2014 AUSTRALASIAN AID AND INTERNATIONAL DEVELOPMENT POLICY WORKSHOP

PROGRAM, ABSTRACTS & MAPS

Thursday 13 February & Friday 14 February 2014

9am- 5pm

JG Crawford Building 132
Lennox Crossing
Australian National University

Development Policy Centre
Crawford School of Public Policy
ANU College of Asia & the Pacific

The Asia Foundation
2014 Australasian Aid and International Development Policy Workshop

Thursday 13 February and Friday 14 February 2014 9am – 5pm
Hosted by the Development Policy Centre, Crawford School of Public Policy, ANU and The Asia Foundation.

Crawford School of Public Policy, JG Crawford Building 132, Lennox Crossing, ANU

Day One – Thursday 13 February 2014

8.30am Registration and arrival tea and coffee

9.00am Welcome
Molonglo Theatre
Ian Young AO, Vice-Chancellor, ANU

9.10am Opening address
Molonglo Theatre
Julie Bishop, Minister for Foreign Affairs

10.00am Introduction
Stephen Howes, Development Policy Centre, ANU
Anthea Mulakala, The Asia Foundation

10.05am Keynote address – Does aid really work?
Molonglo Theatre
Roger Riddell, Oxford Policy Management

Roger Ridell is an associate at Oxford Policy Management and is a development and aid specialist with some 40 years’ experience. His 2008 book Does Foreign Aid Really Work? was the first attempt in more than 20 years to survey the evidence around whether aid actually works. Roger’s keynote address will provide an updated assessment on aid’s impact, discuss what impact we ought to expect aid to have and outline ways in which its impact could be improved.

The Development Policy Centre would like to acknowledge generous funding support from The Harold Mitchell Foundation and from the Australian National University.
11am  
*Morning tea*

11.20am  
**Panel 1a – Changing aid frameworks**  
*Acton Theatre*  
Chair: Michael Carnahan, DFAT

Something's gotta give: aid and the financing of global public goods  
*Robin Davies, ANU*

The changing aid landscape in East Asia: the rise of Southern providers  
*Anthea Mulakala, The Asia Foundation*

What should count as aid?  
*Jonathan Pickering, ANU*

**Panel 1b – Fragile states, governance and aid I**  
*Barton Theatre*  
Chair: Graham Teskey, DFAT

Suffer what they must? Fragile states and foreign aid reform  
*Jeni Whalan, UNSW*

The imperative to realign the rule of law to promote justice  
*Livingston Armytage, Centre for Judicial Studies*

In dire states: poor political governance in Western Melanesia and what it means for aid  
*Terence Wood, ANU*

12.50pm  
*Lunch*

1.50pm  
**Panel 2a – Humanitarian aid**  
*Acton Theatre*  
Chair: Peter McCawley, ANU

$8 billion in three years – what happened during the recovery phase in post-earthquake Haiti?  
*Katherine Gilbert, Monash University*

Emerging forms of collaborative networks in post disaster humanitarian aid  
*Caroline Brassard, National University of Singapore*
Does humanitarian aid crowd out development aid? A dynamic panel data analysis
Delwar Hossain, ANU

Panel 2b – Scholarships, skills and labour mobility
Barton Theatre
Chair: Richard Curtain, ANU

Australian aid program scholarships: an effective use of Australian aid?
Joel Negin, University of Sydney

Skill development and regional mobility: lessons from the Australia-Pacific Technical College
Michael A. Clemens, Centre for Global Development; Colum Graham and Stephen Howes*, ANU

Using temporary migration schemes to build adaptive capacity in sending communities: a case of Vanuatu and New Zealand’s RSE scheme
Luke Craven, University of Sydney

3.20pm Afternoon tea

3.40pm Panel 3a –Donor studies I
Acton Theatre
Chair: John Langmore, University of Melbourne

Forces and countervailing forces in the changing world of New Zealand aid
Joanna Spratt and Terence Wood, NZADDs and ANU

Determinants of foreign aid allocation by small emerging donors: a case study of Thailand
Phakpoom Tippakoon, Thammasat University

Morals or money? Public opinion and the Australian aid budget, 2000-2013
Joanna Williams, University of Sydney
Panel 3b – International health: framing, financing and delivery
*Barton Theatre*
Chair: Ben David, DFAT

Framing health in the post-2015 development agenda: Multilateral development agencies in the first phase of consultation
*Peter Hill and Claire Brolan*, University of Queensland

Health care financing in the Asia Pacific region
*Jackie Mundy, Health Resource Facility for Australia’s aid program*

‘Invisible’ healthcare providers: not-for-profit, non-government hospitals and large clinics in developing countries
*Belinda Anne Thompson, ANU*

Panel 3c – Disaster risk management and climate change adaptation
*Brindabella Theatre*
Chair: Jim Woodhill, DFAT

Pacific human security: EU-Pacific partnerships in disaster risk management
*Genevieve Taylor, University of Canterbury*

Information in natural disasters – crisis, adaptation and communication
*Anouk Ride, University of Queensland*

Walk the talk: mainstreaming climate change adaptation in to a multilateral development bank-funded project in Cambodia
*Bunlong Leng, University of Melbourne*

5.10pm Close

6.30pm Workshop pre-dinner drinks
*Courtyard, University House*

7.00pm Workshop Dinner
Keynote Address – Sir Fazle Hasan Abed, Founder and Chairperson of BRAC
*Great Hall, University House*
Day Two – Friday 14 February 2014

8.30am  Registration and arrival tea and coffee

9.00am  Keynote Address – Forests for climate and development: what can rich countries do?
Frances Seymour, Centre for Global Development
Molonglo Theatre

Frances Seymour is a Senior Fellow at the Center for Global Development based in Washington, DC, and a Senior Advisor to the David and Lucile Packard Foundation. In her keynote address, she will argue that, while reducing forest loss will depend on domestic political will and profound institutional and governance changes in forest countries, there are also options available to rich country governments, corporations, and citizens to accelerate progressive reform. The actions she will outline and recommend are urgent, affordable, and politically feasible, and constitute a bridge to a future global climate agreement that includes forests.

10.00am  Panel 4a – Fragile states, governance and aid II
Brindabella Theatre
Chair: Anthony Zwi, UNSW

Do donors practice what they preach? The allocation of budget support by OECD-DAC donors
Susan Dodsworth, McGill University

Aid dependency and off-budget aid in Afghanistan: building and undermining the state
Nematullah Bizhan, ANU

The impact of foreign aid from traditional donors on the quality of government in a one-party state: the case of Laos PDR
Pepe Khennavong, ANU

Panel 4b – What aid works in health and education: country case studies
Acton Theatre
Chair: Joel Negin, University of Sydney

Different aid engagement, different health system outcomes: two decades of transition for the Central Asian Post-Soviet states
Anar Ulikpan, University of Queensland
Delivery Units: can they catalyse sustained improvements in education service delivery?
Andy Brock*, John Martin and Robin Todd, Cambridge Education

Aid effectiveness and health sector development in Bangladesh
Franklyn Lisk, University of Warwick, and Md Rafi Hossain*, Policy Research Institute of Bangladesh

Have SWAPs influenced aid flows and aid effectiveness?
Rohan Sweeney, Monash University

Panel 4c – Donor studies II
Barton Theatre
Chair: Susan Harris Rimmer, ANU

How transparent Indian EXIM Bank lines of credit are and why
Pranay Sinha, University of Birmingham

The commercial benefits for Japan of its aid to Asia
Sabit Otor, ANU

Korea’s motivations of Official Development Assistance (ODA): aid allocation as a middle power?
Ji Hyun Kim, Ewha Womans University

Why countries offer foreign development assistance? The case of Latin America
Carmen Robledo, ANU

11.30am Morning tea

11.50am Panel 5a – Changing aid landscapes
Molonglo Theatre
Chair: Robin Davies, ANU

Busan and beyond: South Korea and the transition from aid effectiveness to development effectiveness
Eun Mee Kim, Ewha Womans University

The implications of the changing international aid regime for medium-sized traditional donors
Benjamin Day, ANU
Panel 5b – Learning from history: lessons from aid to Asia
Acton Theatre
Chair: Tess Newton Cain, Devpacific

Institutional capacity building for poverty reduction through the implementation of World Bank projects in China
Enjiang Cheng*, Victoria University and Xiaojun He, International Poverty Reduction Centre in China (IPRCC)

The role of aid in the development of Korea and Taiwan
Steve Smith* and Stephen Howes, ANU

12.50pm Lunch

1.50pm Plenary panel session - Making their mark: the BRICS and aid
Molonglo Theatre
Chair: Anthea Mulakala, The Asia Foundation

Regulating foreign aid through Acts – effects, impacts, and implications for China
Sun Tongquan* Chinese Academy of Social Sciences & Zhou Taidong, The Asia Foundation

India's geo-political interests and foreign aid: constraints to policy alignment
Rani Mullen, Centre of Policy Research, New Delhi

Brazil's international development cooperation: old and new motivations
Sean Burges, ANU

This plenary session will provide updates and new analysis of aid from three emerging superpowers – China, India and Brazil – from three leading experts.

