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The campaign to increase New Zealand's overseas aid

BRIEFING KIT



COUNCIL *for* INTERNATIONAL DEVELOPMENT

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Why New Zealand should increase overseas aid

1. More aid is needed to reduce poverty

Despite significant improvements over the past 40 years, the world must do much more to eliminate poverty. And New Zealand must contribute its fair share.

☞ More than **1 billion** of the world's people survive on **less than US\$1 per day**.

2. New Zealand can afford to do more to fight poverty

New Zealand is a wealthy country, and we have the resources to tackle poverty here while also helping poorer countries overseas.

☞ New Zealand is one of the **top thirty richest countries** in the world (as measured by Gross Domestic Product per person).

3. Our aid is effective in reducing poverty

New Zealand's overseas aid is effective – but there needs to be more of it. We must increase aid levels while maintaining the quality of our aid programme.

☞ The establishment of the government aid agency NZAID in 2002 has helped to improve the quality of our aid – now we need to improve the quantity.

4. Kiwis do care

New Zealanders support overseas aid. The generosity of individual New Zealanders should be matched by increased government aid spending.

☞ In 2007 **76%** of **New Zealanders** support the government providing overseas aid, and over **870,000 New Zealanders** donated to non-government aid organisations in 2006.



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5. Aid *plus* trade and investment

International trade and foreign direct investment can play important roles in development. But they are not substitutes for an increased level of high-quality aid.

- ✎ Despite accounting for 40% of the world's population, the very poorest countries account for less than 3% of world trade and only 2% of global investment goes to the Least Developed Countries. They need to boost their capacity to benefit from international trade.

6. Aid *plus* debt cancellation

The world's poorest countries urgently need cancellation of their massive debts. But they will also need increased aid if they are to significantly reduce poverty.

7. It's a matter of rights

By contributing to the global campaign to eliminate poverty, New Zealand is helping people overseas to achieve their basic human rights.

- ✎ International human rights conventions guarantee all people the right to health, education and an adequate standard of living.

8. Promoting peace and security

By providing aid for people in developing countries, especially the poorest and most marginalised, New Zealand is helping to build a more peaceful and secure world.

- ✎ Poverty and injustice are major causes of violent conflict around the world. Aid that reduces poverty will help to build peace and security.

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Honour our international commitments: 0.7% of GNI for overseas aid by 2015

The Council for International Development (CID) calls on the New Zealand government to commit to a timetable for achieving the internationally agreed target of spending 0.7% of Gross National Income (GNI) on Official Development Assistance (ODA) by 2015. As a first step, **timelines need to be set for how the government will reach 0.7% by 2015.**

CID is an umbrella body for 92 New Zealand-based international development non-government organisations. A survey conducted by CID in 2007 revealed that over **870,000** New Zealanders showed their support for the work of such organisations by donating money to them.

New Zealand and the 0.7% target

The target that developed countries should give 0.7% of their GNI in ODA was endorsed by the UN General Assembly in 1970. More recently, in 2002 the international community endorsed it:

- ✎ at the Conference on Financing for Development in Monterrey, Mexico;
- ✎ at the World Summit on Sustainable Development in Johannesburg, South Africa;
- ✎ in the UN General Assembly resolution 'A World Fit for Children'.

It was later endorsed by the UN Leaders' Summit to discuss progress on the MDGs in September 2005.

New Zealand must now begin taking steps to meet the commitments made in such international forums.

In 2005/06, New Zealand's ODA was \$369 million. This represents 0.27% of GNI. Next year the government has committed to an increase to 0.30%. The high point of New Zealand's ODA contribution was in 1975, when it reached 0.52%.

New Zealand is among the least generous OECD donor countries, ranking 17th out of 22 countries for 2006. Five countries are currently meeting or exceeding the 0.7% target, and several more have committed to reaching it by specific dates. The Republic of Ireland, a country similar in size to New Zealand, is currently at 0.53% and has committed to reaching 0.7% by 2012. New Zealand and Japan are the only donor countries that have set no timeframes for achieving either 0.7% or some increased level of ODA.

Reaching 0.7% by 2015

In 2007 the New Zealand government announced its intention to meet 0.35% by 2010. We welcome this announcement but we call upon the government to further institute a timetable to meet the target of 0.7% by 2015. CID believes that this could be achieved through incremental steps of around 0.07% each year to get to 0.7% by 2015 from a starting point of 0.35% in 2010. We ask that the government announce the steps that will bring our country to the 0.7% target.

