

VOTE *Official Development Assistance*

Official Development Assistance

Overview

The appropriations sought for Vote Official Development Assistance consists of annual appropriations in 2005/06 totalling \$107.322 million (GST exclusive) and multi-year appropriations for the period 1 July 2003 to 30 June 2006 totalling \$654.115 million (GST inclusive). Total annual Vote expenditure during 2005/06 will be approximately \$339.039 million (GST exclusive). This is to be spent as follows:

Departmental Appropriations

The departmental annual appropriations (GST exclusive) total \$23.693 million to be used to purchase from the New Zealand Agency for International Development (NZAID), a semi-autonomous agency within the Ministry of Foreign Affairs and Trade, the development, management and delivery of Official Development Assistance programmes incurring the following output expenses:

- \$5.572 million (1.64% of annual Vote expenditure) on *Strategic Advice and Evaluation*.
- \$18.391 million (5.42% of annual Vote expenditure) on *Management of Official Development Assistance Programme*.

Non-Departmental Appropriations

The Vote includes non-departmental appropriations for Other Expenses to be Incurred by the Crown consisting of 2 annual appropriations (GST exclusive) totalling \$83.359 million for 2005/06 and 3 multi-year appropriations (GST inclusive) totalling \$654.115 million for the three-year period 2003/04 to 2005/06, of which approximately \$237.300 million (GST inclusive) remains for the 2005/06 year.

Annual appropriations

- \$61.323 million (18.09% of annual Vote expenditure) on *International Agency Funding* payments.
- \$22.036 million (6.50% of annual Vote expenditure) on *New Zealand Voluntary Agency Grants*.

Multi-year appropriations

Annual expenditure (GST exclusive) against these appropriations for 2005/06 will be approximately:

- \$153.151 million (45.17% of annual Vote expenditure) on *Pacific Development Assistance*.
- \$59.343 million (17.50% of annual Vote expenditure) on *Global Development Assistance*.
- \$19.223 million (5.68% of annual Vote expenditure) on *Emergency Relief*.

Details of how the appropriations are to be applied appear in Parts B1, B2 and C of this Vote.

Terms and Definitions Used

GNI	Gross National Income
IFI	International Financial Institutions
NGO	Non-Governmental Organisation
NZAID	New Zealand Agency for International Development
ODA	Official Development Assistance

Footnote

- Note 1** This is the value of the expenditure that the Government currently expects it will have incurred against the appropriations by the time the appropriations expire at the end of June 2006.
- Note 2** These multi-year appropriations were made initially in the Appropriation (2003/04 Estimates) Act 2003. This appropriation is still in force and operates on a GST inclusive basis. The figures presented here include GST.

Official Development Assistance

VOTE MINISTER: Minister of Foreign Affairs and Trade

ADMINISTERING DEPARTMENT: Ministry of Foreign Affairs and Trade

The Minister of Foreign Affairs and Trade is the Responsible Minister for the Ministry of Foreign Affairs and Trade

Part A - Statement of Objectives and Trends

Part A1 - Objectives for Vote Official Development Assistance

The services to be purchased under Vote Official Development Assistance contribute to the achievement of key Government goals through the design and management of an effective ODA programme centrally focused on the elimination of poverty through development partnerships, and with a core focus on the Pacific.

The departmental appropriations will be applied to the development, management and delivery of ODA, through the provision of bilateral and multilateral assistance programmes.

This involves:

- the development of strategies to meet the needs of partner countries and the design and management of assistance programmes
- the evaluation of development assistance programmes and the monitoring and review of projects
- strategic policy, planning and programming, coherent across Government, and advising the Government on the framework for ODA and effective ways of delivering the assistance
- forging and maintaining relationships with partner countries and development organisations
- working collaboratively with other donors and multilateral development agencies and civil society in ways that are aligned with partner countries' strategies.

The non-departmental appropriations directly fund the development assistance interventions through programmes and projects that are delivered directly to partner countries, and through multilateral arrangements.

Key Priorities and Related Government Outcomes

In contributing to the government's goal to eliminate poverty through development partnerships NZAID will direct effort in 2005/06 to the achievement of the following medium term outcomes:

- New Zealand's development partners have reduced poverty and less need for aid.
- Development outcomes are achieved through engagements based on mutual openness, trust and respect.

- NZAID has well aligned policies, strategies, culture, processes and resources to support its programmes.

