

Summary

Show Me the Money: New Zealand Government Aid in Numbers

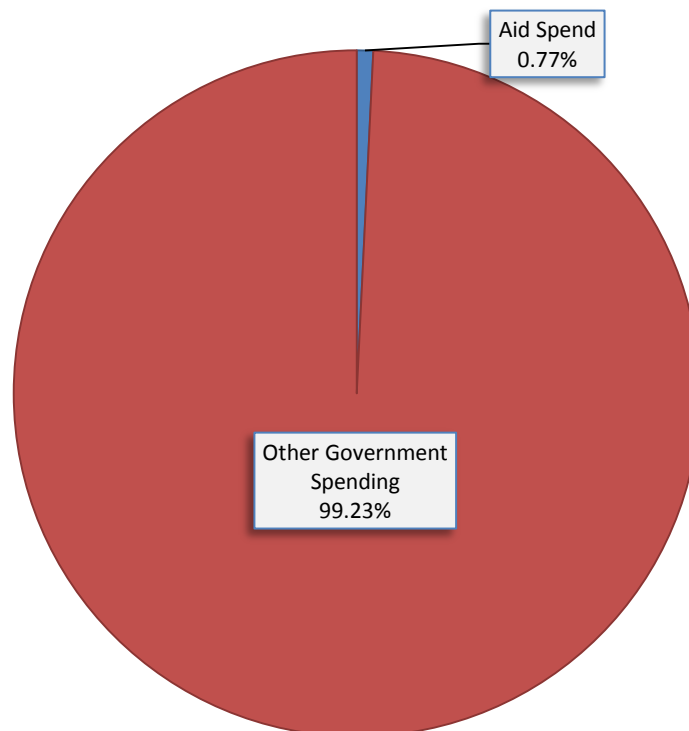
By Joanna Spratt and Terence Wood

In 2013 New Zealand Aid and Development Dialogues and the Australian National University published a detailed study of New Zealand Official Development Assistance (ODA), or aid, disbursements from 2002 to 2012. Called 'Show Me the Money' the study describes trends and key features of New Zealand's official government development assistance (ODA). You can download the full study at [here](#). This Summary outlines the key points contained in the full study.

How Much is Spent?

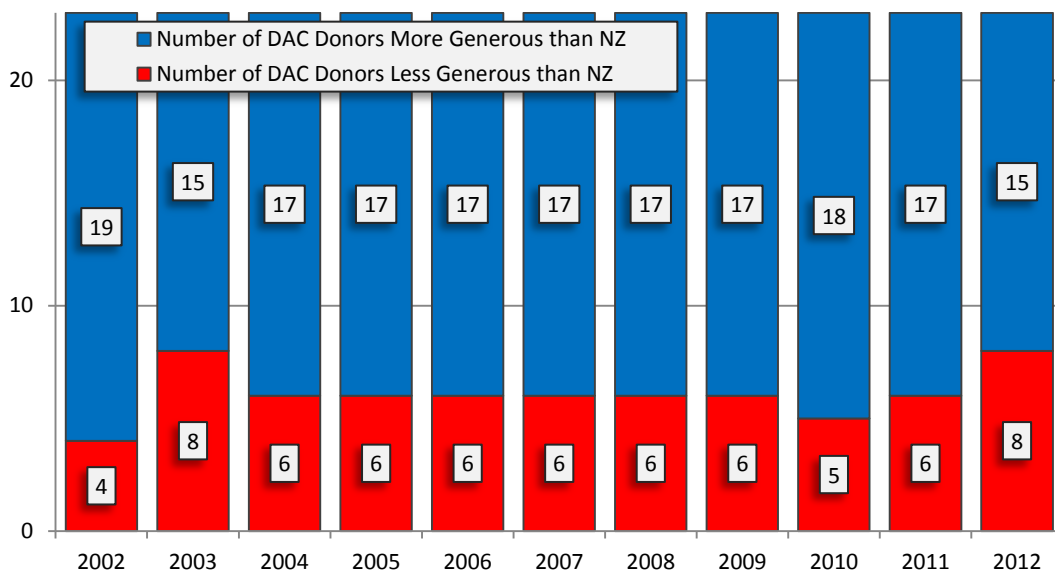
In addition to the money it spends on New Zealanders, the New Zealand government devotes some spending to aid — financial assistance to poorer countries, ostensibly given for the purpose of helping them develop. Aid spending forms only a very small portion of New Zealand government spending. In 2011 (a typical year) it was less than one per cent of core government spending.

