

# *Performance Information for Appropriations*

## *Vote Official Development Assistance*

---

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Foreign Affairs (M34)

ADMINISTERING DEPARTMENT: Ministry of Foreign Affairs and Trade

MINISTER RESPONSIBLE FOR MINISTRY OF FOREIGN AFFAIRS AND TRADE: Minister of Foreign Affairs

## Part 1 - Summary of the Vote

### Part 1.1 - Overview of the Vote

The Minister of Foreign Affairs is responsible for appropriations in the Vote for the 2013/14 financial year covering the following:

- a total of \$58 million for management of New Zealand Official Development Assistance
- a total of \$99 million for contributions to International Agencies, and
- a total of \$410 million for the International Development Assistance.

Details of these appropriations are set out in Parts 2-6 below.

### Part 1.2 - High-Level Objectives of the Vote

#### Government Priorities and Outcomes - Links to Appropriations

Government Priorities	Government Outcomes	Appropriations
Sustainable economic development in the Pacific Leveraging strategic partnerships with other development actors	Sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable and prosperous world	Management of New Zealand Official Development Assistance  International Agency Funding  International Development Assistance

## Part 1.3 - Trends in the Vote

### Summary of Financial Activity

	2008/09	2009/10	2010/11	2011/12	2012/13		2013/14			2014/15	2015/16	2016/17
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
<b>Appropriations</b>												
Output Expenses	37,334	38,473	61,948	54,251	55,952	55,952	58,199	-	58,199	55,199	55,199	55,199
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	461,234	435,333	495,016	510,495	501,667	501,667	-	508,533	508,533	520,220	546,845	546,845
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
<b>Total Appropriations</b>	<b>498,568</b>	<b>473,806</b>	<b>556,964</b>	<b>564,746</b>	<b>557,619</b>	<b>557,619</b>	<b>58,199</b>	<b>508,533</b>	<b>566,732</b>	<b>575,419</b>	<b>602,044</b>	<b>602,044</b>
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