Links between Departmental Output Expenses and Government Outcomes

NZAID's delivery of the following outputs will have a major focus on the intermediate outcome to **contribute to eliminating poverty through development partnerships**. In addition NZAID also contributes to and supports the following intermediate outcomes:

- Reduced risks to New Zealand from global and regional insecurity.
- New Zealand's international connections facilitate sustainable economic growth through increased international trade, foreign investment and knowledge transfer.
- A rules-based international system that supports our security and prosperity goals and promotes our values.

Output expense strategic advice and evaluation

- Contributing to the elimination of poverty through the provision of Strategic Advice on ways to eliminate poverty in developing countries, especially in the Pacific, and
- co-ordination of the evaluation of development assistance through the development of evaluation policies, strategies and processes, the provision of reviews and evaluations, and the dissemination of evaluation findings for programme improvement.

Output expense management of official development assistance programmes

- Contributing to the elimination of poverty through the design and management of effective development assistance strategies, programmes and projects, and
- forging and maintaining relationships with developing partner countries, development organisations and agencies, civil society and the wider New Zealand community, that support the achievement of poverty elimination.

These outputs will contribute to the Government's major outcome where we seek **New Zealand's voice is heard abroad and our security and prosperity interests are advanced and protected**.

Part A2 - Trends in Vote Official Development Assistance

Introduction

The allocation of funding for Vote Official Development Assistance is detailed in the trends table. Vote Official Development Assistance was established on 1 July 2002. Previously funding for ODA was channelled through Vote Foreign Affairs and Trade. The following explanations compare funding for ODA with comparable figures contained in both Votes ODA and Foreign Affairs and Trade's trend table.

The 2005/06 Vote ODA structure is unchanged from 2004/05 and consists of the following appropriations:

Output Expenses

Two departmental output expenses:

- Strategic Advice and Evaluation.
- Management of Official Development Assistance Programmes.

Other Expenses to be Incurred by the Crown

Two annual appropriations:

- International Agency Funding.
- New Zealand Voluntary Agency Grants.

Three multi-year appropriations:

- Pacific Development Assistance.
- Global Development Assistance.
- Emergency Relief.

Departmental Output Trends: 2000/01 to 2005/06

Output expenses have increased from \$15.294 million (GST exclusive) in 2000/01 to \$23.963 million (GST exclusive) in 2005/06. This increase is driven primarily by additional funding for increased ODA capability offset by exchange rate fluctuations against the New Zealand dollar, lower depreciation resulting from lower property values, and fluctuations in the rate of capital charge.

Other Expenses Trends: 2000/01 to 2005/06

ODA has risen by approximately \$93.816 million from \$226,485 million per annum (GST inclusive) in 2000/01 to approximately \$321.424 million per annum (GST inclusive) in 2005/06 including estimated expenditure of \$237.300 million (GST inclusive) in 2005/06 from the three, three-year multi-year appropriations.

Analysis by Appropriation Type: 2005/06 and 2004/05 Compared

Departmental output expenses

The annual appropriation for the two ODA departmental output expenses increases by \$2.969 million (14.14%) in 2005/06 relative to 2004/05. The increase reflects the additional resource in 2005/06 to manage the significantly increased ODA funding, offset by currency exchange rate and CPI movements.

Non-departmental other expenses to be incurred by the Crown

The appropriations for non-departmental Other Expenses to be Incurred by the Crown consist of three multi-year and two annual appropriations.

The **multi-year appropriations** (GST inclusive) totalling \$654.115 million for the years 2003/04 to 2005/06 are equal to the sum of what would have been three annual appropriations for each of three years starting from the 2003/04 year, adjusted for budget increases and other changes that have taken place since. Funding increases provided for in the 2004/05 supplementary estimates over Budget night last year includes \$5 million for Niue to fund capital and infrastructure projects, \$50.924 million in response to the Indian ocean tsunami, including an annual increase of \$3.776 million to the Indonesian bilateral programme over the period 2004/05 to 2008/09. Budget 2005 has provided new funding of \$45.100 million per annum from the start of 2005/06. The new funding provided in the 2004/05 supplementary estimates and the 2005 Budget accounts for the increase between main estimates 2004/05 and 2005/06.

The **annual appropriations** (GST exclusive) totalling \$83.359 million have increased by \$12.213 million per annum, due to the addition of new funding.

