction and rehabilitation (USD 4.7 million) and disaster preparedness (USD 4.2 million). In 2020-21, according to MFAT reporting, humanitarian aid targeted multiple responses to natural disasters in the Pacific and Timor-Leste, as well as supporting disaster preparedness in the Pacific (MFAT, 2021^[7]).

31. **New Zealand's humanitarian funding increased in 2021,** rising from USD 27.3 million in 2020 (Figure 2). New Zealand also supports humanitarian response outside the Pacific region. It is a regular contributor to the UN-led Central Emergency Response Fund (CERF). New Zealand also provides unearmarked, multi-year core contributions to United Nations and Red Cross humanitarian organisations and supports the World Health Organization's Contingency Fund for Emergencies.

Figure 2. New Zealand's humanitarian funding has been relatively stable since 2016



Note: Gross disbursements.

Source: OECD (2022^[4]), *Creditor Reporting System*, <https://stats.oecd.org/Index.aspx?DataSetCode=crs1>.

32. **Support to crisis-affected and fragile contexts has been increasing in volume, totalling USD 120.2 million in 2021.** This represented 20.8% of New Zealand's gross bilateral ODA. Six percent of this support was provided as humanitarian assistance in 2021, unchanged from 2020, while 7.0% was allocated to peace, an increase from 2020.

33. **New Zealand can be flexible in transferring humanitarian and development allocations as needs arise.** For example, in 2021-22 New Zealand transferred funds from the "Other Asia" development allocation to fund additional humanitarian assistance in Afghanistan (MFAT, 2022^[8]).

Incentivising additional development finance

34. **There is no formal overarching policy or strategy guiding how New Zealand partners with the private sector on development co-operation.** Between 2016 and 2021, the average annual share of New Zealand's bilateral ODA channelled through the private sector was 11.6%, or USD 50.0 million (OECD, 2022^[9]). Projects involving the private sector related to youth and education, power supply, and labour standards, based on OECD Creditor Reporting System data. Additional, smaller amounts are also made available to private sector actors through the Head of Mission Funds, largely in the Pacific region.

35. **New Zealand seeks to support private sector development in partner countries,** for example by targeting Pacific farmers, fresh produce exporters, tourism operators, and small and medium-sized enterprises (SMEs) in the wider Pacific, in order to attract investment and grow jobs. For example, a flagship MFAT initiative has given attention to the Pacific agriculture sector through projects to commercialise production in Samoa and Papua New Guinea (MFAT, 2021^[10]), including a public-private partnership with the Body Shop for Samoan virgin coconut oil. New Zealand also co-finances with other bilateral and multilateral partners, notably Australia and the International Finance Corporation (IFC). The [Pacific Partnership II facility](#), for example, promotes private sector development in Pacific states with a focus on infrastructure, financial services, economic growth opportunities, and women's economic empowerment and gender (MFAT, 2020^[11]). Other initiatives include the joint Australia-New Zealand fund PHAMA+ (facilitating agriculture value chains) and the cross-sector Market Development Facility to connect businesses, investors and NGOs in the Pacific.

36. **Larger regional investment schemes target catalytic finance from private actors in New Zealand.** In late 2021, MFAT launched the NZD 15 million (approximately USD 9.5 million) '[InvestPacific](#)' initiative, a private investment fund that seeks to strengthen the region's investment environment to catalyse new private investment in Pacific development projects with commercial, government and NGO partners. The fund accompanies the PACER Plus Agreement, which came into force in 2020 and includes a commitment to use 20% of New Zealand's ODA as aid for trade in the Pacific region. A Pacific SME Finance Facility pilot (NZD 6.94 million, approximately USD 4.4 million) is providing Pacific businesses with access to finance for emergency adaptation, stabilisation and longer-term recovery (MFAT, 2021^[7]).