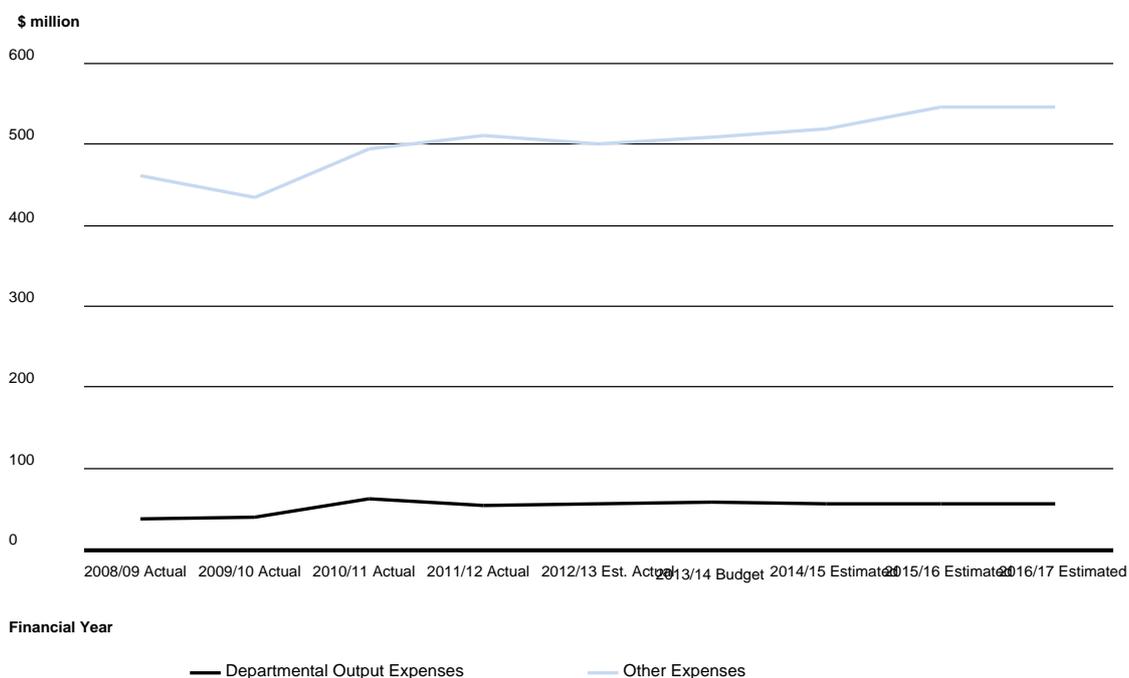
### New Policy Initiatives

Policy Initiative	Appropriation	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Efficiency Dividend	Management of New Zealand Official Development Assistance (M34) Departmental Output Expense	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)
Reduction in increases to baselines and deferral of the Government's commitment to increase Vote Official Development Assistance expenditure, so that the target level will be reached in 2015/16 rather than 2014/15	International Development Assistance (M34) Other Expenses to be Incurred by the Crown	(13,655)	(38,655)	(63,655)	(13,655)	(13,655)
<b>Total Initiatives</b>		<b>(20,655)</b>	<b>(45,655)</b>	<b>(70,655)</b>	<b>(20,655)</b>	<b>(20,655)</b>

### Analysis of Significant Trends

#### Total Vote: All Appropriations

**Figure 1** - Vote trends in actual expenses and capital expenditure by appropriation type



Source: Ministry of Foreign Affairs and Trade

The movements in the departmental and non-departmental appropriations in Vote Official Development Assistance (ODA), which are detailed in the Summary of Financial Activity table above, are largely driven by movements in non-departmental expenditure. Total expenditure in the Vote has increased from \$498.568 million in 2008/09 to \$566.732 million in 2013/14, an increase of \$68.164 million per annum. Of this, \$47.299 million relates to an increase in ODA non-departmental programmes and \$20.865 million increased departmental output expense per annum.

Details of the significant movement within each appropriation category is detailed below:

### *Departmental Output Expenses*

Output expenses increased from \$37.334 million in 2008/09 to \$58.199 million appropriated in 2013/14. In 2010/11, \$24.058 million per annum was transferred from Vote Foreign Affairs and Trade to allocate corporate overhead and overseas costs consistently across the Ministry of Foreign Affairs and Trade (MFAT) after the reintegration of NZAID. The Ministry's International Development Group has put in place a new business model, structure and streamlined processes ("Changing the way we Manage Aid") to deliver the New Zealand Aid Programme more efficiently and effectively. This has resulted in a reduction of the departmental expenses by over \$7 million. Further savings have been transferred from 2011/12 into 2013/14 for use in one-off significant Ministry projects. Since 2010/11, departmental output expenses have reduced as a percentage of ODA expenditure as the Ministry overall focuses on operating more efficiently. The Ministry will continue to seek further areas of efficiency.

### *Non-Departmental Other Expenses to be incurred by the Crown*

From 2002 to 2009, New Zealand increased Vote ODA progressively to achieve ODA: GNI targets. Since 2009/10, budget increases for Vote ODA are based on performance and delivery of outcomes, rather than ODA: GNI targets. This resulted in New Zealand originally committing to increases of \$25 million in 2011/12 and \$50 million 2012/13 and out years. In 2011/12, due to significant fiscal pressures arising from the Christchurch earthquake, the commitment to further increases in ODA was spread over four years rather than two.

On going fiscal pressures led to the decision in 2012/13 to further reduce the planned increases in Vote ODA, and defer reaching a target level from 2014/15 to 2015/16.

Two new three year, multi-year appropriations were approved for 2012/13 to 2014/15. These multi-year appropriations have the flexibility to spread the expenditure between years in line with the real pattern of activity development. This is consistent with best practice for aid effectiveness.

## Part 2 - Details and Expected Performance for Output Expenses

### Part 2.1 - Departmental Output Expenses

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p><b>Outcome:</b> Sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable and prosperous world</p> <p><b>Impact:</b> Improved economic well-being</p> <p><b>Impact:</b> Improved human development outcomes</p> <p><b>Impact:</b> Improved resilience and recovery from emergencies</p> <p><b>Impact:</b> Improved governance, security and conditions for peace</p> <p><b>Impact:</b> Improved development outcomes through strategic partnerships with others</p>	Management of New Zealand Official Development Assistance

For further information on the intended impacts, outcomes and objectives of the departmental output expense appropriations, see Part 5.2 "Non-Departmental Other Expenses"; and the Statement of Intent for the Ministry of Foreign Affairs and Trade.

#### Management of New Zealand Official Development Assistance (M34)

##### *Scope of Appropriation*

This appropriation is limited to advice and representation on international development issues and the management of the New Zealand Official Development Assistance (ODA) programme.