Dr. Rani Mullen is Director, Indian Development Cooperation Research and Senior Visiting Fellow at the Centre for Policy Research in New Delhi. Dr. Tongquan Sun is an Associate Professor at the Rural Development Institute of the Chinese Academy of Social Sciences (CASS) where he researches Chinese and international development assistance. Dr Sean Burges is a Lecturer in International Relations at the School of Politics and International Relations at the ANU. His research interests cover the area of non-traditional aid, with a particular focus on Brazil.
3.20pm Afternoon tea

3.40pm **Panel 6a – NGOs and aid effectiveness**
Acton Theatre
Chair: Jo Lindner, ACFID

The Value for Money agenda and NGOs
*Patrick Kilby, ANU*

Toward better contracting for capacity building among NGOs in the aid channel
*Elizabeth Crawford Spencer, Bond University*

Value for money – is it easier or harder than it looks?
*Andrew Rowell, CARE Australia*

**Panel 6b – Aiding health in the Pacific**
Brindabella Theatre
Chair: Andrew McNee, DFAT

Knowing that we know nothing: the Socratic paradox and health sector reform in Papua New Guinea

Provision of appropriate regional public health goods in the Pacific after 2015
*Ian Wanyeki, Arin Dutta and Farley Cleghorn*, Futures GRM

Aid and the control of TB in PNG: is Australia’s assistance good policy
*Hoa Nguyen* and *Tom Kompas, ANU*

**Panel 6c – Non-traditional donor case studies**
Barton Theatre
Chair: Wendy Jarvie, UNSW

Chinese agricultural aid in Tanzania: reproduction of Chinese agricultural regime
*Zhang Yue, China Agricultural University*

Aid effectiveness and public-private partnership: Thailand’s development assistance in Lao PRD and Cambodia
*Dr Siriporn Wajjwalku, Thammasat University*
Active agents, passive recipients? negotiation of Chinese development assistance and concessional lending by Pacific Island governments
Matthew Dornan, ANU and Philippa Brant, The Lowy Institute
Denghua Zhang, ANU, will be a discussant

5.10pm **Close and drinks**
*Canberry/Springbank room*
Joel Negin, University of Sydney
Abstracts

Day One – Thursday 13 February 2014

Panel 1a – Changing aid frameworks

Chair: Michael Carnahan
Chief Economist (Development), Department of Foreign Affairs and Trade

Something’s gotta give: aid and the financing of global public goods

Robin Davies
Associate Director, Development Policy Centre, ANU

There is a growing disconnect between what traditional donors say about their aid and what they do with it. The notion of aid as a transfer to poor countries in support of national development strategies is at the centre of the canonical donor concept of aid effectiveness. Yet analysis suggests that donors are increasing their reliance on aid for the provision of a variety of global public goods including, most notably and recently, climate change mitigation. For several reasons, both moral and practical, this trend is unlikely to go unremarked for much longer. Its continuation will require a substantial reconsideration of the rationale for aid and the role and financing of multilateral development institutions.

The changing aid landscape in East Asia: the rise of Southern providers

Anthea Mulakala
Director, International Development Cooperation, The Asia Foundation

This paper summarizes research conducted by the Asia Foundation, designed to provide development cooperation stakeholders with an understanding of four issues: (i) trends in the value and nature of aid to developing East Asia from non-DAC bilateral providers and the private sector; (ii) the objectives and strategies of non-DAC development partners; (iii) how non-DAC providers are changing the nature of development partner engagement in developing East Asia; and (iv) the implications for DAC aid. The research examined non-DAC flows to eight countries: Cambodia, Indonesia, Laos, Mongolia, Myanmar, Philippines, Timor Leste, and Vietnam. It addressed three kinds of providers: Arab, Southern, and private. This shorter paper focuses on Asian southern providers only; it highlights Asian southern provider trends drawn from the country and donor profiles in the longer paper, and summarizes key findings, implications, and recommendations.

The full research paper was led and authored by Anthea Mulakala of The Asia Foundation and Nina Schuler, independent consultant.
What should count as aid?

Jonathan Pickering

PhD candidate, College of Arts and Social Sciences, ANU

One of the most prominent yet contested measures of wealthy countries’ efforts to address global poverty is how much aid they provide. In recent years the relevance of the concept of aid has been challenged by claims that it places undue importance on one stream of the much larger financial flows that may promote development. But even if aid were redefined to encompass a wider range of sources of development finance, it would still be necessary to determine what kinds of activities should or should not count as furthering the objective of global development. Given the diversity of activities that may promote development, there are good reasons for adopting an inclusive definition subject to specified exceptions, as the OECD Development Assistance Committee has done for its official definition of aid. In this paper I develop a structured account of possible justifications for aid eligibility exemptions in order to evaluate existing exemptions as well as proposed exemptions that have attracted debate in Australia and internationally. Most existing exemptions either seek to exclude activities that (i) primarily benefit donor rather than recipient countries (e.g. counterterrorism and carbon offsetting activities); or (ii) yield benefits to developing countries that are not unequivocally linked to their economic development and welfare (military aid and peacekeeping). Consistently applying these justifications could warrant a range of further exemptions for contentious cases such as unsubsidised loans (under justification (i)) and asylum seeker costs in donor countries (under justification (ii)). However, I reject the view that justification (ii) requires excluding other proposed categories such as humanitarian assistance and funding for global public goods. Finally, I argue that, in advance of intergovernmental agreement on exemptions, individual donors such as Australia could enhance the integrity of their aid programs by voluntarily placing tight limits on counting contentious cases in their aid reporting.
Panel 1b – Fragile states, governance and aid I

Chair: Graham Teskey  
Principal Governance Specialist,  
Department of Foreign Affairs and Trade

Suffer what they must? Fragile states and foreign aid reform

Jeni Whalan  
Lecturer in International Security and Development, University of New South Wales

In theory and practice, fragile states are assumed to be 'takers', not 'makers', of foreign policy, suffering what they must in a world of power politics. Weak in material power and constrained by insecurity, fragile states are understood to have limited capacity to influence matters far beyond their borders; they are instead occupied with 'fighting the fires' of conflict and poverty at home (the benign view) or with maximising opportunities for rent-seeking, corruption and oppressive rule (the malign view). This paper analyses the emergence of the g7+, a group of 18 fragile and conflict-affected countries that appears to be challenging this conventional view. Established in 2010 to promote cooperation among fragile states and develop a collective voice in global governance, the g7+ is prominent in efforts to reform the international aid architecture and define the post-2015 development agenda. This paper investigates whether this 'voice' is translating into influence, drawing on institutional theory to examine the conditions under which fragile states may be able to overcome conditions of power asymmetry.

The imperative to realign the rule of law to promote justice

Livingston Armytage  
Director, Centre for Judicial Studies;  
Visiting Fellow, ANU; Adjunct Professor of Law, University of Sydney

Justice is fundamental to human wellbeing and core to any notion of international development.

I propose to critique the global approach to promoting 'the rule of law' in official development assistance (ODA) – foreign aid - over the past fifty years. During this period, development agencies have spent billions of dollars around the world supporting reforms that grapple with the challenges of improving the rule of law for people, especially the powerless poor, who are routinely denied justice through impunity, corruption, abuse of power and the denial of rights. But the results of these endeavours have usually been underwhelming and sometimes dismal.

International efforts to promoting justice and the rule of law have traditionally failed to address these problems effectively – and in this sense, the rule of law enterprise is now poised on the brink of development failure. At its essence, the unmet challenge of development is to address mounting concerns about distribution. Addressing this challenge will require the
international community to realign endeavours to promote justice as fairness and equity.

Building on my research and new evidence based in Asia published in ‘Reforming Justice: a Journey to Fairness in Asia’, (Cambridge University Press: June, 2012), I will argue that there is an immediate imperative to reposition justice more centrally in evolving notions of equitable development.

Case study material can/will include: (i) AusAID’s experience in PNG, (ii) ADB’s experience across Asia, (iii) practitioners’ experience in the Pacific and, most recently, (iv) an experimental project conducted through the International Commission of Jurists (ICJ) in Nepal to enable women vulnerable to violence in/outside the home to access and use their rights to protection and compensation.

**In dire states: poor political governance in Western Melanesia and what it means for aid**

Terence Wood

*PhD candidate, State, Society and Governance in Melanesia Program, ANU*

To differing degrees the governments of the Western Melanesian states of Vanuatu, Papua New Guinea and Solomon Islands struggle to provide the public goods and services necessary to facilitate development. In this paper, using the case study of Solomon Islands, I will argue the problems of governance in these countries are first and foremost problems of political governance — dysfunctional politics means poorly functioning states. I will then discuss what this means for aid. How can aid help in such environments? Can it help? I will contend that, at least until recently, much thinking about what aid can and cannot do in countries such as Solomon Islands has been mistaken. I will argue that, contra the suggestions of some of aid’s critics, withdrawing aid would only make things worse. Yet at the same time, aid which engages in isomorphic mimicry, or which seeks to improve governance through capacity building, has achieved, and will achieve, relatively little. As an alternative I will suggest that aid ought to aspire not to foster transformational development but rather to act as a countervailing force to the problems of politics, seeking to hold key institutions together, while striving to find innovative ways of delivering key public services. If focused on these tasks aid may possibly succeed in fostering development indirectly: by providing space for the societies in question to find their own solutions.
Panel 2a – Humanitarian aid

Chair: Peter McCawley
Visiting Fellow, Crawford School of Public Policy, ANU

$8 billion in three years – what happened during the recovery phase in post-earthquake Haiti?

Katherine Gilbert
Research Fellow, Centre for Research Economics, Monash University

Funding an effective response to the earthquake in Haiti in January 2010 was always going to prove a challenge for donors. The earthquake killed approximately 200,000 people and devastated the capital city of Port-au-Prince, home to an estimated four million people. International actors in Haiti multiplied as governments and citizens around the world pledged funds to support the response.

In the first three years after the earthquake, bilateral donors disbursed over $8 billion in funds to partners, which was in addition to an estimated $3 billion donated by citizens to international actors. This paper builds on previous work undertaken by the author in analysing aid to Haiti after the earthquake and uses publicly available data to assess the specific actions of bilateral donors after the earthquake. It asks who and what they funded, and what can be learnt from their efforts, with a particular focus on the recovery phase.

One of the central challenges of the recovery phase was how to engage Haitian actors, who had largely been excluded from the humanitarian efforts, in the complex tasks of clearing the rubble, providing safe and secure housing to those displaced by the earthquake, and refocussing on broader development efforts. Yet with limited trust in Haitian institutions, donors sought to separate the functions of governing and administering the recovery response with the former in the Interim Haiti Recovery Commission and the latter in the Haiti Reconstruction Fund, which could disburse donor funds to multilateral institutions. This decision, which was made in the first three months after the earthquake and proved to be a key lesson in the recovery phase, meant that donors largely relied on already overwhelmed and disparate international actors to manage the recovery efforts, which delayed not only the recovery efforts but also the longer-term state building project.
Emerging forms of collaborative networks in post-disaster humanitarian aid

Caroline Brassard
Assistant Dean of Academic Affairs and Senior Lecturer, Lee Kuan Yew School of Public Policy, National University of Singapore

This study concerns the new actors involved in humanitarian aid in post-disaster contexts, such as charities and the private sector (for example through corporate social responsibility), and their impact on the role of government and the design of public policies, towards greater accountability and overall resilience. The main research question focuses on obtaining a deeper understanding new forms of collaborative networks (formal and informal), participatory engagements and aid governance, particularly in post-disaster contexts.