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Why New Zealand should commit to reaching the target

- ✉ New Zealanders are justly proud of our country's international reputation as a good global citizen. An important part of this reputation is our record of honouring international commitments, and our failure so far to take steps to reach the 0.7% target is out of character with this record.
- ✉ The OECD Development Assistance Committee's peer review of New Zealand's aid programme in 2005 stated that New Zealand needs more adequate funding for development and that the government has not adopted a medium-term expenditure framework that would enable progress in increasing aid. It also said that New Zealand is capable of a significantly larger fiscal effort for ODA. Raising New Zealand's aid over time to meet the current DAC average country effort (0.46%) as an intermediate target would imply that ODA becomes New Zealand's fastest growing budget line. This would require establishing a strong political consensus.
- ✉ The Ministerial Review of Progress in implementing 2001 Cabinet Recommendation establishing NZAID (The Waring report) recommended that New Zealand should set a realistic medium target to consolidate its decades old commitment to the goal of 0.7% of GNI, and to clearly establish movement in that direction.
- ✉ The New Zealand Agency for International Development (NZAID) has a vision of 'a safe and just world free of poverty'. New Zealand, together with the rest of the international community, is also committed to achieving the Millennium Development Goals (MDGs) adopted in 2000. The eradication of poverty and the achievement of the MDGs will require a substantial increase in aid from the developed countries so that developing countries can make the necessary investments in key areas such as health, education, water, sanitation, rural development, and infrastructure. The UN estimates that achieving the MDGs will require a doubling of global ODA.
- ✉ The changes to New Zealand's ODA, which led to the creation of NZAID, mean that New Zealand now has a carefully targeted aid programme with poverty elimination as its central focus. Now that ODA has been made more effective in tackling poverty, the next logical step is to increase the quantity of aid provided by New Zealand.
- ✉ The establishment of NZAID, with its commitment to poverty elimination and its focus on the Pacific region, allows New Zealand to make a real impact in helping to overcome poverty in the Pacific. Aid strengthens our ties to Pacific Island countries, and helps to promote lasting security in the region. While New Zealand is already a major donor in the Pacific, there is still much more that could be done to assist our Pacific partners in tackling poverty.
- ✉ Like other countries, New Zealand is concerned about the threat of terrorism and the outbreak of civil conflict in many parts of the world, including the Pacific region. While the causes of such violence are complex, it is widely recognised that poverty is an underlying cause of much armed conflict, and that by reducing poverty aid can be one of the most effective means of countering terrorism. Averting the outbreak of conflict through



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development assistance is also cheaper than helping to reconstruct societies that have been ravaged by war.

- ☞ While aid alone is not the answer to the problems faced by developing countries, and fairer international trading arrangements are also crucial, developing countries need assistance to increase their trading capacity if they are to benefit from trade. Cancellation of debt for the poorest countries should likewise go hand in hand with increased aid.



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The campaign to increase New Zealand's overseas aid

BRIEFING PAPER 1

More aid is needed to reduce poverty

Despite significant improvements over the past 40 years, the world must do much more to eliminate poverty. And New Zealand must contribute its fair share.

Since the 1960s, there have been major advances in the fight against poverty worldwide. In the developing world as a whole life expectancy has increased, literacy rates have risen, and many more children are immunised against major childhood diseases. More recently, over the last decade, the number of people in East Asia living on less than US\$1 dropped by nearly a quarter of a billion people. Those living in extreme poverty dropped from 28 to 19% (mostly due to Asia)

However, much more needs to be done. Despite the progress in some areas, the United Nations reports that in most of Sub-Saharan Africa the proportion of people living in extreme poverty has not altered since 1990 and the absolute figures are much higher. This coincides with a major fall in the level of aid to developing countries during the 1990s.

Poverty remains a blight on the lives of most of the world's people:

- ☞ More than 1 billion people survive on less than US\$1 per day, while 2.6 billion live on less than \$2 per day
- ☞ Every year, more than 10 million children die of preventable diseases.
- ☞ More than 1 billion people lack access to safe water and half the population of developing countries lacking access to adequate sanitation
- ☞ Women are 100 times more likely to die in pregnancy and childbirth in Sub-Saharan Africa than in rich countries
- ☞ 847 million adults are illiterate, two-thirds of them women

In 2000, all 189 members of the United Nations committed themselves to eradicating extreme poverty and improving the lives of poor people. This Millennium Declaration led to the creation of eight Millennium Development Goals (MDGs) and a series of associated targets to be achieved by 2015. These include:

- ☞ Halving the proportion of the world's people whose income is less than US\$1 per day.
- ☞ Halving the proportion of people who suffer from hunger.
- ☞ Ensuring that all children complete primary school, and eliminating gender disparities in education at all levels.
- ☞ Reducing by two-thirds the mortality rate of children under five.

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- ☞ Reducing by three-quarters the maternal mortality ratio.
- ☞ Halting and beginning to reverse the spread of HIV/AIDS, malaria and other major diseases.
- ☞ Halving the proportion of people without access to safe drinking water and adequate sanitation.

While progress has been made towards meeting these goals, there are still huge gaps. Many countries, particularly in Sub-Saharan Africa, currently look like they will fall well short of achieving the goals. There are also significant gaps within countries, so that even if some countries as a whole meet the targets, particular areas or social groups within these countries may be left behind.

