

## IDEAS FOR THE NATIONAL PARTY INTERNATIONAL AFFAIRS DISCUSSION DOCUMENT 2019

**Oxfam New Zealand welcomes this opportunity to share ideas on the National Party International Affairs Discussion Document. Our comments relate primarily to New Zealand's international development efforts, with a focus on our Overseas Development Assistance.**

**Oxfam New Zealand believes our country's national interests are nuanced and best served by ODA that achieves lasting results. We support greater public engagement and parliamentary scrutiny of our ODA, to expand accountability and therefore results. Other countries have some promising mechanisms we could learn from, such as the United Kingdom's Independent Commission on Aid Impact. To achieve the most efficient and effective results, we suggest our ODA focus on expanding people's freedoms through supporting them to escape from poverty and inequality, and that our ODA needs to be tailored to country context. On trade, again we support greater public and parliamentary engagement, with the potential for monitoring committees that bring in various perspectives. Finally, we suggest ways to incorporate the global trade implications of climate change into trade agreements.**

### ABOUT OXFAM NEW ZEALAND

Oxfam New Zealand is a New Zealand registered Charitable Trust that is a legally autonomous member of the global Oxfam Confederation. Across the world the Oxfam Confederation is comprised of 19 affiliate organisations, working in 86 countries. Oxfam delivers international development programmes on the ground, conducts advocacy and campaigns that amplify the voices of the marginalised, and responds to people in crisis in emergency situations.

Over 100,000 New Zealanders support Oxfam New Zealand in a variety of ways, from regularly donating to taking-part in our annual Oxfam Trail-Walker endurance event. Our annual turnover is approximately US\$7 million, and we have 50 staff in New Zealand. We work with Oxfam colleagues and local communities in Papua New Guinea, Solomon Islands, Fiji, Vanuatu, Tonga, Samoa and Timor Leste.

# NEW ZEALAND'S NATIONAL INTERESTS AND ODA

Oxfam New Zealand whole-heartedly agrees with the key values for New Zealand's foreign policy outlined in the Discussion Document: democracy, human rights, freedom, tolerance, and safety and security. Based on these values, we suggest that New Zealand's national interests are multiple and nuanced, rather than singular.

New Zealand's national interests overseas encompass the need to expand our business exports, advance our values through multilateral for a, ensure border security and protect our people overseas, and support countries that are poor to develop so that the world is prosperous and safe. Multiple interests such as this cannot be advanced by only one New Zealand agency or mechanism. This realisation underpins the 'NZ Inc.' concept. Within 'NZ Inc.' New Zealand's shorter-term economic and security interests are well-served by Trade and Enterprise New Zealand, non-development divisions of MFAT, and the New Zealand Defence Forces and Intelligence agencies.

New Zealand's ODA serves our longer-term interests through assisting other countries to achieve their development outcomes. When done successfully, the development of other countries will serve New Zealand's security and economic interests, providing a safer and more prosperous world for New Zealanders and our exports. Our national interests are the same as our global responsibilities. Providing effective and efficient development outcomes, particularly focusing on assisting people to live free from poverty, is a strong expression of New Zealand's values and will advance our national interests. The UK Conservative Party articulates this well.

*The moral case for tackling poverty is utterly compelling. But poverty and suffering on this scale is also a direct threat to British [New Zealand] interests. In a globalised world we are all bound together, our destinies linked. Linked by the threads of trade and commerce, and by the modern miracles of instant communications and international transport. Linked, too, by shared risks and hazards. Poverty breeds extremism, incubates disease and drives migration and conflict. Instability around the world threatens us all. Pollution anywhere can threaten the environment everywhere. So tackling poverty and deprivation is not just a moral duty, it is also in our very best national interest.*

UK Conservative Party 2010, p. 9.

## INFORMATION, DEBATE, DIALOGUE

Oxfam New Zealand welcomes the National Party's interest in increasing government outreach and exploring the expansion of parliamentary scrutiny in relation to foreign policy. We agree with Simon Bridges' statement in launching the Discussion Document, that "we should be seeing more information, debate and dialogue in our country about our international activities" (Bridges 2019).

The New Zealand public want to know more about our international development efforts. A recent survey found that 78% of the population express some degree of interest in New Zealand's ODA (MFAT 2019). With the quantity of ODA increasing, it is crucial that the New Zealand public are informed about where and how their taxpayers dollars are spent. One way to do this is to fully implement New Zealand's commitments under the International Aid Transparency Initiative, which is the global standard for donors across the world in relation to sharing of information about ODA. Currently, New Zealand's transparency is rated 'poor', fourth from the bottom of 45 country and multilateral donors (Publish What You Fund 2018). Sharing information about how ODA is spent is the first step in stimulating debate and dialogue, and engaging the public.

In terms of greater parliamentary involvement, Oxfam New Zealand believes there are excellent opportunities to expand parliamentary scrutiny and debate about our foreign affairs, including our ODA expenditure.

One mechanism that may be worth further exploration is the United Kingdom's Independent Commission for Aid Impact (ICAI). This was created in 2011 under David Cameron's government to improve the effectiveness and impact of UK ODA, through providing greater accountability to parliament and the UK taxpayer. ICAI undertakes independent performance reviews of the UK Department for International Development (DfID), using DfID's evaluations, but also through the ICAI's own assessments of various issues impacting on ODA delivery. The ICAI reports directly to the UK Parliament's International Development Committee. More information can be found [here](#).

