

To: Foreign Affairs, Defence and Trade Committee

Submission on New Zealand's Aid to the Pacific

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We are directing our comments at selected aspects of the inquiry, as indicated below. Specific bullet points provide our key responses. We would be happy to have the opportunity to articulate our views in person at a select committee meeting.

1. The effectiveness of Pacific Reset
 - We fully support the intent of Pacific Reset to establish relationships with partner countries that are built upon mutual respect, empathy and trust, and which aim to “promote greater autonomy and resilience among our Pacific friends”. We see this as being firmly in line with established good practice in aid and development which depends on mutual trust and respect, long-term commitments and joint action.
 - However, it is time to move beyond the rhetoric around ‘Reset’ and invest in programmes to build long term self-reliance and sustainable development. A logical starting point would be investing significantly in resilient agriculture and sustainable fisheries in Pacific Island states, focusing on production for local markets to enhance food self-sufficiency and reduce the need for a heavy reliance on imports. We also argue strongly for a renewed commitment by New Zealand to support sector-wide approaches by Pacific governments in the health and education areas, particularly those directed at access to primary education for all children and primary health care.
 - The relationship needs to be driven by Pacific Island states and communities. A long-established principle in effective aid and development is that long-term and deep-seated improvements only come when change is driven by those most affected. Pacific people, communities and governments need to take the lead roles in defining the priorities, issues and strategies (according to their various environmental, social and cultural contexts), managing the resources and evaluating the outcomes.

2. How NZ's ODA programmes in the Pacific contribute to human rights and environmental sustainability
 - Environment: We welcome the injection of funds into climate change initiatives (both because of the significance of these issues and because this is being driven by the Pacific island states), but there is a danger of conflating environmental and climate change work. Currently there are a number of pressing environmental issues in the Pacific which are not directly related to climate change and which receive minimal attention (such as waste minimisation and management, water quality, urban sprawl, and unsustainable mining and forestry practices).

- Human rights: New Zealand's aid to the Pacific is tainted with the legacy of the previous government's 'sustainable economic development agenda' which avoided supporting a range of human rights issues. These deserve more attention, including gender-based violence and freedom of the press. Although it is important for New Zealand to be clear about our own stand and support for human rights in the region, we are of the view that the most effective way to address such issues is through long-term support for education and for organisations which seek to highlight and protect such rights, rather than heavy-handed 'preaching down'.
 - New Zealand's development initiatives in the Pacific should be more clearly guided by, and aligned to, the Sustainable Development Goals. Here we need to appreciate how different Pacific Island states, territories and communities have themselves engaged with the SDGs and assessed which goals should be given priority in their own contexts. We also see that the SDGs require New Zealand to consider our own development strategies and ensure that they align not only with the Goals internally but also with our priorities established in the wider region. This includes identifying areas where New Zealand itself can learn from successful strategies and initiatives across the Pacific Island states for achieving its own national SDGs. Such bidirectional learning processes would help turn a foreign aid approach that has been regarded by some Pacific Island nations as paternalistic into a true and reciprocal development partnership.
3. How NZ ODA in the Pacific contributes to short and long-term outcomes
- Discussions of the place of the aid programme in the Pacific need to be situated within the broader relationship that New Zealand (and other countries) have with the Pacific, taking in education, migration, finance, trade and labour migration. Pacific diaspora within New Zealand are an influential part of this relationship too, and feed into the short- and long-term development outcomes in the region.
 - The flip side of this argument is that discussions of trade and financial services across and within the Pacific must account for the effects of trade, and trade agreements, on differentiated development outcomes below the national level statistics.
 - We point to evidence of the way development indices (such as literacy levels, participation of girls in education, infant mortality, maternal mortality, etc.) have been significantly enhanced in countries such as Tonga, Samoa, Cook Islands and Niue when there has been a partnership involving effective local leadership and investment and sustained aid commitments from New Zealand and other donors.
4. Evaluating the effectiveness of NZ's domestic and international partnerships that support ODA in the Pacific.
- NZ-based NGOs are often recipients of ODA which funds a wide range of programmes in the Pacific. Many of these NGOs have the experience, relationships and insights to effectively deliver development, but in the past

they have sometimes been hamstrung by overly constraining MFAT processes which undermine their efforts to deliver agile programmes that can easily adapt, if necessary, to changes in circumstances and partner needs. It is thus pleasing to see that a new funding model has been developed to offer reliable core funding over five years to some of the more established NGOs in New Zealand. This principle should also be extended to partners in the region.

- Given the recent emergence of relatively new donors in the Pacific, such as China, Indonesia and India, New Zealand needs to devise a strategy to ensure its integrity as a long-term donor and partner. New donors have provided loans for large infrastructure projects in the Pacific and this has enlarged the choices for Pacific Island governments to fund development. However, with increasing debt burdens Pacific Island governments may ultimately need to cut spending in such essential sectors as health and education to service debt. New Zealand should continue to provide reliable untied grant aid in ways which support the core development priorities of Pacific Island communities.

Finally, an **overarching concern** we have about the management of the ODA programme within MFAT is the apparent continuing focus on ODA as a tool for promoting NZ's self-interests in the region, rather than as a means to promote wellbeing, sustainability and prosperity in Pacific Island nations and communities. Essentially there seems to have been a downgrading of the importance of independent development-related work within the organisation since the semi-autonomous NZAID was absorbed back into MFAT in 2009. The 'development-first' focus of the aid programme needs to be reasserted.

- So, for example, currently MFAT has seven strategic goals listed on the website; none focus on 'development'; and the one that focuses on 'Pacific' is worded to suggest it is primarily about safeguarding New Zealand's interests and influence.
- Foreign policy appears to be a much stronger focus for MFAT in these Strategic Goals, with ODA seen as simply a tool to achieve NZ's foreign policy goals. This is highly problematic because it leads to a 'supply-led' approach to aid and forms of 'tied aid' which have been clearly identified in the past as ineffective in delivering sustained and appropriate forms of development for recipients. In line with the rhetoric of the Pacific Reset, we need to listen to and respect the way Pacific communities, organisations and governments articulate their respective development priorities; commit ourselves to relationships with them for the long haul; and work alongside and support them when asked. We need our development assistance programme to be responsive, 'Pacific-literate', and committed. In the long term, New Zealand's best interests in the Pacific will be best served not by pursuing short-term opportunities for self-interested political or economic gains but by (re)building a reputation as a true friend and partner.