If developing countries are to achieve the MDGs, they will need much more help from rich countries. This is recognised in Goal 8, which calls on rich countries to join in a 'global partnership for development'. This partnership requires them to assist developing countries in the areas of trade, debt, technology transfers and aid. The United Nations and the World Bank have estimated that meeting the MDGs will require another US\$50 billion per year in aid to developing countries. This means that developed countries need to almost double the total amount they give in aid. To put this in perspective:

- ☞ The world's military budget is estimated to be US\$ 1,118 billion in 2005. For every \$1 on development \$10 is spent on military
- ☞ To achieve the water and sanitation MDG will cost \$10 billion a year – representing less than five days' worth of global military expenditure and less than half of what rich countries spend on mineral water a year.
- ☞ Rich countries currently spend more than US\$350 billion per year on agricultural subsidies. While almost half of the world's people earn less than US\$2 per day, A European cow receives \$2 per day to exist.
- ☞ Annual consumer spending on pet food in Europe alone is over US\$17billion

The world has the resources to eliminate poverty and give everyone a decent standard of living if we share those resources equitably. New Zealand gives much less aid, as a proportion of national income, than most other donor countries. We therefore need to do much more if we are to contribute our fair share towards fighting poverty and meeting the MDGs.



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BRIEFING PAPER 2

New Zealand can afford to do more to fight poverty

New Zealand is a wealthy country, and we have the resources to tackle poverty here while also helping poorer countries overseas.

People sometimes say that 'New Zealand is becoming a Third World country'. But is this true? Here are some comparisons between New Zealand and developing countries:

- ✎ In 2005, New Zealand's Gross Domestic Product (GDP) per person was US\$25,000. This over 10 times higher than Papua New Guinea's GDP per person in the same year. New Zealand ranks 28th out of 177 countries on GDP per person.
- ✎ New Zealand has an infant mortality rate of 5 deaths per 1000 live births, while Niger has a rate of 150 deaths for every 1,000 live births - 30 times higher
- ✎ Life expectancy at birth in New Zealand is 79 years, which was 17 years longer than our neighbours in the Solomon Islands where life expectancy is only 62 years.

Of course, these figures are averages, and statistics for Maori and Pacific people in particular are less favourable than for the New Zealand population as a whole. Life expectancy at birth for Maori and Pacific people is around 8 and 4 years less respectively than that of the general population. Even so, it is clear that the level of poverty is much worse in developing countries than in New Zealand.

Developing countries also face poverty on a much greater scale than in New Zealand. In most developing countries a very large proportion of the population is poor, while relatively few are middle class or rich. Also, developing countries do not have the kind of social safety net that exists in New Zealand. New Zealand has a social welfare system that, however imperfectly, protects poor people from extreme hardship. Poor people in developing countries, however, must rely on their own resources to survive. Good aid increases the resources at their disposal, and helps them to overcome the conditions that keep them in poverty.

Although New Zealand is not a poor country by world standards, there are certainly people in this country who, by New Zealand standards, are poor. A number of New Zealand-based organisations which support international development work are also involved in campaigns to eliminate poverty (especially child poverty) in our own country. The needs of poor people in New Zealand should not be played off against support for poor people overseas. At a time when the government has a substantial budget surplus, it is clearer than ever that New Zealand can afford to fight poverty both at home and abroad.

Some people say we should 'clean up our own back yard' before looking over the fence at other people's problems. It is certainly true that we should not ignore problems in our own back yard, and should take action to address them. But we have responsibilities to our neighbours, too. Caring about our neighbours and our neighbourhoods, not just our own back yards, makes our communities more pleasant places to live in. The same is true on a global scale: helping people in other countries to improve their quality of life will help to make this a safer, more secure and more just world for all.

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BRIEFING PAPER 3

Our aid is effective in reducing poverty

New Zealand's overseas aid is effective – but there needs to be more of it. We must increase aid levels while maintaining the quality of our aid programme.

New Zealand's overseas aid is effective in helping to make life better for poor people overseas because it:

- ☞ focuses on the elimination of poverty;
- ☞ works through local partners and aims to achieve sustainability;
- ☞ supports priorities set by governments and peoples of developing countries;
- ☞ often funds community projects at the grassroots level, particularly those that benefit the poorest people;
- ☞ assists people to be more self-reliant;
- ☞ integrates human rights principles with development; and
- ☞ provides developing countries with the increased resources they need in vital areas such as basic education, health, rural development, good governance, trade development, conflict prevention and peace building.

New Zealand's aid is not used to prop up corrupt governments, and much of it goes to support development at the grassroots level. The New Zealand government's aid agency, NZAID, has monitoring and assessment processes in place to ensure that aid money is used effectively and not squandered. Good governance programmes, including strengthening of civil society organisations, are also an important part of New Zealand's aid. A strong and vigilant civil society is the best protection against government corruption.

