

Deputy Prime Minister and Minister of Foreign Affairs
Private Bag 18888
Parliament Buildings
Wellington 6160
NEW ZEALAND

14 November 2017

Dear Rt. Hon. Peters,

Congratulations on returning to the role of New Zealand's Foreign Minister.

We are writing to express our concerns about the New Zealand government's aid programme. We have both worked in the New Zealand international development community (for the Aid Programme and for NGOs), as consultants in various Pacific Island Countries, and as academics studying New Zealand aid. We care about the aid New Zealand gives to other countries and believe this aid can have a significant positive impact, when given well.

The past nine years of National Party government has led to an erosion of New Zealand aid quality. The Aid Programme now looks more like it did in 1999 than the quality endeavour it was in 2008 when you were last Minister.

Two 2009 Cabinet decisions in particular have contributed to worse aid. The most important of the two was the decision to align aid more closely with other foreign policy areas. This has led to a greater use of aid to subsidise New Zealand's businesses, rather than focusing on carefully considered development impact and poverty reduction. During the election campaign this year, we were heartened to see that New Zealand First, the Labour Party and the Green Party all specified that poverty reduction would become the focus of New Zealand's aid.

This is what New Zealanders want for their aid. When we surveyed the public in 2016, 69 per cent of the public wanted New Zealand aid focused on helping people in poor countries, rather than on bringing benefits to New Zealand. When we surveyed key New Zealand aid stakeholders, including the private sector, in 2015, most of them also believed that not enough of our aid was focused on reducing poverty. And the 2015 OECD Development Assistance Peer Review of New Zealand also expressed concern about the purpose of New Zealand aid. There is no evidence that aid is an effective tool in bringing direct benefits to New Zealand. It can help people in developing countries, however; but only if it is given for that purpose.

For these reasons we are writing now to encourage you to ensure that the primary end goal of New Zealand aid is helping people in poorer countries. We also want to suggest the possibility of legislating for this, to make it harder for aid to be given for the wrong reasons in the future.

The second Cabinet decision that has led to worse aid has been the decision to mandate a focus on economic development. Economic development is a laudable outcome, and a crucial part of development more broadly. However, over 70 years of aid delivery has taught us that country context should be paramount in deciding what aid should be focused on. In any given country, aid projects ought to be focused on work that is likely to succeed. Sometimes this work will be focused on economic activities. Sometimes it will be in other areas. A mandated focus on economic development means that decisions

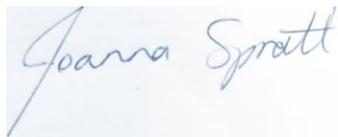
about how to spend aid end up being made overlooking the context of the country receiving our aid. The current Aid Programme Strategic Plan has a target of spending 45 per cent of all aid on economic development (p. 7). The aid programme's strategy and policy should be rewritten to make country context the priority when deciding how to spend New Zealand aid in any particular country.

Another area of concern is aid expertise. The 2015 OECD DAC Peer Review of New Zealand noted an erosion in specialist capabilities within the Ministry. Development experience and knowledge is no longer prioritised within the Ministry, and has eroded over time. As you know, giving aid efficiently and effectively to achieve positive development impacts is not straight-forward. It involves more than contract management. There is a need to assess and invest in appropriate staffing capacity – both numbers and skills.

Finally, once these quality issues are improved, we are hopeful you will be able to secure an increase in New Zealand's aid quantity. New Zealand is currently trending towards its lowest ever levels of aid. There is no good reason for this. New Zealand is not poor or indebted, and aid is only a tiny slice (0.7 per cent) of overall government expenditure. At present aid is only 0.23 per cent of Gross National Income, down from 0.3 per cent when you were last minister. As a good global citizen, New Zealand can be more generous.

We look forward to your response.

Yours sincerely,



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