New Zealand Government Aid as a Share of Core New Zealand Government Spending



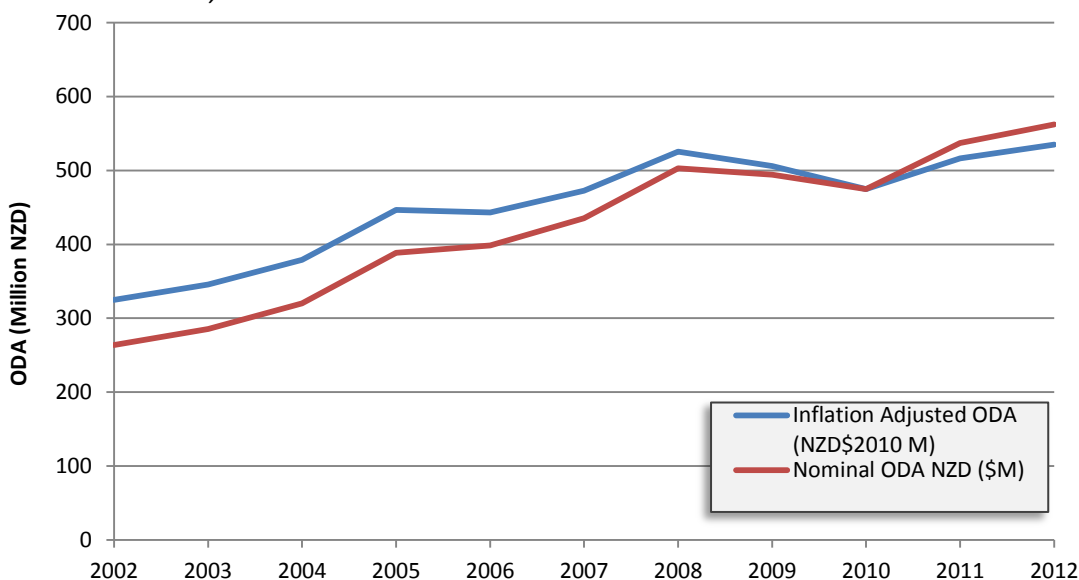
Using a measure of generosity that takes ODA as a proportion of Gross National Income (GNI) ('aid effort'), New Zealand is one of the least generous donors in the OECD.

New Zealand ODA Effort Ranked Amongst Other OECD Development Assistance Committee Donors



From 2002 until 2008 New Zealand's aid effort increased, at which point ODA was 0.3 per cent of GNI. It subsequently slipped back to 0.28 per cent by 2012. In absolute terms New Zealand ODA rose steadily between 2002 and 2008, rising from NZ\$325M to NZ\$525M (in 2010 inflation adjusted dollars) before falling from 2008-10, and then rising again in 2011-12. At the end of 2012 inflation adjusted ODA was NZ\$535M, slightly higher than in 2008.