Given New Zealand's smaller size, the ICAI model could be used across all foreign policy areas, or on a smaller scale for trade and ODA – two New Zealand foreign policy areas with substantial budgets attached to them. An ICAI-like entity could provide regular, expert-led contributions to the Foreign Affairs, Defence and Trade Committee, to enable focused discussion on various strategic and thematic areas of New Zealand's ODA expenditure. The Committee could explore ways to then share this information with parliament.

Another potential model is the French 'Observatory', which a Member of Parliament leads, and which provides advice on ODA evaluations (OECD 2016, p. 31). The Observatory acts as a link between government, parliament and civil society, and is more consultative than scrutinising, but still offers some potential for greater parliamentary engagement. In New Zealand, this model could be adapted to involve the Foreign Affairs, Defence and Trade Committee, such as having one or two individuals from this Committee lead the consultative entity.

Greater accountability through public engagement and parliamentary scrutiny contributes to achieving results through enabling examination of what works and doesn't from a range of perspectives. Through greater discussion and analysis, taxpayers' contributions to ODA can be spent in the most effective and efficient ways.

## RESULTS

Over 60 years of ODA's provision across the world has generated two key lessons about how to achieve the best results and value for money. These are:

- a clear focus on poverty and inequality reduction,
- ODA tailored to country context.

Since the late 1990s, research has consistently shown that ODA focused solely on helping people in countries that are poor achieves the most results, most efficiently. For example, Riddell (2007) shows giving ODA for mixed donor and recipient benefits can inflate the cost of ODA by between 15 and 30 percent. World Bank economists, Dollar and Collier (1999), found that focusing ODA on poverty alleviation only would at least double the number of people who ODA helped to escape poverty.

Focusing ODA on one core task also intuitively makes sense. The New Zealand government does not task Vote Health or Vote Education to also advance the success of New Zealand businesses, for example – this expenditure is tasked solely with achieving health and education outcomes. Ensuring that New Zealand's ODA can best advance our longer-term interests overseas, through achieving quality development outcomes, is the most efficient way of building an Aid Programme that gets results and therefore achieves our longer-term national interests.

Oxfam New Zealand suggests that the National Party could consider emulating the World Bank, and make poverty and inequality reduction the two goals for New Zealand's ODA. While great progress has been made in lifting people out of extreme poverty across the world, there are still those who struggle on less than US\$5 a day – still poor by any stretch of the imagination. In Papua New Guinea, the World Bank estimates that 38% of the population live on less than US\$1.90/day, which is the defining criteria for extreme poverty. The World Bank's focus on poverty and inequality reduction is based on the understanding that when ODA is focused on one sole task – helping people to live free from poverty and fulfil their potential – then it is more effective.

The New Zealand public also want our ODA to focus on poverty. A 2015 stakeholder survey (Wood and Burkot 2016), including NGOs and private contractors who engaged regularly with the New Zealand Aid Programme, found that while stakeholders thought the Aid Programme functioned reasonably effectively, they uniformly wanted New Zealand's ODA to focus more on poverty. In 2016 a representative poll of New Zealanders found that 68% wanted New Zealand's ODA to help people in poor countries (Wood and Burkot 2016).

The other key lesson from decades of ODA provision is that ODA must be provided based on thorough assessments of each country's context. Each country has its own political, economic, social and cultural situation, and ODA activities can only gain traction and achieve results when the activities are designed for this context. One way to support context-

specific designs is to provide greater freedom and autonomy to New Zealand staff at post. With a clear policy direction and strategy set in Wellington, decision-making abilities can be devolved more to post, to enable skilled MFAT staff there to respond to the emerging priorities on the ground. This can also assist in building ownership and participation of the national governments and local people our ODA is aiming to assist.

The need for country-context specific ODA also helps to provide a response to the National Party's questions regarding whether or not to involve New Zealand businesses and NGOs more in the delivery of ODA. We believe that the answer to these questions is that it depends on context. In some cases, New Zealand companies and NGOs have the right skills, experience, relationships and knowledge to take-on ODA activities. In other instances, it is more appropriate to use local companies and NGOs in the country where our ODA is delivered. Ensuring that local companies and NGOs get opportunities to sell their products or carry-out their activities is key in the development process for countries that receive our ODA. Purchasing goods and services in developing countries will contribute to their economic development.

We support the National Party's desire for greater engagement with both NGOs and the private sector, although would encourage New Zealand's ODA to focus on these entities in developing countries. Both sectors – a thriving private sector and a robust civil society – are crucial to our ODA recipients' development, and to expanding New Zealand's values of human rights, democracy and freedom in countries where we offer ODA.

## TRADE

Oxfam New Zealand agrees that there could be more opportunities to engage both the public and parliament with informed discussion about our international trade agreements. We see opportunities to establish trade agreement monitoring committees that comprise representatives from a broad range of stakeholders, not only businesses, and can be involved in building inclusive and transparent processes, including in parliament.

Climate change now has significant impacts on all people across the globe, and has important trade implications. To address this, all trade agreements could be assessed against the specific climate change impacts that the countries involved will experience. All supply chains will be impacted upon including those that our New Zealand businesses rely on to deliver their trade relationships. Trade agreements can also incentivise a move to low-carbon economies, resilient infrastructure investments, climate-friendly technological innovation, and new economic modelling that preserves our natural capital (Global Commission on the Economy and Climate 2018). Trade rules could incentivise investment in these areas, to halt temperature increases, ensure societies adapt, and create and protect jobs and businesses.

## NOTES

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