



Inquiry into whether New Zealand should be supporting the 2015 deadline for the Millennium Development Goals – Report of the Foreign Affairs, Defence and Trade Committee

Recommendations

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

- 1 That 0.7 percent of New Zealand's Gross National Income be allocated to Official Development Assistance by 2015.
- 2 That New Zealand's delivery of aid be programme-specific to maximise efficiency.
- 3 That New Zealand's aid programme include a focus on human development.
- 4 That an advertising and education campaign be initiated to raise awareness of the Millennium Development Goals and New Zealand's intention to meet them, during the 2011 Rugby World Cup tournament.
- 5 That the Government build a more positive relationship between itself and the non-governmental organisations.

Introduction

The purpose of this report is to summarise our consideration of the question of whether New Zealand should be supporting the 2015 deadline for the Millennium Development Goals.

We heard evidence from John Allen, Secretary of Foreign Affairs and Trade, Lee Sentes, former Capacity Building Officer for the Council for International Development, and Dr Graham Hassal, Associate Professor (School of Government) at Victoria University of

Wellington. Their evidence focused on options for New Zealand to support the 2015 deadline for achieving the Millennium Development Goals and the possibility of New Zealand taking a lead on the international stage in this area.

The Millennium Development Goals

The Millennium Development Goals were created at the United Nations Millennium Summit in 2000, attended by 189 countries. The goals were designed to give targets for developed countries to achieve poverty reduction and economic development in developing countries. The goals target poverty, education, gender equality, child mortality, healthcare, environmental stability, and development. They are designed to reduce poverty by capturing key dimensions of poverty and its causes. The goals are supported with targets and measurable indicators.

Members of the United Nations agreed that developed States should give 0.7 percent of their Gross National Incomes (GNI) in overseas aid by 2015 to assist in achieving the goals. Globally, the world is falling short on meeting the goals. In 2005, New Zealand's overseas aid was 0.27 percent of GNI and will reach only 0.28 percent in 2010. We note that at the current rate of increase, New Zealand will not achieve the target of 0.7 percent until 2050.

New Zealand's support for the 2015 deadline

New Zealand could choose to increase its contribution to Official Development Assistance to achieve the development goal targets for 2015, renegotiate the goals and the timeframe, or withdraw support for the goals until they are more realistic.

We discussed the option of advocating either a reassessment of the goals once the deadline has been reached or an extension of the deadline. However, we believe that New Zealand can and should reach the target by 2015. New Zealand has a responsibility as a global citizen and a developed nation to support the goals and to assist less fortunate countries. We concluded that the deadline and subsequent actions were issues to be discussed further by all the member States of the United Nations.

We wondered whether New Zealand's failure to achieve greater progress toward the target could be attributed to the current economic climate. The Secretary of Foreign Affairs and Trade believes that the current climate requires the Government to be pragmatic in its approach to the goals, continuing to focus on their delivery but in an aspirational manner. We believe the global recession should not be used as an excuse for setting limits on our aid delivery to developing nations, which are especially vulnerable to the global economic downturn.

Lee Sentes told us that the effectiveness of any aid is less dependent on the amount of money delivered than on a comprehensive plan or framework to deliver it effectively. We agree that an increase in New Zealand's development assistance is important, but it is not as important as improving the efficiency of the aid once it is delivered. We believe that an increase in the assistance level would support the achievement of the development goals on the condition that it was supported by a thorough implementation framework.

Aid effectiveness

We were concerned about the efficiency and effectiveness of New Zealand's aid delivery at the current level. We heard that NZAID was subsumed into the Ministry of Foreign Affairs and Trade in 2009. We question whether this move means that New Zealand's provision of aid now more closely reflects the concerns of the ministry and a focus on economic development, and whether this had an impact upon the effectiveness of aid delivery. We would like to ensure that there is no political agenda for the distribution of our aid and that it has a humanitarian agenda. We would like to hear a public explanation from the Minister of Foreign Affairs on the rationale for bringing NZAID within the ministry.

We discussed what might be the more effective focus for aid delivery; economic development or human development. Dr Graham Hassal explained that development can be divided into two parts. Economic development focuses on investment in infrastructure and systems of government, while human development is considered an investment in the potential of people, particularly through education. The development goals have a strong focus on human development. We believe that education in all spheres is of vital importance, in schools as well as in business and government, to help countries to create their own prosperity. We believe human development can positively influence economic development.