Through the case study of Singapore, this exploratory research seeks to understand the constraints faced by various types of organizations based in Singapore (e.g. NGOs, CSOs, private, public, for profit or non-profit) involved in activities in post natural disaster contexts in Asia since 2004.

Within the sector of humanitarian aid, the measurement of aid effectiveness presents additional challenges due to the need for immediate action during an emergency and relief phase, coordination and communication challenges in addition to the various logistical constraints. At present, when a major natural disaster hits the regions, many organizations based in Singapore and wanting to participate in some way in the relief and reconstruction efforts face some constraints in accessing information and understanding the needs on the ground.

The research method is based on a survey distributed face-to-face - focusing collaboration and coordination; between and within organisations that participated in post-disaster activities in Asia. The survey aims to deepen the understanding of key players within Singapore's aid modalities and coordination mechanisms in the area of humanitarian aid in post natural disaster contexts in Asia since 2004. The survey also asks about potential recommendations to alleviate challenges of coordination and collaborations and to assist organisations in improving their overall effectiveness.

The aim of the research is to draw policy lessons on humanitarian aid effectiveness for the key stakeholders within donor countries, including government organizations, civil society and the private sector (e.g. large corporations, foundations, charities). From a public policy perspective, the research will draw recommendations to facilitate coordination and effectiveness and suggest possible mechanisms to increase overall efficiency in post-disaster humanitarian aid.
Does humanitarian aid crowd out development aid? A dynamic panel data analysis

Delwar Hossain

PhD candidate, Arndt-Corden Department of Economics, ANU

This paper examines whether humanitarian aid crowds out development aid using a newly constructed panel dataset covering 23 OECD-DAC donor countries and 117 aid recipient developing countries over the period of 2000-2011. The econometric analysis is undertaken within the standard gravity modelling framework using Hausman-Taylor instrument variable approach as the preferred estimation method which incorporates both time-varying and time-invariant variables as well as controls for endogeneity. The country programmable aid, which best reflects the actual amount of aid transfer from donors to recipient countries, is used as the proxy for development aid. The findings suggest that humanitarian aid, on average, crowds in, rather than crowds out, development aid to the recipient countries. This inference is robust to alternative system GMM and 2SLS estimations of the model using the estimated loss of natural disaster along with the number of disaster affected people as external instruments for humanitarian aid in the later approach.

Panel 2b - Scholarships, skills and labour mobility

Chair: Richard Curtain

Public Policy Consultant and Research Associate, Development Policy Centre, ANU

Australian aid program scholarships: an effective use of Australian aid?

Joel Negin

Lecturer, School of Public Health, University of Sydney

Tertiary scholarships for individuals from developing countries comprise a large part of the Australian aid program. The number of new scholarships offered each year has increased to over 2000 in 2010 and is projected to be 4000 in 2014. Approximately $350 million will be spent on scholarships in 2012-13 representing 7% of total official development assistance. Prior to the recent cuts, Australia’s Comprehensive Aid Policy Framework stated that at least 17,000 people will be awarded scholarships between 2012 and 2016 at a total cost of $1.7 billion.

A considerable part of the Australian engagement in Africa is scholarships allowing African students to study in Australia. In 2011, Australia offered 226 masters level awards to African students as part of a total scholarship package that reached 1000 places in 2012. With this increase, scholarships now represent the largest component of the Africa aid program, amounting to $400 million over five years. Despite this,
Australia's Africa scholarship program has never been properly evaluated.

We conducted a quantitative survey of Australian masters' level scholarship graduates from 2000 to 2009 from the eleven African countries that received the most scholarships. The survey examined re-integration, development impact, family considerations and contact with Australians. Analysis focused on questions of gender, differing models of scholar selection, early graduates versus more recent graduates, and field of study. While most tracer studies attempt to draw a tenuous causal link between scholarships and development impact, we assessed such issues from a variety of angles to develop a more robust picture. Results will be presented along with implications for the future of the African scholarship program.

**Skill development and regional mobility: lessons from the Australia-Pacific technical college**

Michael A. Clemens, Colum Graham and Stephen Howes  
*Senior Fellow, Centre for Global Development; PhD Candidate at ANU and Research Officer at the Development Policy Centre; Director of the Development Policy Centre, ANU*

Developing countries invest in training skilled workers and can lose part of their investment if those workers emigrate. One response is for the destination countries to design ways to participate in financing skilled emigrants’ training before they migrate—linking skill creation and skill mobility. Such designs can learn from the experience of the Australian-aid-funded Australia-Pacific Technical College (APTC). The APTC is financing and conducting vocational training in five Pacific island developing countries for thousands of workers with the objective of providing them with opportunities to find employment at home and abroad—including in Australia. With thousands of graduates across the region the APTC has attained its goal of skill creation, but has not attained its goal of skill mobility. This paper establishes and explains this finding, and draws lessons for future initiatives that may seek to link skill creation with higher levels of skill mobility.

**Using temporary migration schemes to build adaptive capacity in sending communities: a case of Vanuatu and New Zealand’s RSE scheme**

Luke Craven  
*Honours student, Department of Government and International Relations, University of Sydney*

New Zealand’s Recognised Seasonal Employer (RSE) migration policy has been heralded as a ‘best practice’ migration scheme that provides significant developmental benefits for Pacific Island states. That it could also be a valuable strategy for reducing vulnerability to climate change is implicit in the existing literature, but not explored. But do developmental gains
translate into an increased capacity to adapt to climate change? Perhaps, but this should not be taken as a given. This paper outlines an analytical model for understanding the linkages between climate vulnerability, adaptation and the process of migration, with particular attention to how these play out at the community level – and presents findings based on three weeks of fieldwork in Vanuatu to show how these linkages work in practice. These findings demonstrate that migration processes and trends are closely linked to adaptive capacity, as both an influence on vulnerability and as an outcome of adaptation. Large-scale migration has an influence on a variety of social, economic, cultural, political and institutional factors that can both constrain and facilitate adaptive capacity, depending on local conditions. Understanding the connections between migration, development and adaptation can facilitate greater understanding of climate change vulnerability more generally, and provides important considerations for migration policy programs targeted at building adaptive capacity or increasing development in the Pacific.

Panel 3a – Donor studies

Chair: John Langmore
Professorial Fellow and Assistant Director Research, Melbourne School of Government, University of Melbourne

Forces and countervailing forces in the changing world of New Zealand aid

Joanna Spratt and Terence Wood
Steering Committee of New Zealand Aid and Development Dialogues and PhD candidates, ANU.

This paper details the forces behind the 2009 changes in the NZ aid programme, and the countervailing forces that tried to prevent the changes. Focusing on the NGO sector, the paper examines where and why the countervailing forces have apparently succeeded in some instances and failed in others. Particular attention will be paid to interactions between the state and civil society, and the on-going absence of research and evidence from the arena of New Zealand aid policy. From this, the presentation will draw conclusions about how the New Zealand development community might potentially structure itself to deal with future shocks to the aid system. Broader lessons for other donor country aid communities will also be outlined.
Determinants of foreign aid allocation by small emerging donors: a case study of Thailand

Phakpoom Tippakoon
Lecturer and Assistant Dean for Administration, College of Interdisciplinary Studies, Thammasat University

Recently, the international development community has observed the increasing role of the so-called emerging donors. Due to their importance in international development landscape, these donors have attracted much attention from scholars, development practitioners, and policy makers. The issues of how emerging donors allocate their aid programmes and how the programmes affect the development outcomes of recipient countries are subject to current debate and investigation. However, until now, the number of studies on the way these donors allocate their aid and the factors influencing their aid allocation are still limited. Also, a few studies has yet highlighted that emerging donors are not homogenous in terms of aid allocation and management. Thus, more studies are called for in order to broaden our understanding about this issue. In this study, we focus on Thailand's aid allocation. The country can be considered as a small emerging donor striving to improve its position in international development community. Our preliminary investigation reveals that there is a paradox in aid allocation of Thailand. On the one hand, Thailand claims to use its foreign aid as a means for the development of partner countries, and tries to allocate its development cooperation programmes accordingly. On the other hand, aid is used as a diplomatic tool to serve national economic and political interests. We also find that the institutional setting of aid system influences the way aid is allocated. The fragmentation in aid system and the lack of understanding of development aspect of foreign aid by policy makers make aid unpredictable. These also lead to the lack of strategic thinking to improve the effectiveness and efficiency of the country's aid programmes.

Morals or money? Public opinion and the Australian aid budget, 2000-2013

Joanna Williams
Honours student, University of Sydney

This thesis uses the deductive case-explanation model of process-tracing to determine the conditions under which the Australian Government was most responsive to public preferences relating to the size of the aid budget between 2000 and 2013. Its analysis focuses on the preferences promoted by aid advocacy groups and considers to what extent their outside lobbying led to the three key announcements where, outside of the budget cycle, the major political parties signalled a significant change to the size of the aid budget. It concludes that the Australian Government will be most responsive to such preferences when the electoral benefits associated with the action
outweigh the electoral costs. This is determined by the Government’s perceptions of the salience and intensity of public opinion related to the preferences promoted by aid advocacy groups. As such, the Australian Government’s responsiveness declines in periods of economic downturn, when the competition over budgetary appropriations intensifies.