New Zealand ODA, Absolute Amounts

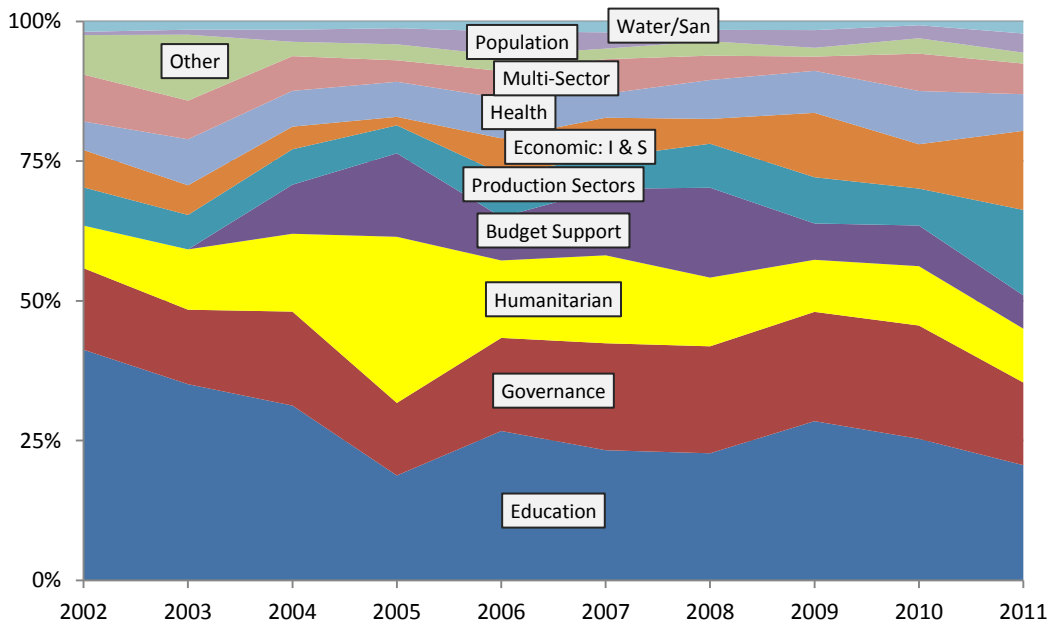


What is New Zealand Aid Spent On?

Throughout most of the period covered in the study roughly two thirds of New Zealand ODA was given bilaterally (directly to countries receiving it, or to NGOs working in those countries) and one third through multilateral institutions (such as the World Bank and UNDP).

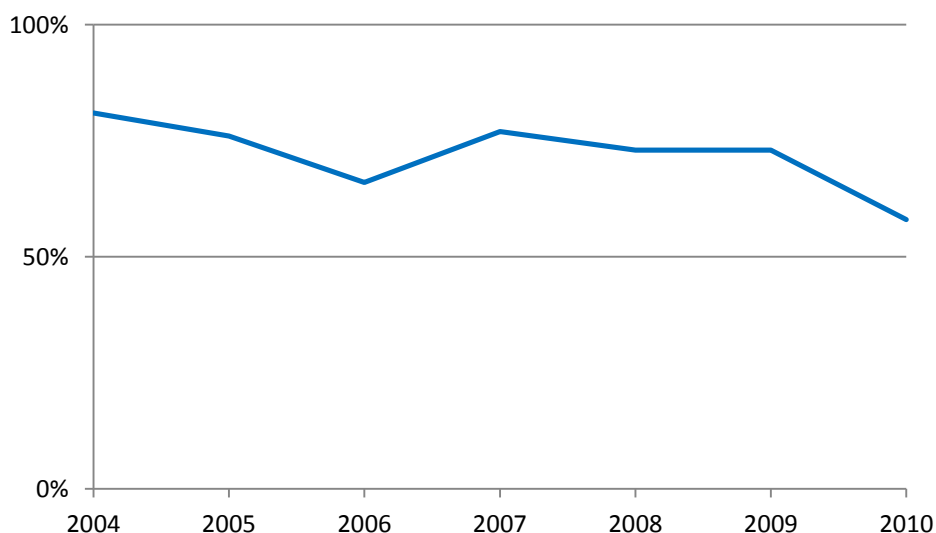
Historically, education has been the sector receiving the largest share of New Zealand ODA. In early years much of this was in the form of scholarships to study in New Zealand. However, over the period studied an increasing amount of ODA was directed towards primary education. Education's share of the ODA budget decreased over the period of the study and while it was still the single largest sector in 2011, when combined together, sectors directly related to economic development were receiving more funding.

New Zealand ODA, Spending by Sector



Aid focused on the cross-cutting policy objective of gender equality and women's empowerment has recently decreased.