While we accept the importance of economic development, we believe a holistic approach to the delivery of aid is the most effective, developing economic infrastructure and building the capacity of people to fulfil their own potential and function in developing a prosperous society through access to health and education.

Building relationships

We understand the importance of establishing good relationships between the Government and non-governmental organisations (NGOs) in order to meet the development goals. We note that the Government's current focus on economic development assistance rather than humanitarian aid is a barrier to NGOs achieving funding through the Ministry of Foreign Affairs and Trade. We encourage a more positive approach to this relationship by all parties and emphasise the need for a greater alignment of their goals to maximise the effectiveness of our aid distribution.

New Zealand as a leader in international support of the development goals

The New Zealand Government has repeatedly pledged its commitment to the 0.7 percent target, but has never set a timetable for achieving it. Groups such as Make Poverty History feel this is out of step with the country's international reputation as a good global citizen. We were told that New Zealand has dropped in stature internationally as a result of its position near the bottom of the table of OECD aid contributors. We feel that New Zealand's contribution to the development goals should be aligned to our global reputation at the top of the Global Peace Index.

As a responsible international citizen, we believe that New Zealand should be a leader in international support of the development goals. We consider that the 2011 Rugby World Cup tournament, to be held in New Zealand, would provide an excellent opportunity to

raise awareness of the goals by means of an advertising campaign similar to that currently running in association with the FIFA world cup. The international interest in the Rugby World Cup event would be a good opportunity to raise public awareness of the development goals by showing New Zealand's commitment to meeting them.

Supporting other nations to achieve the development goals

We recognise that New Zealand has an obligation to support the Pacific Island nations' endeavours to achieve the development goals. We heard that the Pacific is a particular area of responsibility for New Zealand and that the goals are key enablers of the assessment of progress toward the elimination of poverty in the region. We advocate maintaining support of Pacific countries, as the region is currently listed as second-to-last in the attainment of the development goals. It is important to provide assistance "people to people" to New Zealand's Pacific neighbours, but it is also in New Zealand's strategic interest to have a prosperous, stable, and successful region in which to live.

We believe that if countries support their neighbours a domino effect will develop, where a country that once received aid grows to a position where it is able to support other countries, and so on. By this means, a focus on the provision of aid to immediate neighbours gradually has a global impact. We believe that by targeting aid in specific locations, this would provide more comprehensive development of the goals.

We discussed New Zealand's current aid allocation, which is 50 percent to the Pacific, 30 percent to South East Asia, and 20 percent to the rest of the world. We wondered whether a reallocation of aid should be considered. An adequate consideration of the issues would require more time than was available to us, and a consensus was reached that the current allocations should remain.

Committee conclusions

We are concerned that New Zealand is falling well short of achieving the Millennium Development Goals for 2015. Five donor countries have already achieved the target of providing 0.7 percent of their Gross National Incomes in overseas aid, and many other donor countries have set timetables for achieving the target by 2015. New Zealand currently has no timetable for achieving the target and its aid is only about 0.28 percent of GNI. However, we consider New Zealand can and should reach the target of 0.7 percent of GNI provided in overseas aid by 2015.

We are also concerned about the efficiency and effectiveness of New Zealand's aid delivery at the current level of 0.28 percent. We believe a holistic approach to the delivery of aid is the most effective; developing economic infrastructure and the capacity of people to fulfil their own potential and function in developing a prosperous society through access to health and education. We therefore recommend that the delivery of aid be programme-specific to maximise its efficiency, and that it refocus on human development rather than economic development goals.

We consider that an international event would provide an excellent opportunity to raise awareness of the development goals by showing New Zealand's commitment to meeting them. We recommend that an advertising and education campaign be initiated to that end during the 2011 Rugby World Cup event.

Appendix

Committee procedure

The committee met on 6 and 7 July 2010 to consider the inquiry. The committee received and heard three submissions. Evidence was heard from John Allen, Secretary of Foreign Affairs and Trade and Tony Banks, Senior Livelihoods Advisor with the Ministry of Foreign Affairs and Trade; Lee Sentes, formally of the Council of International Development; and Dr Graham Hassal, Associate Professor (School of Government) Victoria University of Wellington.

Committee members

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