##### *Expenses and Revenue*

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	55,952	55,952	58,199
Revenue from Crown	55,952	55,952	58,199
Revenue from Other	-	-	-

##### *Reasons for Change in Appropriation*

The total departmental expenditure has increased by \$2.247 million from the 2012/13 total of \$55.952 million, and \$3.144 million from the original 2012/13 total of \$55.055 million. The increase from 2012/13 is as a result of:

- a decrease of \$253,000 as a result of foreign exchange movements for offshore costs, and
- an increase of \$2.500 million as a result of the retention of core business efficiency savings from prior years.

## Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Quantity</b>			
Number of Programmes managed (see Note 1)	25	26	26
Number of activities (see Note 2)	550 or less	561	550 or less
Median annual activity expense (see Note 2)	\$350,000 or more	\$360,000	\$350,000 or more
Volume of Crown ODA resources managed	\$499.1m	\$501.7m	\$508.533m
Volume of Crown ODA resources allocated to the Pacific bilateral and regional (see Note 3)	\$270m	\$277.6m	\$305m
Amount and proportion of sector-allocable ODA directed primarily to sustainable economic development (see Note 4)	\$135.0m and 39%	\$148.2m and 38%	\$152m and 40%
Policy submissions produced for Ministers under this output expense class (see Note 5)	120-160	120-160	120-160
Percentage of activity payments on time	95%	95%	95%
<b>Quality</b>			
Percentage of programmes rated 4 or higher on a scale of 1-5 by review against the Ministry's quality standard for programme management	80%	80%	80%
Percentage of activities rated 4 or higher on a scale of 1-5 by review against the Ministry's quality standard for activity management	80%	80%	80%
Average score out of 10 of a sample of policy papers reviewed by an external reviewer (NZIER) (see Note 6)	7.5	7.5	7.5
Feedback from ODA recipients and other development actors on the quality of New Zealand Aid Programme engagement	Not measured	Not measured	The budget standard will be developed after the base performance has been established in 2012/13
Percentage of the value of ODA delivered using high order aid modalities (see Note 7)	58% or more	43%	58% or more
Progress towards the international development targets for aid effectiveness (see Note 8)	Continued progress	Continued progress	Continued progress
<b>Ministerial Services (see Note 9)</b>			
Number of Ministerial letters prepared	180-220	180-220	180-220
Number of Official Information Act request (OIA) responses provided	20-50	20-50	20-50
Percentage of OIA requests completed by MFAT within 20 working days (see Note 10)	70%	60%	70%
Percentage of OIA requests completed within 40 working days (see Note 10)	95%	95%	95%
Percentage of Ministerial correspondence and OIA requests completed without return due to predictable errors (see Note 11)	New measure in 2013/14	New measure in 2013/14	Baseline to be set in 2013/14
Minister's rating on the quality of Ministerial services on a scale of 1-10	New measure in 2013/14	New measure in 2013/14	7 or above

Note 1 - The number of programmes the New Zealand Aid Programme manages.

Note 2 - A key threat to the effectiveness of ODA has been identified as "fragmentation" of the programme into a large number of small activities. The Ministry is pursuing a progressive shift in the ratio of ODA going from small, administratively expensive aid projects to larger, higher impact, more comprehensive initiatives. The Ministry's ability to identify and manage a smaller number of larger activities is a key indicator of this departmental output.

Note 3 and 4 - The New Zealand Aid Programme's mandate since 2009 has included an increased focus on the Pacific and sectors directly supporting sustainable economic development. The Ministry is seeking to increase the volume of Crown ODA resources allocated to the Pacific and the amount and proportion of sector-allocable ODA directed primarily to sustainable economic development (see Budget Standards). The Ministry's ability to identify and manage new, effective and efficient ODA activities in the Pacific and in these sectors is a significant indicator of this departmental output.

Note 5 - This measure could be considered to be demand driven. The estimate for the 2013/14 financial year is based on the assumption that demand for advice will be relatively constant in the absence of reliable trend information to the contrary.

Note 6 - The sample includes Ministry and ODA policy papers.

Note 7 - Research internationally has shown that aid is most effective and has sustainable benefits when it can be delivered through long-term commitments to partner country programmes and priorities, using partner systems and priorities whenever possible. Such approaches are described in the Ministry as "high order aid modalities". Contributions to multi-lateral agencies are included in this definition. The Ministry intends to review the continued relevance of this measure and the methodology used to calculate it in 2013/14.

