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NZAID making a difference in Tuvalu

NEW ZEALAND'S DEVELOPMENT ASSISTANCE

NZAID snapshot

- NZAID is the Government's international aid and development agency.
- In 2008/09 NZAID will spend \$471.3 million on overseas development assistance.
- Over half of NZAID's expenditure is spent in the Pacific.
- NZAID's bilateral assistance to Tuvalu in 2008/09 is \$2.55 million.

The facts

- Tuvalu is a constitutional monarchy, made up of nine low-lying coral atolls and islets with a land area of 26 sq km.
- The population is approximately 11,000.
- Most people are subsistence farmers or fishers.
- Two-thirds of the formal workforce are employed by the government.
- Tuvalu generates income from the Tuvalu Trust Fund, commercialisation of the ".tv" web domain address, fishing licences and remittances from Tuvaluan sailors employed on overseas ships.
- There is a strong sense of community on Tuvalu, along with a tradition of reciprocity and a culture of sharing. This allows everyone good access to subsistence resources.

The issues

- Tuvalu is vulnerable to cyclones and the effects of rising sea levels as the highest point in the island group is only 4.5 metres.

- The atolls have poor soil which only supports coconuts, breadfruit, pandanus and pulaka.
- Tuvalu's tiny economy is especially vulnerable to adverse financial and economic conditions internationally.

Working together to enhance sustainability

In 2005 Tuvalu finalised its own national strategy for sustainable development, called *Te Kakeega II, 2005-2015*.

New Zealand's assistance works within the priorities set out in this plan and is reflected in a five-year framework called the New Zealand-Tuvalu Development Cooperation Programme.



Tuvalu is greatly dependent on shipping as a way of linking its atolls and providing goods to its citizens

The programme has three key priorities: building the capacity of human resources, developing the outer islands, and strengthening financial management. The programme's strategy is being reviewed and updated in 2008/09 to cover the next 10 years.

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New Zealand's International
Aid & Development Agency

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Developing human resources through education

New Zealand has worked with Tuvalu, the Asian Development Bank (ADB) and other donors to finalise a comprehensive Strategic Education and Training Sector Plan covering the future development of Tuvalu's education sector.

NZAID has also supported Tuvalu's National Education Implementation Plan, based on the strategic plan, and has funded an early childhood education (ECE) feasibility and design study. NZAID is supporting further ECE initiatives flowing from this study and from ECE policy work agreed by the Tuvalu Government.

NZAID funds scholarships for tertiary study in New Zealand and in the Pacific region as well as short-term training attachments and technical and vocational training courses for Tuvaluans in New Zealand, and in Fiji in the case of some marine training courses.

Improving lives on the outer islands

The country's small landmass combined with infertile soils means that there is a heavy reliance on the sea. Apart from locally caught fish, and produce such as coconut, pulaka and breadfruit, most foodstuffs, building materials and manufactured products are brought to the islands by ship. The only forms of transportation between the islands are small inter-island ships. Tuvalu has two passenger/cargo ships and a few other vessels which can be called on for such purposes as emergency evacuations.

To improve access to the eight outer islands, NZAID funded the design of a Ship to Shore Transport Project with the Tuvalu Government. In June 2008 NZAID signed a Partnership Arrangement with Tuvalu covering the planned implementation of the project.

The project, costing \$6-7 million, aims to improve the quality, cost effectiveness and safety of passenger and cargo transport services to the outer islands. It is being implemented over five years from 2008/09 and includes reef channel development and improvements to landing areas and to cargo handling and transfer methods.

Another key aid focus is helping the communities on the outer islands to manage the development of their islands more effectively.

Established in 1999, the Falekaupule Trust Fund (FTF) was set up to generate funding for various community development projects.

NZAID has undertaken a training needs analysis to assist the Falekaupule's management of the FTF and the community's knowledge of the Falekaupule Act and the process of accessing and using proceeds from the Fund.

From 2008/09 NZAID is jointly funding with UNDP a three year Local Government Support for Outer Island Development Project to help strengthen Tuvalu's local government capability. Tuvalu's Home Affairs and Rural Development Ministry will carry out the project, with assistance from the UNDP while NZAID will provide the bulk of the funding required.

Financial management support

The Tuvalu Trust Fund (TTF) was set up in 1987 with contributions from Australia, New Zealand, United Kingdom, Japan, South Korea and Tuvalu itself.

These contributions are invested overseas and the returns are used to meet Tuvalu's expenditure requirements. NZAID funds an ongoing member of the TTF Board of Directors and a member of the TTF Advisory Committee.

NZAID also makes periodic capital contributions to the TTF, for example a \$1 million contribution in 2007 to help mark the fund's 20th anniversary.

NZAID, AusAID and the ADB have helped the Tuvalu Government develop an agreed set of budget performance benchmarks. These are designed to support Tuvalu in its efforts to achieve sustainable budgets and other public policy priorities in line with Te Kakeega II goals.



As a remote island nation, Tuvalu relies heavily on its sole airstrip, on the main island of Funafuti – a crucial transport link for its people with the outside world

New Zealand Government

For more information visit www.nzaid.govt.nz/programmes/c-tuvalu.html