

# Architect of Decline

The institutional architecture of OECD donors and its relevance to the Australian context



# Institutional Architecture

The parliamentary and governmental structures, systems and processes which support the aid program.

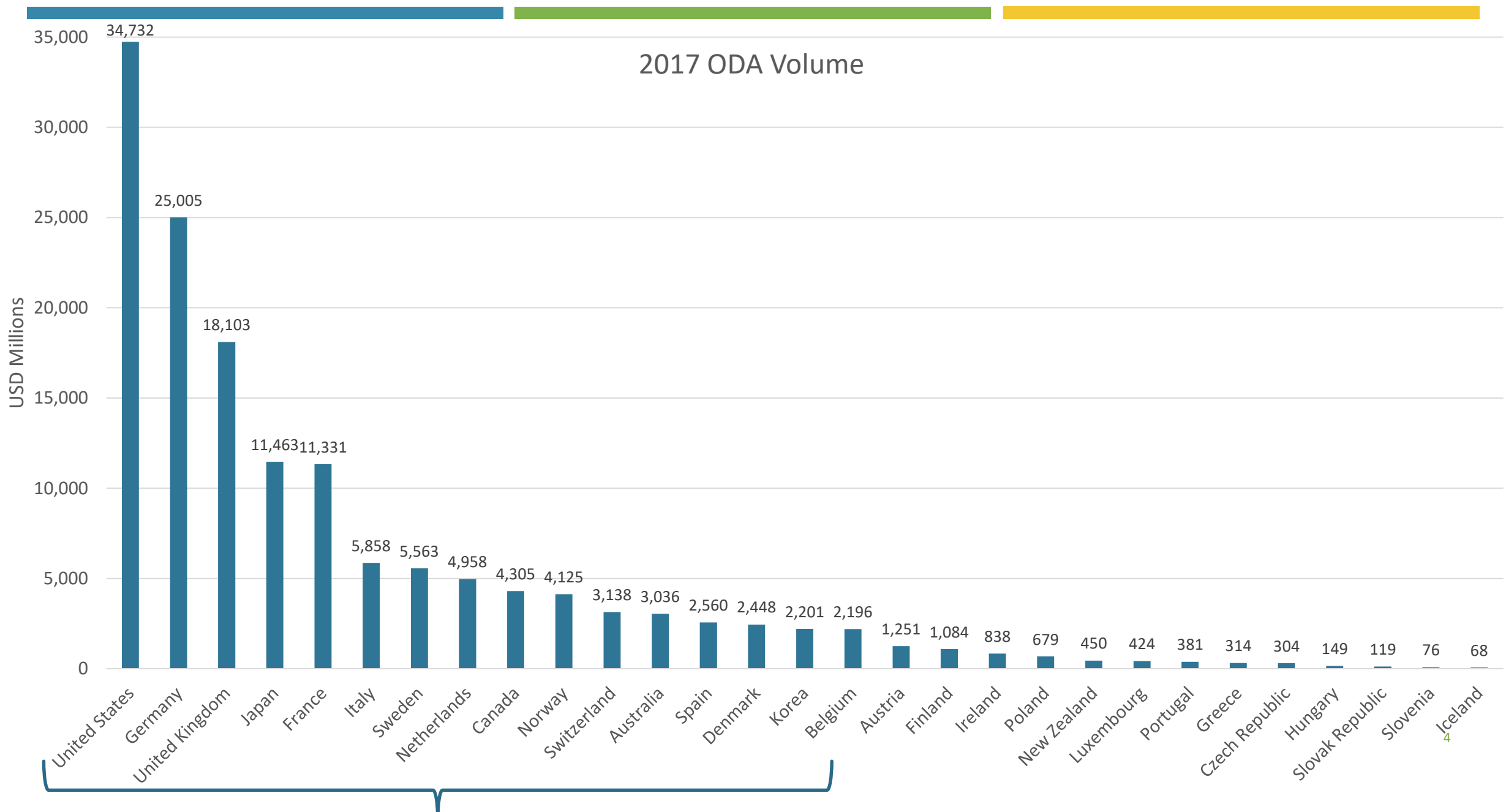
The six prioritised for this paper were:

- **Legislation:** Dedicated legislation which provides a framework to underpin the aid program.
- **Agency or Department:** The policy making and implementation entity within the executive government.
- **Role of Cabinet and Finance:** The policy setting role of the cabinet or other whole of government mechanisms and other key departments in determining the policy priorities of the aid program.
- **Ministerial Oversight:** The rank (cabinet or junior) and portfolio responsibilities of the minister responsible for the aid program.
- **Parliamentary Oversight:** The mandated parliamentary reporting requirements and other dedicated oversight mechanisms such as parliamentary committees.
- **Independent Evaluation:** A dedicated evaluation entity and the mechanisms around it to ensure its independence such as reporting lines, oversight committees or reporting to parliament.