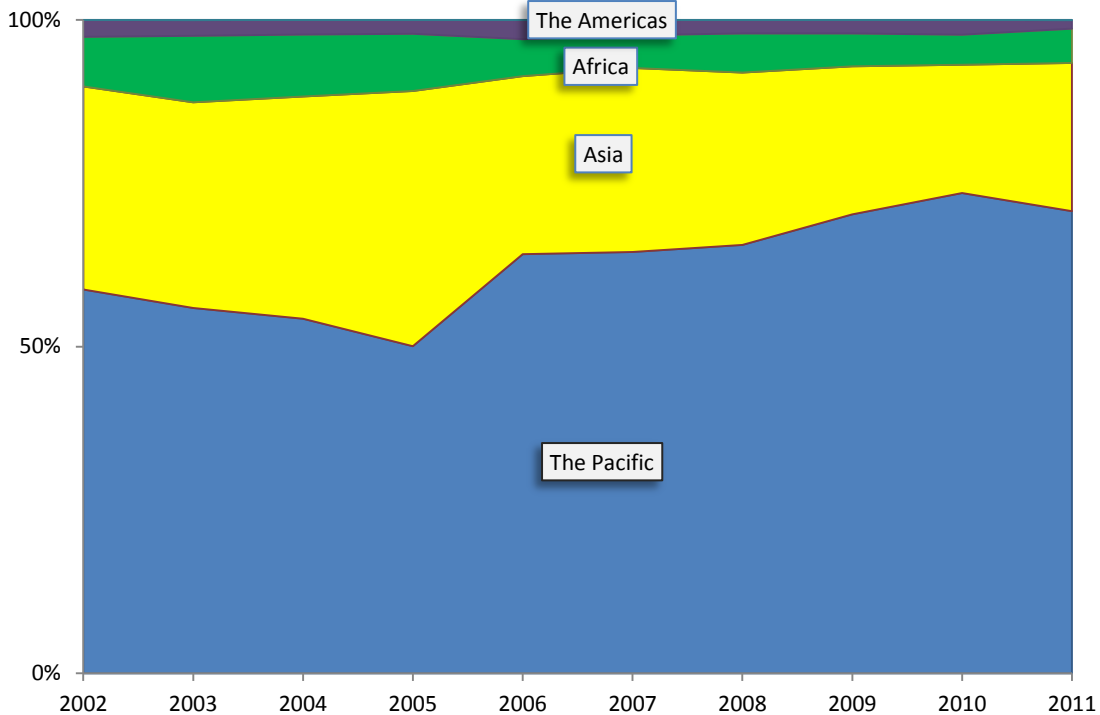
Percentage of ODA Assessed as Gender Equality and Women's Empowerment Focused



Where Does New Zealand Spend its Aid?

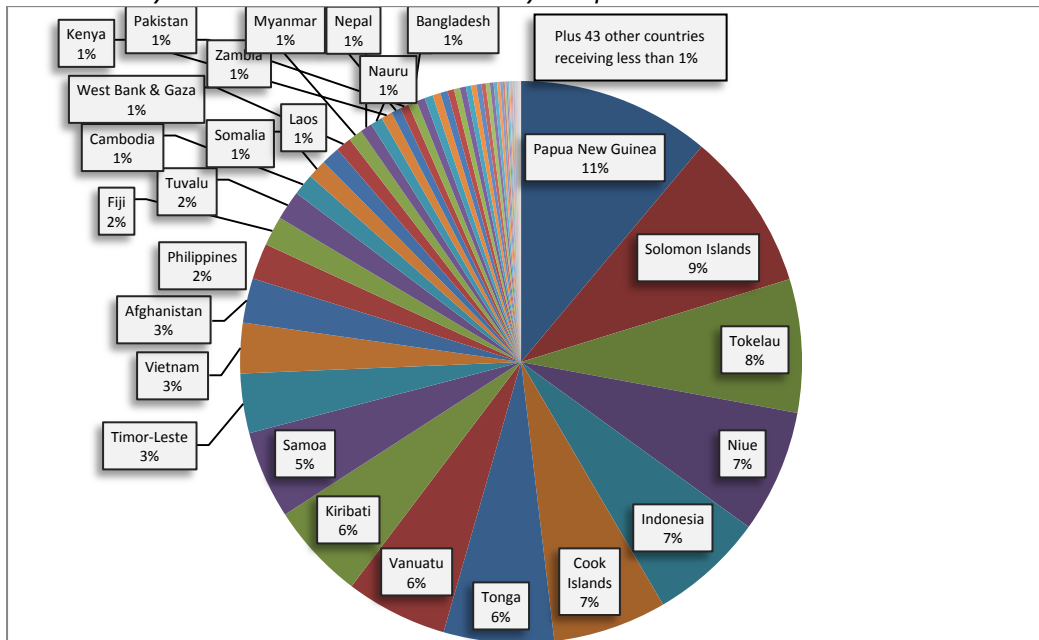
The Pacific is the region of the globe that receives the largest share of New Zealand ODA. And over the period of this study its share of country allocable ODA increased, from 59 per cent in 2002 to 71 per cent in 2011. Asia is the second largest recipient of New Zealand ODA.

