

Aid is key to COVID recovery - Budget plea

18 May 2021

New Zealand's aid agencies are calling on the government to increase aid in this year's budget, especially to the Pacific – or at least to maintain existing levels.

New Zealand's aid makes up 0.33% of GNI (Gross National Income), well below the global commitment of 0.7%, although recent increases in aid are welcome. New Zealand has contributed at least 800,000 vaccines so far to COVAX - the global mechanism to roll out vaccines to developing countries. But more is needed to prevent a regional crisis.

The Economic and Social Survey of Asia and the Pacific 2021 survey from the United Nations estimates that the pandemic has increased extreme poverty in the region by an additional 89 million people, who now live on just \$1.90 per day. Decades of progress in poverty reduction in the Asia-Pacific region are being erased.

“COVID flare-ups in the Pacific also risk undermining New Zealand's recovery. Some of the poorest countries globally, won't be vaccinated until at least 2023. That means the virus will be free to mutate, says Director of Council for International Development, Josie Pagani.

“Our borders may still be closed, but we are still part of the global response to counter this unprecedented rise in poverty and instability. More funding would support increased vaccinations, and the rebuild in the Pacific.

Globally at least 120 million people have been plunged back into extreme poverty because of COVID. COVID cases continue to rise in Fiji (with at least 100 cases). In PNG over 100 deaths have been recorded. Jobs have been destroyed in unprecedented numbers, with some Pacific countries dependent on tourism for over 70% of GDP (Gross Domestic Product).

“Many of those jobs are not coming back. New Zealand's support for the Pacific to adapt to this ‘new normal’ and find alternative sources of income is more important than ever.”

“Aid must be part of our COVID recovery,” says Josie Pagani.