Note 8 - While the budget standard given above is for "progress", a more detailed set of quantitative targets is provided in the Paris Declaration and the Cairns (Forum) Compact on Aid Effectiveness to which all OECD donors and many other countries and institutions are committed. New Zealand reports against a subset of these indicators for which data is readily available. The international community is developing a set of indicators and targets to measure "development effectiveness" (rather than "aid effectiveness"). New Zealand intends to report against these, and this performance measure may be replaced in future.

Note 9 - The timeliness and quality measures are for the whole of the Ministry and are inclusive of the New Zealand Aid Programme, whereas the quantity measures are for the New Zealand Aid Programme. The quantity measures are demand driven. Quantity estimates are based on analysis of year to date information, and available trend data. Trends for Ministerial correspondence and Official Information Act requests are relatively stable.

Note 10 - Twenty working days is the statutory deadline for responding to requests for information under the Official Information Act. Requests can, however, be extended under Section 15A of the Act "for a reasonable period of time having regard to the circumstances". The 40 working day deadline (twice the statutory deadline) is an attempt to represent the potential for extensions to be notified.

Note 11 - Predictable errors refer to spelling or grammar errors.

## *Quality Standards for Programme and Activity Management*

### **Quality standards for programme management**

Standards	Description
Programme strategic framework	<p>Programme has a current strategic framework or there is clear documentation of the programme's direction and what it aims to achieve.</p> <p>The strategic framework is consistent with the New Zealand Government's International Development Policy Statement and the strategies for operationalising this or there is clear documentation that outlines rationale for any change in focus and approach.</p> <p>The content of the strategic framework is consistent with the New Zealand Aid Programme's operational guidelines and standards for programme management.</p> <p>The strategic framework is aligned with partner plans and recognises partner priorities.</p>
Programme management	<p>Activities and policy engagement within the Programme form a coherent whole and are consistent with the Strategy (eg, sector focus; use of aid modality; sticking to key policy messages), or evidence of sound reasons for divergence.</p> <p>Forward Aid Plan is in place and complete reflecting all aid flows.</p> <p>Programme Annual Plan is complete and being referred to by staff to guide actions and priorities.</p> <p>Programme annual report is evidence-based and completed on time.</p> <p>Programme risks are identified and managed.</p>
Financial and contract management	<p>Sound annual cash flows are in place.</p> <p>Contract management reports are up to date and verified twice a year.</p> <p>Programme expenditure is monitored against budget; sound variance explanations are provided and documented.</p>
Focus on Results	<p>Programme has a sound Results Framework in place.</p> <p>The Results Framework is consistent with New Zealand Aid Programme's policy and guidelines.</p> <p>Programme monitoring is in place.</p> <p>Independent evaluations occur when appropriate and undertaken per Programme policy and guidance.</p> <p>Monitoring and evaluation information is being used in Programme decision-making.</p>
Engagement with partners	<p>Partners are fully engaged in key programme decision-making (eg, Forward Aid Plan, Joint Commitments for Development, strategy development), with programme talks and consultations minuted.</p> <p>Application of aid effectiveness principles with partners.</p> <p>Co-ordination and harmonisation with other donors and partners (eg, NZ Inc; bi-lateral and multi-lateral donors).</p>
Cross-cutting issues	<p>Cross-cutting issues are considered and included in programme planning, implementation, review and policy engagement with partners.</p> <p>Action is being taken to address issues as a result of the monitoring and evaluation.</p>

### **Quality standards for activity management**

Standards	Description
Activity planning	<p>Planning phase meets relevant policy and guidelines.</p> <p>Planning phase for Activities (Activity Design Documents, Appraisals and Result Framework) meets policy and quality standards.</p> <p>Thorough assessment of the proposed budget (including value for money) completed.</p>
Financial planning and procurement	<p>Authority to spend funds (PAA) is completed and expresses the business case well, and is consistent with the Financial Delegation Policy and the Programme Activity Authorities Guidelines.</p> <p>Procurement is best fit for purpose, delivers value for money and is consistent with policies and guidelines.</p> <p>Statistics in Activity Management System (AMS) are complete, accurate and up to date.</p> <p>A partner risk assessment has been undertaken and documented as required.</p>

