

The Treasury

Budget 2021 Information Release

August 2021

This document has been proactively released and is available on

- the **Budget website** from August 2021 to May 2022 only at <https://budget.govt.nz/information-release/2021>, and on
- the **Treasury website** from later in 2021 at <https://treasury.govt.nz/publications/information-release/budget-2021-information-release>.

Cabinet Document Details

Title: **Cabinet Minute: CAB-21-MIN-0096.09: 2021 Budget Technical Financial Recommendations: Vote Foreign Affairs**

Date: **9 April 2021**

Creator: Cabinet Office

No Information has been Withheld

Copyright and Licensing

Cabinet material and advice to Ministers from the Treasury and other public service departments are © **Crown copyright** but are licensed for re-use under **Creative Commons Attribution 4.0 International (CC BY 4.0)** [<https://creativecommons.org/licenses/by/4.0/>].

For material created by other parties, copyright is held by them and they must be consulted on the licensing terms that they apply to their material.

Accessibility

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to information@treasury.govt.nz.



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

2021 Budget Technical Financial Recommendations: Vote Foreign Affairs

On 6 April 2021, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2021 Budget package, as listed in the summary below and detailed in the attached initiative documents:

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
13424	ASEAN Plan of Action	(2.600)	2.600	-	-	-
13369	Convert the Existing Annual Baseline into One Single New Three-Year Multi Year Appropriation	-	-	-	-	-
13426	COVID-19 Recovery Initiatives	(4.000)	4.000	-	-	-
Total Operating		(6.600)	6.600	-	-	-

- 2 **approved** changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 3 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 4 **agreed** that the changes to appropriations for 2020/21 above be included in the 2020/21 Supplementary Estimates;
- 5 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2020/21 Supplementary Estimates, the 2021/22 Estimates and the fiscal forecasts;
- 6 **authorised** the chief executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and/or chief executive of a Crown entity, on a Budget-in-confidence-until-Budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;

- 7 **noted** that all communications relating to the 2021 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office;

Michael Webster
Secretary of the Cabinet

Vote: Foreign Affairs

Appropriation Administrator: Ministry of Foreign Affairs and Trade

Title: ASEAN Plan of Action

Description: This initiative provides funding to enhance New Zealand's five-yearly programme of engagement with the Association of South East Asian Nations (ASEAN) under the ASEAN-New Zealand Plan of Action. In recognition of ASEAN's role as a market for New Zealand and its growing importance to our international interests, it proposes a set of activities and programmes designed to grow our influence with the ten-country ASEAN bloc, safeguard our access to peak regional decision-making forums, and improve ASEAN's ability to support New Zealand's own international priorities. Other benefits include better trade access to key Southeast Asian markets, and more effective regional action on security priorities such as countering terrorism, transnational crime and climate change over the next five years.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	(2.600)	2.600	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(2.600)	2.600	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Act in the world to build a safer, more prosperous and more sustainable future for New Zealanders (MCA)					
<i>Departmental Output Expenses:</i>					
Analysis and advice to inform New Zealand's foreign policy (funded by revenue Crown)	(0.302)	0.302	-	-	-
Delivery of New Zealand's foreign policy (funded by revenue Crown)	(2.277)	2.277	-	-	-
Management of New Zealand's International Development Cooperation (funded by revenue Crown)	(0.021)	0.021	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Act in the world to build a safer, more prosperous and more sustainable future for New Zealanders (MCA)	(2.600)	2.600	-	-	-
Total Operating	(2.600)	2.600	-	-	-

Initiative No: 13369

Vote: Foreign Affairs

Appropriation Administrator: Ministry of Foreign Affairs and Trade

Title: Convert the Existing Annual Baseline into One Single New Three-Year Multi Year Appropriation

Description: This initiative provides for the establishment of a single new Multi Year Appropriation (MYA), International Development Cooperation, for the triennium 2021/22 to 2023/24, converting and transferring three years of funding from the existing annual baseline, International Agency Cooperation, to the new MYA. The three-year value of the transfer is \$2,538.709 million. This also provides for the continuation of the existing annual baseline, International Development Cooperation, for the 2024/25 financial year with an appropriation of \$860.955 million.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Non-Departmental Other Expenses:					
International Development Cooperation	-	(819.587)	(858.167)	(860.955)	-
International Development Cooperation (MYA)	-	819.587	858.167	860.955	-
Total Operating	-	-	-	-	-

Additional recommendations

- 8 **noted** that the scope of the International Development Cooperation (MYA) permits funding for all development activities in the Pacific, including in Pacific countries which may achieve high income status and be removed retrospectively from the list of Official Development Assistance eligible countries under the Organisation for Economic Cooperation and Development definition;
- 9 **authorised** the Minister of Finance and the Minister of Foreign Affairs to approve the transfer of any unexpended year end balance of the International Development Cooperation (MYA) expiring on 30 June 2021, into the International Development Cooperation (MYA) that comes into force on 1 July 2021, with any transfers to be requested as part of the usual process for in principle expense transfers, and to be confirmed in the 2021 October Baseline Update;

- 10 **agreed** that the Multi Year Appropriation: International Development Cooperation is adjusted by \$2,538.709 million;
- 11 **noted** that amounts shown in the appropriations changes table for the Multi Year Appropriation: "International Development Cooperation" is the change to the indicative annual spending profile.

Vote: Foreign Affairs

Appropriation Administrator: Ministry of Foreign Affairs and Trade

Title: COVID-19 Recovery Initiatives

Description: This initiative provides funding to meet the very real additional costs resulting from the adverse impact of COVID-19. This includes initiatives such as re-opening and re-establishing temporarily closed posts, implementing a programme that provides support and relief to offshore staff, and accelerating delivery on delayed large in-flight property projects.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	(4.000)	4.000	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(4.000)	4.000	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Act in the world to build a safer, more prosperous and more sustainable future for New Zealanders (MCA)					
<i>Departmental Output Expenses:</i>					
Analysis and advice to inform New Zealand's foreign policy (funded by revenue Crown)	(0.383)	0.383	-	-	-
Delivery of New Zealand's foreign policy (funded by revenue Crown)	(2.400)	2.400	-	-	-
Delivery of services (funded by revenue Crown)	(0.492)	0.492	-	-	-
Management of New Zealand's International Development Cooperation (funded by revenue Crown)	(0.725)	0.725	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Act in the world to build a safer, more prosperous and more sustainable future for New Zealanders (MCA)	(4.000)	4.000	-	-	-
Total Operating	(4.000)	4.000	-	-	-