Panel 3b – International health: framing, financing and delivery

Chair: Ben David
Principal Health Specialist, Department of Foreign Affairs and Trade

Framing health in the post-2015 development agenda: Multilateral development agencies in the first phase of consultation

Peter S Hill and Claire Brolan
Associate Professor, Global Health Systems, School of Population Health, The University of Queensland; Research Fellow, School of Population Health, The University of Queensland

In July 2012 the UN System Task Team on the post-2015 UN Development Agenda flagged UN directions around the post-2015 goals in its report: "Realizing the Future we Want for All". From strong representation in the Millennium Development Goals (MDGs), the position of health in the post-2015 agenda is less clearly defined. The UN Secretary-General called for integration of the MDGs with the Sustainable Development agenda proposed by Rio+20, the UN Conference on Sustainable Development. With these future global goals intended to be universal in their application, rather than focused only on least-developed countries, this first phase of consultation provided UN agencies with an opportunity to review the outcomes of the MDGs for their mandates, prioritize key issues and advocate for these in the thematic, country and other
consultative processes. This paper analyses the framing of the post-2015 goals, with particular reference to health, at the end of this initial consultation process. The research is part of a 13 partner EU-NH&MRC international research project. It is based on 58 interviews from 31 institutions (including 18 multilateral development agencies and banks) in June and July 2013, following the release of the thematic consultation on health and the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda report. The analysis shows a range of framings of health goals, with the World Health Organization advocating Universal Health Coverage as the ‘umbrella’ outcome, but the High-Level Panel settling for Ensure Healthy Lives--considered a more quantifiable goal. Strategies within multilaterals varied, with some vigorously prescriptive in their preferences, others tactically vigilant in ensuring their interests were securely positioned. While framing maintained the health MDGs as a referent, extending them to include non-communicable diseases and neglected tropical diseases, framing did not adequately address the sustainable development agenda, nor locate health well within that paradigm.

**Health care financing in the Asia Pacific region**

Jackie Mundy

*Director, Health Resource Facility for Australia’s aid program*

The Asia-Pacific region is in a period of transition as some economies grow, populations age, and health care needs change. Changes in the region’s burden of disease, the ‘graduation’ of countries from low to middle income status, and the shifting geography of poverty and health needs of the poor all have implications for country health systems and health care financing.

The study provides an overview of the challenges of financing health care in the region as many countries strive to achieve universal health coverage. It covers thirty countries broadly divided as middle income countries, low income countries, and fragile and small island states.

Specifically, the study examines the impact of the changing burden of disease in the region on health financing; current and medium term trends in domestic financing and external development aid for health; the changing configuration of aid providers in the region including the future role of non-traditional bilateral donors; the current and changing nature of donor engagement; and how development assistance for health is allocated and used. The paper concludes with reflections on the implications for development partners, discussing how
policy issues can be tackled, how aid modalities should develop and where donor assistance could be focused to maximise impact.

The paper is based on a desk based literature review and key informant interviews.

‘Invisible’ healthcare providers: not-for-profit, non-government hospitals and large clinics in developing countries

Belinda Anne Thompson
PhD candidate, Crawford School of Public Policy, ANU

Not-for-profit, non-government hospitals and large clinics are the last hope for many communities in developing countries with no other means of accessing emergency healthcare. They provide free, or extremely low-cost, care relying on volunteers to assist by staffing, promoting and funding their operations. For funders, they provide both opportunities and risk. The positive motivation of the organisations and the need for care is undeniable and they offer easily packaged news stories. But often they have limited administrative capacity; their needs are primarily based in ‘consumables’ which many large donors will not fund; and their place as ‘outsiders’ in traditional public health systems can pose problems. Best practice principles usually prescribe that funding is channelled based on the host government’s priorities. So, given their outsider status, who is funding these organisations and how do they keep going in the long-term? What characteristics unite these disparate organisations? This paper highlights the ‘invisible’ healthcare providers who work with a broad range of non-state actors to provide emergency care to those least able to access healthcare. It explores the range of providers and classifies them into a broad typology based on questions of ownership and funding. The categories include: the traditional faith-based mission healthcare delivery prevalent in Africa and parts of the Pacific; emergency organisations who stay to run facilities for the long-term such as the ICRC and MSF; mining-affiliated hospitals; personality-based organisations who form around the dedication of an individual or couple such as the Mae Tao Clinic and Bairo Pite Clinic; and specialist facilities formed to address a specific sub-section of need such as the Hamlin Fistula Hospital. The paper explores what we don’t know from the existing academic literature and why these hospitals and clinics should be studied further as an important contributor to the principle of universal healthcare for all.
Panel 3c - Disaster risk management and climate change adaptation

Chair: Jim Woodhill
Principal Sector Specialist, Food Security and Rural Development, Department of Foreign Affairs and Trade

Pacific human security: EU-Pacific partnerships in disaster risk management

Genevieve Taylor
PhD candidate, National Centre for Research on Europe, University of Canterbury

This paper evaluates the effectiveness of donor partnerships in Pacific disaster risk management (DRM) through the promotion of human security. The basis of the human security paradigm is to shift state-centric policy formation to focus on the protection of individuals and groups in order to reduce vulnerabilities and violations of rights. Such a framework is no more relevant than at a time of natural disaster, where individuals are in a state of increased physical and social vulnerability.

As part of its mandate for development and humanitarian assistance, the European Union (EU) is increasing its DRM strategy in the Pacific region. The EU does so primarily through partnerships with European framework partners and organisations on the ground. This research highlights aspects of these collaborations in enhancing Pacific human security.

The human security framework is supported by a lexis-praxis methodology in the evaluation of policy to reduce vulnerabilities and ensure a rights-based approach to practices. To assess EU DRM partnerships, investigations of lexis in policy analysis and the subsequent praxis of actors in DRM have been undertaken to review the implementation of DRM strategies in the region. In addition, this paper draws on excerpts of interviews carried out with key actors from the European Commission, Pacific donors, national agencies, and partner organisations.

Information in natural disasters – crisis, adaptation and communication

Anouk Ride
PhD candidate, University of Queensland

This paper reports on field research with communities from the Temotu and Weathercoast regions of Solomon Islands about how information informs decision making in natural disasters. These specific case studies are linked with the disaster and Communications for Development (C4D) literature to stress the need for research on insider views and the impact of information on behavior.

The lead researcher's previous collaboration with Dr Diane Bretherton and local researchers in five countries produced a book (Community Resilience in Natural Disasters, Palgrave Macmillan) based on analysis of stories of people who had experienced
disasters and the aftermath. These insider-views illustrated that resilience is a universal phenomenon but this knowledge and behaviour is often not used by disaster agencies to further build resilience.

Drawing on focus groups with people affected by disaster in Solomon Islands, the paper explores the critical question – how can agencies prepare information to best help local communities during disaster? – finding locally and universally relevant findings about key actors, networks and communications in crisis.

This research was funded by ABC International and AusAID under the Solomon Islands Media Assistance Scheme (SOLMAS).

**Walk the talk: mainstreaming climate change adaptation into a multilateral development bank-funded project in Cambodia**

Bunlong Leng
*PhD candidate, School of Land and Environment, University of Melbourne*

Scholars have focused on climate change vulnerability and looked in some details at measures to reduce it or to adapt; however the act of mainstreaming climate change adaptation into the large development investments of major donors in developing countries is under-researched. Multilateral Development Bank investments are largely in climate-sensitive sectors and often in vulnerable regions, particularly those exposed to extreme climate events. Their “as-usual” investments may actually increase climate change vulnerability and hamper the progress of economic growth, but can be designed to reduce climate risks. Building on theories of environmental impact assessment and institutional change, this research explores “how climate change adaptation is mainstreamed into the decision-making process of a Multilateral Development Bank-financed development project” in Cambodia. The research into an ongoing infrastructure improvement project will contribute to a growing interest in whether Multilateral Development Banks can play a leading role in mainstreaming climate change adaptation considerations into their current and future development investments.
Do donors practice what they preach? The allocation of budget support by OECD-DAC donors

Susan Dodsworth
PhD candidate, Department of Political Science, McGill University

Budget support is a prominent part of efforts to make aid more effective. It increases developing countries' ownership of development programs but reduces the ability of donors to monitor and control aid flows. In this context, decisions about which countries are eligible for budget support, and how much budget support they should receive, take on particular significance. This paper examines the extent to which members of the OECD Development Assistance Committee (DAC) comply with their own policies on the allocation of budget support. Using a new quantitative data set and qualitative evidence from Malawi, Zambia and Uganda, it seeks to answer two related questions. First, what factors shape bilateral donors' decisions about whether or not to provide budget support to a particular developing country? Second, what factors shape their decisions about how much budget support should be given once a country has been categorized as eligible for this type of aid? This helps to fill a gap in existing research, which to date has focused on the allocation of budget support by multilateral donors. The results suggest that DAC donors are generally compliant with their policies on the allocation of budget support. In line with donor policies, pro-poor policies and good governance appear to attract budget support. Yet several other factors also appear to be influential. These include need and the nature of the relationship between donor and recipient. Evidence also suggests that bureaucratic inertia may limit the ability of donors to respond to changing circumstances. In addition, it provides some signs that donors are willing to overlook a state's failure to respect civil liberties when deciding whether or not they are eligible for budget support. This suggests that donors' expectations that budget support will have a positive political impact may be disappointed.
Aid dependency and off-budget aid in Afghanistan: building and undermining the state

Nematullah Bizhan  
*PhD candidate, College of Arts & Social Sciences, ANU*

In 2001, following the Al Qaeda attacks on New York and Washington, the US in alliance with Afghan anti-Taliban resistance forces deposed the Taliban regime in Afghanistan, which hosted the Al Qaeda leader, Osama Bin Laden. Subsequently, the “war on terror” dominated the nature of the donors’ engagement and state building remained significantly dependent on external military and financial support—more so than during any other period since 1747.

Between 2002 and 2009, aid became the main source of state revenue. Annual foreign aid, on average, comprised 71 per cent of gross domestic product (GDP) financing above 90 per cent of public expenditure through on- and off-budget mechanisms. However, four-fifths of aid bypassed the Afghan state through off-budget mechanism. This situation largely determined the behaviour of policy makers and the development of state institutions to an extent that the government became preoccupied in dealing with donors to accessing aid. Aid and its delivery mode to Afghanistan concerning state building suffered from inefficiency and contradictions. They reinforced the building of a rentier state and largely resulted in the accountability of the government to donors rather than to the Afghan public, exacerbating the weakness and fragmentation of state institutions. This paper explores how foreign aid and its delivery mode affected on institution building between 2001 and 2009.