Management systems

37. **Table 3 provides a summary assessment of New Zealand's management systems.**

Table 3. A summary of New Zealand's systems for managing its development co-operation

| | Comment |
|---|--|
| Systems are in place to assure the quality of development co-operation, including: | |
| Quality assurance | <ul style="list-style-type: none"> ▲ A Monitoring, Evaluation, Research and Learning (MERL) Unit is located in MFAT's Development Capability and Insights Division (DCI). A separate results and reporting function also sits within the Deputy Secretary's office. ▲ Four Quality Domains guide New Zealand's development co-operation: effective, inclusive, resilient and sustained. Guidance on implementing these domains has been prepared for staff and more limited guidance is also available online for partners. ● Governance Groups assess progress against the four-year country, regional and thematic plans; review business cases; and monitor the risk and performance of programmes. Each four-year plan undergoes an annual reflection |

| | |
|---|--|
| | <p>and review process. Future adjustments to the Governance Groups should support more efficient decision making based on evidence and learning and drawing on relevant expertise.</p> <ul style="list-style-type: none"> ● Monitoring and reporting on how MFAT is delivering on the quality domains could be improved, for example, by publishing it online. |
| Mainstreaming cross-cutting issues | <ul style="list-style-type: none"> ● A dedicated Cross-Cutting Issues Policy was superseded by the above-mentioned Quality Domains guidance, which includes guidance on political, economic and environmental safeguarding. This is only available to staff. Individual Strategic Action Plans cover priority areas – namely climate change, gender, child and youth well-being, and human rights – and are published online. ● Senior advisers (on gender equality, human rights, child and youth well-being, and environment) provide expertise to programme teams, although capacities are stretched and developing expertise for mainstreaming remains a work in progress. ▼ Mechanisms and/or processes are not yet in place to ensure cross-cutting issues are addressed systematically by all new initiatives. ● Projects and interventions are expected to be screened against DAC policy markers and Rio Markers at identification and design stages. There is some room to improve the quality of this screening. Whilst these data are used to monitor and report on New Zealand's gender targets in MFAT's annual report, overall reporting on implementation of the Action Plans is not publicly available. |
| Adequate and relevant systems and processes to assess and adapt to risks, including: | |
| Strategic, reputational, programming, security | <ul style="list-style-type: none"> ▲ MFAT views risk management as an enabler for better decision making to pursue opportunities, rather than emphasising caution. ● Risk management plans and tools are captured in an MFAT-wide risk management policy. Risks are expected to be reviewed throughout the lifecycle of every development activity. More systematic political economy analysis at country level would support this. ▲ MFAT periodically undertakes a strategic assessment of the New Zealand strategic environment and its policy implications. ▼ Implementation of a new Safeguarding policy is an area of challenge, requiring additional capacity and more systematic application. The recent appointment of a specialist with responsibility for developing policy and better practice in this area should lead to improvements within PDG. |
| Audit and oversight function | <ul style="list-style-type: none"> ▲ MFAT has an Audit Division which performs internal audits. ▲ The Auditor General is the statutory auditor of MFAT and has appointed Audit New Zealand to independently audit MFAT's annual reports. Audit New Zealand is a business unit of the Auditor-General. ● MFAT has taken some steps to improve transparency since the last peer review, including publishing integrated Four-Year Plans for each priority partner country and region. However, to strengthen oversight and accountability, MFAT could improve broader transparency around the ODA programme, including by proactively publishing policies and information on objectives and results. |
| Corruption | <ul style="list-style-type: none"> ▲ Managing the risk of corruption is integrated into overall risk management. This includes specific processes such as due diligence checks and fraud reporting requirements. MFAT has published guidelines on combating bribery and corruption in offshore markets. It has a fraud mailbox for external parties to report corruption, as well as internal whistleblowing processes for staff. |
| Sexual exploitation, abuse and harassment | <ul style="list-style-type: none"> ● MFAT has a Preventing Sexual Exploitation, Abuse and Harassment (SEAH) Policy for development co-operation and has issued relevant guidance. However, the integration of safeguarding practices into both design and processes requires strengthening. ▲ MFAT has codes of conduct for suppliers and technical advisers. The Supplier Code of Conduct was specifically updated to include United Nations requirements, such as the Ministry Policy on Preventing SEAH. A reporting form for SEAH incidents and confidential contact details are available on the MFAT Website. |
| Innovation and adaptation: | |
| The leadership and internal system promote a culture of experimentation and adaptability | <ul style="list-style-type: none"> ● MFAT has made efforts to ensure funding and management mechanisms are flexible and can respond to a rapidly changing environment, although it recognises that more could be done to support adaptive practices. A reference group was established to support more adaptive approaches. This is no longer active. |
| Capabilities exist to introduce, encourage, measure, and scale up innovation for development co-operation | <ul style="list-style-type: none"> ● Lessons from experimentation and innovative approaches are generally shared via Governance Groups. MFAT does not have explicit incentives in place to recognise highly innovative practices or staff who are making innovative proposals. |
| Results, evaluation, knowledge management and learning: | |
| Managing for sustainable development results | <ul style="list-style-type: none"> ▲ A simplified approach at the corporate level is creating more space to focus on country-level learning, decision making and mutual accountability. Performance indicators are included in all sectors of co-operation covered in MFAT annual reporting. ● At the investment level, there is room to improve the quality and use of robust theories of change and results frameworks, and in the use of this learning to inform and drive decision making. A stronger results culture across the ministry would support the focus on outcomes. |