New Policy Initiatives by Appropriation

Initiative	Annual Appropriations as shown in Part B1 (GST Exclusive)	\$000 increase/(decrease)					
		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Increase to New Zealand's Official Development funding to enable New Zealand to respond to the Indian Ocean Tsunami.	Departmental Output Expense - Strategic Advice and Evaluation	39	44	44	44	44	-
	Departmental Output Expense - Management of Official Development Assistance Programme	139	155	155	155	155	-
	Other Expense to be Incurred by the Crown - Global Development Assistance	-	-	3,621	3,621	3,621	-
Increase to New Zealand's Official Development funding to enable New Zealand to address pressing development needs in the Pacific region, Asian and African countries, and beyond.	Departmental Output Expense - Strategic Advice and Evaluation	-	756	756	756	756	756
	Departmental Output Expense - Management of Official Development Assistance Programme	-	2,267	2,267	2,267	2,267	2,267
	Other Expense to be Incurred by the Crown - New Zealand Voluntary Agency Grants	-	2,613	2,613	2,613	2,613	2,613
	Other Expense to be Incurred by the Crown - International Agency Funding	-	9,600	9,600	9,600	9,600	9,600
	Other Expense to be Incurred by the Crown - Emergency Relief	-	-	4,994	4,994	4,994	4,994
	Other Expense to be Incurred by the Crown - Global Development Assistance	-	-	5,298	5,298	5,298	5,298
	Other Expense to be Incurred by the Crown - Pacific Development Assistance	-	-	33,870	33,870	33,870	33,870
Total Initiatives for Annual Appropriations		178	15,435	63,218	63,218	63,218	59,398

	Multi-Year Appropriations as shown in Part B2 (GST Inclusive)	2003/04 to 2005/06
Increase to New Zealand's Official Development funding to enable New Zealand to respond to the Indian Ocean Tsunami.	Other Expense to be Incurred by the Crown - Emergency Relief	43,148
	Other Expense to be Incurred by the Crown - Global Development Assistance	7,776
Increase to New Zealand's Official Development funding to fund Niue infrastructure projects.	Other Expense to be Incurred by the Crown - Pacific Development Assistance	5,000
Increase to New Zealand's Official Development funding to enable New Zealand to address pressing development needs in the Pacific region, Asian and African countries, and beyond.	Other Expense to be Incurred by the Crown - Emergency Relief	5,000
	Other Expense to be Incurred by the Crown - Global Development Assistance	5,500
	Other Expense to be Incurred by the Crown - Pacific Development Assistance	34,600
Total Initiatives for Multi-Year Appropriations		101,024

Trends in Vote Official Development Assistance - Summary of Financial Activity

	2000/01	2001/02	2002/03	2003/04	2004/05		2005/06 Appropriations to be Used				2006/07	2007/08	2008/09	
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000	Estimated \$000	Estimated \$000	Estimated \$000
							Annual \$000	Other \$000	Annual \$000	Other \$000				
Appropriations														
Output Expenses	-	-	18,003	19,583	20,994	20,994	23,963	-	-	-	23,963	23,883	23,883	23,883
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	-	-	224,058	70,639	71,146	71,146	-	-	83,359	-	83,359	314,313	314,313	314,313
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Total Appropriations	-	-	242,061	90,222	92,140	92,140	23,963	-	83,359	-	107,322	338,196	338,196	338,196
Crown Revenue and Receipts														
Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Total Crown Revenue and Receipts	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-

Part B - Statement of Appropriations

Part B1 - Details of Appropriations

	2004/05				2005/06		
	Budget		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	Scope of 2005/06 Appropriations
Departmental Output Expenses (General)							
Strategic Advice and Evaluation	4,804	-	4,804	-	5,572	-	- The purchase of the development of regional, country, sectoral and thematic strategies and the evaluation of the effectiveness of development assistance. Reason for change: additional funding to provide strategic advice and evaluative advice and services for the expansion of existing assistance programmes and the implementation of new assistance programmes resulting from increased funding to the ODA programme appropriations.
Management of Official Development Assistance Programme	16,190	-	16,190	-	18,391	-	- The purchase of the design and management of development assistance programmes, including the monitoring of projects and the contracting for management of development projects. Reason for change: additional funding for the design, and the management for the expansion of existing assistance programmes and the implementation of new assistance programmes resulting from increased funding to the ODA programme appropriations.
Total Appropriations for Departmental Output Expenses (General)	20,994	-	20,994	-	23,963	-	

Part B1 - Details of Appropriations (continued)