The impact of foreign aid from traditional donors on the quality of government in one-party state: the case of Laos PDR

Phanthanousone (Pepe) Khennavong  
*PhD candidate, Crawford School of Public Policy, ANU*

The chapter on aid and governance aims is to explain which dimensions of governance donors have been able to influence, and how. The impact of aid on governance has been studied for decades. However, cross-country results are unreliable, and there are few case studies. Therefore, this Chapter offers a case study replicating a study by Ear (2007) on Cambodia using a country survey to form research finding on aid and quality of governance based on six dimensions by Kaufmann et al (1999a and 1999b): voice and accountability, political stability, government effectiveness, regulatory quality, rule of law, and control of corruption. The country survey for this chapter focused on gaining perspectives from both donor and government officials who had extensive knowledge of aid and governance and development in the country.
Based on a survey of donors and government officials, and also looking at governance indicators for Laos, it seems donors have been able to positively influence three out of the six governance dimensions defined by Kaufman et al: voice and accountability, government effectiveness, and rule of law. This is a more positive result than Ear obtains for Cambodia. The Chapter explains this in terms of partnership and trust between the government and donor community, donor expectation within a one-party state context, and the strategic objectives of the government in responding to donor priorities.

**Panel 4b – What aid works in health and education: country case studies**

**Chair: Joel Negin**  
*Lecturer, School of Public Health, University of Sydney*

**Different aid engagement, different health system outcomes: two decades of transition for the Central Asian Post-Soviet states**

Anar Ulikpan  
*PhD candidate, School of Population Health, University of Queensland*

The collapse of the Soviet Union in 1991 resulted in a transition from centrally-planned socialist systems to largely free-market systems for Post-Soviet states. Central Asian Post-Soviet countries (Kyrgyzstan, Mongolia, Tajikistan, Turkmenistan and Uzbekistan) are still recovering, with health systems reforms requiring profound “revolution”, and external partners crucial to this reorientation through financial, technical and policy support. This research provides a comparative review of engagement for development in these states and proposes future policy options to improve development effectiveness.

Extensive documentary review was conducted using Pubmed, Medline/Ovid, Scopus, and Google scholar search engines, local websites, donor reports and grey literature. Key informant interviews were conducted with 11 key policy makers and researchers.
The collapse of Soviet dominance in the region over 70 years has brought many challenges for the health systems of these countries. The arrival of new donors was essential to the reform of health systems, although as new aid beneficiaries, neither governments nor donors had any experience of development collaboration in this context. Development assistance for health in these countries is low compared to other countries with similar income, partly due to their limited exposure to the donor community, lack of experience in managing multiple partners, and a limited history of transparency in international dealings. Despite commonalities, trajectories for these five countries have varied substantially because of differing politics and governance.

The influence of donors, both financially and technically, remains crucial to health sector reform despite their relatively small contribution to overall health budgets. Regardless of current economic status, resistance to developing more open and accountable relationships in the context of development assistance results in systems stagnation, and slow progress to improve health and socio-economic indices.

**Delivery Units: can they catalyse sustained improvements in education service delivery?**

Andy Brock*, John Martin and Robin Todd

*Managing Director, International Development, Cambridge Education; Manager, Cambridge Education; Education and Skills Advisor, Cambridge Education*

Despite the financial crisis in 2008 aid budgets among many multilateral and bilateral donors have been relatively protected, in some cases even rising. However, this has been accompanied by a significant increase in the focus on aid effectiveness demonstrated through scrutiny of impact and value for money. The Roadmap approach in Pakistan and the Big Results Now (BRN) approach in Tanzania are two recent attempts to introduce delivery units in developing countries. Both have links with the work Professor Michael Barber did in the Prime Minister’s Delivery Unit established by Tony Blair in 2001.

This paper explores the use of both mechanisms as they have been applied and adapted in development contexts – one in Pakistan, one in Tanzania - through projects Cambridge Education has been involved in supporting. We identify the political and financial conditions required to successfully establish roadmaps or delivery units; examine the extent to which these approaches can contribute towards developing a results-oriented delivery culture across government; and
examine whether these mechanisms actually improve aid effectiveness in terms of their cost effectiveness and value for money. Finally, we explore the potential for embedding these new approaches across country contexts in order to deliver sustainable development impact.

**Aid effectiveness and health sector development in Bangladesh**

Franklyn Lisk and MD Rafi Hossain*  
*Professorial Research Fellow, Centre for the Study of Globalisation and Regionalisation, University of Warwick; Economist, Policy Research Institute of Bangladesh

Foreign assistance for global health reached nearly US $30 billion in 2010, driven largely by funds to combat infectious diseases in poor countries. However, concerns have been raised about the high proportion of global aid going to health and its effectiveness in relation to alternative vital social needs such as education and gender equality and competing development priorities like food security, water and climate change. The paper is a case study on the effectiveness, or otherwise, of foreign aid to the health sector in Bangladesh, against the background of the challenges of the global economy and the history of the country's aid experience and culture. The paper will look at the impact of major health sector programmes, such as the Health, Nutrition and Population Sector Programme (HN PSP) 2003-2011, in terms of: (1) the ways that donors can contribute to sector and economy-wide development objectives; and (2) the roles that national actors – policy-makers and non-governmental and civil society organisations – can play to increase the impact of aid on progress towards development goals. Particular attention will focus on the introduction of a coordinated Sector-wide approach (SWap) in the health sector in contrast to the traditional donor-driven project approach which could result in fragmentation and costly overlaps; at the same time while the sector-wide programme approach can be cost-effective, it can also entail problems of disbursement and stakeholders coordination. Analysis of aid effectiveness will also be linked to specific commitments made by donors (and recipients) at meetings of the parties to the OECD-sponsored ‘High-level Forum on Aid Effectiveness’, from Paris through Accra to Busan – i.e. country ownership, harmonisation of donor efforts, and alignment of such efforts with national development priorities. Recommendations will be offered on how aid can deal with challenges faced by policy-makers and improve institutions and governance at national level; increase the effectiveness of policies and actions of various donors (bilateral, philanthropic foundations and multilateral organisations); and enhance coordination with public agents and the private sector.
Has SWAP influenced aid flows and aid effectiveness?

Rohan Sweeney
PhD Candidate, Centre for Health Economics, Monash University

Sector Wide Approaches (SWAp) emerged during the 1990s as a mechanism for aid delivery. Amongst other aims, SWAps aim to give increased autonomy to recipient governments over DAH programmes, allowing greater domestic influence over how DAH is allocated. Ultimately, it is hoped the implementation of SWAp will lead to health gains, however the challenges of assessing this impact has meant evaluations tend to focus on interim and process outcomes such as levels of pooled funding, sector stewardship and service delivery funding flows. Whilst the insights these deliver are valuable, the reliance on case study methodologies has not allowed for contemporaneous controls to help isolate SWAp outcomes and impacts from other potential confounding factors.

This paper utilises a uniquely compiled dataset of comparable low-income swap implementing and non-implementing countries over 1990-2011. Using difference-in-differences and dynamic panel data regressions, we investigate whether SWAp implementation appears to have allowed greater recipient ownership of DAH, leading to changes in DAH allocations across key funding silos (including HIV, ‘maternal and child health’ and ‘sector support’). Further, we evaluate the link between SWAp implementation and health impacts, specifically life expectancy and child and infant mortality.

Preliminary analysis provides little evidence that SWAp has impacted on health outcomes, though a weak positive association may exist for improved infant mortality rates. As intended under a SWAp, preliminary results suggest SWAp implementation has on average been followed by an increase in ‘sector support’ DAH compared to similar non-implementing countries over the same period. Further, the model predicts that SWAp implementation has been followed by a reduction in the proportion of HIV-specific DAH given (as compared to non-SWAp-implementing countries). This suggests that SWAp is having some of the intended effect on aid flows and fund-pooling and that there may have been some misalignment in the extent of priority afforded to HIV by donors and recipient governments prior to SWAp implementation.
Panel 4c – Donor studies II

Chair: Susan Harris Rimmer
Director of Studies, Asia Pacific College of Diplomacy, ANU

How transparent Indian EXIM Bank lines of credit are and why?

Pranay Sinha
PhD Candidate, School of Government & Society, University of Birmingham

With the establishment of the India Development Initiative in 2003 to channel development cooperation assistance to African and other developing countries, the Indian Lines of Credit (LOCs) has been continuously growing in its size and scope and became an integral part of Indian development cooperation programme.

The Concessional LOCs worth $5.4 billion and $5 billion announced in 2008 and in 2011 subsequently, has triggered a debate domestically and internationally about this growing size of Indian development cooperation. Therefore there is a call to make it more transparent both from domestic as well as international actors. So the question arises as how transparent Indian EXIM LOCs are and why.

To answer this question, the paper attempts to assess the transparency of Indian LOCs by first locating the external aid transparency habitat and then assessing the transparency of Indian LOCs individually and then comparing it with its peers by drawing on the indicators of aid transparency index.

The commercial benefits for Japan of its aid to Asia

Sabit Amum Otor
ANU graduate and Research Associate, Development Policy Centre, ANU

The present study adopts the Dynamic Ordinary Least Squares and Error Correction Model econometric techniques, and the Gravity Model of international trade to investigate the link between Japan's bilateral official assistance (Japan's ODA) and Japan's exports to the 15 recipient countries of Japan's ODA in Asia, during the period between 1972 and 2008. First, we investigate the short-and long-run dynamic effects of Japan's ODA on Japan's exports to the recipient countries. Second, we apply Granger causality analysis to investigate the possible casual relationship between of Japan's ODA and Japan's exports to the recipients. Third, we also investigate the short-run and long-run effects of the bilateral official assistance from other (i.e. Japan excluded) development assistance committee's countries (DAC's ODA) on Japan's exports to the recipients. The primary estimated results of this study are as follows: (i) For US$1.0 of ODA spent by Japan the average return is between US$1.0-US$1.8 in the long-run, and between US$1.0-US$1.4 in the short run. (ii) Consistent with the previous empirical studies, we find that Japan's ODA causes Japan's exports-not vice versa-both in the short- and long-runs. (iii) Interestingly, and contrary to the case
studies for other countries, we find that ODA from other DAC countries does not crowd out Japan’s exports to Asian countries, but, instead, enhance Japan’s exports to these countries.