The Council for International Development (CID) does not want an increase in the quantity of New Zealand's aid to come at the expense of quality. The establishment of NZAID as a semi-autonomous agency with a clear objective of poverty elimination was an important step in improving our aid programme. The next step must be to increase the level of our aid. As our aid level increases, CID will monitor NZAID's activities to make sure that New Zealand's aid continues to be focused on the elimination of poverty.

If overseas aid is increased in small and relatively even steps, as CID is proposing, there should be no difficulty in absorbing the extra funds effectively. Some of the areas in which NZAID could absorb extra funding are:

- ☞ regional health programmes in the Pacific;
- ☞ basic education programmes in the Pacific;
- ☞ conflict resolution and peace building;
- ☞ good governance programmes (such as human rights and participatory democracy);
- ☞ trade capacity building;
- ☞ multilateral efforts to address HIV/AIDS;
- ☞ climate change; and
- ☞ support for UN agencies that do their job well.

CID also believes that non-government organisations (NGOs) could make effective use of increased government funding. Through their relationships with community-based partner organisations in



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developing countries, New Zealand NGOs are able to support innovative projects that reach the poorest people directly.

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BRIEFING PAPER 4

Kiwis do care

New Zealanders support overseas aid. The generosity of individual New Zealanders should be matched by increased government aid spending.

There is a high level of support for overseas aid among ordinary New Zealanders. A telephone survey of 750 New Zealanders in April 2006 showed that:

- ☞ 76% approved of the New Zealand government providing aid to poorer countries overseas.
- ☞ Over 50% believed that New Zealand government aid should be given entirely on humanitarian grounds, rather than being determined in part by international political considerations. This indicates that there is support for New Zealand's aid programme remaining focused on poverty elimination and independent of wider foreign policy concerns.
- ☞ 71% were aware that most overseas aid provided by the New Zealand government should go to the Pacific. Since most government aid does in fact go to the Pacific, this shows that New Zealanders support the current focus of our aid programme.
- ☞ 63% supported New Zealand meeting the 0.7% overseas aid target

These survey results show clearly that New Zealanders approve of the government giving aid, support the current focus of our aid programme, and would support increases in aid to achieve the 0.7% target.

Another way in which New Zealanders show their support for overseas aid is by contributing money to non-government organisations (NGOs). In the April 2006 opinion survey, half of the respondents said that they had personally made a donation to an overseas aid organisation in the last year or so. In addition, a survey of 59 NGOs involved in overseas aid and development shows that some **876,000** New Zealanders donated more than \$95 million to these organisations in 2005-06. Over ten volunteers also give their time to overseas aid NGOs.

The government should take note of the high level of support for overseas aid in the New Zealand community. The generosity of individual New Zealanders should be matched by a substantial increase in the level of government aid spending.



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BRIEFING PAPER 5

Aid PLUS trade and investment

International trade and foreign direct investment (FDI) can play important roles in development. But they are not substitutes for an increased level of high-quality aid.

Developed-country governments are increasingly arguing that trade and investment are more effective means of reducing poverty than aid. They say that trade liberalisation will allow developing countries to trade their way out of poverty, and that FDI can provide developing countries with much-needed development finance. However, trade and investment will not significantly benefit the poor unless fundamental change occurs in the global trading regime. Aid is also essential to increase the capacity of poor people in developing countries to benefit from trade.

The Council for International Development (CID) has produced a policy statement on international trade and trade liberalisation that explains some of the inequalities in the current international trading system. Currently, many developed countries use subsidies and trade barriers to protect their industries from competition from developing-country goods. At the same time, international trade rules are restricting the ability of developing-country governments to protect and support their domestic industries.

Increased access to markets in developed countries is important, but it is not enough on its own. Developing countries face vulnerabilities and major obstacles to competing in international markets. These include massive debt burdens, inadequate infrastructure (such as roads, power supply and telecommunications), low skill levels due to poor access to education, dependence on a few primary commodities, natural disasters, war, and epidemics of HIV/AIDS and other diseases. Due to obstacles such as these, exports from the 50 Least Developed Countries make up only 0.4% of world trade.

Because of their vulnerability, developing countries must be allowed to continue protecting their industries. They also need increased aid to overcome obstacles to effective participation in international markets. This aid must be targeted to ensure that the poorest people are not left behind by any gains from international trade.

Like trade, investment can benefit developing countries. FDI can provide developing countries with a source of capital and facilitate transfers of technology to these countries. However, the benefits of investment are not automatic: they occur only if it is well-managed and regulated in order to promote development. If poorly managed, FDI can have a range of negative effects on the economies of developing countries. These include adverse balance of payments outcomes once profits are repatriated, crowding out of domestic investment, and loss of control over strategic industries.

FDI is also about profit, not about meeting human needs. In some cases it may have positive flow-on effects for the poor, but unlike quality aid it is not aimed at eliminating poverty. Investment in industries which are environmentally or culturally damaging, or which breach core labour rights, may actually make things worse for poor communities.

