**17 March 2025**

**Press Release: For Immediate Release**

**Kiwi Aid Agencies urge Government to Increase Climate Finance & Foreign Aid Spending**

***In the lead-up to the 2025 budget, an open letter from New Zealand’s international development NGOs has asked the government to increase aid spending in the Pacific region, at a time of significant cutbacks by other bilateral donors.***

***Wellington, New Zealand 17 March 2025* –** Aotearoa’s international development sector has issued [an open letter](https://acrobat.adobe.com/id/urn%3Aaaid%3Asc%3Aap%3Abb06a357-477e-4bd5-99b6-447bb74b250f) to three ministries imploring them to increase spending on climate finance and foreign aid in the upcoming budget.

The letter, from the Council for International Development (CID), the peak body for New Zealand NGOs and charities in the international development and humanitarian space is addressed to Foreign Minister Winston Peters, Finance Minister Nicola Willis, and Climate Change Minister Hon Simon Watts.

It calls for an increase in NZ funding to Pacific nations to help them adapt and prepare for climate change, as well as to pay for the damage caused by extreme weather. It also calls for a general increase in the foreign aid budget to address the escalating challenges facing the Pacific.

The letter warns that without sustained investment, Pacific nations will bear an unfair burden of the climate crisis they did not create. Increased funding will support resilience, sustainable livelihoods, and disaster preparedness – as well as help Pacific nations to avoid the burden of climate change debt, which is becoming an increasing issue across the region, with Samoa, Tonga and Fiji now spending more on climate related debt than they do on health and education.

Currently, Aotearoa invests an annual NZ$325 million on climate finance for Pacific countries. The letter is requesting that the government increases this to at least NZ$558 million for 2025, and to NZ$1.7 billion by 2035. The New Zealand budget is due to be released on 22 May.

CID is also urging that Aotearoa maintains its current strategy of delivering climate aid as grants, rather than loans. "New Zealand has a proud history of standing with our Pacific neighbours. But as climate impacts intensify, our government must step up its commitments to ensure Pacific communities have the resources they need to adapt and thrive," said CID Executive Director Peter Rudd. "We welcome the Government’s commitment to grant-based climate finance, which has set a world-leading example. Now, we urge Ministers to strengthen this approach and ensure our contributions keep pace with the growing need."

The call for increased investment in the aid sector comes as other major donors have begun to step back on aid commitments. The US government, which until recently, was a major donor to the Pacific, suspended USAID in January this year and has terminated 90 percent of its programmes. Other key European donors, including France, Germany, the UK and Switzerland have also reduced spending, removing nearly NZ$22 billion from humanitarian and development funding globally.

**Key Asks from the Development Sector**

The open letter calls on the New Zealand Government to:

* Scale up annual climate finance to NZ$558 million in 2025, ensuring contributions remain additional to Official Development Assistance (ODA).
* Maintain New Zealand’s grant-based approach, with at least 50% allocated to adaptation and 50% directed to the Pacific.
* Develop a roadmap to increase ODA to 0.7% of Gross National Income by 2030, in line with United Nations targets.

New Zealand has a unique opportunity to strengthen its leadership and partnerships in the Pacific. By investing in climate finance and development cooperation, the Government can build lasting goodwill and security in the region.

As New Zealand reviews its climate finance commitments for the next five years, this decision will shape its international standing and relationships in the Pacific. Aotearoa has long been known for an outward-facing foreign policy guided by kotahitanga, manaakitanga, and aroha. Now is the time to uphold these values rather than retreat from them.

**Notes for editors**

**[Read the full letter here](https://acrobat.adobe.com/id/urn%3Aaaid%3Asc%3Aap%3Abb06a357-477e-4bd5-99b6-447bb74b250f)**

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**About CID**

The Council for International Development Aotearoa New Zealand (CID) is the peak body and umbrella organisation for the international development and humanitarian aid sector. Founded in 1985, CID is a members-based organisation with over 90 members operating in over 190 countries, including large international NGOs, businesses, academic institutions, research organisations, consultants, and social enterprises. CID connects, strengthens, and advocates for the international NGO sector in Aotearoa New Zealand and internationally. We connect with multilateral organisations, governments, and other development actors across the globe. CID is a registered charity and is governed by a Board made up of member organisations. We have a long-term partnership with the New Zealand Ministry of Foreign Affairs and Trade (MFAT). [www.cid.org.nz](http://www.cid.org.nz)