Korea’s motivations of official development assistance (ODA): aid allocation as a middle power?

Ji Hyun Kim
PhD Candidate, Ewha Womans University

This study aims to analyze South Korea’s (hereafter Korea unless necessary to distinguish from North Korea) aid flow from late 1980s in accordance with its history from 1960s. In mid-1990s, Korea successfully transferred itself from a long time recipient to a growing donor. It is moving forward to be an advanced participant in terms of ODA quantity and quality by joining the Development Assistance Committee (DAC) in Organization for Economic Cooperation and Development (OECD) in 2010 and has been noted to have the 11th largest Gross Domestic Production (GDP) as of 2002. Since then, “Korea as a Middle power” and “national prestige” have frequently used in government documents, policy related materials and various articles. In terms of statistics, it clearly illustrates Korea as one of the leading middle power in the world in terms of social and economic status. However, it has not been tested whether Korea is behaving as a middle power yet. This research is designed to shed light on a question raised in debate about the motivations of Korea’s ODA in the middle power behavior/diplomacy argument.

Why do governments allocate their limited resources to promote development in other countries? There are two main motives: self-interest and humanitarianism. Self-interest includes national interest, economic self-interest and politico-strategic interest, whereas humanitarian motivations are more concerned with motivating a donor’s development assistance policies. These policies include promotion of trade, outward foreign direct investments (FDI), donor reputation in international society, national security, as well as democracy and civilization in recipient countries. Many scholars note economic or political self-interest as a critical role in early phases of foreign aid programs. However, more recently there are studies have focused on governance of recipient governments. Middle power diplomacy and middle power behavior is another thriving aspect scholars have chosen to explain reasons of motivation. Middle powers play or, at least, want to play a leading role on these issues with “good international citizenship.” Canada and Australia are the most frequently referred examples for internationalists and activists in the international system.

As an emerging donor, and a relatively new-comer in OECD DAC, it is quite significant to study the motivations of Korea’s ODA. In addition, as international development and development cooperation schemes become important, the role and
participation of emerging donors have gained attention. With those backgrounds, this study tests an empirical model of development assistance policies of Korea's ODA since 1963 and analyzes determinants of several aspects of foreign aid policy related to middle power behavior. In particular, this study focuses on the changes of motivations in accordance with evolving political and economic environment in the international and domestic arena.

**Why countries offer foreign development assistance? The case of Latin America**

Carmen Robledo
*PhD candidate, School of Politics and International Relations, ANU*

Foreign development assistance has been widely used for the last 60 years. Despite changing conditions in international politics, especially after the Cold War, aid has evolved along with it, acquiring greater salience in the international scene. In recent years, the number of donors has multiplied. Most countries around the globe participate in the foreign aid regime, either as recipient or as donors and frequently as both. Emerging countries, that until not long ago were recipients of overseas development assistance (ODA), are rivalling the aid offered by traditional donors.

Despite outstanding rates of growth in recent years, the distribution of income in the emerging world is extremely unequal. Tiny pockets of wealth are surrounded by oceans of poverty, and yet emerging nations are increasingly active offering ODA to other developing nations. What are the drivers behind foreign aid policies of emerging donors, especially when these countries still have endless domestic challenges to overcome? Is emerging countries' ODA driven by similar factors than traditional donors? Some argue that new donors use aid to improve their international image, while others believe that aid represents genuine international solidarity.

In the same way that domestic and external factors affect foreign policy, they shape ODA too. The evolution of the international context and changing domestic conditions play a key role in the definition of the national interest of a country, which in turn impacts the formulation of national policies, including foreign policy and foreign aid. In reality, the objectives of foreign aid policies are frequently entwined with international and domestic elements. This paper will present a comparison of the motivations behind ODA policies of traditional and emerging donors. The analysis is based on IR and IPE theories.
Panel 5a – Changing aid landscapes

Chair: Robin Davies  
Associate Director, Development Policy Centre

Busan and beyond: South Korea and the transition from aid effectiveness to development effectiveness

Eun Mee Kim  
Dean and Professor, Graduate School of International Studies, Ewha Womans University

The fourth High Level Forum on Aid Effectiveness (HLF-4), held in Busan, South Korea drew the largest number as well as the most diverse group of participants ever. This paper examines the shift towards a new global development cooperation paradigm at the Busan HLF-4; the new global partnership that emerged from Busan; and what South Korea brought to the global discourse on development cooperation as an emerging donor.

Although it is premature to argue that a new paradigm was established at Busan, there was a clear political momentum for a shift from aid effectiveness to development effectiveness, a change which was advocated and promoted particularly by new actors such as South Korea. The Busan HLF-4 and the post-Busan process have highlighted the global role of new actors, with South Korea exemplifying through its own experience how aid can help bring about development, contributing to the global discourse on development cooperation and playing a bridging role between traditional and emerging donors. The changing dynamics of the world including the global financial crisis and climate change suggest that the global challenges are different from what had been expected when the HLF process and MDGs were begun in the beginning of the 20th century.

Thus, we recommend that global development cooperation discourse and activities that had been led by traditional Western donors need to find more effective ways of incorporating new actors and different modalities of development cooperation since the global challenges we face are grave. New development partners can bring to the table lessons, energies and capacities deriving from their own dramatic success in alleviating poverty and attaining development and their visibility as global development actors.

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The implications of the changing international aid regime for medium-sized traditional donors

Benjamin Day
PhD candidate, School of International, Political & Strategic Studies, ANU

The international aid regime, long dominated by rich western states, is undergoing a paradigm shift. There is considerable agreement on the key characteristics of the emergent regime. Most obviously, development has entered an ‘age of choice’, where traditional donors now compete with emerging donors, global philanthropic funds and other sources to provide developing countries with development financing. This has recast the traditional donor-recipient relationship. Two additional dynamics are commonly cited: Official Development Assistance represents an ever-shrinking proportion of global financial flows; and the distribution of poverty has changed dramatically. Meanwhile, development assistance is increasing seen as a tool to address shared concerns, especially public goods challenges like climate change.

This paper examines the impact of these changes for a specific group of states - medium-sized traditional donors. This grouping includes Australia, Canada, the Netherlands, Switzerland, Sweden and Norway. These states are moderately powerful; they exist in the strategic space between the apex and base of the international power structure. Traditionally, these states have exerted disproportionate influence upon the international aid regime. As such, they figure as the biggest losers from the current reshaping of the norms guiding the provision of ODA. This paper considers the prospects for medium-sized donor states in this new environment and predicts how they may reorient their development assistance policies in response.
Panel 5b – Learning from history: lessons from aid to Asia

Chair: Tess Newton Cain
Principal consultant, Devpacfic, and Research Associate, Development Policy Centre

Institutional capacity building for poverty reduction through the implementation of the World Bank projects in China

Enjiang Cheng* and Xiaojun He
Senior Research Fellow, Victoria University; Deputy Director, International Poverty Reduction Centre in China (IPRCC)

The implementation of the World Bank’s poverty projects in China has impacted positively on China’s poverty reduction strategy and policies. Using the results from the interviews with the Chinese government officials, World Bank staff and consultants undertaken by IPRCC in 2011-12, this paper studies the processes of capacity building for the Chinese executing institutions and staff through the implementation of the World Bank’s poverty projects in China. The Chinese executing institutions and staff have learnt from the World Bank in project designing and management and introduced innovations in their poverty reduction policies and methodologies. The World Bank has also made adjustments to their projects in China in line with the new problems arising in project implementation. This partnership experiences can be a model for other developing countries to strengthen their capacities for their poverty reduction institutions and staff.

The role of aid in the development of Korea and Taiwan

Steve Smith* and Stephen Howes
Director, Macroeconomic Policy and Forecasting, Deloitte Access Economics, and Research Associate, Development Policy Centre; Director, Development Policy Centre, ANU

The economic performance of South Korea and Taiwan since the middle of the twentieth century has been extraordinary. Sustained rapid economic growth has enabled millions of people to move out of poverty throughout both countries. In the decades following the Second World War, including in the lead up to the ‘take off’ in economic growth, both South Korea and Taiwan received substantial volumes of foreign aid. In spite of this, aid receives surprisingly little credit for South Korea and Taiwan’s achievements. In fact, a number of studies have concluded either that aid didn’t matter, or that in fact it was detrimental to growth, and stifled the transition to better policies. However, a comprehensive analysis of the relationship between aid and growth in the two countries has been missing to date. This paper fills that gap. It concludes that foreign aid played a fundamental role in post-war South Korea and Taiwan, providing both countries with critical support until domestic policies and institutions were able to generate self-sustaining growth, and, with mixed success, helping those domestic policies and institutions to emerge. It argues that this finding has considerable relevance for current aid debates, including around the role of aid in fragile states and aid dependency.
Plenary panel session – Making their mark: the BRICS and aid

Chair: Anthea Mulakala
Director, International Development Cooperation, The Asia Foundation

Regulating foreign aid through Acts – effects, impacts and implications for China

Dr Sun Tongquan* & Zhou Taidong
Associate Professor, Rural Development Institute, Chinese Academy of Social Sciences; Program Officer, The Asia Foundation, China

Along with its fast economic development, China has increased its foreign aid rapidly in recent years. The forms and structure of the aid are also experiencing changes. These changes bring challenges to the existing foreign aid management system of China. China has been considering and discussing the necessity and feasibility of formulating a regulation to improve its governance of foreign aid. Learning from other donor countries’ experiences becomes urgent and meaningful for China to improve its own aid management system. The OECD/DAC member countries have more experiences and research outcomes on policy and law making in foreign aid. Taiwan of China has also developed its law on foreign aid. In this context, we conducted a comparative study on international foreign aid regulatory system on selected cases including Australia, Japan, South Korea, United Kingdom, United States and Taiwan of China. The purpose of the study is to draw lessons for mainland China to strengthen its aid regulation system and improve its aid effectiveness.