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Another reason why FDI is not a substitute for increased aid is that most investment flows to a very limited range of countries. FDI flows to developed countries in 2006 rose by 48%, well over the levels of the previous two years, and reached US\$800 billion. The EU was the largest recipient with 45% of total. Economists acknowledge that FDI flows are expected to continue to be small for low-income countries that do not have natural resources – that is the poorest countries. Clearly, the poorest countries cannot rely primarily on FDI to finance their development. Aid will continue to play a vital role in promoting development that benefits the poor.

South Korea and Taiwan: Are they 'Trade not Aid' Success Stories?

South Korea and Taiwan are often promoted as countries that have developed and reduced poverty substantially through free trade and investment, not aid. It is true that they have been spectacularly successful in reducing poverty, but otherwise this claim is wrong on all counts.

In fact, both countries received massive amounts of aid from the United States during the Cold War, because of their role as bulwarks against communism. They also received loans from the US on very generous terms. Very little of their capital came from FDI. Between 1951 and 1967, FDI as a percentage of total long-term capital flows was only 1% in South Korea and 8% in Taiwan. Over the same period, foreign aid and loans made up 86% and 74% of such capital flows to South Korea and Taiwan respectively.

Far from being models of free trade and investment, South Korea and Taiwan subsidised their industries heavily and protected them with tariffs and other barriers. They also carefully controlled investment. In addition, the US opened its market to their goods, without requiring them to open their markets to US goods in return.

More recently, South Korea and Taiwan have liberalised trade and investment. However, this happened after they had built up highly successful industries under conditions of protection. It was a case of development first, then liberalisation, rather than the model of development through liberalisation promoted by neo-liberal economists.

South Korea and Taiwan industrialised under very specific conditions that cannot necessarily be repeated in other countries. Through much of their post-war development they were also ruled by authoritarian and repressive regimes, with little regard for human rights. For these and other reasons, they may not provide good models for other developing countries to follow. But if they are useful examples, it is certainly not as models of development through free trade rather than aid.

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BRIEFING PAPER 6

Aid PLUS debt cancellation

The world's poorest countries urgently need cancellation of their massive debts. But they will also need increased aid if they are to significantly reduce poverty.

Many of the world's poorest countries struggle with enormous debt burdens. Debt is having a crippling effect on the ability of these countries to reduce poverty and to increase the economic and social wellbeing of their people. Money, which could be spent on vital areas such as health and education, is instead used for debt repayments.

It is ridiculous for rich countries to give aid to developing countries with one hand while taking large sums in debt repayments with the other. In fact, since 1998 the amount of money flowing from developing to developed countries has been substantially greater than the amount going in the other direction. Net outflows from developing to developed countries are huge – with about US\$300 billion going to developed countries each year. Debt repayments are a very significant part of this sum.

The poorest and most indebted countries require complete debt cancellation if they are to achieve the Millennium Development Goals (MDGs). Debt cancellation has a number of advantages as a way of making resources available for reducing poverty:

- ☞ It provides direct budgetary support to developing countries, so money is not spent on donors' administrative costs.
- ☞ It is a predictable source of income, whereas aid flows can be quite variable.
- ☞ It will help to promote private investment, since investors generally avoid heavily-indebted countries.

New Zealand has no debts owing to it, except through our membership of international bodies like the World Bank and the International Monetary Fund. While New Zealand has no debts to cancel, our government should follow the lead of the Republic of Ireland and support total debt cancellation for heavily-indebted poor countries. In particular, our government should support cancellation of those debts held by international financial institutions of which we are a member and shareholder.

However, even 100% debt cancellation will leave many countries falling far short of the resources needed to meet the MDGs. Jubilee Research in the UK has calculated that, if poor and heavily-indebted countries are to achieve the MDGs, they will need complete debt cancellation *plus* a doubling of current aid levels. Debt cancellation without a substantial increase in global aid levels would mean that these countries could only reach the MDG targets by taking on new loans. Such loans would be so large that debt levels would quickly become unsustainable again, and efforts to reduce poverty would again be undercut by debt repayments.

Increased aid, fairer trade and debt cancellation are like the three legs of a stool. A stool cannot stand with only one or two legs. Likewise, the global campaign against poverty represented by the

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MDGs will topple over if debt cancellation and fair trade are not backed up by substantially increased aid.

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BRIEFING PAPER 7

It's a matter of rights

By contributing to the global campaign to eliminate poverty, New Zealand is helping people overseas to achieve their basic human rights.

Since the adoption of the Universal Declaration of Human Rights by the United Nations in 1948, the international community has been progressively developing and entrenching human rights standards. Core international human rights agreements include the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights, as well as international conventions on:

- ☞ the elimination of racial discrimination;
- ☞ the elimination of discrimination against women;
- ☞ the rights of the child; and
- ☞ the abolition of torture.

There is general acceptance internationally that these human rights are *universal* (they apply equally to all people) and *indivisible* (all the different types of rights are deemed to be equally important and to require the same level of protection).