## Independent Review of Aid Effectiveness, April 2011

- **Legislation:** The Review Panel's view is that aid effectiveness can be achieved without legislation. There are many more important factors. (p. 254)
- **Agency or Department:** The issue deserves consideration and should be kept open as the aid program grows in coming years. It is not a make or break issue for the effectiveness of the program at this stage. (p. 258 – 259)
- **Role of Cabinet and Finance:** The government should develop and implement a Cabinet–endorsed Four–Year Strategy for the entire aid program for policy and funding clarity. (p. 245 – 254, Rec. 24 – 27)
- **Ministerial Oversight:** One relatively simple measure the Review Panel would recommend to increase the ministerial profile of aid in government would be to add 'International Development' to the title of the Minister for Foreign Affairs. (p.256 – 258, Rec. 29)
- **Parliamentary Oversight:** There have been very few parliamentary inquiries into aid. (p.291)
- **Independent Evaluation:** This push among some bilateral donors to do independent monitoring and evaluation is quite new. It is unclear whether it will continue in the political environment that bilateral donors inhabit. (p. 289 - 290)

# 2017 ODA Volume





## Table Ratings Key

Volume and GNI Rankings <sup>1</sup>	Transparency Index <sup>2</sup>	Legislation	Separate Agency	Role of Cabinet and Finance	Ministerial Oversight	Parliamentary Oversight	Independent Evaluation
	Very Good						
Top 10	Good	● Legislation	● Separate policy and implementing agency	● Finance ministry involved in aid program policy	● Dedicated Cabinet Minister, international development	● Active parliamentary committee and mandated parliamentary reporting	● DAC Peer Review rates highly for independence and quality of evaluations
11-20	Average		● Separate implementing agency policy set by Foreign Ministry	● Finance ministry involved in administering ODA loans	● Junior Minister to Foreign Minister	● Active parliamentary committee or mandated parliamentary reporting	● DAC Peer Review rates adequate for independence and quality of evaluations
21+	Poor	● No legislation	● No separate agency, under Foreign Ministry	● Finance ministry only involved in budget process	● Foreign Minister only	● Neither active parliamentary committee nor mandated reporting to parliament	● DAC Peer Review expresses concerns about the independence and quality of evaluations

<sup>1</sup> OECD Development Assistance Committee: <http://www.oecd.org/dac/financing-sustainable-development/development-aid-stable-in-2017-with-more-sent-to-poorest-countries.htm>

<sup>2</sup> Publish What You Fund: <https://www.publishwhatyoufund.org/the-index/>

## Legislation

*Hacker: I want all citizens to have a right to see their own files and I want legislation to make unauthorised access, illegal.*

*Humphrey: Very well. It shall be done.*

*Hacker: Good.*

*Humphrey: But the legislation necessary to give the public the right to take legal action is extremely complicated and would take considerable time to draft, promulgate and enact.*

- Big Brother, Yes Minister

Country	Volume Rank & Size (USD billions)		GNI Rank & Percentage		Transparency Index	Legislation					
Australia	12	2.96	19	0.23	57.3	●					
Belgium	16	2.2	9	0.54	63.4	●					
Canada	9	4.28	16	0.26	79.6	●					
Denmark	14	2.4	4	0.72	49.2	●					
France	5	11.36	10	0.43	46.4	●					
Germany	2	24.68	6	0.66	60.8	●					
Italy	6	5.73	14	0.29	45.5	●					
Japan	4	11.48	18	0.23	38.8	●					
Netherlands	8	4.95	7	0.60	70.1	●					
Norway	10	4.12	3	0.99	43.3	●					
South Korea	15	2.2	24	0.14	36.9	●					
Spain	13	2.41	20	0.19	35	●					
Sweden	7	5.51	1	1.01	71.2	●					
Switzerland	11	3.1	8	0.46	50.9	●*					
United Kingdom	3	17.94	5	0.70	90.9	●					
United States	1	35.26	21	0.18	68.7	●					



## Department or Agency

*Hacker: I'm only abolishing the department. Education and Science will flourish.*