The term of regulation in this research refers to the combination of law and policy papers that bear binding force. The term of regulation system refers to a system composed of the law, policy and their organizational carriers. The forms of policy papers of foreign aid mainly include policy statements and regional or country development cooperation planning documents. The forms of policy statements can be further divided into white paper, cabinet reports to parliament/congress and multi-year planning documents.

Foreign aid laws can be categorized into the following five types: (1) basic law, with stipulation on the purposes, objectives, principles, modalities, management and supervision of foreign aid; (2) organizational law, regulating the formation, function, management and operation of the special organization that is responsible for foreign aid; (3) administrative rules and decrees, providing rules for foreign aid business operation and implementation; (4) international treaties and bilateral or multilateral development cooperation agreements, in which aid commitments or programs are made; (5) other regulations that are related to foreign aid activities, such as governmental procurement law, budgeting and appropriation act, foreign trade regulation and transportation rules, etc.
Our findings show that the regulation systems differ from one to another. Some cases have specific foreign aid law and policy papers, and others not. The countries without special foreign aid law often use policy statements. The purposes of making foreign aid policy and law are generally the same, that is, to clarify the purposes and principles of foreign aid and to regulate the behaviors of aid agencies. However, the reasons for formulating foreign aid law are actually complicated. It is not a result of linear change from policy paper to legal act, but a consequence of interaction between political system, legal institution, international and domestic situation, and realistic needs. Nevertheless, there seems to be a tendency that foreign aid regulatory systems are moving from dispersed single special regulations to uniformed institutional system and from short-term regulations to long-term stable regulations.

Our policy implications for China include:

1. Foreign aid regulation system includes not only the policy statements or the basic law at the top level, but also the rules for specific aid activities and the organizations that implement the policies or laws. The basic laws and policy statements only provide a framework of foreign aid. The aid activities rely more on the specific regulations;

2. It seems that there are no strong connections between the efficiency and effectiveness of aid management and the existence of a specific foreign aid law. However, a specific foreign aid law is of great importance for ensuring consistency of foreign aid purposes and principles, as well as the stability of aid administration and management;

3. A foreign aid law should provide a general legal framework rather than operational details because operations often need to be adjusted according to national and international situation. Providing too many detailed provisions might require frequent modifications of the law which need going through complicating procedure and costing more time and may impair the authoritativeness and stability of the law;

4. Good organizational structure and management mechanisms of foreign aid may contribute more to the efficiency and effectiveness of aid. It is argued in this report that a special entity with relatively independent status and full authority will be helpful for improving the efficiency and effectiveness of aid administration and management, ensuring the consistency and predictability of foreign aid policy, as well as benefiting the assessment and accountability of aid performance. However, at the same time, such institutional arrangement may also cause issues of “selfish departmentalism”, and result in dependent on aid industrial interests.
Such negative consequences should be taken into consideration by the government.

**India's geo-political interests and foreign aid: constraints to policy alignment**

Rani D. Mullen  
*Director, Indian Development Cooperation Research and Senior Visiting Fellow at the Centre of Policy Research in New Delhi*

Indian development assistance has grown markedly in volume and diversity since the turn of the century, rising four-fold in the decade since 2003. Indian aid will play an increasingly significant role as India deepens its engagement in regional and global development assistance through seeking an active role in the BRICS architecture, in regional and multilateral development organizations, and by moving towards becoming a net donor. Yet as the role and importance of Indian development assistance has risen, so have domestic and international questions about whether Indian foreign aid is aligned with its larger foreign policy aims.

By analyzing Indian aid to different regions as well as selected case study countries in Asia, this presentation will argue that while Indian foreign aid has largely aligned with India's geo-political interests by region, there are country cases where Indian assistance has only slowly aligned with its larger foreign policy interests. As Indian aid continues to grow and outpace the country's capacity to manage and align its foreign aid with its foreign policy interests, such cases of divergence between aid and political interests are likely to grow.

**Brazil's international development cooperation: old and new motivations**

Sean Burges  
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Brazil has entered the world of development assistance provision, but with its own twist. This paper looks at what Brazil is doing in the provision of development assistance provision, arguing that despite protestations to the contrary, Brazil does provide ODA. The paper also argues that Brazil is taking a cross-government policy coherent approach to ODA, which includes recruitment of business interests. Turning to the motivations for providing foreign aid, the argument is that there is a genuine and deep concern with global poverty alleviation in Brazil, but that this does not preclude Brazilian policy makers from using aid and development-related activities from advancing the national interest. The added quirk that sets Brazil apart from Northern counterparts is that provision of development assistance offers significant benefits in terms of building internal international bureaucratic experience and helping national firms internationalize their market penetration and activities.
Panel 6a – NGOs and aid effectiveness

Chair: Jo Lindner
Head of Policy - Aid and Development Effectiveness, Australian Council for International Development

The Value for Money agenda and NGOs

Patrick Kilby
Program Coordinator, Master of Applied Anthropology and Participatory Development Program, School of Archaeology and Anthropology, ANU

The value for money (VfM) agenda in overseas aid has been a more recent part of the aid effectiveness debates of the last twenty years. While these debates have focussed on whether aid objectives have been met, or if there has been an impact, there is another question related to that and that is has the aid has been well spent, has there been no waste, and has it all been worth the investment? This has been put into the rubric of economy, efficiency and effectiveness to which some may add equity (or fairness). This is the basis of the value for money debates. The danger is that these can then quickly fall into cost exercises where comparative costs are made across different contexts or worse still if one type of social reforms represents better VfM than another: if vaccinations are better VfM than primary schools or some such. Of course there are a number of traps here and if crude measures are used aid can be less, not more, effective. In AusAID most of the early work on VfM has been done with NGO programs probably because they are relatively small and lay outsides the complexity of intergovernmental bilateral relationship or multilateral organisations.

The general approaches to VfM in NGO programs have been to look at the processes involved and ask if those processes likely to ensure that there is adequate cost control, awareness of alternatives, and the like. If however the suggestion is that rather than descriptive processes are looked but metrics are attempted, to lead to league table and measures of alternatives, then a whole host of questions emerge. The most obvious ones being VfM for whom, what, where, and when. These are not trivial questions, and how they are answered (and weighted) can affect aid allocations or long term results.

This paper will look at a number of these issues in the case of NGO program which are often if not usually about micro level (sub-district) social change. The key issue for these sorts of programs is the time frame to socialise the type of change envisaged (may take 10-20 years and so are often there for the long-haul). The other issue is being able to predict changes over time: programs evolve and so what was known at the start is built upon with new knowledge as change occurs. Part of this is to do with the unexpected and unknowable. Finally, how can meaningful comparisons be made across programs. Context if not everything is nearly everything in
development. The paper will end with some ideas on ways forward which might be able to demonstrate what VfM means in a particular context while avoiding league tables, or King Solomon choices.

**Toward better contracting for capacity building among NGOs in the aid channel**

Elizabeth Crawford Spencer  
*Associate Professor, Faculty of Law, Bond University*

Given the ongoing controversy over aid (Bauer, 1972; Easterly, 2006; Moyo, 2009) and the recent reduction in the Australian government commitment to aid, it is important that Australia's development aid is effective, and is perceived to be so. Effectiveness is about achieving desired aims, and development aid serves a variety of diverse aims that can be difficult to prioritize and measure at any one point in time. Among the multiple objectives identified by AusAID's Office of Development Effectiveness Independent Review of Aid Effectiveness was a need to build capacity locally (Independent Review). ‘Capacity building’ is an often-stated objective of aid. It is one of the Paris Declaration's aid effectiveness principles, and several of the 2013 DAC Recommendations for AusAID deal with capacity building (DAC Report). Because small, localised NGOs are often more flexible, more sensitive to local needs, offer grass roots networks, potential specialization, and the ability to assist directly, a strong focus on local NGOs is recommended to sustainably achieve the aim of capacity building (*Civil society engagement framework*; Gibson, 2005).

This study looks at capacity building and NGOs through the lens of contracting. While partnering with multilateral organizations now represents over 30% of the total aid budget (Independent Review), the DAC Report recommends further increases in partnering for sustainable capacity development. Contract and the contracting process can therefore provide critical, though sometimes overlooked, levers of control in the aid channel. The larger question concerns the politics of contract law, the operation of which assumes supportive infrastructures of both government and the market. Specific concerns include enforcement of contracts where the legal infrastructure for enforcement is limited and the cultural infrastructure for interpretation requires a pluralistic approach.

By framing aid effectiveness as a contractual problem, this research adduces relevant threads of contract and organizational theory in its empirical analysis of contracting in development aid. Semi-structured interviews conducted with international and local NGOs and AusAID officials in Cambodia, Myanmar and Thailand shed light on how local NGOs understand the contracting process, how they view contracts and agreements in partnering, what they perceive to be the important issues, and how contracts function. Local context matters, and the development aid picture varies by region, country, etc. (*Kerlin, 2013; Salamon, Sokołowski, & Anheier, 2000*). Nevertheless, this study suggests several common themes with interesting
parallels to those in commercial contracting, including issues of control, information, allocation of risk and imbalance of power.

From a theoretical perspective, controversy over the significance and meaning of contract has been part of the academic discourse for decades (Collins, 1999; Kreitner, 2012; MacNeil, 1978; Macauley, 2003). This study contributes to better understanding of the role of contract in the aid context. Its implications extend to contract theory more generally applicable in both commercial and noncommercial realms. From a practical perspective, this study suggests ways in which contract can better serve the stated aims of capacity building, and it informs the design of contracting processes better tailored to contractual objectives.