The International Covenant on Economic, Social and Cultural Rights (to which New Zealand is a party) states, among other things, that:

- ☞ All people have the right to an adequate standard of living for themselves and their families. This includes the right to adequate food, clothing and housing, and to the continuous improvement of living conditions.
- ☞ All people have the right to enjoy the highest attainable standard of physical and mental health.
- ☞ All people have the right to education. Primary education should be compulsory and free for all, and countries where this is not the case are required to develop plans for progressively implementing free and compulsory primary education.

Parties to the Covenant are required to take steps to achieve these rights not only individually but also through international cooperation. Overseas aid is one form of international cooperation that countries like New Zealand can use to assist in the realisation of human rights. The 1986 Declaration on the Right to Development likewise recognises the right of all peoples to 'enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be fully realised'. It states that effective international cooperation is essential in providing developing countries with the means to develop.

All the world's people have the right to a decent standard of living, but at present that right is enjoyed only by a minority. By providing poor people with the resources they need to improve their living conditions, aid helps them to realise their basic human rights. In addition, aid which helps to build the capacity of ordinary people to participate in decision-making thereby allows them to realise their civil and political rights and to advocate more effectively for all their rights.

The New Zealand government aid agency, NZAID, has a policy of mainstreaming human rights into all programmes and procedures. NZAID's good governance programmes also provide assistance for the promotion and protection of human rights. So long as NZAID remains focused on its core mission of eliminating poverty, it will be making an important contribution to achieving human rights for people in developing countries.

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BRIEFING PAPER 8

Promoting peace and security

By providing aid for people in developing countries, especially the poorest and most marginalised, New Zealand is helping to build a more peaceful and secure world.

New Zealand has an international reputation as a country that promotes peaceful solutions to conflict. One of the most effective ways in which we can contribute to peace and security in our region and around the world is by assisting development and poverty-reduction. Providing high-quality aid is also one of the best means of countering the threat of terrorism over the long term.

Violent conflicts can break out for many reasons, but poverty, inequality and injustice are almost always among the underlying causes. When people are poor, the struggles over resources that occur in all countries become more desperate. With fewer resources to go round, it is more likely that some people will feel that they must fight for their share. Injustice and abuse of human rights also create resentment, which can give rise to violence. People who feel excluded and marginalised, who see some enjoying unfair privileges at the expense of others, may believe that the only way to change things is to take up arms. Whether conflict takes the form of civil wars or terrorist attacks, poverty and injustice often provide the motive.

Aid that is effective in reducing poverty is therefore likely to reduce violent conflict, so long as development is equitable and people do not see their neighbours prospering while they remain poor. It is far better to help countries overcome the conditions that create conflict than to help them recover after they have been devastated by violence. It is also more sustainable in the long run to build peace on a foundation of genuine human security. This means taking a much broader view of security. There is no security for people:

- ❧ who have nowhere to live;
- ❧ who cannot be sure that they will have enough to eat;
- ❧ who are unable to send their children to school; or
- ❧ who are threatened by epidemics of preventable disease.

For most of the world's people, such threats are much more real and more pressing than the threat of terrorist attacks.

Aid from New Zealand also contributes more directly to peace and security through conflict prevention and peace-building programmes, particularly in the Pacific region. As part of its 'Pacific Programme for Strengthening Governance', the New Zealand government's aid agency, NZAID, provides support for 'conflict prevention and peace building activities [in the Pacific] which will strengthen the ability of states to manage conflict within their own societies without resort to violence'. New Zealand non-government organisations are also supporting initiatives to build peace in our region and elsewhere in the world. The grassroots peace-building supported by these organisations could benefit from increased assistance.

In recent decades the Pacific has seen coups in Fiji and armed conflict in Bougainville and the Solomon Islands. Resolving such conflicts, and helping to prevent the outbreak of conflict elsewhere in the Pacific, is a complex process. Underlying issues of poverty and injustice must be addressed in ways which empower poor and marginalised people. Reconciliation and conflict transformation



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processes, in which past and present injustices are acknowledged and efforts made to redress them, can also play an important role in peace-building. Aid can provide the financial and other resources needed to support such processes.



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Commitments by developed countries to increase their levels of overseas aid

Of the 22 donor countries which are members of the OECD Development Assistance Committee, five (Denmark, Norway, Sweden, the Netherlands and Luxembourg) are already giving at least 0.7% of Gross National Income in ODA.

All the European Union countries have committed to a timetable that will achieve the 0.7% target by 2015 or earlier..