	2004/05				2005/06		Scope of 2005/06 Appropriations
	Budget		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Other Expenses to be Incurred by the Crown							
New Zealand Voluntary Agency Grants	19,423	-	19,423	-	22,036	-	Contributions to, and purchases from Bilateral non-government organizations providing development assistance. Reason for change: Increased funding to enable New Zealand to address pressing development needs in the Pacific region and beyond, and thereby contribute to New Zealand's interests in a stable and secure Asia Pacific region.
International Agency Funding	51,723	-	51,723	-	61,323	-	Contributions to international development agencies for multilateral programme activity. Reason for change: Increased funding to enable New Zealand to address pressing development needs in the Pacific region and beyond, and thereby contribute to New Zealand's interests in a stable and secure Asia Pacific region.
Total Appropriations for Other Expenses to be Incurred by the Crown	71,146	-	71,146	-	83,359	-	
Total Appropriations	92,140	-	92,140	-	107,322	-	

Part B2 - Details of Multi Year Appropriations

Appropriations	Current Appropriation \$000 (see Note 2)	Scope of Appropriations
Other Expenses to be Incurred by the Crown		
Emergency Relief		
Term	2003/04 to 2005/06	Assistance for humanitarian programmes in the event of a country encountering natural disasters / hazards, and other emergencies resulting in immediate reconstruction and rehabilitation in affected areas. The Minister will fund emergency relief assistance based on damage, local assessment of priorities, other donor contributions and New Zealand's funding and operational capacity. Such assistance will be linked to longer-term processes of development.
Original Appropriation	13,500	Reason for change: Increased funding of \$5,000,000 from 2005/06 per annum to enable New Zealand to address pressing development needs in the Pacific region, Asian and African countries, and beyond, and thereby contribute to New Zealand's interests in a stable and secure Asia Pacific region. The total includes new funding in 2004/05 Supplementary Estimates in response to the Indian Ocean Tsunami of \$43,148,000.
Adjustments for 2005/06 Main Estimates	5,000	
Total Adjustments	73,148	
Total Appropriation	91,648	
Actual to date (February)	49,020	
Expected Actual to year end	72,404	
Remaining	19,244	
Expected Outcome (see Note 1)	91,648	
Global Development Assistance		
Term	2003/04 to 2005/06	Bilateral development programme assistance and contributions for Asian, African and South American countries. The Minister of Foreign Affairs and Trade requires NZAID to work with development partners to ensure aid expenditure is targeted as close as possible to need.
Original Appropriation	154,340	Reason for change: Increased funding of \$5,500,000 to enable New Zealand to address pressing development needs in Asia, Micronesia, parts of Africa and South America, and thereby contribute to New Zealand's interests in a stable and secure Asia Pacific region. The total includes new funding in 2004/05 Supplementary Estimates in response to the Indian Ocean Tsunami of \$7,776,000, and a transfer of \$200,000 to Vote Police for the annual contribution to the United Nations Drugs Control Programme.
Adjustments for 2005/06 Main Estimates	5,500	
Total Adjustments	11,886	
Total Appropriation	166,226	
Actual to date (February)	76,263	
Expected Actual to year end	104,624	
Remaining	61,602	
Expected Outcome (see Note 1)	166,226	

Part B2 - Details of Multi Year Appropriations (continued)

Appropriations	Current Appropriation \$000 (see Note 2)	Scope of Appropriations
Other Expenses to be Incurred by the Crown - cont'd		
Pacific Development Assistance		
Term	2003/04 to 2005/06	Bilateral development programme assistance and contributions for Pacific Island countries. The Minister of Foreign Affairs and Trade requires NZAID to work with development partners to ensure aid expenditure is targeted as close as possible to need.
Original Appropriation	304,767	Reason for change: Increased funding of \$34,600,000 to enable New Zealand to address pressing development needs in the Pacific region and beyond, and thereby contribute to New Zealand's interests in a stable and secure Asia Pacific region. The total includes new funding in 2004/05 Supplementary Estimates for the infrastructure project in Niue of \$5,000,000.
Adjustments for 2005/06 Main Estimates	34,600	
Total Adjustments	91,474	
Total Appropriation	396,241	
Actual to date (February)	173,519	
Expected Actual to year end	239,787	
Remaining	156,454	
Expected Outcome (see Note 1)	396,241	

Part C - Explanation of Appropriations for Output Expenses

Part C1 - Departmental Output Expenses

These output expenses are incurred on activities directed to the management of New Zealand's Official Development Assistance, focused on the provision of bilateral and multilateral assistance programmes.

The type of development assistance delivered ranges from grants, funding projects, education and training opportunities to the supply of materials and technical assistance.