*Humphrey: Without a government department? Impossible!*

- The National Education Service, Yes Prime Minister

Country	Volume Rank & Size (USD billions)		GNI Rank & Percentage		Transparency Index	Legislation	Separate Agency				
Australia	12	2.96	19	0.23	57.3	●	●				
Belgium	16	2.2	9	0.54	63.4	●	●				
Canada	9	4.28	16	0.26	79.6	●	●				
Denmark	14	2.4	4	0.72	49.2	●	●				
France	5	11.36	10	0.43	46.4	●	●				
Germany	2	24.68	6	0.66	60.8	●	●				
Italy	6	5.73	14	0.29	45.5	●	●				
Japan	4	11.48	18	0.23	38.8	●	●				
Netherlands	8	4.95	7	0.60	70.1	●	●				
Norway	10	4.12	3	0.99	43.3	●	●				
South Korea	15	2.2	24	0.14	36.9	●	●				
Spain	13	2.41	20	0.19	35	●	●				
Sweden	7	5.51	1	1.01	71.2	●	●				
Switzerland	11	3.1	8	0.46	50.9	●*	●				
United Kingdom	3	17.94	5	0.70	90.9	●	●				
United States	1	35.26	21	0.18	68.7	●	●				

## Role of Cabinet and Finance

*Hacker: How will the Treasury agree to tax cuts?*

*Humphrey: Get the Chancellor to agree.*

*Hacker: How will the Chancellor agree?*

*Humphrey: Get the Treasury to agree.*

*Hacker: This is impossible.*

*Humphrey: Yes, Prime Minister, it is impossible*

- The Smoke Screen, Yes Prime Minister

Country	Volume Rank & Size (USD billions)		GNI Rank & Percentage		Transparency Index	Legislation	Separate Agency	Role of Cabinet and Finance			
Australia	12	2.96	19	0.23	57.3	●	●	●			
Belgium	16	2.2	9	0.54	63.4	●	●	●			
Canada	9	4.28	16	0.26	79.6	●	●	●			
Denmark	14	2.4	4	0.72	49.2	●	●	●			
France	5	11.36	10	0.43	46.4	●	●	●			
Germany	2	24.68	6	0.66	60.8	●	●	●			
Italy	6	5.73	14	0.29	45.5	●	●	●			
Japan	4	11.48	18	0.23	38.8	●	●	●			
Netherlands	8	4.95	7	0.60	70.1	●	●	●			
Norway	10	4.12	3	0.99	43.3	●	●	●			
South Korea	15	2.2	24	0.14	36.9	●	●	●			
Spain	13	2.41	20	0.19	35	●	●	●			
Sweden	7	5.51	1	1.01	71.2	●	●	●			
Switzerland	11	3.1	8	0.46	50.9	●*	●	●			
United Kingdom	3	17.94	5	0.70	90.9	●	●	●			
United States	1	35.26	21	0.18	68.7	●	●	●			

## Ministerial Oversight

*A Minister has three functions.*

*First, as an advocate, making the Department's actions seem plausible to Parliament and public, he is our public relations man.*

*Second, he is our man in Westminster, steering our legislation through Parliament.*

*And third, he is our bread winner. He has to fight in Cabinet for the money we need to run our Department.*

- Sir Humphrey Appleby,  
The Right to Know, Yes Minister

Country	Volume Rank & Size (USD billions)		GNI Rank & Percentage		Transparency Index	Legislation	Separate Agency	Role of Cabinet and Finance	Ministerial Oversight		
Australia	12	2.96	19	0.23	57.3	●	●	●	●		
Belgium	16	2.2	9	0.54	63.4	●	●	●	●*		
Canada	9	4.28	16	0.26	79.6	●	●	●	●		
Denmark	14	2.4	4	0.72	49.2	●	●	●	●*		
France	5	11.36	10	0.43	46.4	●	●	●	●		
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Italy	6	5.73	14	0.29	45.5	●	●	●	●		
Japan	4	11.48	18	0.23	38.8	●	●	●	●		
Netherlands	8	4.95	7	0.60	70.1	●	●	●	●*		
Norway	10	4.12	3	0.99	43.3	●	●	●	●		
South Korea	15	2.2	24	0.14	36.9	●	●	●	●		
Spain	13	2.41	20	0.19	35	●	●	●	●		
Sweden	7	5.51	1	1.01	71.2	●	●	●	●		
Switzerland	11	3.1	8	0.46	50.9	●*	●	●	●		
United Kingdom	3	17.94	5	0.70	90.9	●	●	●	●		
United States	1	35.26	21	0.18	68.7	●	●	●	●		