Most other donor countries have committed to interim targets:

- ☞ Switzerland has promised to reach 0.4% by 2010.
- ☞ Canada will continue to increase its ODA by 8% per year until 2010
- ☞ Australia has committed to increasing ODA to 0.36 percent of GNI by 2010

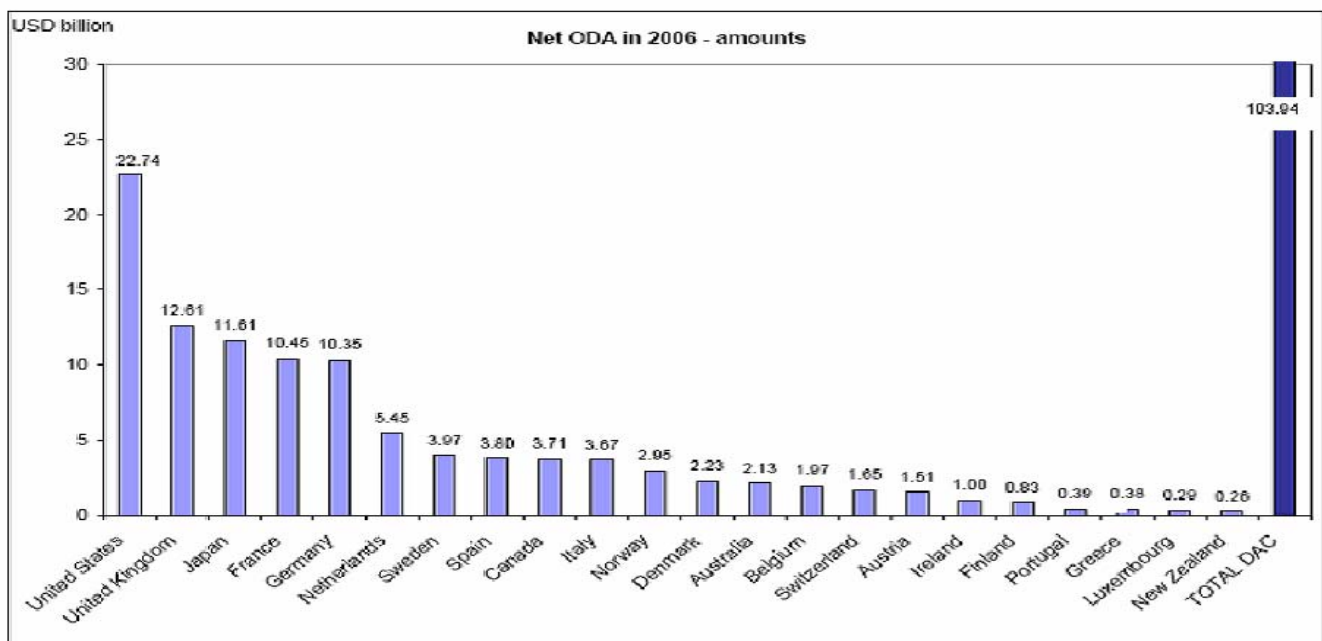
Only **New Zealand and Japan** have set no timeframes for reaching 0.7%.



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ODA Actuals for OECD countries 2006