Standards - cont'd	Description
Activity management	<p>Evidence is on file and/or documented that shows a good understanding and response to activity progress and issues eg, documentation on the file of the activity manager's assessment of activity progress and quality including information on relevance, effectiveness, efficiency and likely impact and sustainability.</p> <p>Monitoring visits documented and filed.</p> <p>Reports from the partners received, reviewed, responded to, and milestones are monitored.</p> <p>Risks are being monitored and managed in accordance with current guidelines.</p> <p>Evidence specialist expertise sought when necessary and advice taken into account in management.</p>
Financial and contract management	<p>Payments are in line with contracts; financial and non-financial milestones conditions are met; payments do not exceed contract.</p> <p>Contract variations are consistent with procurement, contracts and grants policies and guidelines.</p> <p>Reporting from the partner meets the contract requirements; or evidence that the New Zealand Aid Programme is actively managing the partner to meet those requirements.</p> <p>Where required, an external audit of the implementing agency's financial statements has occurred and a copy provided to the Ministry (including any audit management letter).</p>
Focus on Results	<p>A sound Activity Results Framework is in place and is consistent with the New Zealand Aid Programme's relevant Activity policy and guidelines. (see Note - Results Framework are expected for all new Activities from 1 July 2011 and activities starting new phases).</p> <p>Partner reports are reporting on results.</p> <p>Independent evaluations occur as appropriate.</p> <p>Activity Monitoring Assessments and Activity Completion Assessments are informed by evidence and are completed as per policy.</p> <p>Monitoring and evaluation information is being used by the New Zealand Aid Programme in Activity decision-making.</p>
Engagement with partners	<p>Partners are engaged constructively, including with other donors where relevant, to achieve the Activity outcomes.</p>
Cross-cutting issues addressed	<p>Cross-cutting issues were adequately considered at the planning phase and the markers in the Programme Activity Authority in AMS are appropriate.</p> <p>Cross-cutting issues are included in the Results Framework where appropriate.</p> <p>Progress on cross-cutting issues are being monitored and evaluated.</p> <p>Action taken to address issues as a result of the monitoring and evaluation.</p>

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
<b>Current Government</b>						
Efficiency Dividend	2012/13	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)
Changes to New Zealand's Official Development Assistance funding, arising from savings identified from the baseline review and the move to basing funding on outcomes rather than a percentage of GNI	2009/10	(4,521)	(4,521)	(4,521)	(4,521)	(4,521)

This table combines current and past policy initiatives applicable to the two former departmental appropriations which have now been transferred into this appropriation.

## Part 5 - Details and Expected Results for Other Expenses

### Part 5.2 - Non-Departmental Other Expenses

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<b>Outcome:</b> Sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable and prosperous world	International Agency Funding
<b>Impact:</b> Improved economic well-being	International Development Assistance
<b>Impact:</b> Improved human development outcomes	
<b>Impact:</b> Improved resilience and recovery from emergencies	
<b>Impact:</b> Improved governance, security and conditions for peace	
<b>Impact:</b> Improved development outcomes through strategic partnerships with others	

Vote ODA includes two Non-Departmental Other Expense Appropriations - International Development Assistance and International Agency Funding. The appropriations are managed through 26 programmes (for example, Samoa Programme, Humanitarian Programme, Latin America and Caribbean Regional Programme).

The impacts and outcomes of these two appropriations are measured by the Ministry using a performance planning and reporting framework.

The policy settings for the New Zealand Aid Programme are set by the Government's 'International Development Policy Statement'. A three year strategic plan defines themes, priorities, results and measures. This determines the focus of the 26 programmes and activities and drives new interventions, including larger transformational projects.

The New Zealand Aid Programme has a set of core country relationships. Multiple programmes may be engaged in activities in these countries. This support is captured in an 'estimated total country aid flow'.

Results are reported at the programme and activity level and consolidated in the Annual Report. The Annual Report provides information on:

- progress towards economic and human development targets for bilateral partner countries
- progress towards the internationally-agreed Millennium Development Goals for bilateral partner countries
- progress towards the following key strategic outcomes in the New Zealand Aid Programme's strategic plan
  - improved economic well-being
  - improved human development outcomes
  - improved resilience and recovery from emergency
  - improved governance, security and conditions for peace
  - improved development outcomes through strategic partnerships with others
- example impacts from Crown-funded activities.

The MFAT Annual Report also provides information on the cost-effectiveness of ODA, findings of evaluations, and performance against international benchmarks for effective and efficient aid delivery (particularly the Paris Declaration on Aid Effectiveness, and the Good Humanitarian Donorship Principles).

