

Through NZAID, all New Zealanders are making a difference in the lives of some of the poorest people in the Pacific, Asia, Latin America and Africa.

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| NZAID making a difference in Niue

NEW ZEALAND'S DEVELOPMENT ASSISTANCE

NZAID Snapshot

- NZAID is the Government's international aid and development agency within the Ministry of Foreign Affairs and Trade (MFAT)
- In 2008/09 NZAID spent approximately \$471.3 million on overseas development assistance
- Over half of NZAID's expenditure is spent in the Pacific
- NZAID's assistance to Niue in 2008/09 was approximately \$21.5 million. This includes a \$5 million contribution to the Niue International Trust Fund, the aim of which is to provide Niue with an independent source of revenue in the future
- New Zealand's assistance to Niue is managed by the Special Relations Unit, a combined team of NZAID development specialists and MFAT policy staff.

The facts

- Niue has a population of 1,625 (2006 census)
- The country consists of one single raised coral atoll of 260 square kilometres
- Niue has been self-governing in free association with New Zealand since 1974. All Niueans are New Zealand citizens.



Niue is a single coral atoll situated North-East of New Zealand.

The issues

- Population decline is a key concern for Niue. Over 20,000 Niueans reside in New Zealand drawn by educational and employment opportunities and family ties
- The economy is fragile due to shortages of skilled professionals, relative isolation and a small private sector.



A village primary school in Niue.

NZAID's assistance

NZAID is committed to supporting Niue to develop more resilient economic, social and cultural opportunities despite its fragility and vulnerability.

New Zealand's support to Niue seeks to target the following key areas:

- Good governance and supporting and building the capacity of the public sector
- Strengthening economic development, particularly in tourism
- Improving and maintaining much of the island's core infrastructure.


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New Zealand's International
Aid & Development Agency

NEW ZEALAND'S CONTRIBUTION

Governance and the public sector

The Halavaka ke he Monuina Arrangement (Halavaka Arrangement) signed in October 2004 is a five-year arrangement between Niue and New Zealand. The Halavaka Arrangement is designed to:

- strengthen Niue's language and culture retention
- improve economic development opportunities
- improve the population growth through closer co-operation between the New Zealand and Niuean Governments.

New Zealand's main form of assistance to Niue is direct budget support to the Niue Government. This assistance amounted to \$7.6 million in 2008/09. It is intended to allow the Government to meet its key objectives and accounts for more than half of Niue's total annual operating budget.

A programme of inter-agency co-operation (\$2 million per year for five years) is helping Niue develop closer and more valuable partnerships with New Zealand government departments, as well as providing capacity within Niue's public service.

Through this programme, NZAID is providing a Chief of Police, support for the New Zealand Inland Revenue to assist Niue in modernising its tax system, and support for the Counties Manukau District Health Board to provide health services.

Infrastructure

In addition to budget support and inter-agency cooperation, the Halavaka Arrangement also provided \$20 million over five years to assist Niue achieve its priorities for infrastructure development.

Over the past three years this has involved assisting Niue to:

- re-build its power station
- construct a new government administration building

- build a new hospital
- upgrade the quarry and purchase essential equipment.

NZAID is also working with the Niue Government to improve its asset maintenance functions.

Economic development in Niue

Economic development is a priority for the Government of Niue and NZAID is actively working to support this. Funding within the Halavaka Arrangement has been earmarked for tourism development.

New Zealand has also partnered with the Niue Government and Air New Zealand to ensure a regular and reliable air service to Niue. A crucial element of this is the support provided by NZAID. This agreement provides the tourism industry in Niue with the level of security and consistency crucial for the private sector to continue investing in this growing industry.



Niue is a potential tourist destination due to the unique and scenic landscape.

Niue International Trust Fund

In 2006 the Governments of New Zealand, Australia and Niue established the Niue International Trust Fund. New Zealand is the main contributor to the fund, which is now valued at \$36 million. The purpose of the fund is to lessen Niue's dependence on external assistance to meet the demands of its core budget. Revenue from the fund is not expected to be drawn down before 2014. Until then, contributions will be made from time to time by New Zealand, Australia and other parties to continue building the fund's resources.

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