CHART 1: NET OFFICIAL DEVELOPMENT ASSISTANCE IN 2006

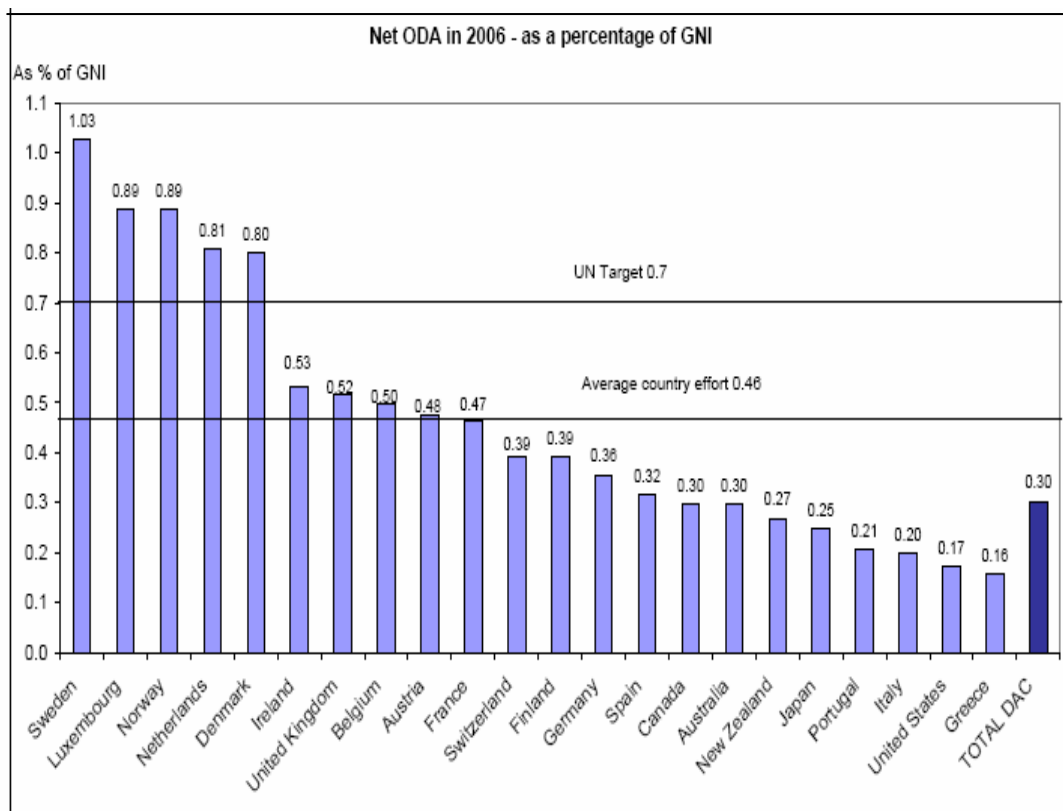


0.7%

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ODA as a percentage of GROSS NATIONAL INCOME (GNI) for OECD countries 2006



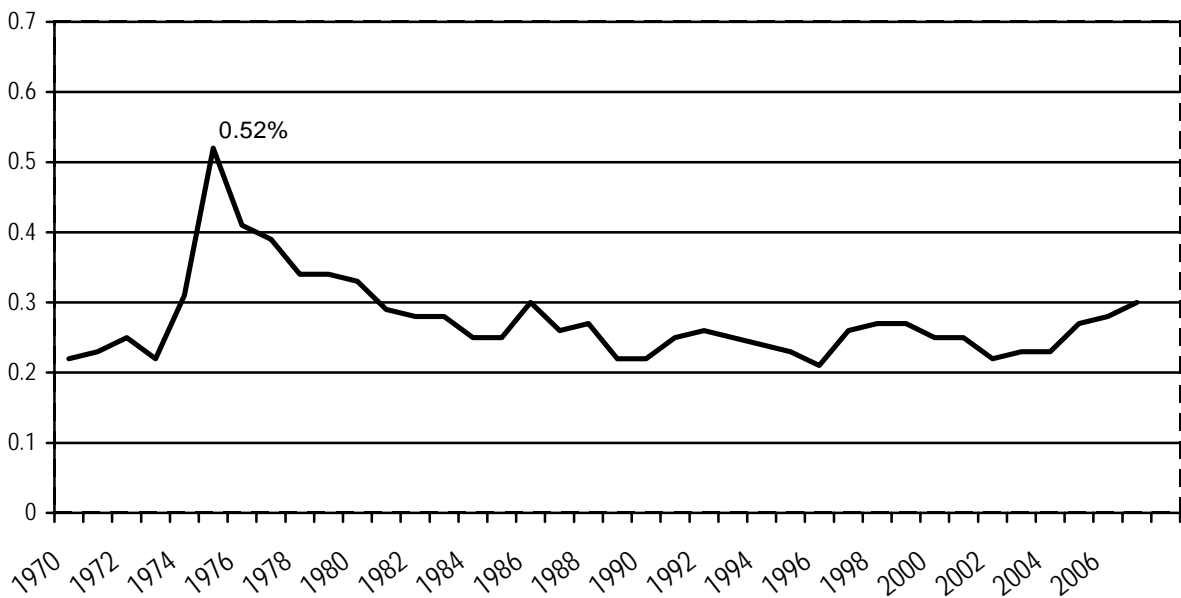
Source: OECD, 3 April 2007.



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New Zealand ODA as a percentage of GNI, 1970-2006



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0.7%

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Millennium Development Goals

GOAL ONE

Eradicate Extreme Poverty and Hunger

Halve the proportion of people living on less than a dollar a day and those who suffer from hunger.

GOAL TWO

Achieve Universal Primary Education

Ensure that all girls and boys complete primary school.

GOAL THREE

Promote Gender Equality and Empower Women

Eliminate gender disparities in primary and secondary education preferably by 2005 and at all levels by 2015.

GOAL FOUR

Reduce Child Mortality

Reduce by two thirds the mortality rate among children under five.

GOAL FIVE

Improve Maternal Health

Reduce by three quarters the ratio of women dying in childbirth.

GOAL SIX

Combat HIV/AIDS, Malaria and Other Diseases

Halt and begin to reverse the spread of HIV/AIDS and the incidence of malaria and other major diseases.

GOAL SEVEN

Ensure Environmental Sustainability

- ☞ Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.
- ☞ Reduce by half the proportion of people without access to safe drinking water and adequate sanitation.
- ☞ By 2020, achieve significant improvement in the lives of at least 100 million slum dwellers.

GOAL EIGHT

Develop a Global Partnership for Development

- ☞ Develop further an open, rule-based, predictable, nondiscriminatory trading and financial system that includes a commitment to good governance, development and poverty reduction – nationally and internationally.
- ☞ Address the special needs of least developed countries, as well as those of landlocked and small island developing states.
- ☞ Deal comprehensively with developing countries' debt problems.
- ☞ Develop strategies for decent and productive work for youth.
- ☞ In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.
- ☞ In cooperation with the private sector, make available the benefits of new technologies – especially information and communications technologies.

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