### *Proposed Indicative Spending Allocation by Appropriation*

#### **A. International development assistance by type of programme**

The total indicative spending within the three year Non-Departmental Other Expense appropriation - International Development Assistance totalling \$1,248 million, by type of Development Assistance Programme, is as follows:

Type of Development Assistance Programme	2012/13 Estimated Actual (\$000)	2013/14 Budgeted (\$000)	2014/15 Budgeted (\$000)	Total three year indicative spend (\$000)
Bilateral and Regional	393,320	392,739	409,220	1,195,279
Humanitarian	18,260	17,000	17,000	52,260
<b>Total</b>	<b>411,580</b>	<b>409,739</b>	<b>426,220</b>	<b>1,247,539</b>

The total expected annual spend by the New Zealand Aid Programme is allocated across 26 programmes. These allocations detail how the Bilateral and Regional spend is indicatively split by each country, regional, multi-country thematic, agency and other programmes. The allocations are released on [www.aid.govt.nz](http://www.aid.govt.nz) at the time these are approved by the Minister.

The humanitarian funding indicated is the funding specifically allocated for the Humanitarian Programme. Additional humanitarian funding, as defined under development assistance guidelines, may also be included in bilateral, regional and multilateral programmes.

#### **B. International agency funding by type of programme**

The total indicative spending within the three year Non-Departmental Other Expense appropriation - International Agency Funding totalling \$283 million by type of Development Assistance Programme, is as follows:

Type of Development Assistance Programme	2012/13 Estimated Actual (\$000)	2013/14 Budgeted (\$000)	2014/15 Budgeted (\$000)	Total three year indicative spend (\$000)
Multilateral	90,087	98,794	94,000	282,881
<b>Total</b>	<b>90,087</b>	<b>98,794</b>	<b>94,000</b>	<b>282,881</b>

#### **C. Total appropriation by region**

Regions of Development Assistance	2012/13 Estimated Actual (\$000)	2013/14 Budgeted (\$000)	2014/15 Budgeted (\$000)	Total three year indicative spend (\$000)
Pacific	277,600	306,589	305,730	889,919
Asia/Latin America/Africa	133,980	103,150	120,490	357,620
International	90,087	98,794	94,000	282,881
<b>Total</b>	<b>501,667</b>	<b>508,533</b>	<b>520,220</b>	<b>1,530,420</b>

Note - The term International is used when funding is allocated to multi-country support and cannot be indicatively split between different regions. This support is primarily through International Agencies.

### **International development assistance**

This appropriation is limited to the provision of bilateral and regional ODA, including humanitarian activities and disaster relief, for the design, management, implementation and evaluation of development activities and development education, capacity building and co-ordination support to partners.

This assistance is for the promotion of the sustainable development and welfare of the Pacific and other developing countries.

### **International agency funding**

This appropriation is limited to funding to multilateral agencies and international voluntary agencies for development assistance.

For further information on the intended impacts, outcomes and objectives of the non-departmental other expenses appropriations, please see the Statement of Intent for the Ministry of Foreign Affairs and Trade.

### *Expected Results*

The International Development Assistance appropriation is a new multi-year appropriation for 1 July 2012 to 30 June 2015. This was a restructuring of the Global Development Assistance, Pacific Development Assistance and NZ Voluntary Agency Grant appropriations in 2011/12 into a single multi-year appropriation. The International Agency Funding appropriation is a new multi-year appropriation for 1 July 012 to 30 June 2015. This was a restructuring of the previous annual International Agency Funding appropriation.

More detailed information on the indicative spending profile of the new International Development Assistance and International Agency Funding appropriations is set out above in Part 5.2 - Non-Departmental Other Expenses: Intended Impacts, Outcomes and Objectives.

The expected results for each appropriation are set out in the following tables.

Where indicated, these expected results will be reported on for the total non-departmental appropriations in Vote ODA.

The Ministry has developed a new set of expected results for each appropriation, which are set out under each appropriation below. These new results better reflect and are more directly attributable to the Ministry's core work.

The budget standards for these indicators for the future results will be developed after the base performance has been established in 2012/13 or 2013/14 as indicated. The budget standard will be updated in the 2013/14 Supplementary Estimates.