New Zealand Country Allocable ODA by Region



New Zealand ODA is given to a lot of countries: 70 in 2011. Following recognised good practice over the period of the study, New Zealand aid has progressively been given to fewer countries. Although measured by the Hirschman-Herfindahl index New Zealand's aid fragmentation is increasing again now.

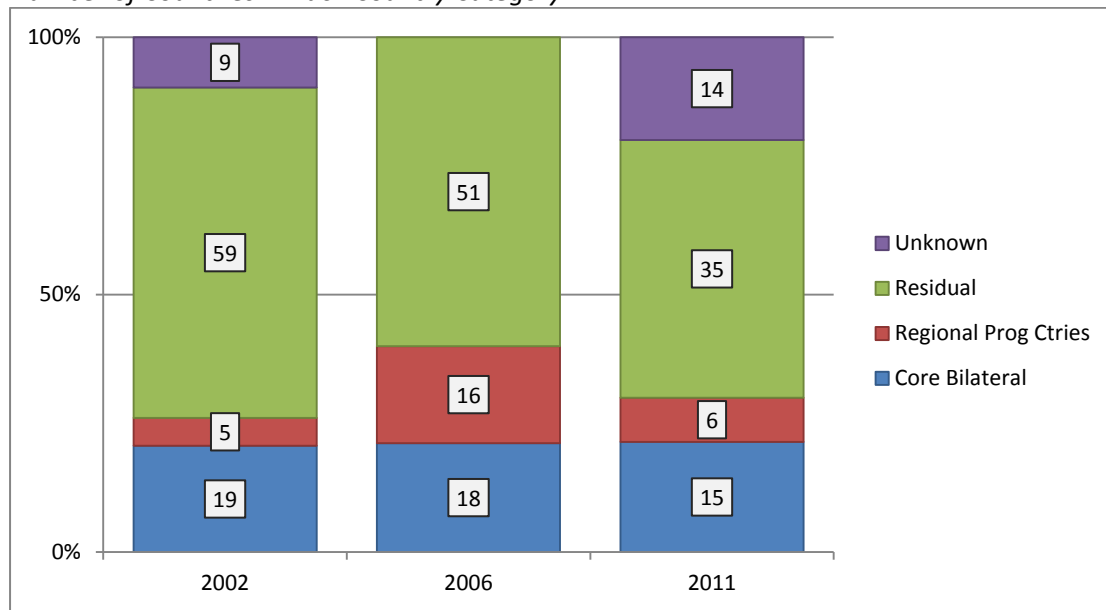
2011 Country Allocable New Zealand ODA by Recipient Share



It is possible to distinguish three types of countries receiving New Zealand ODA: Core bilateral partners, regional program countries, and residual countries. Core bilateral partner countries are few in number (less than 20 in most of the years covered in this study) yet are the focus of the majority of New Zealand's country allocable ODA (approximately 80 per cent in 2011). These countries typically have individualised country strategies and staff tasked with overseeing aid

delivered to them. Regional program countries are a small group of countries covered by regional program strategies and worked on by regional teams of aid program staff. There are fewer regional program countries than core bilateral countries and as a group they receive much less country allocable ODA. Residual countries are countries New Zealand gives aid to that are not covered by individualised or regional program strategies. Residual countries are the most numerous type of country but receive a relatively small share (less than 20 per cent) of New Zealand's country allocable ODA. Aid to these countries usually takes the form of funding via New Zealand NGOs, scholarships, humanitarian aid, and small 'head of mission' funds administered by diplomats.

Number of Countries in Each Country Category



Finally, while the data we have analysed do show trends of change over the period of time studied, change has been less than might be expected considering that the data span a period of dramatic qualitative change in New Zealand ODA associated with changes in government. This suggests that some aspects of ODA are remarkably path dependent and resistant to rapid change. Something that is probably often good, affording a degree of stability and predictability to aid recipients.