| | |
|-----------------------------------|--|
| Evaluation | <ul style="list-style-type: none"> ● MFAT has an Evaluation Policy which sets the core requirements for conducting evaluations, and evaluations are published online. A management response is required for all evaluations, which should be published online within three months and presented to the relevant four-year plan Governance Group. At present, this does not happen in a systematic way. ▲ Evaluations are undertaken separately from the programming divisions and subject to independence and quality assurance measures. MFAT tenders out all strategic evaluations to evaluation specialists, and this is managed by the MFAT evaluation team, which also provides advice and support for activity evaluations. The ministry recently implemented a system for tracking activity evaluations. ● Better internal consultation and communication on future evaluation priorities would be useful. ▼ More could be done to share lessons from evaluations (and other learning products) across the organisation. At present there are no dedicated resources to support this. |
| Knowledge management and learning | <ul style="list-style-type: none"> ▲ Management has oversight on results, expenditure, human resources and on-going projects through a series of “dashboards”. ▲ Governance Groups provide for learning, adaptation and reflection, including annual structured reflection reports which feed into annual reporting. ● MFAT could improve the use of results information, evaluation and other learning to inform decision making. |

Note: ▲ Green triangles denote good practice; ● orange circles indicate that progress is being made but more could be done; ▼ red triangles flag areas where progress is needed.

Source: The table was developed by the OECD Secretariat following the OECD DAC peer review of New Zealand and also draws on New Zealand’s self-assessment.

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Notes

¹ For examples, see: [Fiji](#), [Samoa](#), and [Tuvalu](#) Statements of Partnership.

² For an example, see Indonesia’s programme documents, including the Joint Commitment: www.mfat.govt.nz/assets/Aid-Prog-docs/NZ-JCFD-2017-2022.pdf.

³ For an example of a regional four-year plan, see the Four-Year Plan for Pacific Regional Engagement: www.mfat.govt.nz/assets/Aid/4YPs-2021-24/Pacific-Regional-4YP.pdf.

⁴ A shorter, public document is available online. www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/New-Zealands-International-Development-Principles.pdf. This does not include the Safeguarding Policy.

⁵ At the time of drafting, these issues included minister-level governance of the Pacific Community (SPC); Secretariat to the Pacific Regional Environment Programme (SPREP) and the University of the South Pacific (USP); strategic leadership of Pacific engagement in sport and culture; health policy; sea-level rise issues; and leading OECD development meetings. For a full list of delegations, see: <https://dpmc.govt.nz/our-business-units/cabinet-office/ministers-and-their-portfolios/delegations>.

⁶ New Zealand's support under the International Development Cooperation (IDC) appropriation within Vote Foreign Affairs is more expansive than the OECD DAC definition in that some high-income Pacific Island countries are also eligible under this appropriation (the Cook Islands graduated in 2020 but remain eligible for New Zealand's IDC funding).