## International Agency Funding (M34)

### *Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b><i>International Agency Funding (M34)</i></b>	Original Appropriation	282,000
This appropriation is limited to funding to multilateral agencies and international voluntary agencies for development assistance.	Adjustments to 2011/12	-
	Adjustments for 2012/13	881
Commences: 1 July 2012	Adjusted Appropriation	282,881
Expires: 30 June 2015	Actual to 2011/12 Year End	-
	Estimated Actual for 2012/13	90,087
	Estimated Actual for 2013/14	98,794
	Estimated Appropriation Remaining	94,000

### *Reasons for Change in Appropriation*

The total forecast spend for this appropriation over a three year period was \$282 million.

This appropriation was increased by \$881,000 as a result of a carry forward of the underspend at 30 June 2012 from the previous annual Appropriation "International Agency Funding". The timing of expenditure has been reforecast across the three year period.

### *Expected Results*

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Annual progress towards the medium-term outcomes identified in the Programme Strategic and Results Frameworks for New Zealand ODA under this appropriation, measured by the Ministry's annual programme reporting cycle	70%	To be measured at year end	Progress towards 70% of medium-term outcomes in the Programme Strategic and Results Frameworks rated good or better
Example impacts from Vote ODA investment in international agencies	Demonstrated impacts	Demonstrated impacts	Demonstrated impacts
<b>Multilateral and Humanitarian</b>			
Evidence of the performance and results of the Humanitarian agencies that are funded by New Zealand ODA	New measure	New measure	It is intended to set a baseline in 2012/13
Evidence of the performance and results of the United Nations and Commonwealth development agencies that are funded by New Zealand ODA	New measure	New measure	It is intended to set a baseline in 2012/13
Evidence of the performance and results of the international Financial Institutions that are funded by New Zealand ODA	New measure	New measure	It is intended to set a baseline in 2012/13

## Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
<b>Current Government</b>						
Deferral of increases to baselines planned in accordance with the Government's commitment to increase Vote Official Development Assistance expenditure, so that the target level will be reached in 2014/15 rather than 2012/13	2011/12	(4,500)	(4,500)	-	-	-
Changes to New Zealand's Official Development Assistance funding, arising from savings identified from the baseline review and the move to basing funding on outcomes rather than a percentage of GNI	2009/10	(14,418)	(14,418)	(14,418)	(14,418)	(14,418)

## International Development Assistance (M34)

### Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>International Development Assistance (M34)</b>		
This appropriation is limited to the provision of bilateral and regional official development assistance, including humanitarian activities, for the design, management, implementation and evaluation of development activities and development education, capacity building and co-ordination support to partners. This assistance is for the promotion of the sustainable development and welfare of Pacific and other developing countries.  Commences: 1 July 2012  Expires: 30 June 2015	Original Appropriation	1,207,003
	Adjustments to 2011/12	-
	Adjustments for 2012/13	40,536
	Adjusted Appropriation	1,247,539
	Actual to 2011/12 Year End	-
	Estimated Actual for 2012/13	411,580
	Estimated Actual for 2013/14	409,739
	Estimated Appropriation Remaining	426,220

### Reasons for Change in Appropriation

The total forecast spend for this appropriation over the three year period was \$ 1,207.003 million.

This appropriation has increased by \$40.536 million as a result of:

- an increase of \$32.936 million as a result of a carry forward of unspent funds at 30 June 2012 from the multi-year appropriations "Global Development Assistance", "Pacific Development Assistance" and annual appropriation "New Zealand Voluntary Grants"
- an increase of \$7.600 million for a transfer from Vote Foreign Affairs and Trade for New Zealand's commitment to Climate Change in Developing Countries.