Strategic Advice and Evaluation

Description

This output expense involves:

- sectoral and thematic policy formation and the development of strategic plans for NZAID's engagement in sectors and in addressing cross-cutting issues. These will be consistent with international good practice, NZAID's areas of comparative advantage and partner countries' priorities and goals. They aim to achieve coherence with wider New Zealand positions and with other key funders as appropriate including identifying investment targets for some specific sectors against overall development targets
- the development of strategies for NZAID's regional engagement and for programmes including individual bilateral programme strategies for core bilateral partners. NZAID works in the Pacific primarily, but also has a significant Asian programme and smaller programmes in Latin America and Africa
- New Zealand representation and policy contributions to international development debates and relevant global plans of action including strategic coordination with international development agencies
- the appraisal of new development assistance proposals or designs and the analysis around the impact of delivery mechanisms and contracting on development outcomes. This also involves the provision of specialist advice to the programming groups within NZAID that contribute to high quality project design and implementation
- the development of an evaluation framework, including guidelines, strategies, plans, processes and capability building
- the conducting of evaluations to assess the effectiveness and impact of investments in development assistance and the sustainability of benefits, in order to improve existing investments, to demonstrate accountability and to learn lessons to inform future development assistance investment decisions.

In addition this output expense includes:

- advice on the implementation of government policy with regard to ODA, including ODA levels and programme balance
- oral and written briefings and preparation of speech notes not provided in the course of delivering other services.

Management of Official Development Assistance Programme

This output expense involves:

- the design and management of development assistance programmes, for different countries, regions, regional or international agencies focused on the elimination of poverty
- the allocation of resources to, and composition of, each development cooperation programme after consultation with partners (governments, agencies, NGOs etc)
- development of governance structures for programme/project activities to ensure effective development outputs and outcomes from the assistance
- management of feasibility, design, implementation, and review activities within various programmes
- the monitoring of programmes/projects and contracting for development projects management
- forging and maintaining relationships that achieve poverty elimination with developing country partners, Pacific regional agencies, international development agencies of organisations such as the United Nations and Commonwealth, International Financial Institutions (IFIs), International NGOs, civil society and the wider New Zealand community
- drawing on poverty analysis in the preparation of development programmes, taking into account human rights, gender issues, equity and environmental principles.

This output expense also includes managing the effective delivery of both direct and indirect assistance that addresses the underlying causes of poverty. Direct assistance aims to help communities and individuals to fulfil their basic needs, and indirect assistance aims to create and sustain social, cultural, environmental and economic conditions conducive to the elimination of poverty. Assistance will be provided through bilateral, regional, NGO, IFI and multilateral programmes.

Management Priorities

NZAID will focus ODA growth in programmes that directly support the areas of concentration. This will result in:

- significantly expanded bilateral programmes in Vanuatu, Papua New Guinea, Solomons Islands, Fiji, Indonesia and Vietnam
- sectoral programmes that would see New Zealand lift its contribution in the Pacific in the key areas of economic growth and livelihoods, education, health (including water and sanitation) and governance and leadership

- whole of government support for sustaining viable communities in Niue, Tokelau and Cook Islands, where we have special relationships
- increased support to New Zealand-based development NGOs and key multilateral agencies that are assessed as highly effective and particularly relevant to New Zealand's interests
- strengthening New Zealand's capability to effectively contribute to addressing international humanitarian crises arising out of conflict and natural disasters.

For the 2005/06 financial year additional management priorities will be:

- Develop NZAID's departmental capability in Wellington and offshore so as to ensure the efficient and effective delivery of the enlarged ODA programme.
- Facilitate policy coherence and whole of government approaches around ODA.
- Ensure that actual expenditure for 2005/06 results in a reported ODA to GNI ratio of 0.27% and that programme design and capability is such that, subject to economic growth remaining within forecast limits, that New Zealand reports 0.27% and 0.28% in the two following years.
- Implement the NZAID Evaluation Strategy and ensure it is integrated across all programmes and activities.
- Continue to grow the effective working relationship between NZAID and the wider Ministry of Foreign Affairs and Trade.
- Develop and roll out a new integrated NZAID management information system to improve management of ODA.

Outcome Performance - Areas of Measurement

The following areas of measurement are considered to be the ones most critical to the achievement of the outcomes sought by Ministers:

(See the Statement of Intent for the performance indicators related to these areas)

Effective programmes and tangible results

Programmes aim to achieve tangible improvements to the poverty indicators of partner countries in the long term.

Programme harmonisation

Bilateral programmes increasingly align planning processes, reporting and priorities with those of partner countries and other development agencies.

