



Inquiry into where New Zealand's international obligations should lie—Pacific or wider afield?

Recommendations

The Foreign Affairs, Defence and Trade Committee makes the following recommendations to the Government:

- that New Zealand increase its portion of aid commitment to the Pacific by redirecting other aid from other regions or organisations
- that New Zealand not neglect other relationships worldwide as a result of this increase
- that New Zealand establish international trading agreements in the Pacific
- that in delivering aid to Pacific countries, New Zealand focus on developing infrastructure
- that New Zealand host an international summit focused on the delivery of aid to Pacific countries and helping them to achieve the Millennium Development Goals.

Introduction

The purpose of this report is to summarise our consideration of the question of where New Zealand's international obligations should lie, and whether it should concentrate on the Pacific or take a wider view.

New Zealand's role in the Pacific

New Zealand has had close ties to countries in the Pacific for many years. Currently, Auckland is the city with the largest Polynesian population in the world. New Zealand has a formal constitutional relationship with Niue, Tokelau, and the Cook Islands, which involves the provision of assistance to these countries, further the residents of which hold New Zealand citizenship.

New Zealand has regarded the Pacific as its key area of concern for many years. The Pacific is the main destination for New Zealand's aid budget, taking 56 per cent of the funds allocated for assistance programmes.

While New Zealand's aid programme is significantly directed towards the Pacific, it is not the only area in which New Zealand has been involved, with aid being provided via both non-governmental and United Nations organisations to programmes in Africa, the Middle East, South America, and the Caribbean. At the United Nations Millennium Summit in 2000, 189 other countries, including New Zealand, agreed to the Millennium Development Goals which aim to reduce extreme poverty.

Effectiveness of New Zealand aid

Individual countries decide on whether it is better to concentrate aid in one area or spread it more widely. New Zealand's approach has seen the former view as appropriate, considering New Zealand's proximity to the Pacific and the mutual economic, security, and trade interests it shares with Pacific countries. To ensure effectiveness, New Zealand has used a whole-of-Government approach to combat illegal fishing in Pacific states' exclusive economic zones, for example.

A challenge for this approach is the development of assistance dependency. The World Institute for Development Research notes that official development assistance accounted for 93 per cent of the external income flows to Pacific countries between 1991 and 2002.

Submitters

We heard submissions from three organisations, each with particular knowledge or expertise regarding New Zealand's international obligations.

Ministry of Foreign Affairs and Trade

We heard from a Deputy Director of the Pacific Development Division of the Ministry of Foreign Affairs and Trade that 56 per cent of New Zealand's official development assistance is directed towards the Pacific; this number increases when other forms of assistance, such as multilateral aid, are included. By 2015, this amount is expected to reach approximately 66 per cent of New Zealand's official development assistance.

We were told that while the Pacific does receive a higher level of New Zealand's aid than other regions, it needs assistance because it is one of two regions where a number of countries are not expected to achieve the Millennium Development Goals by 2015. Of particular concern for Pacific countries are issues of maternal health, sanitation, and violence against women.

We heard that New Zealand is a trusted partner of Pacific states, and that it is one of the few countries that focuses its development assistance on the Pacific. New Zealand provides aid which has clear benefit to Pacific countries, such as increasing the number of children attending primary school in the Solomon Islands.

Oxfam New Zealand

Oxfam suggested that aid should be considered in a global context, with poverty and citizenship involvement being questions that need addressing. Recent global trends in development assistance have angled toward poverty reduction while New Zealand's policy has been more aimed at economic development.

Oxfam highlighted the need for the Government to coordinate policy decisions so that the benefits of development assistance are not reduced by the Government's domestic actions, such as climate change decisions that can affect Pacific countries.

Pacific Cooperation Foundation

The chief executive of the Pacific Cooperation Foundation told us that New Zealand's engagement in the Pacific is as important as its engagement internationally. The foundation aims to promote New Zealand as a Pacific nation and has worked to assist businesses through developing sustainable energy and assisting with gender issues by working with women in agriculture, for example.

Conclusions

We believe that New Zealand should focus its aid towards the Pacific, because of the close historical and genealogical links New Zealand shares with Pacific states, as well as the geographic proximity. We also recognise that Pacific states require further assistance to reach the MDG targets and work to become self sustaining. This would unite the region and enable New Zealand to target its aid to the parts of the region most in need. We recommend that the level of aid to the Pacific should increase as a portion of New Zealand's official development assistance by encouraging the Government to achieve a 66 per cent target by 2015 in line with the expectation of the Ministry of Foreign Affairs and Trade.

In acknowledging that New Zealand should focus its aid towards the Pacific, we believe that it should not neglect its existing relationships worldwide. There is significant potential for New Zealand to grow economically, for example, by engaging in relationships beyond the Pacific. Upon further growth of these relationships, New Zealand would be in a better position to help Pacific countries.

Further development of infrastructure is also needed to enhance food, power, and environmental sustainability and to protect from the adverse effects of climate change and unpredictable weather events. Also through the establishment of trade agreements, we can enable Pacific countries to profit from the resources in their exclusive economic zones, particularly through exports. We consider that this would create employment opportunities for local residents.

We believe that more cooperation between donor countries to the Pacific is needed to ensure the Millennium Development Goals are achieved. We recommend that New Zealand host a summit, to which major donors would be invited, to ensure development assistance is focussed and to discuss other possible means of delivering aid.

We also believe that New Zealand needs to advocate for Pacific countries internationally. New Zealand is one of the most developed nations in the region and it needs to ensure that the views and concerns of the region are heard internationally. This is particularly important considering the growth of the region's strategic importance internationally, due to the potential impact of global warming on the region and the number of emerging economies in the Asia-Pacific.

Appendix

Committee procedure

The committee met on 16 and 17 July 2013 to consider the inquiry. The committee received five submissions and heard three submissions. Evidence was heard from the Ministry of Foreign Affairs and Trade, Oxfam New Zealand, and the Pacific Cooperation Foundation.

Committee members

Jacobi Kohu-Morris (Chairperson)
Tama Abraham
Courtney Buckman
Peniata Endermann
Michael Fryer
Brad Grootelaar
Samuel Hart
Isabella Lenihan-Ikin
Danielle Lusk
Peter MacClure
Kaye Miriau
Abbas Nazari
Samantha Scahill