### Expected Results

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Bilateral partners' ratings in the World Bank's annual survey of the "Ease of Doing Business" (see Note 1)	Continued improvement	Continued improvement	Continued improvement
Bilateral partner countries' Human Development Index (a composite measure of GDP per capita, life expectancy, and education outcome) (see Note 1)	Increased HDI score	42% of bilateral partners have increased their HDI score	Increased HDI score (note HDI methodology changed in 2010/11)
Improved progress towards the 2015 Millennium Development Goals for New Zealand's bilateral partners (see Note 2)	Continued progress	46% of indicators have improved	Continued progress
Annual progress towards the medium-term outcomes identified in the Programme Strategic and Results Frameworks for New Zealand ODA under this appropriation, measured by the Ministry's annual programme reporting cycle	70%	To be measured at year end	Progress towards 70% of medium-term outcomes in the Programme Strategic and Results Frameworks rated good or better
Example impacts from Crown-funded programmes and activities	Demonstrated impacts	Demonstrated impacts	Demonstrated impacts
<b>Improved economic well-being</b>			
Increased returns from sustainable agriculture, measured by the additional value of agricultural production	New measure	New measure	It is intended to set a baseline in 2012/13
Increased returns from sustainable fisheries measured by revenue from foreign fishing licenses	New measure	New measure	It is intended to set a baseline in 2012/13
Increased returns from sustainable tourism, measured by value of average tourist spend	New measure	New measure	It is intended to set a baseline in 2012/13
Increased access to clean, efficient and affordable energy, measured by installed renewable energy capacity of new infrastructure	New measure	New measure	It is intended to set a baseline in 2012/13
Improved access to infrastructure and transport, measured by the number of significant transport infrastructure upgraded or built	New measure	New measure	It is intended to set a baseline in 2012/13
Improved enabling environment for economic growth and private sector development, measured by the number of people in the private sector trained to support economic growth and private sector development	New measure	New measure	It is intended to set a baseline in 2012/13
<b>Improved human development outcomes</b>			
Improved education outcomes measured by the percentage of children meeting national test levels at age 10 for numeracy and literacy	New measure	New measure	It is intended to set a baseline in 2012/13
Improved tertiary and skills training outcomes measured by the number of people that complete vocational training and tertiary scholarships	New measure	New measure	It is intended to set a baseline in 2012/13
Improved health outcomes measured by the number of patients who have received medical treatment (by visiting medical specialists or transported to New Zealand)	New measure	New measure	It is intended to set a baseline in 2012/13
Improved living conditions measured by the number of people with increased access to safe water or sanitation (see Note 3)	New measure	New measure	It is intended to set a baseline in 2012/13

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Improved resilience and recovery from emergencies</b>			
Disaster and climate resilience strengthened and risks reduced measured by the number of people trained to strengthen disaster risk reduction	New measure	New measure	It is intended to set a baseline in 2012/13
Effective needs-based response to and recovery from emergencies measured by the number of vulnerable people provided with essential assistance following natural disasters or armed conflict (see Note 1)	New measure	New measure	It is intended to set a baseline in 2012/13
<b>Improved governance, security and conditions for peace</b>			
Strengthened democratic governance measured by the number of partner government ministries and departments strengthened through provision of technical assistance	New measure	New measure	It is intended to set a baseline in 2012/13
Improved community safety and rule of law measured by the number of police, judicial, court and legal officers trained	New measure	New measure	It is intended to set a baseline in 2012/13
<b>Improved development outcomes through strategic partnerships with others</b>			
Partnerships that leverage the strengths of others to support the New Zealand Aid Programme priorities, measured by the additional value in dollars leveraged from partnerships	New measure	New measure	It is intended to set a baseline in 2012/13

Note 1 - These expected results will also include some contributions from the International Agency Funding appropriation.

Note 2 - From 2013/14, the methodology for assessing this measure will change. MFAT will use a subset of 23 indicators associated with the MDGs which it uses to track progress in the New Zealand Aid Programme Strategic Results Framework.

Note 3 - The number of people with access to safe water and the number of people with access to sanitation are counted separately. Some double-counting is possible if some people get access to both safe water and sanitation.

### *Current and Past Policy Initiatives*

This table combines current and past policy initiatives applicable to the three former non-departmental appropriations which have now been transferred to this appropriation: Global Development Assistance, Pacific Development Assistance and New Zealand Voluntary Agency Grants.

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
<b>Current Government</b>						
Reduction in increases to baselines and deferral of the Government's commitment to increase Vote Official Development Assistance expenditure, so that the target level will be reached in 2015/16 rather than 2014/15	2012/13	(13,655)	(38,655)	(63,655)	(13,655)	(13,655)
Deferral of increases to baselines planned in accordance with the Government's commitment to increase Vote Official Development Assistance expenditure, so that the target level will be reached in 2014/15 rather than 2012/13	2011/12	(45,500)	(20,500)	-	-	-
Changes to New Zealand's Official Development Assistance funding, arising from savings identified from the baseline review and the move to basing funding on outcomes rather than a percentage of GNI	2009/10	6,147	6,147	6,147	6,147	6,147

### **Reporting Mechanisms**

Appropriation	Reporting Mechanism
International Agency Funding	MFAT Annual Report
International Development Assistance	MFAT Annual Report

The above table indicates the mechanisms to be used for reporting actual performance for each non-departmental other expenses appropriation.