**Value for Money – is it easier, or harder, than it looks?**

Andrew Rowell  
*Manager, Quality and Impact, CARE Australia*

The Australian aid program has pursued an active agenda on Value for Money (VFM) in recent years. In policy documents, this agenda has been expressed in terms of “VFM and Results” or “VFM and Effectiveness”, rather than VFM as an isolated concept. However, the strong message from high levels that VFM is a Very Important Thing has not yet led to a consistent understanding of how this should be addressed in practice, or application of a coherent approach around VFM across the Australian aid program. This has led at times to mixed messages, simplistic scrutiny of budget lines and other unproductive attempts to ensure that the VFM box has been appropriately ticked. As many have noted, this risks pushing NGOs to focus more on delivering easily counted traditional outputs and less on transformative approaches and contributing to social change.

As not-for-profit organisations, subject to strong accountability processes and a high level of cost consciousness, NGOs are confident intuitively in their fundamentals around VFM. However, they can face difficulties in demonstrating and articulating this when challenged. A number of agencies are working collaboratively to develop a better understanding around VFM issues and work towards improved methods. This presentation will touch on approaches being examined or trialled by different agencies, and outline some of the lessons and principles emerging. These include recognising the multifaceted nature of VFM issues; incorporating perspectives on value from program beneficiaries; ensuring that VFM considerations are closely integrated with monitoring and evaluation processes rather overlaid separately; thinking about longer term programming and implications for VFM analysis; and ensuring that VFM assessment processes are themselves efficient and effective.
Panel 6b – Aiding health in the Pacific

Chair: Andrew McNee
Director, Human Development Section, Pacific Development Division, Department of Foreign Affairs and Trade

Knowing that we know nothing: the Socratic paradox and health sector reform in Papua New Guinea

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The complexity of the development process is increasingly being recognised in the international development community. There is a growing awareness of underlying socio-political constraints to development that are particularly entrenched in fragile states. Yet meagre evidence currently exists about how donors can effectively contribute to overcoming these constraints. Rather than understanding and addressing them, donor interventions are oftentimes based on flawed assumptions about the fragile state context in which they are operating.

This paper will focus on donor-supported health system reform efforts in Papua New Guinea (PNG) between 2000 and 2010. Within this particular context, we seek to demonstrate how little the development community understands about what works and what doesn't work. Such an admission has critical implications for aid planning and implementation.

The paper proceeds in three parts. The first part analyses relevant donor and program-produced documents related to health sector reform. This analysis will reveal the continual restatement of like problem diagnosis and proposed ‘solutions’. Very little progress has been made in advancing these ‘solutions’ or improving basic service delivery and the health status of the population has, by numerous measures, deteriorated. The second part demonstrates how this failure derives, in part, from the application of flawed assumptions about what works in the PNG context. In particular, it will reveal the limited utility of the widely accepted WHO health system building block framework in guiding health sector reform efforts. We argue that, while this framework has enabled the identification of auxiliary effects, its application leads to flawed ‘solutions’ which fail to address the fundamental constraints in the PNG health system. The paper concludes by drawing on the insights of systems thinking and offers a number of suggestions for how future efforts might begin to escape the unfruitful patterns of the past.
Provision of appropriate regional public health goods in the Pacific after 2015

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Epidemiologist, Secretariat of the Pacific Community; Senior Economist, GRM Futures Group; and Senior Vice President & Chief Technical Officer, GRM Futures Group

Some health functions can be provided more efficiently on a regional rather than national basis across the Pacific community. This is especially true for small island Pacific countries that lack manpower and resources. In our paper, we use criteria derived from an updated definition of ‘public good’ to examine health-related functions that could be conducted at a regional level. We evaluate the benefit to national and regional health outcomes from adopting such a distinction. For example, many small island countries lack a system for disease surveillance and health-related research. Benefits from improved surveillance and research into Pacific-related health problems can be available to all countries and the use of these benefits by one would not reduce their availability for others. In order to fully satisfy the criteria for a true public good, financing arrangements should ensure that the benefits are shared freely.

For the identified public goods, we examine potential systems of provision, especially decisions on financing, location, and management of the related functions. Initially, development partners may need to support provision, before a regionally based, cooperative and co-funded arrangement can emerge. It will be important to focus on goods that are highest priority across a wide range of countries. While development partner support for health in the region is substantial, it could be targeted better and more efficiently in addressing contributing causes of poor health outcomes. One example is the funding allocated to HIV in a region with low prevalence compared to funding allocated to NCDs.

We conclude our paper with a roadmap towards institutionalizing a minimum set of regional public health goods of highest priority, and identify key next steps for various stakeholders. The roadmap identifies potential financing needs, and recommends management structures suitable for the regional functions. Key gaps in data and research needs are identified.

Aid and the control of TB in PNG: is Australia’s assistance good policy?

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Australia supports the control of TB in its nearest neighbour, Papua New Guinea (PNG), for reasons both of aid effectiveness and a desire to decrease the chance of importing multi drug-
resistant tuberculosis (MDR TB). This paper analyses the case for this support, its time length and how extensive the support should be. We reach three key conclusions. First, Australia directly benefits from controlling Tb in PNG, with an investment of $17 million over 20 years earning a net present value of roughly $74 million. Second, the longer and the more extensive the directly observed treatment for the short-course program (DOTS) to control TB, the higher the returns that are generated for Australia. Finally, in addition to surpassing all commonly used benchmarks for cost effective aid from Australia, a DOTS expansion in PNG also generates a combined benefit for both countries that compares well in the established range of the ‘ten best health buys’ in developing countries.

Panel 6c – Non-traditional donor case studies

Chair: Wendy Jarvie
Visiting Professor, School of Business, UNSW

Chinese agricultural aid in Tanzania: reproduction of Chinese agricultural regime

Zhang Yue
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In recent years, China is undergoing important transformation from a recipient country to a new donor, attracting a growing research interest in China's aid. Chinese agricultural aid to Africa is growing rapidly and having increasingly important impact on African agricultural development and poverty reduction. Chinese agricultural technology demonstration center is one of the main forms of Chinese agricultural aid after the third Forum on China-Africa Cooperation FOCAC in 2006, proving a good case for understanding realities and nature of Chinese aid. Ethnographic methodologies are employed in my three-months field research in Chinese agricultural technology demonstration center in Tanzania. Participatory observation, interviews and documents study are used for information collecting. The purpose of this paper is to provide a picture of how Chinese experts do agricultural aid in African land. Specifically, it focuses on the
Chinese agricultural technology demonstration center’s values, dynamics, internal relationships, structures and interactions between Chinese technicians and local people. The paper argued that Chinese agricultural aid in Tanzania is a process of reproduction of Chinese agricultural regime. Firstly, agricultural technologies and knowledge, demonstrated in the Chinese agricultural technology demonstration center center in Tanzania, is exactly Chinese agricultural production regime, increasing production by high biological yield. Secondly, the center’s management structure and operation mode show that Chinese state-market relationship is the underlying principle of Chinese aid program. The government allows companies to engage in aid program to ensure sustainability based on multi-functional goals. Thirdly, interactions between Chinese aid and local reality brought up reflections of Chinese aid. All of these above show that Chinese agricultural aid is deeply shaped by China’s own agricultural regime, which is the basic political and cultural character of Chinese aid.

Aid effectiveness and public-private partnership: Thailand’s development assistance in Lao PRD and Cambodia

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Thailand had started providing development assistance to neighboring countries, particularly loan, since 2005. The Neighboring Countries Economic Development Agency (NEDA) was established as a public organization under supervision of the Ministry of Finance to take responsibility on this matter.

NEDA has provided two types of assistance, namely financial assistance and technical assistance. Within financial assistance, there are three types – concessional loan, grant, and mixed credit; and within technical assistance, there are two types – concessional loan for technical assistance and grant for technical assistance.

Information from NEDA’s annual reports shows that NEDA’s technical assistance does not focus on capacity building, but is related to loan project. Precisely speaking, the technical assistance provided by NEDA is financial assistance for feasibility study of loan projects which will be supported by NEDA. Infrastructure construction in Mekong riparian countries is the priority of NEDA’s loan.
Although NEDA has provided loan to those countries with modest conditions; such as, low interest rate and long grace period and loan period, it is found out that NEDA has applied other conditions which can be categorized as “tied aid”. Namely, goods, equipments and services procured under NEDA’s loan project must be Thai of at least 50%; and contractors and consultants procured under NEDA’s loan project must be Thai entity. Thus, it is interesting to study factors or reasons why Thailand has continued this practice while the “untied aid” is widely promoted among donors.

In addition, after HLF 4 in Busan, the public-private partnership (P-P-P) has also been promoted as a method to involve more actors in aid process. Then, it is interesting to study how Thailand’s government agency, particularly NEDA as a loan provider, cooperates with companies on development projects implemented in her neighboring countries, especially Lao PDR and Cambodia.

**Active agents, passive recipients? Negotiation of Chinese development assistance and concessional lending by Pacific Island Governments**

Matthew Dornan and Philippa Brant  
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Chinese development assistance has attracted increasing attention since the China-Pacific Island Countries Economic Development and Cooperation Forum was held in 2006. At this meeting, the Chinese Premier Wen Jiabao, announced a range of assistance for the region, including RMB 3 billion of concessional loans. This has led to China becoming the major creditor to Pacific island countries such as Tonga. Most studies have focused on geostrategic implications of such assistance, and on the relationship between China and traditional aid donors. What has been missing is analysis of the role played by Pacific island governments, and Chinese contractors, in establishing and implementing China-funded projects. An understanding of these roles is important, given their impact on the effectiveness and developmental outcomes of both grants and concessional finance.

This paper presents research exploring how Pacific island governments pursue and implement projects funded by Chinese official development assistance, including concessional loans. Our results are based on interviews with civil
servants, political leaders, and Chinese embassy staff across four case study countries where assistance has been significant: Tonga, Vanuatu, Samoa and Cook Islands. The way in which these Pacific island governments have pursued and implemented projects has differed considerably. We argue that this is a key determinant of both the effectiveness, and perceived effectiveness, of Chinese assistance in each country. There is considerable scope for Pacific island governments to learn from the successes and mistakes of regional neighbours when utilising Chinese funding.