# Parliamentary Oversight

*I don't want the truth. I want something I can tell Parliament!*

- Jim Hacker,  
The Writing on the Wall, Yes Minister

Country	Volume Rank & Size (USD billions)		GNI Rank & Percentage		Transparency Index	Legislation	Separate Agency	Role of Cabinet and Finance	Ministerial Oversight	Parliamentary Oversight	
Australia	12	2.96	19	0.23	57.3	🔴	🔴	🔴	🔴	🟡	
Belgium	16	2.2	9	0.54	63.4	🟢	🟡	🟡	🟢*	🟡	
Canada	9	4.28	16	0.26	79.6	🟢	🔴	🔴	🟡	🟢	
Denmark	14	2.4	4	0.72	49.2	🟢	🔴	🔴	🟢*	🟡	
France	5	11.36	10	0.43	46.4	🟢	🟡	🟢	🟡	🟡	
Germany	2	24.68	6	0.66	60.8	🔴	🟡	🟡	🟢	🟡	
Italy	6	5.73	14	0.29	45.5	🟢	🔴	🟢	🔴	🟡	
Japan	4	11.48	18	0.23	38.8	🔴	🟡	🟢	🔴	🟢	
Netherlands	8	4.95	7	0.60	70.1	🔴	🔴	🟢	🟢*	🔴	
Norway	10	4.12	3	0.99	43.3	🔴	🔴	🔴	🔴	🔴	
South Korea	15	2.2	24	0.14	36.9	🟢	🟡	🟢	🔴	🟡	
Spain	13	2.41	20	0.19	35	🔴	🟢	🟡	🟡	🟡	
Sweden	7	5.51	1	1.01	71.2	🔴	🟢	🔴	🟢	🔴	
Switzerland	11	3.1	8	0.46	50.9	🔴*	🟢	🟢	🔴	🟡	
United Kingdom	3	17.94	5	0.70	90.9	🟢	🟢	🔴	🟢	🟢	
United States	1	35.26	21	0.18	68.7	🟢	🟢	🟡	🟡	🟡	



# Independent Evaluation

*Cartwright: I fear I will rise no higher.*

*Hacker: Why not?*

*Cartwright: Alas, I am an expert.*

- The Challenge, Yes Minister

Country	Volume Rank & Size (USD billions)		GNI Rank & Percentage		Transparency Index	Legislation	Separate Agency	Role of Cabinet and Finance	Ministerial Oversight	Parliamentary Oversight	Independent Evaluation
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France	5	11.36	10	0.43	46.4	●	●	●	●	●	●
Germany	2	24.68	6	0.66	60.8	●	●	●	●	●	●
Italy	6	5.73	14	0.29	45.5	●	●	●	●	●	●
Japan	4	11.48	18	0.23	38.8	●	●	●	●	●	●
Netherlands	8	4.95	7	0.60	70.1	●	●	●	●*	●	●
Norway	10	4.12	3	0.99	43.3	●	●	●	●	●	●
South Korea	15	2.2	24	0.14	36.9	●	●	●	●	●	●
Spain	13	2.41	20	0.19	35	●	●	●	●	●	●
Sweden	7	5.51	1	1.01	71.2	●	●	●	●	●	●
Switzerland	11	3.1	8	0.46	50.9	●*	●	●	●	●	●
United Kingdom	3	17.94	5	0.70	90.9	●	●	●	●	●	●
United States	1	35.26	21	0.18	68.7	●	●	●	●	●	●

# Recommendations

1. Aid legislation focused on core definitions, parliamentary reporting, structures and oversight mechanisms.
2. A dedicated and empowered (preferably) cabinet-level minister focused primarily on international development.
3. Reinstitute a Cabinet–endorsed Four–Year Strategy for the entire aid program for policy and funding clarity.
4. Greater use of the parliamentary committees to drive new areas of policy priority.
5. Utilise the development of the legislation and a dedicated minister to review and strengthen:
  - The coherence of the departmental arrangements.
  - The role of the Office of Development Effectiveness.

## Further Reading

- Independent Review of Aid Effectiveness: <https://dfat.gov.au/about-us/publications/Pages/independent-review-of-aid-effectiveness-2011.aspx>
- Donor Tracker, SEEK Development: <https://donortracker.org/>
- Davies, Robin and Camilla Burkot, *Aid Law: what is it good for?*, Policy Brief 14, Development Policy Centre, June 2016: [http://devpolicy.org/publications/policy\\_briefs/PB14AidLaw\\_whatisitgoodfor.pdf](http://devpolicy.org/publications/policy_briefs/PB14AidLaw_whatisitgoodfor.pdf)
  - Jo Spratt DevPolicy Blog: <http://www.devpolicy.org/aid-law-rules-20160714/>
  - Robin Davies response: <http://devpolicy.org/aid-law-wars-lawyers-v-scandal-mongers-20160722/>
- Faure, Raphaëlle, Catahal Long and Annalisa Prizzon, *Do organisational and political models for development cooperation matter for development effectiveness*, Working Paper, Overseas Development Institute, April 2015: <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9611.pdf>
- OECD Development Assistance Committee Peer Reviews: <http://www.oecd.org/dac/peer-reviews/>



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