Engagement and ownership by New Zealand stakeholders

In line with the Statement of Government Intentions for an Improved Community-Government Relationship, there will be good collaboration with the wider New Zealand development community to increase overall ODA effectiveness; ensure New Zealand Government development policies and perspectives are effectively represented abroad; and strengthen the New Zealand public's understanding of and support for NZAID's work.

Policies, strategies and planning

NZAID will have clear policies, and sound strategies guiding and directing its work.

Capability aligned to agreed outcomes

As New Zealand's ODA programme grows and evolves, NZAID will ensure that ministers receive timely, independent advice around targeting ODA resources that accurately reflects (or is accompanied by) the views of other interested departments.

Capability and Culture that supports ways NZAID needs to work

NZAID will ensure it has the people and the systems required to achieve sound development outcomes within the normal accountability and transparency requirements placed on New Zealand public sector departments.

Part D - Explanation of Appropriations for Other Operating Flows

Part D3 - Other Expenses

The Government's direction and focus of New Zealand's Official Development Assistance (ODA) reflects the importance the Government places on New Zealand's obligation, as a good international citizen, to provide development assistance to nations less fortunate than ourselves, to focus that assistance on effective poverty elimination and to ensure that our Pacific neighbourhood remains a core focus for our efforts.

NZAID will foster strategic outcomes that contribute most effectively to poverty elimination by concentrating its development assistance on activities that help to create safe, just and inclusive societies; to meet basic needs, and to achieve environmental sustainability and sustainable livelihoods. In doing so NZAID will maintain a core focus on the Pacific, while continuing to provide assistance to Asian and African countries.

NZAID has three key areas of concentration for eliminating poverty:

- **Empowering the poor to improve their lives** - includes meeting basic needs through having access to adequate food, water and shelter to maintain good health, and access to education and the ability to earn a livelihood.
- **Governance** - NZAID will as a prerequisite to the achievement of poverty reduction work with its partners to improve governance, leadership and economic development.
- **Reducing vulnerability to poverty** - through devising specific strategies to address the vulnerability that arise from conflict, environmental disasters, disease epidemics, bio-security risks, poor governance and economic instability.

Details of the planned spending for ODA programmes will be available on the NZAID website: www.nzaid.govt.nz.

New Zealand Voluntary Agency Grants

This annual appropriation provides funding assistance to enable New Zealand non-government organisations (NGOs) to deliver community development and humanitarian assistance programmes in developing countries.

The appropriation also includes annual core funding to NZ-based national NGOs within the framework of negotiated multi-year agreements, and funding activities carried out by NZ NGOs to raise public awareness and understanding of international aid and development matters and the role played by NZAID and NZ NGOs.

International Agency Funding

This annual appropriation provides contributions to international development agencies, such as the United Nations and the World Bank, to assist them in developing and delivering multilateral development and humanitarian programmes. The funding may take the form of core contributions as well as grant funds for specific activities. The aim of this assistance through multilateral funding arrangements is to address humanitarian needs, deliver effective development programmes and create and sustain social, cultural, environmental and economic conditions conducive to the elimination of poverty.

Pacific Development Assistance

This multi year appropriation provides funding for the Pacific that contributes to development assistance projects, provides funding to partner countries for projects, funds contracts for the delivery of projects, and funds education assistance and scholarships.

The Minister of Foreign Affairs and Trade requires NZAID to work with development partners to ensure aid expenditure is targeted as close as possible to need.

Global Development Assistance

This multi year appropriation provides funding for selected bilateral and regional development assistance programmes in Asia, parts of Africa and Latin America. The appropriation provides funding through partner governments, UN agencies, NGOs and other delivery mechanisms for programmes; funds contracts for the delivery of projects; and funds education assistance and scholarships.

The Minister of Foreign Affairs and Trade requires NZAID to work with development partners to ensure aid expenditure is targeted as close as possible to need.

Emergency Relief

This multi year appropriation provides funding that will contribute to emergency and humanitarian assistance in the event of a country encountering natural hazards (especially cyclones, earthquakes and tsunamis), disease (eg, SARS and Avian Flu) and the impact of conflict. The appropriation provides immediate short-term assistance as well as funding for reconstruction and rehabilitation in affected areas and building capacity for disaster mitigation and prevention.

The Minister will fund emergency relief assistance based on damage, local assessment of priorities, other donor contributions and New Zealand's funding and operational capacity. Such assistance will be linked to longer-term processes of development.